



James Ellis  
Head of Legal and Democratic  
Services

**MEETING** : AUDIT AND GOVERNANCE COMMITTEE  
**VENUE** : COUNCIL CHAMBER, WALLFIELDS, HERTFORD  
**DATE** : TUESDAY 24 JANUARY 2023  
**TIME** : 7.00 PM

**PLEASE NOTE TIME AND VENUE**

This meeting will be live streamed on the Council's Youtube page:  
<https://www.youtube.com/user/EastHertsDistrict>

**MEMBERS OF THE COMMITTEE**

Councillor Mark Pope (Chairman)  
Councillors A Alder, S Bell, K Crofton, R Fernando, A Huggins and  
A Ward-Booth (Vice-Chairman)

**Substitutes**

Conservative Group: Councillors J Burmicz and A Curtis  
Liberal Democrat Councillor M Goldspink  
Group:

*(Note: Substitution arrangements must be notified by the absent Member  
to Democratic Services 24 hours before the meeting)*

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- 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.

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## AGENDA

1. Apologies

To receive any apologies for absence

2. Minutes - 15 November 2022 (Pages 6 - 25)

To approve as a correct record the minutes of the meeting held on 15 November 2022.

3. Chairman's Announcements

4. Declarations of Interest

To receive any declarations of interest.

5. Training - Hertfordshire Waste Partnership - Waste Management - Financial Drivers

6. Budget 2023/24 and Medium Term Financial Plan 2023 – 2028 for scrutiny (Pages 26 - 51)

7. Investment Strategy 2023/24 - 'To Follow'

*Report to follow.*

8. Draft Capital Strategy and Minimum Revenue Provision Policy 2023/24 Onwards (Pages 52 - 112)

9. Draft Strategic Asset Management Plan 2023- 2028 (Pages 113 - 165)

10. Financial Management 2022/23 - Quarter 2 Forecast to Year End - 'To Follow'

*Report to follow.*

11. Shared Internal Audit Service - Progress Report - January 2023 (Pages 166 - 177)
12. Data Protection Update (Pages 178 - 183)
13. Audit and Governance Committee Work Programme (Pages 184 - 198)
14. Urgent Items

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

# Agenda Item 2

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MINUTES OF A MEETING OF THE  
AUDIT AND GOVERNANCE COMMITTEE  
HELD IN THE COUNCIL CHAMBER,  
WALLFIELDS, HERTFORD ON TUESDAY 15  
NOVEMBER 2022, AT 7.00 PM

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PRESENT: Councillor M Pope (Chairman)  
Councillors S Bell, K Crofton, R Fernando,  
A Huggins and A Ward-Booth

ALSO PRESENT:

Councillors G Williamson and P Ruffles

OFFICERS IN ATTENDANCE:

Michele Aves	- Democratic Services Officer
Jackie Bruce	- Infrastructure Contributions and Spend Manager
Steven Linnett	- Head of Strategic Finance and Property
Ben Wood	- Head of Communications, Strategy and Policy

ALSO IN ATTENDANCE:

Simon Martin	- Shared Internal Audit Service
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208 APOLOGIES

An apology for absence was received from Councillor Alder.

209 MINUTES - 19 JULY 2022 AND 29 SEPTEMBER 2022

It was moved by Councillor Fernando and seconded by Councillor Ward-Booth that the Minutes of the meeting of the Committee held on 19 July 2022, be confirmed as a correct record and signed by the Chairman. After being put to the meeting, and a vote taken, this motion was declared CARRIED. It was noted that Councillor Huggins abstained from the vote as he was not present at the meeting of the Committee on 19 July 2022.

**RESOLVED** – that the Minutes of the Committee meeting held on 19 July 2022, be confirmed as a correct record and signed by the Chairman.

It was moved by Councillor Crofton and seconded by Councillor Huggins that the Minutes of the meeting of the Committee held on 29 September 2022, be confirmed as a correct record and signed by the Chairman. After being put to the meeting, and a vote taken, this motion was declared CARRIED. It was noted that Councillor Fernando abstained from the vote as he was not present at the meeting of the Committee on 29 September 2022.

**RESOLVED** – that the Minutes of the Committee meeting held on 29 September 2022, be confirmed as a correct record and signed by the Chairman.

210 CHAIRMAN'S ANNOUNCEMENTS

The Chairman reminded participants to use their microphones when speaking as the meeting was being webcast.

211 DECLARATIONS OF INTEREST

There were no declarations of interest.

212 SECTION 106 UPDATE REPORT

The Infrastructure Contributions and Spend Manager introduced the report which was the third annual Section 106 Update to the Committee and included Appendix A – East Herts Council Annual Infrastructure Funding Statement 2021/2022. She highlighted the key points included in the Annual Infrastructure Funding Statement and said that the statement would be published on the Council's website and submitted to Central Government once reviewed and received by the Committee.

The Infrastructure Contributions and Spend Manager said that she had been specifically asked by the Committee for detail on how she dealt with late payments. She advised that all new Section 106 agreements contain a clause to cover any late payment of contributions by the developer, with late fees and compound interest added. She said that no late payment fees had been charged since 2020, due to a complete review of agreements and her positive relationship with developers.



The Infrastructure Contributions and Spend Manager drew Members' attention to the potential legislative changes to Section 106 and the information contained within the report relating to the September 2022 Fiscal Statement

The Chairman asked if the aforementioned generated income went into the Council's Planning Budget. The Infrastructure Contributions and Spend Manager said that this was the case.

Councillor Crofton thanked the Infrastructure Contributions and Spend Manager for her informative report and referred to page 50, which showed Section 106 income and allocation data. He asked if this data showed a drag forward from 2021. The Infrastructure Contributions and Spend Manager explained that all the contributions received went into a bigger pot, and never balanced out year on year as the agreements were signed when planning permission was decided, which could be two years in advance of any payments being triggered.

Councillor Crofton asked for clarification of where the Section 106 funds had to be spent. The Infrastructure Contributions and Spend Manager said that the locality of where the money was spent had to conform with the wording of the Section 106 agreement itself and was to be used for the benefit of new residents. She explained that Hertfordshire County Council contributions not East Herts Council contributions from a Watton-at-Stone Section 106 agreement were used for Ware Library.

Councillor Huggins asked what controls were in place to ensure that money was being spent to deliver what was desired locally. The Infrastructure Contributions and Spend Manager said that this was an ongoing mission and

explained how she was reliant on her close working relationship with Planners, Town and Parish Councils, Ward Members and local organisations to identify potential contribution uses. She said that she had tried to make Section 106 as visible and accessible as possible, and the Section 106 funding webpage included an 'expression of interest' web form.

The Chairman asked for examples of works carried out to promote sustainability other than solar panels and electric vehicle charging points. The Infrastructure Contributions and Spend Manager said that bidders were asked to make projects sustainable, as payments were one off and not ongoing. She gave the example of asking that recycled materials be used for playground surfaces.

The Chairman referred to paragraph 3.1.7 of the report and asked if the indexation of payments applied to the period in between the date set out in the legal agreement and when payments were triggered. The Infrastructure Contributions and Spend Manager said that this was the case and referred the Committee to Appendix B of the report, which showed the typical Section 106 requirements including the indices used and the usual indexation calculation start dates.

The Chairman asked why in some cases the period in which the contributions had to be spent had shortened. The Infrastructure Contributions and Spend Manager said that this was dependent on negotiations with the individual developer, with some larger developers preferring a Consumer Price Indexed (CPI) spend over five years. She said that this was not a problem as projects could be targeted within this time frame and were monitored closely.

Councillor Crofton asked how affordable housing Section 106 agreements worked. The Infrastructure Contributions and Spend Manager explained that there were two options, the first was onsite provision where the developer built housing which was then taken over by a registered housing provider, i.e. a housing association. The second option, if no social housing was provided on site, would be a financial contribution in lieu of provision. This would see funds being held by the Council, and then, via close working with colleagues in the Housing and Health Department, monies spent by housing associations to build extra social housing, which the Council then allocated.

The Chairman thanked the Infrastructure Contributions and Spend Manager for her report and her work.

**RESOLVED** – that the Infrastructure Funding Statement 2021/2022 and Section 106 Funding Report be noted and received.

## 213 SHARED INTERNAL AUDIT SERVICE - PROGRESS REPORT

The Shared Internal Audit Service Manager introduced the report, which was the second progress update for 2022/2023. He referenced that to date 44% of the Internal Audit Plan days had been delivered and highlighted the outcome of four audits which had been completed since the last report to the Committee.

The Shared Internal Audit Service Manager referred to page 105 of the report which detailed one further unplanned audit which had been added to the audit plan. This audit related to the handling of noise and nuisance

complaints made to the Council. He also drew Members' attention to page 110 of the report which showed the status of critical and high priority recommendations.

The Chairman thanked the Shared Internal Audit Service Manager for his report and verbal update and asked how long the noise and nuisance audit would take. The Shared Internal Audit Service Manager said that this was dependent on the scope for each audit, in this case 10.5 days. He said that once the audit was completed a report would be circulated.

It was moved by Councillor Fernando and seconded by Councillor Crofton that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** – that (A) Members note the Internal Audit Progress Report;

(B) Members approve the Internal Audit Plan changes; and

(C) Members note the status of critical and high priority recommendations.

214 PROGRESS OF THE DELIVERY OF THE 2022/23 ANTI-FRAUD PLAN

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The Head of the Shared Anti-Fraud Service was unavailable to attend the meeting. The Committee was asked if they had any questions regarding the report, which would be forwarded to the Head of The Shared Anti-Fraud Service for his attention and response.

There were no questions from the Committee.

**RESOLVED** – that The Progress of the Delivery of the 2022/2023 Anti-Fraud Plan Report be noted and received.

215 BUDGET 2023/24 AND MEDIUM TERM FINANCIAL PLAN  
2023 – 2028 PREPARATION \_\_\_\_\_

The Executive Member for Financial Sustainability introduced the report which followed on from the paper presented to the Executive last month. This set the scene for the budget and the revised Medium Term Financial Plan for 2023 to 2027 and detailed the events which impacted the Council's finances. He said that various assumptions were being made in the preparation of the budget at this stage, to include the raising of Council Tax by the allowed maximum of £5 (on a Band D property) without a referendum.

The Executive Member for Financial Sustainability said that another year of receiving the New Homes Bonus was possible as Government funding was again being rolled forward and that the Council's Transformation Project, which was key for delivering the savings required was well underway. He said that the re-phasing of the capital programme and revenue impacts of capital financing had been agreed to reduce savings requirements.

The Chairman asked what the Executive's position would be if the Government's Autumn Statement relaxed an Authority's ability to raise Council Tax by more than the current maximum of £5 as rumoured. The Executive Member for Financial Sustainability said that he was hesitant to comment as this was only a rumour, but that

there would still be caution in raising Council Tax significantly above the current maximum if this did transpire.

Councillor Huggins asked for the Executive's position regarding the rolled forward New Homes Bonus being considered as a windfall and not a continuous prop to budgets. The Executive Member for Financial Sustainability said that he would not describe the New Homes Bonus as a windfall, but that it was certainly helpful. He said that as per the report, £400,000 of potential bonus had been put aside for the refreshing of the District Plan, with £400,000 put into reserves for future funding pressures.

Councillor Crofton asked for further information regarding the delay in the Hertford Theatre Project. The Executive Member for Financial Sustainability said that the original business case did expect the Council to be receiving an income from the Theatre earlier than now expected, but as with any major project delays did occur. He said that the delay to the project was due to several factors, with tenders going back out to the market on three occasions to get a contractor on site.

Councillor Crofton said that it was disappointing that there was no information within the report relating to the Council's investment portfolio, namely a profit and loss spreadsheet for Millstream Property Investments Ltd (Millstream). The Head of Strategic Finance and Property said that as per the Council's Constitution, Millstream's Business Plan went to Council each year for approval. He said that the Audit and Governance Committee's remit was to carry out audit function, but as Millstream was a separate private company the Council had no involvement

in its audit function (bar some input into its external auditors).

The Head of Strategic Finance and Property said that 'investment property' had a particular definition within the Council's accounts, with some properties therefore not classified as such, i.e. Jackson Square Car Park - which was classed as an operational asset. He said that should the Committee require detailed information regarding every profit-making property he would have to consult with the Property Team.

Councillor Crofton said that Millstream should be accountable to the Audit and Governance Committee as it was part of East Herts Council, and that the information presented to Council was not adequate. The Head of Strategic Finance and Property said that the report which goes to Council included a Part 2 appendix. He reiterated that Millstream was a private company, of which the Council was a shareholder. He said that he would need to take advice from the Monitoring Officer to check the mechanics relating to Councillor Crofton's request and would then come back to the Committee.

Councillor Crofton referred to paragraph 1.14 of the report and asked for further clarification regarding the controls to the capital programme. The Executive Member for Financial Sustainability said that the Council had an ambitious capital programme which had tied up capital reserves. He said that borrowing was planned carefully, and that nothing else could be added to the programme. He added that re-phasing may be a possibility, but there was no need to borrow further beyond what was agreed at Council in March.

The Chairman referred to page 131 of the report which detailed that budget proposals should be based on contract inflation up to 4% and asked if this was based on an average of 4% for the life of the Medium Term Financial Plan. The Head of Strategic Finance and Property said that the 4% applied to the 2023/2024 period, with 4% for the provision of the national pay award and 4% for contract inflation. He said that as the Medium Term Financial Plan covered five years it was assumed that inflation would fall back. He said that the inflation of 9% on the refuse contract was made up of a basket of items, the largest of which were increases to private sector pay and the cost of diesel.

The Chairman referred to page 135 of the report which related to the additional funding for the waste contract and asked for clarification on where these funds were coming from. The Head of Strategic Finance and Property said that the proposed changes to the weekly food collection would save money, but that there were lots of unknowns and risks around the contract. He reassured Members however that there was flexibility available to enable tweaks to the contract should issues arise.

The Chairman referred to page 136 of the report and asked if the Council would consider offering more than the current 50% work from home scheme to employees under the Transforming East Herts Programme. The Head of Strategic Finance and Property said that to do so would enable the Council to rent out further office space, or possibly move elsewhere but this did have consequences both in terms of creativity, interaction with colleagues and staff preferences.

The Chairman referred to page 136 of the report and asked how likely it was that the significant sources of



additional income noted would be received. The Head of Strategic Finance and Property said that the increase to planning fees were highly likely. He said that New Burdens Funding will be received as per the New Burdens Agreement, but much will depend on how this funding is calculated and the attitude to garden waste fees.

The Head of Strategic Finance and Property asked if the Committee felt they would benefit from a Hertfordshire Waste Partnership representative speaking at a future meeting on waste funding models. Members agreed that this would be beneficial.

The Chairman referred to page 138 of the report and asked for further detail on the General Fund. The Head of Strategic Finance and Property said that at this stage reserves were being used to balance the budget, which were low compared to other councils. He said that borrowing was being kept back for any unforeseen events, using cheaper short-term borrowing rates as per advice from the Treasury.

The Chairman referred to page 144 of the report and asked if the £800,000 of savings required related to the current year. The Executive Member for Financial Sustainability said that that this was the case, with work done so far showing that much of these savings could be achieved from structural changes and further efficiencies, details of which will follow later in the cycle. He said that in relation to future years all areas of Council spending would need to be closely looked at.

**RESOLVED** – that the Budget 2023/2024 and Medium Term Financial Plan 2023 – 2028

Preparation Report and appendices be noted and received.

216 TREASURY MANAGEMENT ANNUAL REVIEW 2021/22

The Head of Strategic Finance and Property introduced the report, which looked back at the 2021/2022 financial year. He drew Members' attention to the Executive Summary on page 173 - Appendix A, which showed the effects of major project delay on capital expenditure and detailed the Council's needs and position with regards to borrowing.

The Head of Strategic Finance and Property said the Council was repaying a loan from the 1980s with the Public Loan Works Board (PWLB) , which had an interest rate based on gilt yields and not the Bank of England base rate. He explained that short term borrowing was currently a cheaper option as again it was not linked to the base rate but instead Sterling Overnight Index Average (SONIA) .

The Head of Strategic Finance and Property referred to page 187 of the report which detailed the Council's investments with Lothbury Property Trust and Hermes Property Trust. He said that both trusts had waiting lists to invest and were ahead of the curve with regards to property trends. He said that the trusts published their returns to their websites, and the links for these could be sent to the Chairman.

The Chairman thanked the Head of Strategic Finance for the interesting document.

It was moved by Councillor Fernando and seconded by Councillor Huggins that the recommendations, as detailed,

be approved. After being put the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** – that Members examine and comment on the Treasury Management Activity and Prudential Indicators for 2021/2022 (Appendix A).

217 MONITORING OF 2022/23 QUARTER 2 CORPORATE RISK REGISTER

The Head of Strategic Finance and Property introduced the report which covered Quarter Two of 2022/2023. He said that the usual report officer had now left the Council and so this responsibility had now passed to an Officer from the Communications, Strategy and Policy Team.

The Head of Strategic Finance and Property drew Members' attention to page 196 of the report which gave a summary of the updates to risks.

Councillor Fernando said that he noted that the register still had the resilience of IT scored as an A3 risk. He said that as per the recent Council IT outage, it was likely that despite ongoing works this may reoccur more than annually. He said he was therefore concerned that the risk may be being underemphasized. The Chairman said that conversations regarding the upgrade of this risk had been had at previous meetings of the Committee and he shared Councillor Fernando's concerns. The Head of Strategic Finance and Property said that he would feed the Committee's comments regarding this risk back to the Deputy Chief Executive.

The Chairman asked if the Risk Matrix should have been included in the report. The Head of Strategic Finance and Property said that it should, but that the matrix could be viewed on line via the Pentana portal.

The Head of Strategic Finance and Property said that lots of the Council's IT systems currently sat in isolation from the website. He said that this was advantageous as it made them difficult to attack, but that planned digital enhancements would raise risks.

Councillor Crofton asked if the Council was able to find a different IT partner. The Executive Member for Financial Stability said that change was needed, but that care was needed to ensure that any change was not disadvantageous. He said that a new Joint Information and Technology Committee had been formed, comprising of three members each from East Herts Council and Stevenage Council plus Senior Officers. He said that it was however, reasonable for the Council to scope out alternative options.

The Chairman asked Members if they were in agreement that the risk score given to IT should be moved from A3 to A4. After discussion Members agreed that the IT risk should be moved from A3 to A4 in the Risk Register.

The Chairman referred to paragraph 3.1 of the report and asked for clarification of the risk tolerance levels set by the Leadership Team. The Head of Strategic Finance and Property explained that risks above the tolerance level were actively managed, he reminded the Committee that IT was already in this 'hot zone' with its current risk score of A3.

Councillor Fernando referred to page 207 of the report and said that the risk register triggers relating to the performance of IT systems needed to be expanded. He said that the Council's recent IT outage would not have been seen as a trigger in the current summary of corporate risks. Members agreed that the Deputy Chief Executive should review the risks, triggers, consequences and mitigation/controls relating to the performance of the Council's IT systems.

Members discussed their concerns and the issues surrounding the other risks as detailed in the summary of corporate risks. The Head of Strategic Finance and Property gave explanation for the scoring of these risks and their mitigation/controls. Members agreed that no further action was required in relation to these risks at this time.

It was moved by Councillor Fernando and seconded by Councillor Bell that the recommendations, as detailed in the report and appendix, be approved with the following additions;

- that the risk score for the performance, resilience and security of IT systems be upgraded from A3 to A4 in the Corporate Risk Register
- that the Deputy Chief review the risks, triggers, consequences and mitigation/controls relating to the performance of the Council's IT systems.

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

**RESOLVED** – that the 2022/2023 Quarter Two Corporate Risk register be reviewed, and that

the score for the performance, resilience and security of the Council's IT systems be upgraded from A3 to A4 in the Corporate Risk Register, and that the Deputy Chief Executive review the risks, triggers, consequences and mitigation/controls relating to the performance of the Council's IT systems.

218 TEMPLATE TO CALCULATE FULL COST RECOVERY UNDER THE FEES AND CHARGES POLICY

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The Head of Strategic Finance and Property introduced the report. He said that the template was required under the Fees and Charges Policy, which would be presented to the Executive in December following scrutiny by the Committee.

The Head of Strategic Finance and Property explained to the Committee the methodology and calculation on which the template was based.

The Chairman referred to the table on page 5 of the report and asked if there should be an asterix after the words 'Non-chargeable time'. The Head of Strategic Finance and Property said that this was correct, and there should also be an asterix in paragraph 1.7.

The Chairman asked if the system would be able to calculate the charge for a garden waste bin on a pro rata basis (i.e, should a resident move into a property part way through a year). The Head of Strategic Finance and Property said that the charge for the garden waste bin was reasonable, and that the charges to amend a direct debit with the waste contractor were expensive and so this was not viable.

The Head of Strategic Finance and Property drew Members' attention to Appendix B of the report which gave an example of the Residents Parking Zone completed charges template.

It was moved by Councillor Fernando and seconded by Councillor Crofton that the recommendations, as detailed, be approved. After being put the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** – that Members endorse the Template to Calculate Full Cost Recovery under the Fees and Charges Policy.

## 219 AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME

The Head of Strategic Finance and Property introduced the report. He advised that a Sub-Committee meeting had provisionally pencilled into the work programme for December 2022, should the Auditor's accounts be available.

Councillor Fernando questioned if the Cyber Training which was arranged for the March 2023 meeting of the Committee was timely, as such training would need to be repeated for Members post the May 2023 elections. The Head of Strategic Finance and Property said that Cyber Training had been requested by the Committee for some time, in particular assurance around the cyber control framework. The Chairman and the Shared Internal Audit Service Manager agreed that Cyber Training was appropriate for the Committee as planned.

The Head of Strategic Finance and Property said that the January 2023 meeting was programmed with the Statement of Accounts training. He said that the May 2023 meeting was programmed with 'The Role of the Audit and Governance Committee' training. The Chairman said this was agreeable.

The Head of Strategic Finance and Property explained how 2023/2024 would see the Committee reduce from five meetings to four meetings per year.

Councillor Crofton said that the analysis of Millstream Property Investments Ltd, to include the profit and loss account should be added to the work programme. The Head of Strategic Finance and Property said that he and the Democratic Services Officer would discuss the scope for this request with the Monitoring Officer and communicate back to the Committee before the next meeting.

It was moved by Councillor Fernando and seconded by Councillor Crofton that the recommendations, as detailed, be approved. After being put the meeting and a vote taken, the motion was declared CARRIED.

**RESOLVED** – that; (A) Members approve the work programme as set out in the report; and

(B) Specify any training requirements.

## 220 URGENT ITEMS

There were no urgent items.

The meeting closed at 9.32 pm



Chairman .....

Date .....

# Agenda Item 6

## **East Herts Council Report**

### **Audit & Governance Committee**

**Date of meeting:** 24 January 2023

**Report by:** Councillor Geoffrey Williamson, Deputy Leader of the Council and Executive Member for Financial Sustainability

**Report title:** Budget 2023/24 and Medium Term Financial Plan 2023 – 2028 for scrutiny

**Ward(s) affected:** All

**Summary** – This report sets out the Executive’s Medium Term Financial Plan (MTFP) which is based on the expectation of local government experiencing a further round of austerity. The council’s financial position has been updated for the provisional Local Government Finance Settlement but cannot be finalised until the Business Rates income estimate has been completed, which has been delayed by system problems.

### **RECOMMENDATIONS FOR AUDIT AND GOVERNANCE COMMITTEE:**

- a)** Note that the proposed budget will make use of the flexibility from Government to increase Council Tax by 2.99%, which will result in a Band D Council Tax increase of £5.50 which is 50 pence a year more than the planned £5 increase included in the March 2022 Medium Term Financial Plan;
- b)** Note that Leadership Team will proceed with the savings plan for 2023/24 for changes under delegated authority and that do not directly impact residents or all of local businesses;
- c)** Note that in order to smooth the delivery of the substantial savings targets over the Medium Term Financial Plan that the

General Reserve and the Interest Equalisation Reserve are used as reported;

- d)** Note that a temporary use of £400k of the New Homes Priority Spend Reserve, repayable in 2027/28 and 2028/29, may be used to assist with smoothing the delivery of savings as reported;
- e)** Note the pausing of non-essential capital schemes to prioritise completion of the major projects; provide essential capital financing for the purchase of food waste caddies and changes to Buntingford Depot as part of the new contract fuel and energy strategy;
- f)** Note that the pausing of the £9.6 million of capital spend will reduce revenue costs of Minimum Revenue Provision and interest by £719k per annum on rebased capital financing charges using current interest rates;
- g)** Note that the savings requirements, that will need to be delivered to balance the budget in the Medium Term, the delivery profile of which has been smoothed using earmarked reserves, are:

2023/24	£822k
2024/25	£2,170k
2025/26	£2,192k
2026/27	£2,053k
2027/28	£567k.
- h)** Note that the level of budget reductions required to balance the budget in the medium term is beyond further efficiency measures alone and instructs Leadership Team to commence preparations for the Reconciling Policy, Performance and Resources exercise that the new Council, elected in May 2023, will need to undertake alongside the new Corporate Plan, to balance the budget over the medium term; and
- i)** Agree any recommendations to Executive arising from Committee's scrutiny of the budget and in particular respond to Executive's request to consider the savings items reserved for

Member decision and to advise Executive of any significant adverse impact on the district of recommending to Council these savings are implemented.

## **1.0 Proposal(s)**

- 1.1 The Medium Term Financial Plan (MTFP) presented to Council in March 2022 has been updated to reflect the Autumn Statement and the forecast recession. The revised MTFP position is shown in Appendix A. This takes into account the costs of the 2022/23 employer's pay offer to the unions which was £311,860 more than the budget provision in 2022/23 which causes compound increases in future years of the MTFP. Contract inflation was set at 4% for 2022/23 and actual inflation was much higher and the pressure of £529,632 and compound increases have been built into future years of the MTFP.
- 1.2 A number of key assumptions have been made in refreshing the MTFP and these are detailed in the following paragraphs.
- 1.3 The Council Tax Base was set at Council in December at 63,892.8. The assumption is that Local Council Tax Support cases will increase by 10% but there has been and is forecast to be additional growth from new properties. These assumptions provide for a prudent level of increase in tax base overall whilst avoiding a potential Collection Fund deficit in 2023/24 should the estimate of new properties fail to materialise or there is an upswing in Working Age Local Council Tax Support claims – the growth built into the taxbase has been suitably reduced to prevent optimism bias in the forecast. The 2008 financial downturn took until 2010 to have a marked effect on council taxbases with 2010 seeing almost zero growth across all of the English taxbases.
- 1.4 The Government announced at the Autumn Statement that they would allow flexibility on Council Tax increases and for referenda

purposes with the Council being permitted the higher of £5 or 3%. The Provisional Local Government Financial Settlement set out the referendum principles and the actual maximum increase is 2.99% and a 3% increase will actually result in a referendum. MTFP assumptions are now that Council Tax increases will be at the rate of 2.98% for the MTFP period. This new increase will add 50 pence to the planned increase for 2023/24 so that the 2023/24 Band D equivalent Council Tax will now increase by 2.99% (£5.50) to £189.59 for the year. The additional Council Tax revenue generated is £31,946 which otherwise would be permanently foregone. The previous MTFP plan for Council Tax would have seen an increase of 2.7% (£5) to £189.09 for the year.

- 1.5 Although government have given a strong commitment to update the current local government funding regime, it is now unlikely that reforms will be implemented before the general election. The MTFP has therefore been updated to reflect the impact of a delay to funding reform and the current grant funding being rolled forward.
- 1.6 On 19 December 2022, the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC), Rt. Hon. Michael Gove MP, released a written statement to Parliament on the provisional local government finance settlement 2023/24. The main points were:
  - 1.6.1 Council Tax referendum principal to be set at the greater of £5 or 2.99%
  - 1.6.2 Business Rates Retention – the government has changed the inflation measure used to increase the local government funding amount within the Settlement Funding Amount (SFA). CPI (September increase of 10.1%) has been used, instead of RPI (September increase of 12.6%). The increase of 10.1% is split

between the business rates system (+3.74%) and the compensation grant for under-indexing (+6.36%). The under-indexing multiplier grant has increased (by £930m), in order that local authorities do not lose what would have been the increase to the multiplier. The amount for East Herts is £481k.

- 1.6.3 For those authorities still receiving RSG, this has been increased by 10.1%, in line with what would have been the increase to the multiplier; there have also been existing grants worth £78m rolled into the RSG amounts. East Herts does not receive RSG.
- 1.6.4 Negative RSG – As in previous years, the government has decided to eliminate the negative RSG amounts which advantages East Herts.
- 1.6.5 As per the previously published Policy Statement, the Review of Relative Needs and Resources ('Fair Funding Review') and a reset of Business Rates growth will not be implemented in the next two years.
- 1.6.6 Reduced: Services Grant (Previously the 2022/23 Services Grant) – This grant has been reduced from £822m to £464m. This reduction is due to the cancellation of the increase in National Insurance Contributions and to move funding to the Supporting Families programme. The methodology for the grant remains unchanged. For East Herts the grant reduces from £188k to £106k.
- 1.6.7 Reduced: New Homes Bonus - The 2023/24 allocations have been announced at £291m; a reduction of £265m on 2022/23. There have been no changes to the design of the scheme for 2023/24, with a single year's new allocation. The large reduction in funding from the scheme is due to all prior years' legacy payments having

now been paid. For East Herts the New homes Bonus award for 2023/24 is £931k.

- 1.6.8 Abolished: Lower Tier Services Grant – This grant (worth £111m in 2022/23) has been removed and replaced by the Minimum Funding Guarantee of 3% for 2023/24. East Herts received £199k in 2022/23.
- 1.6.9 New: Funding Guarantee – This £136m grant replaces the Lower Tier Services Grant. This grant is intended to provide a funding floor for all local authorities, so that no local authority would see an increase in Core Spending Power that is lower than 3% (before assumptions on council tax rate increases, but includes those on Council Tax base). East Herts will receive £774k in 2023/24.
- 1.10 The Actuary is finalising the triennial revaluation of the Pension Fund and the actual deficit cash payment cash contribution to pay off the past service deficit arising in the pension fund will be reduced to £637k per year, a saving of £163k on previous assumptions.
- 1.11 Pay inflation, already increased by the 2022/23 employer's pay offer was originally set at 2% for 2023/24. In line with inflation forecasts this has been increased to 4% in 2023/24 but remaining at 2% in future years. Contract inflation was set at 4% in 2022/23 and 2.5% thereafter. Given the actual inflation in 2022/23 the inflation provision has been increased across each year to reflect the compound increase on the base. Contract inflation for 2023/24 has been increased from 2.5% to 4%. A further provision of £180k has been set aside for unavoidable service cost pressures that cannot be absorbed in budgets. For example, the business rates revaluation assessments are starting to arrive, and the council faces substantial increases on rates bills for offices and multi-storey car parks. Pressures from

energy cost increases are feeding through from the leisure contractor and we are negotiating ways to mitigate that pressure. Harlow and Gilston Garden Town co-ordination is currently grant funded by DLUHC and there is some doubt that this grant will continue. If the grant ceases partners in the project may need to find up to an additional £50k each to support the co-ordination work.

- 1.12 The delay in Hertford Theatre has meant that the net income stream for the theatre has been moved back to 2025/26. The £1 million additional funding for weekly food collections has been moved from 2024/25 to 2025/26 to reflect the anticipated start of the new refuse, recycling and cleansing contract. In addition, a further £1 million has been added to the budget to meet potential increases in the contract costs going forward.
- 1.13 There has been slippage on the capital programme and therefore the capital programme has been re-phased to reflect this. In addition, priority has been given to: completing the major projects; essential maintenance only on operational assets; essential investment for the new waste contract; and continuing to deliver means-tested statutory housing improvement loans. As a result of the prioritisation exercise £9.560 million of capital expenditure has been paused until such time as it is affordable for the council to start the projects back up again. The paused projects are shown in Approved but not yet committed section. Should the projects become affordable due to reductions in cost and interest rates then they are easily committed and transferred back to the main programme under delegation. The Elizabeth Road redevelopment will be progressed only as far as planning permission and, should planning permission be granted, officers will undertake a final viability test but on current returns it is anticipated that the best



return to the council will be to put it up for sale with planning permission, which will increase the capital receipt to the council. Elsewhere on the agenda is the draft Asset Management Plan which has an emphasis on reviewing land holdings and seeking disposal of land and assets no longer required to maximise capital receipts. Capital receipts will be used to replace borrowing thus reducing revenue costs – for every £100k of borrowing replaced by capital receipt the council avoids £7,503 in revenue costs per year for the next 30 years (borrowing £100k for 30 years costs £225k in total so generating capital receipts and reducing borrowing has both medium and long term advantages for the taxpayer.

- 1.14 The interest rate payable by capital schemes has been increased to the actual loans rates on 2 December 2022 which is an average of 4.17% Officers, on the advice of the Treasury Advisors, anticipate that rates will fall during 2023 and 2024 so it is likely that actual borrowing rates will be less. However, the Council cannot set a budget based on rate expectations and must use actual rates. Using the rate of 4.17% on the reduced capital programme results in an increase on the interest payable budget of £472k and a reduction in Minimum Revenue Provision of £207k resulting in an overall pressure of £265k
- 1.15 The current capital programme has effectively used up the borrowing headroom that the revenue account is able to sustainably resource in the medium term and it is vital that the capital programme is tightly controlled and that any additions should not increase revenue costs. Newly emerging policies and strategies should be framed in the light of capital resources being scarce and not creating a revenue pressure in future years. In the current environment many councils are contemplating cancelling outright capital projects. East Herts has already

prioritised and paused a number of projects, but the new Council elected in May will need to consider the capital programme and associated costs as part of the Reconciling Policy, Performance and Resources process alongside the formation of the new Corporate Plan. Members should be aware now that there is absolutely no further capacity for significant additional borrowing for new projects in the medium term and that the affordability of the current programme is being kept under constant review, in line with the Prudential Code, and that sustained upward movements in PWLB interest rates will require further reductions from the programme unless capital receipts can be generated to replace borrowing.

- 1.16 The Transforming East Herts Programme is designed to modernise the council and deliver services that are digital by default ensuring end to end services are available 24/7 on the web. To be clear, there will still be a customer contact centre with members of staff on the telephone for those residents who cannot use digital services and/or need a customer contact agent to deal with complex queries. Adopting hybrid working and adopting modern workspaces should result in space being available in Wallfields to rent out. Further savings from additional rental or enabling the Wallfields campus to be sold to generate a capital receipt are being considered by officers.
- 1.17 There are two possible significant sources of additional revenue not included in the MTFP due to the fundamental uncertainty of the amounts and timing. The Levelling Up Bill indicates a potential 35% increase in planning application fees that would yield about £460k of additional income. There is no New Burdens Funding in the MTFP for 25/26 onwards for changes to refuse and recycling as part of the Government's requirement that all councils collect the same materials in the same container

so that residents are either co-mingling the same materials or source separating the same material so there is a consistent national recycling system. New burdens funding would be due on the introduction of the changed system and any funding would assist to reduce the cost. of the refuse contract.

1.18 After the changes to the capital programme and interest rates and increased inflation and other pressures have been reflected in the MTFP the savings requirement increases by £1.769 million. Reductions to the savings target can be achieved through asset sales and replacement of borrowing by capital receipts received on those sales. The savings delivery profile, without smoothing was front loaded almost entirely into 2024/25 and 2025/26. In order to smooth out delivery over the term of the MTFP it is proposed to use:

1.18.1 £800k from the Interest Equalisation Reserve to mitigate against higher borrowing costs;

1.18.2 £700k from the General Reserve to be repaid at £150k a year from 2027/28 onwards; and

1.18.3 £400k from the New Homes Bonus Priority Spend Reserve to be repaid at £200k a year from 2027/28 onwards.

1.18.4 The anticipated News Homes Bonus Grant in 2023/24 will, after £400k is set aside to fund the review of the District Plan, be used to support the budget.

1.18.5 The additional business rates retention from membership of the Hertfordshire Pool in 2022/23 will be used in full to support the budget in 2023/24.

1.19 After the delivery profile has been smoothed the council will need to identify budget reductions as shown in the table below:

2022/23 £'000		2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
	Transforming East Herts Savings 2023/24	(822)	(822)	(822)	(822)	(822)
	Transforming East Herts Savings 2024/25		(2,170)	(2,170)	(2,170)	(2,170)
	Transforming East Herts Savings 2025/26			(2,146)	(2,146)	(2,146)
	Transforming East Herts Savings 2026/27				(1,758)	(1,758)
	Transforming East Herts Savings 2027/28					(594)
	<b>Total Transforming East Herts Savings</b>	<b>(822)</b>	<b>(2,992)</b>	<b>(5,138)</b>	<b>(6,896)</b>	<b>(7,490)</b>

1.20 Leadership Team has been working on proposals to close the budget gap for 2023/24 and the summary in the Table below shows savings that will be implemented by Leadership Team as they affect internal staff structures which are delegated to the Head of Paid Service and there are no impacts on residents and domestic customers from these proposals. Where there are impacts on non-domestic customers these are small and localised to a particular segment, for example the introduction of a charge for Section 61 notices for construction site noise. There are two proposals that require Member decision before they can be implemented and they are shown separately in the table.

Savings Type	2023/24 £(000)
Internal Structural changes	669
Supplies & Services reductions	83
Income generation	55
De-commissioning Charringtons House	29
Capital Financing change	20
Change to use external grant funding instead of council's funds	10
<b>Sub Total</b>	<b>866</b>

**For Member decision:**

Increase access to external grants to replace EHC's funds through a 'payment per results' agreement with CVS. As a result, external funding replaces council funding so reduce Community Grants from £94,000 to £40,000	54
Reduce general grants to Citizens Advice and CVS and use more payment by result service level agreements	10
<b>Sub Total</b>	<b>64</b>

<b>Grand total</b>	<b>930</b>
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- 1.21 Internal Structural changes mainly arise from changes in support service functions and expected progress on creating a centralised business support hub to provide administrative and support services for the whole council, replacing business support teams, where they exist, in service areas. As well as delivering a saving this will further embed the One Team ethos within the council.
- 1.22 Supplies and Services reductions are for small amounts across the Council. One example is Finance ending use of a separate software system by configuring the ledger system to do that work, saving £8k per year in software licence fees.
- 1.23 Income generation proposals are, in the main, new partnerships to share costs of Service Managers with neighbouring authorities who are experiencing difficulties recruiting. Another proposal is that there is a charge to Registered Providers for advertising properties on our Choice Based Lettings system, which will bring us into line with most local authorities.
- 1.24 The saving from the decommissioning of Charringtons house relates to the cost of the customer service centre located there. Due to the infrastructure in Charringtons being time-life expired we would not recover the costs of infrastructure renewal in the months before the building is handed over to CityHeart for redevelopment as part of the Old River Lane renewal project.

The main item of concern is the lift which, if it fails is beyond economic repair and would mean that tenants could not have Disability Discrimination Act compliant access and it would mean that moving tenants out would be more difficult and involve extra cost that we as landlord would be liable for. There are also particular issues with the way that mains water is supplied to the building with the pipework designed for a single occupancy building. There are several microfractures in the pipework that involve daily emptying of containers and monitoring of the fractures. In order to repair any leaks, the pipework design means that water is shut off to the whole building and we cannot isolate supply to a floor. Consequently, any repairs have to be at weekends or we have to close the building to tenants whilst repairs are undertaken. The timetable to handover to CityHeart has slipped into Autumn 2023 but Property are continuing to work to having the building vacant by 31 March 2023. Customer Services will be moving to Bishop's Stortford Town Council offices for 1 day a week opening for a trial period beginning in April 2023. Property are in discussions with the emergency services to take Charringtons for training until the building is required for handover or it is no longer suitable for training purposes. The police would use the building as a training venue to practice anti-terrorist and hostage rescue situations. Once the emergency services have utilised the building and there is no further value in the building for training purposes then Environmental Health will be requested to issue a notice to statutorily prevent occupation due to exposed asbestos. This will allow for a Class C exemption from business rates until the building is taken out of rating for demolition.

- 1.25 Capital Financing change relates to historic building loans which are being moved into the authorised but not committed part of

the capital programme. When the council switched support from grants to loans, secured by a charge on the property, the number of historic building support applications has dropped to zero. As a result the Head of Planning and Building Control has suggested we do not include this and finance it in the capital programme but move it to authorised and not committed and should an application be received, then committing the funding for an application can be quickly made by the Head of Strategic Finance & Property under delegation.

- 1.26 The final proposal is to apply for external grants and substitute using external funding instead of council taxpayers' funds. Analysis of funding available for, e.g. air quality projects shows that external funding bids could replace funding and more likely result in more being done via external funding than by being constrained by limited council resources.
- 1.27 The two savings proposals relating to grant changes require a Member decision. The proposals should be read in the context of additional grant being made via the UK Prosperity Fund allocations (which we are waiting for confirmation from DLUHC) which will initially provide an extra source of funding to bid for.
- 1.28 Our Social Value Policy is now in place and several social value priorities that bidders can choose to demonstrate social value are aimed at the voluntary community and social enterprise (VCSE) sector. Contracts over £75,000 must include social value as 10% of the award criteria and the council has listed priorities that bidders can choose to demonstrate social value. The Themes, Outcomes and Measures (TOMS) that relate to the VCSE sector are:
  - 1.28.1 Total amount (£) spent with VCSEs within your supply chain

- 1.28.2 Provision of expert business advice to help VCSEs and MSMEs achieve net zero carbon
  - 1.28.3 Equipment or resources donated to VCSEs (£ equivalent value)
  - 1.28.4 Percentage of invoices on the contract paid to MSMEs and VCSEs within 30 days
  - 1.28.5 Donations and/or in-kind contributions to specific local community projects (£ & materials)
  - 1.28.6 Support provided internally and to MSMEs and VCSEs within the supply chain to adopt Circular Economy solutions - business case and leadership for circular economy.
- 1.29 In line with other local authorities using the social value portal we will be able to report annually on social value achieved and are confident that the VCSE sector will receive new funding from this source to replace council taxpayer's funds.
- 1.30 The changes to grant funding proposed will form an agreement with CVS for payments by result – CVS will leverage in funding from other external grant sources for community groups which will result in grant payments to CVS related to the amount of external funding achieved. This will speed the transition to community groups not being reliant on East Herts for funding and combined with the expected funding boost from the social value policy, will ensure that funding is secured from diverse sources and over time increases from those other sources ensuring the sustainability of the VCSE sector in East Herts.

## **2.0 Background**

- 2.1 Significant uncertainty continues to dominate the context within which we are working towards delivering a balanced budget over the medium term. The financial outlook remains unclear with a further one-year financial settlement anticipated for 2023/24



and uncertainty whether key national reforms are subject to further delay. The national policy agenda continues to evolve rapidly, with legislative and policy changes that respond to the government's changing position as it seeks to deal with international and national issues as well as backbench MPs seeking to take advantage of the political situation to force policy changes by co-ordinating amendments likely to cause Government defeats or having to rely on opposition votes to pass legislation.

2.2 The Council's business and financial planning is underpinned by the Corporate Plan and its four priorities, which provide a clear focus for decisions about spending and savings and direct activity across the Council.

2.3 The four priorities are:

2.3.1 **S**ustainability at the heart of everything we do;

2.3.2 **E**nabling our communities;

2.3.3 **E**ncouraging economic growth; and

2.3.4 **D**igital by default.

2.4 Officers will continue to explore options to further reduce net cost to meet the savings targets. The new Council which will be elected in May 2023 will set the new Corporate Plan and alongside that undertake a Reconciling Policy, Performance and Resources exercise. This will set out the overall resource envelope and align spending with corporate plan priorities. This will include: examining service provision levels; whether non-statutory services should be provided as part of the council tax or only provided as a charged for service; and reviewing and benchmarking contracts to reflect changes in service delivery and to ensure that prices and methods remain competitive. Given the financial position, which all the districts and boroughs in Hertfordshire are also facing, East Herts Council can no longer

seek to protect the service offer to residents and hard decisions lie ahead for Members because of the current economic shocks.

### **3.0 Reason(s)**

3.1 The Council is required to set a balanced budget each year. The Local Government Finance Act 1992 requires the Council to estimate revenue expenditure and income for the forthcoming year from all sources, together with contributions from reserves, in order to determine a net budget requirement to be met by government grant, Business Rates and Council Tax.

### **4.0 Options**

4.1 Given the financial outlook the Executive have very few options available to ensure a balanced budget. Any growth the Executive wish to propose must be balanced by reductions elsewhere.

4.2 The Executive may propose a lower rate of Council Tax but this will result in additional savings requirements which will require significant changes to the service offer and the compound revenue foregone from Council Tax will be lost in perpetuity.

4.3 In order to draw up the detailed budget and MTFP the Executive agreed, as guidance to officers, that the budget proposals should be based on a Council Tax increase of £5, contract inflation up to 4%, no inflation in other goods and services budgets and that the provision for the national pay award will be up to 4%. The Autumn Statement provided a level of flexibility on Council Tax to increase by £5 or 3%, whichever is the greater. The Deputy Leader and Executive Member for Financial Sustainability was consulted and agreed that budget proposals should be brought forward based on full use of that flexibility.

### **5.0 Risks**

5.1 Significant uncertainty continues to dominate the context within which we are working towards delivering a balanced budget over

the medium term. The financial outlook remains unclear with a further one-year financial settlement anticipated for 2023/24 and key national reforms having been subject to further delay. The national policy agenda continues to evolve rapidly, with legislative and policy changes that respond to the new government's agenda, the impacts of which are not yet fully clear.

- 5.2 The council faces recruitment and retention difficulties, particularly in services where there are national shortages of professionally qualified staff. The council is examining ways to deal with this which is affordable and sustainable to the council and factors in savings against more expensive agency staffing costs
- 5.3 The adequacy of the General Fund balance to meet unexpected expenditure will be considered by the Head of Strategic Finance and Property and be reported to Council as part of his report under Section 25 Local Government Act 2003 on the robustness of the estimates made in drawing up the budget and the adequacy of the proposed level of reserves.

## **6.0 Implications/Consultations**

- 6.1 The council is required to consult with Business Ratepayers under s.34 Local Government Finance Act 1988.
- 6.2 Consultation with the public will involve asking about perceptions of value for money and the importance of services to them but not specifics of the budget proposals due to the technical nature of the budget papers and resource pressures within the council.

## **Community Safety**

The budget underpins delivery of the Council's policies and priorities in relation to community safety.

## **Data Protection**

No

## **Equalities**

The Council has a statutory duty under the Equalities Act 2010, in particular s149. This includes the requirements on the Council to have due regard to the need to eliminate discrimination and harassment, to advance equality of opportunity, to foster good relations and to remove or minimise disadvantages suffered by persons who share protected characteristics.

Compliance with these duties in the Equalities Act does permit the Council to treat some persons more favourably than others, but only to the extent that such conduct is not otherwise prohibited.

In setting the budget, decisions on some matters may be particularly relevant to the discharge of this duty, particularly fees and charges concessions and an equalities impact assessment will be undertaken to assess and ensure compliance with this duty.

## **Environmental Sustainability**

The budget underpins policies and priorities in relation to the environmental and sustainability areas.

## **Financial**

These are contained in the main body of the report.

## **Health and Safety**

No

## **Human Resources**

The budget will provide a provision for a pay award of up to 3% but the actual award is subject to national NJC negotiations. This provision is set in the light of forward inflation estimates for September 2021 in the Bank of England Monetary Policy Report August 2021.

## **Human Rights**

No

## **Legal**

The Council is required to set a balanced budget each year. The Local Government Finance Act 1992 (as amended by the Localism Act 2011) requires the Council to estimate revenue expenditure and income for the forthcoming year from all sources, together with government grant and contributions from reserves, in order to determine a basic Council Tax Requirement.

Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of the estimates and adequacy of reserves to the Council when it is considering the budget.

Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer to report to the Full Council if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year. The issuing of a Section 114 report requires the Full Council to meet within 21 days to consider the report and during that period the Council is prohibited from entering into new agreements involving the incurring of expenditure.

## **Specific Wards**

No

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

Appendix A – Budget and Medium-Term Financial Plan

Appendix B – Capital Programme

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**GENERAL FUND REVENUE BUDGET AND MEDIUM TERM FINANCIAL PLAN**

2022/23		2023/24	2024/25	2025/26	2026/27	2027/28
£'000		£'000	£'000	£'000	£'000	£'000
378	Chief Executive & PA's	349	359	370	381	393
1,423	Communications, Strategy & Policy	1,457	1,491	1,527	1,563	1,602
534	Human Resources & Org Development	546	531	542	553	564
1,770	Strategic Finance & Property	2,076	2,119	2,163	2,208	2,244
594	Corporate	795	999	1,207	1,421	1,641
1,482	Legal & Democratic Services	1,505	1,545	1,586	1,627	1,671
2,298	Housing and Health	2,270	2,336	2,407	2,481	2,558
238	Capital Expenditure Charged to a Revenue Account	238	3,238	238	238	238
1,945	Planning & Building Control	1,966	2,028	2,091	2,156	2,223
2,277	Operations	1,909	1,396	2,313	2,392	2,555
976	Shared Revenues & Benefits Service	1,021	1,066	1,112	1,160	1,208
2,213	IT Shared service	2,313	2,313	2,313	2,313	2,313
	Pay inflation including 2022/23 award pressure	624	949	1,288	1,642	2,012
	Audit Fee increase	115	117	120	122	124
	Unavoidable service costs pressures	180	180	180	180	180
	Contract inflation including 2022/23 pressure	740	784	830	877	926
	Contract renewal cost pressures	50	100	550	50	-
<b>16,129</b>	<b>Net Cost of Services</b>	<b>18,153</b>	<b>21,551</b>	<b>20,836</b>	<b>21,363</b>	<b>22,451</b>

**Transforming East Herts Savings**

2022/23		2023/24	2024/25	2025/26	2026/27	2027/28
£'000		£'000	£'000	£'000	£'000	£'000
	Transforming East Herts Savings 2023/24	(822)	(822)	(822)	(822)	(822)
	Transforming East Herts Savings 2024/25		(2,170)	(2,170)	(2,170)	(2,170)
	Transforming East Herts Savings 2025/26			(2,146)	(2,146)	(2,146)
	Transforming East Herts Savings 2026/27				(1,758)	(1,758)
	Transforming East Herts Savings 2027/28					(594)
	<b>Total Transforming East Herts Savings</b>	<b>(822)</b>	<b>(2,992)</b>	<b>(5,138)</b>	<b>(6,896)</b>	<b>(7,490)</b>

**Corporate Budgets**

2022/23		2023/24	2024/25	2025/26	2026/27	2027/28
£'000		£'000	£'000	£'000	£'000	£'000
-	Fees & Charges Annual Review	(100)	(150)	(200)	(250)	(300)
20	Minimum Revenue Provision	557	1,583	1,583	2,013	2,025
459	Interest Payable on Loans	979	1,519	1,773	2,046	2,061
(750)	Investment Income	(1,000)	(900)	(800)	(800)	(800)
754	Pension Fund Deficit Contribution	637	637	637	674	674
<b>483</b>	<b>Total corporate budgets</b>	<b>1,073</b>	<b>2,689</b>	<b>2,993</b>	<b>3,683</b>	<b>3,660</b>

**Reserves**

2022/23 £'000		2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
438	Contributions to Earmarked Reserves	590	190	490	335	-
(1,555)	Contributions from Earmarked Reserves	(1,408)	(3,606)	(900)		200
-	Planned Use of General Fund Balance		(300)	(300)		150
1,383	New Homes Bonus Cont to Reserve		250	250	-	-
<b>265</b>	<b>Total reserves</b>	<b>(818)</b>	<b>(3,466)</b>	<b>(460)</b>	<b>335</b>	<b>350</b>

**Funding**

2022/23 £'000		2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
(150)	Capital Salaries	(150)	(150)	(150)	(150)	(150)
(3,616)	NDR	(2,933)	(2,933)	(2,933)	(2,933)	(2,933)
-	Business Rates Pool 22/23 Pooling Gain	(511)				
(1,900)	Section 31 Grants	(1,169)	(1,169)	(1,169)	(1,206)	(1,206)
2,386	(Surplus)/Deficit on Collection Fund	1,583		-	-	-
(689)	Government Grant	(1,361)	(688)	(641)	(594)	(547)
(1,383)	New Homes Bonus	(931)	(250)	(250)	-	-
<b>(5,352)</b>	<b>Total Funding</b>	<b>(5,472)</b>	<b>(5,190)</b>	<b>(5,143)</b>	<b>(4,883)</b>	<b>(4,836)</b>

<b>11,526</b>	<b>Net Expenditure financed by Council Tax</b>	<b>12,113</b>	<b>12,592</b>	<b>13,088</b>	<b>13,602</b>	<b>14,135</b>
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(11,526)	Demand on Collection Fund	(12,113)	(12,592)	(13,088)	(13,602)	(14,135)
62,610	Council Taxbase	63,893	64,493	65,093	65,693	66,293
<b>184.09</b>	<b>Council Tax at Band D (£)</b>	<b>189.59</b>	<b>195.24</b>	<b>201.06</b>	<b>207.05</b>	<b>213.22</b>

<b>Percentage Increase in Council Tax</b>	2.99%	2.98%	2.98%	2.98%	2.98%
<b>£ increase in Council Tax</b>	5.50	5.65	5.82	5.99	6.17



## EAST HERTS DISTRICT COUNCIL CAPITAL PROGRAMME 2023/24 TO 2027/28

APPROVED SCHEMES	Schemes expenditure to 31/03/22 £000	2022/23 Forecast Outturn £000	2023/24 Original Budget £000	2024/25 Original Budget £000	2025/26 Original Budget £000	2026/27 Original Budget £000	2027/28 Original Budget £000	Scheme Total £000
<b>Land and Buildings</b>								
Investment in operational assets		205	250	250	100	100	100	1,005
Buntingford Depot		-	-	800	-	-	-	800
Hartham Leisure Centre - Extension	4,713	4,280	2,078	-	-	-	-	11,071
Hertford Theatre	2,975	10,572	10,558	-	-	-	-	24,105
Northgate End Regeneration (MSCP, domestic and non-domestic units)	21,820	3,117	-	-	-	-	-	24,937
Old River Lane Regeneration and Arts Centre	2,815	500	2,000	12,000	6,077	-	-	23,392
<b>Total Land and Buildings</b>	<b>32,323</b>	<b>18,674</b>	<b>14,886</b>	<b>13,050</b>	<b>6,177</b>	<b>100</b>	<b>100</b>	<b>85,310</b>
<b>Vehicles and Equipment</b>								
Refuse & recycling containers		-	-	550	-	-	-	550
ICT Rolling programme		470	450	450	450	450	450	2,720
<b>Total Vehicles and Equipment</b>		<b>470</b>	<b>450</b>	<b>1,000</b>	<b>450</b>	<b>450</b>	<b>450</b>	<b>3,270</b>
<b>Community Assets</b>								
Open Space Improvements:								
Replacement play equipment across the district		-	50	50	50	50	50	250
Castle Park - HLF - Delivery Phase		1160	2,700	94	-	-	-	3,954
<b>Total Community Assets</b>		<b>1,160</b>	<b>2,750</b>	<b>144</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>4,204</b>

APPROVED SCHEMES	Schemes expenditure to 31/03/22 £000	2022/23 Forecast Outturn £000	2023/24 Original Budget £000	2024/25 Original Budget £000	2025/26 Original Budget £000	2026/27 Original Budget £000	2027/28 Original Budget £000	Scheme Total £000
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Revenue Expenditure Funded as Capital Under Statute (REFCUS)								
Home Improvement Loans		20	120	120	120	120	120	620
Community Capital Grants		127	50	50	50	50	50	377
Green Deal Loans		20	20	20	20	20	20	120
Rivers and Watercourse Maintenance		48	48	48	48	48	48	288
Land Management Asset Register & Associated Works		50	50	50	50	50	50	300
<b>Total REFCUS</b>		<b>265</b>	<b>288</b>	<b>288</b>	<b>288</b>	<b>288</b>	<b>288</b>	<b>1,705</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>32,323</b>	<b>20,569</b>	<b>18,374</b>	<b>14,482</b>	<b>6,965</b>	<b>888</b>	<b>888</b>	<b>94,489</b>

**FUNDED BY:**

Borrowing (Internal)		(1,658)	(368)	-	-	-	-	(2,026)
Borrowing (External)		(13,701)	(12,242)	(5,971)	(6,427)	(350)	(350)	(39,041)
Capital Receipts		(1,600)	(3,160)	(5,140)	(250)	(250)	(250)	(10,650)
Capital Grants Applied		(3,185)	(2,276)	(83)	-	-	-	(5,544)
Capital Expenditure Charged to a Revenue Account		(425)	(328)	(3,288)	(288)	(288)	(288)	(4,905)
<b>TOTAL CAPITAL PROGRAMME FUNDING</b>	<b>(32,323)</b>	<b>(20,569)</b>	<b>(18,374)</b>	<b>(14,482)</b>	<b>(6,965)</b>	<b>(888)</b>	<b>(888)</b>	<b>(94,489)</b>

APPROVED BUT NOT YET COMMITTED								
<b>Schemes approved not yet committed</b>								
Transformation Programme			1,000	2,000	2,000			5,000
Ward Freman Joint Use Facilities					1,100			1,100
Elizabeth Road Redevelopment				200	1,500			1,700
Historic Building Loans			20	20	20	20	20	100
Queens Road Ware Temporary Accomodation	377		180					557
								0
Capital Contingency - Major Projects			1,500	-	-	-	-	1,500
<b>TOTAL APPROVED BUT NOT YET COMMITTED</b>	<b>377</b>		<b>2,700</b>	<b>2,220</b>	<b>4,620</b>	<b>20</b>	<b>20</b>	<b>9,957</b>

**Funded by:**

Borrowing			(1,593)	(200)	(2,600)	-	-	(4,393)
Capital Receipts			-	-	-	-	-	-
Capital Grants Applied	-377		(87)	-	-	-	-	(464)
Use of Earmarked Reserves			(1,000)	(2,000)	(2,000)			(5,000)
Capital Expenditure Charged to a Revenue Account			(20)	(20)	(20)	(20)	(20)	(100)
<b>TOTAL APPROVED BUT NOT YET COMMITTED</b>	<b>-377</b>		<b>(2,700)</b>	<b>(2,220)</b>	<b>(4,620)</b>	<b>(20)</b>	<b>(20)</b>	<b>(9,957)</b>

**NOTE:**

Schemes Approved but not yet Committed are those schemes where past experience has indicated there are traditionally underspends or there are specific issues with a scheme proceeding that is outside the control of the Council. Approval by Council provides protection for the budgeted scheme for the year(s) indicated. Schemes are Committed by the Head of Strategic Finance in consultation with the Executive Member for Financial Sustainability. Virements are forbidden from these budgets without the authority of Council to prevent these budgets being committed to cover overspends or for immediate transfer to new schemes that do not have Council approval.

# Agenda Item 8

## **East Herts Council Report**

### **Audit & Governance Committee**

**Date:** 24<sup>th</sup> January 2023

**Report by:** Councillor Geoffrey Williamson, Deputy Leader & Executive Member for Financial Sustainability

**Report title:** Draft Capital Strategy and Minimum Revenue Provision Policy 2023/24 Onwards

**Ward(s) affected:** All

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### **Summary**

The report contains the Council's Draft Capital Strategy and Minimum Revenue Provision (MRP) policy for 2023/24 onwards

### **RECOMMENDATIONS AUDIT & GOVERNANCE COMMITTEE:**

- (a) Endorse the Executive's Draft Capital Strategy and Minimum Revenue Provision policy 2023/24 onwards; and**
- (b) Endorse the principle of selling assets to raise capital receipts to reduce the revenue costs of the capital programme.**

#### **1.0 Proposal(s)**

- 1.1 This report presents the Executive's Capital Strategy and the Minimum Revenue Provision policy 2023/24 onwards and for scrutiny by the Audit & Governance Committee.

#### **2.0 Background**

- 2.1 The East Herts Council Capital Strategy provides a valuable opportunity for engagement with Full Council to ensure that overall strategy, investment ambition, risk appetite and governance procedures are fully understood by all elected Members and other Council stakeholders.
- 2.2 The East Herts Council Capital Strategy is intended to be a

strategic corporate document which will both be influenced by and in turn influence policy and decision making in respect of capital investment.

- 2.3 The Strategy will continue to develop and evolve as external influences do and will be updated as required in order that this Strategy is responsive to the challenges, opportunities, priorities and objectives that the Council must consider.
- 2.4 The current capital programme was formulated over the last three years. Since its formulation economic conditions have deteriorated significantly. Inflation has risen to 11.1%, interest rates are rising and the effects of the disastrous September “fiscal event” has increased Public Works Loans Board (PWL) borrowing so that it is currently 4.24% compared to 2.55% in March. This increase in borrowing costs means that action needs to be taken to ensure the capital programme remains affordable. The action takes two forms. Firstly, assets are being identified for sale to raise capital; receipts, which reduce the need to borrow and reduce revenue costs to service debt. Secondly, the number of schemes proceeding in the programme has been reduced to concentrate on the major projects with other non-essential items being paused until resources are available to fund them.
- 2.5 As the council continues to deliver, review and update the capital programme, it will do so within the context of the council’s Climate Change commitments, most notably the commitment to the council itself becoming carbon neutral by 2030. To that end, the council has devised a carbon assessment tool which it is now beginning to use to assess its existing major projects. As new proposals for capital funding come forward, a carbon assessment will be included as an integral part of the business case to inform decision-making. The Public Sector Decarbonisation grant scheme presents an opportunity for the council to potentially make its buildings operate at zero carbon and with enhanced

energy efficiency. A condition survey of Wallfields has been completed and the boiler system requires immediate replacement before winter 2023/24. It is hoped that a further round of the public sector decarbonisation scheme will be opened around Spring 2023 and officers are working on a scheme that will decarbonise the heating system.

- 2.6 Progress updates on the council's Sustainability Action Plan are posted on the council's website each month, with greater detail on projects' carbon assessments and the overall assessment of progress against the council's schedule to achieve carbon neutrality to be added shortly.

### **3.0 Reason(s)**

- 3.1 Revised reporting was required from the 2019/20 reporting cycle due to revisions of the MHCLG Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes included the introduction of a capital strategy, to provide a longer-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011.
- 3.2 This report includes the fourth capital strategy since the revisions. The first three versions of the report were welcomed by Members and no comments or suggestions for improvement have been received from either internal or external audit.

### **4.0 Options**

- 4.1 Update the Capital Strategy as required, at least once annually, in accordance with statutory requirements.
- 4.2 Endorse the updated strategy or suggest amendments as a result of the scrutiny process.

## **5.0 Risks**

5.1 Risks are discussed in detail, within the Capital Strategy, including the uncertainty around future funding.

## **6.0 Implications/Consultations**

6.1 None

### **Community Safety**

Building and refurbishment schemes design out crime and safety issues and public realm works in particular are required to ensure that the community feel safe.

### **Data Protection**

All investment in IT systems are required to check where data is held and that systems comply with data protection legislation.

### **Equalities**

All capital schemes meet the necessary legislation and are subject to access audits. Design also takes into account dementia friendly design elements particularly around colour.

### **Environmental Sustainability**

The council has established a carbon assessment tool that it is beginning to apply to existing capital projects. In the future, a carbon assessment of proposed capital projects will be included within the overall business case so as to inform decision-making. To date, individual schemes have sustainability features designed into them and may include, for example: meeting BREEAM ratings for buildings and refurbishments; flood resilience and sustainable underground drainage systems; opportunities for renewable energy generation; and carbon reduction such as replacement of the council's internal combustion engine vehicles with battery electric vehicles.

## **Financial**

The strategy guides the capital programme and detailed financial implications are included with that in the budget report

## **Health and Safety**

All contractors are required to have compliant health and safety policies. Where a health and safety issue requires capital expenditure it will be fast tracked to deal with the issue

## **Human Resources**

None

## **Human Rights**

None

## **Legal**

A Capital Strategy is a requirement of the Prudential Code which the council is required to follow under the Local Government Act 2003.

## **Specific Wards**

None

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

7.1 Appendix A - East Herts District Council Draft Capital Strategy and Minimum Revenue Policy 2023/24 Onwards

7.2

## **Contact Member**

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**Report Author**

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Property

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# Capital Strategy and Minimum Revenue Provision Policy

2023 onwards



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# Introduction

The East Herts Council Capital Strategy provides a valuable opportunity for engagement with Full Council to ensure that overall strategy, investment ambition; risk appetite and governance procedures are fully understood by all elected Members and other Council stakeholders.

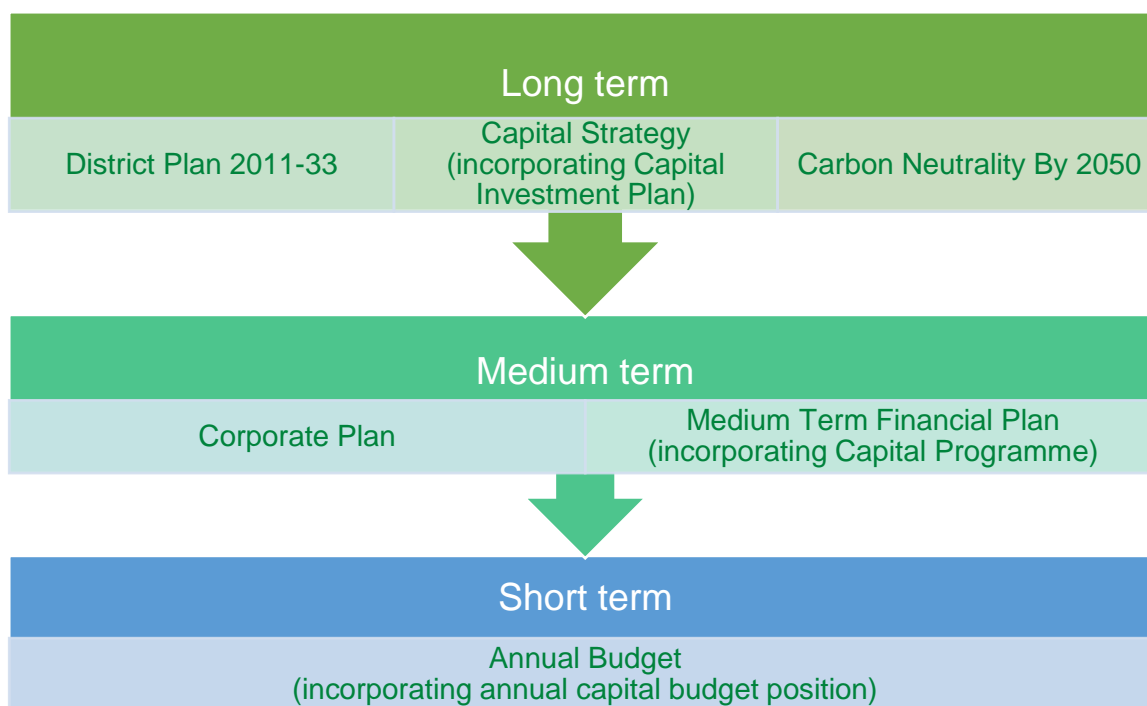
The East Herts Council Capital Strategy is intended to be a strategic corporate document which will both be influenced by and in turn influence policy and decision making in respect of capital investment.

The Strategy will continue to develop and evolve as external influences do and will be updated as required in order that this Strategy is responsive to the challenges, opportunities, priorities and objectives that the Council must consider.

The CIPFA Prudential Code, updated in 2017, includes the requirement for local authorities to produce a Capital Strategy.

The Capital Strategy has not been developed in isolation. The diagram below summarises the relationship between this Capital Strategy and other key corporate strategies and plans.

**Figure 1: Long, medium and short term strategic planning at East Herts Council**



The Capital Strategy is closely aligned with the priorities and objectives contained within the above, as well as a number of external strategies and plans, which will be explored further in Section 2 of this Strategy.

The East Herts Capital Strategy includes a number of important actions, which will help to implement the Capital Strategy across the organisation and improve overall financial planning in the long term. We recognise the benefits of long term strategic financial planning and therefore this Capital Strategy is seen as key to looking beyond the medium term to fully explore the opportunities which may lie ahead and the role the Council will play in shaping the future for our residents, communities and businesses.

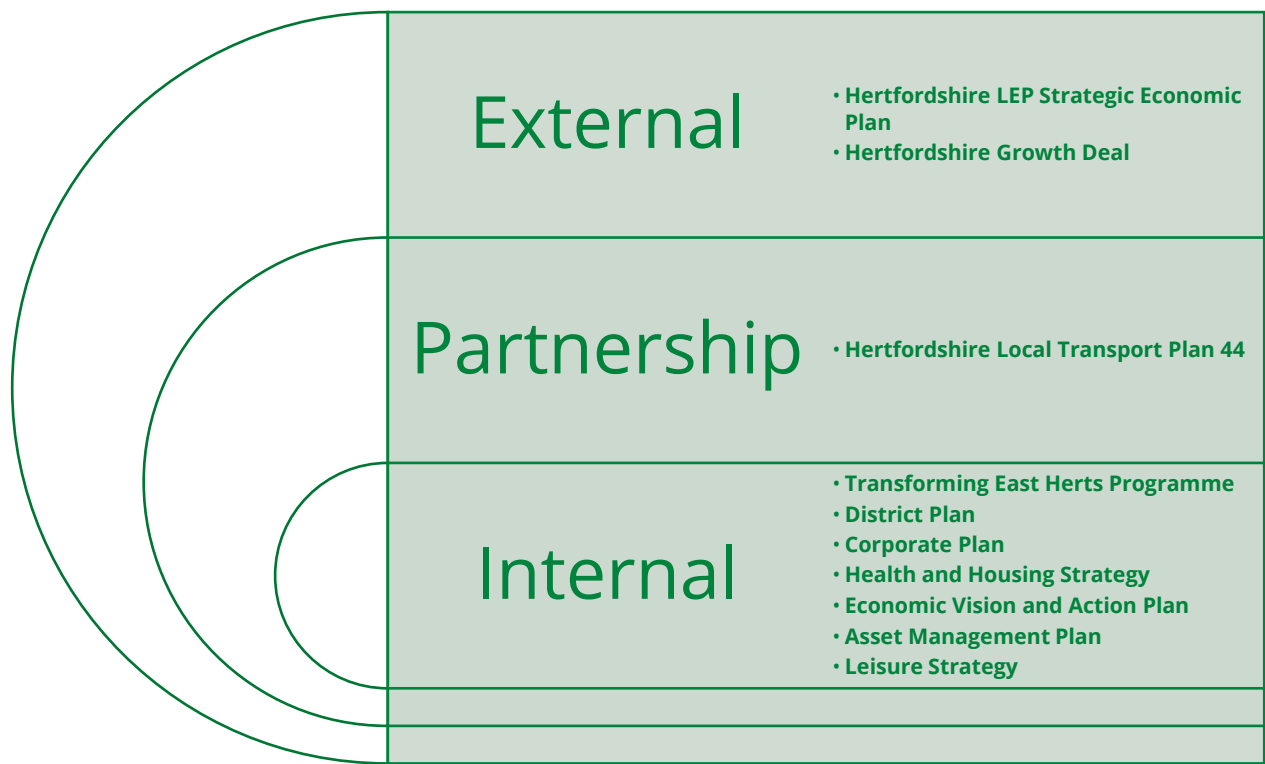
# Influences on Capital Investment

The Capital Strategy is influenced by many different factors, which must be taken into account before establishing the appropriate strategy for contributing to the delivery of our corporate priorities.

Our Capital Strategy has considered external, partner and internal influences when shaping our approach. There are many strategies and plans that inform and influence our capital investment plan. It is important to ensure that consideration is given to the aims and objectives that could influence the Council's capital investment ambition over the longer term.

An examination of external and partner influences assists us with supporting decision making on individual capital investment schemes. In future we will therefore use external objectives / targets, alongside our own corporate priorities, to inform decision making when prioritisation needs to be applied to available funding.

**Figure 2: Core influences on the Capital Strategy**



Our Capital Strategy has taken account of the external, partner and internal influences in shaping our approach. The following sections provide a summary of main points for consideration in each case:

<b>External influences</b>
<b>Hertfordshire LEP Strategic Economic Plan and Hertfordshire Growth Deal</b>
<p>The strategic priorities, as set out in the Hertfordshire Local Enterprise Partnership (LEP) Strategic Economic Plan (SEP), influence the Council’s strategic financial planning direction.</p> <p>The Gilston Area Concept Framework is referenced as a key element of the SEP priorities, with the new Garden Town of Harlow &amp; Gilston acknowledged by government as one of three new Garden Towns nationally.</p>



The new Garden Town initiative for Harlow & Gilston, links through to the now adopted District Plan, working to the detailed Gilston Area Concept Framework and the project governance that is in place via the Gilston Steering Group.

The Growth Deal expanded further in 2017, with additional investment of £43.95m. This is on top of £221.5m of government funding already awarded to Hertfordshire to date to invest in its people, places and businesses. The Council made a successful bid for Growth Deal funding for Bishop's Stortford Town Centre, an allocation of £9.6m in the form of grant and loan funding, now fully spent.

[Link to Hertfordshire LEP Strategic Economic Plan 2017-30](#)

[Link to Hertfordshire Growth Deal](#)

### Partnership influences

#### Hertfordshire County Council Local Transport Plan 4

We acknowledge the Hertfordshire Local Transport Plan and its main objectives. The relationship with Hertfordshire County Council (HCC) is very important when considering the longer-term Capital Strategy for the Council. As a planning authority and billing authority, the Council is in a very influential position when it comes to setting the scene for the future development and growth in the area and considering the impact on funding streams at both the County and District level. Each year, we will examine any County capital schemes that are focused in the East Hertfordshire area, in order that the Council has sight of these schemes as they progress and any potential implications they may have for capital schemes being delivered by the Council, particularly related to our property partnership with the County and the green transport plan.

[Link to Hertfordshire County Council Local Transport Plan 4, 2018 to 2031](#)

## Transforming East Herts Programme

The Transforming East Herts Programme is designed to modernise the council and produce at least £1 million in cashable savings. The overall vision of the programme is that 2025 East Herts Council will be a customer focused, financially sustainable and an effective organisation with flexible and empowered employees. The vision is delivered through a number of workstrands:



Each workstream has a number of projects under it which may require capital investment,, particularly around technology with the replacement of the telephony system with a cloud based solution and the potential investment in software that will enable a single view of the customer and deliver end to end digital services on the web.

It is anticipated that the council's office space requirements will reduce significantly with the closure of Charringtons, as part of the Old River Lane revitalisation and the freeing up of at least a floor of open plan office space at Wallfields, offering the potential to let out space to earn an income. However, there is a need to invest in modernising Wallfields to make it suitable for letting and to ensure the building is fit for the next 25 years. As the investment costs could potentially be quite large and are still subject to survey work being undertaken, consideration is also being given

to co-location with the County Council at County Hall, thus avoiding capital costs and leaving Wallfields vacant for disposal. The costs of remaining and modernising versus moving to county hall will be the predominate factor governing the future of Wallfields and that decision will have a major influence on this capital strategy.

Be Agile	Be Commercial	Be Digital
Service reviews & redesign	The future of Wallfields	ICON replacement to Civica cloud pay
Lean processes – Lean six sigma (LSS) change champions	Implementing the commercial strategy	Cloud financials
Leadership and talent development training	Commercial awareness training	Robotic Process Automation (RPA) proof of concept
Corporate support hub	Launchpad relocation proposals	RPA rollout
Blended working review		Implementing the new Customer Relationship Management (CRM) system
Culture change and change management		Laptop rollout and 365 deployment
		Maximising and embedding 365 at EHC

### District Plan

The vision and strategic objectives contained within the District Plan influence the Council’s investment ambition directly. It is important to provide a good view of the long-term impact of the District Plan in the Capital Strategy and the part that the Council’s capital investment will play in contributing to meeting the long term needs of the local population and area.

The strategic objectives link to important regional activity, such as the London Stansted Cambridge Corridor Core Area, working with partner authorities, namely

Broxbourne, Epping Forest, Harlow and Uttlesford across Hertfordshire and Essex County boundaries.

The District Plan has strategic influence on the following areas of important investment for the Council:

- Housing
- Town Centres
- Provision of leisure facilities

We will ensure that the Capital Strategy demonstrates the links to the District Plan strategic objectives and specific projects, as part of the capital investment plan.

[Link to District Plan 2011-33 \(adopted October 2018\)](#)

### **Corporate Strategic Plan, Economic Vision and Action Plan**

The Corporate Strategic Plan drives the Council's capital investment ambition. The Corporate Strategic Plan includes reference to strategic projects for each year against the aims that support the four priority areas. When the Corporate Strategic Plan is refreshed we will ensure that the Capital Strategy links the capital investment plan to the relevant strategic projects and will therefore demonstrate how the Council's capital investment will contribute to the achievement of the Plan priorities and more detailed aims.

This will help with the evaluation and prioritisation of future capital schemes, where a business case needs to consider the contribution to the achievement of priorities, as well as non-financial and financial benefits.

The Economic Vision for East Herts sets out the strategic areas of focus in order to achieve this vision. The Economic Vision is backed up by a detailed action plan, which assists with making links to the Hertfordshire LEP SEP, Corporate Strategic Plan and District Plan.

The Economic Vision picks up the thread for major projects, such as the development of a planning framework for Bishop's Stortford Town Centre, which has since resulted in a significant funding package via the Hertfordshire LEP from

the Growth Fund. Also, the London Stansted Cambridge growth corridor initiatives, where mention is made of lobbying for the right infrastructure.

The Council has already achieved success in lobbying and bidding for regional funding. As the Capital Strategy is developed it will further contribute strong evidence of local need and highlight where the Council cannot deliver as an individual authority and / or has not got sufficient available capital resources.

[Link to Action Plan](#)

[Corporate Plan 2020-2024](#)

### **Health and Housing Strategy**

We recognise that it is important for the objectives in the Health and Housing Strategy to be reflected in the Council's Capital Strategy both from a direct capital investment perspective and an enabling perspective. The Council plays a vital role in ensuring that the District Plan is delivered in terms of projects, housing mix, health focus and timescale.

The Health and Housing Strategy highlights the importance of working in partnership, particularly related to affordable and suitable housing to meet identified needs. Any associated capital investment requirement can be put into this context in the Capital Strategy to demonstrate how this investment is contributing to the achievement of important health and housing targets.

[Link to Health & Wellbeing Strategy 2019-23](#)

### **Emerging Leisure Strategy**

It is important to consider the Council's Leisure Facilities Strategy in the Capital Strategy to make the direct strategic link to the capital investment plan. This provides strong justification for the significant current investment and demonstrates why this service area is being prioritised.

These are very important initiatives, which are directed at the Council's community, to improve health and wellbeing across the area, working with health partners, town and parish councils, voluntary sector and community groups. This is important context for the significant capital investment by the Council, already included in the Capital Programme.

As the delivery of the Leisure Facilities Strategy progresses, we will reflect the emerging expected outcomes in future Capital Strategy updates, both from a financial and outcome perspective.

#### *Vision for Leisure Facilities*

*In order to provide the guiding principles for the proposed direction of travel it was important to work with a vision for leisure centres across East Herts. It is proposed that the vision is one of enabling everyone to have the opportunity to participate. The Council has a pivotal role in providing pay and play opportunities which traditionally are not provided through other sectors. In this context the suggested vision is as follows:*

*"The Council will provide attractive facilities available to the whole community which complement the wider provision of recreation opportunities in the community and voluntary sector. In addition, it will ensure that leisure facilities contribute fully to the health and wellbeing objectives of the Council."*

[Grange Paddocks Leisure Centre Development Project](#)

[Hartham Leisure Centre Redevelopment Project](#)

### **Asset Management Plan**

The importance of the link between the Asset Management Strategy (AMS), and its constituent asset categories, is stressed in the CIPFA Prudential Code. There is no doubt that the Asset Management Plan should inform the Capital Strategy, but this also works both ways. The vision and ambition that is articulated in the Capital Strategy should set the scene for the direction that the asset management, in any particular area of operation, should take.

There is an emphasis on the investment property portfolio in the aims, priorities and ambitions in the AMS. Highlighting the Council's good management of the current portfolio and the approach to due diligence and strong decision making for new property investment. There is also an emphasis on town centre improvements, which links to major projects, such as the work in Bishop's Stortford and the master-planning in the District Plan.

The key improvement priorities have been mapped to corporate priorities, outcomes, key milestones and timescales in the current AMP. We will ensure that this links effectively with the capital investment plan as work gets underway to refresh the AMP over the coming year.

[Link to Asset Management Plan](#)

## Environmental Sustainability



One of the council's corporate goals is *to put sustainability at the heart of everything we do*. Council unanimously made a Climate Change Declaration in July 2019. This was accompanied by nine specific commitments to tackling climate change including the council becoming carbon neutral by 2030.

As the council continues to deliver, review and update its capital strategy and programme, it will do so within the context of these nine Climate Change

commitments. Notably, the council has devised a carbon assessment methodology which it will use to assess its existing major projects. As new proposals for capital funding come forward, a carbon assessment will be included as an integral part of the accompanying business case to inform decision-making.

Progress updates on the council's Sustainability Action Plan are posted on the council's website each month, with greater detail on projects' carbon assessments and the overall assessment of progress against the council's schedule to achieve carbon neutrality to be added shortly.



## Core influences action plan:

Action	Why is this required?	Responsibility	Timescale
The Transforming East Herts Programme will produce business cases for capital investment that will enable at least £1 million of revenue savings per annum	To demonstrate how the Council's capital investment will contribute to the achievement of the Transforming East Herts Programme	Deputy Chief Executive	During 2023/24
We will ensure that the Capital Strategy demonstrates the links to the <b>District Plan</b> strategic objectives and specific projects, as part of the development of the capital investment plan	In order to identify how we can strengthen our decision making and prioritisation process, informing what we are doing directly towards these objectives via capital investment	Leadership Team	During 2023/24

Action	Why is this required?	Responsibility	Timescale
<p>When the <b>Corporate Plan</b> is refreshed we will ensure that the Capital Strategy links the capital investment plan to the relevant strategic projects</p>	<p>In order to continue to demonstrate how the Council's capital investment will contribute to the achievement of the Corporate Strategic Plan priorities and more detailed aims</p>	<p>Strategic Finance &amp; Property, S151 Officer</p>	<p>During 2023/24</p>
<p>Completion of <b>Major Projects</b></p>	<p>In order to demonstrate the importance of this major element of the capital investment plan and the intended outcomes for the future</p>	<p>Strategic Finance &amp; Property, S151 Officer</p>	<p>During 2023/24</p>
<p>Implement the revised <b>Asset Management Strategy</b>, which will links effectively with the capital investment plan and also asset disposals.</p>	<p>In order to strengthen the influence of the AMS on the Capital Strategy and also enable the Capital Strategy to inform the refreshed AMS An important factor will be asset disposals to generate capital receipts</p>	<p>Leadership Team</p>	<p>During 2023/24</p>

Action	Why is this required?	Responsibility	Timescale
<p>In order to deliver the council's Climate Change commitments, the capital strategy will continue to be developed with regard to the nine commitments, including evaluating the carbon impact of existing and emerging capital projects.</p>	<p>This action is integral to achieving the council's Climate Change commitments, notably, that the council will become carbon neutral by 2030</p>	<p>Head of Housing &amp; Health</p>	<p>During 2022/23 and ongoing in line with individual capital project timescales</p>

# Capital investment ambition by Corporate Priority

The intention of this section is to set out the long-term ambition for capital investment in terms of the contribution made towards achieving the priorities identified in the Council’s Corporate Strategic Plan. The future intention will be to articulate the capital investment plan in terms of achievement of priorities, intended outcomes for all key stakeholders and intended timescales.

The Corporate Plan priority initiatives will apply until the new Council is elected in May 2023 and the Corporate Plan is rewritten to reflect the priorities of that new Council. To demonstrate our current approach we have set out the current Corporate Plan initiatives below which relate to capital investment:

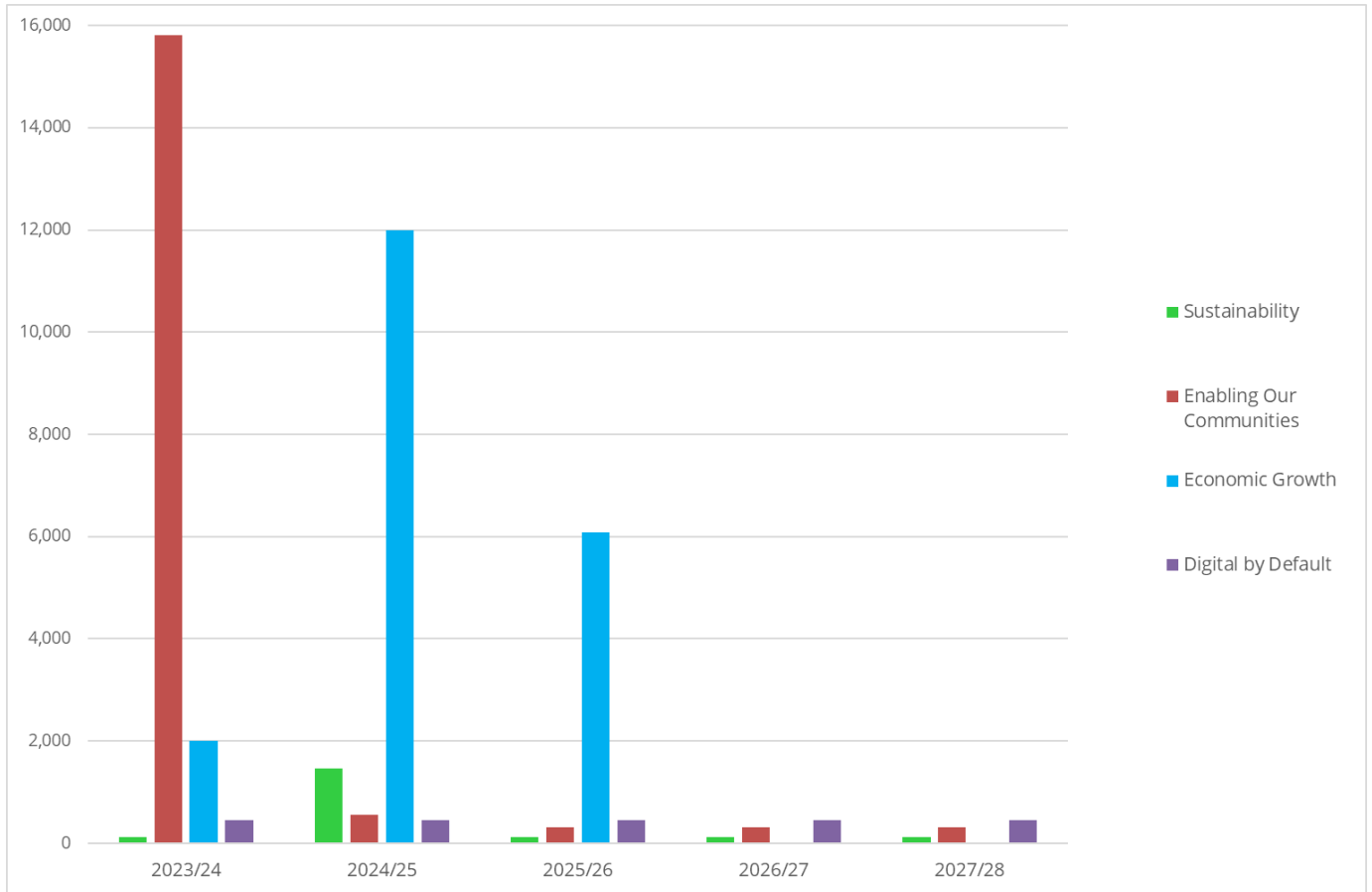
Priority	Aims and initiatives
<p><b>Priority 1:</b></p> <p><b>Sustainability at the heart of everything we do</b></p>	<p><b><i>We will make changes to our own premises, people and services</i></b></p> <ul style="list-style-type: none"> <li>• Making direct investment in energy efficiency schemes: for example, energy efficiency measures in leisure capital schemes; installing/upgrading LED lighting in our buildings and car parks – <b>Ongoing</b></li> </ul> <p><b><i>We will use our regulatory powers to promote action by others</i></b></p> <p>Installing rapid e-chargers in support of move to more e-taxis – <b>Ongoing</b></p> <p><b><i>We will influence and encourage behaviour change</i></b></p> <ul style="list-style-type: none"> <li>• Providing financial incentives to increase sustainability: for example insulation grants and loans – <b>Ongoing</b></li> </ul>

Priority	Aims and initiatives
<p><b>Priority 2:</b></p> <p><b>Enabling our communities</b></p>	<p><b><i>We will invest in our places</i></b></p> <ul style="list-style-type: none"> <li>• Investing £36m in our Leisure Centres in Hertford, Bishop’s Stortford and Buntingford – <b>Ongoing</b></li> <li>• Investing £24m in Hertford Theatre – <b>Ongoing</b></li> <li>• Delivering improvements in our green spaces (e.g. Castle Park) – <b>Ongoing</b></li> <li>• Providing community grants – <b>Ongoing</b></li> </ul> <p><b><i>We will ensure all voices in the community are heard</i></b></p> <ul style="list-style-type: none"> <li>• Growing our digital communication channels (twitter, Facebook, Instagram, network) to keep residents informed – <b>Ongoing</b></li> </ul> <p><b><i>We will support our vulnerable residents</i></b></p> <ul style="list-style-type: none"> <li>• Delivering affordable homes – <b>Ongoing</b></li> <li>• Increasing and improving our Homeless Accommodation – <b>Ongoing</b></li> </ul>
<p><b>Priority 3:</b></p> <p><b>Encouraging economic growth</b></p>	<p><b><i>We will develop new sources of income</i></b></p> <ul style="list-style-type: none"> <li>• Delivering Financial Sustainability through Green agenda investment purchases – <b>Ongoing</b></li> </ul> <p><b><i>We will support business growth</i></b></p> <ul style="list-style-type: none"> <li>• Delivering the Old River Lane project to improve Bishop’s Stortford Town Centre – <b>Ongoing</b></li> <li>• Expanding the Launchpad – <b>Ongoing</b></li> </ul> <p><b><i>We will create viable places</i></b></p> <ul style="list-style-type: none"> <li>• Delivering the district plan – <b>Ongoing</b></li> <li>• Ensuring developer contributions are used effectively – <b>Ongoing</b></li> </ul>
<p><b>Priority 4:</b></p> <p><b>Digital by default</b></p>	<p><b><i>We will improve the customer experience for those who use council services</i></b></p> <ul style="list-style-type: none"> <li>• Increase our investment in digital technology – <b>Ongoing</b></li> </ul>

Priority	Aims and initiatives
	<p data-bbox="434 228 1321 331"><b><i>We will work with partners to ensure our communities are digitally enabled</i></b></p> <ul data-bbox="434 376 1295 546" style="list-style-type: none"> <li data-bbox="434 376 1295 456">• Delivering Harlow and Gilston Garden Town as a fully sustainable and digital 'place' – <b>Ongoing</b></li> <li data-bbox="434 456 1295 546">• Agreeing a countywide digital infrastructure strategy – <b>Ongoing</b></li> </ul>

The planned capital investment programme for 2023/24 onwards, from an expenditure perspective, has been significantly reduced as a result of inflation and supply chain shortages as a result of the pandemic, BREXIT and the war in Ukraine. We have undertaken a simple mapping exercise to demonstrate the contribution of planned capital investment to each Corporate Strategic Plan priority. This will be developed further as the Capital Strategy is aligned with the new Corporate Plan during 2023/24.

**Figure 3: Capital Programme by Corporate Priority**



Links between the 5-year capital programme and the corporate priorities are provided at Appendix 1.

## Corporate priority action plan:

Action	Why is this required?	Responsibility	Timescale
As the <b>longer-term capital investment plan</b> emerges, we will undertake a revised detailed mapping exercise against each capital scheme – initially in the capital programme and eventually in the longer-term capital investment plan	This will assist Members and other key stakeholders recognise the contribution that the capital investment is making towards the achievement of the Council's corporate priorities	Strategic Finance & Property, S151 Officer	During 2023/24
As the refreshed <b>Corporate Plan</b> emerges, we will ensure that the existing capital investment plan is reviewed to ensure that all planned schemes align with the updated corporate priorities	This will ensure that existing investment plans still meet the identified needs of the District and emerging pipeline schemes are aligned to the newly approved priorities	Strategic Finance & Property, S151 Officer	In line with Corporate Strategic Plan refresh timescale



# Commercial Investment Strategy

## Millstream Property Investments Limited

In line with the Council's corporate priorities, and commercial investment ambition, Millstream Property Investments Limited was incorporated in February 2018.

The council, as the company's sole shareholder, has entered into a Shareholder Agreement with the company. The Shareholder Agreement obliges the company to annually review its business plan and produce a revised 30-year business plan, rebasing the forthcoming financial year as the first year of this 30-year period. The Millstream Business Plan is now to hold its current property portfolio but make no new acquisitions as the returns from the company would be insufficient to meet all the external borrowing costs on a new property.

To provide a strengthened balance sheet, the Shareholder Loans in Millstream Property Investments Ltd have been converted to Debenture Shares secured against residential property to mirror the loan charge over the properties. There was no cost to the Council Taxpayer from this conversion and it has no effect on the availability of capital resources. The only change in the balance sheet is the reduction in loans receivable and a corresponding increase in investments

# Capital Investment Plan

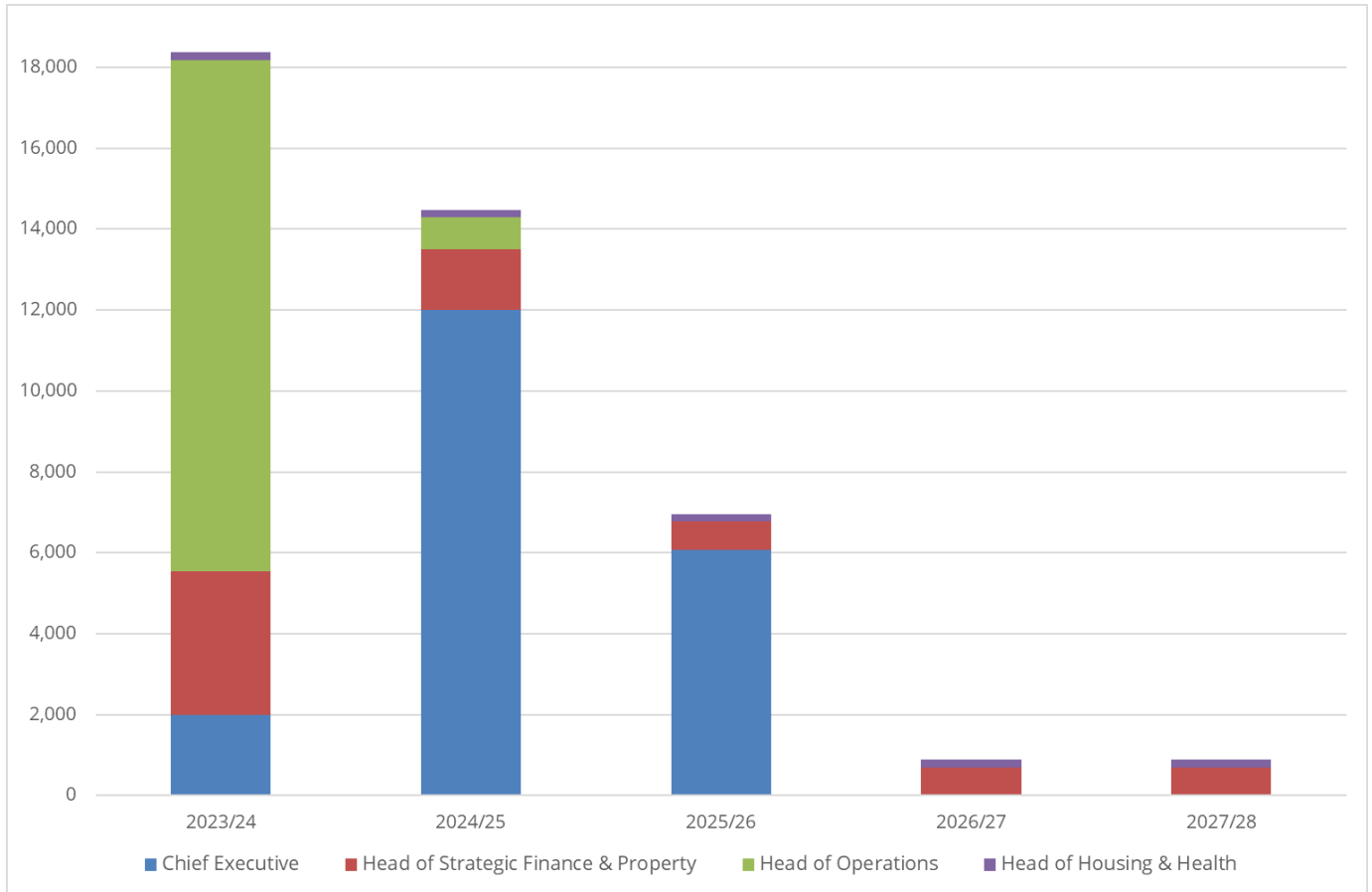
The following sections examine our starting point for a longer-term capital investment plan, the additional analysis that informs our Capital Strategy principles, our capacity to deliver and the potential options for addressing our capital investment ambition gap. We recognise that our Capital Programme currently plans for investment over a five-year period, which is a medium-term view and there is further work to do to extend our plans up to 10 years.

When our strategic planning becomes more mature, and we have identified our plans beyond the four-year horizon, we will update our process for evaluation and prioritisation, to ensure that there is clarity on the level of affordability, based on available capital resources, including a potential borrowing position. It is also important for the Council to establish its potential lobbying position to seek to secure future funding packages from appropriate funding bodies, building on successful bids to date.

We will ensure that our risk assessment examines the risk against the affordability and deliverability assumptions, as the longer-term capital investment plan emerges, and this will inform the ongoing review of performance and update of the capital investment plan to ensure that it is effectively managed.

The following charts provide a view of the current five-year investment plan from an expenditure perspective by Head of Service:

**Figure 4: Capital Programme by Head of Service**



## Approach to capital investment prioritisation

The Medium Term Financial Plan (MTFP) is refreshed annually to accommodate changes in service delivery and financial landscape. Service and financial planning are combined in one report, which demonstrates that we have got an integrated approach to financial planning both from a revenue and capital perspective.

The MTFP is forecast over a 4-year period, in line with the Council's general corporate planning approach. The MTFP sets out the national policy context and describes the impact of this at a local level. It must be recognised that, when looking at a four-year period, the current level of uncertainty, combined with the highest inflation rate for 40 years and the increased cost of borrowing from the Public Works Loans Board, which is based on

government gilt yields which rose significantly following the September 2022 “fiscal event”. The four governments that have been formed during the latter half of 2022 have delayed reforms to the local government finance system, and the spending reductions announced during the Autumn Statement makes this an increasingly challenging exercise.

When considering an appropriate long-term period for the Capital Strategy, we are potentially looking at a 20-30 year period but a more realistic period for the capital investment plan, say up to 10 years. This longer-term approach enables a much more robust 5-year Capital Programme forecast and a strong annual budget.

We recognise that the MTFP should be able to articulate the Council’s revenue and capital investment plans in the context of a longer-term approach. On this basis, our view is that the MTFP approach needs to be dynamic and aligned to the Council’s Corporate Plan priorities, following an appropriately detailed business planning approach. We feel that the budget setting and service planning process goes a long way towards achieving this approach, however, when it comes to the capital planning process we recognise that we need the process to be less reactive and much more proactive. However, scarce capital resources also are an overriding factor in limiting capital investment plans for at least the next 5 years.

As stated in the Budget report, the capital programme for 2023/24 onwards contains several ongoing major projects and also the rolling capital schemes agreed in previous years.

Currently the review of the Capital programme is undertaken as part of the quarterly budget management and financial forecast report. Any additions to the programme require

a funding request to be made through the appropriate governance process. This process is defined by the value of the capital bid.

The council is likely to undertake a further significant capital scheme at the Old River Lane, Bishop's Stortford site, within the next year. The scope and funding arrangements for this scheme are being developed. However, it should be noted that East Herts may need to give careful consideration to its financial position should costs exceed the affordability test for the council.

As any new schemes are agreed and the funding requirements become more definite they will be included in the capital programme presented within the quarterly budget management and financial forecast report.

As we develop the Capital Strategy we intend this to become better informed over time and strengthened by the capital investment plan, which will stretch up to 10 years. We recognise that it is important to identify all required capital investment commitments, to ensure that all existing capital commitments are required, particularly in light of any refresh of the Corporate Strategic Plan, and those potential commitments from emerging new proposals and ideas are reflected.

We also recognise that, if we have any business as usual commitment missing from our capital investment plan, capital schemes that will no longer deliver against corporate priorities, known capital investment ambition not reflected and a short to medium term delivery profile, it is difficult for us to have a strong capital financing requirement, which in turn will not give us a good view of our potential borrowing requirement in the future.

As we develop our Capital Strategy further in the coming financial year we will make sure that our capital investment plan is comprehensive and profiled realistically, so that the revenue consequence, both positive and negative, are as robust and risk aware as possible, to feed into the budget and the medium term financial plan.

### Capital investment plan action plan

Action	Why is this required?	Responsibility	Timescale
Agree an <b>appropriate long-term period</b> for the Capital Strategy – potentially up to 20 years, based on the timeframe of the Council’s current strategies, plans and commercial activity	To enable the Council to plan much more effectively for the future – affording time to be clear about risk appetite, management of risk and management of financial resilience	Council	During 2023/24
Develop a <b>longer-term capital investment plan</b> – potentially up to 10 years, based on an appropriate timescale to suit the agreed period of the Capital Strategy	To enable the Council to improve its capital planning process, strengthen the Capital Programme and assist the effectiveness of delivery against plan	Leadership Team	During 2023/24

Action	Why is this required?	Responsibility	Timescale
<p>Improve the <b>integration with the Council's financial plans and strategies</b> – particularly the MTFP, Treasury Management Strategy, Annual Investment Strategy and Reserves Strategy</p>	<p>To enable an overall view of the Council's delivery of a prudent, affordable and sustainable capital investment plan that contributes positively to the achievement of the Council's corporate priorities</p>	<p>Strategic Finance &amp; Property, S151 Officer</p>	<p>During 2023/24</p>

# Minimum Revenue Provision (MRP) policy statement

## Minimum Revenue Provision

Where the council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the council to have regard to the MHCLG Guidance on Minimum Revenue Provision, the most recent edition of which was issued in 2018.

The council is legally obliged to “have regard” to the guidance, which is intended to enable a more flexible approach to assessing the amount of annual provision than was required under the previous statutory requirements. The guidance offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. The requirement to ‘have regard’ to the guidance therefore means that:

1. Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent; and
2. It is the responsibility of each authority to decide upon the most appropriate method of making a prudent provision, after having had regard to the guidance.

There is no requirement to charge MRP where the Capital Financing Requirement (CFR) is nil or negative at the end of the preceding financial year.

The guidance also provides for the ability to reclaim any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision (VRP) or overpayments, if



The council's Capital Financing Requirement became positive in 2020/21. In arriving at decision on its MRP Policy, the council has assessed MRP in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003. The options available to the Council are as follows.

### **Option 1: Regulatory Method**

Under the previous MRP regulations, MRP was set at a uniform rate of 4% of the CFR on a reducing balance method (which in effect meant that MRP charges would stretch into infinity). This historic approach requires the council to operate as if the 2008 Regulations must continue for all capital expenditure incurred in operate as if the 2008 amending Regulations had not revoked Regulation 28 and is only really advantageous to those authorities operating a Housing Revenue Account (HRA) to allow them to take advantage of adjustments relating to HRA debt. It can also only be used for new capital expenditure up to the amount which is deemed to be supported through the Supported Capital Expenditure annual allocation which is no longer published by the Government.

### **Option 2: Capital Financing Requirement Method**

This is a variation on option 1 which is based upon a charge of 4% of the aggregate CFR without any adjustment for Adjustment A, or certain other factors which were brought into account under the previous statutory MRP calculation. The CFR is the measure of an authority's outstanding debt liability as depicted by their balance sheet.

### **Option 3: Asset Life Method**

This method may be applied to most new capital expenditure, including where desired that which may alternatively continue to be treated under options 1 or 2.

Under this option, it is intended that MRP should be spread over the estimated useful life of either an asset created, or other purpose of the expenditure. There are two useful advantages of this option:

1. Longer life assets e.g. freehold land can be charged over a longer period than would arise under options 1 and 2 subject to a maximum life of 50 year for undeveloped land but developed land can have the same life as the asset on it and that can exceed 50 years; and
2. No MRP charges need to be made until the financial year after that in which an item of capital expenditure is fully incurred and, in the case of a new asset, comes into service use (this is often referred to as being an 'MRP holiday'). This is not available under options 1 and 2.

There are two methods of calculating charges under option 3:

1. equal instalment method – equal annual instalments; or
2. annuity method – annual payments gradually increase during the life of the asset.

## **Option 4: Depreciation Method**

Under this option, MRP charges are to be linked to the useful life of each type of asset using the standard accounting rules for depreciation (but with some exceptions) i.e. this is a more complex approach than option 3. The same conditions apply regarding the date of completion of the new expenditure as apply under option 3.

## **Annual Minimum Revenue Provision Statement 2023/24**

The Council, having evaluated the options for its MRP policy in respect of capital expenditure incurred, considers that the Asset Life - Equal Instalment Method is the most appropriate for it to use. This provides for a reduction in the borrowing need over approximately the useful life of the asset.

Estimated life periods will be determined by the Head of Strategic Finance and Property. To the extent that expenditure is not on the creation of an asset and is of a type that is subject

to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the council. However, the council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

Repayments included in finance leases are applied as MRP.

# Risk Management

## Risk Management Strategy

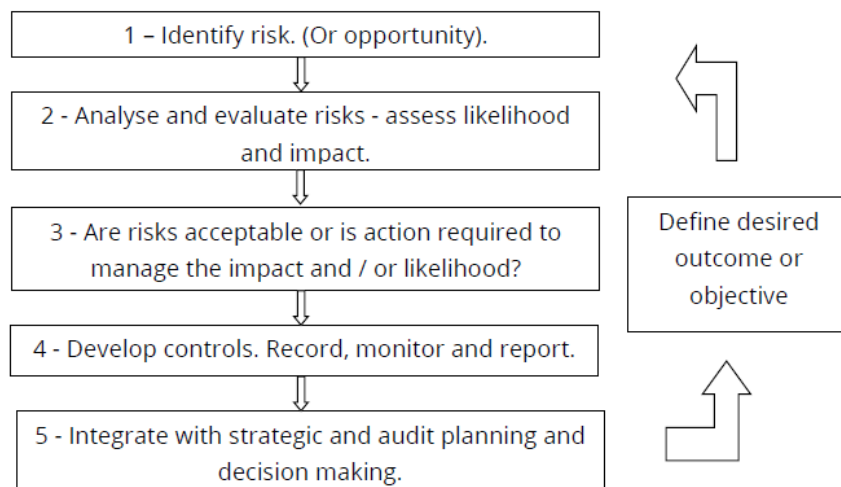
The Council's Risk Management Strategy was last reviewed in spring 2019 and is reviewed on an annual basis.

The Strategy contains a clear definition of risk management as follows:

The process which aims to help organisations understand, evaluate and take action on all their risks with a view to increasing the probability of their success and reducing the likelihood of their failure. (Source: The Institute of Risk Management).

The five stages of risk management are summarised in the diagram below, extracted from the Risk Management Strategy.

**Figure 5: Stages of Risk Management**



## Risk Evaluation and Risk Appetite

The Risk Management Strategy includes a scoring matrix to be used in analysing and evaluating risks as outlined in the image overleaf.

**Figure 6: Risk Scoring Mechanism**

<b>4 - HIGH</b> >£300,000 and / or national criticism and / or catastrophic fall in service quality				
<b>3 - MEDIUM</b> £150,000 to £300,000 and / or regional criticism and / or major long term fall in service quality		CONTINGENCY	CRITICAL	
<b>2 - LOW</b> £50,000 to £150,000 and / or long term local media criticism and / or minor long term or major short term fall in service quality		CONTROL	CAUTION	
<b>1 - NEGLIGIBLE</b> <£50,000 and / or short term local media criticism and / or short term fall in service quality				
IMPACT  LIKELIHOOD	<b>1 - RARE</b> The event could occur in exceptional circumstances	<b>2 - UNLIKELY</b> The event could occur less frequently than every three years	<b>3 - POSSIBLE</b> The event is likely to occur within, or more than one in three years	<b>4 - PROBABLE</b> The event is likely to occur within a year

The Strategy includes a definition of the Council’s risk appetite i.e. the level of risk that it is prepared to tolerate without need for ongoing monitoring or reporting.

A material risk is deemed to be any risk rated higher than 2:2 on the scoring mechanism above. Where a risk rating exceeds this ‘control’ area of tolerance, demonstrable evidence of how risks are being mitigated will be required, together with proposals for future controls.

The Risk Management Strategy acknowledges that with increasing pressure on public finances, Local Authorities are obliged to have more appetite for risk. The Council cannot deliver everything it would ideally like to deliver and tough choices are necessary. The Council is therefore open to considering all delivery options, accepting increased levels of risk in order to secure the successful outcomes or rewards. Risk management is essential in supporting innovation and moving from a ‘risk averse’ to a more ‘risk aware’ approach. An example is the acquisition of Old River Lane, Bishop’s Stortford. The financial commitment is significant but the acquisition provides an opportunity to shape the town centre, and an additional income stream.

## Roles and responsibilities

Roles and responsibilities are contained within the Risk Management Strategy and summarised here for ease of reference:

Role	Responsibility
Elected Members	<p>Elected Members are responsible for governing the delivery of services to the local community. Members have a responsibility to understand the strategic risks that the Council faces and will be made aware of how these risks are being managed.</p> <p>All Members will have the responsibility to consider the risks associated with the decisions they undertake and will be informed of these risks in the reports that are submitted to them. They cannot seek to avoid or delegate this overall responsibility, as it is key to their stewardship responsibilities.</p> <p>All Members can access strategic risks on Pentana Performance (formerly called Covalent).</p>
Full Council	<p>Full Council recognises the importance of effective risk management and considers risk management issues when making decisions.</p>
Executive	<p>To receive an annual report regarding the content of the Strategic Risk Register, then three exception reports each year detailing any change in risk scoring and the reasons why.</p> <p>Agree the Risk Management Strategy on an annual basis, or if significant changes require a revision.</p>

Role	Responsibility
	<p>Agree / set the Council's risk appetite.</p> <p>Allocate sufficient resources to address top risks</p>
<p>Audit and Governance Committee</p>	<p>To develop policy options and to review and scrutinise the policies of the Council including Risk Management.</p> <p>To monitor the effective development and operation of risk management and corporate governance in the Council.</p> <p>Receive an annual report regarding the content of the Strategic Risk Register, then three reports each year detailing the strategic risks and actions taken to mitigate or control them.</p>
<p>Chief Executive and Leadership Team</p>	<p>To ensure that effective systems of risk management and internal control are in place to support the Corporate Governance of the Council.</p> <p>Take a leading role in identifying and managing the risks and opportunities to the Council and to set the example and standards for all staff. Advise the Executive and Council on the risk management framework, policy, strategy and processes.</p> <p>Advise on the management of strategic and other significant risks.</p> <p>Ensure that the Policy and Strategy are communicated, understood and implemented by all Members, managers and staff.</p> <p>To report to Members on the management of strategic risks.</p>

Role	Responsibility
	To ensure that the risk management process is part of all major projects, partnerships and change management initiatives.
Heads of Service	<p>To be individually responsible for their service risks.</p> <p>Be actively involved in the identification and assessment of risks through the service planning process.</p> <p>Ensure that all reports of a strategic nature written for Members include risk commentary.</p> <p>To implement the detail of the Risk Management Strategy and risk related corporate policies, e.g. Health and Safety, Data Protection.</p> <p>Ensure that significant service risks are considered by Leadership Team quarterly.</p>
Strategic Finance and Property	<p>Co-ordinate risk management activities and prepare related reports for management and Members.</p> <p>Review and develop the Risk Management Strategy and processes.</p> <p>Facilitate / arrange risk management training for staff and Members.</p> <p>To co-ordinate the Business Continuity Plan.</p> <p>Support the risk based audit planning process.</p>
Shared Internal Audit Service	To provide assurance to the Council through an independent and objective opinion on the control environment comprising risk management, control procedures and governance.



Role	Responsibility
	<p>To provide an annual Audit Plan that is based on a reasonable evaluation of risk, and to provide an annual assurance statement to the Council based on work undertaken in the previous year.</p> <p>Review and challenge the effectiveness of the risk management framework.</p>

## Monitoring

Existing controls of strategic risks, their adequacy, new mitigation measures and associated action planning information are to be recorded on the Strategic Risk Register.

Strategic risks are subject to one detailed annual report with quarterly reports on an exception basis only.

## Capital Risk Register

Risk Category	Description of Risk / Uncertainty	Mitigating Factors	Timescale (review or implementation)	Owner	Residual Risk Score
<b>Political</b>	Change in local government structures	Timetable for any reorganisation would fall outside the substantial capital programme proposed and as already committed would not be stopped by a reorganisation prohibition on items not programmed to use up resources and deny them to the successor authority	Quarterly	Chief Executive	6

<b>Risk Category</b>	<b>Description of Risk / Uncertainty</b>	<b>Mitigating Factors</b>	<b>Timescale (review or implementation)</b>	<b>Owner</b>	<b>Residual Risk Score</b>
<b>Finance</b>	There is uncertainty around future funding, both from Government and other areas such as income from commodities markets for recycled materials.	Funding situation is being carefully monitored.	Ongoing	Head of Strategic Finance & Property	7
<b>Social</b>					
<b>Technological</b>	Technological changes means that project overruns could result in obsolete technology or technology no longer aligned with business need being implemented	Project Management Controls. Strategy to move to Cloud based software provided by supplier so systems should be on latest technology	Ongoing	Deputy Chief Executive	5

Risk Category	Description of Risk / Uncertainty	Mitigating Factors	Timescale (review or implementation)	Owner	Residual Risk Score
<b>Legislative / Legal</b>	Challenges to legal powers being employed to deliver capital ambition	Robust technical, expert and legal advice to be sought as required in order to demonstrate that the Council's actions are justified	Ongoing	Head of Legal & Democratic Services	6
<b>Continuity / service delivery</b>	Risk of not having capacity / capability and flexibility to continue to deliver service levels over time.	Services are structured to ensure their service offers meet customer demand and are efficient and effective.  The Transformation Programme will drive digital self-service for customers and agile working will reduce the	Ongoing	Heads of Service	4

Risk Category	Description of Risk / Uncertainty	Mitigating Factors	Timescale (review or implementation)	Owner	Residual Risk Score
		need for office accommodation space.			
	Risk of lack of defined process resulting in disrupted service delivery as decision making processes are impaired	Standard business cases, project evaluation and scoring mechanisms to aid decision making and prioritisation of resources	12 months	Head of Comms, Policy & Strategy	5
<b>Environmental</b>	Development of Old River Lane, Bishop's Stortford: impact on surrounding area	Site options being developed by urban designers and property	Ongoing	Head of Strategic	5

Risk Category	Description of Risk / Uncertainty	Mitigating Factors	Timescale (review or implementation)	Owner	Residual Risk Score
		consultants. Discussions ongoing with other partners such as Hertfordshire County Council, South Mills and Bishop's Stortford Town Council, to ensure any enabling parts of the site are ready		Finance & Property	
	Failure to adapt buildings and operational assets for climate change effects	Corporate Assets Group tasked with climate change risk assessment and adaption works programme for all council assets.	On going	Head of Strategic Finance & Property	6

## Risk Management action plan

Action	Why is this required?	Responsibility	Timescale
Monitor operational and strategic risks and update relevant risk registers accordingly, reporting strategic risks annually or quarterly by exception	In order that opportunities are explored in full in a timely fashion, and that risks are acknowledged and managed effectively through project lifecycles	All	As required and at least on a quarterly basis

# Capital Investment Appraisal

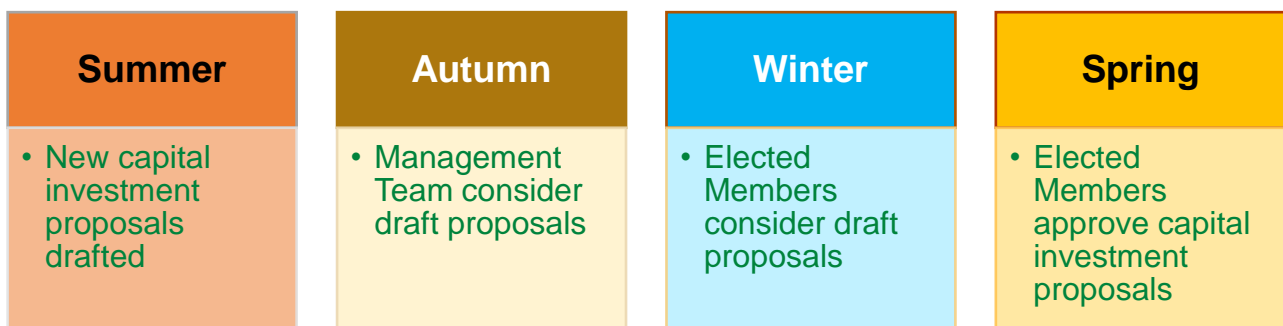
## Process

*Note: Due to the current high level of approved capital spend and affordability, there are currently no new capital schemes for approval and none expected, other than a potential re-configuration of the Old River Lane, Bishops Stortford, scheme.*

### Business planning process

The current business planning process for developing investment proposals to be included within the Council's future financial plans is summarised in the diagram below.

**Figure 7: Business Planning Process**



New proposals are developed by individual Project Managers, approved for consideration at service level by the Head of Service following which, the proposals will be considered by the Corporate Assets Group, then Leadership Team and successful proposals will progress for consideration and approval as part of the annual budget cycle.

### Investment proposals – consultation and stakeholder engagement

Consultation and engagement is a key part of developing individual proposals and will be tailored to the individual proposal and relevant stakeholders both internal and



external to the Council. Stakeholder engagement and consultation can take place throughout the lifecycle of a proposal (from initiation to close down) and the outputs of any engagement or consultation undertaken should be used to inform the proposal as this progresses.

The diagram overleaf summarises the elements to consider in developing capital investment proposals.

**Figure 8: Stakeholder engagement and consultation in developing investment proposals**



## **Developing capital investment proposals – description of current processes**

Project and Service Managers are encouraged to consider a range of options in developing individual proposals to determine an appropriate way forward, and to capture project details as a business case. However, although new proposals are required to develop a business case, there is as yet no standardised business case template used consistently across the Council to capture key information. This can lead to gaps in information being captured.

The Council has therefore identified that a standardised business case template is required, to support Officers in recording and maintaining project information and inform decision making. Business case must include estimates of capital costs, revenue implications and how the individual proposal aligns with Council plans and strategies and any partnership or external plans and strategies as relevant. Risks should also be documented as part of developing the proposal, along with mitigating actions and relevant timescales.

Business cases would then be maintained throughout the lifecycle of a project to maintain accurate information relating to delivery and lessons learned should be captured as part of project closure reports.

### **Prioritising capital investment**

The intention is for the standardised business cases referenced above to then be subject to a standardised evaluation process, the outcome of which will be the prioritised capital investment programme. Local authorities continue to face financial challenges and as a result, the need to prioritise and target investment is ever present.

The Council has identified that in order to effectively assess investment proposals against one another, a standardised evaluation process and scoring mechanism may be beneficial to help aid decision making and prioritise investment.

## Project appraisal process action plan

Action	Why is this required?	Responsibility	Timescale
Embed the <b>council's carbon assessment tool</b> within <b>standardised business case</b> documentation so as to ensure sustainability issues inform decision-making	To support officers in capturing and maintaining project information, from proposal to project close down, in order to help inform decision making and prioritise investment	Head of Housing & Health	12 months

# Governance

## Description of existing approval mechanisms

The existing process for development and approval of the Council’s Capital Strategy is summarised in the diagram below.

**Figure 9: Capital Strategy Approval process**



The internal governance structure will need to be mindful of partners’ and external governance mechanisms and will need to communicate and engage with these structures through delivery of the Council’s overall capital ambition.

## Roles and responsibilities

All Officers and elected Members have a role to play in informing and delivering the Capital Strategy. These roles and responsibilities are summarised below:

Role	Responsibility
<b>Elected members</b>	To approve the Capital Strategy and monitor delivery of the Strategy through various scrutiny forums
<b>Corporate Assets Group reporting via Leadership Team</b>	To develop and propose the Capital Strategy for approval

Role	Responsibility
<b>Programme / Directorate Managers</b>	To help inform the Capital Strategy, identifying constraints and opportunities and communicate these to both Senior Management and Project Teams
<b>Project Managers</b>	To manage delivery of individual projects aligned to the Capital Strategy and to develop and maintain project information which will inform decision making processes and the direction and delivery of the Capital Strategy
<b>Project Team members</b>	To contribute to the delivery of individual proposals which align with the Capital Strategy

## Skills and training

The Council benefits from the skills and experience possessed by both Officers and elected Members which will support delivery of individual capital proposals and the Council's overall capital ambition. The Council is also keen to support Officers and elected Members to continue to develop their skills sets and is therefore mindful of the implications capital proposals may have on the Council's workforce and future training opportunities and requirements.

The Council already has a programme of staff training available and will look to support that staffs who wish to continue their professional development appropriate to their role and subject to appropriate budget availability. Relevant training for elected Members is also undertaken on a routine basis and refreshed as required.

Any skills or experience required which are not already possessed ‘in-house’ should be identified through individual capital proposals or business cases and will be procured externally as necessary, and in accordance with the Council’s Corporate Procurement Strategy.

## Capital Strategy engagement

The Capital Strategy is a corporate document which helps stakeholders understand the Council’s capital investment objectives and decisions. The Council is therefore keen that the Capital Strategy is informed by knowledge and experience from across the authority.

## Capital Strategy date for review

The Capital Strategy is intended to be a dynamic document, responsive to changes in policy, strategic influences and delivery.

The Capital Strategy will therefore be updated as required and at least once on an annual basis.

## Governance action plan

Action	Why is this required?	Responsibility	Timescale
Update the Capital Strategy as required and <b>at least once annually</b>	To maintain a dynamic and responsive Strategy which evolves as the Council’s priorities do	Leadership Team	As required

# Appendix 1: Capital Programme by Corporate Plan priority

	<b>Sustainability at the heart of everything we do</b>	<b>Enabling our communities</b>	<b>Encouraging economic growth</b>	<b>Digital by design</b>
Investment in operational assets	✓	✓	✓	
Hartham Leisure Centre	✓	✓		
Northgate End, MSCP, Residential and Commercial	✓	✓	✓	
Arts Centre – Old River Lane	✓	✓	✓	✓
Hertford Theatre	✓	✓	✓	✓
ICT Rolling Programme	✓			✓
Open Space Improvements	✓	✓		
Improve, maintain & renew structures along rivers and watercourses	✓	✓		

Appendix 1

	<b>Sustainability at the heart of everything we do</b>	<b>Enabling our communities</b>	<b>Encouraging economic growth</b>	<b>Digital by design</b>
Land Management Asset Register & Associated Works		✓		
Grants	✓	✓		



## **East Herts Council Report**

### **Audit & Governance Committee**

**Date:** 24<sup>th</sup> January 2023

**Report by:** Councillor Geoffrey Williamson, Deputy Leader & Executive Member for Financial Sustainability

**Report title:** Draft Strategic Asset Management Plan 2023- 2028

**Ward(s) affected:** All

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### **Summary**

The report contains the council's Draft Strategic Asset Management Plan 2023 - 2028

### **RECOMMENDATIONS FOR AUDIT & GOVERNANCE COMMITTEE:**

- (a) To endorse the Executive's Draft Strategic Asset Management Plan 2023-2028 for recommendation to Council. or**
- (b) To endorse the Executive's Draft Strategic Asset Management Plan 2023-2028 for recommendation to Council, subject to the following observations....**

#### **1.0 Proposal(s)**

- 1.1 This report presents the Executive's draft Strategic Asset Management Plan (SAMP) for scrutiny by the Audit & Governance Committee.
- 1.2 CIPFA (Chartered Institute of Public Finance and Accountability) guidance advises councils to agree a SAMP as part of their budget strategy, to ensure regular review of their need for property both operationally or strategically.

#### **2.0 Background**

- 2.1 The SAMP sits alongside the Capital Strategy to shape the future capital programme within the Medium Term

- Financial Plan. Having a SAMP is considered essential for proper financial and asset management.
- 2.2 By its very nature, property is expensive to procure, manage and maintain, and is also inflexible in terms of responding to changing service needs, so it is important that its management is at the heart of the council's corporate forward planning process. Only in this way can we maximise use and efficiency of our property portfolio to support and facilitate modern and changing ways of working and hence make a long term, positive contribution to successful and economical service delivery.
  - 2.3 The SAMP exists to ensure that the council's property assets contribute pro-actively to the delivery of the corporate plan. Through the Capital Strategy and the SAMP the council will ensure that the asset portfolio is:
    - 2.3.1 consistently aligned with corporate priorities;
    - 2.3.2 providing value for money;
    - 2.3.3 managed in accordance with industry standards;
    - 2.3.4 benchmarked against comparable peers; and
    - 2.3.5 aligned with the Medium Term Financial Plan, the Capital Strategy and the Capital Programme.
  - 2.4 This strategic approach to assists the formation of the capital programme which will need to carefully balance limited resources with:
    - 2.4.1 legislative driven changes e.g. waste and recycling;
    - 2.4.2 health and safety of the public and staff e.g. replacing lighting, replacing fire alarm systems including smoke and heat detectors, resurfacing car parks, replacing play equipment;
    - 2.4.3 adaption to climate change of the council's assets, e.g. cooling and shading of office and depot facilities, flood protection measures for assets at risk of fluvial and flash surface flooding;
    - 2.4.4 reaching net zero by 2030 through decarbonisation of operations such as: electric vehicle charging infrastructure for environmental enforcement officer

- and waste, recycling and street cleansing operations;  
energy efficiency measures in operational buildings;
- 2.4.5 Information Communication Technology Investment in: digital infrastructure as part of the Transforming East Herts Programme; the rolling ICT Programme for renewal of business systems; and annual laptop and mobile device replacement cycle
- 2.5 A key unknown for the SAMP is whether the council remains at Wallfields or moves elsewhere. A decision to leave would require the focus of the SAMP to be on maximising the capital receipt for Wallfields and identifying and managing the move to the new premises. Conversely a decision to remain at Wallfields would shift the emphasis of the SAMP to consolidating council staff to a smaller office footprint and finding a tenant for the vacated areas. Some upgrading of the vacated areas is required for leaseholder occupation.
- 2.8 The Public Sector Decarbonisation Scheme (PSDS) allows councils to bid for government grant to decarbonise their buildings. The council has not yet made a bid and it is hoped that a further round of the PSDG will be opened around Spring/early Summer 2023 and officers have worked with consultants on options for a bid, principally to decarbonise the heating system, and to provide improved cooling and ventilation of the office space. The consultants work on the basis that working up options and the submission of an actual bid is on a no win no fee basis, but it would be disingenuous to the consultant to proceed with working up a full bid until the decision on future office accommodation is made.
- 2.9 If a bid cannot be made in Spring/early Summer then the council will need to install, by the end of the summer, a new commercial gas boiler to provide heating and hot water. This is essential to provide a building that meets the council's responsibilities to provide a safe workplace and so any potential sale price will not be adversely affected by the current time life expired installation still being in situ. The

new boiler would be more efficient than the unit it replaces so carbon emissions will be reduced, although not to zero.

### **3.0 Reason(s)**

- 3.1 The SAMP exists to ensure that the council's property assets contribute pro-actively to the delivery of the corporate plan. Through the Capital Strategy and the SAMP the council will ensure that the asset portfolio:
  - 3.1.1 is consistently aligned with corporate priorities;
  - 3.1.2 provides value for money;
  - 3.1.3 is managed in accordance with industry standards;
  - 3.1.4 is benchmarked against comparable peers; and
  - 3.1.5 is aligned with the Medium Term Financial Plan, the Capital Strategy and the Capital Programme.
- 3.2 This strategic approach to management and investment of the corporate portfolio will ensure that the asset base remains fit for purpose for years to come.
- 3.3 CIPFA Guidance recommends that an SAMP is essential in order to demonstrate proper financial and asset management. Given the significant budget challenges ahead and the changes under the Transforming East Herts Programme, it is essential for the council to approve a SAMG so that appropriate assets are held as required for delivery of corporate plan priorities.

### **4.0 Options**

- 4.1 Endorse the SAMP as recommended in this report.
- 4.2 Recommend Executive change the SAMP to have a shorter time horizon – NOT RECOMMENDED as it would not cover the same period as the Medium Term Financial Plan (MTFP) and could result in increased savings requirements compared to planning with the five year SAMP alongside the five year MTFP
- 4.3 Recommend Executive do not produce a SAMP – NOT RECOMMENDED – as without a SAMP the council's assets will not be properly aligned with Corporate Plan Priorities and

are likely to become a financial burden and a brake on delivery of priorities and performance improvement. The lack of a SAMP also raises the question would the external auditor's value for money assessment be qualified because a CIPFA recommended plan for asset management was not in place.

## **5.0 Risks**

5.1 Risks are assessed for every asset and will be recorded against each asset on the Uniform/IDOX system.

## **6.0 Implications/Consultations**

6.1 None

### **Community Safety**

Building and refurbishment schemes design out crime and safety issues and public realm works in particular are required to ensure that the community feel safe.

### **Data Protection**

All investment in IT systems is required to check where data is held and that systems comply with data protection legislation. The IDOX system was not fully implemented and there is an urgent requirement to complete the Estates Module implementation to cover all the council's property assets.

### **Equalities**

All capital schemes meet the necessary legislation and are subject to access audits. Design also considers dementia friendly design elements, privacy and data protection.

### **Environmental Sustainability**

The council has established a carbon assessment tool that it is beginning to apply to existing capital projects. In the future, a carbon assessment of proposed capital projects will be included within the

overall business case so as to inform decision-making. To date, individual schemes have sustainability features designed into them and may include, for example: meeting BREEAM ratings for buildings and refurbishments; flood resilience and sustainable underground drainage systems; opportunities for renewable energy generation; and carbon reduction such as replacement of the council's internal combustion engine vehicles with battery electric vehicles.

### **Financial**

The SAMP ensures that capital and revenue resource are targeted on assets that deliver corporate priorities. Without the SAMP the council may hold assets it does not need which reduces revenue and capital resources available for assets that do deliver corporate priorities. Assets no longer required should be disposed of to realise capital receipts which can be used to replace loan financing which in turn will reduce future costs of meeting interest and Minimum Revenue Provision payments.

### **Health and Safety**

All contractors are required to have compliant health and safety policies. Where a health and safety issue requires capital expenditure it will be fast tracked to deal with the issue.

### **Human Resources**

None

### **Human Rights**

None

### **Legal**

A Capital Strategy is a requirement of the Prudential Code which the council is required to follow under the Local Government Act 2003.

### **Specific Wards**

None

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

### **7.1 Appendix A – East Herts District Council Strategic Asset Management Plan 2023/24 to 2027/28**

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# Strategic Asset Management Plan

**2023 to 2028**

Appendix A

Version: 0.1

Geoffrey Hayden  
Corporate Property Services Manager

Approved by Council [1 March 2023]





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## 1.0 Executive summary

The council owns a diverse range of assets that contribute to achieving our objectives as set out in the corporate plan. Our guiding principles are:

- a) asset objectives are aligned to Council policy and corporate plan objectives
- b) actions are taken in the best interests of the taxpayer
- c) efficiency and value for money are achieved, making the most of synergies between the council and other public sector organisations, taking account of the whole life of assets
- d) governance and management frameworks are proportionate and appropriate to the work and assessed levels of prevailing risk, and accountabilities and responsibilities for assets are clearly defined across the council
- e) we act as custodian of our heritage assets and the natural environment and we will act to adapt, maintain and protect both for the future
- f) construction, adaptation, operational management and disposal of property is undertaken sustainably
- g) continuous improvement is promoted through capturing, sharing and using experience and lessons learned
- h) professional standards, codes of ethics and codes of practice will be upheld at all times.

We proactively manage our assets to ensure they are fit for purpose and meet the changing needs of customers, councillors, staff and legislation. We also periodically review our entire asset base to make sure that we only keep assets that assist with delivering our corporate priorities. Assets that are surplus to requirements will be disposed of to reduce ongoing maintenance costs and to realise capital receipts that can be used to invest in assets that help us deliver our priorities.

As at 31<sup>st</sup> March 2022, the council had 120 'Operational Assets' plus 189 hectares of operational land (mainly parks and amenity land). These are the land and buildings that the council uses for service delivery purposes. In addition, the council has a range of 'Non-Operational Assets' including community assets, surplus assets and those held as investments, such as shops, offices and industrial units. The number of 'Non-Operational Assets' at 31<sup>st</sup> March 2022 was

169. The assets held as investments are forecast to generate an annual income in the region of £0.741 million in 2021/2022.

The content of this Strategic Asset Management Plan (SAMP) has been produced in accordance with the latest Guidelines on Property Asset Management 2<sup>nd</sup> edition issued by the Royal Institution of Chartered Surveyors (RICS).

## 2.0 Purpose of strategic asset management planning

There are three strands which together form the Strategic Asset Management Planning framework. These are detailed below and provide a clear statement of the purpose and performance levels expected from the property portfolio. The framework will have a medium term lifespan but will be reviewed, as required, as part of the Finance and Business Planning process.

1. **Property Strategy.** This is a business planning and communication summary which assesses the operational and financial contribution that property makes as a corporate resource. The strategy evaluates whether our property matches the aspirations of our corporate priorities and helps achieve our vision of *“East Herts: A place to grow”*
2. **Corporate Policy.** The policy is designed to make sure that the strategy is reflected in decisions made across the organisation. It sets out the ‘rules of behaviour’ for property related decision-making in order to deliver the strategy.
3. **Strategic Asset Management Plan.** The plan determines how each asset supports service delivery and corporate objectives. The plan sets out a strategy for each asset taking into account the operational, financial and physical contribution made. This will identify which assets are to be retained, used as community assets, redeveloped or earmarked for disposal.

### 2.1 Property strategy

This strategy considers how the assets held by the council can be considered as corporate resources used in the delivery of services. The assets must serve a purpose in the achievement of the council’s aims and objectives and must be aligned to the council’s priorities and Corporate Plan. The council primarily holds assets that are necessary to deliver corporate priorities and services and aims to do this in an efficient and effective manner. In addition to this the council holds assets for financial rather than service requirements with the focus on maximising financial return on investment.

The aims of the property strategy are to:

1. hold and use property, freehold or leasehold, that is necessary to maintain and support the delivery of corporate priorities and services or which has strategic significance in the regeneration of the district.
2. ensure that all assets are fit for purpose, sustainable and well-maintained.
3. ensure that the investment property portfolio is well managed and delivers an optimised return on investment for the council.
4. work with others in the public, voluntary and private sectors to make the most efficient and effective use of assets.

## 2.2 Sources of information:



## 2.3 Strategic asset management plan alignment with corporate policy

East Herts Council has a co-ordinated approach to strategic planning focused on the outcomes of each service which in turn deliver the corporate priorities agreed by Council underpinning the corporate vision. The finance and business planning framework integrates corporate, directorate and service planning over the course of the medium term financial plan. The annual review cycle of finance and business planning provides an opportunity to review the fit of the asset strategy in the overall direction of the council.



Service and crosscutting strategies have been developed for the delivery of East Herts Council services and the asset management strategy should be read in conjunction with the following documents:

- The Corporate Plan
- Medium Term Financial Plan
- Capital Strategy
- Sustainable Community Strategy 2009-2024
- East Herts District Plan 2018
- Health & Wellbeing Strategy 2019-23
- The Homeless & Homeless Prevention Strategy 2019 – 2024
- Disability Equality Strategy
- East Herts Housing Strategy 2022 - 2027
- Parks and Open Spaces Strategy 2020 – 2025
- Climate Change Strategy 2022 - 2026

Strategies and service plans are assessed to take into account any property requirements and ensure that any opportunities are understood, co-ordinated and planned for the benefit of services and to make the best use of assets.

### 3.0 The Council's goals, objectives and drivers

The Council's vision in the Corporate Plan is "East Herts: A place to grow". The vision is promoted, in partnership with the Local Strategic Partnership, through four priorities.

Our priorities and how we will deliver them:



#### **Sustainability at the heart of everything we do**

We will make changes to how the Council manages its own premises, people and services

We will use our regulatory powers to promote action by others

We will influence and encourage others to be more environmentally sustainable

#### **Enabling our communities**

We will invest in our places

We will ensure all voices in the community are heard

We will support our vulnerable residents

#### **Encouraging economic growth**

We will develop new sources of income

We will support businesses growth

We will create viable places

#### **Digital by design**

We will improve the customer experience for those who use Council services

We will work with partners to ensure our communities are digitally enabled

From a Strategic Asset Management Plan perspective each of the Council's assets are aligned with these priorities and outcomes. We want to ensure that our assets are operated in an efficient manner and take opportunities, where possible, to minimise our impact on the environment.

### **3.1 Key objectives**

There are a number of key asset management priorities which influence the decisions taken in relation to the council's assets. These are:

- improving town centre sites and infrastructure through the use of our strategic land holdings, planning powers and in line with the District Plan.
- improving the sustainability of the council's assets and making them resilient to the challenges of climate change in line with the Climate Change Strategy 2022 - 2026
- modernising the council's assets and making the best use of design and information technology to reduce the amount of office space required to the minimum
- enabling public sector partners and the third sector to have access to appropriate assets, including co-location to enable asset disposals
- exploring opportunities to work with the public and private sector to deliver better public services and improve economic growth
- securing additional income streams for the council to continue to be financially sustainable

## 4.0 Financial context

### 4.1 Overall financial position of the council

As at 31 March 2022 the council had Property, Plant and Equipment worth £111.5 million classified as follows:

Asset Type	As at 31 March 2022 £ millions	
Land and Buildings	71.6	
Plant and Equipment	1.5	
Infrastructure	1.5	
Community Assets <sup>1</sup>	3.5	
Surplus Assets	2.4	
Assets Under Construction	30.5	111.5
Investment Properties <sup>2</sup>		9.2
		<u>120.7</u>

#### Notes

- 1 This includes nine Heritage Assets valued at £1 each (in accordance with accounting guidance) as they are held by the council as custodian for future generations.
- 2 Investment Properties are held for capital appreciation or income generation. The current Investment Properties are forecast to generate net income of £0.741 million in 2021/22.

The council had usable reserves and balances of £26.5 million as at 31<sup>st</sup> March 2022.

## 4.2 Property, Plant and Equipment as at 31 March 2022

Cost or Valuation	Other Land & Buildings	Vehicles, Plant, Furniture & Equip.	Infrastructure	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000
<b>2020/21</b>							
As at 01/04/2020	77,673	20,381	8,540	3,056	2,571	5,740.00	117,961
Additions	2,768	197	20	328	3.00	25,003	28,319
Disposals	(29)	-	-	-	-	-	(29)
Reclassifications	0	-	-	-	0	-	0
Revaluations	(4,289)	-	-	-	(164)	0	(4,453)
<b>Total as at 31/03/2021</b>	<b>76,123</b>	<b>20,578</b>	<b>8,560</b>	<b>3,384</b>	<b>2,410</b>	<b>30,743</b>	<b>141,798</b>
<b>2021/22</b>							
As at 01/04/2021	76,123	20,578	8,560	3,384	2,410	30,743	141,798
Additions	655	151	-	231	-	23,864	24,901
Disposals	(2,742)	-	-	-	-	-	(2,742)
Reclassifications	23,734	-	-	-	-	(23,734)	0
Revaluations	6,452	-	-	-	6	-	6,458
<b>Total as at 31/03/2022</b>	<b>104,222</b>	<b>20,729</b>	<b>8,560</b>	<b>3,615</b>	<b>2,416</b>	<b>30,873</b>	<b>170,415</b>
<b>Depreciation &amp; Impairment</b>							
<b>2020/21</b>							
As at 01/04/2020	30,899	18,230	6,545	91	0	0	55,765
Charge for Year	853	531	251	-	-	-	1,635
Acc depreciation w/o on revaluation	-	-	-	-	-	-	0
Disposals	-	-	-	-	-	-	0
Impairment (reversal) recognised in the service	-	-	-	-	-	-	0
Revaluations	-	-	-	-	-	-	0
<b>Total as at 31/03/2021</b>	<b>31,752</b>	<b>18,761</b>	<b>6,796</b>	<b>91</b>	<b>0</b>	<b>0</b>	<b>57,400</b>
<b>2021/22</b>							
As at 01/04/2021	31,752	18,761	6,796	91	0	0	57,400
Charge for Year	823	467	248	-	-	-	1,538
Acc depreciation w/o on revaluation	-	-	-	-	-	-	0
Disposals	-	-	-	-	-	-	0
Impairment (reversal) recognised in the service	-	-	-	-	-	-	0
Revaluations	-	-	-	-	-	-	0
<b>Total as at 31/03/2022</b>	<b>32,575</b>	<b>19,228</b>	<b>7,044</b>	<b>91</b>	<b>0</b>	<b>0</b>	<b>58,938</b>
<b>Net Book Value</b>							
Balance Sheet as at 31/03/21	44,371	1,817	1,764	3,293	2,410	30,743	84,398
Balance Sheet as at 31/03/22	71,647	1,501	1,516	3,524	2,416	30,873	111,477

## 4.3 Financial outlook

The Medium Term Financial Plan anticipates a reduction in the amount of funding received from central government throughout the period to 2026/27. The effects of a further round of austerity, inflation running at a 40 year high, rising interest rates and the substantial levels of borrowing incurred to fund the

major projects programme from 2019 onwards means that capital and revenue resources will be scarce. In this context of limited resources it is vital that assets deliver cost effective office and depot accommodation, maximise income and minimise cost and, if the asset is not in use for service provision and it is a net cost to the council, then it should be considered for disposal.

#### 4.4 Financial context for asset decision making

The assets of the council are valued each year in order to be included in the Statement of Accounts. These valuations are subject to external audit each year, for which the council has received an unqualified opinion. In addition, the council has received a value for money conclusion from the external auditor confirming that proper arrangements are in place to secure economy, efficiency and effectiveness.

The full details of the capital programme can be found in the council's annual budget. The capital programme spend allocated to asset management priorities is shown below:

Capital Programme	2023/24 Original Budget £000	2024/25 Original Budget £000	2025/26 Original Budget £000	2026/27 Original Budget £000	2027/28 Original Budget £000
Land and Buildings	16,166	10,830	9,327	250	250
Vehicles and Equipment	612	1,360	450	450	450
Community Assets	1,630	133	50	50	50
Revenue Exp Funded as Capital Under Statute	323	308	308	308	308
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>18,731</b>	<b>12,631</b>	<b>10,135</b>	<b>1,058</b>	<b>1,058</b>
<b>FUNDED BY:</b>					
Borrowing (Internal)	(368)				
Borrowing (External)	(12,564)	(4,100)	(9,577)	(500)	(500)
Capital Receipts	(3,160)	(5,140)	(250)	(250)	(250)
Capital Grants Applied	(2,276)	(83)			
Capital Expenditure Charged to a Revenue Account	(363)	(3,308)	(308)	(308)	(308)
<b>TOTAL CAPITAL PROGRAMME FUNDING</b>	<b>(18,731)</b>	<b>(12,631)</b>	<b>(10,135)</b>	<b>(1,058)</b>	<b>(1,058)</b>

## 5.0 Asset goals and ambitions

The goals and ambitions in terms of asset management will vary dependant on the type of asset. These are described in more detail in the following paragraphs.

### 5.1 Administrative offices

The goal is to offer an equally high standard environment for all council staff and visitors to work in and access services. These assets will be fully compliant with all relevant legislative requirements. Where feasible these assets will contribute to reducing the council's carbon footprint and energy consumption.

**Wallfields:** The council's main office building is used by all staff, with the vast majority of staff on blended working arrangements which require a minimum of 50% of contracted hours to be worked in the office. As a result of that blended working the amount of office space required by the council is much reduced and the conversion of the old building to meeting spaces provides the opportunity to market office space to potential tenants to reduce the council's running costs. Modernisation of the building layout and furniture has been largely achieved by re-using existing furniture and purchasing second hand furniture, such as lockers reducing financial costs and also environmental impact. The council has improved energy efficiency by using LED light panels and all lights operate with movement sensors so unoccupied spaces are not lit. We have implemented "hot desking" and staff are now required to book a workspace for when they are in the building. There is a need to continue to improve the design and furniture layout, so that modern ways of working practices can be implemented fully for all services, which should further reduce the number of workspaces the council requires in the future.

**Charringtons:** The Old River Lane project will result in the council giving vacant possession of this building for redevelopment. Customer Services will operate out of another Bishop's Stortford location once Charringtons is closed.

### 5.2 Depots

**Buntingford Service Centre:** The service centre is the council's depot for the council's waste, grounds maintenance and parking contractors. There is a small office provision for staff, enabling client officers to effectively manage their contractors. This building is leased from a private landlord with a lease expiring in 2026. A review of this property will need to be undertaken within this SAMP

period to ensure adequate time is available to explore future options for this building as well as provision of new facilities for fuel and battery charging.

### **5.3 Car Parks**

**Hertford** – The Pandemic has changed demand for car parking with a reduction in demand for long stay parking but an increase in demand for short stay parking. Capital projects at Hertford Theatre and Hartham Leisure centre, once completed are likely to cause changes in demand for parking, particularly in the evenings. In order to address this the feasibility of the Wallfields office car park being made available to the public will be explored. The car park at Wallfields is available, free of charge, to businesses at weekends for the use of their staff but, despite promotion, use of the car park remains extremely low.

**Ware** – With the disposals of part of the car park in Mead Lane, for the new doctor's surgery, parking availability in the town has been reduced but there does not appear to be unmet demand.

**Bishops Stortford** – The completion of the Northgate End multi storey car park provides replacement parking for the Charringtons and Causeway car parks which the council's Development Management Committee required to be closed as a condition for opening Northgate End. Changes in demand for parking post pandemic presents an opportunity to concentrate parking in Northgate End thus freeing up surface car parking sites for potential redevelopment.

Provision across the district of public electric vehicle (EV) charging points will be increased, subject to the council working with commercial EV charging operators on a no cost to the council basis.

### **5.4 Parks and open spaces**

Parks and open spaces are generally provided by the parish councils in rural areas, but the council has a substantial portfolio of parks, open spaces and playgrounds across the district. This situation gives rise to what is known as "double taxation" because the council taxpayers in some rural areas are paying for parks and open spaces for other areas in their district council tax and then being taxed again by their parish council for parks and open spaces in their own parish. Where double taxation is identified the council must consider either transferring the assets to the relevant Parish Council or levying a Special Expense on the parish council areas or to acknowledge and accept the double taxation.



## 5.5 Community assets

These assets utilise Council land and buildings to deliver benefits to the community through Voluntary and Community Services (VCS) organisations. These assets are subject to leases which are subsidised by the Council to realise the benefits for the community provided by VCS organisations. The community lettings policy will be reviewed to ensure it remains fit for purpose and to ensure fairness to the taxpayer.

**Community Centres:** The aim is to facilitate the local community running and managing their community centres, on the basis of a full repairing lease. The council will continue to monitor the performance of these organisations to assist and ensure that these assets are available for the use of all the community. If any new centres are constructed through the planning process, then they will be transferred to the town and parish councils or community interest companies. Where existing centres revert back to the council, as freeholder, the council will work with the local community to establish the best custodian to take the management of these assets on the basis of a full repairing lease. The council directly provides community centres in Ware, Bishop's Stortford and Hertford. The council has sold two community centres to Bishop's Stortford Town Council with an option to purchase the remaining one.

**Sports and Social Centres:** The aim and objective is to support the community and local clubs and organisations that encourage, physically active, educational and social interaction in the community. These clubs have been given discounted rent payments under the community lettings policy. The community lettings policy will be reviewed to ensure it remains fit for purpose and to ensure fairness to the taxpayer.

## 5.6 Leisure and culture

The council aims to continue to run leisure, culture and sports centres across the district. Grange Paddocks has a brand new £29 million leisure centre which opened in autumn 2021. Hartham leisure centre is being refurbished and extended. Hertford Theatre is being improved and a new arts centre at Old River Lane is part of the development agreement for the renewal of Old River Lane.

## **5.7 Investment properties**

These assets are held in order to generate a return on investment for the council. The assets make a significant contribution to the ongoing financing of council services, ensuring the financial sustainability of the council as government funding reduces. These assets are subject to a review process to ensure that the return on investment is maximised and opportunities for development are actively explored to secure these returns in the medium to long term. Where opportunities to acquire further investment properties occur, these will be explored, subject to the relevant due diligence processes.

## 6.0 Key issues, gaps and future pressures

This section highlights the key issues, gaps in asset provision and opportunities for change and improvement that have been highlighted in Service Plans through the Finance and Business Planning process.

The identified issues and gaps include:

- Establish a Corporate Assets Group (CAG) so key officers can discuss operational property uses, requirements and projects. The previous officer working group has not met for many years, leaving a void and missing opportunities to communicate and share information on individual properties. The Corporate Assets Group will also be tasked with reviewing all the council's assets on a rolling basis.
- Establish an Assets Member Reference Group (AMRG), chaired by the Executive Member for Financial Sustainability, to give a wider Member view on the asset review process.
- As a priority all assets need to be placed onto the Estates module on IDOX and a three-way reconciliation to the Balance Sheet and the Property Terrier undertaken. The IDOX system will also, over time, hold condition survey information, grounds maintenance bill of quantities, component replacement schedules, planned and reactive maintenance records and insurance valuations and data. The IDOX system will become the master property record and the single repository of all key information on assets which at present is held in spreadsheets and legacy systems across the council.
- There is a need for Service Teams to take more responsibility for asset related issues, particularly health & safety. The Property Service will become more strategically focused and will be the gateway for all capital and change projects and control what projects are recommended to be included in the capital programme.
- Old River Lane, Bishop's Stortford: This project is ongoing and will be a major focus during the next five years. Land assembly and master planning continues with the development partner.
- Buntingford Service Centre - this operational depot is leased and the lease ends in 2026. A formal review will be required towards the end of this SAMP period to decide if the depot should remain in this location and

whether the partnership with North Herts will require capacity at this location.

- There is a continued need to understand the asset management strategies of partner organisations to identify opportunities to make best use of public sector assets (e.g. Hertfordshire County Council, Hertfordshire Police etc.). EHDC are an active member of the Herts Property Partnership (HPP). Officers are able to share information, resources, best practice and work collaboratively across central and local government bodies.
- We need to review all of our assets to ensure they are held to deliver the council's priorities. Assets are listed in Annex A.

In order to progress the aims of the Strategic Asset Management Plan it will be necessary to establish a rolling review of our assets. The review may include the acquisition and disposal of assets to ensure that the overall asset portfolio is fit for purpose for present needs but also taking into account the future direction of travel of service provision.

## 7.0 Critical success factors

The Council's key improvement priorities are detailed below and are the primary way in which we demonstrate that our asset portfolio is contributing to the corporate priorities of the Council over the period of the Medium Term Financial Plan (2023/24 – 2027/28).

Key Improvement Priorities	Service Outcomes	Key Milestones	Timescales	Corporate Priority
Establish a Corporate Assets Group (CAG)	Enable services to feed operational property changes, plans, requirements and projects to the CAG CAG to review assets and recommend acquisitions, improvements and disposals	Establish terms of reference for the CAG. Hold CAG meetings in: Jan, Mar, May, Jul, Sep, Nov, to fit with the preparation of the capital programme	Jan 2023  Mar 2023 onwards	All
Establish the Assets Member Reference Group (AMRG),	Provide wider Member views of the asset review process to inform decisions by the Executive	Agree terms of reference for the Assets Member Reference Group (AMRG). AMRG meetings to be look at asset review recommendations	Mar 2023  May 2023 onwards	All
Corporate Plan Objectives SEED action points	Energy efficiency	Undertake Energy Audits of corporate Buildings and maintain register/record as a baseline for future energy efficiency measures Possible bid for Public Sector Decarbonisation Scheme subject to confirmation the council will remain at Wallfields	Procure by May 2023  Decision on future office location dependent	All
Influencing and generating the development of our Towns	Using our strategic land holdings, planning powers and vision to influence the development of our town centres	Planning permission and development agreement likely to be forthcoming for Old River Lane Bishop's Stortford	October 2023	All
Reviewing and rationalising our assets	Reviewing all assets with a view to rationalising assets and realising capital receipts to reduce borrowing costs	SAMG will seek to review the asset base of the council on a rolling basis	May 2023 onwards	All
Working with Services to deliver the capital projects	Hertford Theatre, Grange Paddocks, and Hartham Leisure Centres and The Old River Lane Project.	Completion of all projects on time, in budget within the SAMP period	Ongoing, until 2025/26	All

Key Improvement Priorities	Service Outcomes	Key Milestones	Timescales	Corporate Priority
Transforming East Herts	Either: reduced office space used by EHC with tenant(s) occupying space under lease; or Manage the process of moving to new office premises and sale of the Wallfields building	Decision on future office location dependent	Decision on future office location dependent	All
Climate Change	Ensuring that we adapt our property portfolio to deal with the effects of climate change, particularly prolonged hot weather and the risk of flooding from very intense rainfall.	Adaption strategy for the office building is dependent on future office location. Risk assess property portfolio for effects of climate change Adaption plans for top 10% by risk Capital Programme adaption works budget	2024/25 2024/25 2025/26	Sustainability

## **8.0 Resource implications of the asset strategy**

The future contribution of the asset portfolio to provide capital receipts is essential in order to reduce the forecast revenue costs of borrowing. Where the council holds assets which are not strategically important, disposal may be considered as one option amongst others. Disposal will only take place after an asset has been considered surplus through the use of the methodology included in Annex B. The disposal list will be regularly reviewed by the CAG.

Where council owned assets are utilised for the benefit of the community, this is done in accordance with the community lettings policy. As this policy has not been reviewed in the last five years it is proposed that this is reviewed to ensure that it remains fit for purpose and to ensure fairness to the taxpayer.

Investment properties are held by the council as a class of investment and provide limited operational benefit for the council other than as a source of income. Some miscellaneous properties are held by the Council as residues of ownership and are held to help manage land uses in some areas.

## **9.0 Performance management for assets**

The council has a responsibility to ensure that assets are fit for purpose, provide value for money and are still required by the organisation. In preparing the SAMP the council is able to assess whether it has the right assets and plan how assets are managed throughout the year.

The Strategic Asset Management Plan is approved by Full Council. The CAG, the Leadership Team, the AMRG, the Audit and Governance Committee and the Executive each have the opportunity to shape the plan before Full Council makes a decision.

### **9.1 Performance measures**

The performance of the council is assessed in a variety of ways, including through the performance and budget monitoring reports.

Monitoring of the Capital Programme is carried out by Audit and Governance Committee and the Executive. The performance of the asset portfolio and all actions agreed through the asset review process is carried out by the Executive Member for Financial Sustainability, The Head of Strategic Finance and Property and the CAG.

Any decision to dispose of an asset or a key decision in relation to a property asset is formally approved by the Executive. The AMRG provide a wider Member view on the recommendations for disposal.

The revenue budget for the repair and maintenance of assets is programmed to allow for regular maintenance and survey work to take place for all assets. Capital bids are recommended by the CAG for works involving replacement or enhancement of operational assets.

Maintenance programmes are kept under review to respond to changing priorities and needs. A recent survey has been undertaken on Wallfields to assess maintenance requirements. Further condition surveys are required for all assets, to be recorded on the Uniform/IDOX system and a maintenance plan for each asset established and monitored to mitigate the council's exposure to risk. Stakeholder consultation and user satisfaction surveys are considered as part of the continuous performance review of operational buildings.



Once we have all the council's assets on the Uniform/IDOX system we will develop performance indicators for the assets in line with best practice. These will be along the lines of the following:

### **PPI 1 Condition & Required Maintenance Indicators**

% of gross internal floor area (GIA) in condition categories A to D

Required maintenance in priority levels 1 to 3

Required maintenance expressed as a % in priority levels 1 to 3

Total required maintenance

Required maintenance per m<sup>2</sup> of GIA

Annual change in required maintenance

Total annual maintenance spend

Total annual maintenance spend per m<sup>2</sup>

Ratio of spend on planned and responsive maintenance

### **PPI 2 Environmental Indicators**

Annual energy costs and consumption per m<sup>2</sup> GIA

Annual water costs and consumption per m<sup>2</sup> GIA

Annual CO<sub>2</sub> emissions per m<sup>2</sup> GIA

Overall organisational CO<sub>2</sub> emissions

### **PPI 3 Property Suitability Indicators**

% of properties graded as 'good' or 'satisfactory'

### **PPI 4 Sufficiency, Capacity & Utilisation Indicators**

Average office floor space per FTE staff member

Annual property costs per workstation

Annual workstation utilisation

## **PPI 5 Property Costs Indicators**

Gross property costs as a % of gross revenue budget

Gross property costs per m2 GIA

## **Project Time & Cost Predictability Indicators**

Project time predictability

Project cost predictability

## **10.0 Organisational arrangements for assets**

### **10.1 Roles and responsibilities**

The role of Corporate Property Officer is undertaken by the Head of Strategic Finance and Property Services, supported by the Corporate Property Services Manager ensuring consideration of the key strategic areas documented within the asset management plan.

The Head of Strategic Finance and Property Service is a member of the Leadership Team and is responsible for advising the Portfolio Holder for Financial Sustainability and the Executive on asset strategy matters.

The Corporate Property Service Manager reports to the Head of Strategic Finance and Property and manages the Property, Assets & Estates and Facilities Management teams.

The Assets and Estates Manager carries out the day-to-day role of property management, acquisition and disposal reporting to the Corporate Property Services Manager. Maintenance and improvement programmes are managed by the Property Manager also reporting to the Corporate Property Services Manager

### **10.2 Governance and decision making**

New capital schemes will be considered at CAG and recommended to Leadership Team. Leadership team will recommend the overall capital programme to the Executive. Member briefings for the Executive Member for Financial Sustainability and the Executive Members for the relevant services prior to a report being submitted to Executive. The Executive consider all proposals for investment in assets and disposals.

The CAG will meet every 2 months, or as required, to discuss strategic asset management and the overall capital programme. The group will be chaired by the Head of Strategic Finance and Property and attended by nominated service representatives. The group will lead on the development of the future requirements of the capital programme, appraise capital business cases and ensure the Strategic Asset Management Plan is in line with corporate and service objectives. The group will also evaluate all assets over a set time period so that assets no longer required are listed for disposal prior to submission to the Executive.

The Strategic Asset Management Plan is recommended by the CAG to the Leadership Team who, after deliberation, will recommend it to the Executive and Council. Progress is subject to scrutiny by Audit and Governance Committee.

The diagram below shows the levels of approval in the Asset Management process.



#### **10.4 Relationships with key stakeholders**

The role of the CAG is to provide a forum to facilitate an effective dialogue on asset management issues within the council and our partners. The AMRG ensures that the needs of the local community are adequately considered in formulating asset management plans.

The council undertakes a resident's survey seeking views on the services delivered by the council. The outcomes of the survey inform the development of policy and priorities. The council is keen to engage with the local community and consultation with the community will take place formally on individual issues where appropriate.

The council has a number of key partners who work together on strategic asset management issues (e.g. neighbouring District Councils, Herts County Council, Herts Police, East and North Herts NHS Trust).

#### **10.5 Data management**

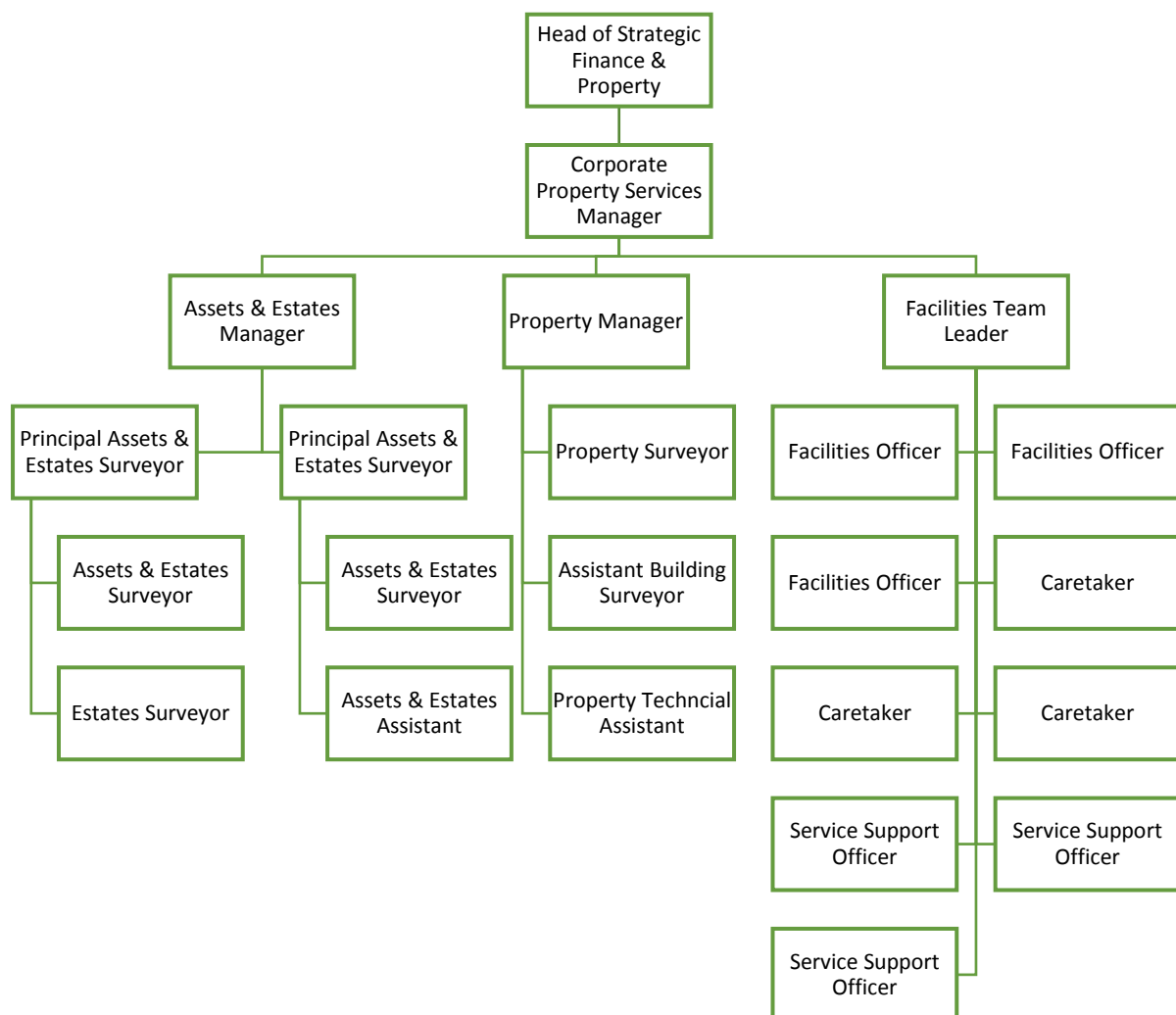
The use of the property terrier and part use of the asset register, maintained on the Uniform/IDOX asset system, as well as freehold and leasehold and grounds maintenance mapping layers on Map Info and a number of spreadsheets means there is "no single version of the truth" for asset information being available. Compiling the information in Annex A involves a lot of manual data collation and checking. In order to provide enhanced reporting functionality and synergy with other systems across the council, the Uniform/IDOX system will be fully implemented so that it is the single source for information relating to all council assets, including planned and reactive maintenance information, valuations, insurance, etc.

Key risk based maintenance works (e.g. Legionella testing) are held within the Compliance 365 system. This allows officers to identify outstanding issues via a traffic light system for key risk maintenance items.

## 10.6 Capacity management

Asset management is largely undertaken by the Assets and Estates team within Strategic Finance, supported by the Facilities and Property Teams. The in-house resources are supplemented as appropriate by the appointment of specialist external consultants.

The Structure of the team is shown in the diagram below:



## **11.0 Strategic asset management plan review**

The success of the strategic asset management plan is measured by the reaction of customers to service delivery and on the bottom line operating costs. Reviews against pre-agreed performance metrics will take place regularly and recommendations made about changes to enhance service delivery to customers as well as improvements in property asset efficiency.

Investment properties will be reviewed over the period of the strategic asset management plan to safeguard the return on investment for the council.

Opportunities to acquire or dispose of investment properties is limited by rules which prohibit Public Works Loans Board borrowing for income generation.

The strategic asset management plan will be subject to review.

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Asset Ref	Asset Classification	Asset Description	SEED Priority	Reason for holding	State	Site area	GIA	Comments	Income	Valuation	Val Basis	Balance Sheet
32	Allotments - Bishop's Stortford	Allotments	1 & 2	Provide green open spaces for recreational, educational and amenity purposes	N/A		N/A				£1 Hist Cost	Community Assets
833	Allotments - Bishop's Stortford	Allotment & amenity Land London Road	1 & 2	Provide green open spaces for recreational, educational and amenity purposes	N/A	0.6 acres	N/A	Allotments managed by Town Council remainder tree maintained on Woodland Management Programme			£1 Hist Cost	Community Assets
578	Allotments - Bishop's Stortford	Allotments and Open space, Piggott's Way	1 & 2	Provide land for recreational, educational and amenity purposes	N/A	3.8 acres	N/A	Part managed by allotment holders playground on maintenance contract			£1 Hist Cost	Community Assets
200	Allotments - Hertford	Allotments, West Street	1 & 2	Provide green open spaces for recreational, educational and amenity purposes	N/A	2.2 acres	N/A	Area of allotments and woodland maintained on Grounds Maintenance Contract and Woodland Management Programme			£1 Hist Cost	Community Assets
586	Allotments - Hertford	Allotments at Norwood Close	1 & 2	Provides amenity land	N/A	0.57 acres	N/A	Managed on Grounds Maintenance Contract			£1 Hist Cost	Community Assets
766	Allotments - Rural	Allotments r/o 6-9 Ford Field, Little Hadham	1 & 2	Residue of ownership. Provide green open spaces for recreational and amenity purposes	N/A	0.36 acres	N/A	Managed by Parish Council and allotment holders			£1 Hist Cost	Community Assets
318	Allotments - Ware	Allotments		Provides green amenity space.				Allotments			£1 Hist Cost	Community Assets
	Closed Churchyard	Closed Church Yard, Holy Trinity Church Hertford Heath	2	Burial Act 1855 places statutory duty on council to maintain	N/A	N/A	N/A	Churchyard remains property of Church but Council under duty to maintain and repair the closed churchyard			£0 Not Council property	
	Closed Churchyard	Closed Church Yard, St Dunstans Church, Hunsdon	2	Burial Act 1855 places statutory duty on council to maintain	N/A	N/A	N/A	Churchyard remains property of Church but Council under duty to maintain and repair the closed churchyard			£0 Not Council property	
822	Closed Churchyard	Graveyard Froghall lane Walkern	1 & 2	Burial Act 1855 places statutory duty on council to maintain	N/A	0.09 acres	N/A	Duty to maintain and repair churchyard including safety of monuments			£1 Hist Cost	Community Assets
572	Commercial Property	Land at Copperbeach Villiers, The Thorley Centre, Bishop's Stortford	3	Held for strategic reasons to influence development of Thorley	N/A	0.24 acres	N/A	Land for local shopping and children's nursery. Good investment performing well		£142,500	EUV	Other Land & Buildings
199	Commercial Property	Land, Warehams Lane, Hertford - industrial land	3	Potentially surplus viability tested periodically	N/A	0.35 acres	N/A	Industrial storage land. Good investment currently performing well	£26,000	£380,000	EUV	Other Land & Buildings
188	Commercial Property	Land at The Golden Griffin, Hertford	3	Potentially surplus - possible marriage value scenario in future	N/A	0.6 acres	N/A	Ground lease for public house. Very secure low rent tied into long lease	£275	£5,200	EUV	Other Land & Buildings
221	Commercial Property	Doctors Surgery, Bell Street, Sawbridgeworth	3	Part of larger ownership	N/A	0.23 acres	N/A	Land for doctors surgery. Good investment currently performing well but under review for possible expansion of premises	£8,370	£159,000	EUV	Other Land & Buildings
260	Commercial Property	Church St Car Park, Ware	3	Strategic value	N/A	0.8 acres	N/A	Shoppers car park. Good investment performing well		£747,300	EUV	Other Land & Buildings
509	Commercial Property	Warrenwood Industrial Estate, Stapleford - 7 plots of industrial land	3	Potentially surplus viability tested periodically	N/A	4.2 acres	N/A	Industrial estate divided into 7 ground leases. Good investment currently performing well	£81,000	£1,768,900	EUV	Other Land & Buildings
25	Commercial Property	39 - 51 Elizabeth Road, Bishop's Stortford	1 & 3	Provision of local services	Poor	0.45 acres	660 sqm	Parade of 7 shops & 3 flats above. Planning application submitted for 9 flats, 1 town house to and shops to re place current building. Was not possible to remodel and extend current building as foundations too shallow.	£45,050	£625,000	EUV	Other Land & Buildings
204	Commercial Property	17 - 19 Crouchfield, Hertford	1 & 3	Provision of local services	Satisfactory	0.18 acres	340 sqm	(to 2 shops and 2 flats above. Reasonable investment currently performing well.	£14,400	£153,300	EUV	Other Land & Buildings
206	Commercial Property	2 - 34 Fleming Crescent, Hertford	1 & 3	Provision of local services	Good	0.31 acres	575 sqm	(to Good parade of 8 shops, community office, 1 flat and stores performing well and providing good service	£90,300	£1,169,500	EUV	Other Land & Buildings
207	Commercial Property	1 - 5 Birdie Way, Hertford	1 & 3	Provision of local services	Satisfactory	0.06 acres	460 sqm	(to 1 shop and 2 flats above. Reasonable investment periodic review	£12,500	£213,800	EUV	Other Land & Buildings
299	Commercial Property	111 - 125 Cromwell Road, Ware	1 & 3	Provision of local services	Satisfactory	0.19 acres	372 sqm	(to Parade of 3 shops one shop marginal kept on periodic review.	£15,712	£197,200	EUV	Other Land & Buildings
416	Commercial Property	19 Birch Green	1 & 3	Provision of local services	Satisfactory	0.04 acres	75 sqm	Shop within housing block. Marginal investment will be reviewed when leases terminates	£3,500	£37,800	EUV	Other Land & Buildings
558	Commercial Property	21 Bullfields, Sawbridgeworth	1 & 3	Provision of local services	Satisfactory	0.07 acres	88 sqm	Shop, flat and garage. SOLD subject to contract to current tenant	£12,500	£148,400	EUV	Other Land & Buildings
99	Commercial Property	Vale House, Hertford	1 & 3	Supports health and wellbeing objective.	Currently being refurbished	0.32 acres	530 sqm	New lease granted Jan 2015 for addiction centre	£30,000	£259,100	EUV	Other Land & Buildings



Asset Ref	Asset Classification	Asset Description	SEED Priority	Reason for holding	State	Site area	GIA	Comments	Income	Valuation	Val Basis	Balance Sheet
608	Commercial Property	Stable Block (Courtyard Arts), Port Vale, Hertford	1 & 3	Supported service	Good	0.05 acres	155 sqm	Arts Centre and venue. Lease under discussion with Tenant	£5,000	£75,900 EUV		Other Land & Buildings
186	Commercial Property	Pinders Lodge, Hartham Common, Hertford	1 & 3	Part of larger ownership	Good	0.18 acres	200 sqm	Children's nursery adj to larger ownership. Good investment currently performing well	£50,000	£599,900 EUV		Other Land & Buildings
196	Commercial Property	Maidenhead Yard, Hertford	1 & 3	Strategic value	N/A	0.18 acres	N/A	Let on long ground lease for private parking in conjunction with new development	£11,400	£154,700 EUV		Other Land & Buildings
245	Commercial Property	1 The Maltings, New Road, Ware (Southern Maltings)	1 & 3	Residue of larger ownership	Fair	0.38 acres	620 sqm	Former maltings which is let to a community group as an arts centre. Community Group cannot meet lease and loan repayments. Deferral of lease for 1 year but prospect of lease payments being met is low. Requires review	£35,000	£251,700 EUV		Other Land & Buildings
585	Community Lettings	Land for Scout Hut, Heathrow, Bishop's Stortford	1 & 2	Residue of ownership provides community facility	N/A	0.3 acres	N/A	Community facility on ground lease		£470 EUV		Other Land & Buildings
21	Community Lettings	Scout building, Thorley Lane, Bishop's Stortford	1 & 2	Currently providing community facility due for review at end of lease in 2015	Satisfactory	0.25 acres	N/A	Community facility to be reviewed towards end of lease (2016) to fulfil potential	£275	£150,000 EUV		Other Land & Buildings
568	Community Lettings	ATC Hut, Waytemore Road, Bishop's Stortford	1 & 2	Residue of ownership provides community facility	N/A	0.11 acres	N/A	Community facility on ground lease	£150	£2,947 EUV		Other Land & Buildings
40	Community Lettings	Parsonage Community Hall Parsonage Lane, Bishop's Stortford	1 & 2	Community facility within open space	N/A	0.31 acres	N/A	Community facility on long ground lease on open space		£1 Hist Cost		Community Assets
572	Community Lettings	Thorley Manor Residents Ass, Friedberg Avenue, Bishop's Stortford	1 & 2	Community facility adj open space	N/A	0.90 acres	N/A	Community facility on long ground lease adj to open space	£9,000	£1 Hist Cost		Community Assets
570	Community Lettings	Bishop's Stortford Community Football Club, Friedberg Avenue, Thorley	1 & 2	Community facility within open space	Satisfactory	5.4 acres (cl 140 sqm)		Football changing rooms with shared use of open space for pitches.		£1 Hist Cost		Community Assets
182	Community Lettings	Bowling Green & Pavilion, Pegs Lane, Hertford	1 & 2	Part of larger ownership providing community facility	Good	0.4 acres	120 sqm	Club facility with public use reserved adj to Wallfields Council offices - Lease extended until 2017	£1,450	£89,140 Hist Cost		Community Assets
97	Community Lettings	Sele Farm Bowling Club, Hartham Common, Hertford	1 & 2	Community facility within open space	Good	0.6 acres (cl 50 sqm)		Small club building on public open space - under review	£50	£1 Hist Cost		Community Assets
97	Community Lettings	Tennis Club, Hartham Common, Hertford	1 & 2	Community facility within open space	Satisfactory	0.9 acres	45 sqm	Club facility on public open space	£500	£1 Hist Cost		Community Assets
97	Community Lettings	Canoe Club, Hartham Common Hertford	1 & 2	Community facility within open space	Satisfactory	0.04 acres	100 sqm	Club facility on public open space	£575	£1 Hist Cost		Community Assets
202	Community Lettings	Land for Scout Hut, Watermill Lane, Hertford	1 & 2	Community facility adj to open space	N/A	0.25 acres	N/A	Community facility adj. to public open space - site under review	£2,000	£1 Hist Cost		Community Assets
792	Community Lettings	Scouts at Keynton Court, Hertford	1 & 2	Residue of ownership provides community facility	N/A	0.17 acres	N/A	Community facility in housing estate - asset recently reviewed new lease to be granted.	£700	£1 Hist Cost		Community Assets
894	Community Lettings	WRVS, Baker Street, Hertford	1 & 2	Residue of ownership provides community facility	N/A	0.4 acres	N/A	Long ground lease for community service	£110	£1 Hist Cost		Community Assets
893	Community Lettings	Red Cross, Baker Street, Hertford	1 & 2	Residue of ownership provides community facility	N/A	0.13 acres	N/A	Long ground lease for community service	£350	£1 Hist Cost		Community Assets
208	Community Lettings	Hertford Football Club, West Street, Hertford	1 & 2	Community facility adj public amenity area	N/A	7.5 acres	N/A	Long ground lease granted 2014 for football and ancillary use	£400	£17,500 Hist Cost		Community Assets
349	Community Lettings	Bowling Club, Brookfield, Aston	1 & 2	Residue of ownership provides community facility	N/A	0.32 acres	N/A	Community use on ground lease		£14,249 Hist Cost		Community Assets
504	Community Lettings	Open space r/o High Street, Stanstead Abbots	1 & 2	Residue of ownership provides community facility	N/A	0.80 acres	N/A	Leased to Parish council as play and recreation area		£800 Hist Cost		Community Assets
864	Community Lettings	Scout and TA Huts, Broadmeads Ware	1 & 2	Residue of ownership provides community facility	N/A	0.7 acres	N/A	Community facilities under review to rationalise use of site	£2,700	£61,705 Hist Cost		Community Assets
314	Community Lettings	Scout hut Lower Bourne Gardens, Ware	1 & 2	Community facility adj to open space	N/A	0.3 acres	N/A	Community facility site adjacent to public open space	£200	£2,001 Hist Cost		Community Assets
309	Community Lettings	Bowling pavilion, The Priory, Ware	1 & 2	Community facility	Good	1.82 acres	100 sqm	Club facility with public use reserved	£2,500	£129,963 Hist Cost		Community Assets

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252	Community Lettings	82 Park Road, Ware	1 & 2	Acquired after rationalising nearby ownerships to accommodate community facility	Good	0.14 acres	147 sqm	Community facility leased to Orchard Pre-School	£4,000	£9,500	Hist Cost	Community Assets
916	Community Lettings	Land for Scout Building, Reedings Way, Sawbridgeworth	1 & 2	Residue of ownership provides community facility	N/A	0.45 acres	N/A	New ground lease for provision of scout building	£400	£4,000	Hist Cost	Community Assets
541	Community Lettings	Land at Kingham Road, Babbs Green	1 & 2	Residue of ownership provides community facility	N/A	9 acres	N/A	Due to be leased to Parish Council as Play area		£10	Hist Cost	Community Assets
439	Community Lettings	Land at Tanners Way, Hunsdon	1 & 2	Residue of ownership provides community facility	N/A	2.2 acres	N/A	Leased to Parish council as play and recreation area	£50	£1	Hist Cost	Community Assets
	Community Lettings	Land for Scout Building, Mount Pleasant, Hertford Heath	1 & 2	Community facility adjacent to amenity woodland	N/A	0.46 acres	N/A	Lease to scout group	£200	£1	Hist Cost	Community Assets
824	Community Lettings	Land off Munden Road, Dane End		Residue of ownership provides community facility				Leased to Great Munden Memorial Hall	£75	£1	Hist Cost	Community Assets
176	Cultural and Community Facilities	Hertford Theatre, The Wash, Hertford	1,2 & 3	Provides leisure, community and cultural facilities	Good	0.6 acres		Undergoing reconstruction - value shown is land plus retained main building structure		£1,840,900	DRC	Other Land & Buildings
879	Cultural and Community Facilities	Havers Community Centre, Waytemore Road, Bishop's Stortford	1,2 & 3	Provides community facilities	Good	0.35 acres	280 sqm	Community hall within housing estate leased to Town Council led Community Trust		£890,445	DRC	Other Land & Buildings
310	Cultural and Community Facilities	Drill hall, Amwell End, Ware	1,2 & 3	Provides community facilities	Good	0.27 acres	900 sqm	Function hall within town centre leased to Community Trust		£991,850	DRC	Other Land & Buildings
100	Cultural and Community Facilities	Pinehurst Community Centre, Birdie Way, Hertford	1,2 & 3	Provides community facilities	Good	0.04 acres	128 sqm	Community hall to be reviewed as part of larger ownership		£340,748	DRC	Other Land & Buildings
839	Cultural and Community Facilities	St.Michaels Mead Community Centre, Bishop's Stortford	1,2 & 3	Provides community facilities	Good	0.24 acres	400 sqm	Community hall leased to Town Council led Community Trust		£1,269,820	DRC	Other Land & Buildings
177	Cultural and Community Facilities	Hornsmill Community Centre, Cecil Road, Hertford	1,2 & 3	Provides community facilities	Good	0.1 acres	190 sqm	Community hall leased to residents association		£598,637	DRC	Other Land & Buildings
660	Cultural and Community Facilities	Sele Farm Community Centre, Hertford	1,2 & 3	Provides community facilities	Good	0.6 acres	210 sqm	Community hall leased to trustees		£915,553	DRC	Other Land & Buildings
	Heritage Assets	Chainsaw sculpture Pishiobury Park Sawbridgeworth	1,2 & 3	Heritage				Held in trust for future generations		£5,000	Hist Cost	Heritage Assets
	Heritage Assets	Castle walls Hertford	1,2 & 3	Heritage				Held in trust for future generations		£1	Hist Cost	Heritage Assets
	Heritage Assets	Church remains Hertford	1,2 & 3	Heritage				Held in trust for future generations		£1	Hist Cost	Heritage Assets
	Heritage Assets	Community land B/S Obelisk	1,2 & 3	Heritage				Held in trust for future generations		£1	Hist Cost	Heritage Assets
	Heritage Assets	Evolution sculpture at Hartham Common	1,2 & 3	Heritage				Held in trust for future generations		£9,000	Hist Cost	Heritage Assets
918	Hostels & Temporary Accomodation	Cedar Cottage, Thele Avenue, Stanstead Abbots	1 & 2	Provides temporary housing for vulnerable	Good	0.6 acres	45 sqm	House used as additional hostel accommodation		£898,100	DRC	Other Land & Buildings
	Hostels & Temporary Accomodation	Rectory Hall	1 & 2	Provides temporary housing	Good			Large house converted to provide self contained flats for homelessness provision needs		£1,162,300	DRC	Other Land & Buildings
571	Hostels & Temporary Accomodation	Hillcrest Hostel, Spellbrook	1 & 2	Provides temporary housing for vulnerable	Good	1.15 acres	500 sqm	Large house converted to provide self contained flats for homelessness provision needs		£910,500	DRC	Other Land & Buildings
	Hostels & Temporary Accomodation	Queens Road, Ware	1 & 2	Provides temporary housing	Poor			Currently property is stripped back to superstructure pending conversion to 2 self contained flats		£365,917	DRC	Other Land & Buildings
573	Housing GF	Bungalow, Castle Gardens, Bishop's Stortford	1 & 3	Part of larger ownership former employee accommodation	Good	0.16 acres	90 sqm	Bungalow secure residential tenancy rents reviewed annually in line with housing association rents		£79,100	EUV-SH	Other Land & Buildings
611	Housing GF	6 Water Lane, Hertford Castle and Waterlane House	1 & 3	Adj Castle grounds - former employee accommodation and residue of operational asset.	Good	0.06 acres	255 sqm	Managed by Millstream Ltd on behalf of the council	£12,000	£205,800	FV	Surplus Assets

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35	Investment Property	Jackson Square, Bishop's Stortford - shoppers multi-storey car park	3	Income and capital appreciation	Good	4 acres	N/A	Covered shopping centre. Good investment currently performing well. Rent shown is the ground rent as the council owns the freehold	£200,000	£3,333,300	FV	Investment Properties
22	Investment Property	Land for Shoppers Car Park Old River Lane	3	Revenue Income	Good	1.06 acres	N/A	Good investment acquired as part of Old River Lane Site. Discussions under way with Tenant to consider future options	£148,300	£2,966,000	FV	Investment Properties
928	Investment Property	Charrington's House, the Causeway, Bishop's Stortford		Provide revenue income for Council and part of larger land use in Town Centre	Poor	0.7 acres	3,700 sqm	Offices have been largely vacated ready for handover as part of land assembly. Key elements of the building need replacing including water pipes, lifts (machinery as well as cars)	£360,000	£1,115,600	FV	Investment Properties
	Investment Property	14 - 16 Water Lane (Previously known as the Lemon Tree)		Land Assembly Old River Lane. Let as restaurant	Fair			Defaulted on lease payments, repossession and money order being sort from court.	£35,000	£350,000	FV	Investment Properties
	Investment Property	The Meeting Hall, Water Lane, Bishop's Stortford		Land Assembly Old River Lane. Let as restaurant	Fair			Former URC Church Hall		£251,400	FV	Investment Properties
	Investment Property	Rapier House, 4-6 Crane Mead Business Park		Held for income purposes	Good			Purchased by Financial Sustainability Committee	£115,000	£1,150,000	FV	Investment Properties
311	Investment Property	Meade House, High Street, Ware	1 & 3	Strategic value - Residue of larger ownership	Good	0.04 acres	200 sqm	Office accommodation within larger ownership. Good investment working with partners to provide services				Investment Properties
929	Leased depot, offices and waste transfer station	Buntingford Waste Transfer Station and Depot for Refuse, Recycling, Street Cleansing, Grounds Maintenance and Car Parking contractors	2 & 3	Administrative offices for joint waste client team and operating base for contracted out services	Good	2.6 acres	3,300sqm	Buntingford is leased and not owned by the council. Administrative offices for joint waste client team.		£121,890	Cost	Intangible Assets
928	Offices	Ground Floor South, Charringtons House, The Causeway, Bishop's Stortford	1,2 & 3	Customer Service Centre	Poor	N/A	430 sqm	Customer Service Centre for Bishop's Stortford which will be relocated to Bishop's Stortford Town Council offices. Part of a larger freehold investment property which is being decommissioned prior to hand over for Old River Lane redevelopment.		£771,000	EUV	Other Land & Buildings
178	Offices	Wallfields Pegs Lane, Hertford	1,2 & 3	Main administrative offices and customer service centre	Satisfactory	4.3 acres	2,800 sqm	Minor refurbishment as principal office base in 2011 and minor refurbishment of first floor old building in 2022 to provide meeting rooms		£3,050,000	EUV	Other Land & Buildings
23	Parks & Open Spaces - Bishop's Stortford	Thorley Wedge Public Open Space and Playground, off Lower Park Crescent/Norfolk Way/Kent Crescent	1 & 2	Provide green open spaces for recreational, educational and amenity purposes	N/A	16 acres	N/A	Large public open space; includes playgrounds which runs through residential areas. Managed on Grounds Maintenance Contract		£29,950	Hist Cost	Community Assets
26	Parks & Open Spaces - Bishop's Stortford	Rye Street Rear Gardens		Provide green open spaces for recreational, educational and amenity purposes						£300	Hist Cost	Community Assets
28	Parks & Open Spaces - Bishop's Stortford	Public Open Space and amenity land, Town Meads		Provide green open spaces for recreational and amenity purposes				Informal amenity land between Castle Gardens and Grange Paddocks (incl former town tip).		£940	Hist Cost	Community Assets
29	Parks & Open Spaces - Bishop's Stortford	Public Open Space and amenity land, Town Meads	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	17 acres	N/A	Informal amenity land between Castle Gardens and Grange Paddocks (incl former town tip).		£200	Hist Cost	Community Assets
30	Parks & Open Spaces - Bishop's Stortford	Formal Park, Castle Gardens, Bishop's Stortford	1 & 2	Provide green open spaces for recreational, educational and amenity purposes	N/A	5.3 acres	N/A	Formal landscaped gardens which includes Grade I listed site of Waytemore Castle and tennis courts.		£281,141	Hist Cost	Community Assets
31	Parks & Open Spaces - Bishop's Stortford	Public Open Space, Cannons Mill Lane	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	4 acres	N/A	Large informal open space and meadowland. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
834	Parks & Open Spaces - Bishop's Stortford	Land in Parsonage Lane,	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	3.65 acres	N/A	Public open space and play area. Managed on Grounds Maintenance Contract		£69,501	Hist Cost	Community Assets
44	Parks & Open Spaces - Bishop's Stortford	Recreation Ground, Cricketfield Lane	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	2.2 acres	N/A	Recreation and play area. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
45	Parks & Open Spaces - Bishop's Stortford	Open Green, Mary Park Gardens	1 & 2	Provide green open spaces for recreational, educational and amenity purposes	N/A	0.7 acres	N/A	Open amenity space. Managed on Grounds Maintenance Contract		£1,600	Hist Cost	Community Assets
46	Parks & Open Spaces - Bishop's Stortford	Open space adj Park Avenue	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	2.14 acres	N/A	A large ribbon of public open space running through residential areas. Managed on Woodland Management Programme		£1	Hist Cost	Community Assets
49	Parks & Open Spaces - Bishop's Stortford	Land at Cannons Mill Lane/Rye Street	1 & 2	Preserve amenity land used for seasonal grazing	N/A	19 acres	N/A	Informal area managed as conservation area with seasonal grazing to help maintenance		£20,000	Hist Cost	Community Assets
50	Parks & Open Spaces - Bishop's Stortford	Land of Jervis Road	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	0.6 acres	N/A	Play area. Managed on Grounds Maintenance Contract		£9,000	Hist Cost	Community Assets
560	Parks & Open Spaces - Bishop's Stortford	Open Space The Firs, Scott Road	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	3.2 acres	N/A	Woodland belt with footpath access. Managed on Grounds Maintenance Contract. Land on both sides of Scott Road		£2,947	Hist Cost	Community Assets
743	Parks & Open Spaces - Bishop's Stortford	Amenity Land Ward Crescent	1 & 2	Provides green amenity space	N/A	0.8 acres	N/A	Public open space. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets

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745	Parks & Open Spaces - Bishop's Stortford	Amenity Land adj 2 - 12 Elizabeth Road	1 & 2	Provides open green amenity space fronting houses	N/A	0.3 acres	N/A	Amenity land in housing estate. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
747	Parks & Open Spaces - Bishop's Stortford	Land r/o 61 Northolt Avenue	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	0.26 acres	N/A	Wooded area managed on Woodland Management Programme		£1	Hist Cost	Community Assets
748	Parks & Open Spaces - Bishop's Stortford	Land r/o 179 - 185 Northolt Avenue	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	1.8 acres	N/A	Public open space and play area. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
749	Parks & Open Spaces - Bishop's Stortford	Land at Dimsdale Crescent	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	0.96 acres	N/A	Open Green. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
751	Parks & Open Spaces - Bishop's Stortford	Land at Burley Road	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	0.68 acres	N/A	Recreation Ground. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
830	Parks & Open Spaces - Bishop's Stortford	Landscape Belt , Cricket Field lane	1 & 2	Provide green open for amenity purposes	N/A	0.5 acres	N/A	Landscape belt. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
831	Parks & Open Spaces - Bishop's Stortford	Open space junction of Elizabeth Road and Norfolk Way	1 & 2	Provides amenity land in front of shop parade	N/A	0.16 acres	N/A	Grassed area and shrub beds managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
835	Parks & Open Spaces - Bishop's Stortford	Amenity land Plaw Hatch Close	1 & 2	Provides amenity strip on edge of housing	N/A	0.1 acres	N/A	Grassed verge managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
836	Parks & Open Spaces - Bishop's Stortford	Play Area Cannons Close	1 & 2	Provides green open space for recreational and amenity purposes	N/A	3.5 acres	N/A	Public open space and playground. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
841	Parks & Open Spaces - Bishop's Stortford	Southern Country Park, St James Way	1 & 2	Provides green open space for recreational, educational and amenity purposes	N/A	55 acres	N/A	Areas of formal and informal recreation. Provides open space, play areas, balancing pond and picnic areas. Managed on Grounds Maintenance Contract and using seasonal grazing.	£110,038	Hist Cost	Community Assets	
898	Parks & Open Spaces - Bishop's Stortford	Northern Parkland, Oriole Way,	1 & 2	Provides green open space for recreational and amenity purposes	N/A	27 acres	N/A	Open space providing informal recreation. Managed under grounds maintenance contract				
886	Parks & Open Spaces - Bishop's Stortford	Open Space, Bishop's Park, Burghley Avenue	1 & 2	Provides open space for recreational and amenity purposes	N/A	14 acres	N/A	Open space providing informal recreation. Managed on grounds maintenance contract				
842	Parks & Open Spaces - Bishop's Stortford	Amenity Land Windhill	1 & 2	Provide amenity land	N/A	0.06 acres	N/A	Small amenity verge. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
844	Parks & Open Spaces - Bishop's Stortford	Amenity land, Yeoman's close, Thorley ,	1 & 2	Provide land for amenity purposes	N/A	0.03 acres	N/A	Licensed and maintained by resident		£1	Hist Cost	Community Assets
846	Parks & Open Spaces - Bishop's Stortford	Land corner of Lindsey Road	1 & 2	Unused area of land with restricted access	N/A	0.03 acres	N/A	Not on contract but maintained when required		£1	Hist Cost	Community Assets
848	Parks & Open Spaces - Bishop's Stortford	Open Space The Ridings	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	1.25 acres	N/A	Informal open space managed on grounds maintenance contract		£1	Hist Cost	Community Assets
838	Parks & Open Spaces - Bishop's Stortford	Amenity Land Stansted Road	1 & 2	Provides land for amenity purposes at road junction	N/A	0.3 acres	N/A	Grassed area managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
875	Parks & Open Spaces - Bishop's Stortford	Open space, Rhodes Avenue	1 & 2	Provides open space for recreational and amenity purposes	N/A	0.25 acres	N/A	Play area. Managed on Grounds Maintenance Contract				
914	Parks & Open Spaces - Bishop's Stortford	Amenity Land, Mill Street,	1 & 2	Provide land for amenity purposes	N/A	0.05 acres	N/A	Small wooded area fronting housing. Maintained on Woodland Management Programme		£1	Hist Cost	Community Assets
915	Parks & Open Spaces - Bishop's Stortford	Amenity Land Anchor Street/John Dyde Close	1 & 2	Amenity land adj to River	N/A	0.14 acres	N/A	Small area of amenity land on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
17	Parks & Open Spaces - Buntingford	Formal Gardens, Layston Gardens	1 & 2	Provide green open spaces for recreational, educational and amenity purposes		1.6 acres	N/A	Formal Gardens. Managed by Town Council		£30,000	Hist Cost	Community Assets
854	Parks & Open Spaces - Hertford	Hertford Castle Gardens, Castle Street	1 & 2	Provide green open spaces for recreational, educational and amenity purposes	N/A	3.6 acres	N/A	Formal gardens and playground adj to The Castle. Managed on Grounds Maintenance Contract				
96	Parks & Open Spaces - Hertford	The Pines Woodland rear of Burleigh Road,	1 & 2	Provides woodland walks for recreational, educational and amenity purposes	N/A	2.44 acres	N/A	Woodland where improvements have been made as part of a joint project with Hertfordshire Groundwork and Herts County Council to improve public access.		£1,065	Hist Cost	Community Assets
97	Parks & Open Spaces - Hertford	Hartham Common	1 & 2	Provide green open spaces for recreational, educational and amenity purposes	N/A	32 acres	N/A	Hertford's premier park which provides formal and informal recreation and forms part of a network of river walks, footpaths and cycleways. Managed on Grounds Maintenance Contract.		£625,951	Hist Cost	Community Assets

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561	Parks & Open Spaces - Hertford	The Warren and Hartham Meadow	1 & 2	Provide green open space for amenity and recreation purposes	N/A	23 acres	N/A	Woodland belt north of Hartham Common and River Beane which is maintained on Woodland Management Programme. Hartham Meadow adj to church which is seasonally grazed and managed as a wildlife habitat and woodland pasture.		£20,000	Hist Cost	Community Assets
181	Parks & Open Spaces - Hertford	Land at Sacombe Road	1 & 2	Provide green open space for amenity purposes	N/A	3.4 acres	N/A	Public open space and play area. Managed on Grounds Maintenance Contract		£32,500	Hist Cost	Community Assets
183	Parks & Open Spaces - Hertford	Open Space, The Knoll	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	1.8 acres	N/A	Public open space with scheduled ancient monument. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
185	Parks & Open Spaces - Hertford	Playground at Bentley Road	1 & 2	Provide green open space for recreational and amenity purposes	N/A	0.5 acres	N/A	Playground and recreation areas. Managed on Grounds Maintenance Contract		£2,065	Hist Cost	Community Assets
187	Parks & Open Spaces - Hertford	Land adj River Mimram, Willowmead	1 & 2	Provide green open spaces for recreational, educational and amenity purposes	N/A	3.8 acres	N/A	Leased to Herts and Essex Wildlife Trust as nature reserve.		£1	Hist Cost	Community Assets
192	Parks & Open Spaces - Hertford	Land at Kingsmead, Mead Lane	1 & 2	Provide green open spaces for recreational, educational and amenity purposes	N/A	45 acres	N/A	Public open space and football pitches adj to Hartham Common managed on Grounds Maintenance Contract. Area beyond used for seasonal grazing and held under agricultural tenancy.	£345	£2,320	Hist Cost	Community Assets
201	Parks & Open Spaces - Hertford	Open space west side of Cecil Road	1 & 2	Provide green open space for recreational and amenity purposes	N/A	2.5 acres	N/A	Public open space with play and recreation areas. Managed on Grounds Maintenance Contract		£4,000	Hist Cost	Community Assets
202	Parks & Open Spaces - Hertford	Land at Watermill Lane North	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	3.3 acres	N/A	Public open space, play area and woodland. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
655	Parks & Open Spaces - Hertford	Open space at The Ridgeway	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	1.9 acres	N/A	Public open space and multi-use play area. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
777	Parks & Open Spaces - Hertford	Amenity Land, Revels Close	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	0.15 acres	N/A	Amenity land in housing estate. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
778	Parks & Open Spaces - Hertford	Playground Burleigh Road	1 & 2	Provide green open spaces for recreational purposes	N/A	0.13 acres	N/A	Playground managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
781	Parks & Open Spaces - Hertford	Landscape Belt, Links Avenue	1 & 2	Provide green open space for amenity purposes	N/A	1.16 acres	N/A	Amenity area on edge of housing area. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
784	Parks & Open Spaces - Hertford	Amenity Land Campfield Road	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	0.95 acres	N/A	Open space and amenity land managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
787	Parks & Open Spaces - Hertford	Land east side Cecil Road	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	2 acres	N/A	Strip of amenity land runs end of Cecil to rear of community centre. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
790	Parks & Open Spaces - Hertford	Amenity Land 1-7 Hutton Close	1 & 2	Provides green open space for amenity purposes	N/A	0.3 acres	N/A	Amenity green managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
791	Parks & Open Spaces - Hertford	Amenity Land 9-15 Hutton Close	1 & 2	Provides green open space for amenity purposes	N/A	0.3 acres	N/A	Amenity green managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
779	Parks & Open Spaces - Hertford	Play area adj Divot Place, Pinehurst	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	0.17 acres	N/A	Play area managed on Grounds Maintenance Contract		£79,211	Hist Cost	Community Assets
783	Parks & Open Spaces - Hertford	Play area adj 57 Hamels Drive	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	0.23 acres	N/A	Play area managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
816	Parks & Open Spaces - Hertford	Land at Cherry Tree Green	1 & 2	Provides green open space for amenity purposes	N/A	0.6 acres	N/A	Amenity green managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
817	Parks & Open Spaces - Hertford	Amenity Land, Windsor drive	1 & 2	Provides green open space for amenity purposes	N/A	0.66 acres	N/A	Amenity land managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
818	Parks & Open Spaces - Hertford	Land adj 16 Welwyn Road	1 & 2	Amenity land	N/A	0.02 acres	N/A	Small area of land maintained as required		£1	Hist Cost	Community Assets
819	Parks & Open Spaces - Hertford	Land adj to 5 Lawrence Close	1 & 2	Provides green open space for amenity and recreational purposes	N/A	0.58 acres	N/A	Play area managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
855	Parks & Open Spaces - Hertford	Land at Farm Close	1 & 2	Provide green open spaces for recreational, educational and amenity purposes	N/A	5.3 acres	N/A	Large area of informal recreation and woodland. Managed on Grounds Maintenance Contract				
856	Parks & Open Spaces - Hertford	Land at The Folly	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	0.12 acres	N/A	Area of open space adj to River Lea managed on grounds maintenance contract		£1	Hist Cost	Community Assets

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857	Parks & Open Spaces - Hertford	Land at Corner of Hertingfordbury Rd	1 & 2	Provides land for amenity purposes	N/A	0.04 acres	N/A	Area of green verge managed on grounds maintenance contract			£1 Hist Cost	Community Assets
861	Parks & Open Spaces - Hertford	Land adj 16 Tower Street	1 & 2	Provides green open spaces for amenity purposes	N/A	0.03 acres	N/A	Not on contract but maintained when required			£1 Hist Cost	Community Assets
872	Parks & Open Spaces - Hertford	Landscape belt adj to Welwyn Road	1 & 2	Provides green open spaces for amenity purposes	N/A	0.4 acres	N/A	Amenity land maintained on grounds maintenance contract				
820	Parks & Open Spaces - Hertford	Land adj. 29 Lawrence Close	1 & 2	Residue of ownership	N/A	0.17 acres	N/A	Area of unused land future use to be reviewed				
821	Parks & Open Spaces - Hertford	Foxholes Woodland	1 & 2	Provides areas of woodland, recreation and amenity areas around housing area	N/A	20 acres	N/A	Area of woodland managed on Woodland Management Programme.			£1 Hist Cost	Community Assets
889	Parks & Open Spaces - Hertford	Land at Millmead Way	1 & 2	Provides areas of woodland, recreation and amenity areas around housing area	N/A	6 acres	N/A	Area of open space, woodland and play areas managed on Grounds Maintenance Contract				
815	Parks & Open Spaces - Hertford	Land off Bramfield Road	1 & 2	Residue of ownership which provides a landscape belt on edge of housing area	N/A	0.5 acres	N/A	Grass verge split into 2 strips managed on Grounds Maintenance Contract			£1 Hist Cost	Community Assets
	Parks & Open Spaces - Hertford	Playground, Brookside	1 & 2	Provides recreation area	N/A	0.7 acres	N/A	Playarea leased from Herts County Council maintained on Grounds Maintenance Contract			LEASED	LEASED
	Parks & Open Spaces - Hertford	Playground, Iron Drive	1 & 2	Provides recreation area	N/A	0.16 acres	N/A	Playarea leased from Herts County Council maintained on Grounds Maintenance Contract			LEASED	LEASED
	Parks & Open Spaces - Hertford	Playground, Rowleys Road	1 & 2	Provides recreation area	N/A	0.6 acres	N/A	Playarea leased from Thames Water Authority maintained on Grounds Maintenance Contract			LEASED	LEASED
439	Parks & Open Spaces - Rural	Play Area, Off Tanners Way, Hunsdon	1 & 2	Provides green open space for recreational and amenity purposes	N/A	2.2 acres	N/A	Leased and managed by Parish Council	£125		£165 Hist Cost	Community Assets
	Parks & Open Spaces - Rural	Woodland, Mount Pleasant, Hertford Heath	1 & 2	Woodland belt with public access	N/A	0.41 acres	N/A	Managed as required				
450	Parks & Open Spaces - Rural	Land off London Road, Hertford Heath	1 & 2	Provides open space for recreational, educational and amenity purposes	N/A	9 acres	N/A	Two areas of adj woodland within farmland. Managed by Groundwork Herts			£500 Hist Cost	Community Assets
481	Parks & Open Spaces - Rural	Land at London Road/Spellbrook Lane East	1 & 2	Provides green amenity space	N/A	0.32 acres	N/A	Grassed area on junction of main road. Managed on Grounds Maintenance Contract			£250 Hist Cost	Community Assets
513	Parks & Open Spaces - Rural	Waterford Marsh, Vicarage Lane, Waterford	1 & 2	Provides informal recreation area and preserves wildlife habitat	N/A	27 acres	N/A	Large informal recreation area along river. Managed as part of Grounds Maintenance Contract			£1 Hist Cost	Community Assets
479	Parks & Open Spaces - Rural	Land at Ducketts Lane, Green Tye	1 & 2	Residue of ownership. Woodland area	N/A	0.7 acres	N/A	Managed on Woodland management Programme			£1 Hist Cost	Community Assets
758	Parks & Open Spaces - Rural	Amenity land adj 69 Nutcroft, Datchworth	1 & 2	Residue of ownership possible potential for development in future	N/A	0.5 acres	N/A	Grassed area managed on Grounds Maintenance Contract			£1 Hist Cost	Community Assets
759	Parks & Open Spaces - Rural	Land adj 66 - 72 Nutcroft, Datchworth	1 & 2	Residue of ownership. Provides green open space for recreational and amenity purposes	N/A	1 acre	N/A	Play ground and amenity area managed on Grounds Maintenance Contract			£1 Hist Cost	Community Assets
617	Parks & Open Spaces - Rural	Landscaped area, The Willows, Spellbrook Lane	1 & 2	Provides green open space for recreational and amenity purposes	N/A	0.24 acres	N/A	Grassed area managed on Grounds Maintenance Contract			£90,000 Hist Cost	Community Assets
765	Parks & Open Spaces - Rural	Land at Ridgeway, Little Hadham	1 & 2	Residue of ownership. Provides green open spaces for recreational and amenity purposes	N/A	0.15 acres	N/A	Managed on Grounds Maintenance Contract			£1 Hist Cost	Community Assets
767	Parks & Open Spaces - Rural	Land adj 1-5 ford Field, Little Hadham	1 & 2	Residue of ownership. Provides amenity space maybe some potential for further development	N/A	0.11 acres	N/A	Managed on Grounds Maintenance Contract			£1 Hist Cost	Community Assets
775	Parks & Open Spaces - Rural	Open space, Great Innings South, Watton at Stone	1 & 2	Provides green open space within housing area for recreational and amenity purposes	N/A	0.6 acres	N/A	Managed on Grounds Maintenance Contract			£1 Hist Cost	Community Assets
776	Parks & Open Spaces - Rural	Land off Station Road, Watton at Stone	1 & 2	Residue of ownership which provides landscape belt around housing area	N/A	0.9 acres	N/A	Managed on Grounds Maintenance Contract			£28,794 Hist Cost	Community Assets
618	Parks & Open Spaces - Rural	Little Marsh, Vicarage Lane, Waterford	1 & 2	Provides open space for recreational, and amenity purposes	N/A	0.9 acres	N/A	Village green managed on Grounds Maintenance Contract			£1 Hist Cost	Community Assets

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774	Parks & Open Spaces - Rural	Playground Gt. Innings North, Watton at Stone	1 & 2	Provides green open space for recreational and amenity purposes	N/A	0.9 acres	N/A	Play and recreation area managed on Grounds Maintenance Contract		£77,920	Hist Cost	Community Assets
804	Parks & Open Spaces - Rural	Amenity Land, Clusterbolts, Stapleford	1 & 2	Residue of ownership which provides open amenity space?	N/A	0.5 acres	N/A	Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
823	Parks & Open Spaces - Rural	Amenity Woodland, White Stubbs Lane, Bayford	1 & 2	Formerly cottage purchased under statutory powers	N/A	0.23 acres	N/A	Small ownership within larger woodland area. No active maintenance		£450	Hist Cost	Community Assets
755	Parks & Open Spaces - Rural	Land at Windy Rise, Dane End	1 & 2	Residue of ownership possible potential for development in future	N/A	0.23 acres	N/A	Leased by Parish Council for parking for adj hall		£1	Hist Cost	Community Assets
756	Parks & Open Spaces - Rural	Playground Gladstone Road, Dane End	1 & 2	Provides green space for recreational purposes	N/A	0.12 acres	N/A	Play area managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
757	Parks & Open Spaces - Rural	Amenity Land Gladstone Road, Dane End	1 & 2	Residue of ownership provides green amenity space	N/A	0.08 acres	N/A	1. Amenity area managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
796	Parks & Open Spaces - Rural	Land off Chaplefields Stanstead Abbots	1 & 2	Residue of ownership which provides green amenity space and recreational area	N/A	0.6 acres	N/A	Grassed and wooded area. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
797	Parks & Open Spaces - Rural	Land adj 1 Chaplefields, Stanstead Abbots	1 & 2	Residue of ownership provides small open amenity space within housing estate.	N/A	0.04 acres	N/A	Grassed area managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
798	Parks & Open Spaces - Rural	Landscape belt, Folly View, Stanstead Abbots	1 & 2	Residue of ownership which provides green open amenity space for recreational use	N/A	3 acres	N/A	Landscaped area and play area adj. to river managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
799	Parks & Open Spaces - Rural	Land r/o 46-56 Gilpins Gallop, Stanstead Abbots	1 & 2	Residue of ownership which provides green open space in housing estate for recreational and amenity purposes	N/A	0.1 acres	N/A	Open green managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
800	Parks & Open Spaces - Rural	Green Hillside Crescent, Stanstead Abbots	1 & 2	Residue of ownership which provides green open space within housing estate	N/A	0.4 acres	N/A	Open green managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
803	Parks & Open Spaces - Rural	Land r/o New River Avenue, Stanstead Abbots	1 & 2	Residue of ownership provides 2 small amenity spaces in housing estate. May have potential for future small development.	N/A	0.16 acres	N/A	Small verge areas managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
806	Parks & Open Spaces - Rural	Land off Ware Road, Tonwell	1 & 2	Residue of ownership provides small amenity area but may have potential as small building plot	N/A	0.08 acres	N/A	Future to be reviewed		£1	Hist Cost	Community Assets
808	Parks & Open Spaces - Rural	Land adj 16 Dellfield Wadesmill	1 & 2	Residue of ownership. Provides green open space for amenity purposes	N/A	0.16 acres	N/A	Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
809	Parks & Open Spaces - Rural	Land adj 46 Kingham Road, Wareside	1 & 2	Provides green open space for recreational and amenity purposes	N/A	0.2 acres	N/A	Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
810	Parks & Open Spaces - Rural	Land off Appleton Avenue, Wareside	1 & 2	Residue of ownership provides amenity space	N/A	0.6 acres	N/A	Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
826	Parks & Open Spaces - Rural	Amenity Land 1-4 Rose cottages Meesden	1 & 2	Residue of ownership may give access to any development to rear	N/A	0.04 acres	N/A	Small access to land to the rear retained as possible ransom strip		£1	Hist Cost	Community Assets
828	Parks & Open Spaces - Rural	Amenity Land, Watton Green, Watton at Stone	1 & 2	Provide green open spaces for recreational and amenity purposes	N/A	0.7 acres	N/A	Open green on edge of village. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
738	Parks & Open Spaces - Rural	Land at Ashdene Road, Bayford	1 & 2	Residue of ownership now used as conservation meadow	N/A	0.24 acres	N/A	Amenity area managed by resident on licence as wildlife meadow		£1	Hist Cost	Community Assets
213	Parks & Open Spaces - Sawbridgeworth	Amenity Land Sheering Mill	1 & 2	Provides green open space for recreational and amenity purposes	N/A	0.9 acres	N/A	Recreation ground managed on Grounds Maintenance Contract				
216	Parks & Open Spaces - Sawbridgeworth	Amenity Land, Harlow Mill	1 & 2	Originally held for drainage purposes now amenity woodland	N/A	2.5 acres	N/A	Small woodland within agricultural land limited pedestrian access only.				
217	Parks & Open Spaces - Sawbridgeworth	Landscape Belt, Cambridge Road	1 & 2	Provides green open spaces for amenity purposes	N/A	0.46 acres	N/A	Green verge along road. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
218	Parks & Open Spaces - Sawbridgeworth	Playground off Lawrence Avenue and Reedings Way	1 & 2	Provides green open space for recreational and amenity purposes	N/A	0.57 acres	N/A	Play area managed on Grounds Maintenance Contract		£1,055	Hist Cost	Community Assets
224	Parks & Open Spaces - Sawbridgeworth	Pishiobury Park, Harlow Road	1 & 2	Provides green open space for recreational, educational and amenity purposes	N/A	88 acres	N/A	Grade II listed enclosed park for informal recreation. Managed under 5 year management programme and seasonally grazed.		£92,883	Hist Cost	Community Assets

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225	Parks & Open Spaces - Sawbridgeworth	Recreation Ground, Vantorts Close	1 & 2	Provides green open space for recreational and amenity purposes	N/A	2.54 acres	N/A	Play and recreation space recently improved managed on Grounds Maintenance Contract		£350	Hist Cost	Community Assets
871	Parks & Open Spaces - Sawbridgeworth	Land at Fairway and Elmwood	1 & 2	Former tip now heavily wooded and overgrown with no public access	N/A	3.5 acres	N/A	Land currently under review to rectify encroachments and consider future management		£1	Hist Cost	Community Assets
253	Parks & Open Spaces - Ware	Buryfield Open Space, Park Road, Ware	1 & 2	Provides green open space for recreational and amenity purposes	N/A	2.8 acres	N/A	Recreation ground managed on Grounds Maintenance Contract		£600	Hist Cost	Community Assets
262	Parks & Open Spaces - Ware	Land at Heath Drive, Ware	1 & 2	Provides green open space for amenity purposes	N/A	0.25 acres	N/A	Amenity area with footpath to school to rear. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
314	Parks & Open Spaces - Ware	Open Space & Playground Lower Bourne Gardens, Ware	1 & 2	Provides green open space for recreational and amenity purposes	N/A	7.8 acres	N/A	Managed on Grounds Maintenance Contract		£100,424	Hist Cost	Community Assets
315	Parks & Open Spaces - Ware	Land at Vallans Close, Ware	1 & 2	Provides green open space for recreational and amenity purposes	N/A					£1	Hist Cost	Community Assets
316	Parks & Open Spaces - Ware	Land adj 81 Kingsway, Ware	1 & 2	Provides green amenity space	N/A	0.1 acres	N/A	Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
317	Parks & Open Spaces - Ware	Recreation Field, King George's Field	1 & 2	Provides green open spaces for recreational and amenity purposes. Gifted as part of national scheme on behalf of King George	N/A	5.5 acres	N/A	Multi-use games area and recreation land managed on Grounds Maintenance Contract		£6,750	Hist Cost	Community Assets
616	Parks & Open Spaces - Ware	Amenity Land off Rolleston Close and Delcroft, Ware	1 & 2	Provides green amenity space.	N/A	0.08 acres	N/A	Open space. Managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
319	Parks & Open Spaces - Ware	Land adj 100 High Street, Ware	1 & 2	Small amenity area within High Street	N/A	0.01 acres	N/A	Area of hard landscaping within high street used for parking		£1	Hist Cost	Community Assets
322	Parks & Open Spaces - Ware	Area of woodland, Post Wood, Ware	1 & 2	Woodland providing recreational, educational and amenity facility and preserving habitat for woodland plants and wildlife.	N/A	27 acres	N/A	Also known as Presdales Wood. Area of ancient woodland managed under Woodland Management Programme		£6,000	Hist Cost	Community Assets
326	Parks & Open Spaces - Ware	Land corner of Garland Road, Ware	1 & 2	Provides small green amenity space within built up residential area	N/A	0.04 acres	N/A	Green verge managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
331	Parks & Open Spaces - Ware	The Bourne, High Oak Road, Ware	1 & 2	Provides large open spaces for recreational and amenity purposes	N/A	6.5 acres	N/A	Informal play, recreation area and woodland managed on Grounds Maintenance Contract		£25	Hist Cost	Community Assets
814	Parks & Open Spaces - Ware	Open Space Presdales Drive	1 & 2	Provides green open space for recreational and amenity purposes	N/A	1.5 acres	N/A	An informal play and recreation area on both sides of Presdales Drive managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
302	Parks & Open Spaces - Ware	Town Square, Ware	1 & 2	Provides amenity area within town centre	N/A	0.18 acres	N/A	Pedestrianised area within shopping area. Lease to Ware Town Council being considered.		£1	Hist Cost	Community Assets
811	Parks & Open Spaces - Ware	Land r/o 32 Southall Close	1 & 2	Residue of ownership which provides green amenity space within residential area	N/A	0.06 acres	N/A	Small grassed area currently managed by resident future use under review		£1	Hist Cost	Community Assets
862	Parks & Open Spaces - Ware	Recreation Ground Beacon Road, Ware	1 & 2	Provides open space for recreational and amenity purposes	N/A	1.2 acres	N/A	Informal recreation and play area managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
866	Parks & Open Spaces - Ware	Flower Beds Crib Street	1 & 2	Residue of ownership provides visual amenity within built up area	N/A	0.03 acres	N/A	Raised flower beds managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
867	Parks & Open Spaces - Ware	9 Hampden Hill Ware	1 & 2	Small amenity area	N/A	0.01 acres	N/A	Maintained by resident		£1	Hist Cost	Community Assets
870	Parks & Open Spaces - Ware	Land adj St Mary's Church, West St Ware	1 & 2	Provides visual amenity within town centre area	N/A	0.14 acres	N/A	Landscaped area at front of church managed on Grounds Maintenance Contract		£1	Hist Cost	Community Assets
754	Public Car Parks	Car Park, Bowling Green Lane, Buntingford	1 & 3	Provide public car parking	Satisfactory	0.9 acres	N/A	Surfaced car park fulfilling service requirement managed by Town Council	£17,459	£130,700	EUV	Other Land & Buildings
33	Public Car Parks	Basbow Lane Car Park, Bishop's Stortford	1 & 3	Provide public car parking	Satisfactory	0.5 acres	N/A	Surfaced car park fulfilling service requirement	£94,281	£605,300	EUV	Other Land & Buildings
36	Public Car Parks	Jackson Square Multi Storey Car Park, Bishops Stortford	1 & 3	Provide public car parking	Good	2.2 acres	17,800 sqm	Multi storey car park within shopping centre fulfilling service requirement	£922,445	£2,653,800	EUV	Other Land & Buildings
39	Public Car Parks	Crown Terrace Car Park, Bishop's Stortford	1 & 3	Provide public car parking	Good	0.4 acres	N/A	Surfaced car park fulfilling service requirement	£73,188	£368,500	EUV	Other Land & Buildings



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41	Public Car Parks	Elm Road Car Park, Bishop's Stortford	1 & 3	Provide public car parking	Good	0.2 acres	N/A	Surfaced car park fulfilling service requirement	£31,796	£96,900	EUV	Other Land & Buildings
615	Public Car Parks	Car Park, The Causeway, Bishop's Stortford	1 & 3	Provide public car parking	Satisfactory	1.5 acres	N/A	Surfaced car park which is closed as a DMC set condition for opening Northgate End MSCP. Part of Old River Lane redevelopment site. Asset due to transfer in next 12 months.	£266,183	£1,796,300	EUV	Other Land & Buildings
42	Public Car Parks	Northgate End Multistorey Car Park, Bishop's Stortford	1 & 3	Provide public car parking	Good	1 acre	N/A	Multistorey car park with 56 x 7kW EV charge points. Valuation is estimate.		£28,000,000	EUV	Other Land & Buildings
622	Public Car Parks	Rye Street A Car Park, Bishop's Stortford	1 & 3	Provide public car parking	Satisfactory	0.8 acres	N/A	First car park off Rye Street. Surfaced car parked fulfilling service requirement	£15,867	£103,800	EUV	Other Land & Buildings
	Public Car Parks	Link Road Car Park, Bishop's Stortford	1 & 3	Provide public car parking	Satisfactory	0.6 acres	N/A	Leased from Bishop's Stortford Town Council Surfaced car park fulfilling service requirement	£123,682	LEASED	LEASED	
917	Public Car Parks	Rye Street B Car Park, Bishop's Stortford adj football pitches	1 & 3	Provide public car parking	Good	0.7 acres	N/A	Car park adj to leisure centre. Surfaced car park fulfilling service requirement for possible redevelopment.	£15,867	£259,600	EUV	Other Land & Buildings
905	Public Car Parks	Apton Road Car Park, Bishop's Stortford	1 & 3	Provide public car parking	Good	0.5 acres	N/A	Surfaced car park fulfilling service requirement	£105,810	£625,200	EUV	Other Land & Buildings
175	Public Car Parks	Gascoyne Way Multi Storey Car Park, Hertford	1 & 3	Provide public car parking	Good	0.8 acres		Multi-storey car park and parking office base. Refurbishment undertaken 2011 incl car park office & stores	£362,502	£2,366,100	EUV	Other Land & Buildings
194	Public Car Parks	St Andrews Street Car Park, Hertford	1 & 3	Provide public car parking	Good	0.75 acres	N/A	Surfaced car park fulfilling service requirement	£161,907	£1,077,200	EUV	Other Land & Buildings
193	Public Car Parks	Hartham Lane Car Park, Hertford	1 & 3	Provide public car parking	Satisfactory	1.55 acres	N/A	Surfaced car park. Fulfilling service requirement	£31,728	£628,200	EUV	Other Land & Buildings
197	Public Car Parks	London Road Car Park, Hertford	1 & 3	Provide public car parking	Good	0.6 acres	N/A	Surfaced car park refurbished in 2012 fulfilling service requirement but possible under review in conjunction with adjacent fire station	£32,863	£320,500	EUV	Other Land & Buildings
609	Public Car Parks	Car Park, Port Vale, Hertford	1 & 3	Provide public car parking	Good	0.4 acres	N/A	Surfaced residents car park fulfilling service requirement	£17,846	£76,800	EUV	Other Land & Buildings
226	Public Car Parks	Bell Street Car Park, Sawbridgeworth	1 & 3	Provide public car parking	Satisfactory	1.6 acres	N/A	Surfaced car park fulfilling service requirement	£57,948	£213,600	EUV	Other Land & Buildings
503	Public Car Parks	Car Park, High Street, Stanstead Abbots	1 & 3	Provide public car parking	Good	0.5 acres	N/A	Surfaced car park fulfilling service requirement. Payment of £7500 from French and Jupps ceased 21/22 so charges will be introduced in 2023	£0	£67,300	EUV	Other Land & Buildings
301	Public Car Parks	Priory Street Car Park, Ware	1 & 3	Provide public car parking	Good	0.15 acres	N/A	Surfaced car park fulfilling service requirement	£10,803	£23,300	EUV	Other Land & Buildings
303	Public Car Parks	Kibes Lane Car Park, Ware	1 & 3	Provide public car parking	Satisfactory	1.1 acres	N/A	Surfaced car park. Fulfilling service requirement	£116,804	£690,800	EUV	Other Land & Buildings
304	Public Car Parks	Broadmeads Car Park & Rest Facilities, Ware	1 & 3	Provide public car parking	Good	0.6 acres	N/A	Surfaced car park and small buiding used as base for car park staff. Fulfilling service requirement	£62,886	£248,400	EUV	Other Land & Buildings
305	Public Car Parks	Car Park, High Street, Ware	1 & 3	Provide public car parking	Good - impro	0.75 acres	N/A	Surfaced car park fulfilling service requirement	£57,309	£234,800	EUV	Other Land & Buildings
906	Public Car Parks	Car Park, Baldock Street, Ware	1 & 3	Provide public car parking	Good	0.6 acres	N/A	Surface car park fulfilling service requirement	£47,722	£270,200	EUV	Other Land & Buildings
659	Public Car Parks	Car Park, Huntsman Close, Puckeridge	1 & 2	Provides local resident car parking	Satisfactory	0.18 acres	N/A	Surfaced car park. Provides for local car parking need - leased to Parish Council.	£0	£35,900	EUV	Other Land & Buildings
	Public Car Parks	Charrington's Car park (Zone A)		Provide revenue income for Council and part of larger land use in Town Centre	Good			Public part of Charrington's Car Park	£67,195	£636,600	EUV	Other Land & Buildings
19	Public Conveniences	Public Conveniences, Buntingford	1	Public facilities	Good	N/A	37 sqm	Closed.		£111,886	DRC	Other Land & Buildings
563	Public Conveniences	Public Conveniences Castle Gardens, Bishop's Stortford		Redevelopment as part of Castle Park HLF Scheme	Poor	N/A	60 sqm	Closed. Subsidence has caused structural crack. Being redeveloped as part of Castle Park HLF Scheme		£55,500	DRC	Other Land & Buildings
184	Public Conveniences	Car Park Office (Former Public Convenience) Broadmead, Ware	1	Public facilities	Satisfactory	N/A	45 sqm	Used as a car park office		£41,900	DRC	Other Land & Buildings

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222	Public Conveniences	Public Conveniences, Bell Street, Sawbridgeworth	1	Public facilities	Satisfactory	N/A	50 sqm	Closed.		£132,835	DRC	Other Land & Buildings
588	Resident's Car parks	Residents Car Park, Port Vale, Hertford	1 & 2	Provides local resident car parking	Satisfactory	0.14 acres	N/A	Flat surfaced car park. Provides for local car parking need	£0	£34,500	EUV	Other Land & Buildings
590	Resident's Car parks	Residents Car Park, Calton Avenue, Hertford	1 & 2	Provides local resident car parking	Satisfactory	0.17 acres	N/A	Flat surfaced car park. Provides for local car parking need	£0	£30,800	EUV	Other Land & Buildings
810	Resident's Car parks	Residents Car Park, Appleton Avenue, Wareside	1 & 2	Provides local resident car parking	Satisfactory	0.18 acres	N/A	Flat surfaced car park. Provides for local car parking need	£0	£13,900	EUV	Other Land & Buildings
597	Resident's Car parks	Residents Car Park, Chapelfields, Stanstead Abbots	1 & 2	Provides local resident car parking	Satisfactory	0.12 acres	N/A	Surfaced car park. Provides for local car parking need	£0	£14,400	EUV	Other Land & Buildings
765	Resident's Car parks	Residents Car Park, Ridgeway, Little Hadham	1 & 2	Provides local resident car parking	Satisfactory	0.1 acres	N/A	Small car park provides for local car parking need	£0	£11,600	EUV	Other Land & Buildings
868	Resident's Car parks	Residents Car Park, New Road, Ware	1 & 2	Provides local resident car parking	Good	0.06 acres	N/A	Flat surfaced car park. Provides for local car parking need	£0	£17,300	EUV	Other Land & Buildings
38	Resident's Car parks	Residents Car Park, Portland Road, Bishop's Stortford	1 & 2	Provides local resident car parking	Good	0.14 acres	N/A	Surfaced car park. Provides for local car parking need	£2,080	£21,600	EUV	Other Land & Buildings
574	Sports and Leisure Facilities	Hartham Leisure Centre, Hartham Common, Hertford	1,2 & 3	Providing public sport and leisure facilities	Good	30 acres	2500 sqm	Indoor swimming pool and leisure centre; football pitches; bowling green and tennis courts located on large common with other informal recreation. Leisure centre leased to service provider		£4,939,112	DRC	Other Land & Buildings
156	Sports and Leisure Facilities	Hartham Pavilion, Hertford - changing rooms & refreshment kiosk	1,2 & 3	Providing public sport and leisure facilities	Good	N/A	135 sqm	Ancillary facility for football on Hartham open space together with adj seasonal refreshment kiosk. Under review for possible upgrade		£379,300	DRC	Other Land & Buildings
27	Sports and Leisure Facilities	Grange Paddocks Leisure Centre, Rye Street, Bishop's Stortford	1,2 & 3	Providing public sport and leisure facilities	Good	30 acres	1200 sqm	Indoor swimming pool and leisure centre; football pitches and changing rooms leased to service provider		£27,890,025	DRC	Other Land & Buildings
701	Sports and Leisure Facilities	Ward Freman Pool, Bowling Green Lane, Buntingford	1,2 & 3	Providing public sport and leisure facilities	Good	N/A	854 sqm	Swimming pool adj to school. The asset is partly owned by Herts County Council and both councils share costs and use. Leased to service provider		£327,500	DRC	Other Land & Buildings
704	Sports and Leisure Facilities	Fanshawe Pool & Fitness Centre, Park Road, Ware	1,2 & 3	Providing public sport and leisure facilities	Good	N/A	1077 sqm	Swimming pool adj to school. The asset is partly owned by Herts County Council and both councils share costs and use. Leased to service provider		£477,700	DRC	Other Land & Buildings
703	Sports and Leisure Facilities	Leventhorpe Pool & Gym, London Road, Sawbridgeworth	1,2 & 3	Providing public sport and leisure facilities	Good	N/A	730 sqm	Swimming pool adj to school. The asset is partly owned by Herts County Council and both councils share costs and use. Leased to service provider		£323,800	DRC	Other Land & Buildings
43	Sports and Leisure Facilities	Sports Ground, Cricketfield Lane,	1,2 & 3	Providing public sport and leisure facilities	Good	9 acres	N/A	Cricket, hockey and tennis facilities let to community sports trust		£3,000	Hist Cost	Community Assets
323	Sports and Leisure Facilities	Presdales Pavilion & Recreation Ground, Walnut Tree Walk, Ware	1,2 & 3	Providing public sport and leisure facilities	Good	44 acres	N/A	Large recreation ground with new pavilion lease being considered to community sports trust		£646,582	Hist Cost	Community Assets
325	Sports and Leisure Facilities	Wodson Park Sports Centre, Wadesmill Road, Ware	1,2 & 3	Providing public sport and leisure facilities	Good	28 acres	N/A	Large indoor and outdoor sports facility offering variety of activities. Long ground lease to community sports trust		£2	Hist Cost	Community Assets
591	Surplus Assets	Great Innings North, Watton at Stone		Former car park for former doctor's surgery				To be evaluated for disposal		£240,000	FV	Surplus Assets
880	Surplus Assets	Land left King George Rd						To be evaluated for disposal		£205,700	FV	Surplus Assets
174	Surplus Assets	Land Braziers Fields						To be evaluated for disposal		£1,140,000	FV	Surplus Assets
409	Surplus Assets	Land at Amwell End, Stansted Abbots						To be evaluated for disposal		£420,000	FV	Surplus Assets
764	Surplus Assets	Land at Widford Road, Hunsdon						To be evaluated for disposal		£156,000	FV	Surplus Assets
17/00393/OV	Surplus Assets	Land adjacent to 65 Sele Road, Hertford						To be evaluated for disposal		£45,500	FV	Surplus Assets

Asset Ref	Asset Classification	Asset Description	SEED Priority	Reason for holding	State	Site area	GIA	Comments	Income	Valuation	Val Basis	Balance Sheet
		Land at Park CottNes, Eastwick								£200		Other Land & Buildings
		Land at Poplar Close, High Cross								£24,000		Other Land & Buildings
		St.Leonards Garden								£3,503		
577	Parks & OS	Land Off Thornberra Gardens, B/S								£1		
581		Land adjoining High Wych Road								£85,000		
788	Parks & OS	Open Green Fleming Crescent Hertford								£1		
789	Parks & OS	Open Space Tudor Way, Hertford								£1		
849	Parks & OS	Amenity Land Bullfields Sawbridgeworth								£1		
850	Parks & OS	Amenity Land Burnside ,Sawbridgeworth								£1		
859	Land Other	Churchyard St.Leonards Road, Hertford								£1		
860	Land Other	Land at St Leonards Rd ,Hertford								£16,149		
	Parks & OS	Open space East Herts Hospital, Hertford								£1		
219		Reedings Way, Sawbridgeworth - transferred from Investment								£4,000		

## Asset Review Framework

### Part 1 Asset Challenge

- a) **Strategic purpose** - This part of the process determines whether an asset has an identified use and purpose which enables service delivery in line with the corporate plan.
- b) **Opportunities and risk** – This part of the assessment is understanding if there are any opportunities that could be exploited. It will overlay any planning policy issues, restrictive covenants or, if the asset was gifted, restrictions on any sale. It also deals with the cost and condition of the asset, whether it is fit for purpose and any investment required. Decarbonisation and climate adaption must be considered as part of the investment required
- c) **Performance appraisal** – This considers costs of running the asset, current levels of reactive maintenance and any known planned maintenance issues such as upcoming component replacement and known backlog maintenance. For significant assets the review process may need to commission a condition survey to inform this part of the evaluation. A discounted cashflow for the next 30 years should be included in this section and, where appropriate, the payback on any investment. The appraisal should examine under what Corporate Plan Priority the asset is held to deliver and what outcomes are delivered by that asset. There evaluation should consider how the asset helps or hinders service delivery now and also under the Future Operating Model defined by the Transforming East Herts Programme.

### Part 2 Option Appraisal

- a) **Option Appraisal** – The “Do nothing” option **must** always be appraised alongside other potential options arising from Part 1

## Strategic Asset Management Plan 2023 – 2028 Annex 2

i.e. Retain and Maintain, Retain and Improve, Dispose and Replace, Dispose

- b) **Recommendation** – this should flow from the evidence in the evaluation

### **Strategic Asset Management Group**

This group comprises Key Members and officers. The group will agree the appraisal programme and receive the options appraisal reports. The group will use their service knowledge and partnerships to ensure that we take into account partner's potential opportunities e.g. Social Housing Registered Providers may want first refusal on sites suitable for housing, however given the council's finances sales will be at the market valuation. This may therefore require s.106 commuted sums to be used to deliver social housing on those sites but this will be facilitated by the Strategic Asset Management Group.

The group will also sign off the Option Appraisals and recommend any disposals to Executive for decision.

Investment will be proposed as part of the capital programme and for the acquisition of new assets a business case will be required.



## East Herts Council Audit and Governance Committee

24 January 2023  
Shared Internal Audit Service –  
Progress Report

### Recommendation

Members are recommended to:

- a) Note the Internal Audit Progress Report
- b) Approve the Internal Audit Plan Changes
- c) Note the Status of Critical and High Priority Recommendations

## Contents

- 1 Introduction and Background
  - 1.1 Purpose
  - 1.2 Background
  
- 2 Audit Plan Update
  - 2.1 Delivery of Internal Audit Plan and Key Findings
  - 2.4 Internal Audit Plan Changes
  - 2.5 Critical and High Priority Recommendations
  - 2.7 Performance Management

### Appendices:

- A Progress against the 2022/23 Internal Audit Plan
- B Implementation Status of Critical and High Priority Recommendations
- C Internal Audit Plan Items (April 2022 to March 2023) - Indicative start dates agreed with management
- D Assurance Definitions / Priority Levels

# 1 Introduction and Background

## Purpose of Report

- 1.1 To provide Members with:
- The progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's 2022/23 Internal Audit Plan to 6 January 2023.
  - The findings for the period 29 October 2022 to 6 January 2023.
  - Details of any changes required to the approved Internal Audit Plan.
  - The implementation status of previously agreed audit recommendations.
  - An update on performance management information to 6 January 2023.

## Background

- 1.2 Internal Audit's Annual Plan for 2022/23 was approved by the Audit and Governance Committee at its meeting on 5 April 2022. The Audit and Governance Committee receive periodic updates against the Internal Audit Plan. This is the third update report for 2022/23.
- 1.3 The work of Internal Audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit function is fulfilling its statutory obligations. It is considered good practice that progress reports also include proposed changes to the agreed Annual Internal Audit Plan.

# 2 Audit Plan Update

## Delivery of Internal Audit Plan and Key Audit Findings

- 2.1 As of 6 January 2023, 72% of the 2022/23 Internal Audit Plan days have been delivered (the calculation excludes contingency days that have not yet been allocated).
- 2.2 The following final reports have been issued since the last Progress Report to the Audit and Governance Committee:

<b>Audit Title</b>	<b>Date of Issue</b>	<b>Assurance Level</b>	<b>Number of Recommendations</b>
Information Governance	Nov 2022	Reasonable	One Medium and One Low Priority
Debtors	Dec 2022	Substantial	None
Creditors	Dec 2022	Substantial	None
Noise & Nuisance	Dec 2022	Substantial	One Low Priority
Treasury Management	Jan 2023	Substantial	None



- 2.3 The table below summarises the position regarding delivery of the 2022/23 approved projects to 6 January 2023. Appendix A provides a status update on each individual project within the 2022/23 Internal Audit Plan.

Status	No. of Audits at this Stage	% of Total Audits
Final Report Issued	11	42%
Draft Report Issued	5	19%
In Fieldwork/Quality Review	3	12%
In Planning/Terms of Reference Issued	1	4%
Allocated	5	19%
Not Yet Allocated	1	4%
Cancelled/Deferred	0	0%
<b>Total</b>	<b>26</b>	<b>100%</b>

#### Proposed Internal Audit Plan Changes

- 2.4 One unplanned audit has been added to the approved plan at the request of management. This audit relates to IT Hardware/Software Lists & Licences. The work is being resourced from a provision originally made for internal audit work on the Transforming East Herts programme.

#### Critical and High Priority Recommendations

- 2.5 Members will be aware that a Final Audit Report is issued when it has been agreed (“signed off”) by management; this includes an agreement to implement the recommendations that have been made.
- 2.6 The schedule attached at Appendix B details any outstanding Critical and High priority audit recommendations. No new Critical or High Priority recommendations have been added to the schedule.

#### Performance Management

- 2.7 The 2022/23 annual performance indicators were approved at the SIAS Board meeting in March 2022.
- 2.8 The actual performance for East Herts Council against the targets that can be monitored in year is set out in the table overleaf:

Performance Indicator	Annual Target	Profiled Target	Actual to 6 January 2023
<b>1. Internal Audit Annual Plan Report</b> – approved by the March Audit & Governance Committee or the first meeting of the financial year should a March committee not meet	Yes	N/A	Yes
<b>2. Annual Internal Audit Plan Delivery</b> – the percentage of the Annual Internal Audit Plan delivered (excludes contingency)	95%	73% (177.5/245)	72% (175.5/245)
<b>3. Project Delivery</b> – the number of projects delivered to draft report stage against projects in the approved Annual Internal Audit Plan	95%	65% (17/26)	62% (16/26)
<b>4. Client Satisfaction</b> – percentage of client satisfaction questionnaires returned at 'satisfactory' level	100%	100%	100% (5 received) Note (1)
<b>5. Chief Audit Executive's Annual Assurance Opinion and Report</b> – presented at the first Audit & Governance Committee meeting of the financial year	Yes	N/A	Yes

Note (1) – 1 received in 2022/23, this relating to a 2021/22 audit where the final report was issued after 1<sup>st</sup> April 2022.

**APPENDIX A - PROGRESS AGAINST THE 2022/23 INTERNAL AUDIT PLAN**

**2022/23 Internal Audit Plan**

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	LA				
<b>Key Financial Systems – 43 days</b>									
Provision for full or targeted audit of one or more key financial systems. Mapping the remaining key financial systems to confirm appropriate lines of assurance and to inform the annual assurance opinion									
Business Rates (shared with SBC)						43	Yes	35	Quality Review
Council Tax (shared with SBC)							Yes		Draft Report Issued
Housing Benefits (shared with SBC)							Yes		In Fieldwork
Treasury Management (assurance mapping refresh only)	Substantial	0	0	0	0		Yes		Final Report Issued
Debtors (assurance mapping refresh only)	Substantial	0	0	0	0		Yes		Final Report Issued
Creditors (assurance mapping refresh only)	Substantial	0	0	0	0		Yes		Final Report Issued
Payroll (assurance mapping refresh only)							Yes		Allocated
Asset Management (assurance mapping)	Substantial	0	0	1	0		Yes		Final Report Issued
Main Accounting (assurance mapping refresh only)							No		Not Yet Allocated
<b>Operational Audits – 60 days</b>									
Contract Management	Reasonable	0	0	1	1	15	Yes	15	Final Report Issued
Community Wellbeing & Partnerships	Reasonable	0	0	3	1	10	Yes	10	Final Report Issued
Housing Acquisition & Conversion – Queens Road						10	Yes	0	Allocated
General Fund Health & Safety Property Compliance						10	Yes	9.5	Draft Report Issued
Refuse Services (shared with NHDC)						9	Yes	8.5	Draft Report Issued
Noise and Nuisance	Substantial	0	0	0	1	6	Yes	6	Final Report Issued
<b>Certifications – 3 days</b>									
Contain Outbreak Management Fund	Unqualified	0	0	0	0	1	Yes	1	Complete
Contingency	N/A	-	-	-	-	2	No	0	Through Year

**APPENDIX A - PROGRESS AGAINST THE 2022/23 INTERNAL AUDIT PLAN**

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	LA				
<b>Corporate Services/Themes – 56 days</b>									
Supply Chain Interruption						10	Yes	7.5	In Fieldwork
Elections Payroll						10	Yes	1.5	ToR issued
Customer Services	Reasonable	0	0	2	4	10	Yes	10	Final Report Issued
Information Governance	Reasonable	0	0	1	1	10	Yes	10	Final Report Issued
Risk Management (assurance mapping refresh only)						3	Yes	0	Allocated
Corporate Governance (assurance mapping refresh only)						3	Yes	0	Allocated
Whistleblowing	Reasonable	0	0	3	1	10	Yes	10	Final Report Issued
<b>IT Audits – 25 days</b>									
Malicious Software (shared with SBC)						7	Yes	6.5	Draft Report Issued
Cyber Security (assurance mapping refresh only, shared with SBC)						3	Yes	0	Allocated
IT Hardware/Software Lists & Licences						15	Yes	0.5	In Planning
<b>Shared Learning and Joint Reviews – 5 days</b>									
Joint Review(s) – Hertfordshire Building Control						5	Yes	4.5	Draft Report Issued
<b>Completion of 2021/22 Projects – 6 days</b>									
Various						6	Yes	6	Complete
<b>Contingency – 3 days</b>									
Contingency						3	N/A	0	Through Year
<b>Strategic Support – 49 days</b>									
Head of Internal Audit Assurance Opinion 2021/22						3	Yes	3	Complete
Audit Committee & Recommendations Follow Up						12	Yes	8	Through Year

**APPENDIX A - PROGRESS AGAINST THE 2022/23 INTERNAL AUDIT PLAN**

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AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	LA				
Client Meetings & Ad hoc Advice						10	Yes	6	Through Year
Plan Monitoring, Work Allocation and Scheduling						12	Yes	9	Through Year
SIAS Development						5	Yes	5	Through Year
Matters Arising: Shared Anti-Fraud Service						2	Yes	1	Through Year
Audit Planning 2023/24						5	Yes	2	Through Year
<b>EHC TOTAL</b>		<b>0</b>	<b>0</b>	<b>11</b>	<b>9</b>	<b>250</b>		<b>175.5</b>	

## APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS

The following appendix provides Audit and Governance Committee Members with a summary of the most recent update provided by management in respect of outstanding high priority recommendations.

No.	Report Title	Recommendation / Original Management Response	Responsible Officer / Original Due Date	Latest management update (or previous commentary where appropriate)	Status of Progress (Jan 2023)
1.	<b>Payment Card Data Security Standard (2020/21).</b>	<p><b><u>Recommendation:</u></b>  <u>PCI-DSS Self-Assessment &amp; Compliance Structure.</u>            The Council has not completed a SAQ and does not have a formal PCI-DSS compliance strategy/program in place to meet required data security standards.            As the option for non-compliance was taken several years ago and since that point there have been multiple personnel changes, the Council should re-assess the level of risk and decide if the non-compliant route is still the most preferred option.            A cross-Council PCI-DSS working group should be established to focus on assessing the level of risk presented by sustained non-compliance with the PCI-DSS.            This group's primary objective should be to determine whether to accept the level of risk and continue to pay the monthly penalty imposed by WorldPay or agree roles and responsibilities to engineer and maintain compliance with the published standards.            Should the decision be made to focus on compliance, the Councils are recommended to consult the best practice guidance produced by the PCI DSS Council in January 2019.</p> <p><b><u>Agreed Management Action(s):</u></b>            The s.151 officer has advised that the level of risk and the monthly fines for non-compliance does not represent proper management of financial affairs. In addition, the expansion of the number of services to be put on the web, which require the ability to have payment facilities, means that the Council must be PCIDSS compliant in order to proceed. Having previous experience of ICON it is not possible to achieve PCIDSS compliance with this software and suitable replacement software has been identified. This will be implemented jointly with Stevenage BC.            A revised Information Security Policy has been developed and will be distributed to staff annually as part of the compliance process.            This emphasises card security measures in the short term.</p>	<p><b>Responsible Officer:</b>            Head of Strategic Finance &amp; Property.</p> <p><b>Due Date:</b>            31 March 2022.</p>	<p><b>January 2023.</b>            Dependent on the upgrade/replacement of ICON. The position in this respect has been escalated as an urgent priority to the Transforming East Herts Programme Board.</p>	Partially implemented.

**APPENDIX B – IMPLEMENTATION STATUS OF CRITICAL AND HIGH PRIORITY RECOMMENDATIONS**

No.	Report Title	Recommendation / Original Management Response	Responsible Officer / Original Due Date	Latest management update (or previous commentary where appropriate)	Status of Progress (Jan 2023)
2.	<p><b>Payment Card Data Security Standard (2020/21).</b></p>	<p><b><u>Recommendation:</u></b>  <u>Roles and Responsibilities.</u>                      As a subsequent output from the formation of the cross-Council PCI-DSS working group, there should be named individuals assigned to steering the Councils compliance journey. Traditionally, the ownership of the compliance process may be the Head of Finance, as they generally occupy the position of signing off the annual Attestation of Compliance (AoC). But it must also be noted that much of the compliance structure content relates to technical configuration, so the Council should designate roles based on this dual ownership. Whilst Finance owns the overall compliance objective, the IT work stream owns the infrastructure that the payment systems sit on. Both departments should have an equal vested interest in compliance.</p> <p><b><u>Agreed Management Action(s):</u></b>                      The above will lead the new system implementation and compliance as he has done this at a previous authority. To achieve compliance the new system will not permit card number entry by staff. Instead, customers choosing to phone up to pay will be handed off to a secure IVR system and will need to enter card details on their phone keypad. Subsequent payments, providing it is for a service with an account number for the customer, e.g. Council Tax, then the system uses a secure token that shows the last 4 digits of the card number and the expiry date. The customer is asked to confirm the expiry date and payment can be taken from that card with no need for card input unless the card is replaced/renewed.                      About 60% of PCIDSS compliance relates to firewalls, encryption and network security and requires best practice testing and maintenance which will be usefully checked for PCIDSS compliance as well as the standard annual cyber security checks.</p>	<p><b>Responsible Officer:</b>                      Head of Strategic Finance &amp; Property.</p> <p><b>Due Date:</b>                      31 March 2022.</p>	<p><b><u>January 2023.</u></b>                      Dependent on the upgrade/replacement of ICON. The position in this respect has been escalated as an urgent priority to the Transforming East Herts Programme Board.</p>	<p>Partially implemented.</p>

**APPENDIX C – INTERNAL AUDIT PLAN 2022/23 – INDICATIVE AUDIT START DATES AGREED WITH MANAGEMENT**

<b>EAST HERTS</b>					
<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>July</b>	<b>Aug</b>	<b>Sept</b>
Customer Services Final Report Issued	Contract Management Final Report Issued	Community Wellbeing & Partnerships Final Report Issued	Information Governance Final Report Issued	Refuse Services Draft Report Issued	Supply Chain Interruption In Fieldwork
	Whistleblowing Final Report Issued	Asset Management Assurance Mapping Final Report Issued		Noise and Nuisance Final Report Issued	Malicious Software Draft Report Issued
	Hertfordshire Building Control Draft Report Issued	Contain Outbreak Management Fund Final Report Issued			General Fund Health & Safety Property Compliance Draft Report Issued
<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>
Housing Benefits In Fieldwork	Council Tax Draft Report Issued	Treasury Management Assurance Mapping Refresh Final Report Issued	Corporate Governance Assurance Mapping Refresh Allocated	Housing Acquisition & Conversion – Queens Road Allocated	
Debtors Assurance Mapping Refresh Final Report Issued (b/f from December)	Business Rates In Quality Review	Elections Payroll ToR Issued (c/f from August)	Risk Management Assurance Mapping Refresh Allocated	Cyber Security Assurance Mapping Refresh Allocated	
Creditors Assurance Mapping Refresh Final Report Issued (b/f from December)			Payroll Assurance Mapping Refresh Allocated	Main Accounting Assurance Mapping Refresh Not Yet Allocated	
			IT Hardware/Software Lists & Licences In Planning		



Audit Opinions		
Assurance Level	Definition	
Assurance Reviews		
<b>Substantial</b>	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	
<b>Reasonable</b>	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	
<b>Limited</b>	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	
<b>No</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	
<b>Not Assessed</b>	This opinion is used in relation to consultancy or embedded assurance activities, where the nature of the work is to provide support and advice to management and is not of a sufficient depth to provide an opinion on the adequacy of governance or internal control arrangements. Recommendations will however be made where required to support system or process improvements.	
Grant / Funding Certification Reviews		
<b>Unqualified</b>	No material matters have been identified in relation the eligibility, accounting and expenditure associated with the funding received that would cause SIAS to believe that the related funding conditions have not been met.	
<b>Qualified</b>	Except for the matters identified within the audit report, the eligibility, accounting and expenditure associated with the funding received meets the requirements of the funding conditions.	
<b>Disclaimer Opinion</b>	Based on the limitations indicated within the report, SIAS are unable to provide an opinion in relation to the Council's compliance with the eligibility, accounting and expenditure requirements contained within the funding conditions.	
<b>Adverse Opinion</b>	Based on the significance of the matters included within the report, the Council have not complied with the funding conditions associated with the funding received.	
Recommendation Priority Levels		
Priority Level	Definition	
Corporate	<b>Critical</b>	Audit findings which, in the present state, represent a serious risk to the organisation as a whole, i.e. reputation, financial resources and / or compliance with regulations. Management action to implement the appropriate controls is required immediately.
Service	<b>High</b>	Audit findings indicate a serious weakness or breakdown in control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently.
	<b>Medium</b>	Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Remedial action is required in a timely manner.
	<b>Low</b>	Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. The appropriate solution should be implemented as soon as is practically possible.

# Agenda Item 12

## East Herts Council Report

### Audit and Governance Committee

**Date of meeting: Tuesday 24 January 2023**

**Report by:** Councillor George Cutting – Executive Member for Corporate Services

**Report title:** Data Protection Update

**Ward(s) affected: (All Wards);**

**Summary** – To provide an update on data protection compliance, including data breaches and subject access requests (SARs)

**RECOMMENDATIONS FOR** Audit and Governance Committee:

- a) **That the Committee notes the content of the report and provides any observations to the Information Governance and Data Protection Manager**

### 1.0 Proposal(s)

1.1 As Above

### 2.0 Background

2.1 This report provides a regular six-monthly update on data protection compliance, including the number of data breaches reported and responded to, and the number of SARs received in the six month reporting period.

2.2 Since the last update given on the 31 May 2022, the actions for the GDPR Roadmap 2021/22 are now complete and the council's compliance will be monitored under the final 'Govern' strand to ensure that changing legislation is managed, and overall compliance is regularly audited.

2.3 The successful implementation of the roadmap is supported by the recent Information Governance 2022-23 Audit in which the council was given

substantial assurance in information management and reporting as required by the UK GDPR.

2.4 As part of a regular data protection update, the committee requested an update on data breaches and SARs.

2.5 There have been a total of eleven reported data breaches from the beginning of May 2022 to the end of October 2022, one of which was reported to the Information Commissioner's Office (ICO) as, although it was unlikely the risks of the breach would be realised, the breached data included sensitive data.

2.6 The following actions were taken in response to the reported breach:

2.6.1 The published data was immediately removed.

2.6.2 The software used to publish the information has had an additional function enabled which will prevent this type of data from being published on the council's website.

2.6.3 An audit has been carried out to ensure there is no similar published information elsewhere on the council's website.

2.7 The ICO was satisfied with the actions taken and measures put into place to rectify the breach and prevent similar breaches from occurring in the future and so took no further action.

2.8 The other ten breaches were caused by human error whereby:

2.8.1 There were three instances where an email was sent to an incorrect recipient.

2.8.2 There were four instances where a letter was sent in error to an incorrect recipient.

2.8.3 There were two instances where staff member's folders were made available to another staff member following migration to MS365.

2.8.4 Incorrect details were entered into the direct debit system.

2.9 Where breaches were due to human error, the following action(s) were taken:

2.9.1 Messages were recalled where possible and unauthorised recipients were asked to delete data as soon as possible and confirm once done. An explanation and apology were sent to affected data subjects where appropriate.

2.9.2 Where migration issues resulted in a breach, IT will now ensure that the service desk do not make changes to user profiles in the lead up to the relevant service migration. If urgent changes are required, these will only be made by senior managers.

2.9.3 Incorrect details were immediately corrected.

2.9.4 Staff members responsible were reminded of the serious consequences of a data breach, and where appropriate, were given data breach training by the Information Governance and Data Protection Manager.

2.9.5 The data protection best practice page has been updated to reflect lessons learnt and this was communicated to all staff.

2.10 The amount of breaches over the last six month period remains low, although has increased since the last reporting period which may reflect that staff are more aware of what constitutes a data breach and how to report these.

2.11 Short term actions have been put in place and monitored and wider actions, particularly related to human error breaches, are currently being considered following the council's migration to MS365 and the additional preventative tools which may be implemented.

2.12 There have been a total of eight SARs received from the beginning of May 2022 to the end of October 2022. All requests were responded to within the statutory time limit.

### **3.0 Reason(s)**

3.1 At its meeting on 17<sup>th</sup> November 2020<sup>1</sup>, the Audit & Governance Committee requested that it receive regular reports, at six monthly intervals, on GDPR and data protection matters.

### **4.0 Options**

4.1 The Committee requested an update and so there are no alternative options to consider.

### **5.0 Risks**

5.1 Data breaches can pose a financial and reputational risk to the council if they are not reported and dealt with correctly, however, the council, through e-learning and virtual classroom training and updated policies and procedures has limited the amount of breaches. Additionally, through regular reporting of breaches, the council can identify trends and possible actions to prevent these reoccurring.

5.2 Similarly, subject access requests, if not responded to correctly and within the statutory one-month time frame, can pose financial and reputational risks to the council. This report provides reassurance that the council continues to respond to these requests in line with legislation.

### **6.0 Implications/Consultations**

6.1 None

### **Community Safety**

No

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<sup>1</sup> [Minute 248](#)

## **Data Protection**

Yes – regular updates on data protection aim to provide assurance that the council remains compliant with data protection legislation. Equally, updating on data breaches and subject access requests provides assurance that the council remains compliant in these areas.

## **Equalities**

No

## **Environmental Sustainability**

No

## **Financial**

No

## **Health and Safety**

No

## **Human Resources**

No

## **Human Rights**

No

## **Legal**

None, other than as identified above.

## **Specific Wards**

No

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

7.1 None

## **Contact Member**

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# Agenda Item 13

## **East Herts Council Report**

### **Audit & Governance Committee**

**Date of meeting: 24 January 2023**

**Report by: Head of Strategic Finance & Property**

**Report title: Audit and Governance Committee Work Programme**

**Ward(s) affected: All**

**Summary** – To present to Audit and Finance Committee the work programme for the year of finance and audit business with a brief summary of each report so that Members can see the business that will come before the Committee at each meeting.

### **RECOMMENDATIONS FOR AUDIT AND GOVERNANCE COMMITTEE**

- a)** Approve the work programme as set out in the report; and
- b)** Specify any training requirements.

#### **1.0 Proposal(s)**

- 1.1 Audit and Governance Committee's audit functions are:
  - 1.1.1 Approving the Council's statement of accounts.
  - 1.1.2 Consider the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements.
  - 1.1.3 Seek assurances that action is being taken on risk-related issues identified by auditors and inspectors.



- 1.1.4 Be satisfied that the Council's assurance statements, including reviewing the Annual Governance Statement against the good governance framework, properly reflect the risk environment and any actions required to improve it.
  - 1.1.5 Approve internal audit's strategy, its plan and monitor its performance.
  - 1.1.6 Approve the shared anti-fraud service strategy, its plan and monitor its performance.
  - 1.1.7 Review summary internal audit reports and the main issues arising and seek assurance that action has been taken where necessary.
  - 1.1.8 Receive the annual report of the head of internal audit.
  - 1.1.9 Receive and consider the reports of external audit (including the annual audit letter) and inspection agencies, and monitor management action in response to the issues raised.
  - 1.1.10 Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies and that the value of the audit process is actively promoted.
  - 1.1.11 Review the financial statements, external auditor's opinion and reports to Members, and monitor management action in response to the issues raised by external audit.
  - 1.1.12 Oversight of the Council's commercial projects.
- 1.2 Audit and Governance Committee's finance functions are:
- 1.2.1 Receive budget monitoring reports and risk management reports.

- 1.2.2 Lead the cross Member scrutiny and consideration of the Council's draft annual budget and medium term financial plan.
  - 1.2.3 Scrutinise the Council's Annual Investment Strategy, Annual Capital Strategy, Mid-Year Treasury Management Report and Annual Treasury Management Report and through review gain assurance that systems of governance and control for Treasury Management are effective.
  - 1.2.4 Where appropriate, assisting the Council and the Executive in the development of its budget and policy framework by in-depth analysis of financial, procurement and governance related policy issues.
  - 1.2.5 Where relevant to the audit or finance functions of the Committee, overseeing and scrutinising all Internal, Corporate and Corporate Governance functions of the Council.
- 1.3 In order to fulfil these functions a series of reports will be brought to Members to provide:
- 1.3.1 Assurance that the council's financial affairs are being properly managed and that the council is making the best use of resources;
  - 1.3.2 An adequate and effective system of internal audit is operating and that it's approved plan is being delivered;
  - 1.3.3 The Council's governance arrangements are adequate;
  - 1.3.4 That key business risks have been identified, evaluated and are being managed;

- 1.3.5 That key systems and controls are operating effectively giving assurance that the Statement of Accounts is materially correct and can be approved;
- 1.3.6 Receive and consider the external auditor's Audit Plan, report and Annual Audit Letter; and
- 1.3.7 Receive copies of Executive budget monitoring reports, for information, so that the final accounts outturn position can be compared to forecasts during the year.

## **2.0 Training**

- 2.1 Training for Members of the Committee will be delivered for the first 30 minutes of the Committee meeting and will be related to the business before the Committee.
- 2.2 Members are recommended to review the proposed work programme and suggested training and identify any other training needs they require.

## **3.0 Work Programme**

- 3.1 The Committee will recall that the external audit of the council's accounts was due to start in October 2021 and conclude in December 2021. EY delayed the start to the audit until 3 January 2022. The audit is still not concluded, and the external auditor ceased working on the council's audit in May and June to work on their NHS audits. The external auditor has given no estimated date for the completion of the audit.
- 3.2 The work programme for the Committee is proposed to be as follows:

<b>Committee</b>	<b>Date</b>	<b>Report Title</b>	<b>Report Summary</b>
Audit & Governance (Accounts Approval) Sub Committee	February 2023	Training: Statement of Accounts	Presentation to Members on the key elements of the Statement of Accounts and the inter-relationship of the core statements.
		Receipt of the Final External Auditor's Annual Governance Report	In accordance with the Code of Audit Practice (the Code), this report provides a summary of the work the external auditor has carried out during their audit of accounts, the conclusions they have reached and the recommendations they have made to discharge their statutory audit responsibilities to those charged with governance (in this case the Audit and Finance Committee) at the time they are considering the financial statements. In preparing their report, the Code requires them to comply with the requirements of International Standards on Auditing (United Kingdom & Ireland) – ISA (UK&I) - 260 'Communication of Audit Matters to Those Charged With Governance'.
		Approval of the Statement of Accounts	Regulation 10 (1) of the Accounts and Audit Regulations 2015 requires the Statement of Accounts to be approved by a resolution of a committee of the Council, such approval to take place before 30 September immediately

<b>Committee</b>	<b>Date</b>	<b>Report Title</b>	<b>Report Summary</b>
			following the end of a year, or as soon as practicable after the conclusion of the audit.
Audit & Governance	28 March 2023	Training: Cyber Security	Presentation on risk management and its importance for the council
		Internal Audit Plan	To present to Audit and Governance Committee the Shared Internal Audit Service Audit Plan for the financial year.
		Anti-Fraud Plan	To present to Audit and Governance Committee the Shared Anti-Fraud Service Anti-Fraud Plan for the financial year.
		Data Protection Update	To present to Audit and Governance Committee the progress on data protection policies and practices.
		Strategic Risk Register Monitoring Q3 2022/23 and Annual Review of Risk Management Strategy	To present to Audit and Governance Committee the Strategic Risk Register Monitoring at the end of quarter 3 and the annual review of the council's risk management strategy.
		Financial Management Quarter 3 Forecast to Year End	To provide Audit and Finance Committee with a copy for information of the Executive Report with the forecast position on revenue spending and the capital programme as at the end of quarter 3.
		Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.

<b>Committee</b>	<b>Date</b>	<b>Report Title</b>	<b>Report Summary</b>
Audit & Governance	31 May 2023	Training	The role of the Audit & Governance Committee
		External Audit Planning Report 2022/23	To present to Audit and Governance Committee the external auditor's Audit Planning Report. The Committee receives the report on behalf of the Council.
		Annual Assurance Statement and Internal Audit Annual Report	To present to Audit and Governance Committee the Annual Report on Internal Audit Activity for the preceding financial year and the level of assurance on the financial systems. Regulation 6 of The Accounts and Audit Regulations 2015 require the Council, at least once a year, to conduct a review of the effectiveness of its internal audit.
		Draft Annual Governance Statement	To present to Audit and Governance Committee for comment the Draft Annual Governance Statement for incorporation in the Statement of Accounts. Regulation 6 of the Accounts and Audit Regulations 2015 requires the Council to conduct a review, at least once a year, of the effectiveness of its system of internal control and approve an annual governance statement to accompany the statement of accounts.
		Shared Internal Audit Service Internal Audit Plan Progress Report	To present to Audit and Governance Committee the Shared Internal Audit

<b>Committee</b>	<b>Date</b>	<b>Report Title</b>	<b>Report Summary</b>
			Service's progress against the Internal Audit Plan.
		Anti-Fraud Report	To present to Audit and Governance Committee the Shared Anti-Fraud Service's annual anti-fraud report detailing work completed on the Anti-Fraud Plan and detailing detected fraud and any recovery of monies
		Shared Anti-Fraud Service Anti-Fraud Plan Progress Report	To present to Audit and Governance Committee the Shared Anti-Fraud Service's progress against the Anti-Fraud Plan.
		Strategic Risk Register Monitoring Q4 2022/23	To present to Audit and Governance Committee the Strategic Risk Register Monitoring at the end of quarter 4.
		Assets of Community Value	To present to Audit & Governance Committee the Register of Assets of Community Value annual update report.
		Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.
Audit & Governance	26 September 2023	Training: Statement of Accounts	Presentation to Members on the key elements of the Statement of Accounts and the inter-relationship of the core statements.
		Receipt of the External Auditor's Annual Governance Report	In accordance with the Code of Audit Practice (the Code), this report provides a summary of the work the external auditor has carried out

Committee	Date	Report Title	Report Summary
			<p>during their audit of accounts, the conclusions they have reached and the recommendations they have made to discharge their statutory audit responsibilities to those charged with governance (in this case the Audit and Finance Committee) at the time they are considering the financial statements. In preparing their report, the Code requires them to comply with the requirements of International Standards on Auditing (United Kingdom &amp; Ireland) – ISA (UK&amp;I) - 260 ‘Communication of Audit Matters to Those Charged With Governance’.</p>
		Approval of the Statement of Accounts	<p>Regulation 10 (1) of the Accounts and Audit Regulations 2015 requires the Statement of Accounts to be approved by a resolution of a committee of the Council, such approval to take place before 30 September immediately following the end of a year, or as soon as practicable after the conclusion of the audit.</p>
		Approval of the Annual Governance Statement	<p>To present to Audit and Governance Committee for approval the Annual Governance Statement for incorporation in the Statement of Accounts. Regulation 6 of the Accounts and Audit Regulations 2015</p>



Committee	Date	Report Title	Report Summary
			requires the Council to conduct a review, at least once a year, of the effectiveness of its system of internal control and approve an annual governance statement to accompany the statement of accounts.
		Shared Anti-fraud Service Anti-Fraud Plan progress report	To present to Audit and Governance Committee the Shared Anti-Fraud Service's progress against the Anti-Fraud Plan.
		2022/23 Provisional Outturn	To provide Audit and Governance Committee with a copy, for information, of the Executive Report with the provisional outturn position on revenue spending and the capital programme as at the end of the financial year.
		Financial Management 2023/24 – Quarter 1 Forecast to Year End	To provide Audit and Governance Committee with a copy for information of the Executive Report with the forecast position on revenue spending and the capital programme as at the end of quarter 1
		Strategic Risk Register Monitoring Q1 2023/24	To present to Audit and Governance Committee the Strategic Risk Register Monitoring at the end of quarter 1.
Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.		

<b>Committee</b>	<b>Date</b>	<b>Report Title</b>	<b>Report Summary</b>
	29 November 2023	Training: Treasury Management	Presentation to Members on Treasury Management and the Committee's role in overseeing treasury policies
		Annual Infrastructure Funding Statement Report 2022/23	To present to Audit and Governance Committee an update on Section 106 contributions and the council's Annual Infrastructure Funding Statement Report 2020/21
		Budget 2024/25 and Medium Term Financial Plan 2024/25 – 2028/29	To provide Audit and Governance Committee with an update on the budget and MTFP including costs pressures, savings and efficiencies against the original proposals, and budget planning assumptions for scrutiny.
		Shared Internal Audit Service Internal Audit Plan Progress Report	To present to Audit and Governance Committee the Shared Internal Audit Service's progress against the Internal Audit Plan.
		Annual Treasury Report 2022/23	To provide Audit and Governance Committee with a copy of the Annual Treasury Report so that they can scrutinise the Report.
		Treasury Management 2023/24 Mid-Year Review	To provide Audit and Governance Committee with a copy of the Treasury Management Mid-Year Review Report so that they can scrutinise the Report

<b>Committee</b>	<b>Date</b>	<b>Report Title</b>	<b>Report Summary</b>
		Strategic Risk Register Monitoring Q2 2023/24	To present to Audit and Governance Committee the Strategic Risk Register Monitoring at the end of quarter 2.
		Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year
Audit & Governance	January 2024	Budget Scrutiny - Budget 2024/25 and Medium Term Financial Plan 2023-27	To present to Audit and Governance Committee the Executive's proposed General Fund Budget and Medium Term Financial Plan for scrutiny.
		Investment Strategy 2024/25 for scrutiny	To present to Audit and Governance Committee the Executive's proposed Investment Strategy for scrutiny.
		Capital Strategy and Minimum Revenue Provision Policy 2024/25 for scrutiny	To present to Audit and Governance Committee the Executive's proposed Capital Strategy and Minimum Revenue Provision Policy for scrutiny.
		Shared Anti-Fraud Service Anti-Fraud Plan Progress Report	To present to Audit and Governance Committee the Shared Anti-Fraud Service's progress against the Anti-Fraud Plan.
		Shared Internal Audit Service Internal Audit Plan Progress Report	To present to Audit and Governance Committee the Shared Internal Audit Service's progress against the Internal Audit Plan.
		Financial Management 2023/24 – Quarter 2 Forecast to Year End	To provide Audit and Governance Committee with a copy for information of the Executive

<b>Committee</b>	<b>Date</b>	<b>Report Title</b>	<b>Report Summary</b>
			Report with the forecast position on revenue spending and the capital programme as at the end of quarter 2.
		Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.

## **4.0 Reasons**

4.1 To ensure that Audit and Finance Committee is aware of the work programme and ensure that Members have the opportunity to request any training or briefing around upcoming items.

## **5.0 Risks**

5.1 Risk Management is reported to the Committee regularly.

## **6.0 Implications/Consultations**

### **Community Safety**

No

### **Data Protection**

Data Protection reports and policies will be brought before the Committee as appropriate.

### **Equalities**

No

### **Environmental Sustainability**

No

### **Financial**

The report details the Committee's responsibilities in relation to finance.

### **Health and Safety**

No

### **Human Resources**

No

### **Human Rights**

No

## **Legal**

Legal requirements are noted in the report summaries in the table in this report.

## **Specific Wards**

No

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

7.1 None

### **Contact Officer**

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