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James Ellis
Head of Legal and Democratic Services

MEETING: EXECUTIVE

VENUE: COUNCIL CHAMBER, WALLFIELDS, HERTFORD

DATE: TUESDAY 18 MARCH 2025

TIME : 7.00 PM

MEMBERS OF THE EXECUTIVE

Councillor Ben Crystall - Leader of the Council

Councillor Mione H Goldspink - Executive Member for Neighbourhoods

Councillor Carl Brittain - Executive Member for Financial Sustainability

Councillor Alex Daar - Executive Member for Communities

Councillor Joseph Dumont - Executive Member for Corporate Services

Councillor Vicky Glover-Ward - Executive Member for Planning and Growth

Councillor Sarah Hopewell - Executive Member for Wellbeing

Councillor Tim Hoskin - Executive Member for Environmental

Sustainability

Councillor Chris Wilson - Executive Member for Resident Engagement

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AGENDA

1. Apologies

To receive any apologies for absence.

2. Leader's Announcements

To receive any announcements from the Leader of the Council.

3. <u>Minutes - 11 February 2025</u> (Pages 6 - 23)

To approve as a correct record the Minutes of the meeting held on 11 February 2025.

4. <u>Declarations of Interest</u>

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

- 5. <u>English Devolution White Paper Interim Plan</u> (Pages 24 31)
- 6. <u>Financial Management 2024/25 Q3 Forecast to year end</u> (Pages 32 46)
- 7. Corporate Procurement Strategy 2025-2030 (Pages 47 77)
- 8. <u>Treasury Management Mid-Year Review 2024/25</u> (Pages 78 95)
- 9. <u>East Herts Executive Scrutiny Protocol</u> (Pages 96 113)
- 10. <u>UK Shared Prosperity Fund</u> (Pages 114 137)
- 11. <u>East Herts District Plan Review Buntingford Employment Study 2025</u> (Pages 138 190)

12. <u>East Herts District Plan Review - East Herts Strategic Vision</u> (Pages 191 - 239)

13. <u>Urgent Business</u>

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

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MINUTES OF A MEETING OF THE EXECUTIVE HELD IN THE COUNCIL CHAMBER, WALLFIELDS, HERTFORD ON TUESDAY 11 FEBRUARY 2025, AT 7.00 PM

PRESENT: Councillor (Chairman/Leader)

Councillors B Crystall, M Goldspink,

C Brittain, A Daar, J Dumont, V Glover-Ward,

S Hopewell, T Hoskin and C Wilson.

ALSO PRESENT:

Councillors D Andrews, B Deering, Y Estop, D Jacobs, G McAndrew, C Redfern and J Wyllie.

OFFICERS IN ATTENDANCE:

Mathew Crosby - Interim Head of

Strategic Finance

James Ellis - Head of Legal and

Democratic Services and

Monitoring Officer

Jonathan Geall - Head of Housing

and Health

Jess Khanom-

- Head of Operations

Metaman

Dominique Kingsbury - Parking Services

Manager

Kay Mead - Principal Planning

Officer

Katie Mogan - Democratic and

Electoral Services

Manager

Claire Sime - Service Manager

(Planning Policy, Design and Conservation) E E

Helen Standen

- Interim Chief Executive

323 APOLOGIES

There were no apologies for absence.

324 LEADER'S ANNOUNCEMENTS

The Leader reminded Members and Officers that the meeting was being webcast.

The Leader said he would be taking Item 9 first on the agenda. The items have been minuted in the order they were heard.

325 MINUTES - 7 JANUARY 2025

Councillor Goldspink proposed, and Councillor Wilson seconded a motion that the Minutes of the meeting held on 7 January 2025 be approved as a correct record and be signed by the Leader. On being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that the Minutes of the meeting held on 7 January 2025 be approved as a correct record and signed by the Leader.

326 DECLARATIONS OF INTEREST

There were no declarations of interest.

327 <u>CALL FOR SITES - UPDATE</u>

The Executive Member for Planning and Growth presented the Call for Sites report. She said that the Council agreed to a review of the District Plan in late 2023 and a revised timetable

was agreed in October 2024. In order to update the District Plan, the planning department needed to assemble a huge amount of evidence and paragraph 3.5 – 3.6 of the report detailed the Call for Sites exercise.

The Executive Member for Planning and Growth said the Call for Sites took place between July and September 2024 and landowners, developers, agents and site promoters were invited to submit areas of land for the council to determine if they would be suitable for development. She said that submitting a site did not confirm that it would be selected for allocation in the District Plan and the report only detailed the outcome of the call for sites and presented the sites submitted.

The Executive Member for Planning and Growth said that 282 sites had been submitted and two further sites had been submitted since the report had been published which were included in the addendum. One site had been withdrawn which left 283 sites for submission.

The Executive Member for Planning and Growth said that the planning team will use the information submitted to move onto the next stage in the plan processes which was to form a Strategic Land Availability Assessment which would be reported back to Members.

Councillor Glover-Ward proposed that the recommendations in the report be supported. Councillor Wilson seconded the proposal.

Councillor Hopewell asked the Executive Member if she could expand on the consultation plans.

Councillor Glover-Ward referred to the visioning process that took place last year and said there would be engagement starting in the Spring. She said that there would be two consultations on the District Plan; one in Autumn 2025 and one in summer 2026. A consultation in summer 2027 would look at the proposed sites.

Councillor McAndrew asked what the difference was between a gross site and a net site.

The Planning Policy, Design and Conservation Manager explained that gross referred to the total area of the site and net was the area that was capable of being developed.

Councillor McAndrew said that some of the gross and net figures were the same in the report.

The Planning Policy, Design and Conservation Manager said that the information in the report had come directly from site promoters and the team had not had the chance to verify the information.

Councillor McAndrew asked how many houses could be built on an acre of land.

The Planning Policy, Design and Conservation Manager said it would depend on density but the planning team worked with 30 per hectare.

Councillor McAndrew asked the Executive how they would reduce congestion and air pollution in Bishop's Stortford in relation to these identified sites as development would compound the current problems.

The Executive Member for Planning and Growth said that the previous District Plan had 18 strategic sites from 288 that were submitted. She said that none of the sites in Bishop's Stortford may be suitable as the assessment had not been carried out yet.

Councillor McAndrew said that congestion in Bishop's Stortford needed to be alleviated and said that sites outside of Bishop's Stortford should be looked at.

The Executive Member for Planning and Growth said that the

council would not solely build in Bishop's Stortford and she could not specify at the moment where the development might take place. She said that site assessments needed to be completed and discussions needed to take place with other authorities.

The Leader of the Council said that joint strategic planning was going on within North East Herts to look at wider infrastructure which was separate from the District Plan.

Councillor Hopewell asked if this was the only opportunity for sites to be submitted.

Councillor Glover-Ward said there would be a further opportunity to submit sites next year for the planning team to check they had received all options.

Councillor Daar asked how many sites were rejected last time.

The Planning Policy, Design and Conservation Manager said that 288 sites were submitted, and 18 sites were allocated in the District Plan. She said it came down to site suitability and strategy decisions.

Councillor Estop asked about the forms that were used for the responses. She said renewable energy was listed but asked what that included. She also asked if the planning team would continue to identify land itself.

The Planning Policy, Design and Conservation Manager said that site promoters were asked to tick a series of boxes and there was an opportunity to provide some free text if they wished and said the team had the raw data behind the forms to use. She confirmed that the planning team would continue to look at other opportunities across the district.

The motion to support the recommendations having been proposed and seconded was put to the meeting and upon a vote being taken, was declared CARRIED. E E

RESOLVED – To recommend to Council that (A) the Call for Sites submissions be noted and agreed for evaluation through the Strategic Land Availability Assessment; and

(B) the results of the Strategic Land Availability Assessment be reported in due course.

328 <u>BUDGET 2025/26 & MEDIUM TERM FINANCIAL PLAN 2025-</u> 2035

The Executive Member for Financial Sustainability presented the Budget 2025/26 and Medium Term Financial Plan 2025-2035 and said that despite the uncertainty of the future of the district council following the government's Devolution White Paper, the council were still required to set a balanced budget.

The Executive Member for Financial Sustainability said that the report presented a balanced budget with a small surplus of £6k. He said the savings proposals had been presented to the Joint Meeting of Scrutiny Committees on 29 January 2025 and their comments were listed at Appendix F. Savings proposals to be taken forward and those that were rejected by the Executive were also included in the appendices.

The Executive Member for Financial Sustainability said that Council Tax would be increased by 2.98%, the maximum allowed without a referendum, as the Council had been left with little choice. He said that all planned savings needed to be realised in 2025/26 and £164k had been drawn down from reserves with no plan to add the money back. He said that Leadership Team would meet on a regular basis to review the savings plan and deal with any issues as soon as they arose.

The Executive Member for Financial Sustainability said that there was a £1.7million shortfall in the budget for 2026/27 and work would be undertaken to review this and consider new transformation options to drive efficiencies.

Councillor Brittain proposed that the recommendations in the report be supported. Councillor Hoskin seconded the proposal.

Councillor McAndrew referred to Appendix F that contained comments from the Joint Scrutiny meeting. He felt that it was lacking a lot of detail and some topics had not been recorded at all. He then referred to the annual waste contract and its year on year increase. He asked what the percentage increase was.

The Executive Member for Financial Sustainability said that it was an estimate based on contract inflation. The Head of Strategic Finance said it was a variable rate.

Councillor McAndrew referred again to the contract inflation figures.

The Head of Operations said that contract inflation was based on the CPI index, fuel index and labour costs. She said the council would not know what that figure was until May and so a £1 increase on the garden waste charge had been built into the MTFP and inflation was likely to be more.

Councillor McAndrew said that the contract increase was far below the current rate.

The Executive Member for Financial Sustainability said that there had been a large amount on inflation over 2020-21 reaching 10%. He said he would expect figures to be lower now and therefore the forecast is lower.

Councillor McAndrew wanted to know the breakdown of the figures and be given a rationale behind the increase.

The Head of Operations said that as an estimate, a £1 increase had been built into the MTFP and contract inflation figures would not be known until May.

Councillor Hoskin, the Executive Member for Environmental Sustainability, presented a breakdown of figures and said the increase in the garden waste charge had been a catch up exercise as inflation and rising costs had not been applied by the previous administration.

Councillor McAndrew said that the Joint Scrutiny Committee was told that the increase was to cover the cost of the service. In 2021, the cost of the service was £821k and this paper was saying £1.7million.

Councillor Hoskin said the catch up on cost now meant the service cost £59.81 to residents but they had capped it at £59. He said this charge would recover the cost of the service for those who opt in.

Councillor Jacobs referred to the summary from the Joint Scrutiny Committee and felt it did not provide a comprehensive view of what was discussed at the meeting. He requested that this was amended before being presented to Full Council.

Councillor McAndrew again referred to the garden waste charge. He said that the additional planned 3,328 houses all paying £59 a year would equate to a £201,392 income that he did not believe had been accounted for.

The Executive Member for Financial Sustainability said that the extra houses would cause extra costs.

Councillor Hopewell said that just because houses were being built did not mean that they would all opt in to the garden waste charge. Councillor Hoskin said that the challenge was to recover costs and any extra volume in customers would still recover its costs and would not make additional money.

Councillor Jacobs referred to page 31 and the proposed changes to charges. He asked if the pre application advice fee was a typo as it had decreased from £350 to £218.

Councillor Deering said he agreed with the comments from Councillor Jacobs about the comments from the Joint Scrutiny Committee. He said he had a number of questions about the garden waste charge and would raise it at Full Council.

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

RESOLVED – To recommend to Council to approve the Capital Strategy, Minimum Revenue Provision Statement and the Treasury Management Strategy 2025/26 including the Prudential Indicators contained within the reports.

329 <u>CAPITAL STRATEGY, MINIMUM REVENUE PROVISION POLICY</u> <u>& TREASURY STRATEGY 2025/26</u>

The Executive Member for Financial Sustainability presented the Capital Strategy, Minimum Revenue Provision Policy and Treasury Strategy 2025/26. He said that 2025/26 was the peak of council borrowing and should reduce as a result of receipts and limited capital expenditure. He referred to the Minimum Revenue Provision Statement at Appendix B and said there were new regulations being implemented from 1 April 2025 but council advisors had said they did not expect changes to have a significant effect on the council.

Councillor Brittain proposed that the recommendations in the report be supported. Councillor Wilson seconded the proposal.

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

RESOLVED - To recommend to Council to approve the Capital Strategy, Minimum Revenue Provision Statement and the Treasury Management Strategy 2025/26 including the Prudential Indicators contained within the reports.

330 AUTHORITY TO DISPOSE OF ASSETS BY SALE

The Executive Member for Financial Sustainability presented the Authority to Dispose of Assets by sale report which included three assets. He referred to the sale of Northgate End which had already been approved for sale but the recommendation was now requesting it to be sold as a whole block to a single buyer. He said this had many advantages including simplifying the sale process and brought forward the date of the capital receipts which would avoid further borrowing costs. Three options had been modelled and the financial details of these were included in the exempt appendix.

The Executive Member for Financial Sustainability said recommendation B related to the proposed freehold of Layston Gardens to Buntingford Town Council and this would reduce the level of council's debt. Recommendation C was the land at West Street where the football club had asked to purchase the freehold. He said that the site brought in a small income but there were also a number of associated costs that were detailed in the report.

Councillor Brittain proposed that the recommendations in the report be supported. Councillor Goldspink seconded the proposal.

Councillor Dumont said that the football club in Hertford had social value and was a community asset. He sought to clarify

that there would be only one potential purchaser and there would be a covenant that they could not demolish and build houses on the land.

The Executive Member for Financial Sustainability said there was only one potential buyer and it would be protected as a sports facility.

Councillor Wilson said that he welcomed the proposal for Northgate End and felt it was important to have the commuted sums for more affordable housing. He asked what the economic benefits were of selling the lot in one go and what costs did the council occur at the moment.

The Head of Housing and Health said the detail was provided in the exempt appendix.

Councillor Goldspink said that she welcomed the report and said it was essential to ensure the commuted sums for affordable housing were provided as part of the sale of Northgate End.

Councillor Deering referred to the football ground in West Street and he said that the traffic on West Street was already a problem. He felt that sport was important but traffic had increased after the football club had installed an artificial pitch. He said on behalf of residents of West Street, he raised their concerns about increasing traffic and it was imperative that the council did their best for the residents. He asked if there would be the possibility of a different entity emerging as buyer of the ground.

The Head of Housing and Health said that the buyer would be the existing leaseholder. He confirmed that the recommendation was for the Executive to agree to the principle of selling the freehold subject to negotiations and price.

Councillor Deering said he was not casting aspersions on the

football club but said the identity of the purchaser was important in case of any future enforcement issues.

Councillor Crystall said the issues faced by residents in West Street was a multi council challenge and required a joined up approach to solve.

The Head of Housing and Health said that the administration were keen to expedite disposals and there would be an independent valuation and a discussion about terms and prices and the decision to complete the sale would be delegated to the Executive Member for Financial Sustainability.

Councillor Hoskin said that the football club could be encouraged to have a sustainable travel plan to potentially reduce issues faced by residents.

Councillor Crystall proposed and Councillor Glover-Ward seconded, a motion that pursuant to Section 100 (A) (4) of the Local Government Act 1972 as amended, the press and public be excluded during consideration of the business referred to in Minute 330, on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the said Act.

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

RESOLVED – that the press and public be excluded during consideration of the business referred to in Minute 330, on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the said Act.

The details of the discussion can be found in the part 2 minutes.

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Councillor Estop said she wished the Executive well in achieving the sale at Northgate End and resolving the situation. She queried whether possible lessons had been learnt from this.

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

RESOLVED — That (A) in order to expedite the disposal of the Northgate End residential and commercial block, the entire freehold be sold to a sole purchaser with authority to complete the disposal for best consideration delegated to the Head of Housing, Health and Property;

- (B) the freehold of Layston Court Gardens, Buntingford be disposed of for best consideration, having regard to the council's chartered surveyor's valuation, removal of revenue liabilities the safeguarding the council's interests in decisions over future use, to Buntingford Town Council with authority to complete the disposal delegated to the Head of Housing, Health and Property;
- (C) the freehold of land at West Street (known as Hertford Football Club) be disposed of to the existing long leaseholder, subject to an acceptable disposal price and terms being negotiated, having regard to an independent valuation to which both parties would consent, the removal of revenue liabilities for the council and the safeguarding the council's interests in decisions over future use, with authority to proceed to disposal with the negotiated price and terms delegated to the Executive Member for Financial Sustainability, acting in consultation with to the Head of Housing, Health and Property.

331 PARKING STRATEGY 2025

The Executive Member for Environmental Sustainability presented the draft Parking Strategy following a public consultation held in autumn 2024. He said that Council had agreed a £1.75million income target for parking in February 2024 and the strategy set out the strategic context and principles to meet the approved income target and the wider ambitions of the Council.

The Executive Member for Environmental Sustainability said that as a listening council, the resident and business engagement had been extensive and 1700 responses had been submitted online and at the in person sessions. He said the strategy aimed to support alternative methods of transport, be balanced and make fairer changes and be environmentally considerate.

The Executive Member for Environmental Sustainability said that 22 actions had been set in place for the short medium and long term with an altering price structure and abolish paper permits. He hoped the strategy would have an enduring legacy and be a direct deliverer of change. The strategy had been presented to the Overview and Scrutiny Committee in January 2025 and their comments were attached at Appendix F.

Councillor Hoskin proposed that the recommendations in the report be supported. Councillor Glover-Ward seconded the proposal.

Councillor Crystall said that this was a great document and thanked the parking team and the Head of Operations for their hard work in producing it.

Councillor Dumont said that he could not support the recommendations in the report. He said that as a Liberal Democrat, he had a strong commitment to fairness and the car park in Stanstead Abbotts had been previously subsidised by a private donation and as this had now ended, people of the village were now being asked to pay for parking. He felt

that this was unfair when similar car parks in Sawbridgeworth and Buntingford did not have to pay for weekend parking. He said that when he voted previously on this, he was told that car parks operating under different rules would be temporary, but the report showed that parking charges were not aligned.

Councillor Goldspink said she agreed with Councillor Dumont and also would not be voting for the recommendations. She said she was in support of the parking strategy overall but could not support once of the charges proposed for Sunday parking in Stanstead Abbotts. She said fairness had not been achieved across all car parks and felt it was within the power of the Executive Member to make this charge nil.

Councillor Wilson said that he had enjoyed talking to residents regarding the parking strategy and had heard a lot of views. He said he would be voting alongside the Liberal Democrats and that there was an unfairness in the mismatch of charges on a Sunday.

The Executive Member for Environmental Sustainability thanked the councillors for their comments. He said that this was a staged process with short, medium and long term time frames to structural changes subject to Traffic Regulation Orders. He said he had tried to address fairness throughout the process and the other parking charges in Stanstead Abbotts had been reduced following consultation. He said there was limited scope within the pricing as they needed to recover a considerable amount of money.

Councillor Crystall said that he recognised that there was a disparity, and it was frustrating that Traffic Regulation Orders (TRO) could take 18 months to complete but clear reductions had been undertaken across the week and the Sunday charge had remained the same. He said every time the cost was reduced, someone else had to pick it up.

Councillor Dumont asked if a TRO was required to reduce it to nil on a Sunday. The Head of Operations confirmed it would have to be sent out for consultation.

Councillor Dumont said that Stanstead Abbotts brought in £7k a year more than as projected. He did not believe that reducing Sunday charges would have a negative effect on achieving the income target.

The Head of Operations said that any surplus would be carried across to help meet the income target,

Councillor Estop referred to the Crown Terrace and Jackson Square car parks and the proposed hotel near the station. She said she believed arrangements were in place whereby the hotel has use of some spaces in different car parks and wondered if it was a good use of space to ask people to make awkward journeys coming from a place of limited parking to one with lots.

Councillor Hoskin said it was a fair challenge and any activity around Hockerill junction was not good news. He said the Jackson Square car park fulfilled local needs and there was a demand on spaces thee. He said there was work ongoing offline to see how Hockerill Junction could be improved.

Councillor Glover-Ward asked about resident permit zones and said the current criteria made it difficult for residents' requests to be accepted.

Councillor Hoskin said the criteria had been set in 2022 and there had not been a successful application since.

The Parking Manager said that the threshold for the parking zones had been recommended to be removed which would hopefully simplify the process.

The motion to support recommendation A having been proposed and seconded was put to the meeting and upon a

vote being taken, was declared CARRIED.

RESOLVED - That the comments put forward by the Overview and Scrutiny Committee were considered, listed in Appendix F, and the resulting actions proposed by the Executive Member for Environmental Sustainability as also detailed in Appendix F be endorsed.

The motion to support recommendation B having been proposed and seconded was put to the meeting and upon a vote being taken, was declared CARRIED.

RESOLVED – To recommend to Council the approval of the draft Parking Strategy 2025.

The motion to support recommendation C having been proposed and seconded was put to the meeting and upon a vote being taken, was declared CARRIED. It was noted that Councillors Dumont, Goldspink and Wilson voted against the recommendation.

RESOLVED — That the proposed changes to car parking tariffs as described in Appendix D from April 2025 be supported and recommend them to the Executive Member for Environmental Sustainability for approval and implementation

332 **URGENT BUSINESS**

There was no urgent business.

The meeting closed at 8.40 pm

Chairman	Chairman	
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Date

Agenda Item 5

East Herts Council Report

Executive

Date of meeting: Tuesday 11 March 2025

Report by: Councillor Ben Crystall – Leader of the Council

Report title: English Devolution White Paper Interim Plan

Ward(s) affected: (All Wards);

Summary – The Secretary of State for Housing, Communities and Local Government has requested that an interim plan be provided to Government on or before 21 March 2025, setting out the progress being made on developing proposals for local government reform in line with the criteria and guidance set by Government.

RECOMMENDATIONS FOR Executive, that:

- **a)** the Government's proposals for English Devolution and Local Government Reorganisation be noted, and
- b) the Executive delegates to the Leader of the Council, in consultation with the Deputy Leader, that the interim proposals for Local Government Reorganisation in Hertfordshire as set out in the report be submitted to the Government by the deadline of 21 March 2025.

1.0 Proposal(s)

1.1 As above.

2.0 Background

2.1 The English Devolution White Paper was published on 16 December 2024. This set out the government's plans to devolve greater power and funding to local areas and to deliver local government reorganisation in two-tier areas by creating a new network of Strategic Authorities covering the whole of England.

- 2.2 These Strategic Authorities will have populations of at least 1.5 million people and responsibilities linked to
 - transport and local infrastructure,
 - skills and employment,
 - housing and strategic planning (although not determining planning applications),
 - economic development and regeneration,
 - environment and climate change,
 - health and wellbeing, and
 - public safety.
- 2.3 A Strategic Authority will also cover a 'sensible' economic geography with a 'sense of identity' and needs to be contiguous for all of the constituent authorities. It is the government's desire for a Mayor to lead a Strategic Authority and want local areas to propose plans for devolution. Where an area does not present appropriate proposals, the Government will use Ministerial Directives to ensure this happens.
- 2.4 The Government specified that areas could put themselves forward to be designated as a Devolution Priority Place (DPP), meaning that having been so designated, they would need to commit to have a Mayoral Strategic Authority, along with a plan to have the elections for Mayor, by 2026.
- 2.5 Hertfordshire did not apply to become a DPP, and there is therefore more time to develop proposals for a strategic authority covering Hertfordshire. A further update will be provided once firmer proposals are available.
- 2.6 As part of its plans for devolution, the Government has announced a programme of local government reorganisation that will replace all two-tier county and district councils, along with small or failing unitaries, with new unitary councils that have populations of at least 500,000 people.

- These much larger unitary structures would then group together to form Strategic Authorities.
- 2.7 Hertfordshire, with its ten districts and boroughs, including East Herts, and the County Council, is one such two-tier area.
- 2.8 The Government believes that local government reorganisation, together with devolution over a big strategic area, will improve public services and support economic growth.
- 2.9 In accordance with the Ministerial letter dated 5 February 2025, East Herts will need to submit proposals for the reorganisation of local government structures in Hertfordshire. In particular, an interim plan will need to be submitted by 21 March 2025 with a full proposal needing to be submitted by 28 November 2025.
- 2.10 Discussions have already started between all Hertfordshire district and borough councils, as well as Hertfordshire County Council, about how best to enable devolution here, and shape plans for local government reorganisation.
- 2.11 A White Paper Working Group consisting of officers from all district and borough councils, as well as the County Council, has been set up to establish an evidence base for both the devolution and local government reorganisation proposals, this group is also starting to formulate a response on the Interim Plan.
- 2.12 The White Paper Working Group reports to the Hertfordshire Chief Executive Coordination Group, who in turns reports to Hertfordshire Leaders Group.
- 2.13 It is the intention that a single response for the Interim Plan will be submitted for Hertfordshire by 21 March, which is likely to contain multiple options being explored. It should be noted that the March submission is primarily a checkpoint to

- get assurance that councils are working together to develop proposals in line with the Government's criteria. Any response in March does not prevent further options being developed or explored at a later date.
- 2.14 As the Interim Plan will be finalised in the coming weeks, with the Leader taking part in discussions, this report is seeking delegated authority to agree a plan for submission on behalf of East Herts Council.
- 2.15 It should also be noted that for the Election for Hertfordshire County Council will go ahead as scheduled on 1 May 2025.

 The table below sets out the current timeline.

	Date	Event
Confirmed	5 Feb 2025	Statutory invitation received from the government to submit local government reorganisation proposals.
Confirmed	21 Mar 2025	Submit interim Local Government Reorganisation proposal.
Confirmed	1 May 2025	Hertfordshire County Council Elections.
Confirmed	28 Nov 2025	Submit full Local Government Reorganisation Proposal.
Proposed	May 2027	Elections (Shadow authorities)
Proposed	Apr 2028	Vesting day for new unitary councils.

3.0 Reasons

- 3.1 The Minister indicated in his letter that he expected 'local leaders to work collaboratively and proactively, including by sharing information, to develop robust and sustainable unitary proposals that are in the best interests of the whole area ... rather than developing competing proposals'. It was expected that every effort should be made to jointly submit one proposal, but it was understood there may be some cases where this was not possible. In such cases, the Government would consider any suitable proposals submitted.
- 3.2 Once submitted, Ministry of Housing, Communities and Local Government officials will provide feedback to help support the development of final proposals which are to be submitted by 28 November 2025.

4.0 Options

- 4.1 To provide an Interim Plan This is recommended as it brings East Herts in-line with neighbouring Hertfordshire authorities and complies with the request from Government.
- 4.2 To not provide an Interim Plan This is not recommended as it goes against the Government's specific request that council's work together to set out a plan on how to take forward its devolution plan.

5.0 Risks

5.1 Should the Executive choose not to approve the recommendations as set out in this report, then there would be a risk that East Herts Council is excluded from the Hertfordshire Interim Plan and would not therefore be able to shape and influence the March 2025 submission.

6.0 Implications/Consultations

As is set out in paragraph 2.11 and 2.12 of this report, there are ongoing discussions taking place between various officer and Member groups set up specifically for this purpose.

Community Safety

No

Data Protection

No

Equalities

Yes – An Equalities Impact Assessment (EqIA) was not completed for the Interim Plan stage, however as plans progress an EqIA will be developed to inform final local government reorganisation proposals to be submitted to Government in November 2025.

Environmental Sustainability

No - None in the context of this report. This report seeks to delegate authority as set out in the recommendations, and does not relate to a purchase or contract that would require a Sustainability Impact Assessment.

Financial

No - The submission of the interim plan will be contained within existing budget.

Health and Safety

No

Human Resources

Yes – None directly relating to the preparation of the Interim Plan. However significant resources will need to be made available to prepare for the full proposal in November 2025.

Local government reorganisation will have a direct impact on the council's recruitment and retention and this will continue to be

monitored by the council's Leadership Team, along with support from Human Resources team.

Human Rights

No

Legal

Yes - By virtue of Part 1 of the Local Government and Public Involvement in Health Act 2007, the Secretary of State has the statutory power to invite proposals for a single tier of local government from any principal authority (which is defined as a county council or district council in England). The Councils across Hertfordshire have received such an invitation.

When responding to a request, the council must have regards to any guidance from the Secretary of State as to what the proposal should seek to achieve and matters that should be taken into account in formulating the proposal. The details of which are set out in the letter received on 5 February 2025.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

- 7.1 English Devolution White Paper
- 7.2 Hertfordshire's proposed response To follow

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Agenda Item 6

East Herts Council Report

Executive

Date of meeting: Tuesday 18 March 2025

Report by: Councillor Carl Brittain – Executive Member for Financial Sustainability

Report title: Financial Management 2024/25 - Q3 Forecast to year end

Ward(s) affected: (All Wards);

Summary

- The net revenue budget for 2024/25 is £12.652m as set out in Table 1, this is funded by Council Tax. The forecast year end outturn as at 31st December predicts an overspend of £955k.
- The revised capital budget for 2024/25 is £19.082m, plus another £4.16m has been approved but not yet committed, as set out in Appendix C. The forecast outturn is £9.083m giving a variance of £10.0m in year and proposals for £7.835 to be carried forward to 2025/26.

RECOMMENDATIONS FOR EXECUTIVE

- a) The reasons for the net revenue budget end of year projected overspend of £955k be noted.
- b) The capital programme forecast outturn of £9.083m, carry forward of £7.835m be noted.

1.0 Proposal(s)

1.1 Not Applicable

2.0 Background

2.1 The 2024/25 Medium Term Financial Plan (MTFP), revenue budget and capital programme were approved by Council on 28 February 2024. The 2024/25 net revenue budget is £12.652m, the

table below shows the budget alongside the 2024/25 forecast outturn as at Quarter 3 a breakdown of the revenue budget and forecast outturn can be found in **Appendix B.**

The Quarter 2 forecast outturn has been included within this report as **Appendix A**.

Table 1: Revenue	2024/25	2024/25	Variance
Budget and End of	Budget	Forecast	
Year Forecast Outturn		Outturn	
	£′000	£′000	£′000
Net Cost of Services	21,678	23,687	2,009
(NCS)			
Total corporate budgets	3,424	2,863	(561)
Total reserve movements	(2,348)	(2,834)	(486)
Total funding	(10,102)	(10,108)	(6)
Net revenue spend	12,652	13,607	955
Funded by Council Tax	(12,652)	(12,652)	-
Overspend/Underspend	-	955	955

2.2 The Net Cost of Services (NCS) budget of £21.678m includes the saving proposals of £1.186m that were approved as part of the MTFP. The table below shows the breakdown of the NCS forecast overspend between base operational budget and savings target, further details and commentary on the forecast overspend can be found in **Appendix C**.

Table 2: Forecast Outturn	2024/25 Budget	2024/25 Forecast	Variance
on approved Savings	buuget	Outturn	
		Outturn	
	£′000	£′000	£'000
Base NCS	22,864	24,215	1,351
Savings proposals	(1,186)	(528)	658
Total 2024/25 NCS	21,678	23,687	2,009

2.3 Corporate budgets

The proposed change in Accounting Policy to allow the capitalisation of interest during the build phase has meant that the total capitalisation of interest in year amounts to £340k.

Total interest is now expected to be £395k less than budget, and Investment interest received is also currently forecast to overperform to a total of £166k, it is proposed to move the £166k to reserves, to meet future potential losses on property funds.

2.4 Contributions to reserves

It is proposed that the £652k contribution to reserves is not achievable in year and this is utilised to offset the overspend. As per paragraph 2.3 it is proposed to transfer £166k of the over achievement of investment income to reserves.

2.5 Funding

The funding section has been updated with latest forecast government funding.

2.6 Capital Budget

The revised capital budget for 2024/25 is £19.082m, plus £4.16m has been approved by Council not yet committed, is set out in **Appendix D.** The forecast outturn is £9.083m giving a variance of £10m underspend. The underspends relate to:

- Reprofiling of the £270k capital budget for hostels to 2025/26
- The Reprofiling into 2025/26 of the reduced budget for Refuse & Recycling of £6.155m for Vehicles, £1.680 for containers. Vehicles are now expected to be £1.845m less than originally budgeted in 24/25 (£8m).
- Waste Vehicles and containers expenditure will now occur in Qtr. 1 of 2025/26 totalling £7.835m.
- There is no requirement for the community capital grant budget for 2024/25 resulting in a £50k underspend in capital any spend will be treated as Revenue and recorded through the CIES.
- **2.7** The outstanding debt as at Quarter 3, £3.09m, has reduced from the position at Quarter 2, £3.25m. Debt over 180 days totals £2.27m (Qtr. 2 £2.23m). Following the restructure of the Strategic Finance service, the Transactions Team is now fully staffed.

Work has accelerated on understanding and actioning reviews of the outstanding aged debt.

- Validating if the companies in debt are still in existence.
- Checking to see if companies have a payment plan in place have to recover old or existing debts.
- Identifying small value items that are not economic to recover.
- Identifying errors where invoices have been raised in error, leading to an overestimate of debt.
- Understanding where we are in the legal process for some of the more 'intricate' issues.
- Instructed and working with CPA (Credit Protection Association), to pass old debt on to try and communicate with customers to get them to engage with us to pay or discuss aged debt.
- Instituting more streamlined working between Finance colleagues and those in services to enable more timely chasing of outstanding debt.

The impact of the above is beginning to materialise. It will take a little time due to the number of debts and the complex nature of some specific cases.

Mitigation of projected revenue overspend.

- **2.8** The effects of updating the accounting policies to allow for the capitalisation of interest have been included in the Qtr. 3 forecasts.
- **2.9** The application of the minimum revenue provision (MRP) and the calculations are being reviewed. It is expected that this review may help to reduce the in-year overspend.
- **2.10** Quarter by quarter, projections will be updated and refined to include the most up to date information and projections of income and expenditure to the end of the financial year.
- **2.11** Officers have identified a series of ways in which the forecast overspend at this stage can be mitigated. These include:

- Work is underway to appeal the business rate revaluations which have led to higher increases in business rates than the council had anticipated and budgeted for
- Active vacancy management including holding posts vacant or delaying recruitment without using agency staff.
- Refocusing of efficiencies that can be achieved through the
 Transformation programme now that large projects, which have
 absorbed senior officers' time, have concluded, or will do so soon,
 such as the opening of BEAM, negotiation of the waste
 management contract, establishment of the UK Shared Prosperity
 Fund Programmes
- Accelerating work to review and uplift rents the council charges on its assets, such as shops and car parks leased to others.
- Introducing a new advertising and sponsorship policy and seeking to maximise income through these sources.

3.0 Reason(s)

- **3.1** Section 28 of the Local Government Act 2003 requires the council to monitor the budget and monitor and assess the adequacy of reserves and balances during the year. East Herts council's financial management framework requires quarterly reports to Audit and Governance Committee and the Executive with forecasts to year end.
- **3.2** The Executive is required to consider the budget forecasts and ensure that action is taken in relation to any expenditure overspends or any underachievement of income so that the Council's financial resources are not exceeded.

4.0 Options

4.1 Not applicable

5.0 Risks

5.1 Higher inflation and the high interest rates will put pressure on the council's revenue and capital budgets. Officers are keeping the

situation under review and will alert members in a timely way if interventions are required.

6.0 Implications/Consultations

6.1 The Finance team have consulted with Heads of Service, service managers and budget holders in writing this report.

Community Safety

None arising directly from this report.

Data Protection

None arising directly from this report.

Equalities

None arising directly from this report.

Environmental Sustainability

None arising directly from this report.

Financial

All financial implications are included in the report.

Health and Safety

None arising directly from this report.

Human Resources

None arising directly from this report.

Human Rights

None arising directly from this report.

Legal

Section 28 of the Local Government Act 2003 requires the Council to monitor the budget and monitor and assess the adequacy of reserves and balances during the year. East Herts Council's financial management framework requires quarterly reports to Audit and Governance Committee and the Executive with forecasts to year end.

Specific Wards

No

7.0 Background papers, appendices, and other relevant material

7.1 Budget 2024/25 and Medium-Term Financial Plan – 28 February 2024 Council meeting

7.2 Appendices

App	Appendices					
Α	Q2 - 2024/25 Revenue Budget & forecast outturn					
В	Q3 - 2024/25 Revenue Budget & forecast outturn					
С	Significant variances					
D	2024/25 capital programme and forecast outturn					

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2024/25 Revenue budget - Qtr 2 Forecast outturn position

		2024/25 budget	Forecast outturn	Variance
		£'000	£'000	£'000
	Chief Executive & Directors	362	354	(8)
	Communications, Strategy & Policy	1,943	2,101	158
	HR & Organisational Development	597	584	(13)
	Strategic Finance & Property	2,284	2,559	275
S	Centrally Managed Costs	97	669	572
ice	Housing & Health	2,180	2,028	(152)
e Z	Democratic and Legal	1,571	1,523	(48)
Net Cost of Services	Planning & Building Control	2,238	2,479	241
st o	Operations	2,158	3,388	1,230
ပိ	Shared Revenues & Benefits Service	1,721	1,661	(60)
let	Revenues & benefits retained costs	(465)	(446)	19
	Housing Benefit Subsidy	(371)	(757)	(386)
	Shared Business & Technology Services	2,774	2,551	(223)
	Revenue Costs Capitalised	(150)	(150)	-
	CERA	4,739	4,739	-
	Total Net Cost of Services	21,678	23,283	1,605
4)	Minimum Revenue Provision	1,032	1,032	-
Corporate Budgets	Interest Payments on loans Interest & Investment income Pension Fund Deficit contribution	2,955	2,930	(25)
por	Interest & Investment income	(1,200)	(1,224)	(24)
Sor Bu	Pension Fund Deficit contribution	637	637	-
	Corporate Budgets Total:	3,424	3,375	(49)
es res	Contributions to Earmarked reserves	652	49	(603)
Use of Reserves	Contributions from Earmarked reserves	(3,000)	(3,000)	-
Res	Net Use of Reserves:	(2,347)	(2,951)	(603)
Net C	Cost of Services Total:	22,755	23,707	952
	Retained Business Rates - Business Rates	(2,933)	(2,933)	-
	Retained Business Rates - Section 31 Grants	(1,361)	(2,922)	(1,561)
ng L	(Surplus)/Deficit on collection fund	(500)	(500)	-
Funding	General Government Grants	(1,999)	(438)	1,561
T.	New Burdens Funding - food waste collection	(1,501)	(1,501)	-
	Revenue Support Grant	(111)	(118)	(7)
	New Homes Bonus Grant	(1,697)	(1,697)	-
Non I	Departmental Budgets Total:	(10,102)	(10,109)	(7)
Total	:	12,652	13,598	946

Appendix B - 2024/25 Revenue budget - Qtr 3 Forecast outturn position

		2024/25 budget	Forecast outturn	Variance
		£'000	£'000	£'000
	Chief Executive & Directors	362	428	66
	Communications, Strategy & Policy	1,943	2,192	249
	HR & Organisational Development	597	576	(21)
	Strategic Finance & Property	2,212	2,673	461
S	Centrally Managed Costs	97	686	589
ice	Housing & Health	2,252	2,053	(199)
er	Democratic and Legal	1,571	1,503	(68)
f S	Planning & Building Control	2,238	2,549	311
Net Cost of Services	Operations	2,158	3,172	1,014
ပိ	Shared Revenues & Benefits Service	1,721	1,663	(58)
let	Revenues & benefits retained costs	(465)	(448)	17
	Housing Benefit Subsidy	(371)	(737)	(366)
	Shared Business & Technology Services	2,774	2,788	14
	Revenue Costs Capitalised	(150)	(150)	-
	CERA	4,739	4,739	-
	Total Net Cost of Services	21,678	23,687	2,009
	Minimum Revenue Provision	1,032	1,032	-
Corporate Budgets	Interest Payments on loans	2,955	2,560	(395)
orporati	Interest & Investment income	(1,200)	(1,366)	(166)
Sor	Pension Fund Deficit contribution	637	637	-
	Corporate Budgets Total:	3,424	2,863	(561)
f es	Contributions to Earmarked reserves	652	166	(486)
Use of eserve	Contributions from Earmarked reserves	(3,000)	(3,000)	-
Us	Contributions to Earmarked reserves Contributions from Earmarked reserves Net Use of Reserves:	(2,348)	(2,834)	(486)
Net C	ost of Services Total:	22,754	23,716	961
	Retained Business Rates - Business Rates	(2,933)	(2,993)	(60)
	Retained Business Rates - Section 31 Grants	(1,361)	(2,862)	(1,501)
gu	(Surplus)/Deficit on collection fund	(500)	(500)	-
Funding	General Government Grants	(1,999)	(438)	1,561
3	New Burdens Funding - food waste collection	(1,501)	(1,501)	-
	Revenue Support Grant	(111)	(118)	(7)
	New Homes Bonus Grant	(1,697)	(1,697)	-
Non I	Departmental Budgets Total:	(10,102)	(10,108)	(6)
Total		12,651	13,607	955

Appendix C - Summary of significant variances - Qtr. 3 2024/25

Budget area	2024/25 budget £000	Forecast outturn £000	Variance £000	Reason for variance and mitigating actions				
	VARIANCE AGAINST BASE OPERATIONAL BUDGETS							
NNDR	1,588	1,843	255	National Non-Domestic Rates bills for Multistorey car parks and Wallfields are significantly higher than budgeted due to the 2023 Business Rate Revaluation. The property team will engage agents to appeal the revaluation in an attempt to reduce the liability, however there is no guarantee of success.				
Transformation, staff restructuring costs	0	160	160	Service restructuring under the Transformation programme has resulted in one-off costs of £160k.				
Planning service – staffing costs & reduced planning income	2,238	2,549	311	Planning is currently forecasting to be £311k overspent at year end. This is mainly due to a slight decrease in planning application income and ongoing recruitment difficulties. Whilst the number of planning applications submitted has been better compared to previous years, the pattern is still not stable and is directly linked to market factors such as high construction costs and overall cost of living. Planning application fees are set to increase from April 2025 and as a result there could be a number of applications submitted before the end of Q4 which will help reduce the pressure. In terms of recruitment, whilst the service has been successful since January 2023 in filling a number of planning vacancies, there remains a shortage of planners available at a principal level in development management to deal with the more complex planning applications. In order to mitigate this impact, the service has introduced a number of measures to support existing staff progress their careers and gain the necessary experience. However, this does mean that the use of agency planners is still required in the short term to assist with the more complex applications.				

BEAM	(548)	953	1,501	Overspend and under achievement of income against profiled budget. Main reasons include: delayed opening from May to August, NNDR estimate of £200k against budget of £30k, , delayed IT infrastructure /lack of Wi-Fi has meant using an overnight security company.
Charringtons House	0	333	333	Charringtons House was closed to tenants on 31 March 2023, the council remains liable for costs in relation to business rates and utilities.
Buntingford Depot	210	418	208	A rent review has been undertaken in respect of Buntingford Depot which has resulted in additional costs of £123k. and a reduction in income £85k
Miscellaneous assets, rent	(329)	(414)	(85)	Rent reviews have been undertaken on council owned assets which has resulted in rental income overachieving the budget.
Legal & Democratic Services	513	445	(68)	Underspend forecast against salary budget of £68k following restructure of Democratic Services team.
Housing & Health, salaries	2,252	2,053	(199)	Underspend on salaries due to vacant posts.
Housing Benefits	(370)	(737)	(367)	Budgets overstated for Housing Benefit subsidy and payments resulting in an underspend.
Strategic Finance	733	672	(61)	Underspend against salary budgets as a result of a vacant post
Parking	(1,115)	(1,373)	(258)	Projected over achievement of income.
UK shared prosperity fund	0	(42)	(42)	4% admin fee to be retained by East Herts, not budgeted for. This has been 'held back' to accommodate any last minute overspends in the UKSPF.
Waste Service Page 43	3,817	3,443	(374)	 Waste services are forecasting an underspend against budgets this relates to: contract inflation being lower than budgeted. higher than budgeted income received for sales of recyclable materials

П	TO VARIANCE AGAINST SAVINGS TARGETS								
Sener Management Restoucture	(250)	(61)	189						
Ban on overtime payments	(200)	(36)	164	All overtime budgets have been removed and saving achieved for these lines. The £200k was an overestimate of the budgets to be removed. Overtime payments peeked in 22/23 totalling 157k. (130k of this was Revs and Bens, in 24/25 Revs and Bens is forecast to now be 4k. Included in the 24/25 Overtime spend is circa 18k that was paid as overtime but was funded by Revenue Receipts to cover these costs.					
Avoidable contacts	(24)	0	24	Anticipated to make this saving in Q2 2025/26 by not replacing customer services staff due to CRM project.					
Wallfields – renting out part of building	(117)	0	117	Savings built in with assumption of rent received from part way through the year, due to ongoing negotiations this date hasn't been achievable therefore the saving won't be achieved in full in 2024/25					
Xeroboxes	(20)	0	20	Removal of xeroboxes from Wallfields to be implemented following upgrade of Wi-Fi					
Procurement Act 2023 changes	(50)	0	50	Discussions underway with Stevenage Borough Council					
Intranet	(28)	(7)	21	Work on replacing the hosted intranet underway, full saving to be realised in 2025/26. 4 months' worth of saving to be achieved in 2024/25					
Advertising on Assets	(18)	0	18	An Invitation to Tender is going out on an ESPO framework on Friday 7 th February 2025 with the intention to award a contact mid-March ready for implementation 1 April.					
Launchpad	0	15	15	Forecast income is for 2024/25 is £160k. Expenditure forecast is £175k. This includes all running costs (salaries, utilities, rates', marketing) and rental income to the council (£73,500 p/a)					
Total	8,282	10,214	1,932						
Other minor balances	13,446	13,523	77						
Overall total	21,728	23,737	2,009						

Canital Forecast	Outturn Ouarter	r 3 - 31st December 2	n74

	Carry Forward from	Revised Budget	Forecast Outturn	Variance	Carry Forward
	2023/24	2024/25	2024/25	2024/25	2024/25
	£'000	£'000	£'000	£'000	£'000
Land and Buildings					
Investment in operational assets	238	589	589	-	-
Buntingford Depot	-	800	800	-	-
Hertford Theatre	749	4,815	4,815	-	-
Old River Lane and Arts Centre	ī	552	552	-	-
URC Church Hall	-	170	170	-	-
Hostels	-	270	0	(270)	-
Pinehurst Community Hall	180	180	180	-	-
Infrastructure					
Bridges	262	262	262	0	-
Vehicles and Equipment					
Rolling programme to be utilised on ICT projects subject to ITSG review	-	450	450	0	-
Refuse & Recycling - cleansing vehicles	-	8,000	0	(8,000)	6,155
Refuse & recycling - containers	-	1,680	0	(1,680)	1,680
Community Assets					
Replacement play equipment across the district	-	50	50	0	-
Bishops Stortford Castle Park - HLF	633	633	633	0	-
Hertford Castle Grounds - Development Phase - HLF	-	363	363	0	-
Parks & Open Spaces	153	219	219	0	-
Revenue Expenditure Funded as Capital Under Statute (REFCUS)					
Community Capital Grants	-	50	0	(50)	-
Current Capital Programme Budget Total	2,215	19,082	9,083	(10,000)	7,835

Approved But Not Yet Committed
Transformation Programme
Home Improvement Loans
Historic Building Loans
Capital Contingency - Major Projects
Current Capital Programme Budget Total

2,500
140
20
1,500
4,160

East Herts Council Report

Executive

Date of meeting: Tuesday 18 March 2025

Report by: Councillor Carl Brittain— Executive Member for Financial

Sustainability

Report title: Corporate Procurement Strategy 2025-2030

Ward(s) affected: (All Wards);

Summary

Previously East Herts Council has followed the National Procurement Strategy for Local Government 2022. The new Corporate Procurement Strategy 2025-2030 will align the direction of procurement at East Herts with the LEAF priorities and bring key considerations from the National Strategy to the forefront.

RECOMMENDATIONS FOR EXECUTIVE:

(a) That the updated Corporate Procurement Strategy 2025-2030 be approved.

1.0 Proposal(s)

1.1 The new Procurement Strategy will be underpinned by the Procurement Act 2023 which comes into force in February 2025. The new act reforms the existing procurement rules focussing on cutting red tape and supporting innovation, improving transparency meaning everyone has access to public procurement data, it simplifies the process of working with the public sector, supporting more SMEs to bid for contracts.

2.0 Background

2.1 Best practice dictates that organisations should have an overarching Procurement Strategy in place to offer clear guidance for

officers when procuring goods, works and services, whilst at the same time supporting the Council's priorities and strategic plan.

- 2.3 The procurement function plays an important role in achieving value for money, helping to support the economy, driving sustainability, social value and transparency, and mitigating the risk of legal challenge and fraud.
- 2.3 The Corporate Procurement Strategy 2025-2030 is included as Appendix A.

3.0 Reason(s)

- 3.1 The Council could just adopt the National Procurement Strategy 2022 as it has in previous years; it would offer procurement direction but not direct alignment with the Council's Vision and Corporate Priorities and focus specifically on the themes that are important to East Herts Council. For this reason, it is therefore recommended that the Council adopts its own Corporate Procurement Strategy to support the strategic direction of the Council.
- 3.2 The Corporate Procurement Strategy has been written around the principle of five 'Foundations'. Each 'Foundation' is a building block of the considerations that need to underpin the procurement process and will be embedded into the way the Council procures goods, works and service contracts to support the Council's Vision and Corporate Priorities.
 - Transparency The Council require all procuring departments to open procurements to competition by increasing awareness of contracting opportunities.
 - Focus on the Environment Tackling climate change and improving sustainability must be a key foundation for all procurement activity. By harnessing purchasing power the Council will help combat climate change and reduce carbon

- emissions; reduce waste; save resources; improve air quality; and enhance green space and promote biodiversity.
- Social Value and Ethical Procurement Social Value involves looking beyond prices of each individual contract and looking at what the collective benefit to a community is, when a public body chooses to award a contract. Social Value asks the question 'If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community?
- Value for Money Procurement of services, supplies and works will be founded upon value for money for the residents of East Herts, having due regard to propriety and the Council's legal obligations.
- Pro-active Procurement The Council's Corporate
 Procurement team provide support that delivers better
 procurements to develop knowledge and intelligence,
 supporting the delivery of the Council's ambitions. The
 procurement process spans from the pre-market
 engagement, preparation, the tender and award and through
 to the final stage of contract management. The Council
 expects to form a pro-active approach at all stages in the
 procurement cycle taking stock and considering options to
 best meet the needs of the district.
- 3.3 There are delivery outcomes with dates for each of the five foundations set within the Strategy advising of commencement and completion. The strategy will be reviewed on an annual basis by the Corporate Procurement team to update on the progress of the delivery targets and to ensure that it continues to reflect the Council's Vision and Corporate Priorities.

4.0 Options

4.1 For the Council to continue following the National Procurement Strategy 2022 as in recent years.

4.2 For the Council to adopt the new Corporate Procurement Strategy 2025-2030 which will align directly with the Council's Corporate Vision and Priorities.

5.0 Risks

5.1 If a Corporate Procurement Strategy is not in place, then there is a risk that procurements undertaken do not comply with statutory requirements and the Council's own constitutional requirements.
5.2 If the Corporate Procurement Strategy is not adopted then it will increase the risk of procurements not supporting the Council's Vision and Corporate Priorities and/or leaving themselves open to challenge to non-compliant procurements.

6.0 Implications/Consultations

6.1

Community Safety

No implications as a result of this report

Data Protection

No implications as a result of this report

Equalities

The Council has committed itself to providing high quality services that are relevant to the needs and responsive to the views of all sections of the local community, irrespective of their race, gender, disability, culture, religion, age, sexual orientation or marital status. The General Equality Duty (Section 149 of the Equality Act 2010) requires the Council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations in the exercise of its functions. These considerations are the duty of decision makers.

Environmental Sustainability

No implications as a result of this report

Financial

It is anticipated that following best practice through the new Procurement Strategy will improve the Council's financial standing by adopting value for money procurement, efficiency gains and the mitigation of risk.

Health and Safety

No implications as a result of this report

Human Resources

It is anticipated that the outcomes and deliverables of this Strategy will be absorbed in the current workload of both the Corporate Procurement team and Procuring Officers across the Council. As procurement occasionally involves outsourcing of services, workforce matters involving the transfer of staff in line with the Transfer of Undertakings (Protection of Employment) Regulations 2006 is an area that procuring officers may need to consider.

Human Rights

The Council require all contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.

Legal

The Strategy has due regard to the new Procurement Act 2023 and other relevant legislation to be applied within the procurement process. The Corporate Procurement Strategy 2025-2030 will be reviewed in light of changes that may arise as a result of updated procurement legislation passed during the term of this Strategy.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1 Appendix A – Draft Procurement Strategy 2025-2030

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Corporate Procurement Manager

East Hertfordshire District Council Corporate Procurement Strategy 2025-2030





Foreword

We have a new Corporate Procurement Strategy for 2025 to 2030 outlining our priorities and how procurement will contribute to our L.E.A.F Vision and Corporate Priorities.

East Herts Council spent around £50 million on goods, works and services in 2023/2024. We have a duty to provide value for money for our residents and customers through effective and efficient procurement policies and practices.

It's an exciting time to be launching our strategy as the new Procurement Act 2023 comes into force in February 2025. The new act reforms the existing procurement rules focussing on cutting red tape and supporting innovation, improving transparency meaning everyone has access to public procurement data, it also simplifies the process of working with the public sector, supporting more SMEs to bid for contracts.

This procurement strategy aligns with the Local Government Association's (LGA's) National Procurement Strategy that the Council has been following in recent years and brings the key considerations from this strategy to the forefront. There are links to the Council's wider objectives which are highlighted in the five principle foundations of our new strategy. Naturally as our landscape continually changes, the strategy will be updated periodically to reflect today's evolving environment.

East Herts Council made a Climate Change Declaration in July 2019 and then further strengthened its position when all Members unanimously declared a Climate Emergency in July 2023 which amplifies and accelerates efforts to tackle climate change by reducing greenhouse gas emissions, restoring natural environments and planning for the local impacts of climate change. Many sustainable and carbon reduction benefits can be achieved through supplier engagement before the procurement process begins. The Council will work with the market to understand the benefits and opportunities not only for East Herts Council but to society, the local economy and minimising damage to the environment.

We recognise that procurement has a pivotal role to play in supporting much of what the Council is looking to do. As an organisation we have a significant level of change during the lifetime of this strategy, and as Executive Member for Financial Sustainability I view

this as a real opportunity to bring the procurement service and procuring departments along that journey and add value to the Council and the communities it supports.



Councillor Carl Brittain

Executive Member for Financial Sustainability

<u>L.E.A.F</u>

Our values, perspectives, and the needs of our community is reflected in our promises and will be central to every procurement exercise. It is also important for the Council to ensure that the organisations and individuals it does business with have culture and values that align with the Council's.

Procurement is a function which works alongside many other areas of the Council. There is a requirement for awareness and adherence to UK Law and other Council policies and strategies. For example, Health and Safety Acts and regulations, Safeguarding, Equality and Diversity, Transfer of Undertakings (Protection of Employment) Regulations 2006, Confidentiality and Publicity, Data Protection, Freedom of Information, the Modern Slavery Act, Anti-terrorism, Anti-Fraud and Corruption, the Social Value Policy, the Cultural Strategy and the Climate Change Strategy.

East Herts Council will promote effective procurement across the district with a long-term focus on its Vision and Corporate Priorities based around the four themes below.



Listening open and transparent	Environmentally focused	Acting with the community	Fair and inclusive
transparont			

Five Principle Foundations of East Herts Council Procurement

The Procurement Strategy for 2025-2030 is made up of five principle foundations.

Each foundation is a building block of the considerations that need to underpin the procurement process and will be embedded in the way we procure our goods, works and services contracts to support the Council's Vision and Corporate Priorities.

Transparency

2.

Focus on the Environment

3.

Social Value and Ethical Procurement

4.

Value for Money

5.

Pro-active Procurement

1. Transparency

At East Herts Council, we are committed to being open and transparent with the spending on our contracts for supplies, service and works.

The Government has set out the need for greater transparency across all public bodies to enable the public to hold public bodies and politicians to account. The Local Government Transparency Code 2015 requires us as a Council to publish procurement information. This includes commitments relating to expenditure and is intended to help achieve better value for money.

The principle of transparency can be defined as 'the access to clear, precise and accurate information that is understandable to all'. Within the public sector, transparency is vital to ensure the spending of taxpayers' money can be properly scrutinised. Transparency needs to be hardwired into procurement as a lack of it can result in diminished due diligence, rushed solutions and poor-quality tenders, and may lead to several problems downstream in implementation. If carried out effectively, transparency enables processes and decisions to be monitored and reviewed, to help ensure that decision-makers can be held accountable.

East Herts Council require all procuring departments to open procurements to competition by increasing awareness of contracting opportunities. Suppliers will be given the same access to information and will be judged on the same criteria. This will make it easier for would-be suppliers to access all relevant information and reduce the time and cost required to tender.

We will ensure that the procurement package for prospective bidders is clear and to the point, including the timeline, setting out the end-to-end tender process in detail. We will include clear specifications containing realistic asks, key performance indicators (KPIs), and service levels, provided in formats that are accessible for all parties. For qualitative elements, the package will explicitly say the capabilities required and how they are to be evidenced in the assessment process, including the relative weight attributed to each section or question so bidders understand this when producing their response. We will consider how easy it will be for SMEs to respond to ensure a breadth of inclusive competition for all.

Transparency is a fundamental, broad-reaching aspect of the Procurement Act 2023. The need to share information, enable others to understand the decision-making process, and act with integrity are all set out in the procurement objectives. Transparency is embedded into every part of the procurement lifecycle – from planning to procurement, contract management and termination – by

sharing information through the publication of notices. Robust transparency provisions are essential for providing the openness, accountability and oversight to balance with the new flexibilities set out elsewhere in the Procurement Act 2023. The legal provisions for transparency are set out in the Procurement Act 2023 and in the Regulations.



2. Focus on the Environment

East Herts Council made a Climate Change Declaration in July 2019 in recognition of the climate emergency we are all facing. This declaration committed the Council to take action to address the causes and impacts of climate change across the district with a target to be carbon neutral by 2030. This position was further strengthened in July 2023 when all Councillors unanimously declared a Climate Emergency. Tacking climate change and focusing on the environment to improve sustainability must be a key foundation for all procurement activity. By harnessing our purchasing power, we will: help combat climate change and reduce carbon emissions; reduce waste; save resources; improve air quality; and enhance green space and promote biodiversity. It would clearly be naïve to think East Herts Council can tackle climate change alone. There is much for the national government to do, both unilaterally and through international cooperation. Furthermore, we operate within a three-tier model of local government comprised of Hertfordshire County Council (HCC), East Herts Council and town and parish councils throughout the district. All have a role to play. It is possible to empower everyone to reduce their carbon emissions, including the supply chain.

We will drive sustainability into our procurement process in the following ways:

- As a minimum comply with all relevant environmental, social and procurement legislation.
- Support our goal of net-zero emissions by 2030 and reduce carbon dioxide emissions from contracted services.
- Wherever possible, the Council will specify products which are made from recycled products, can be recycled or re-used, can be operated in an energy efficient manner and cause minimal damage to the environment in their production, distribution, use and disposal; so long as the requirements for value for money and quality are met.
- Lessen environmental impacts across design, construction and operation, as well as services and goods provision.
- Ensure that waste is reduced, reused, and recycled wherever possible.
- Reduce all plastic waste.

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- Integrate environmental considerations throughout the procurement process, from options appraisal to contract completion, applying appropriate significance.
- Reduce energy consumption and maximise the use of green energy sources.
- Reduce the energy consumption and subsequent contribution to the Council's carbon footprint from ICT equipment and electrical appliances.
- Support services that help generate improved air pollution within the district.
- Reduce transport impacts through smarter delivery options and encourage greener vehicles to be used both within the Council's fleet and for contracted services.
- Avoid the unnecessary use of chemicals and prevent the use of hazardous chemicals wherever possible on our estate and within our contracted services.
- Support options that encourage green infrastructure and biodiversity.



3. Social Value and Ethical Procurement

'Social Value' is a way of thinking about how scarce resources are allocated and used. It involves looking beyond the price of each individual contract and looking at what the collective benefit to a community is, when a public body chooses to award a contract. Social value asks the question 'If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community?' The Public Services (Social Value) Act came into force on 31 January 2013. It requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before they start the procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

East Herts Council has a Social Value Policy which sits alongside the Procurement Strategy. The Council has chosen to use the Social Value Portal to manage social value within covered contracts – https://socialvalueportal.com/ evaluating social value comprises of themes, opportunities and measures. The themes which are being used in procurement at East Herts Council are:

- Work: Providing opportunities.
- Economy: Driving inclusive growth.
- Community: Empowering communities.
- Planet: Environmental stewardship.

We will support the development of a framework and criteria for social value, giving substance to the concept and to ensure better local social and economic outcomes. Where contracts are for short term works and under threshold supplies and services we will evaluate Social Value in-house.

Social Value can help support revival of local economies, renew trust in local services and deliver a renaissance of local government; by giving businesses and communities a bigger stake in the local economy.

The council is committed to ensuring a high standard of ethical trade practices, across its commissioning and procurement activities. The council expects its suppliers, service providers and contractors to act with integrity and transparency in their dealings and

practices, adhering to the laws of the countries where they operate, most are governed by legal requirements which if breached would be grounds for excluding the supplier from further contracts for non-compliance.

We require all of our contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.

Procurement can be the target of anti-competitive, fraudulent and corrupt activities. The Council will take steps to minimise the opportunity for these and use clear policy statements and codes of conduct which are easily accessible by members, staff and the public.



4. Value for Money

East Hertfordshire District Council recognises that it is operating in a rapidly changing environment, with increasing financial challenges which are expected to become even more demanding in future years.

Procurement of services, supplies and works will be founded upon value for money for the residents of East Herts, having due regard to propriety and the Council's legal obligations. Value for money as a contract criterion will be defined as the optimum combination of whole life cycle cost and quality (or fitness for purpose) to meet the customer's requirement. It is essential to adopt processes to secure best value, the Council is therefore:

- driven by optimising output and results
- driving down the costs of goods works and services procured
- challenging the status quo in order to continually improve the way in which we procure and commission goods, works and services
- balancing quality and cost
- using competition to obtain best value
- valuing innovation and creativity
- being transparent and accountable
- working with other organisations and/or partners in order to achieve value for money and maximise economies of scale for routine supplies
- recognising the benefits of social and community value

5. Pro-active Procurement

High quality, professional procurement support is essential to deliver better procurements and also for developing a knowledge and intelligence base to support the delivery of the Council's Vision and Corporate Priorities. The procurement process spans from the pre-market engagement, preparation, the tender and award and through to the final stage of contract management. We expect to form a pro-active approach at all stages in the procurement cycle taking stock and considering our options to best meet the needs of our residents.

Pro-active Communication

- Generating opportunities to engage with our stakeholders, developing a knowledge base of an up-and-coming pipeline of
 procurements and understanding how they translate into the Council's Vision and Corporate Priorities.
- Reaching out to establish opportunities to engage with the community, local businesses, the voluntary sector through meet the buyer events and by utilising technology to offer webinars on how to do business with the Council.
- Through this process, building a repository of intelligence and using it to enable us to be best placed to provide appropriate guidance, developing a consultative pro-active approach across the Council to all our procurements.

Pro-active Learning

- From the procurements we have undertaken, wherever possible we will follow up with a review of lessons learnt to ensure that we are making the most effective use of public money and looking for opportunities to develop our local supply base.
- The Corporate Procurement team will ensure that they are appropriately trained and guided, with suitable tools and data to pro-actively move the procurement strategy forward.
- Providing opportunities to develop skills and knowledge, as well as creating career pathways that will enable the Council to attract and retain the best talent.

- The Council will continually review how its procurement teams are resourced to pro-actively support and deliver the challenges of the Procurement Strategy.
- The Corporate Procurement team will deliver training to procuring staff across the Council to promote the five principle foundations of the Procurement Strategy.

Pro-active Analysis

- Data integrity and intelligence is beneficial to good pro-active procurement. We will use the Council's financial data to assist with our planning and decision making.
- Have the ability to generate reports that provide a complete understanding of our contractual spend and supplier make up.

Pro-active Contract Management

- Meeting the requirements of the Local Government Transparency Code 2015 by capturing all contracts over £5,000 on the Council's central contracts register to support effective contract management and publishing all notice requirements following the introduction of the Procurement Act 2023.
- Procuring Officers will confirm procurements for major and operational contracts have appropriate KPI's and outcome measures included.
- Learning from suppliers and stakeholders to understand how performance and outcomes have been delivered and can be improved, keeping records of decisions along with lessons learnt to build into future procurements.
- Undertaking benchmarking exercises of pre-agreed services and continually reviewing the contracts to ensure maximum value is being achieved.
- Where contracts are modified during their term, records are maintained, and notices published if required.
- Regular checks are carried out on suppliers to determine eligibility to perform public contracts.
- Delivering training on a regular basis to support officers that are pro-actively managing contracts.

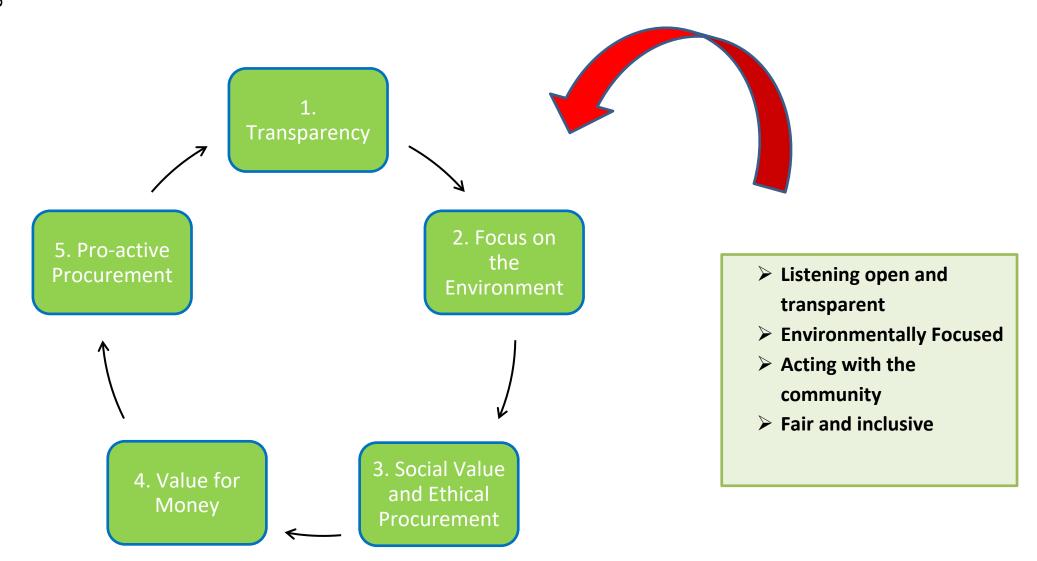
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Pro-actively Moving Forward

- Reviewing progress across the five principle foundations of the Procurement Strategy.
- Taking on board feedback from all stakeholders (internal and external) and constantly striving through our procurements to deliver maximum social, environmental and economic benefits for our local communities.
- Providing guidance through spend and contract information on where our focus should be in supporting the Council's Vision and Corporate Priorities while balancing the need to make efficiencies.



<u>Moving Forward – The Five Principle Foundations</u>



<u>Transparency</u>

Transparency in public procurement means that information on the public procurement process must be available to everyone: contractors, suppliers, service providers and the public at large, unless there are valid and legal reasons to keep certain information confidential.

Outcome Delivery – Increase the number of local, small, and voluntary suppliers used within East Hertfordshire Indicators

> Number of contracts awarded to local, small, and voluntary suppliers

1. Understand opportunities for local, small, and voluntary suppliers

Target: to commence February 2025

- Through supplier events and by improving our online offer specific to local, small and voluntary suppliers, enabling them to
 learn more about the support available, future opportunities and how to register on the procurement portal –
 www.supplyhertfordshire.uk and the Central Digital Platform.
- Maintaining and ensuring the contracts register is up to date and published on the Council's website on a quarterly basis.
- 2. Conducting preliminary market engagement Target: to commence February 2025
 - Procuring departments will undertake preliminary market engagement to shape their requirements before opening the
 market to competition. The Council can engage with everyone who expresses an interest in a preliminary market
 engagement.

3. Consideration to the size of a procurement Target: to commence February 2025

 Where a procurement is of high value and complex consideration to using lots might encourage small and medium-sized enterprises (SMEs) to bid; for example, they may find it easier to tender for or deliver smaller contracts, or smaller parts of larger contracts. This can support innovation, value for money, economic growth and potential expansion of the supplier base for that market. This will be delivered through officer training and updated procurement guidance notes.

4.	Providing a clear procurement package for prospective bidders	Target: to commence
		February 2025

• Procuring Officers must ensure that any procurement documentation includes a timeline, end to end process details, clear specifications, key performance indicators, service levels and are accessible for all parties. The documentation must advise on the capabilities required and the quality assessment including the relative weight attributed to each section or question.

Focus on the Environment

The Council's commitment to achieving net zero emissions by 2030 will be supported through the procurement process.

Outcome Delivery – Reduce waste through smarter procurement Indicators

➤ How many of our suppliers have strategies in place to reduce carbon in the supply chain. This will be tested through the evaluation of the procurement process and contract management.

1. Create a Procurement Sustainability check list for use on all future procurements Target: by September 2025

- Using the Council's Climate Change Strategy develop a sustainability check list to be used as part of the procurement process.
- Corporate Procurement to work with departments to ensure that the check list captures all sustainable aspects in procurements that will be undertaken.

2.	Reduce East Herts Council's own impact on air quality	Target: to commence
		February 2025

• We will continue to take steps towards greening the fleets of our contractors, notably our waste management and ground maintenance contractors.

3.	Contract Management	Target: to commence
		February 2025

• Outsourced contracts both existing and new will be contract managed by procuring officers and contract managers to drive through improvements in carbon reduction across the district.

Social Value and Ethical Procurement

East Herts Council is firmly committed to social value and ethical procurement and will be embedding social value into long term tendered procurements in line with the Social Value Policy.

Outcome Delivery – Measure the delivery of social value Indicators

> The individual TOM's (Themes, Opportunities and Measures) will be reported on from the Social Value Portal.

1. To update the Council's Social Value Policy

• The Social Value Policy will be updated to include new TOM's which align with the Council's Vision and Corporate Priorities.

2. To report on the TOM's data for East Herts Council

Target: to commence February 2025

Target: by May 2025

• Use the available data to report on the Social Value being created by the supply chain across East Herts Council.

3. Modern Slavery Statement

Target: to commence April 2025

• To review and update the Council's Modern Slavery Statement on an annual basis.

Value for Money

The Council recognises the duty of best value and responsibility to achieve value for money in service delivery. East Herts Council will seek to incorporate value for money principles in delivering services by taking account of costs, quality of services and the local context.

Outcome Delivery – Measure the delivery of contract savings Indicators

- Savings realised through the procurement process
- Savings realised through contract management

1. Achieving Value for Money in the Procurement Process

Target: to commence February 2025

- Monitoring Council expenditure for any off contract spend
- Looking to collaborate on procurement exercises internally and with other public bodies
- Considering the use of framework contracts
- Ensuring that the procurement specification in the procurement process is as required

2. Achieving Value for Money in the Contract Management Process

Target: to commence February 2025

- Procuring Officers and Contract Managers to work with suppliers to achieve continuous improvement in quality and cost throughout the duration of a contract. Savings to be recorded as part of contract management meetings and reviews.
- · Recording the outcomes of key performance indicators within contracts
- Benchmark contracts with the marketplace

Pro-active Procurement

Outcome Delivery – Provide commercial intelligence to ensure we are achieving value for money Indicators

- > Maintain the contracts register and identify opportunities to collaborate
- > Work with internal departments to understand opportunities and risks of up and coming projects and contract management
- Developing supplier relationships
- > Savings/cost avoidance

1.	Pro-active Communication	Target: to commence
		April 2025

- Pro-actively manage up and coming opportunities and publish a pipeline of up-and-coming procurements on the Council's website
- Support local, small and voluntary businesses by offering webinars and participating at meet the buyer events
- Update and build a repository of new guidance and web links relevant to procuring officers as and when required on the internal intranet

2.	Pro-active Learning	Target: to commence
		February 2025

- Set up a process to enable a debrief and lessons learned plan after all tendered procurements.
- Continually review how the Council's procurement function is resourced in order to ensure it is equipped to support and deliver the challenges of the Corporate Procurement Strategy.

 To deliver training to procuring staff across the Council to promote the five principle foundations of the Corporate Procurement Strategy.

3.	Pro-active Analysis	Target: to commence
		February 2025

- Working with departments to ensure there is a full awareness of data requirements and how this feeds into supporting the Council's Vision and Corporate Priorities.
- Create reports to provide an understanding of our contractual spend including spend on SME's, local and voluntary suppliers.

4.	Pro-active Contract Management	Target: to commence
		February 2025

- All contracts over £5,000 are to be recorded on the central contacts register and published online.
- Procuring Officers to ensure all contracts have appropriate KPI's and outcome measures included.
- Work with departments and offer guidance and training to ensure contract management and performance is achieving contractual commitments.
- Undertake benchmarking exercises of pre-agreed services and continually review the contracts to ensure maximum value is being achieved.

• Building in the milestones set out across all of the five principle foundations in the Corporate Procurement Strategy and reviewing regularly to make sure we are on track.

Agenda Item 8

East Herts Council Report

Executive

Date of meeting: Tuesday 18 March 2025

Report by: Councillor Carl Brittain – Executive Member for Financial

Sustainability

Report title: Treasury Management Mid-Year Review 2024/25

Ward(s) affected: None

Summary – The report contains the Council's Mid-Year Treasury Management Review for 2024/25.

RECOMMENDATIONS FOR EXECUTIVE COMMITTEE That:

a) Recommend to Council to approve the Mid-Year Treasury
Management review and Prudential Indicators for 2024/25

1.0 Proposal(s)

1.1 This report presents the Executive's recommended Mid-Year Treasury Management Review and Prudential Indicators for 2024/25 (Appendix A) for Full Council to approve.

2.0 Background

- 2.1 Treasury management is defined as: 'The management of the Council's investments and cash flows, its banking arrangements, money market and capital transactions; the effective control of the risks associated with these activities; and the pursuit of optimum returns consistent with the Council's risk management policy for treasury management.
- 2.2 This activity was supported by the council's appointed independent advisors Arlingclose.

- 2.3 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021).
- 2.4 This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

3.0 Reason(s)

3.1 This Council is required by regulations issued under the Local Government Act 2003 to produce a mid-year treasury management review of activities and the actual prudential and treasury indicators for 2024/25.

4.0 Options

4.1 Members can endorse the Mid-Year Treasury Management Review 2024/25 or suggest amendments following the scrutiny process.

5.0 Risks

5.1 Risk management is embedded in treasury management operations through the adoption of the CIPFA Treasury Management Code. Credit ratings, other market intelligence and counterparty limits assist to assess and mitigate risk.

6.0 Implications/Consultations

None.

Community Safety

No

Data Protection

Nο

Equalities

No

Environmental Sustainability

No

Financial

Yes

The costs of treasury operations, debt management expenses and investment income are included in the 2024/25 Medium Term Financial Plan.

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to' the CIPFA Prudential Code for Capital Finance in Local Authorities and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The Council also has to 'have regard' to the MHCLG's Guidance on Local Government Investments effective for financial periods commencing on or after 1st April 2018, and to CIPFA's Treasury Management in the Public Services: Code of Practice and Guidance Notes for Local Authorities.

Specific Wards

None

7.0 Background papers, appendices and other relevant material

7.1 Appendix A – Mid-Year Treasury Management Review 2024-25

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Treasury Management Mid-Year Review 2024/25



Introduction

In March 2021 the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve, as a minimum, treasury management semi-annual and annual outturn reports.

The Authority's treasury management strategy for 2024/25 was approved at a meeting on 28th February 2024. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.

External Context

Economic background: UK headline consumer price inflation remained around the Bank of England (BoE) target later in the period, falling from an annual rate of 3.2% in March to 2.0% in May and then rebounding marginally to June to 2.2% in July and August, as was expected, due to base effects from energy prices. Core and services price inflation remained higher at 3.6% and 5.6% respectively in August.

The UK economy continued to expand over the period, albeit slowing from the 0.7% gain in the first calendar quarter to 0.5% (downwardly revised from 0.6%) in the second. Of the monthly figures, the economy was estimated to have registered no growth in July.

Labour market data was slightly better from a policymaker perspective, showing an easing in the tightness of the job market, with inactivity rates and vacancies declining. However, a degree of uncertainty remains given ongoing issues around the data collected for the labour force survey by the Office for National Statistics. Figures for the three months to July showed the unemployment rate fell to 4.1% (3mth/year) from 4.4% in the previous three-month period while the employment rate rose to 74.8% from 74.3%.

Over the same period average regular earnings (excluding bonuses) was 5.1%, down from 5.4% in the earlier period, and total earnings (including bonuses) was 4.0% (this figure was impacted by one-off payments made to NHS staff and civil servants in June and July 2023). Adjusting for inflation, real regular pay rose by 2.2% in May to July and total pay by 1.1%.

With headline inflation lower, the BoE cut Bank Rate from 5.25% to 5.00% at the August Monetary Policy Committee (MPC) meeting. The decision was finely balanced, voted by a 5-4 majority with four members preferring to hold at 5.25%. At the September MPC meeting, committee members voted 8-1 for no change at 5.00%, with the lone dissenter preferring Bank Rate to be cut again to 4.75%. The meeting minutes and vote suggested a reasonably hawkish tilt to rates, with sticky inflation remaining a concern among policymakers.

The latest BoE Monetary Policy Report, published in August, showed policymakers expected GDP growth to continue expanding during 2024 before falling back and moderating from 2025 to 2027. Unemployment was forecast to stay around 4.5% while inflation was shown picking up in the latter part of 2024 as the previous years' energy price declines fell out of the figures before slipping below the 2% target in 2025 and remaining there until early 2027.

Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would steadily fall from the 5.25% peak, with the first cut in August being followed by a series of further

cuts, with November 2024 the likely next one, taking Bank Rate down to around 3% by the end of 2025.

The US Federal Reserve (the Fed) also cut interest rates during the period, reducing the Federal Funds Rate by 0.50% to a range of 4.75%-5.00% at its policy meeting in September. The forecasts released at the same time by the central bank suggested a further 1.00% of easing is expected by the end of the calendar year, followed by the same amount in 2025 and then a final 0.50% of cuts during 2026.

Having first reduced interest rates in June, the European Central Bank (ECB) held steady in July before cutting again in September, reducing its main refinancing rate to 3.65% and its deposit rate to 3.50%. Unlike the Fed, the ECB has not outlined a likely future path of rates, but inflation projections remain in line with the central bank's previous forecasts where it will remain above its 2% target until 2026 on an annual basis.

Financial markets: Sentiment in financial markets continued to mostly improve over the period, but the ongoing trend of bond yield volatility remained. The general upward trend in yields in the early part of the period was reversed in the later part, and yields ended the half-year not too far from where they started. However, the volatility in response to economic, financial and geopolitical issues meant it was a bumpy ride for bond investors during that time.

Over the period, the 10-year UK benchmark gilt yield started at 3.94% and ended at 4.00% but hit a high of 4.41% in May and a low of 3.76% in mid-September. While the 20-year gilt started at 4.40% and ended at 4.51% but hit a high of 4.82% in May and a low of 4.27% in mid-September. The Sterling Overnight Rate (SONIA) averaged 5.12% over the period to 30th September.

Credit review: Arlingclose maintained its advised recommended maximum unsecured duration limit on all banks on its counterparty list at 100 days.

Having had its outlook increased by Fitch and ratings by S&P earlier in the period, Moody's upgraded Transport for London's rating to A2 from A3 in July.

Moody's also placed National Bank of Canada on Rating Watch for a possible upgrade, revising the outlook on Standard Chartered to Positive, the outlook to Negative on Toronto Dominion Bank, and downgrading the rating on Close Brothers to A1 from Aa3.

S&P upgraded the rating on National Bank of Canada to A+ from A, and together with Fitch, the two rating agencies assigned Lancashire County Council with a rating of AA- and A+ respectively.

Credit default swap prices were generally lower at the end of the period compared to the beginning for the vast majority of the names on UK and non-UK lists. Price volatility over the period was also generally more muted compared to previous periods.

Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

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Local Context

On 31st March 2024, the Authority had net borrowing of £16.1m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.24 Actual £'000	31.3.25 Forecast £'000
General Fund CFR	60,522	62,899
Less: *Other debt liabilities	-	-
External borrowing**	46,500	60,500
Internal borrowing	14,022	2,399
Less: Balance sheet resources	(21,144)	(18,204)
Net investments	7,122	15,805

^{*} finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

The treasury management position at 30th September and the change over the six months' is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.24 Balance £'000	Movement £'000	30.9.24 Balance £'000	30.9.24 Average Rate %
Long-term borrowing				
- PWLB	(1,500)	-	(1,500)	8.875
- LOBOs	-	-	-	-
- Other	-	-	-	-
Short-term borrowing				
- PWLB	(15,000)	-	(15,000)	5.37
- Other	(30,000)		(30,000)	5.00
Total borrowing	(46,500)	-	(46,500)	-
Long-term investments	17,840	(5,570)	12,270	4.89
Short-term investments	-	-	-	-
Cash and cash equivalents	12,575	(5,885)	6,690	4.91
Total investments	30,415	(11,455)	18,960	-
Net borrowing	(16,085)	(11,455)	(27,540)	-

Borrowing Strategy and Activity

As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriately risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. The Authority's borrowing

^{**} shows only loans to which the Authority is committed and excludes optional refinancing

strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. At the present time short term interest rates are higher than long term interest rates.

After substantial rises in interest rates since 2021 many central banks have now begun to reduce rates, albeit slowly. Gilt yields were volatile over the 6-month period and have reduced slightly between April and September 2024. Much of the downward pressure from lower inflation figures was counteracted by upward pressure from positive economic data. Data from the US continues to impact global bond markets including UK gilt yields.

The PWLB certainty rate for 10-year maturity loans was 4.80% at the beginning of the half year and 4.79% at the end. The lowest available 10-year maturity rate was 4.52% and the highest was 5.18%. Rates for 20-year maturity loans ranged from 5.01% to 5.57% during the half year, and 50-year maturity loans from 4.88% to 5.40%.

Whilst the cost of short-term borrowing from other local authorities spiked to around 7% in late March 2024, primarily due a dearth of LA-LA lending/borrowing activity during the month, as expected shorter-term rates reverted to a more normal range and were generally around 5.00% - 5.25%.

CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.

The Authority has reviewed its capital programme in light of the Prudential Code 2021 requirements and PWLB lending arrangements to ensure that borrowing to invest primarily for commercial return is no longer undertaken.

The Authority currently holds £4.9m in Millstream Property Investments Ltd, a wholly owned company, formed in February 2018, by the council and £7.8m in investment property, primarily for financial return. These investments were made prior to the change in the CIPFA Prudential Code. Before undertaking further additional borrowing the Authority will review the options for exiting these investments.

At 30th September 2024 the Authority held £46.5m of loans, with no change compared to 31st March 2024. Even though capital spend has continued, no additional borrowing was required in that period due to an increased use of investments, (including the property fund draw down) and a reduction in the minimum cash and investment balance requirement, for cashflow / liquidity purposes from £10m to £5m. This is achievable now that major capital project spend has reduced. However, borrowing is still expected to increase by year end. Outstanding loans on 30th September are summarised in Table 3 below.

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Table 3: Borrowing Position

	31.3.24 Balance £'000	Net Movement £'000	30.9.24 Balance £'000	30.9.24 Weighted Average Rate %	30.9.24 Weighted Average Maturity (years)
Public Works Loan Board (long-term)	1,500	-	1,500	8.875	30
Public Works Loan Board (short-term)	15,000	-	15,000	5.37	<1
Banks (LOBO)	-	-	-	-	-
Banks (fixed-term)	-	-	-	-	-
Local authorities (long-term)	-	-	-	-	-
Local authorities (short-term)	30,000	-	30,000	5.00	<1
Total borrowing	46,500	-	46,500	-	-

The Authority's short-term borrowing cost has remained high with the current high Base Rate and short-dated market rates. The average rate on the Authority's short-term loans (excluding PWLB) at 30th September 2024 of 30.0m was 5.00%, this compares with 5.41% on £30.0m loans 6 months ago.

The Authority's borrowing decisions are not predicated on any one outcome for interest rates, a portfolio of short-term borrowing is being maintained, alongside the one historic long term loan until long term rates start to fall.

Forward starting loans: To enable certainty of cost to be achieved without suffering a cost of carry in the intervening period, the Authority arranged many of the above Local authority (short-term) loans as forward starting loans with fixed interest rates. This resulted in interest rate savings.

There remains a strong argument for diversifying funding sources, particularly if rates can be achieved on alternatives which are below gilt yields + 0.80%. The Authority will evaluate and pursue these lower cost solutions and opportunities with its advisor Arlingclose.

Debt Rescheduling: No long-term debt rescheduling has been undertaken to date in the current financial year.

Treasury Investment Activity

The CIPFA Treasury Management Code now defines treasury management investments as those investments which arise from the Authority's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the half year, the Authority's short term investment balances ranged between £6m and £18 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.24 Balance £'000	Net Movement £'000	30.9.24 Balance £'000	30.9.24 Income Return %
Banks & building societies	7,000	(2,330)	4,670	4.88
Covered bonds (secured)	-	-	-	-
Government	-	-	-	-
Local authorities and other govt entities	-	-	-	-
Corporate bonds and loans	-	-	-	-
Money Market Funds	5,600	(3,580)	2,020	4.94
Property Funds	17,840	(5,570)	12,270	4.89
Total investments	30,440	(11,480)	18.960	-

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

As demonstrated by the liability benchmark in this report, the Authority expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different asset classes and boost investment income.

Bank Rate reduced from 5.25% to 5.00% in August 2024 with short term interest rates largely being around these levels. The rates on DMADF deposits ranged between 4.94% and 5.20% and money market rates between [5.03% and 5.33%]

£17.8m longer-term investments, invested in property funds, have produced significantly higher returns that other investments in previous years, however these returns and fund value have dipped due to the current climate. We are currently in the process of drawing down on of these funds.

The first six months of 2024/25 were marked by ongoing market volatility, with global bond yields remaining elevated, although trending downward as policymakers kept rates at a restrictive level in light of persistent core inflation until nearly the end of the period, when the MPC, Federal Reserve, and ECB began to deliver rate cuts and signal a shift towards loosening monetary policy.

Stock markets across the UK, Europe, and US were buoyed by hopes of rate cuts over the first half of the period. UK equities saw growth in small and mid-sized companies while the US continued to be supported by its strong IT sector, especially growth in AI companies which continued to outperform. IT names performed well in the Eurozone as well while consumer discretionary stocks declined. Towards the end of the period, market volatility spiked after worries about a US recession coincided with Japan's central bank cutting interest rates, leading to the unwinding of the popular Yen 'carry trade'. This saw a huge selloff in equities globally, but markets quickly recovered without lasting impact. Slowdown in the Chinese economy and ongoing geopolitical tension in the Middle East and Europe continue to weigh on investor sentiment but are somewhat offset by the loosening of monetary policy and prospect of further rate cuts. The FTSE All Share index was marginally lower

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at the end of the 6-month period at 4529 on 30/9/24 v 4338 on 31/3/24. The MSCI All Countries World Index was higher at 3,723 on 30/9/24 v 3438 on 31/3/24.

After a sustained period of high interest rates, central banks began to reverse course towards second half of the year. The European Central Bank began to cut rates in June, the Bank of England delivered its first rate cut in August, and the Federal Reserve surprised markets with an outsized rate cut of 50bps in September. The stabilisation in interest rates and well telegraphed move towards rate cuts, albeit at a much more conservative pace than previously expected, has allowed fund managers to position for a falling rate environment.

UK commercial property values started to stabilise, then improve slightly towards the end of the period, with interest rates being cut from their peak and investor attention turning to the timing of further interest rate cuts. Transaction activity remains somewhat subdued but signs of recovery in the occupier and rental markets as well as moderate economic growth and further falling interest rates are hoped to be favourable for an improving property sector outlook over the medium term. Capital growth is expected to be gradual while income levels remain strong for many sub-sectors.

The change in the Authority's funds' capital values and income return over the 6-month period is shown in Table 4.

Income returns have averaged at 4.9%. The Authority has budgeted £1,200,000 gross income from these investments in 2024/25. Gross income received up to 30th September was £871,080, however, interest income receivable in the remaining six months will be less, due to the draw downs on the long term investments (property funds) and a reduced short-term investment balance.

Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's medium- to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three- to five-year minimum period total returns will exceed cash interest rates.

Lothbury Property Fund, one out of the two funds held, is currently in the process of being wound down. This is a long process, which involves selling off the assets belonging to the fund and then distributing the cash, net of expenses, to the unit holders, in line with their percentage holding. As at 30th September 2024, 59.1% of the funds final NAV value had been distributed.

Hermes Property Fund, is still held in full, with distributions as normal and the unit price still fluctuating according the NAV value. However, the fund is currently frozen in way of withdrawals and further investments, as a potential merger is being proposed for part of the fund, but this will only include pension fund investments. Details are currently being worked on and an update will be provided in the outturn report.

Statutory override: In April 2023 the Department for Levelling Up, Housing and Communities published the full outcome of the consultation on the extension of the statutory override on accounting for gains and losses on pooled investment funds. The override has been extended for two years until 31st March 2025 but no other changes have been made; whether the override will be extended beyond the new date is unknown but commentary to the consultation outcome suggests not. The Authority will discuss with Arlingclose the implications for the investment strategy and what action may need to be taken.

Non-Treasury Investments

The definition of investments in the Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).

Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) and Welsh Government also includes within the definition of investments all such assets held partially or wholly for financial return.

The Authority also held £12.8m of such investments in

- directly owned property £7.8m
- shareholding in subsidiaries £4.9m
- loans to subsidiaries £0.1m

These investments are estimated to generate £405.8k of investment income for the Authority after taking account of direct costs, representing a rate of return of 5.20%. This is lower than expected due to vacancies.

MRP Regulations

On 10th April 2024 amended legislation and revised statutory guidance were published on Minimum Revenue Provision (MRP). The majority of the changes take effect from the 2025/26 financial year, although there is a requirement that for capital loans given on or after 7th May 2024 sufficient MRP must be charged so that the outstanding CFR in respect of the loan is no higher than the principal outstanding less the Expected Credit Loss (ECL) charge for that loan.

The regulations also require that local authorities cannot exclude any amount of their CFR from their MRP calculation unless by an exception set out in law. Capital receipts cannot be used to directly replace, in whole or part, the prudent charge to revenue for MRP (there are specific exceptions for capital loans and leased assets).

Compliance

The Head of Strategic Finance and property reports that all treasury management activities undertaken during the half year complied fully with the principles in the Treasury Management Code and the Authority's approved Treasury Management Strategy.

Table 5: Investment Limits

	2024/25 Maximum £'000	30.9.24 Actual £'000	2024/25 Limit	Complied? Yes/No
The UK Government	12,900	0	Unlimited	Yes
Local authorities & other government entities	0	0	£20m	Yes
Secured investments *	0	0	£20m	Yes
Banks (unsecured) *	10,000	7,000	£20m	Yes
Building societies (unsecured) *	6,300	0	£20m	Yes

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Registered providers (unsecured) *	0	0	£5m	Yes
Money market funds *	9,570	5,600	£20m	Yes
Strategic pooled funds	0	0	£20m	Yes
Real estate investment trusts	17,840	12,270	n/a	Yes
Other investments *	0	0	£1m	Yes

^{*}This table must read in conjunction with the notes below.

Minimum credit rating: Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £500,000 per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

Government: Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured): Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

Operational bank accounts: The Authority may incur operational exposures, for example though current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £1 million per bank except the council's banker, Nat West, where the balance will be kept below £50 million. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- a. no new investments will be made,
- b. any existing investments that can be recalled or sold at no cost will be, and
- c. full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

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Reputational aspects: The Authority is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment limits: The Authority's revenue reserves available to cover investment losses are forecast to be £18 million on 31st March 2025. In order that no more than 60% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £10 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £20 in operational bank accounts count against the relevant investment limits.

Limits are also placed on fund managers, investments in brokers' nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 6: Additional investment limits

	Cash limit
Any group of pooled funds under the same management	£20m per manager
Negotiable instruments held in a broker's nominee account	£20m per broker
Foreign countries	£5 m per country

Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in table 7 below.

Table 7: Debt and the Authorised Limit and Operational Boundary

	30.9.24 Actual £'000	2024/25 Operational Boundary £'000	2024/25 Authorised Limit £'000	Complied? Yes/No
Borrowing	46,500	75,000	150,000	Yes
PFI and Finance Leases	-	10,000	10,000	Yes
Total debt	46,500	85,000	160,000	Yes

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Treasury Management Prudential Indicators

As required by the 2021 CIPFA Treasury Management Code, the Authority monitors and measures the following treasury management prudential indicators.

1. Liability Benchmark:

This indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £5m required to manage day-to-day cash flow.

	31.3.24 Actual £'000	31.3.25 Forecast £'000	31.3.26 Forecast £'000	31.3.27 Forecast £'000
Loans CFR	60,522	62,899	69,163	63,231
Less: Balance sheet resources	(21,144)	(18,204)	(18,968)	(9,231)
Net loans requirement	39,378	44,695	50,195	54,000
Plus: Liquidity allowance	10,000	5,000	5,000	5,000
Liability benchmark	49,378	49,695	55,195	59,000
Existing borrowing	46,500	60,500	66,000	60,000

Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing of a maximum £66m, minimum revenue provision on new capital expenditure based the Useful Economic Lives of the individual assets ranging from 3 years to 50 years with income, expenditure reserves all increasing by inflation of 2.5% a year.

Borrowing is expected to be above the liability benchmark for the next couple of years, mainly due to the lead time on drawing down on the long-term investments / property funds. Borrowing will start to be brought back in line with the liability benchmark from 2027.

2. <u>Maturity Structure of Borrowing</u>: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	Upper Limit	Lower Limit	30.9.24 Actual	Complied?
Under 12 months	100%	0%	96.77%	Yes
12 months and within 24 months	100%	0%	0%	Yes
24 months and within 5 years	30%	0%	0%	Yes
5 years and within 10 years	30%	0%	0%	Yes
10 years and above	35%	0%	3.23%	Yes

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Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

3. <u>Long-term Treasury Management Investments</u>: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

	2024/25	2025/26	2026/27
Limit on principal invested beyond year end	£30m	£30m	£30]m
Actual principal invested beyond year end	£20m	-	-
Complied?	Yes	-	-

Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Additional information:

The changes in interest rates during the half year were:

	31/3/24	30/9/24
Bank Rate	5.25%	5.00%
1-year PWLB certainty rate, maturity loans	5.36%	4.95%
5-year PWLB certainty rate, maturity loans	4.68%	4.55%
10-year PWLB certainty rate, maturity loans	4.74%	4.79%
20-year PWLB certainty rate, maturity loans	5.18%	5.27%
50-year PWLB certainty rate, maturity loans	5.01%	5.13%

Agenda Item 9

East Herts Council Report

Executive

Date of Meeting: Tuesday 18 March 2025

Report by: Committee Support Officer

Report title: East Herts Executive Scrutiny Protocol

Ward(s) affected: (All Wards);

Summary

• This report presents the East Herts Executive Scrutiny Protocol following guidance issued by the government.

RECOMMENDATION FOR EXECUTIVE:

- (A) The Executive and Overview and Scrutiny protocol be approved with effect from 18 March 2025, and
- (B) The Executive and Overview and Scrutiny protocol be reviewed after June 2027.

1.0 Proposal(s)

- 1.1 The Executive and Overview and Scrutiny Protocol has been drafted to ensure the council has an approved document that sets out the principles of the working arrangements between the Executive and the Overview and Scrutiny Committee, complementing the rules and procedures detailed in the Constitution and in the guidance issued by the government in April 2024.
- 1.2 The aim of the protocol is to ensure the smooth conduct of business and maintain effective communication between Scrutiny and Executive Members. This will promote an effective role for Scrutiny and foster a good working relationship between the Committee and the Executive that will ensure the Committee makes a valuable contribution to the effective running of the Council.

2.0 Background

- 2.1 The government issued statutory guidance in April 2024 to ensure that councils, combined authorities, and combined county authorities were aware of the purpose of overview and scrutiny and how to conduct it effectively.
- 2.2 <u>Overview and scrutiny: statutory guidance for councils, combined</u> authorities and combined county authorities GOV.UK
- 2.3 The purpose of the protocol is to set out the working arrangements between the Executive and the Overview and Scrutiny Committee, complementing the rules and procedures detailed in the Constitution and in the guidance issued by the government in April 2024.
- 2.4 <u>Section 5</u> of the constitution relates to the rules and procedures that cover the operation of the Overview and Scrutiny Committee.
- 2.5 The protocol sets out the guiding principles of the expectations on the Executive and the Overview and Scrutiny Committee. The specific aims of the protocol are detailed in **Appendix A**.
- 2.6 Overview and Scrutiny Committee will expect the Executive to engage with the committee by identifying areas in work planning where scrutiny might add value.
- 2.7 The Executive will expect Members of the Overview and Scrutiny Committee to maintain a constructive relationship with the Executive. The principles underpinning this relationship are set out in **Appendix A**.

3.0 Reason(s)

- 3.1 To ensure that there is a clearly defined set of principles that guide Members of the Executive and the Overview and Scrutiny Committee in ensuring that there is an effective scrutiny function.
- 3.2 Effective overview and scrutiny is essential to enhance the accountability and transparency of the decision-making process.

4.0 Options

4.1 Overview and Scrutiny Committee may choose not to sign up to the protocol, but this would risk not having a good working relationship with the Executive.

5.0 Risks

5.1 The effectiveness of the scrutiny function at East Herts will be at risk if the Executive and Members of Overview and Scrutiny do not have a clear set of guiding principles for the relationship between the Executive and Scrutiny.

6.0 Implications/Consultations

6.1 The Leader and the Chair of the Overview and Scrutiny Committee were consulted during the preparation of the Executive and Overview and Scrutiny Protocol document.

Community Safety

No

Data Protection

No

Equalities

No

Environmental Sustainability

No

Financial

No

Health and Safety

No

Human Resources

Yes – ongoing Officer support for the Scrutiny function and the Overview and Scrutiny Committee.

Human Rights

No

Legal

Yes - Overview and Scrutiny Committees are enshrined in law by virtue of the Local Government Act 2000 (sections 9F to 9FI) and the Localism Act 2011, as well as recent statutory guidance from the Ministry of Housing, Communities and Local Government (MHCLG) in April 2024.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1 **Appendix A** – draft Executive and Overview and Scrutiny Protocol document

Contact Member: Councillor Joseph Dumont, Executive Member for

Corporate Services

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East Herts Council Executive and Overview and Scrutiny Protocol

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This Protocol was agreed by the Executive on 18 March 2025, and can be reviewed after June 2027.

The Committee Support Officers are responsible for overseeing compliance with the Protocol.

1.0 Purpose

To set out the working arrangements between the Executive and the Overview and Scrutiny Committee, complementing the rules and procedures detailed in the Constitution and in the guidance issued by

the government in April 2024. <u>Overview and scrutiny: statutory guidance for councils, combined authorities and combined county authorities - GOV.UK (www.gov.uk)</u>

A separate Scrutiny webpage (for councillors and the public) explains how scrutiny works Scrutiny | East Herts District Council. There is also a comprehensive section in the Constitution covering the work of the Overview and Scrutiny Committee. Overview and Scrutiny (eastherts.gov.uk)

2.0 The aims of the Protocol are to:

- 1. Set out good Scrutiny practice.
- 2. Describe the roles and responsibilities of Overview and Scrutiny Committee and the Executive.
- 3. Enable open, trusting relations between the Executive and the Overview and Scrutiny Committee.
- 4. Support focused, transparent, and timely scrutiny of council business.
- 5. Facilitate effective scrutiny work planning and objective setting.
- 6. Enable scrutiny committees to influence Council business in a meaningful way.

3.0 <u>Context – roles and responsibilities</u>

The Executive is the political leadership of the Council, sets policy and takes all significant decisions collectively or individually. Scrutiny provides a political check and balance on that authority. It helps ensure robust decision-making by examining the process and information that supports decisions. Scrutiny acts as a critical friend and is integral to democracy in ensuring the Council meets its priorities for the residents

of East Herts by influencing the planning and delivery of outcomes and by monitoring performance.

The Overview and Scrutiny Committee is politically balanced and meets in public. Scrutiny should be member-led and hold the Executive to account. Members of the Overview and Scrutiny Committee should see and comment on all significant proposals before they are finalised. Effective overview and scrutiny is essential to enhance the accountability and transparency of the decision-making process.

The Executive engages with the Overview and Scrutiny Committee for work planning to identify where scrutiny might add value. The Overview and Scrutiny Committee exercises influence and persuasion but does not take decisions and cannot override the Executive.

Scrutiny should be open and transparent, but may decide to work in private, outside of the formal committee meetings when this helps address sensitive matters or enables more thorough analysis or a frank exchange of views. The scrutiny process should be informed and driven by members.

Whilst Scrutiny is political and led by councillors, the Overview and Scrutiny Committee should aim for consensus in its work. National guidance defines effective scrutiny as:

- 1. Providing constructive 'critical friend' challenge
- 2. Amplifying the voices and concerns of the public
- 3. Being led by independent people who take responsibility for their role
- 4. Driving improvement in public services

To be effective Scrutiny needs an organisational culture which supports and recognises its value and purpose and a constructive relationship with the Executive where roles and responsibilities are understood. Communication and engagement must work well. Areas of disagreement should be managed with respect and there should be a shared understanding of the principles underpinning the relationship and the ways of working that support it.

Principles underpinning the relationship:

a) Scrutiny should:

- i. Provide purposeful challenge to the Executive and service performance.
- ii. Be objective, evidence-based, and constructive.
- iii. Act as a critical friend to help sound decision-making.
- iv. Take a strategic perspective, focussing on the wider community outcomes.
- v. Aim for consensus, drawing on political insight.
- vi. Work collaboratively with the Executive and recognise that it will not always agree with scrutiny conclusions and recommendations.
- vii. Be well informed, members being fully prepared for meetings with a good understanding of the issues before them.

b) The Executive should:

- i. Recognise and value Scrutiny and be open to constructive challenge.
- ii. Respect the independence of the Overview and Scrutiny Committee and its chosen work programme.

- iii. Identify opportunities for the Overview and Scrutiny Committee to support and influence the work of the Executive.
- iv. Properly and fully consider Scrutiny conclusions and findings.
- v. Feedback and explain its response to Scrutiny recommendations.
- vi. Engage with Scrutiny early to enable it to add value in a timely way.
- c) Together, the Overview and Scrutiny Committee, and the Executive should:
 - i. Communicate and engage early on plans and activities.
 - ii. Foster a climate of trust, openness, honesty and integrity, sharing timely information including that which may be confidential or sensitive.
- iii. Be positive and respectful in their interactions with each other.
- iv. Manage any areas of disagreement in a constructive way.

4.0 Ways of working together

Communication and engagement:

- The Executive will engage with the Overview and Scrutiny Committee early on policy and plans, to enable meaningful and timely scrutiny input.
- The Executive and the Chair of Overview and Scrutiny will liaise regularly to update on plans and activities.

 The Overview and Scrutiny Committee will communicate on its work and its work programme regularly to the Executive and all members.

Scrutiny work programme planning:

- The work programme will be in line with Council priorities and balanced between policy development, decision preview and performance monitoring.
- All Members of Overview and Scrutiny should take ownership of the work programme. The work programme will be approved at each committee meeting.
- Any councillor (not just O&S members) may raise issues for the scrutiny work programme. There is a Scrutiny Proposal Form so that clear proposals can be formed.
- They ensure effective work programme planning.
- Collectively, they monitor the overall Scrutiny function to ensure best practice and learning are embedded.

Task and finish groups:

- Task and Finish Groups enable flexibility, and the ability to 'deep dive' into topics and provide an opportunity for early engagement. They may meet in private or in public, as determined by the Overview and Scrutiny Committee.
- They can assist policy development, including where informal early engagement is required.

- Executive Members may attend Task and Finish Group meetings to observe or contribute.
- Task and Finish Groups will report back to Overview and Scrutiny and provide recommendations about what to do moving forward.

Key decision review:

- The Executive will invite scrutiny of planned decisions and inform scrutiny of proposals before publication in the Forward Plan.
- The Overview and Scrutiny Committee will examine the Forward Plan to identify priority proposals for scrutiny.
- Members and Officers will monitor the Plan between meetings to identify matters for timely scrutiny.

Policy development:

- Executive members and officers should draw to the attention of Overview and Scrutiny Committee any key policy plans at the earliest opportunity.
- The Executive should discuss with Overview and Scrutiny Committee how and when scrutiny can best influence policy development.
- The approach to scrutiny of policy development will be agreed by the relevant committee but may be carried out informally by a task and finish group.
- Sometimes internal or business sensitivities may require policy development scrutiny to take place in private sessions. Reasons for this will be clear.

Performance monitoring:

- Overview and Scrutiny Members will monitor performance and resources quarterly, their findings/recommendations to be reported to the Executive if possible.
- Scrutiny committees and Executive Members should share views about the usefulness of performance data.
- Scrutiny committees may use performance data to identify issues for further scrutiny.

Scrutiny meetings:

- The relevant Executive Member should aim to attend all relevant meetings of Overview and Scrutiny Committee where possible. Executive Members who attend Overview and Scrutiny Committee should be reporting back to the Executive.
- Questions will be directed to the Executive Members but may be referred to an officer for an answer if needs be.
- Members should be respectful of each other and of officers, and all those presenting at meetings.

Scrutiny recommendations:

- Scrutiny recommendations will be clear, reasoned and outcomes focused to assist response and monitoring and to help evidence the impact scrutiny has on Council business.
- Recommendations should be specific, measurable, achievable, realistic and timebound.

- The Executive will give due consideration to Scrutiny recommendations and views.
- Executive responses to recommendations will be reported to the next meeting of the committee.
- Responses will include an explanation for why any recommendations have not been accepted.
- The Overview and Scrutiny Committee Chair should attend meetings of the Executive to give feedback from the Committee on relevant matters.
- Scrutiny committees will record recommendations and responses for ongoing monitoring, to include assessment of Scrutiny impact.

Information:

- Scrutiny should have the information that underpins policy and decision-making to be able play its role and for assurance regarding the evidence used.
- Overview and Scrutiny Committee should also be providing any scrutiny proposal forms in good time to allow for preparation of reports. This will help to ensure that information sharing works both ways.
- The Executive and Officers will be open and transparent and will provide the information scrutiny committees need to do their job effectively. Information will be provided in a timely way to enable meaningful input.
- Information may be shared informally with scrutiny committees, on a confidential basis (e.g. proposals not possible to be shared publicly). This may be prior to determining whether and how a

matter should be scrutinised or as part of scrutiny of policy development.

- Reports to scrutiny committees will include information on factors driving proposals, internal or external.
- Information will be provided in line with scrutiny committees' and members' rights of access to information.
- The overriding principle is transparency. When information cannot be made available the reasons should be clearly explained.
- Scrutiny committees will have background information on issues being scrutinised through pre-meetings, focused briefings and advice from Democratic Services or service leads.
- Where possible all members should have briefings on significant policies and proposals under development.
- Members will keep themselves informed through research and will prepare for meetings by reading papers in advance.

The Chair of Overview and Scrutiny Committee should ensure Scrutiny is member-led and independent, setting the tone for constructive challenge to the Executive. The Chair is responsible for managing meetings to enable debate and maintaining focus of Scrutiny.

5.0 Officer Support

In order that the Overview and Scrutiny Committee can perform its role properly, there is dedicated support within Democratic Services for the Scrutiny function and all officers of the Council are expected to provide impartial advice to Members of Overview and Scrutiny Committee. Of particular importance is the role played by statutory officers. Committee Support Officers support the Statutory Scrutiny function, and should:

- promote the role of Scrutiny at the Council;
- provide support to scrutiny committees and its members; and provide support and guidance to members and officers relating to the functions of the scrutiny committee.

Appendix A: Comments from the Overview and Scrutiny/Audit and Governance/Other Committee

Comment from Committee	Reasons from the Committee	Executive Member/Officer Comment	Recommended Action		
Comment/suggestion made by the Committee	Why the Committee made the suggestion	Response from the Exec Member following consultation after the meeting and any relevant response from Officers ie if the suggestion/comment has any legal or financial implications	Take no action OR List the suggested change		

Appendix: Flow chart for the submission of issues for Overview and Scrutiny at East Herts Council

The Executive invite An Officer asks to bring an **Scrutiny Proposal Form** submitted by any Member **Overview and Scrutiny to** item before the of the council, or Members consider a particular Committee, e.g. the of Overview and Scrutiny. strategy or policy matter. **Overview and Scrutiny Committee work** programme or the digital exclusion paper. **Proposal Form shared with** The matter is added to the the Committee, and **Overview and Scrutiny** relevant Executive **Committee work** Members and the programme. **Leadership Team. Matter not appropriate for** A report comes before the The Committee consider consideration by Overview **Committee to allow** the report, and where and Scrutiny Committee. **Overview and Scrutiny to** appropriate, approve the consider the matter and recommendations or give make recommendations to feedback to Officers the Executive. depending on the topic. Matter not taken forward.

Agenda Item 10

East Herts Council Report

Executive

Date of meeting: Tuesday 18 March 2025

Report by: Councillor Alex Daar, Executive Member for

Communities

Councillor Vicky Glover-Ward, Executive

Member for Planning and Growth

Councillor Tim Hoskin, Executive Member

for Environmental Sustainability

Report title: UK Shared Prosperity Fund

Ward(s) affected: (All Wards);

Summary

 This report updates Members on the UK Shared Prosperity Fund (UKSPF), which is now approaching its close, having officially begun 1st April 2022 and due to cease 31st March 2025.

RECOMMENDATIONS FOR EXECUTIVE:

- (A) Members review progress to date; and
- (B) Members consider priorities for the 2025-26 year

1.0 Proposal(s)

1.1 This paper updates Councillors on progress towards delivering East Herts' share of the UK Shared Prosperity Fund and Rural Prosperity Fund. This covers progress towards delivering the East Herts Cultural Strategy, the East Herts Climate Change Strategy, town and village centre improvements and business support.

2.0 Background

- 2.1 The UK Shared Prosperity Fund (UKSPF) is the domestic alternative to EU structural funding which the UK had access to whilst still part of the bloc. Full details were released in 2022 with funding following a "delivery geography" (essentially a district/borough or unitary area). Each delivery geography in England was given an individual allocation from a total fund of 2.6bn over three years from 2022/23 to 2024/25. Funding followed a national formula whereby every area received some funds albeit with larger amounts directed towards areas of higher deprivation. East Herts is classed as a "priority 3" area out of scale of 1-3, meaning the district is in effect a low priority (1 being the most in need).
- 2.2 That said, East Herts allocation was £1,773,136 which was higher than most other districts in the county. This has been supplemented by a further £472,841 from the Rural Prosperity Fund (RPF), bringing the total amount to £2,245,976 over three years, with most of the funding weighted towards the 2024/25 year.
- 2.3 East Herts spending priorities were agreed by <u>Council in January</u> 2023, and followed 4 broad areas identified as important for the district whilst also aligning with UKSPF and RPF objectives:
 - Delivery of the Cultural Strategy 2021 25, adopted by Council on 2nd March 2021, including Arts in East Herts (AIEH)
 - Delivery of the Climate Change Strategy 2022 26, adopted by Council on 27 July 2022.
 - Town and village centre improvement, especially focused on smaller parishes and villages who may feel they have been overlooked in terms of investment.
 - Business support, focusing on in house grant award schemes and 'top ups' to countywide support schemes through Hertfordshire Futures.
- 2.4 The prescribed UKSPF outputs and outcomes East Herts wanted to prioritise include:

- Increasing volunteering activity
- Increasing participation in events
- Decarbonisation activity and reducing emissions
- Increasing m2 of community space
- Increasing footfall to town/ village centres
- Increasing m2 commercial space
- Creating/ safeguarding jobs
- 2.5 Although other outputs and outcomes were also targeted, these were the main objectives East Herts prioritised when it submitted its investment plan to central government in late 2022.
- 2.6 Please note at the time of writing the scheme has not yet concluded. All funding and activity will cease on 31 March. Every organisation that has received funding was required to sign a grant funding agreement or contract agreement outlining which outputs and outcomes they would be responsible for delivering. When the scheme closes they will be required to submit an evaluation setting out achievements in detail. An overall evaluation of the scheme will be undertaken between April May of this year and the results published, focusing on achievement against the outputs set out in (2.4).
- 2.7 The scheme has funded many successful projects and interventions across East Herts since it launched. It is also worth noting that funds have been dispersed to a wide range of public, private and voluntary organisations operating in different areas across the district with many residents and businesses directly benefitting. The full evaluation will capture these in more detail and include statistics as well as case studies.
- 2.8 **Appendix A** contains early highlights and sets out the breadth of activity and fantastic achievements made to date. This will form the basis of the full evaluation to be completed later in the year.
- 2.9 An important point to note is that East Herts opted to direct funding to different towns and villages across the district to support a large number of smaller scale projects. This is unlike many other areas who chose to direct UKSPF funding to support or supplement their own activities. The following table provides details on the breakdown of spending across different areas in

the district, as at the time of writing, according the to the different strands of activities:

	Area of grant/ support and amount						
	AIEH	Business	Cultural	Climata	Town/	%	Total
	AILT	business	Cultural	Climate	village		
Bishop's Stortford	£4,555	£42,957	£33,157	£5,359	£383,064	41.6%	£469,092
Buntingford	£2,356	£26,497	£3,450	£17,675	£87,847	12.2%	£137,825
Hertford	£5,680	£85,049	£41,500	£6,159	£67,500	18.3%	£205,888
Sawbridgeworth		£62,000		£8,845	£95,000	14.7%	£165,845
Ware	£5,715	£15,000	£7,545	£20,431	£100,000	13.2%	£148,691
Towns Total	£18,306	£231,503	£85,652	£58,469	£733,411		£1,127,341
Albury					£38,194	8.9%	£38,194
Anstey				£3,000		0.7%	£3,000
Aston		£3,000				0.7%	£3,000
Birch Green		£3,000				0.7%	£3,000
Braughing				£980		0.2%	£980
Buckland &		£3,000			£9,678	2.9%	£12,678
Chipping		£3,000			19,076	2.5%	£12,076
Burnham Green				£2,500		0.6%	£2,500
Cottered	£411				£30,745	7.2%	£31,156
Datchworth					£51,690	12.0%	£51,690
Gilston				£1,011		0.2%	£1,011
Green Tye	£3,396					0.8%	£3,396
Hertford Heath				£2,958	£28,924	7.4%	£31,882
High Wych	£774					0.2%	£774
Hunsdon	£489			£6,264	£20,000	6.2%	£26,753
Little	£1,492			£2,830	£19,619	5.6%	£23,941
Berkhamsted	£1,492			£2,030	19,019	5.0%	£23,941
Little Hadham	£1,000	£53,000			£13,200	15.6%	£67,200
Much Hadham	£2,300			£4,972		1.7%	£7,272
Little Munden				£2,500		0.6%	£2,500
Meesden				£3,753		0.9%	£3,753
Pelhams		£50,000				11.6%	£50,000
Stanstead Abbotts		£3,000			£9,810	3.0%	£12,810
Tewin		£3,000				0.7%	£3,000
Tonwell					£30,000	7.0%	£30,000
Watton at Stone		£1,900		£604	£14,177	3.9%	£16,681
Westmill				£470		0.1%	470
Widford	£491			£2,450		0.7%	£2,941
Villages Total	£10,353	£119,900	£0	£34,292	£266,037		£430,582
GRAND							
TOTAL	£1,558,923						
IOIAL							-

- 2.10 Roughly 75% of the overall fund was directed to various towns and villages across the district, reflecting the Council's wish to disperse funds as widely as possible and ensure as many areas as possible benefitted. Please note the remaining balance of the overall fund was directed towards district wide projects and activities which were not targeted to any particular area. As per (2.6), the scheme is still running a full evaluation will be undertaken when it closes.
- 2.11 The process of allocating funds followed a lengthy engagement process through town and parish councils as well as other stakeholders including businesses and the voluntary sector. More details around this can be found in the <u>last update to Overview and Scrutiny</u> on 5th March 2024. Following that meeting, officers re-engaged with parish councils to ensure as many local projects as possible were being considered.

2.11 Where next for the UKSPF?

- 2.12 The new government have provided little detail about their plans for UKSPF longer term (perhaps understandable given their focus on devolution and reorganisation). However in December the Ministry for Housing, Communities and Local Government announced one year's worth of funding for 2025-26. East Hertfordshire's allocation for is now confirmed as £580,075 (made up of £472,975 revenue and £107,100 capital). The same arrangements will be in place as per the current scheme in that East Herts Council is the accountable body for spending.
- 2.13 Government have also added that this is a "transitional" year, presumably on the assumption that the landscape of local government will look very different in 2026-27. They state, "Whilst 2022-25 allocations are separate from 2025-26, this transitional year should be treated as a continuation of the Fund. With that in mind, you may continue to fund existing projects, deliver the same types of activity supported to date, shift to entirely different ones, or a combination of these options".
- 2.14 Although the government have dropped the language of Levelling Up along with the associated missions (from which the original outcomes framework for the current UKSPF was designed), the

specific outcomes and outputs which the scheme is expected to deliver against is largely unchanged, save for some rationalisation, with a focus on community facilities/ buildings/ infrastructure and events, business support, decarbonisation and skills.

- 2.16 The only other spending requirements are that any projects have to be in addition to existing activity. This means we cannot use UKSPF to replace core spending or activity already budgeted for. This includes existing staff costs (however the fund can be used to cover additional hours of existing staff for new activity). Funds can also be used to deliver contracted works provided The Council's financial procedures are followed and can also be given out in grants provided the end recipient is a separate legal entity (ie. Not an individual or sole trader).
- 2.17 Overview and Scrutiny considered this report at their meeting on 4th March and Members were positive about the outcomes and outputs to date, particularly work around Arts in East Herts, sustainability/ climate change and the level of town and parish engagement.
- 2.18 Committee Members were supportive that the 2025/26 funds broadly follow the LEAF priorities set out in the Corporate Plan, which was adopted by Council on 28th February, 2024 and offered to share information with colleagues in town and parish councils when more details are known.

3.0 Reason(s)

3.1 N/A

4.0 Options

4.1 N/A

5.0 Risks

5.1 All funds have to spent and outcomes delivered by 31 March 2025 with unspent monies being returned to government. The

project is being managed to ensure this does not happen.

6.0 Implications/Consultations

6.1 N/A

Community Safety

Yes – some projects which have been funded support community safety (eg. town centre rangers in Bishop's Stortford)

Data Protection

No

Equalities

Yes – an equalities impact assessment was undertaken when the scheme was agreed in January 2023. No issues were identified however as part of the evaluation we will consider whether any projects have had a disproportionate impact on any individuals or communities with protected characteristics.

Environmental Sustainability

Yes – many projects have been in support of achieving greater sustainability, as detailed in **Appendix A**.

Financial

Yes – all funding is allocated.

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

No

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1 **Appendix A** – highlight report.

Contact Members

Councillor Alex Daar, Executive Member for Communities, Executive Member for Environmental Sustainability, Executive Member for Planning and Growth

Contact Officer

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Report Author

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Appendix A – UKSPF Project Highlights

1. Cultural Strategy

Arts in East Herts Case Study

Arts and culture are the heart of an area's vibrancy. Having your bins collected and council tax queries dealt with take some of the stress out of our hectic lives but it's the sheer joy and excitement of painting your first picture in years, taking part in a live show or watching your kids throw themselves into a dance class which can reminds us of why we love our local communities so much.

Nowhere is this outlook more passionately felt than in East Hertfordshire – the market towns of Bishop's Stortford, Buntingford, Hertford, Sawbridgeworth and Ware along with dozens of beautiful villages in between.

In 2024, we devoted £50,000 to run an Arts Trail in one or two locations. We soon realised that would dramatically undersell the breadth and depth of cultural talent across all 184 square miles of our district. So instead, we and key partners decided to run a two month showcase right across the district. We called it exactly what it would be – Arts in East Herts.



We asked professional organisations, individual artists and community groups to showcase their talents, open up their studios and run taster sessions during the months of September and October. We made available small grants of up to £500 to support groups and individuals. The level of local enthusiasm, however, meant that three-fifths of organisations and individuals taking part asked for no financial support from the council at all, beyond being included in our publicity and online showcase calendar.

Interest exceeded all expectations

The appetite for the Arts in East Herts Showcase from the cultural sector and residents alike outstripped our wildest imagination and we were able to offer participatory events every single day for the full two months, adding up to well over 300 individual events. This included over 50 individual artists and groups, with 20 of these supported by grants from the council.

Participation was phenomenal. Over 5,400 individuals attended the various taster sessions, artist-in-residence events and classes with more forming the audiences at various shows and exhibitions, giving a final estimate of 7,000+ beneficiaries.

Perhaps the most amazing outcome of all was that over 1,700 people reported that they were engaging with the organisations and their chosen cultural activities for the first time ever. Of these, just over 500 people have gone to sign up for further sessions, demonstrating that running taster events really worked in drawing in completely new audiences.

Furthermore, the showcase provided 213 volunteering opportunities for people to make connections, build their CVs or simply give back to their communities.



Figure 1 Bishop's Stortford Band



Figure 2 Cllr Daar and Julie Arnall launching
AIEH

What did participants tell us?

As well as the statistics, feedback has demonstrated the range and impact of the showcase. Here are some examples.

A participant in the drawing from live circus performances event said:

"Yesterday I attended the circus drawing workshop held at the Drill Hall in Ware. It was a fantastic evening, the circus performers were wonderful models, who held poses for long periods of time and gave everyone the opportunity to draw characterful, interesting poses... fantastic! I hope that these drawing workshops will be repeated. Thank you for your hard work."

A parent of a young girl who took part in her first ever dance class said:

"I want to say thank you so much for the Musical Theatre class held at Pinehurst Community Centre. My daughter Kimberley [name changed] loved it and it was so lovely watching their performance. She is interested in joining a Sunday morning class in January at Pinehurst so hopefully there's enough interest. I can promote the class to her school friends too if you'd like more people signing up."

An officer from Hertford Regional College, which laid on taster sessions in diverse creative activities including heatpress printing, fabric dying and photography, told us:

"Our open event last night saw over 100 young people, adults and families view our art & design gallery / facilities at the Ware campus. All our free workshops, scheduled for early October 2024, are now completely full...

"We have some good news stories linked to the sessions including the establishment of new partnerships with local companies and a potential new approach to providing bitesize taster sessions – leading to the availability of a fuller range of arts-based courses in the future."

A local business that specialises in finding opportunities to promote creativity wherever they can told us:

"I have now completed my "Rubbish Art" programme. Thank you for supporting my business. Everyone enjoyed their art experience... I have some wonderful photos. Once again thank you so much for the opportunity and for the grant."

Arts in East Herts isn't just a one-off. It's obvious that for many participants, taking part the showcase awakened a new interest in their creative side. That itself is a fitting legacy, however, it doesn't stop there!

We have commissioned Community Alliance Broxbourne and East Herts (CVBEH) – our community volunteer service – to support a group of energised local artists and creative organisations to establish the Arts in East Herts steering group, with aim of making this an annual event. In time, we envisage the group becoming a community interest company or similar to best position them to gain inward investment.



Figure 3 Hertfordshire Health Walks



Figure 4 Buntingford mosaic

2. Climate Change Strategy

Activities in this strand are based on aspirations in the Climate Change Strategy. They have engaged a wide variety of local and national stakeholders and, beyond the specified outcomes, have created valuable legacy relationships, ideas, learnings and frameworks. Here are some key highlights from the projects:

Residential Decarbonisation (£50k allocation)

- Partnership with National Energy Foundation (NEF)
- 42 residential decarbonisation plans/retrofit assessments delivered providing a path to decarbonisation through energy saving measures recommended for each home with projected carbon savings of 98 tCo2 annually
- 13 grant applications approved for solar and battery installations with projected carbon savings of 14 tCo2 annually
- Aiming to ensure low carbon or zero energy infrastructure impacts in residential properties of up to 150 sqm

Community Buildings (£60k)

- Partnership with CDA (Community Development Action) Hertfordshire and Utility-Aid
- Offer of remote discovery energy saving and decarbonisation plans made to 83 community and village halls
- 26 halls responded to the offer, ultimately taken up by 17
- Based on the discoveries, offers were made to each hall for simple, cost/carbon effective upgrades that could be completed by a local qualified electrician or plumber for a maximum budget of £2500 each.
- 10 halls took up the offer:
 - o 14 electricians and 3 plumbers were employed
 - 1 hot water heat pump
 - 1 Destratification system
 - 3 for gas boiler efficiency improvements
 - 2 small ventilation with heat recovery systems
 - 2 upgrades to LED lights
 - 3 new smart systems (in addition to smart tech being used wherever possible)
 - 1 hot water heat pump cylinder
 - 2 Infrared heating systems for halls to replace 1 gas and 1 oil heating system.

- Of the remaining funding allocation for this project, 2 halls were granted additional funding for the measures that represented the best value for money carbon reduction from the list of all possible hall interventions.
- Aim for a carbon saving of 10.93 CO₂e t annually

Carbon Reduction Grants (£60k):

- Retrofit (mostly on community buildings)
- Local 'grass roots' grants of up to £3,000 for carbon reduction projects in East Herts.
- 30 applications received over two rounds of which 25 were successful. Measures include:
 - Decarbonisation plans
 - Community engagement events and activities
 - Community resources such as thermal imaging cameras
 - Sustainable travel such as bike racks.



Figure 5 Bike Racks installed at St Andrews Church, Hertford

Urban Tree Planting (£50k)

Partnership with HCC to plant all possible remaining ground tested tree locations in Urban locations across the District with a particular focus on Air Quality Zones and flood prone areas. Aim for carbon saving of 1000 CO₂e t annually

Town	Totals trees, of which:		
Bishops Stortford	34		
Buntingford	15		
Hertford	30		
Sawbridgeworth	8		
Ware	13		
	100		

Energy Hubs Case Study

Introduction: Context and Challenges

Increasing extreme weather events underscore the urgent need for climate action. In East Hertfordshire, rising energy costs and resource constraints have further complicated the challenge of delivering net-zero initiatives.

Recognising these pressing issues, East Herts Council made its Climate

Declaration in 2019 and amplified it to an Emergency in 2024, committing to ambitious targets to reduce emissions and adapt to the impacts of climate change across the District.



Figure 6 Energy Hub in Sawbridgeworth

The Energy Hubs initiative was launched to address these challenges. These physical event stands, held year-round across the District, have the potential to engage tens of thousands of residents, offering advice on home retrofits, energy saving, and government grants. This community-led approach leverages behaviour change principles, empowering residents with tools and knowledge to reduce energy use and carbon emissions while encouraging peer-to-peer influence. Over the past year, the Energy Hubs have been hosted at 14 events, underscoring the Council's commitment to delivering impact at scale and pace.

Leadership and Vision

East Herts Council has provided vital leadership in establishing and supporting the Energy Hubs initiative. The Council's Environmental Sustainability Forum, formed in 2019, has been instrumental in uniting local Town and Parish Councils and Carbon and Sustainability Groups. The Forum fosters collaboration, enabling stakeholders to share knowledge, shape climate strategies, and steer initiatives like Energy Hubs.

Peer-to-peer training has been vital, with one Forum member, for example, sharing their experience installing an air-source heat pump and offering optimisation tips. This collaborative environment has amplified community capacity and fostered trust, ensuring sustainability and lasting impact.

The Council's leadership extends to providing funding, materials, and logistical support. Yet, some of the most impactful results have emerged from the passion and dedication of volunteers, demonstrating that community-led action thrives on collaboration and shared purpose.

Innovation in Action

The Energy Hubs represent an innovative solution designed to engage residents directly in climate action:

- Pop-Up Stands: Hosted at local events and staffed by trained volunteers, the Hubs provide practical advice on energy-saving practices, lowering household carbon footprints, and accessing grants. The branding and awareness potential of these events is significant, given they attract tens of thousands of residents annually.
- Community-Driven Engagement: Volunteers, drawn from the Environmental Sustainability Forum and local communities, adopt a trusted, peer-led approach to engagement. This behaviour change model fosters a cycle of participation, uptake, and influence, building momentum for broader climate action.

The Hubs have been instrumental in driving uptake of retrofit grants and schemes. They have helped East Herts consistently lead the County in engagement and participation, including:

- Topping the leader board for the Local Cycling and Infrastructure Plan consultation.
- Securing significant uptake of the Home Upgrade Grant.
- Encouraging over 200 residents and businesses to invest £2.2 million in solar panels through the Solar Together bulk purchasing scheme, installing 2,100 solar panels and saving 175,000kg CO2 to date.

Volunteer Training Programme: Embedding Sustainability

To sustain the Energy Hubs' impact, East Herts Council has partnered with the Energy Saving Trust to deliver Home Energy Training. New volunteers completing training and assisting at three Hub events gain CV endorsements, enhancing personal and professional growth. This programme focuses on embedding knowledge, amplifying impact, and building confidence and self-efficacy, ensuring that volunteers remain motivated and effective.

By equipping volunteers with the tools to become sustainability champions, the Council is building a foundation for long-term community involvement. This approach sustains the Hubs' legacy, creating a ripple effect that extends beyond individual events to foster enduring climate action.

Community Engagement and Inclusivity

Community involvement is central to the Energy Hubs' success:

- Volunteer Network: The initiative engages volunteers from Town and Parish Councils and local Carbon and Sustainability Groups, who act as trusted ambassadors within their communities.
- Interactive Engagement: Residents are encouraged to ask questions, share concerns, and receive tailored advice, fostering dialogue and trust.

• Ongoing Collaboration: The Environmental Sustainability Forum ensures continuous engagement, where participants help shape strategies and amplify outreach efforts.

This peer-to-peer approach has driven significant behaviour change, fostering a culture of shared responsibility and collective action. David Royle from community group Sustainable Sawbridgeworth remarked:

"The Energy Hubs initiative has been a game-changer for our community. Residents feel empowered to take action, and the volunteer network has been vital in spreading the message that we all have a role to play in tackling climate change."

Delivery and Impact: At Scale and Pace

The Energy Hubs have delivered measurable results at scale:

- Widespread Reach: Nearly one thousand residents engaged in conversation with Hub volunteers last year, gaining insights on reducing energy use and accessing grants.
- Empowered Residents: Feedback shows residents feel more informed and confident about implementing energy-saving measures.
- Boosted Uptake: The initiative has driven strong participation in key schemes, contributing to significant carbon reductions.
- Volunteer Growth: Training and endorsements have attracted new volunteers, sustaining long-term involvement and amplifying impact.
- Sustained Impact: Volunteers remain active and committed, serving as sustainability champions within their communities.

With funding, logistical support, and community leadership, the Energy Hubs are a scalable, replicable model for other communities. Success breeds success, inspiring further action and innovation.



Figure 7 Energy hub in Sawbridgeworth



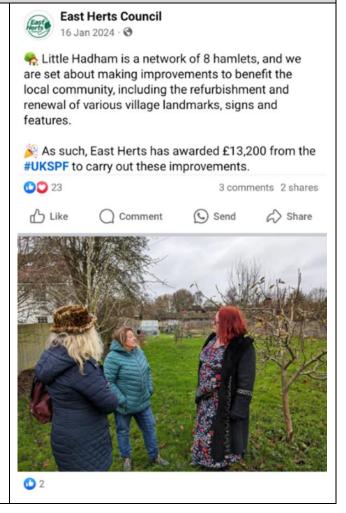
Figure 8 Cllr Tim Hoskin at Abel Smith School, Hertford

3. Town and Village Centres

We have issued a number of grants to different towns and villages across the district. In most cases these projects have been match funded and delivered by the relevant town or parish council. It includes:



- Ware Town Council £100k contribution towards the refurbishment of the WCs & a new 'Library of Things' to open in the summer
- Buntingford WCs £10k towards their refurbishment to bring them up to a better condition
- Sawbridgeworth Memorial Hall £45k contribution towards refurbishment, creating more space including commercial units
- Datchworth £30k towards outdoor play area improvements on Nutcroft play area and additional facilities at Turkey Farm
- Watton-at-Stone £14k towards various improvements in the village, including new street furniture, planters and refurbishments to the Lammas common area
- Buntingford High Street, £75k for improvement works including replacing paving stones, planters, new bollards and repainting existing bollards
- Cottered & Throcking, £30k towards pathway improvements and a new pavilion





East Herts Council

- Markets manager for Hertford and Ware part time markets manager to increase number of traders at the charter markets and also monthly farmer's market. Up to £15k over 6 months
- £9k contribution to the Bishop's Stortford BID for provision of parking rangers

We also commissioned additional work on some of our own assets including:

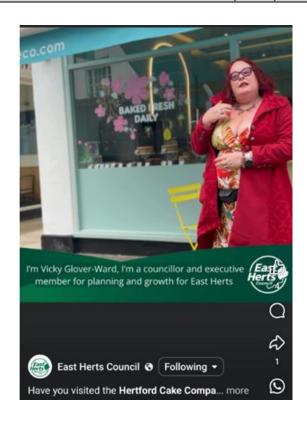
- Northgate End Car Park: installation of accessible doors and 13 pieces of artwork in the lobby areas (around £13k)
- Remaining elements of the Castle Park
 Project which couldn't be funded including
 pathway repairs and the installation of a
 new harness to enable repairs (£100k)

To date we have created or improved over 1000 sqm of public/ community space



Business Support

Over the past year we have give out a number of small premises grants to businesses across the district, encouraging them to open up new premises or expand their existing ones, including:



- We heart pole/ Studio Fly (Ware)
- Thirteen Bakery (Hertford)
- My vintage market (Tewin)
- The Foley Barn (Aston)
- Countryman Inn (Buntingford)
- Le Peche Mignon (Stortford)
- Storm X recruitment (Ware)
- Gift Room (Sawbridgeworth)
- House Plants Express (Stortford)
- TDM (Stortford)
- The Deep House (Hertford)
- Hertford Cake Company (Hertford)
- Restless (Bishop's stortford)
- The Skin Lab (ware)





00 16







Figure 10 The Foley Barn



Figure 11 House Plants Express

To date, through all the grants given out we have leveraged around £750k in additional, private sector investment in the district and created or safeguarded 10 jobs

We have also given out larger grants to a small number of businesses who applied for funding. The criteria for award was for those businesses generating new employment, new products or services, diversifying income streams or creating new commercial space. Several hundred expressions of interest however only a handful were awarded

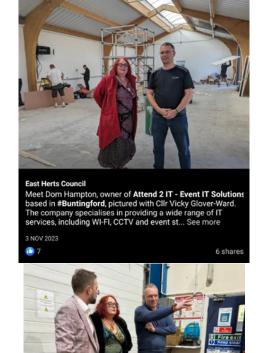


Figure 12 Air Energy MD Mrk Asker hosting a visit

- Attend to IT (Buntingford), £17.5k towards costs of new equipment to allow them to support more events
- Hornbeck (Hertford), amount £17.5k towards cost of developing new products focused on sustainable materials for street lighting and signage.
- UKPN (Much Hadham), amount TBC towards developing new products which enable energy management
- Skill at arms (Sawbridgeworth), £50k towards costs of refurbishing and fitting out old, disused agricultural barns into 4 new commercial office spaces.
- Black Horse Pub (Brent Pelham), amount TBC towards to cost of creating 6 accommodation units/ rooms on site to help diversify income
- Air energy (Hertford), amount TBC towards expanding on site manufacturing and distribution capacity for air compressors and heating systems



Figure 13 works taking place at the Black Horse



Figure 14 works in progress at Skill at Arms

In conjunction with Hertfordshire Futures we have also delivered the following:



Figure 15 Launch of Generation Stortford

- Growth hub over 2000 enquiries from East Herts based businesses, 42 businesses provided with direct support (classed as over 6 hours) and 7 jobs created.
- Get Enterprising 24 jobs created,
 12 new business started
- Film office 40 businesses supported, 7 jobs created
- We also ran 2x careers fairs connecting businesses to young people not considering university (one in BEAM and another at the Herts and Essex High School). Around 70 businesses took part along with 1300 year 10 & year 13s from 6 schools



Agenda Item 11

East Herts Council Report

Executive

Date of meeting: Tuesday 18 March 2025

Report by: Councillor (Vicky Glover-Ward) – Executive Member for Planning and Growth

Report title: East Herts District Plan Review - Buntingford Employment Study 2025

Ward(s) affected: Buntingford;

Summary – An updated employment study for Buntingford has been undertaken to inform both the new District Plan and responses to speculative planning applications in the town. This report summarises the findings of the Buntingford Employment Study 2025, and seeks agreement to use the document as part of the new District Plan evidence base, and to inform Development Management decisions.

RECOMMENDATION FOR EXECUTIVE to recommend to Council that:

a) The Buntingford Employment Study (2025), attached as Appendix A, be agreed as part of the evidence base to inform the new East Herts District Plan and as a material consideration for Development Management purposes in the determination of planning applications.

1.0 Proposal(s)

- 1.1 The purpose of this report is to advise Members of the completion of the Buntingford Employment Study 2025, which is intended to provide an updated understanding of the current employment market in Buntingford. Similar studies will be undertaken for the other towns in due course.
- 1.2 The results will help inform both policy and strategy decisions for Buntingford in the new District Plan, and the assessment of planning applications in the town. The study can influence future

proposals for vacant land allocated for employment at Buntingford Business Park and emerging employment development proposals approved as part of the mixed-use outline planning permission on land to the East of the A10.

2.0 Background

2.1 Local planning authorities are required to complete a review of their local plans at least once every 5 years from the adoption date to ensure that plans remain relevant. In October 2023, the Council agreed that East Herts District Plan 2018 needs updating and that work should commence in 2023/24 on updating the technical studies and other preparatory work required to provide a robust evidence base to support this update¹. The 30 month period of formal plan-making will then commence in January 2026.

District Plan Evidence Base

- 2.2 A clear, relevant and proportionate evidence base is essential for efficient and sound plan-making to ensure that all future planning policy and decisions are based on up-to-date information. The National Planning Policy Framework (2024) sets out the requirement for the preparation and review of all policies to be 'underpinned by relevant and up-to-date evidence' (paragraph 32).
- 2.3 The evidence base consists of supporting documents that will help inform the future policies and site allocations in the new District Plan. It will cover a range of social, economic, and environmental topics and help identify local needs, constraints and opportunities. Some of the evidence will update previous studies prepared to support the current adopted District Plan. Many of these are now around 10 years old and need updating to reflect contextual and policy changes. Equally, additional evidence will be needed to address new issues and topics that have become more prevalent in recent years.

Agenda for Executive on Tuesday 3rd October, 2023, 7.00 pm - East Herts District Council

- 2.4 The evidence base will be developed throughout the preparation of the District Plan. As new studies are finalised, the planning policy team will seek agreement from Executive and Council to include them as part of the new District Plan evidence base.
 - Need for Buntingford Employment Study
- 2.5 An update of the Buntingford Employment Study is part of this evidence base. An employment study was published for the town in 2014 to inform both the strategy in the adopted District Plan and responses to speculative planning applications, including the redevelopment of the former Sainsbury's Distribution Depot.
- 2.6 Ten years on, Buntingford has experienced significant housing growth, alongside changes to employment provision in the town. Since 2011, over 1,700 dwellings have been granted planning permission and many of these are complete and occupied. As the only town in the district not constrained by Green Belt, Buntingford continues to face development pressure and there are a number of speculative planning applications currently to be determined by the Council. With increasing national demand for housing, infrastructure, industry and employment opportunities, this development pressure is likely to continue, particularly if the Council cannot demonstrate a five year housing land supply.
- 2.7 The relationship between jobs and housing is a key consideration in the delivery of sustainable development. Therefore, it is important to understand the current employment market in Buntingford, including existing supply and opportunities for new provision. The impact of wider socio-economic changes since 2014 also need to be considered, including the change in working practices following Covid 19 and sectoral and policy changes.

3.0 Reason(s)

3.1 As outlined above, planning policy must be evidence-based so it is important to update the Buntingford Employment Study to ensure that the Council has an up to date understanding of the local

- employment context in the town. The Study will guide strategy and policy decisions in the new District Plan about the provision and type of employment land needed in Buntingford. It will also be used to inform planning application decision-making, including the current speculative planning application for significant employment land to the west of the town and future reserved matters applications for employment uses at land East of the A10, which was granted at appeal in August 2024.
- 3.2 However, it is important to recognise that this Study will be part of a wider evidence base, and the strategy for supporting employment in Buntingford in the new District Plan will also be informed by wider employment, housing, infrastructure and environmental considerations, at both a strategic and local level.
- 3.3 The Buntingford Employment Study 2025 has been produced by AECOM, in collaboration with the Council. An overview is provided below and a copy of the Study is attached at **Appendix A**.
 - Overview of the Study
- 3.4 The purpose of the Buntingford Employment Study is to focus on the town of Buntingford so the area was defined using Lower Super Output Areas (LSOAs), rather than the ward boundary which covered a wider geographical area. However, the study area has to include four LSOAs to incorporate all the built up area of the town, so also includes a number of villages. Throughout the study detailed demographic and employment analysis is for the study area so slightly overstates the population and jobs in Buntingford town itself, but this is not material to the analysis presented in this report.
- 3.5 The Study comprises of the following seven sections:
 - **Introduction** describes the study context and sets out the approach of the study; examining the existing situation in Buntingford and then exploring the potential future requirements for employment space in the town.

- **Strategic context** outlines the local background and the national and local policy context.
- **Socio-economic profile** presents the socio-economic characteristics of Buntingford, compared against the district and wider geographies. Key trends identified include:
 - Population growth in the town between 2015 and 2022 has been significantly higher than district and national averages, and recent planning permissions for further residential development suggests this trend will continue;
 - Sixty-four percent of the population are economically active, which is broadly in line with the East Herts average, whilst unemployment is lower than the district average;
 - Outward commuting in the town exceeds inward commuting.
 - In terms of the employment sectors within the town, Buntingford registers sizable proportions of employment in the construction and motor trades sectors, well above the comparator areas, while manufacturing is also prominent considering the district average. The construction sector has seen notable growth since the last employment study.
 - In relation to the sectors driving office-based employment, Buntingford sees a high proportion of employment in the professional, scientific and technical and business administration and support services, though these sit well below the East Herts average.
- **Property market assessment** provides a review of commercial property with information on building stock, vacancy, rental values and net absorption. Notably there is no known vacant employment floorspace identified in Buntingford, suggesting a lack of spare capacity in the local market. Although, there has been some recent gain in office and industrial floorspace, significant employment floorspace has been lost in the town between 2014 and 2023. The gains are due to development of vacant land at Watermill Industrial Estate, whilst losses can be attributed to the redevelopment of employment land at the former Sainsbury's depot and residential development on part of Park Farm Industrial Estate. Agent feedback suggests there is particularly robust demand in the town for industrial

- units. Buntingford is dominated by microbusinesses (companies employing up to nine employees), which account for 92.4% of local units.
- **Existing employment sites** sets out the relative characteristics (including uses, unit size and type, rental rates, access, amenity) of the three existing employment sites in the town: Buntingford Business Park; Park Farm Industrial Estate and Watermill Industrial Estate.
- Land for employment development— examines the potential of existing land available for employment development in Buntingford: vacant land at Buntingford Business Park allocated for employment uses by District Plan Policy BUNT3 and employment land recently granted permission at appeal on land to the East of the A10. It should be noted that only employment land where the Council has agreed the principle is included.
- **Conclusions and recommendations** As detailed below, this section sets out evidence-based conclusions and recommendations and suggests a strategy for employment development in Buntingford.

Study conclusions and recommendations

- 3.6 The conclusions and recommendations in the Study range from strategic policy considerations to more detailed or site-specific recommendations. They are framed around three questions.
 - Is it desirable to increase the number of jobs in Buntingford?
- 3.7 The analysis demonstrates that additional employment space is required in Buntingford, to address a notable disparity between population and employment growth in the town, suggesting a need for greater balance to support sustainable development. Between 2015 and 2022, the total population and economically active population increased by 33% and 27% respectively, due to new residential development in the town. The difference between the total and the economically active population growth is

- primarily explained by an increase in the number of retired people, as set out in table 4.2 of the Study. Comparative to population increase, the number of jobs only increased by 11%. There is no formula that says for a given economically active population there should be a certain number of jobs and likewise there is no guarantee that providing more jobs in the town will increase self-containment as people commute to jobs for numerous reasons. However, there is a general acceptance that it is good to encourage opportunities for people to work where they live and this is particularly important for lower income, lower skill groups and those who wish to work part-time.
- 3.8 The loss of employment land and lack of spare capacity in the property market also support the need for additional employment space in Buntingford. In this regard, the analysis suggests that the development of vacant land at Buntingford Business Park and land to the east of the A10 in Buntingford (Ref 3/23/1447/OUT) could result in the generation of between 275 and 736 Full Time Equivalent (FTE) jobs, representing growth of 12-33% on current employment in Buntingford.

What sort of jobs could be attracted or developed in Buntingford?

3.9 The Study concludes that Buntingford acts as relatively self-contained from a commercial property market perspective. Sectors such as construction, manufacturing and wholesale and retail trades, as well as wider foundational sectors, which deliver the essential goods and services required by the local population, are likely to remain prominent in the local economy. It outlines that future demand for employment land floorspace in Buntingford is likely to centre on the industrial use classes. In addition, although transport improvements such as the Little Hadham Bypass improve access to Bishop's Stortford, Stansted Airport and the M11 and provide some potential for warehousing and storage uses in Buntingford, it is concluded that larger industrial and logistics uses

- are likely to come forward in more strategic locations such a Bishop's Stortford.
- 3.10 Given that microbusinesses account for most local businesses, it is anticipated that they will continue to drive demand for smaller, flexible units that can accommodate E class uses². However, reflecting the presence of some small and medium sized businesses in the town and demand for larger units remaining robust over the past 15 years, the provision of a range of unit sizes that provide flexibility and can support the growth aspirations of local businesses is recommended.

What actions need to be taken to achieve the desired outcomes?

- 3.11 To ensure a strong, responsive and competitive economy in Buntingford, the Study recommends that the Council prioritise the following actions:
 - Provide a mix of unit sizes to accommodate a range of potential occupiers and to support the potential growth requirements of local businesses. In general, the majority of demand is anticipated to be for small to medium units- the 0-250 sqm bracket for E(g) uses and 0-1,000 sqm for B class uses; though there is evidence of demand for larger units as seen at Buntingford Business Park.
 - Protect existing employment sites and encourage completion of existing permissions. Whereupon existing employment land is lost to residential or other uses, or permissions including employment space do not come forward, or are developed in whole or in part for different uses than have currently been consented, this land or floorspace should be re-provided to a similar or improved quantity and quality specification.
 - The Council should work proactively with the landowner at Buntingford Business Park to ensure the site comes forward for employment uses. Likewise, the Council should engage with the developer at the site to the East of the A10 to ensure the

Page 145

² Use Class E is a broad category for commercial, business and service uses introduced in September 2020 as an amendment to the 1987 Use Class Order.

- provision of employment space closely aligns with requirements in Buntingford.
- The Council should continue to regularly monitor changes to existing and newly delivered employment space to identify evolving occupier/developer patterns and inform any policy responses that will be required.
- Should the wider new District Plan evidence base support the need for additional employment land at the district level, the evidence presented suggests a potential requirement for additional employment land in Buntingford. In considering additional employment land, or whether the existing supply of employment land is fit for purpose, a number of criteria should be considered including accessibility, sustainable transport links, infrastructure provision, site constraints and ownership.

Conclusion

3.12 It is the view of officers that the Buntingford Employment Study 2025 provides detailed updated information which refreshes the study carried out in 2014. Therefore it is recommended the study is agreed as part of the new District Plan evidence base and as a material consideration in the determination of planning applications.

4.0 Options

4.1 The Council could choose not to agree to the update of the Buntingford Employment Study but this would be contrary to Government policy to have an up-to-date evidence base and would undermine the Council's position in terms of successfully bringing forward the revision of the East Herts District Plan, 2018. It would also mean that the Study would have less weight in the determination of planning applications in Buntingford. Given the number of large, speculative planning applications in Buntingford it

is particularly important that the Council publish an up-to-date employment study.

5.0 Risks

5.1 If the Buntingford Employment Study 2025 is not agreed, the Council will not be able to use it as evidence to inform the strategy and the policy in the new District Plan. Relying on out-of-date evidence will threaten the soundness of the Plan. Equally, without the 2025 Study the Council will not be able to ensure that the development management process takes into account the latest recommendations about the employment requirements in the town.

6.0 Implications/Consultations

6.1 As part of their research, the consultants consulted a property market agent recommended by the Council's Economic Development Officer. The study will be subject to a number of statutory public consultations as part of the production of the new District Plan.

Community Safety

There are no community safety implications arising from this report.

Data Protection

There are no data protection implications arising from this report.

Equalities

There are no direct equality, diversity, or inclusion implications in this report. An Equalities Impact Assessment (EqIA) will be carried out of the new District Plan in accordance with The Equality Act 2010.

Environmental Sustainability

The purpose of the planning system is to contribute to the achievement of sustainable development, including the provision of commercial development in a sustainable manner.

Financial

The District Plan is being updated from existing budgets, including reserves that have been safeguarded for this purpose.

Health and Safety

There are no health and safety implications arising from this report.

Human Resources

There are no human resources implications arising from this report.

Human Rights

There are no human rights implications arising from this report.

Legal

There are no legal implications arising from this report.

Specific Wards

Buntingford

7.0 Background papers, appendices and other relevant material

7.1 Appendix A: Buntingford Employment Study 2025

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Buntingford Employment Study

East Hertfordshire District Council

17 February 2025

Prepared for:

East Hertfordshire District Council

Prepared by:

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1. Executive Summary

1.1 Study Context

- 1.1.1 AECOM was commissioned by East Herts District Council to deliver an Employment Study for Buntingford.
- 1.1.2 The Employment Study forms part of the evidence base to underpin the review of the East Herts District Plan, and will support with determining future planning applications. This is of particular importance in Buntingford, which is the only town in the District not constrained by Green Belt and has therefore been subject to a number of speculative planning applications.

1.2 Policy and Strategic Context

- 1.2.1 The National Planning Policy Framework (NPPF) provides overarching guidance on the Government's development aims and describes the Government's vision for building a strong, competitive economy. It emphasises that Local Plans should present robust evidence to support clearly defined designations and allocations of land for employment uses. Furthermore, the need for an evidence base to assist in understanding existing business needs, local circumstances and market conditions is also emphasised in the national Planning Practice Guidance (PPG). Whilst this Study is not an economic needs assessment, and therefore does not need to align with this guidance, it is relevant for consideration in the context of understanding employment needs in Buntingford.
- 1.2.2 At the local level, the current District Plan identifies that Buntingford is an ideal location for small scale employment allocations given the town's relative isolation and subsequent ability to serve its residents as well as neighbouring rural settlements. The District Plan sets out that the employment strategy for Buntingford (Policy BUNT3) is to ensure there is appropriate land provided for office, industrial and warehousing uses to serve local businesses. This aims to enhance existing employment areas in the town through increasing employment generating floorspace within three existing designated areas: Park Farm; Buntingford Business Park; and Watermill Industrial Estate. Three hectares of additional employment land are allocated to the north of Buntingford Business Park to extend the existing employment area as part of the District Plan.

1.3 Socioeconomic Profile

- 1.3.1 The socio-economic baseline analysis has highlighted that population growth has been significantly higher in Buntingford between 2015 and 2022 than in East Herts, the East of England and England as a whole. This has been driven by residential development in the town and, while population projections are not available at the Buntingford level, current approved planning applications suggest the potential for a further 608 new homes, indicatively accommodating an additional 1,443 residents in Buntingford, of which 706 would be expected to be aged over 16 and economically active. Moreover, there are a number of planning applications yet to be determined that could result in further increases in the resident population.
- 1.3.2 Buntingford has a distinct employment profile compared to East Herts and the regional and national picture. It registers sizable proportions of employment in the construction and motor trades sectors, well above the comparator areas. In relation to the sectors driving office-based employment, Buntingford sees a high proportion of employment in the professional, scientific and technical (7.9%) and business administration and support services (9.3%), though these sit well below the average across East Herts.
- 1.3.3 Over the period since the previous Employment Study, Buntingford has seen changes in sectors that would be expected to drive demand for E(g)/B class floorspace. The town has registered notable growth in the construction sector, with other increases in employment

- registered in the business administration and support services, property and motor trades sectors. Conversely, there has been a notable fall in employment in the wholesale and transport and storage sectors.
- 1.3.4 The vast majority of businesses in Buntingford are classed as micro (defined as companies employing up to nine employees), making up 92.4% of local units. Conversely, Buntingford has a notably lower proportions of small and medium-sized businesses than the comparator areas, and no large businesses.
- 1.3.5 Outward commuter movements from Buntingford (2,022) exceed inward commuter movements (949) by 1,073, with the local authorities of significance to Buntingford in terms of commuter trends being North Hertfordshire, Broxbourne, Welwyn Hatfield, Stevenage and South Cambridgeshire.

1.4 Property Market and Existing Employment Sites

- 1.4.1 There is approximately 26,000 sqm of employment generating floorspace in Buntingford, the vast majority of which is for industrial use. There has been a significant loss of industrial employment floorspace in Buntingford associated with the loss of the former Sainsbury's Distribution Depot. However, there has been an increase of ~3,000 sqm of industrial floorspace in recent years, with engagement with commercial agents suggesting this is associated with the development of small workshop units at Watermill Industrial Estate. With regards to office space, there has been some growth, with an additional 1,000 sqm in 2017.
- 1.4.2 There is no vacant employment floorspace identified in Buntingford, with vacancy rates at the district level well below regional and national comparators. This suggests very limited spare capacity in the local and district market to support move-ins and move-outs.
- 1.4.3 There are 3 key employment sites in Buntingford which represent the majority of the existing supply of employment floorspace: Buntingford Business Park, Park Farm Industrial Estate and Watermill Industrial Estate.
- 1.4.4 These sites offer a variety of accommodation in terms of size, age and quality. Watermill Industrial Estate has the largest number of units of the employment sites in Buntingford, with 63 units, with Park Farm Industrial Estate comprising 42 units accommodating micro and small sized businesses. Conversely, Buntingford Business Park comprises three larger industrial buildings totalling approximately 10,100 sqm.

1.5 Land Available for Development

- 1.5.1 The Buntingford Employment Study (2014) identified a number of sites with potential for development in Buntingford, including vacant land at Buntingford Business Park, Watermill Industrial Estate and Park Farm Industrial Estate, and potential land at the former Sainsbury's Distribution site. In the period following the delivery of the 2014 Study, all of this vacant land has been developed for employment or residential use apart from the vacant land at Buntingford Business Park, which totals 3.8ha across land to the south east of the site and the allocation to the north of the site. East Herts Council has confirmed with the landowner that this vacant land is available.
- 1.5.2 In addition to the vacant land identified at existing, allocated sites, approval has been granted at appeal for the mixed-use development of a 28.95ha parcel of land to the east of the A10 in Buntingford (Ref 3/23/1447/OUT), which includes the provision of employment floorspace.
- 1.5.3 It is relevant to the development of policy for Buntingford to know how many jobs could be created should this vacant land come forward for development. Taken together, the analysis suggests that the development of vacant land and land to the east of the A10 in Buntingford (Ref 3/23/1447/OUT) could result in the generation of between 275 and 736 FTE jobs across the employment land use classes, depending on the assumed breakdown of floorspace across this land.

Source of Supply	Floorspace (sqm)	FTE Employment	
Vacant Land	13,718 – 18,630	246 – 707	
Pipeline Supply	1,600	29	
Total	15,318 – 20,230	275 – 736	

1.5.4 If delivered, these jobs would represent growth of 12-33% on current workplace employment in Buntingford.

1.6 Conclusions and Recommendations

1.6.1 The Conclusions and Recommendations of this Study are summarised below.

Торіс	Co	Conclusion/Recommendation			
Is it desirable to increase the number of jobs in Buntingford?	•	The analysis has demonstrated that additional employment space is required in Buntingford to address a notable disparity between population and employment growth in the Buntingford, suggesting a need for greater balance to support sustainable development.			
	•	The loss of employment land and lack of spare capacity in the property market also support the need for additional employment space in Buntingford.			
What sort of jobs could be attracted or developed in Buntingford? Why?	•	Buntingford was viewed to act as relatively self-contained from a commercial property market perspective. Sectors such as construction, manufacturing and wholesale and retail trades, as well as wider foundational sectors delivering the goods and services required by the local population are likely to remain prominent in the local economy.			
	•	Micro and small businesses are anticipated to continue to drive demand for floorspace in the town.			
What actions need to be taken to	•	There is a need to provide choice in order to accommodate a range of			

- What actions need to be taken to achieve the desired outcomes?
- There is a need to provide choice in order to accommodate a range of
 potential occupiers and unit sizes, and to support the potential growth
 requirements of local businesses. In general, the majority of demand is
 anticipated in the 0-250 sqm bracket for E(g) uses and 0-1,000 sqm for
 B class uses.
- The Council should encourage the completion of approved planning permissions and safeguard existing sites where possible.
- The Council should continue to work proactively with the landowner at Buntingford Business Park to ensure the site remains available for development for employment uses, as well as engaging with the developer of the of land to the east of the A10 to ensure the provision of employment space closely aligns with requirements in Buntingford.
- The Council should continue to regularly monitor changes to existing
 and newly delivered employment space to identify evolving
 occupier/developer patterns and inform any policy responses that will be
 required. This is important given that much newly delivered employment
 space may come forward within the E Use class where there is flexibility
 for space assigned to E(g) use to later switch to other, non-employment
 land, uses.
- Should existing employment land be lost to other uses, or permissions including employment space do not come forward, or are developed for different uses than have been consented, this land or floorspace should be re-provided to a similar or improved quantity and quality specification.
- Should the wider evidence base support the need for additional employment land at the District level, the evidence presented suggests a potential requirement for additional employment land in Buntingford. In considering additional employment land, or whether the existing supply of employment land is fit for purpose, a number of criteria should be considered, including those set out in Section 8.4.5.

2. Introduction

2.1 Study Context

- 2.1.1 East Herts District Council commissioned AECOM to deliver an Employment Study for Buntingford.
- 2.1.2 In 2023, the Council agreed to undertake a Review of East Herts District Plan (2018). Formal work to update the Plan will commence at the end of 2025 and the Council is currently updating its evidence base to support the District Plan Review. In line with this, an update of the Buntingford Employment Study is required as part of this evidence base and to support with determining future planning applications. Buntingford is the only town in the District not constrained by Green Belt and has therefore been subject to a number of speculative planning applications. With increasing national demand for housing, infrastructure, industry and employment opportunities, this could place pressure on Buntingford to grow at a rate that could pose a challenge to sustainable development.
- 2.1.3 This Study builds on the previous Buntingford Employment Study, delivered in 2014, which established an overall vision and objectives for employment growth in Buntingford, considering the likely growth in the resident population and workforce of the town over the local plan period, the need for employment land to provide local employment opportunities and how this might be achieved.
- 2.1.4 In this Study, employment land is defined as land with business activities falling under the E(g), B2, and B8 use classes as per the Use Classes Order 1987 (as amended). These include:
 - E(g) i) office ii) the research and development of products or processes or iii) any industrial process, (which can be carried out in any residential area without causing detriment to the amenity of the area)
 - B2 general industrial; and
 - B8 storage and distribution.

2.2 Approach

- 2.2.1 In order to develop an evidence base to determine the need to support employment in Buntingford, our approach includes a number of key elements:
 - Understand the existing situation Analysis of socioeconomic conditions and the commercial property market in Buntingford, and how these have changed following the previous Employment Study, as well as a supply-side assessment of the town's current employment sites;
 - Future requirements Understand the likely future demand for employment space in the town and what level of employment could be supported on existing vacant land and commitments within approved planning applications; and
 - Conclusions and recommendations Set out evidence-based conclusions and recommendations for supporting employment in Buntingford.

2.3 Report Structure

- 2.3.1 This report is structured as follows:
 - Section 3 sets out the Policy and Strategic Context.
 - Section 4 presents the socio-economic characteristics of Buntingford, compared against the local authority area and wider geographies.
 - Section 5 outlines a review of activity in the commercial property market.

- Section 6 provides an overview of the existing employment sites in Buntingford.
- Section 7 identifies the potential employment supported by the land available for employment development in Buntingford.
- Section 8 brings together the findings of each task to provide recommendations and conclusions and outline an overall strategy for development of employment land in Buntingford.

3. Strategic Context

3.1 Introduction

3.1.1 The following section provides an overview of the local area and the relevant policy and strategic context to employment and employment land in Buntingford at the national, sub-regional (Hertfordshire), local authority (East Herts) and neighbourhood (Buntingford) level.

3.2 Background Context

- 3.2.1 Buntingford is a small town, with a population of 9,767, located at the centre of a large rural area in the northern half of the East Herts District. The geography surrounding Buntingford primarily comprises rural hinterland, allowing the town to retain its historic market town character. The town centre of Buntingford has a functional role as an important service centre with a secondary shopping frontage. However, as Buntingford is not served by rail, and bus services are limited, residents rely on cars and private modes of transport to access major towns for commerce, employment and leisure.
- 3.2.2 The primary strategic routes in proximity to East Herts are the A1(M) and M11 corridors, situated approximately 15km to the west and east of Buntingford, respectively. Buntingford is located on the A10 London to Cambridge Road which provides connections to the M25 and the South. As a result, employment opportunities for residents of Buntingford are primarily sought along the A10 in Royston, Cambridge, Ware and Hertford as well as Baldock, Letchworth and Hitchin and the larger urban settlements of Stevenage, Bishops Stortford and London, with only approximately 20.4% of residents working and living in Buntingford¹.
- 3.2.3 Buntingford is the only town in the East Herts not constrained by Green Belt and has been subject to a number of speculative planning applications. With increasing national demand for housing, infrastructure, industry and employment opportunities, there is anticipated to be pressure on Buntingford to grow at a rate that could pose a challenge to sustainable development.

3.3 National Planning Policy/Guidance

National Planning Policy Framework (NPPF) (2024)

- 3.3.1 The National Planning Policy Framework² (NPPF) consolidates the Government's economic, environmental, and social planning policies for England and provides overarching guidance on the Government's development aims. At the heart of the NPPF is a presumption in favour of sustainable development, which the Government states should be seen as a common theme running through plan-making and decision-taking.
- 3.3.2 In relation to the economy and employment land, the NPPF states that planning decisions should help create the conditions in which businesses can invest, expand, and adapt. They should support economic growth and productivity, taking into account both local business needs and wider opportunities for development. Decisions should also allow an area to build on its strengths, counter any weaknesses, and address any challenges of the future.
- 3.3.3 In addition, the Framework states that planning policies should seek to identify strategic sites for local and inward investment, address potential barriers to investment, allow for new and flexible working practices, and enable a rapid response to changes in economic circumstances.
- 3.3.4 The latest version of the NPPF, published December 2024, introduces a number of reformed policies. Chapter 6: Building a strong, competitive economy sets out that planning policies and decisions should 'pay particular regard to facilitating development to meet the needs of

¹ Office for National Statistics (ONS) (2012) Census 2011

² Ministry of Housing, Communities & Local Government (2024) National Planning Policy Framework

a modern economy, including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics'. Locational requirements of sectors are highlighted and with regard to clusters of knowledge and data-driven, creative or high technology industries that 'new, expanded or upgraded facilities and infrastructure that are needed to support the growth of these industries' are made provision for in planning policies. Provision should also be made for the 'expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience.'

Planning Practice Guidance (2019)

- 3.3.5 Planning Practice Guidance (PPG)³ includes guidance on housing and economic needs assessments, and housing and economic land availability assessments.
- 3.3.6 Whilst this Study is not an economic needs assessment, and therefore does not need to align with this guidance, it is relevant for consideration in the context of understanding employment needs in Buntingford.
- 3.3.7 Guidance on housing and economic needs assessments states that authorities need to prepare an evidence base to understand existing business needs, which will have to reflect local circumstances and market conditions. This includes assessing the best fit functional economic market area (FEMA), existing stock of land for employment uses within the area, recent pattern of employment land supply and loss, market demand and failure, and wider market signals relating to economic growth.
- 3.3.8 For housing and economic land availability assessments, PPG requires local planning authorities to work with other local authorities within the functional economic market area when assessing availability of land. A wide range of sites should be considered including existing sites that could be improved, intensified or changed.

3.4 Local Planning Policy/Guidance

East Herts District Plan (2018)

- 3.4.1 East Herts District Plan (adopted in 2018)⁴ establishes how development will be planned and delivered across East Herts over the period from 2011 to 2033. It sets out the strategy and policies for delivering growth and identifies appropriate areas and sites for development. These policies are then used to shape decisions on planning applications in the district.
- 3.4.2 The District Plan highlights 10 strategic objectives to form the basis of the policies, relating to climate change, community, housing, design, education and employment, accessibility, provision of facilities, health and wellbeing, biodiversity and infrastructure.
- 3.4.3 Objectives relevant to Buntingford and employment land within Buntingford include:
 - Objective 5 'To foster entrepreneurial endeavour through educational attainment and encourage small and medium enterprises through maximising existing employment opportunities and clusters';
 - Objective 6 'To improve access opportunities, minimise the need to travel, and encourage necessary journeys to be made by sustainable means to ease congestion and help reduce East Herts' carbon footprint'; and
 - Objective 10 'To ensure that development occurs in parallel with provision of the necessary infrastructure, including enhancement and provision of green infrastructure.'
- 3.4.4 Chapter 6 of the East Herts District Plan focuses on the development strategy for Buntingford, highlighting seven areas of growth including employment and retail. Buntingford is identified as an ideal location for small scale employment allocations given the town's relative isolation and subsequent ability to serve its residents as well as neighbouring rural

settlements. The District Plan sets out that the employment strategy for Buntingford (Policy BUNT3) is to ensure there is appropriate land provided for office, industrial and warehousing uses to serve local businesses. Policy BUTNT3 aims to enhance existing employment areas in the town through increasing employment generating floorspace within three existing designated areas; Park Farm; Buntingford Business Park; and Watermill Industrial Estate. Three hectares of additional employment land are allocated to the north of Buntingford Business Park to extend the existing employment area as part of the District Plan.

- 3.4.5 Policy DPS1 highlights that across the plan period, East Herts District Council will provide a minimum of 10,800 new jobs, 19,020 hectares of new employment land for a mix of B class uses and an additional 7,100m² of convenience and 5,700m² of comparison retail floor space.
- 3.4.6 Other policies in the East Herts District Plan of relevance to Buntingford and employment land include:
 - Policy BUNT1 Development in Buntingford Buntingford will deliver a minimum of 1,074 homes across the plan period, although no site allocations for residential development have been proposed;
 - Policy DPS2 The Development Strategy 2011-2033 The strategy of the District Plan is to deliver sustainable development in accordance with sites within a number of urban areas, including Bishop's Stortford, Buntingford, Hertford, Sawbridgeworth and Ware;
 - Policy ED1 Employment The District Plan makes land allocations for industry within designated employment areas, comprising a mix of use classes B1 (now E(g)), B2 and B8. The provision of new employment uses should be flexible in design, able to respond to the changing needs, be energy efficient, have fully integrated communications technology and be accessed by sustainable transport modes;
 - Policy ED2 Rural Economy Proposals for creating new employment generating uses or supporting the sustainable growth and expansion of existing businesses in rural areas will be supported where they are appropriately and sustainably located and do not conflict with other policies within the District Plan.

Buntingford Community Area Neighbourhood Plan (2016)

- 3.4.7 Buntingford Community Area (BCA) Neighbourhood Plan⁵ sets out planning policies to provide a vision for the future of Buntingford town parish and surrounding five parishes, in which the BCA must:
 - Protect the heritage, biodiversity, community leisure, business and natural assets of the
 - Ensure development is appropriate to meet local needs for:
 - Employment and leisure facilities as part of mixed use developments to make the most effective uses of the land available.
 - High quality design of all new development that adds to the existing rural nature of the quality of life for people and organisations in the BCA.
 - Housing, in terms of overall numbers, type, design and mix.
 - Reduce the role of the settlements in the BCA as "dormitory" to enable them to be more sustainable in term of travel and more self-sufficient in terms of their local economies;
 - Enhance and improve the infrastructure that supports the people and business of the BCA for education, health, transport and leisure to reap the benefits of any development and growth in population.
- 3.4.8 The Neighbourhood Plan provides an overview of the current situation in Buntingford in terms of business and employment. It highlights the need for the BCA to maintain, protect

⁵ Buntingford Community Area Neighbourhood Plan (2016) 2014 - 2031

and grow its existing employment space and locally based commerce, as well as increasing the provision of workspace, in order to harness the benefits of potential employment growth and new economic development across the BCA.

- 3.4.9 The Neighbourhood Plan sets a number of policies for business and employment including the following:
 - Policy BE2 Supports proposals to upgrade, intensify or extend the main industrial sites of Watermill Industrial Estate, Park Farm Industrial Estate, Buntingford Business Park; Silkmead Farm and Buttermilk Farm Agricultural Industry subject to compliance with a range of criteria and the other plan policies; and
 - Policy BE4 A range of developments and proposals will be supported in the BCA including small scale B1 flexible serviced office accommodation, larger multi-let floor space development, Live work units and shared desk space and developments that enhance Buntingford's market and commercial viability.

Hertfordshire Futures Economic Strategy

3.4.10 Hertfordshire Futures Economic Strategy⁶, currently under development, aims to focus on the residents and businesses of Hertfordshire in order to build a resilient, productive, inclusive and sustainable economy over the next 10 years. Current work under development has identified five key sectors as central to driving local and national economic growth. These are advanced manufacturing; life sciences; creative (film & TV); digital and clean growth / sustainable development. Hertfordshire Futures will incorporate the new Government's priorities into the strategy, notably housing, planning reforms and devolution to address wider barriers to employment.

⁶ <a href="https://www.hertfordshirefutures.co.uk/about-us/hertfordshire-s-economic-strategy/#:~:text=Hertfordshire%20Futures%20(formerly%20Hertfordshire%20LEP,in%20delivering%20high%20value%20projestrategy/#:~:text=Hertfordshire%20Futures%20(formerly%20Hertfordshire%20LEP,in%20delivering%20high%20value%20projestrategy/#:~:text=Hertfordshire%20Futures%20(formerly%20Hertfordshire%20LEP,in%20delivering%20high%20value%20projestrategy/#:~:text=Hertfordshire%20Futures%20(formerly%20Hertfordshire%20LEP,in%20delivering%20high%20value%20projestrategy/#:~:text=Hertfordshire%20Futures%20(formerly%20Hertfordshire%20LEP,in%20delivering%20high%20value%20projestrategy/#:~:text=Hertfordshire%20Futures%20(formerly%20Hertfordshire%20LEP,in%20delivering%20high%20value%20projestrategy/#:~:text=Hertfordshire%20Futures%20(formerly%20Hertfordshire%20LEP,in%20delivering%20high%20value%20projestrategy/#:~:text=Hertfordshire%20Futures%20(formerly%20Hertfordshire%20Futures%20(formerly%20Hertfordshire%20Futures%20(formerly%20Hertfordshire%20Futures%20(formerly%20Hertfordshire%20Futures%20Futures%20(formerly%20Hertfordshire%20Futures%20Futures%20(formerly%20Hertfordshire%20Futures%20

4. Socio-economic Profile

4.1 Introduction

- 4.1.1 This section of the report sets out an assessment of Buntingford's socio-economic profile, including an analysis of economic performance since the previous Employment Study, in order to understand the impact of changes on likely employment space needs. Comparison is provided with East Herts district, the East of England region and England.
- 4.1.2 The geographical area of Buntingford has been defined by Office for National Statistics (ONS) lower super outputs areas (LSOAs)⁷, and is set out in Figure 4-1 below. LSOAs are a statistical measure for small areas comprising between 400 and 1,200 households and have a usually resident population between 1,000 and 3,000 persons. These were used to define Buntingford rather than the ward boundary which covered a wider geographical area. It is recognised that, in order to incorporate all the built-up area of the town, including the employment site BUNT3 to the west of the A10, the four LSOAs also include a number of villages, notably Buckland, Chipping, Buckland, Aspenden, Westmill and Cottered. Throughout the study detailed demographic and employment analysis is for the study area so slightly overstates the population and jobs in Buntingford town itself, but this is not material to the analysis presented in this report. Throughout the report where reference is made to data for 'Buntingford' it refers to the study area. Where this is not the case, then this is made clear in the text.

Sandon

Bickland

Wyddial

Cottered

Cromer

Aspenden

Ardeley

Westmill

Dassels

Figure 4-1 Map of LSOAs used to define Buntingford

Source: NOMIS 2024

⁷ E01023464: East Hertfordshire 001B; E01023465: East Hertfordshire 001C; E01023466: East Hertfordshire 001D; and E01023494: East Hertfordshire 002B.

4.2 Population, Labour Force and Skills

- 4.2.1 ONS Population Estimates⁸ for 2022, the most recent year available, shows that the residential population of Buntingford stood at 9,767 in 2022. The population has increased from 7,293 in 2015, representing an increase of 33.9%. This growth is considerably higher than that recorded for East Herts (5.9%), the East of England (5.0%) and England (4.2%) over the same time period.
- 4.2.2 Figure 4-2 highlights that in 2022, 58.4% of Buntingford residents were of working age (aged 16-64). This is lower than the shares in East Herts (62.1%), the East of England (61.4%) and England as a whole (62.9%).

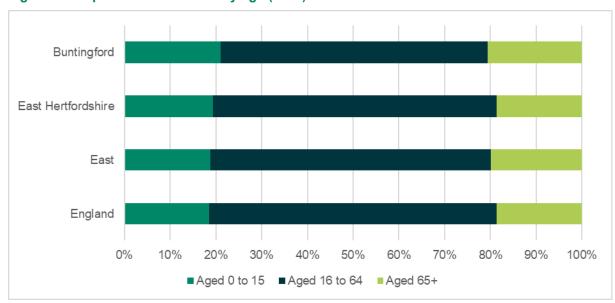


Figure 4-2 Population breakdown by age (2022)

Source: ONS Population Estimates 2022

- 4.2.3 The proportion of the population aged between 16-64 in Buntingford (working age population) has decreased over the period from 2015 to 2022, from 60.7% to 58.4%. The working age population in East Herts, the East of England and England also decreased across this period, albeit by a lesser extent.
- 4.2.4 The proportion of the population aged 65 and over in Buntingford saw muted growth over the period, rising from 20.3% in 2015 and 20.5% in 2022. In East Herts, the East of England and England, there has been more notable growth in this age bracket, though the proportion of the resident population aged 65+ remains below that registered in Buntingford. Conversely Buntingford has experienced an increase in the proportion of the population aged 0-15, standing at 21.1% in 2022, above East Herts (19.3%), East of England (18.8%) and England (18.5%).
- 4.2.5 The increase in the resident population reflects the residential development that has taken place in Buntingford since the previous Employment Study. Similarly, changes to the age profile in Buntingford, with a relatively higher proportion of the population in the 0-15 age bracket, could indicate an increase in the number of families locating in the town.
- 4.2.6 Population projections are not available at the Buntingford level. Current approved planning applications suggest the potential for 608 new homes associated with applications 3/24/1447/OUT, 3/22/1030/OUT and 2/24/0294/OUT⁹. With an average household size of 2.37 in East Herts¹⁰, this indicatively suggests the potential for an additional 1,443 residents in Buntingford, of which 706 would be expected to be aged over 16 and economically active.

⁸ ONS (2024); Population Estimates 2022.

⁹ Land North of Hare Street Road secured a resolution to grant planning permission, subject to S106, at January 2025 Development Management Committee.

- Moreover, there are a number of planning applications yet to be determined that could result in further increases in the resident population.
- 4.2.7 Buntingford's economic activity rate for all residents aged 16 and over in 2021 was 63.6%, below that in East Herts (65.7%), but above rates recorded across the East of England (61.8%) and England (60.9%). Similarly, the employment rate is lower in Buntingford (61.6%) compared with the East Herts (63.2%), but notably higher than across the East of England (58.8%) and England (57.4%).
- 4.2.8 The unemployment rate is lower in Buntingford (2.0%) compared with East Herts (2.5%), East of England (3.0%) and England as a whole (3.5%).
- 4.2.9 Buntingford therefore performs relatively strongly with regards to economic activity compared to the East of England and England as a whole; though employment and economic activity rates are lower than those registered across East Herts. Further detail regarding economic activity and inactivity can be found in Table 4-1.

Table 4-1 Economic activity and inactivity (2021)

	Buntingford (Number)	Buntingford (%)	East Herts (%)	East of England (%)	England (%)
Economic activity - aged 16 and over	4,796	63.6	65.7	61.8	60.9
Employment - aged 16 and over	4,647	61.6	63.2	58.8	57.4
Unemployment rate - aged 16 and over	149	2.0	2.5	3.0	3.5
% who are economically inactive	2,747	36.4	34.3	40.2	41.4

Source: ONS Census 2021

- 4.2.10 The economic activity rate in Buntingford (63.6%) has fallen significantly since the time of the previous Census, in 2011, when it stood at 73.1%. This is driven by an increase in retired people, as shown in Table 4-2. All comparator areas registered a similar decline in economic activity levels between the two censuses.
- 4.2.11 However, despite economic activity levels having fallen between 2011 and 2021, the absolute number of residents that are economically active has increased by 1,330, linked to the population change Buntingford has seen over the past decade. Buntingford has also seen a marked increase in the number of economically inactive residents, driven by those who are retired.

Table 4-2 Change in Economic Activity between 2011 and 2021¹¹

Economic Activity Status	2011	2021	Change 2011 to 2021
Total Economically Active	3,466	4,796	1,330
Full Time	1,829	2,641	812
Part Time	740	960	220
Self Employed	666	949	283
Unemployed	112	127	15
Full Time Student	119	119	0
Total Economically Inactive	1,273	2,747	1,474
Retired	750	1,834	1,084

¹¹ Note: Discrepancies between the employment and unemployment figures reporting in Table 4-2 and Table 4-1 relate to the treatment of full-time students, which are included in the employment and unemployment figures in Table 4-1. However, to allow comparability with the Census 2011 data, full time students are split out in the analysis in Table 4-2.

Prepared for: East Hertfordshire District Council

Economic Activity Status	2011 2021		Change 2011 to 2021	
Student	204	255	51	
Looking After Family	201	353	152	
Long-term sick or disabled	71	162	91	
Other	47	143	96	

Source: ONS Census 2011 and 2021

- 4.2.12 According to Census 2021, the latest available data at the Buntingford level, 84.3% of residents aged 16 and over within Buntingford held some form of qualification 12, below the rate in East Herts (86.2%), but above the rate recorded across the East of England and England (both 81.9%). In addition, the proportion of the population holding a qualification in Buntingford has increased since 2011, from 78.4%¹³, demonstrating the population was more highly skilled in 2021.
- 4.2.13 Among residents of Buntingford, 30.9% held a degree level or equivalent qualification (National Vocational Qualification [NVQ] Level 4+), which is lower than the proportions in East Herts (38.6%), the East of England (31.6%) and England (33.9%). A higher proportion of residents in Buntingford have no qualifications (15.7%) than seen across East Herts (13.8%), however this is lower than in the East of England and England as a whole (both 18.1%). This is set out in Table 4-3.

Table 4-3 Qualification level of residents ages 16 years and over

	Buntingford (%)	East Herts (%)	East of England (%)	England (%)
% with NVQ4+	30.9	38.6	31.6	33.9
% with NVQ3+	18.5	16.8	16.8	16.9
% with NVQ2+	15.9	14.4	14.4	13.3
% with NVQ1+	11.1	9.4	10.8	9.7
% with other qualifications	7.8	7.0	8.3	8.1
% with no qualifications	15.7	13.8	18.1	18.1

Source: ONS Census 2021

Local Employment 4.3

- 4.3.1 Buntingford has a distinct workplace employment profile compared to East Herts and the regional and national picture. This section focuses on the sectors that are likely to drive demand across the employment land use classes (E(g)/B).
- 4.3.2 Employment in the construction industry in Buntingford accounts for the largest share of jobs at 16.7%, which is more than double the proportion recorded in East Herts at 7.9%, the East of England at 6.9% and England at 4.9%. Considering other industrial sectors, the motor trades sector is also a comparatively significant employer in Buntingford, accounting for 5.5% of all employment, higher than in East Herts (2.3%), the East of England (2.3%) and England (1.8%). Manufacturing accounts for 3.6% of employment, lower than East Herts (6.1%), the regional (7.3%) and national (7.4%) averages.
- 4.3.3 In relation to the sectors driving office-based employment, Buntingford sees a sizeable proportion of employment in the professional, scientific and technical (7.9%) and business administration and support services (9.3%), though these sit well below the average across the District (10.8% and 15.8%, respectively).
- 4.3.4 The education sector is also a comparatively significant employer in Buntingford, accounting for 13.6% of all employment, higher than in East Herts (10.1%), the East of England (8.4%)

and England (8.3%). This is linked to the presence of several schools, namely Buntingford First School, Edwinstree Middle School, Millfield First School, Layston First School and Freman College, in the town. However, this would be unlikely to drive demand for E(g) / B class employment space, with schools falling under Use Class F1. This is shown in Table 4-4 below.

Table 4-4 Employment by Industry

	Buntingford (Number)	Buntingford (%)	East Herts (%)	East of England (%)	England (%)
Agriculture, forestry & fishing	35	1.7	1.2	1.7	1.2
Mining, quarrying & utilities	20	1.0	0.9	1.0	1.1
Manufacturing	75	3.6	6.1	7.3	7.4
Construction	350	16.7	7.9	6.9	4.9
Motor trades	115	5.5	2.3	2.3	1.8
Wholesale	70	3.3	3.6	4.3	3.8
Retail	185	8.8	7.9	8.8	8.4
Transport & storage (inc postal)	25	1.2	1.6	5.5	5.1
Accommodation & food services	230	11.0	8.6	7.9	7.9
Information & communication	60	2.9	3.4	3.5	4.7
Financial & insurance	15	0.7	1.4	2.0	3.3
Property	50	2.4	2.0	1.9	2.0
Professional, scientific & technical	165	7.9	10.8	7.9	9.4
Business administration & support services	195	9.3	15.8	10.8	9.1
Public administration & defence	30	1.4	2.2	3.4	4.2
Education	285	13.6	10.1	8.4	8.3
Health	75	3.6	9.4	12.1	12.9
Arts, entertainment, recreation & other services	115	5.5	4.7	4.0	4.4
Total	2,095				

Source: ONS BRES 2022

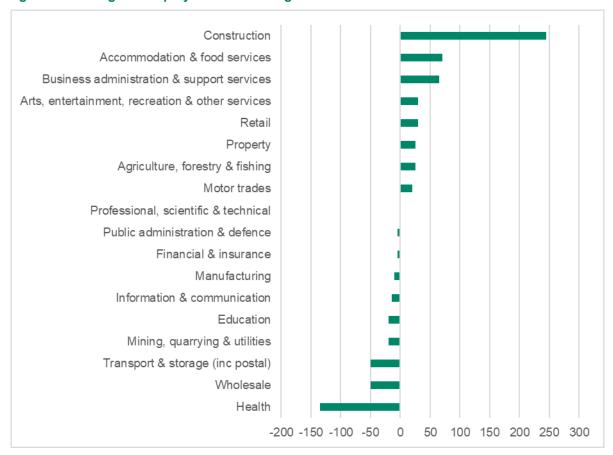
4.3.5 Over the period 2015-2022¹⁴, workplace employment in Buntingford increased by 205 jobs. Considering the sectors likely to drive demand for employment land use classes, there has been a significant increase in employment in the construction industry in Buntingford, which registered an increase of 245 workers. This is reflected in the proportion of employment in the sector rising from 5.5% of employment in 2015 to 16.7% in 2022. Other notable

Prepared for: East Hertfordshire District Council

¹⁴ Note: While BRES data was available up to 2023 at the time of writing, 2022 data is presented to align with the availability of population data and allow historic comparison of how workplace employment has changed alongside the population in Buntingford.

- increases in employment have been registered in the business administration and support services, property and motor trades sectors.
- 4.3.6 Conversely, there has been a notable fall in employment in the wholesale sector, which has fallen from 120 workers in 2015 to 70 in 2022. This is reflected in the proportion of employment in the wholesale sector, which fell from 6.3% in 2015 to 3.3% in 2022. Other sectors to register a decline in employment over the 2015-23 period include transport and storage, mining, quarrying and utilities, information and communication, manufacturing, financial and insurance and public administration and defence. The health sector also registered a notable decline of 135 jobs between 2015 and 2022. However, as with education, the health sector would be unlikely to drive demand for E(g) / B class employment space, with most uses falling under Use Class D1. This is set out in Figure 4-3.

Figure 4-3 Change in Employment in Buntingford 2015-2022



Source: ONS BRES 2022

- 4.3.7 Employment by occupation in Buntingford is broadly comparable to East Herts. In general, Buntingford and East Herts outperform the regional and national comparators in traditionally higher skilled occupations, while the proportions of employment in traditionally lower skilled occupations are lower than the regional and national average.
- 4.3.8 The largest occupation category in Buntingford is mangers, directors and senior officials (18.3%), notably higher than the regional (13.7%) and national (12.9%) average, albeit in line with the East Herts average (18.2%).
- 4.3.9 Notably, there is a higher proportion of people employed in skilled trades occupations in Buntingford (11.7%) than East Herts (9.3%), the East of England (10.7%) and England (10.2%). This likely reflects the significance of the construction sector locally.
- 4.3.10 Conversely, Buntingford and East Herts have lower proportions of people working in elementary occupations - which consist mainly of simple and routine tasks which often require the use of hand-held tools and some physical effort – accounting for 7.3% and 6.8%

respectively, than the East of England (9.9%) and England as a whole (10.5%). This is shown in Table 4-5.

Table 4-5 Occupation of residents ages 16 years and over

	Buntingford (%)	East Herts (%)	East of England (%)	England (%)
Managers, directors and senior officials	18.3	18.2	13.7	12.9
Professional occupations	18.2	22.3	19.6	20.3
Associate professional and technical occupations	15.1	15.8	13.3	13.3
Administrative and secretarial occupations	10.9	10.1	9.8	9.3
Skilled trades occupations	11.7	9.3	10.7	10.2
Caring, leisure and other service occupations	8.2	7.7	9.1	9.3
Sales and customer service occupations	5.3	5.4	7.0	7.5
Process plant and machine operatives	4.9	4.5	6.9	6.9
Elementary occupations	7.3	6.8	9.9	10.5

Source: ONS Census 2021

4.3.11 According to ONS Census, since 2011 the proportion of the population in Buntingford working in traditionally higher skilled occupations has increased ¹⁵. The proportion of the population working as managers, directors and senior officials has increased from 15.2% to 18.3%, and the proportion of the population working in professional occupations has increased from 15.7% to 18.2%. This notable increase in the proportion of higher skilled occupations has also occurred in East Herts, the East of England and across England as a whole.

4.4 Business Demography

4.4.1 ONS UK Business Counts data indicates that the vast majority of businesses in Buntingford¹⁶ are classed as micro (defined as companies employing up to nine employees), making up 92.4% of local units. This is higher than the rates in East Herts (87.7%), East of England (85.3%) and England (84.6%). Conversely, Buntingford has a notably lower proportions of small and medium-sized businesses than the comparator areas, and no large businesses, as shown in Table 4-6.

Table 4-6 Business counts by employment size band

	Micro (0 to 9)	Small (10 to 49)	Medium-sized (50 to 249)	Large (250+)
Buntingford	92.4%	7.6%	1.0%	0.0%
East Herts	87.7%	10.1%	2.0%	0.3%
East England	85.3%	11.9%	2.5%	0.3%
England	84.6%	12.4%	2.6%	0.4%

Source: ONS UK Business Counts 2024

4.4.2 The change in business counts in recent years broadly mirrors the change in employment set out in Figure 4-3, with construction registering the greatest increase of 45 local units. Other sectors to record increases include business administration & support services, motor trades, manufacturing, transport & storage, property and professional, scientific & technical.

Prepared for: East Hertfordshire District Council

¹⁵ ONS, (2012); Census 2011.

¹⁶ Note: Data on business counts is only available at the medium level super output area, and therefore a broader definition of Buntingford is adopted for this analysis based on E02004878: East Hertfordshire 001

4.4.3 Conversely, the accommodation and food services and health sectors both registered a fall in business counts over the period 2016-2024, as shown in Table 4-7.

Table 4-7 Change in Business Counts in Buntingford 2016-2024¹⁷

	2016	2024	Change 2016- 2024
Agriculture, forestry & fishing	25	25	0
Mining, quarrying & utilities	0	0	0
Manufacturing	30	35	5
Construction	65	110	45
Motor trades	20	25	5
Wholesale	15	15	0
Retail	35	35	0
Transport & storage (inc postal)	10	15	5
Accommodation & food services	25	15	-10
Information & communication	20	20	0
Financial & insurance	5	5	0
Property	15	20	5
Professional, scientific & technical	75	80	5
Business administration & support services	35	50	15
Public administration & defence	5	5	0
Education	15	15	0
Health	20	15	-5
Arts, entertainment, recreation & other services	30	30	0
Total	450	525	75

Source: ONS UK Business Counts 2024

4.5 **Commuter Trends**

- 4.5.1 Data from the 2011 Census¹⁸ showing the location of usual residence and place of work by age is the most recently available data regarding commuter trends for small areas.
- 4.5.2 While the ONS 2021 Census Origin-Destination data has been released, Census 2021 took place during the coronavirus (COVID-19) pandemic, a period of unparalleled and rapid change; the national lockdown, associated guidance and furlough measures will have affected the origin-destination data. Therefore, using these data for planning and policy purposes is cautioned, with Census 2011 likely to be a truer reflection of travel to work patterns, albeit the frequency of journeys may have reduced following the pandemic.
- 4.5.3 At the time of the Census 2011, there were around 2,540 people in work who lived in Buntingford, and 518 individuals residing in Buntingford both lived and worked within the town. This reflects a self-containment rate of 20.4%. As would be expected for a smaller settlement, this is below the self-containment rate of East Herts (49.3%). Commuter outflows from Buntingford totalled 2,022, with key destinations for work including: other

period following the previous Buntingford Employment Study

age 18 (2012); Census 2011. ¹⁷ Note: No data was available for 2015, and therefore 2016 was the earliest year available to provide comparison with the

- areas in East Herts (565), North Hertfordshire (205), Broxbourne (150), and Welwyn Hatfield (116).
- 4.5.4 Conversely, Buntingford registered 949 commuter inflows for work, with the highest inflows coming from other areas in East Herts (363), North Hertfordshire (181), Stevenage (54) and South Cambridgeshire (53). The Census Origin Destination data therefore show outward commuter movements from Buntingford (2,022) exceed inward commuter movements (949) by 1,073.
- 4.5.5 It would be anticipated that, since the 2011 Census, the number of those living and working in Buntingford (518) would have now increased, given the increase in hybrid working accelerated by trends associated with the Covid-19 pandemic.

4.6 Summary

- 4.6.1 The socio-economic baseline analysis has highlighted that population growth has been significantly higher in Buntingford between 2015 and 2022 than in East Herts, the East of England and England as a whole. The population breakdown indicates that Buntingford has a higher proportion of the population aged 0-15 and 65+ compared with the comparators.
- 4.6.2 Population projections are not available at the Buntingford level. Current approved planning applications suggest the potential for 608 new homes. With an average household size of 2.37¹⁹, this indicatively suggests the potential for an additional 1,443 residents in Buntingford, of which 706 would be expected to be aged over 16 and economically active. Moreover, there are a number of planning applications yet to be determined that could result in further increases in the resident population.
- 4.6.3 Buntingford has a higher economic activity rate and employment rate than the East of England and England as a whole, though below rates recorded in East Herts. However, the unemployment rate in Buntingford is lower than across all comparators. The economic activity rate in Buntingford has fallen significantly since the time of the previous Census. This is likely driven by the timing of the Census 2021, with the Covid-19 pandemic driving up economic inactivity levels, which stood at 36.4% in 2021, compared with 26.9% in 2011.
- 4.6.4 A smaller proportion of the population of Buntingford is educated to degree-level or equivalent compared to East Herts, East of England and England as a whole. However, Buntingford exceeds all comparators for the proportion of the population with NVQ3+, NVQ2+ and NVQ1+ qualifications, and has a lower proportion of its population with no qualifications compared with the East of England and England.
- 4.6.5 Buntingford has a distinct employment profile compared to East Herts and the regional and national picture. It registers sizable proportions of employment in the construction and motor trades sectors, well above the comparator areas. In relation to the sectors driving office-based employment, Buntingford sees a high proportion of employment in the professional, scientific and technical (7.9%) and business administration and support services (9.3%), though these sit well below the average across the District.
- 4.6.6 Over the period since the previous Employment Study, Buntingford has seen changes in sectors that would be expected to drive demand for E(g)/B class floorspace. The town has registered notable growth in the construction sector, with other increases in employment registered in the business administration and support services, property and motor trades sectors. Conversely, there has been a notable fall in employment in the wholesale and transport and storage sectors.
- 4.6.7 The vast majority of businesses in Buntingford are classed as micro (defined as companies employing up to nine employees), making up 92.4% of local units. This is higher than the rates in East Herts (87.7%), East of England (85.3%) and England (84.6%). Conversely, Buntingford has a notably lower proportions of small and medium-sized businesses than the comparator areas, and no large businesses.

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¹⁹ Household and resident characteristics, England and Wales: Census 2021

4.6.8 Outward commuter movements from Buntingford (2,022) exceed inward commuter movements (949) by 1,073, with the local authorities of significance to Buntingford in terms of commuter trends being North Hertfordshire, Broxbourne, Welwyn Hatfield, Stevenage and South Cambridgeshire. At the time of the 2011 Census, 518 people lived and worked in Buntingford (518), reflecting a self-containment rate of 20.4%, though it would be anticipated that this number would have now increased, given the increase in hybrid working accelerated by trends associated with the Covid-19 pandemic.

5. Property Market Assessment

5.1 Introduction

- 5.1.1 This section provides a review of property market indicators in Buntingford. Reference is also made to comparator geographies and wider local authority and regional data. This reflects the fact that the commercial property market in Buntingford is not self-contained, and instead forms part of a much wider market area encompassing the whole of East Herts and neighbouring authorities to some extent, varying somewhat by type of floorspace.
- 5.1.2 Data presented in this section is derived from the Valuation Office Agency (VOA) and CoStar which represents a comprehensive database of up-to-date property market data. Trends are presented where applicable.
- 5.1.3 Commercial properties comprised of office (E(g)(i)), light industrial (E(g)(ii)), general industrial (B2) and warehousing and storage (B8) types are considered, in line with the definition of employment land. It is recognised that there are other property types which may contribute to employment, but these will not be analysed for the purposes of this evidence base.
- 5.1.4 This section is organised into the following topics:
 - · Building Stock;
 - Vacancy;
 - Rental Values; and
 - Net Absorption

5.2 Building Stock

- 5.2.1 Data from the VOA²⁰ indicates that there is approximately 26,000 sqm of floorspace across the employment land uses within Buntingford, comprising approximately 3,000 sqm of office floorspace, and 23,000 sqm of industrial floorspace.
- 5.2.2 Industrial property types therefore provide the greatest amount of floorspace by property type, as shown in Table 5-1.

Table 5-1 Employment Floorspace in Buntingford 2014-2023

Floorspace Type	2014	2023	Change	
Office	2,000	3,000	+1,000	
Industrial	66,000	23,000	-43,000	
Total	68,000	26,000	-42,000	

Source: VOA 2023

5.2.3 Since the previous Employment Study was undertaken in 2014, there has been a significant loss of industrial employment floorspace in Buntingford associated with the loss of the former Sainsbury's Distribution Depot, now occupied by residential development and Buntingford First School. However, there has been an increase of ~3,000 sqm of industrial floorspace in recent years, with engagement with commercial agents suggesting this could be associated with the development of small workshop units at Watermill Industrial Estate, though with the permission relating to B1 uses this floorspace could sit across office or light industrial uses, with feedback from the Council suggesting a combination.

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²⁰ VOA (2023) Non-domestic rating: stock of properties including business floorspace

5.2.4 With regards to office space, there has been some growth, with an additional 1,000 sqm in 2017. However, feedback from agents suggests that the market for office space has been impacted by the shift to hybrid working accelerated by Covid-19.

5.3 Vacancy

- 5.3.1 According to CoStar, as of 2024 Q3, there is no floorspace in Buntingford that is identified as vacant²¹ across the employment land use classes. The vacancy rate of identified commercial properties in 2024 Q3 is shown in Table 5-2. Additionally, it is shown that:
 - Although there is no vacant office floorspace in Buntingford, in East Herts the vacancy rate for office properties is 1.8%, which is lower compared East of England (6.2%), and England (8.3%);
 - There is no vacant industrial floorspace in Buntingford, however in East Herts the rate is 0.4%, which is below the rate in the East of England (3.3%) and England (2.3%);
 - There is no vacant warehousing and storage floorspace identified in Buntingford, whereas in East Herts the rate is 1.8% representing a lower vacancy rate than recorded in the East of England (5.3%) and England as a whole (5.8%); and
- 5.3.2 The vacancy rates across office, industrial and warehousing and storage use classes in Buntingford and East Herts are below the rate which is typical for the East of England region and England as whole. This indicates a lack of spare capacity in the market, with a frictional vacancy rate of 5-8% generally viewed to represent a property market in balance, and with sufficient capacity to support move-ins and move-outs.

Table 5-2 Vacancy Rate

Property Type	Buntingford	East Herts	East of England	England
Office	0.0%	1.8%	6.2%	8.3%
Industrial	0.0%	0.4%	3.3%	2.3%
Warehousing and Storage	0.0%	1.8%	5.3%	5.8%

Source: CoStar, (2024).

- 5.3.3 The trend in vacancy rate between 2014 Q1 and 2024 Q3 in Buntingford demonstrates that, for office properties, the vacancy rate has remained at 0.0% throughout. Industrial and warehousing and storage property types exhibited some vacancy over 2014-15 however there has been no vacant floorspace across these use classes since 2015 Q1.
- 5.3.4 It is evident that the impacts of the COVID-19 pandemic have not been reflected in any significant change to vacancy levels in Buntingford. Overall, the data highlight a persistent lack of spare capacity in the market in Buntingford, in particular over the past decade.

5.4 Rental Values

- 5.4.1 The market rental values in East Herts, East of England and England are set out in Table 5-3. There is limited data available for the rental values of properties in Buntingford, given the size of the market resulting in very few transactions, so data is not presented for this geography. The current rental values in East Herts are broadly in line with those for East of England, however there is some variation among property types.
- 5.4.2 Office properties attract the highest market rental values of the three property types in East Herts (£190.42 per square metre (/sqm)), whereas warehousing and storage properties tend to achieve the lowest market rental values (£138.86/sqm). This is typical across the East of England, however on a national level in England the lowest market rental values are seen in industrial properties.

²¹ Vacant space, as measured by CoStar, refers to all space not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available.

- 5.4.3 In terms of office properties in East Herts, the market rent achieved in 2024 Q3 (£190.42/sqm) was lower than exhibited across East of England (£233.47/sqm) and England (£344.88/ sqm). As shown in Section 6, this is likely linked to the age and quality profile of the stock in Buntingford.
- 5.4.4 Industrial properties, on the other hand, attracted higher market rental values in East Herts (£140.36/sqm) than across the East of England (£112.38/sqm) or England (£87.30/sqm). Warehousing and storage properties in East Herts also have higher market rental values (£138.86/sqm) than the East of England (£108.82/sqm) and England (£98.28/sqm).

Table 5-3 Market Rental Values (£/sqm) (2024 Q3)

Property Type	East Herts	East of England	England
Office	190.42	233.47	344.88
Industrial	140.36	112.38	87.30
Warehousing and Storage	138.86	108.82	98.28

Source: CoStar, (2024).

- 5.4.5 Between 2014 Q1 and 2024 Q3, market rental values of office, industrial, and light industrial properties have exhibited an increasing trend.
- 5.4.6 Achieved warehousing and storage market rents have more than doubled over this period, with industrial rents increasing by 88.4% over the same period. Office rents however have seen more muted growth, at 25.7%, and registered an overall downward trend in market value between 2021 Q2 and 2023 Q4, before stabilising slightly since then.
- 5.4.7 These trends broadly reflect overall market trends seen since the Covid-19 pandemic. Office rents particularly in non-prime locations have been impacted by the reduced demand brought about by the shift to hybrid working, though this is now viewed to have peaked with many companies encouraging, or mandating in some cases, a return to the office more recently. Conversely, the rise in warehousing and storage rents reflects the accelerated shift towards e-commerce linked to behavioural changes such as increased home working and continued demand for rapid parcel deliveries²², with the levelling off observed from 2023 onwards in line with a slowdown in the market linked to geopolitical uncertainty and rising inflation, with a rise in vacancy and modest take-up at the national level²³. This is shown in Figure 5-1.

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²² https://www.knightfrank.co.uk/blog/2021/04/07/ecommerce-growth-driving-record-warehouse-development-in-2021

²³ Savills The logistics market: Nationwide Overview 16 January 2025

250
200
150 (wbs/g)
100 all the second of th

Figure 5-1 Market Rent (£/sqm) in East Herts

Source: CoStar, (2024).

5.5 Net Absorption

- 5.5.1 Net absorption provides another angle on demand. The measure expresses the change in the overall quantum of occupied floorspace, typically recorded year on year. Positive annual net absorption means that a greater amount of space has been occupied from a given year to the next. Net absorption is not the reverse of vacancy, as vacancy is an expression of the level of non-occupancy against total stock. In office markets where stock may be in decline, for example due to the conversion of offices to residential use, vacancy may reduce but net absorption would be negative.
- In the absence of suitable data for Buntingford, given the size of the market resulting in limited activity, Figure 5-2 below presents the net absorption for East Herts. Net absorption in East Herts has been mostly positive between 2014 and 2024, which provides some evidence of positive demand, though there has been some volatility in the data from 2020 onwards, likely reflecting changes in the market since the Covid-19 pandemic. However, considering demand for office space in Buntingford, feedback from a property market agent suggested this was limited and negatively impacted by the shift towards hybrid working accelerated by Covid 19.

5.000 4,000 3,000 Vet Absorption (sqm) 2,000 1,000 0 2014 2015 2016 2017 2018 2019 2 2021 2023 -1,000 -2,000 -3.000

Figure 5-2 Historic net absorption of office floorspace in East Herts (2014 - 2024, sqm)

Source: CoStar, (2024).

5.5.3 With regard to industrial floorspace, net absorption in East Herts was broadly positive over the period 2015-2020, with some volatility over recent years suggesting variable demand. However, considering Buntingford, feedback from agents suggested robust demand for both small and relatively larger industrial units within Buntingford's existing industrial estates, evidenced by units developed at Watermill Industrial Estate being sold and let off-plan, and robust interest and leasing of units at Buntingford Business Park.

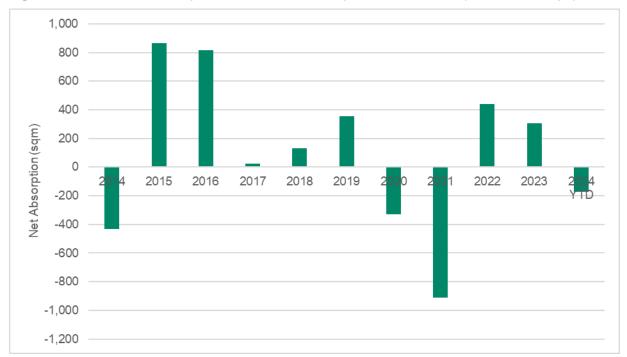


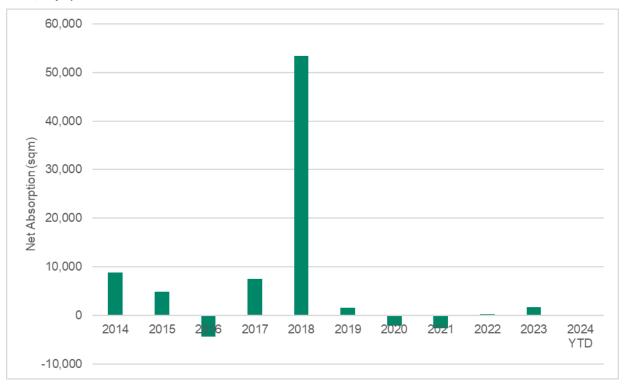
Figure 5-3 Historic net absorption of industrial floorspace in East Herts (2014 - 2024, sqm)

Source: CoStar, (2024).

5.5.4 Net absorption of warehousing and storage floorspace exhibited a generally positive trend over the period 2014-2019 in East Herts. However, net absorption has exhibited a more muted trend from 2019 onwards, indicating a potential slackening of demand for storage and

distribution properties. In relation to Buntingford, the property market agent consulted viewed there to be some potential for warehousing and storage uses in Buntingford, given transport improvements such as the Little Hadham bypass improving access to Bishop's Stortford, Stansted Airport and the M11.

Figure 5-4 Historic net absorption of warehousing and storage floorspace in East Herts (2014 - 2024, sqm)



Source: CoStar, (2024).

5.6 Summary

- 5.6.1 In summary, a number of trends and characteristics are apparent with respect to the property market for commercial properties in Buntingford:
 - There is approximately 26,000 sqm of employment generating floorspace in Buntingford, the vast majority of which is for industrial use.
 - There has been a significant loss of industrial employment floorspace in Buntingford associated with the loss of the former Sainsbury's Distribution Depot. However, there has been an increase of ~3,000 sqm of industrial floorspace in recent years, with engagement with commercial agents suggesting this is associated with the development of small workshop units at Watermill Industrial Estate. With regards to office space, there has been some growth, with an additional 1,000 sqm in 2017.
 - There is no vacant employment floorspace identified in Buntingford, with vacancy rates at the district level well below regional and national comparators. This suggests very limited spare capacity in the local and district market to support move-ins and moveouts.
 - East Herts attracts lower market rental values than the East of England and England as a whole for office properties. However, market rental values for industrial and warehousing and storage properties are higher than the comparator areas.
 - Across East Herts, industrial and warehousing and storage market rents have broadly doubled over the past decade. However, office rents have seen more muted growth, increasing by 25.7% over the same period.

6. Existing Employment Sites

6.1 Introduction

- 6.1.1 There are 3 key employment sites in Buntingford which represent the majority of the existing supply of employment floorspace:
 - Buntingford Business Park
 - Park Farm Industrial Estate
 - Watermill Industrial Estate
- 6.1.2 This section of the report provides an assessment of the relative characteristics of these sites.

6.2 Buntingford Business Park

6.2.1 Buntingford Business Park is located close to the Buntingford town centre, to the north-east of the intersection of the A10 Buntingford bypass and Baldock Road. It serves a unique purpose in Buntingford, being the only employment site providing large units to accommodate large businesses and larger-scale operational activities.

Table 6-1 Overview of Buntingford Business Park

Number of Units	Property Types	CoStar Quality Rating ²⁴	Office Rent (£/sqm)	Industrial Rent (£/sqm)	Uses
3	Industrial	2-3	N/A	82.78 - 122.82	Telecommunications; waste and environmental management services

Source: CoStar (2024); East Herts District Council Monitoring

- 6.2.2 The site comprises three large industrial buildings of similar size, constructed in 2006 and together totalling approximately 10,100 sqm. The two buildings to the west are shared as Unit 1, while the building to the east is Unit 2. Currently Unit 1 is fully leased and occupied by East Herts District Council and North Herts District Council Waste Service, Parking Enforcement Service and Ground Maintenance, with Unit 2 leased and occupied by Datalec Precision Installations, an electrical installation company providing fit-out services to data centres. Rent across the units is estimated to vary between £82.78 £122.82 per sqm. Feedback from agents highlighted demand for the two units. Whilst Unit 1 has been occupied by the Councils has been occupied as a long-term commitment, Unit 2 has been successfully leased 3 times in the past 10-15 years.
- 6.2.3 The site is high quality and modern in appearance and well maintained with no significant issues apparent. The three buildings are uniform, built from brick with large glass windows and metal roofing. The units have been constructed to be flexible and suit a range of occupants. The surrounding environment varies but is comprised of predominately agricultural land with overgrown and unmanaged vegetation, which hinders the appearance and environmental quality of the site.
- 6.2.4 Buntingford Business Park is accessed exclusively from Baldock Road, in the south-west corner of the site. Close to the junction with the A10, the site is well located connected to the road network and served by public transport, with Greenways bus stop on Baldock Road within walking distance (approximately 350m) and offering five bus services. The location of

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²⁴ The CoStar Five Star Building Rating System is the industry's first nationally consistent building quality rating system that can be applied across all commercial real estate property types and across all markets. A five star rating represents best in class in terms of design and construction and very likely a certified sustainable and energy efficient building. Conversely, a 1 star rating represents a building that is uncompetitive with respects to the need of a typical industrial tenants, may require significant

the site is particularly convenient as it is separated from Buntingford which limits the potential noise and pollution externalities emitted by industrial and vehicular activity but remains close to the town centre preventing the site from being isolated. There is designated parking provided for each unit within the business park as well as an additional car park located to the west of the site, however greater parking provision is potentially required to alleviate the abundance of parking along the side if the main internal road.

6.2.5 The East Herts District Plan Policy BUNT3 allocated 3ha extension to the north of Buntingford Business Park, which is still to be developed. There is also vacant land adjacent to the southeast of the site which may present opportunity for further commercial development. In November 2024, the landowner has confirmed with the Council that the vacant land in the employment site is still available for employment development.

6.3 Park Farm Industrial Estate

6.3.1 Park Farm Industrial Estate is a well-established industrial estate to the north of Buntingford town centre, located within a residential area.

Table 6-2 Overview of Park Farm Industrial Estate

Number of Units	Property Types	CoStar Quality Rating ²⁵	Office Rent (£/sqm)	Industrial Rent (£/sqm)	Uses
42	Industrial; Office	1-2	151.99 - 185.79	70.40 - 103.98	Office-based activities; wholesale; motor repairs; IT support services; small-scale manufacturing; retail

Source: CoStar (2024); East Herts District Council Monitoring

- 6.3.2 The site is comprised of units arranged in terraces and a mix of older and more modern units. The units are predominantly small, single storey industrial units, with some two storey office units, accommodating micro and small sized businesses. In total there are 42 units with quite a range of occupiers, including office-based activities, service businesses (e.g. IT support services) and small-scale manufacturing operations. The units at the east of site predominantly in Class E service / non-industrial usage, while the units further into the site are primarily used for general-industrial, Class B purposes. The site has seen a loss of employment land to residential use since the previous Buntingford Employment Study in 2014.
- 6.3.3 The site is generally functional and acts as a provider of high-demand employment space, evidenced by the lack of vacancy. The industrial units are not modern but generally well maintained and in good condition. Units are typically small; however a number of businesses occupy multiple units to create larger single units. Indicated by the range of occupiers, the units can be used flexibly, appealing for industrial use, storage and distribution as well as office based and customer facing businesses. It is estimated that the Class E units have a higher rent (between £152 £185.79 per sqm) than the Class B / industrial units (between £70.40 £103.98 pr sqm).
- 6.3.4 The quality of the environment surrounding site is good with maintained roads, vegetation and a water body. However, the site is located in proximity to residential uses, with limited segregation between the site and residential units to the north.
- 6.3.5 Park Farm Estate has one main entrance on Ermine Street in the east of the site, which runs south into Buntingford. There is pavement connecting the site entrance to residential areas of Buntingford both north and south and the Crown Inn bus stop, which is approximately 900m from the estate and limits its accessibility by public transport. The stop is serviced by

²⁵ The CoStar Five Star Building Rating System is the industry's first nationally consistent building quality rating system that can be applied across all commercial real estate property types and across all markets. A five star rating represents best in class in terms of design and construction and very likely a certified sustainable and energy efficient building. Conversely, a 1 star rating represents a building that is uncompetitive with respects to the need of a typical industrial tenants, may require significant

5 bus routes, collectively connecting to Stevenage, Hitchin, Letchworth, Baldock, Royston, Bishop's Stortford, Ware, and Hertford. Motor users can access the estate although the site suffers slightly from constrained access outside of Buntingford, as the Estate is located within a residential area and 1km from the A10. There is ample parking capacity on site with spaces in front of most units, as well as an additional car park with 25 spaces towards the entrance of the site.

6.4 Watermill Industrial Estate

6.4.1 The Watermill Industrial Estate is located on Aspenden Road, to the south of Buntingford.

Table 6-3 Overview of Watermill Industrial Estate

Number of Units	Property Types	CoStar Quality Rating ²⁶	Office Rent (£/sqm)	Industrial Rent (£/sqm)	Uses
63	Office; Industrial	1-2	162.54 - 198.60	82.78 - 103.98	Motor repair/servicing; fitness centre; electronic repairs; wholesale; small-scale manufacturing

Source: CoStar (2024); East Herts District Council Monitoring

- 6.4.2 As a result of development within the last 5 years, which has seen the 1.47ha of vacant land identified in the previous Buntingford Employment Study in 2014 now fully built out, Watermill Industrial Estate now has the largest number of units of the employment sites in Buntingford, with 63 units. The site provides an important volume of employment space aimed at smaller to medium local businesses.
- Overall, the industrial units on the estate are of varying class uses, sizes, ages, and quality. Usage across the Watermill Industrial Estate generally ranges across Class E, with some more industrial Class B2 occupants, including numerous motor-related repair and servicing businesses, service businesses (e.g. fitness centres) and small-scale manufacturing. 11 small studios were developed in 2021 to the north of the site, ranging between 200sqft and 720sqft (~20-70 sqm), and 17 identical 1,500 sqft (~140 sqm) units were developed in 2019. The new developments contrast the existing older, traditional, small to medium sized units to the south of the site. On the whole, units are viewed to be well maintained, with no evidence of deterioration to the detriment of appearance or utility. The area surrounding the site is comprised of kept vegetation, enhancing the estate's appearance. However, neighbouring west is a sewage facility which emits an unpleasant smell, detectable from nearby points on site at times.
- 6.4.4 The site entrance is located to the south of the site off Aspenden Road, a narrow road with a poor-quality paving. As a result, accessibility for larger commercial goods vehicles is constrained, as the road is too narrow to accommodate cars passing at a number of points. Additionally accessing the site from the A10 is convoluted, as vehicles must either travel through the centre of Buntingford or London Road before travelling along the narrow Aspenden Road.
- 6.4.5 Most units provide designated onsite parking, including two units providing EV charging points. However, units located in the south of the site have access to more limited parking capacity, resulting in evidence of spillover along the site's internal roads, blocking pedestrian access on pavements. Watermill Industrial Estate can also be accessed by sustainable modes of transport, with one pedestrian access point located in the north of the site and one at the main entrance in the south, and Aspenden Road bus stop located 650m from pedestrian access points. The bus stop is serviced by four bus routes, connecting Watermill

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²⁶ The CoStar Five Star Building Rating System is the industry's first nationally consistent building quality rating system that can be applied across all commercial real estate property types and across all markets. A five star rating represents best in class in terms of design and construction and very likely a certified sustainable and energy efficient building. Conversely, a 1 star rating represents a building that is uncompetitive with respects to the need of a typical industrial tenants, may require significant

Industrial Estate to Royston, Bishop's Stortford, Ware, and Hertford via public transport, as well as villages in-between.

6.4.6 At the time of writing rents are estimated to vary significantly from £82.78 – £198.60 per sqm. There is limited potential development land surrounding the site as the neighbouring greenfield land to the north-west has been granted permission on appeal for a mixed-use, residential led development, incorporating retail and employment floorspace.

7. Land for Employment Development

7.1 Introduction

7.1.1 This section of the report examines the land for employment development in and around Buntingford to understand the potential and need for employment development, what employment land is available elsewhere in Buntingford, and the suitability and attractiveness of that land for commercial development for different uses.

7.2 Vacant Land

- 7.2.1 The Buntingford Employment Study (2014) identified a number of sites with potential for development in Buntingford, including vacant land at Buntingford Business Park, Watermill Industrial Estate and Park Farm Industrial Estate, and potential land at the former Sainsbury's Distribution site.
- 7.2.2 In the period following the delivery of the 2014 Study, all of this vacant land has been developed for employment or residential use apart from the vacant land at Buntingford Business Park, which totals 3.8ha across land to the south east of the site and the allocation to the north of the site, included in the East Herts District Plan (Policy BUNT3). East Herts Council has confirmed with the landowner that this vacant land is available.
- 7.2.3 It is relevant to the development of policy for Buntingford to know how many jobs could be created should this vacant land come forward for development. In order to make this calculation, a number of assumptions are required in relation to the type of activities and use class that could be supported. These are detailed below:
- 7.2.4 Use Class The proportion of the land likely to be developed and associated floorspace will depend on the use class that is likely to be accommodated on site. The previous Buntingford Employment Study assumed that all development on vacant land in Buntingford would relate to light industrial [B1(c), now E(g)(iii)] uses. However, while this could be possible, no light industrial floorspace was identified in Buntingford through the Property Market Profile in Section 5. Moreover, a recent survey of the site from EHDC identified that current units are flexible and built to suit a range of occupants / usage across Use Classes E, B2, and B8. Given the uncertainty, a range of scenarios are adopted to align with potential uses across the site:
 - Scenario 1: Light industrial use, to align with the 2014 Buntingford Employment Study
 - Scenario 2: An even split of light industrial and general industrial use
 - Scenario 3: An even split of general industrial and warehousing and storage use.
 - Scenario 4: A split of office (20%), general industrial (40%) and warehousing and storage use (40%) uses.
- 7.2.5 It is important to note that, while we would expect employment land to come forward as E(g)(iii) / B2 / B8 development based on existing activity and market signals, the split of uses is ultimately indicative for the purpose of estimating the potential employment that could be supported. The proposed employment land allocation could, in practice, accommodate any eventual split across the employment land use classes.
- 7.2.6 Plot Ratio The capacity of land to accommodate floorspace is known as the plot ratio and is expressed as the ratio of total development floor area to site area. There is some available evidence from research studies and many planning authorities use their own ratios, derived from design studies and measurement. In general, for industrial uses a plot ratio of 0.35-0.45 is relevant for light and general industrial uses, with 0.4-0.6 for warehousing and storage uses and 0.75 to 2.00 for office uses depending on the location of development²⁷. Having reviewed the employment land evidence in East Herts and

²⁷ OPDM Employment Land Reviews: Guidance Note 2004

- neighbouring authorities, a plot ratio of 0.4 for E(g)(iii) and B2 uses is assumed; alongside a plot ratio of 0.5 for B8 uses and 0.75 E(g)(i) uses²⁸.
- 7.2.7 Employment Densities Having applied plot ratios to calculate the total development floorspace associated with the available land, this can then be converted to employment through the application of employment densities. These are applied in line with HCA Employment Density Guide 3rd Edition (2015), as summarised below:

Table 7-1 Employment Density Assumptions

Use class	Employment Density	Employment density assumption used (sqm per job)
E(g)(i)	Office – 13 sqm NIA per FTE job	13
E(g)(iii)	Light industrial – 47 sqm NIA per FTE job	47
B2	Industrial & Manufacturing – 36 sqm GIA per FTE job	36
B8	Storage & Distribution – 70-95 sqm GEA per FTE job	70

Source: HCA Employment Density Guide (2015).

- 7.2.8 The ratio of external to internal areas The application of plot ratios allows the gross external area (i.e. the whole area of a building taking each floor into account²⁹) to be calculated. As shown in Table 7-1, the employment densities vary in their application, from net internal area (light industrial), gross internal area (general industrial) and gross external area (warehousing and storage). As such, for light industrial and office floorspace, adjustments are required to convert the floorspace to NIA, while general industrial floorspace is converted to GIA. A 1:0.95 conversion ratio is assumed for GEA to GIA is assumed; with a similar 1:0.8 conversion ratio for GIA to NIA³⁰.
- 7.2.9 The application of the above assumptions is set out in Table 7-2. The analysis suggests that, if the 3.8 ha of vacant land were to be developed, additional employment of 246 707 FTE jobs could be generated in Buntingford.
- 7.2.10 However, it should be noted that these figures are only measures of capacity based on potential scenarios, not the likelihood of delivery. The market appeal of the site can differ very substantially and this will have a major bearing on actual delivery of employment floorspace and the actual creation of jobs.

Table 7-2 Estimate of FTE Jobs Generated by the Development of Vacant Land at Buntingford Business Park

Scenario	Use Classes	Site Area	Total Floorspace	Total FTE Employment
Scenario 1	E(g)(iii)	3.8	13,718	246
Scenario 2	E(g)(iii) / B2	3.8	14,079	323
Scenario 3	B2 / B8	3.8	16,720	336
Scenario 4	E(g)(i) / B2 / B8	3.8	17,708	707

7.3 Pipeline supply

- 7.3.1 In addition to the vacant land identified at existing, allocated sites, it is also important to consider the pipeline of future employment development in Buntingford.
- 7.3.2 Approval has been granted for the development of a 28.95ha parcel of land to the east of the A10 in Buntingford (Ref 3/23/1447/OUT). The mixed use development consists of 350 dwellings, up to 4,400 sqm of commercial and services floorspace (Use Class E and B8)

Page 164 mployment Density Guide (2015)

Prepared for: East Hertfordshire District Council

²⁸ This is consistent with the approach to employment land studies in North Hertfordshire and Welwyn Hatfield as neighbouring authorities.

²⁹ VOA Code of measuring practice: definitions for rating purposes

- and up to 500 sq m of retail floorspace (Use Class E) and other associated works including drainage, access into the site from the A10 and Luynes Rise (but not access within the site), allotments, public open space and landscaping.
- 7.3.3 In order to assess the potential employment associated with this development, the breakdown of employment floorspace adopted within the planning application's supporting documentation³¹ is taken forward. This assumed that:
 - "The employment land will provide some 1,500 sqm Class E a b and c (offices), 1,500 sqm Class B8 and 100 sqm home working hub. It has also been assumed that there may be doctors surgery will be 1,300 sqm."
- 7.3.4 The Economic Impact Assessment provided alongside the outline planning application calculated 167 direct jobs associated with the employment space. However, the 1,500 sqm Class E a/b/c floorspace and 1,300 sqm associated with the doctor's surgery are excluded from our analysis as these fall outside of the employment land use classes. Furthermore, in the case of the doctor's surgery, a resolution to grant planning permission (subject to S106) for this at Hare Street Road has now been approved and it will no longer come forward on this site. The 100 sqm home working hub is assumed to be use class E(g)(i).
- 7.3.5 Applying the assumptions set out in Section 7.2, the analysis suggests that, if the land to the east of the A10 were developed in line with the approved planning application (Ref 3/23/1447/OUT), 29.1 FTE jobs could be generated by the employment land use classes in Buntingford. This is set out in Table 7-3.

Table 7-3 Estimate of FTE Jobs Generated by the land to the east of the A10 (Ref 3/23/1447/OUT)

Use Class	Floorspace (sqm) ³²	Total FTE Employment	
Office E(g)(i)	100	7.7	
Warehousing & Storage (B8)	1,500	21.4	
Total	1,600	29.1	

7.4 Summary

7.4.1 Taken together, the analysis suggests that the development of vacant land and land to the east of the A10 in Buntingford (Ref 3/23/1447/OUT) could result in the generation of between 275 and 736 FTE jobs across the employment land use classes.

Table 7-4 Summary of Potential Employment Generated by Vacant Land and Pipeline Supply

Source of Supply	Floorspace (sqm)	FTE Employment	
Vacant Land	13,718 – 18,630	246 – 707	
Pipeline Supply	1,600	29	
Total	15,318 – 20,230	275 – 736	

7.4.2 If delivered, these jobs would represent growth of 12-33% on current workplace employment in Buntingford. However, it should be recognised that additional jobs will also be delivered across non-employment uses such as retail.

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³¹ DLP Planning Economic Impact Assessment A Report For The Development At Buntingford West 2023

³² Note: Given no measurement classification is provided in relation to the floorspace, the ratio of external to internal areas is unknown and no conversion has been made for the purpose of this analysis.

8. Conclusions and Recommendations

8.1 Introduction

- 8.1.1 This section of the report presents our conclusions and recommendations based on the analysis in the preceding sections and outlines a potential strategy for the development of employment land in Buntingford.
- 8.1.2 The conclusions and recommendations of the Study are framed around a series of questions. These are as follows:
 - Is it desirable to increase the number of jobs in Buntingford?
 - What sort of jobs could be attracted or developed in Buntingford?
 - What actions need to be taken to achieve the desired outcomes?

8.2 Is it desirable to increase the number of jobs in Buntingford?

- 8.2.1 Over the period 2015-2022, the population in Buntingford increased by 2,474, representing growth of 33.9%. This growth is considerably higher than that recorded in East Herts (5.9%), the East of England (5.0%) and England (4.2%).
- 8.2.2 Based on the age structure of the population and economic activity levels set out in Section 4.2, the economically active population of Buntingford is expected to have increased by 1,041 over this period, reflecting growth of 27.0%. This is again notably higher than East Herts, the East of England and England.
- 8.2.3 Over the same period, workplace employment in Buntingford increased by 205 jobs, as shown in Section 4.3.5, representing significantly lower growth of 10.8%, broadly comparable to the increases seen in East Herts (8.3%), the East of England (6.8%) and England as a whole (7.7%). This is set out in Figure 8-1 below.

Figure 8-1 Population Growth vs Employment Growth 2015-22



- 8.2.4 While population projections are not available for Buntingford, current approved planning applications suggest the potential for 608 new homes associated with applications 3/24/1447/OUT, 3/22/1030/OUT and 2/24/0294/OUT³³. With an average household size of 2.37³⁴, this indicatively suggests the potential for an additional 1,443 residents in Buntingford, of which 706 would be expected to be aged over 16 and economically active. Moreover, there are a number of planning applications yet to be determined that could result in further increases in the resident population.
- 8.2.5 Since the previous Employment Study was undertaken in 2014, there has been a notable loss of industrial employment land in Buntingford associated with the loss of the former Sainsbury's Distribution Depot, now occupied by residential development and a First School, as well as the development of vacant employment land at Park Farm Industrial Estate for residential use. However, there has been an increase of ~3,000 sqm of industrial floorspace in recent years and an additional 1,000 sqm of office space was delivered in 2017.
- 8.2.6 Property market analysis presented in Section 5 demonstrates that there is currently no known vacant floorspace within Buntingford across office, industrial, and warehousing and storage properties, while vacancy rates across East Herts are also below the regional and national averages for these uses. This indicates a lack of spare capacity in the market, with a frictional vacancy rate of 5-8% generally viewed to represent a property market in balance, and with sufficient capacity to support move-ins and move-outs.
- 8.2.7 Feedback from a local agent highlighted robust demand for industrial floorspace in Buntingford, both at the smaller scale (with 18 small units (1,500 sqft) developed on the Watermill Industrial Estate fully occupied), and at the larger scale, with the town's bigger units (~36,000 sqft) at Buntingford Business Park fully leased. Feedback suggests confidence in the future demand for similar uses in Buntingford, with the flexibility afforded by Use class E having been beneficial in accommodating a broad range of uses in smaller units at Watermill Industrial Estate.
- 8.2.8 There was viewed to be some potential for warehousing and storage uses in Buntingford, given transport improvements such as the Little Hadham bypass improving access to Bishop's Stortford, Stansted Airport and the M11. However, larger industrial and logistics uses would be expected to come forward in locations with superior access to the strategic road network, such as Bishop's Stortford. Conversely, despite limited spare capacity, there was viewed to be more limited demand for office space in Buntingford due to the impact of Covid-19 on demand, and this type of employment being concentrated in the larger settlements such as Bishop's Stortford and Hertford.
- 8.2.9 As set out in the NPPF, the purpose of the planning system is to contribute to the achievement of sustainable development, including the provision of homes, commercial development and supporting infrastructure in a sustainable manner. In this regard, it is important to support an appropriate mix of uses across an area, and within larger scale sites, to minimise the number and length of journeys needed for employment, shopping, leisure, education and other activities.
- 8.2.10 As demonstrated in Figure 8-1, recent years have shown a notable disparity between population and employment growth in the town, suggesting a need for greater balance to support sustainable development, while the loss of employment land and lack of spare capacity in the property market also support the need for additional employment space in Buntingford. In this regard, the analysis suggests that the development of vacant land at Buntingford Business Park and land to the east of the A10 in Buntingford (Ref 3/23/1447/OUT) could result in the generation of between 275 and 707 FTE jobs, representing growth of 12-33% on current employment in Buntingford.
- 8.2.11 As recognised in the previous Buntingford Employment Study, the specialist nature of many jobs means that it is worth people travelling some distance to work, since by so doing they can secure a much better paid job, than they could if they worked locally. People are willing to commute, both because the salary they can command in a job more than outweighs the

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³³ Land North of Hare Street Road secured a resolution to grant planning permission, subject to S106, at January 2025 Development Management Committee.

³⁴ Household and resident characteristics, England and Wales: Census 2021

cost of commuting, and because they have reasons why they wish to live where they are, be that family connections, children in local schools, a preference to live in a market town rather than a bigger settlement.

8.2.12 As such, there is no certainty that an increase in the number of jobs located in Buntingford will reduce the level of out-commuting set out in Section 4.4, with workers drawn to elsewhere in the District, North Hertfordshire, Broxbourne, and Welwyn Hatfield. Moreover, it is important to recognise that wider commercial development in competing locations in East Herts may satisfy some demand from the resident population in Buntingford. However, increasing the number of jobs in Buntingford would create enhanced opportunity for people to live and work locally, and support a diversified mix of activities locally. Furthermore, should the provision of employment space fail to keep up with growth in the working age population in Buntingford, there will inevitably be an increase in outward-commuting, notwithstanding the increase in home working that has resulted from the Covid-19 pandemic.

What sort of jobs could be attracted or 8.3 developed in Buntingford?

- 8.3.1 In general, Buntingford was viewed to act as relatively self-contained from a commercial property market perspective, being too far away to gain a bounce/spillover demand from other, larger markets. In this regard, sectors such as construction, manufacturing and wholesale and retail trades, as well as wider foundational sectors delivering the goods and services required by the local population, are likely to remain prominent in the local economy.
- 8.3.2 As set out in Section 4.4, the business base in Buntingford is dominated by microbusinesses (companies employing up to nine employees), which account for 92.4% of local businesses. It would be anticipated that these types of businesses would continue to drive demand for floorspace in Buntingford, with demand for smaller, flexible units (~1,500 sqft) that can accommodate E class uses ratified through engagement with the local agent, as highlighted above. However, reflecting the presence of some small and medium sized businesses in the town and demand for larger units remaining robust over the past 15 years, the provision of a range of unit sizes that provide flexibility and can support the growth aspirations of local businesses is recommended.

What actions need to be taken to achieve the 8.4 desired outcomes?

- 8.4.1 In order to build a strong, responsive and competitive economy in Buntingford, there is a need to ensure that sufficient land of the right types is available in suitable places to attract occupiers and support growth, innovation and improved productivity.
- 8.4.2 This Study has identified that future demand for employment land floorspace in Buntingford is likely to centre on the industrial use classes, with demand at various scales to suit micro and small to medium sized enterprises. As such, there is a need to provide choice in order to accommodate a range of potential occupiers and unit sizes, and to support the potential growth requirements of local businesses. In general, the majority of demand is anticipated in the 0-250 sqm bracket for E(q) uses and 0-1,000 sqm for B class uses; though there is evidence of demand for larger units as seen at Buntingford Business Park.
- 8.4.3 It is appropriate for the Council to encourage the completion of remaining permissions and safeguard existing sites where possible, thereby maximising their contribution to local economic development. In this regard, the Council should continue to work proactively with the landowner at Buntingford Business Park to ensure the site remains available for development for employment uses, as well as engaging with the developer of the of land to the east of the A10 (Ref 3/23/1447/OUT) to ensure the provision of employment space closely aligns with requirements in Buntingford. This is of particular importance given the challenge associated with the conversion of employment land to residential use, as

highlighted through this Study. Whereupon existing employment land is lost to residential or other uses, or permissions including employment space do not come forward, or are developed in whole or in part for different uses than have currently been consented, this land or floorspace should be re-provided to a similar or improved quantity and quality specification.

- 8.4.4 It is recommended that the Council continues to regularly monitor changes to existing and newly delivered employment space to identify evolving occupier/developer patterns and inform any policy responses that will be required. This is important given that much newly delivered employment space may come forward within the E Use class where there is flexibility for space assigned to E(g) use to later switch to other, non-employment land, uses such as retail, albeit that this can still result in employment generation. It is also important given that, as discussed, delivery of employment floorspace has not matched housing delivery and if this were to continue, the propensity of change of use within Class E and potentially permitted development rights may result in what modest space is being delivered not remaining in employment use long-term, exacerbating this trend.
- 8.4.5 It is important to recognise that this Study is part of a wider evidence base for the District Plan Review, and the strategy for supporting employment in Buntingford will be informed by wider employment market and land supply assessments at the East Herts level, which will determine the overall quantity of employment land that is required over the District Plan period, alongside consideration of housing, infrastructure and environmental needs and constraints in the town and wider district. Should this wider evidence base support the need for additional employment land at the district level, the evidence presented suggests the potential requirement for additional employment land in Buntingford to align with growth in the residential population of the town. In considering additional employment land, or whether the existing supply of employment land is fit for purpose, a number of criteria should be considered. These include:
 - Accessibility and sustainable transport needs;
 - The provision of essential infrastructure e.g. access to utilities;
 - Segregation from sensitive neighbouring uses (e.g. residential); and
 - Site size, access, shape and topography.
 - Deliverability and/or ownership.
- 8.4.6 The Conclusions and Recommendations of this Study are summarised in Table 8-1 below.

Table 8-1 Conclusions and Recommendations

Topic Conclusion/Recommendation The analysis has demonstrated that additional employment space is Is it desirable to increase the required in Buntingford to address a notable disparity between number of jobs in Buntingford? population and employment growth in the Buntingford, suggesting a need for greater balance to support sustainable development. The loss of employment land and lack of spare capacity in the property market also support the need for additional employment space in Buntingford. Buntingford was viewed to act as relatively self-contained from a What sort of jobs could be commercial property market perspective. Sectors such as construction, attracted or developed in manufacturing and wholesale and retail trades, as well as wider Buntingford? Why? foundational sectors delivering the goods and services required by the local population are likely to remain prominent in the local economy. Micro and small businesses are anticipated to continue to drive demand for floorspace in the town. There is a need to provide choice in order to accommodate a range of What actions need to be taken to potential occupiers and unit sizes, and to support the potential growth achieve the desired outcomes? requirements of local businesses. In general, the majority of demand is anticipated in the 0-250 sqm bracket for E(g) uses and 0-1,000 sqm for

B class uses.

Topic

Conclusion/Recommendation

- The Council should encourage the completion of approved planning permissions and safeguard existing sites where possible.
- The Council should continue to work proactively with the landowner at Buntingford Business Park to ensure the site remains available for development for employment uses, as well as engaging with the developer of the of land to the east of the A10 to ensure the provision of employment space closely aligns with requirements in Buntingford.
- The Council should continue to regularly monitor changes to existing and newly delivered employment space to identify evolving occupier/developer patterns and inform any policy responses that will be required. This is important given that much newly delivered employment space may come forward within the E Use class where there is flexibility for space assigned to E(g) use to later switch to other, non-employment land, uses.
- Should existing employment land be lost to other uses, or permissions including employment space do not come forward, or are developed for different uses than have been consented, this land or floorspace should be re-provided to a similar or improved quantity and quality specification.
- Should the wider evidence base support the need for additional employment land at the District level, the evidence presented suggests a potential requirement for additional employment land in Buntingford. In considering additional employment land, or whether the existing supply of employment land is fit for purpose, a number of criteria should be considered, including those set out in Section 8.4.5.

East Herts Council Report

Pre-Executive

Date of meeting: 4 March 2025

Report by: Councillor Vicky Glover-Ward - Executive Member for

Planning and Growth

Report title: East Herts District Plan Review - East Herts Strategic

Vision

Ward(s) affected: (All Wards);

Summary – Members have agreed to undertake a review of the District Plan, and set out a timetable to achieve the completion of this review. Alongside updating the evidence base and the 'Call for Sites', a Strategic Vision has been prepared to facilitate a discussion and informed debate about how the district should develop in the future, and provide a unified direction for the Council's approach to growth. In advance of formal plan-making, this Vision will form the basis of community discussions about the new District Plan later this year.

RECOMMENDATIONS FOR EXECUTIVE to recommend to Council that:

- a) The East Herts Strategic Vision is made available to stakeholders and the wider community to begin a discussion about the new District Plan, and to seek comments on the Vision;
- b) Engagement on the Strategic Vision should commence, and take the form of a six week period of activity during Spring / Summer 2025 through a range of different forums, including online and in-person; and
- c) A further report detailing any feedback is prepared following engagement to agree a final version of the Strategic Vision, and to set the out the next stages of plan-making.

1.0 Proposal(s)

1.1 The purpose of this report is to agree that engagement on the East Herts Strategic Vision is undertaken with stakeholders and the wider community.

2.0 Background

- 2.1 Local Planning Authorities are required to complete a review of their local plans at least once every 5-years from the adoption date of a plan to ensure that plans remain relevant and take account of changing circumstances. Members resolved to undertake an update of the East Herts District Plan at its Executive meeting on 3 October 2023, with a view to formal work commencing in early 2026.
- 2.2 Since that time, officers have been taking preparatory steps to facilitate progress on the District Plan update, including:
 - Undertaking a 'Call for Sites' an opportunity for landowners, developers, agents and site promoters to submit sites which may be considered to have the potential for future development

 the initial outcome of which was discussed at the Executive meeting on 11 February 2025.
 - Agreeing a revised timetable for the preparation of the District Plan in the form of a Local Development Scheme (LDS), which was agreed by the Executive on 3 September 2024. The LDS sets out the key plan-making stages and timetable for the new District Plan and takes account of the Government's prospective plan-making reforms. Further guidance on this process is due later this year, but the LDS anticipates the commencement of formal plan making in January 2026, following preparatory work and updates to evidence.
 - Developing a 'Strategic Vision' as required by the NPPF to chart a clear and ambitious course for the district's future which will serve as the golden thread for the new District Plan, informing

- policies and decision-making that will shape East Herts in the years to come.
- 2.3 The 'Strategic Vision' is the focus of this report. It sets out the background, work to date and next steps to develop a Vision, and how this will inform plan-making. An updated Vision is required for the district because of the many changes that have occurred since the adoption of the previous plan, including amongst other things:
 - A recognition that plan visions are a tool to give communities a much stronger voice in the plan-making process. The role of visions has generally been strengthened in plan-making, with policies and allocations linking directly to delivering the outcomes set out in the vision;
 - A change in Government, which has shifted the emphasis of planning for development in England;
 - A corresponding increase in the housing numbers expected to be delivered by the Council;
 - The greater emphasis on adapting to, and mitigating, the effects of climate change; and
 - Societal changes that have occurred more broadly as a result of COVID-19, Brexit and other external changes that influence our ways of life.

3.0 Reasons

Background to the Visioning Work

- 3.1 East Herts district comprises around one third of the county of Hertfordshire. It is predominantly a rural district, with attractive towns and villages set in a rolling landscape and a dispersed settlement pattern that includes the five market towns of Bishop's Stortford, Buntingford, Hertford, Sawbridgeworth and Ware. Residents enjoy a high quality of life, with a good level of health and life expectancy. Educational attainment is also high with students performing better in East Herts than the wider region.
- 3.2 However, there are important issues and challenges facing the district. These are mainly related to managing high levels of growth and the effects of population increase, and include:

- Ensuring that our high-quality environment is recognised and protected whilst still allowing the necessary development to take place;
- Protecting the rich biodiversity in the district and responding to the challenge of climate change;
- Supporting a vibrant local economy and getting the balance right between the delivery of new housing on previously developed sites and ensuring there is enough employment land to meet current and future needs;
- Achieving housing development that responds to the specific accommodation and housing needs of different groups (including that of an ageing population), whilst recognising environmental and other constraints;
- Providing the infrastructure and services needed alongside growth to support new development, including transport infrastructure, education and health provision, utilities such as water, wastewater and energy and improved broadband provision;
- Ensuring that development is directed to sustainable locations, to reduce the need to travel and, where journeys need to be made, the distance of those trips;
- Reducing reliance on the car and promoting healthier lifestyles;
- Supporting the main town centres, which are all different, all serve a particular purpose, and all have particular needs;
- Resisting the loss of important rural facilities and to support the delivery of new ones;
- Understanding and taking account of the significance and impact of cross boundary issues.
- 3.3. In order to develop a Strategic Vision with an overarching set of aims and objectives to guide and directly inform plan-making, Officers issued a tender in early 2024 to appoint consultants to oversee, facilitate and manage this process. The brief set out a desire to develop a Vision that challenged current thinking, considered future societal, lifestyle and technical changes, and considered the unique features of East Herts including location,

future sustainable growth and technological advancements for its residents, businesses, and the wider community. The emerging Vision for East Herts needed to be:

- succinct and focused to best achieve its purpose;
- locally distinct to anchor the plan;
- provide strategic direction for the underpinning policies, and
- set out measurable outcomes for the plan period.

Work to date on the Vision

- 3.4 Prior and Partners (P+P) responded to the brief and were appointed to develop the Vision. P+P are a planning and economic consultancy with an expertise in successfully delivering plans and masterplans across a multitude of scales, from region, to neighbourhood, and to street. P+P undertook high level research and mapping of existing data, intelligence, insight, and future predictions information alongside the Council's own evidence base and local strategies to understand East Herts today and to look ahead to the future (patterns, trends, innovations) and consider how national and local trends might influence change. This thinking was brought together through engagement, via workshops, with Councillors, the Council's Leadership Team, and other officers at East Herts principally involved with the built environment and our communities.
- 3.5 The primary outcome from this process was the production of a Strategic Vision for East Herts (**Appendix A**).
- 3.6 Alongside the Vision, P+P delivered a branding strategy to help bring distinctiveness and continuity to the development of the District Plan through its various stages. The branding has been used in the Vision to help to express its ideas and priorities.

The Vision Document

3.7 The Strategic Vision sets out the process undertaken in delivering the work, the engagement undertaken and the timeline in which this was achieved. In its final format, it utilizes the branding

developed as part of the process, defining six key themes – people, place, economy, environment, infrastructure and movement – through specific colours and icons. The Vision is set out in two halves, the first describing the district as it is today, with key facts, illustrations and statistics culminating in a statement addressing strengths and challenges within each theme, and the second defining our aspirations under each theme and drawing inspiration from existing ideas and initiatives within our own district and beyond.

3.8 The Vision concludes with a timeline for the preparation of the District Plan (which reflects the agreed Local Development Scheme) and is intended to serve as the 'golden thread' for the Plan, informing policies and decision-making that will shape East Herts in the years to come. It is expected that the Strategic Vision will have a strong influence on the form, nature and content of the new adopted District Plan.

Next Steps

- 3.9 The Strategic Vision is presented in **Appendix A** in a form that reflects the discussions had with Councillors, the Council's Leadership Team and key planning and built environment officers. The document was prepared with wider engagement planned with our communities, and this is the next step.
- 3.10 Preparation for the formal plan-making stages of the District Plan is continuing, with planning policy officers currently assessing and / or updating existing evidence and information with a view to outlining a new plan strategy to meet the district's needs. This includes an assessment of the 283 sites submitted during the Call for Sites exercise, and is mindful of policy changes taking place both nationally in respect of the Government's ambitions for growth, and regionally given the expectation of changes in local government at a regional / sub-regional level.
- 3.11 In order to aid the development a spatial strategy for the District Plan, as well as introduce the key aims of a new Plan, it is the intention to introduce our communities to the Spatial Vision and

have a conversation about its content. This will be the first major piece of engagement in the process, and it is an opportunity to present both a clear Vision and to discuss the process of planmaking, the steps that will be taken and the ways in which people can become involved.

- 3.12 Engagement on the Vision will take place during the late Spring and Summer of 2025. The nature of the engagement will be akin to other statutory planning consultations, utilising the District Plan contacts database and writing to statutory consultees and other organisations, including Town and Parish Councils, to seek their involvement in the process. The Vision will be made available on the Council's website and in key community buildings across the main town centres, and promotional material will be made available to parishes. In addition to this, officers are proposing a series of in-person events during the consultation period to allow individuals and organisations to discuss the Vision and the forthcoming plan-making process.
- 3.13 It will be important to shape the engagement to ensure that comments and conversations can be recorded and respond to the key issues, themes and priorities set out by the Vision. It is expected that the document will be available alongside key questions that seek to determine the levels of support or otherwise for the Vision, so that it can be refined later in the year and support the start of formal plan-making in early 2026.

4.0 Options

4.1 The Council could choose not to engage on the Strategic Vision with our communities and stakeholders

5.0 Risks

5.1 If engagement is not undertaken on the Strategic Vision then the opportunity to take account of the views of our communities and stakeholders from the outset of the District Plan update will be lost.

5.2 Visions are an important means of setting the wider context and detailing the local planning authority's key aims and priorities, and to lay the foundations for a plan in a way that can be clearly understood by communities and other stakeholders before they engage with the full detail.

6.0 Implications/Consultations

6.1 Engagement on the Vision will be undertaken in Spring/ Summer 2025 with key stakeholders and the wider community, including the younger demographic, minority and hard to reach groups. As well as traditional consultation and engagement methods, opportunities for greater use of digital technologies will be explored.

Community Safety

There are no community safety implications arising from this report.

Data Protection

There are no data protection implications arising from this report.

Equalities

There are no direct equality, diversity, or inclusion implications in this report. An Equalities Impact Assessment (EqIA) will be carried out of the updated District Plan in accordance with The Equality Act 2010.

Environmental Sustainability

The purpose of the planning system is to contribute to the achievement of sustainable development, including the provision of homes, commercial development and infrastructure in a sustainable manner.

Financial

The District Plan is being updated from existing budgets, including reserves that have been safeguarded for this purpose.

Health and Safety

There are no health and safety implications arising from this report.

Human Resources

There are no human resources implications arising from this report.

Human Rights

There are no human rights implications arising from this report.

Legal

There are no legal implications arising from this report.

Specific Wards

ΑII

7.0 Background papers, appendices, and other relevant material

7.1 Appendix A – East Herts Strategic Vision

Contact Member

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This document has been prepared by Prior + Partners Ltd and was commissioned by East Herts District Council.

Prior + Partners are an integrated planning, masterplanning and economics practice working to unlock the potential of places and communities around the globe. The practice works creatively and collaboratively to help clients and communities to articulate the story of their place, regularly preparing place visions and narratives, transformational masterplans and clear planning strategies.

Cover image credit: East Herts District Council

Author	Date Issued	Document Status	Version	Reviewed by	Authorised by
Prior + Partners	March 2025	Draft	6.0	Naomi Lam, Associate	Simon Mattinson, Director Page 201

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Introduction

Our Vision

The East Herts Strategic Vision has been developed by East Herts Council as part of a collaborative approach to chart a clear and ambitious course for the District's future. This Vision is the result of in-depth discussions and a participatory process, aiming to address the opportunities and challenges that East Herts is facing, both now and in the future.

By focusing on the District's strengths and unique characteristics, the Vision seeks to embrace East Herts' distinct identity while preparing for societal, environmental, and technological changes that will shape the years ahead.

The Vision provides a framework for guiding the District's strategic direction, ensuring that growth is sustainable, inclusive, and reflective of the community's needs and aspirations.

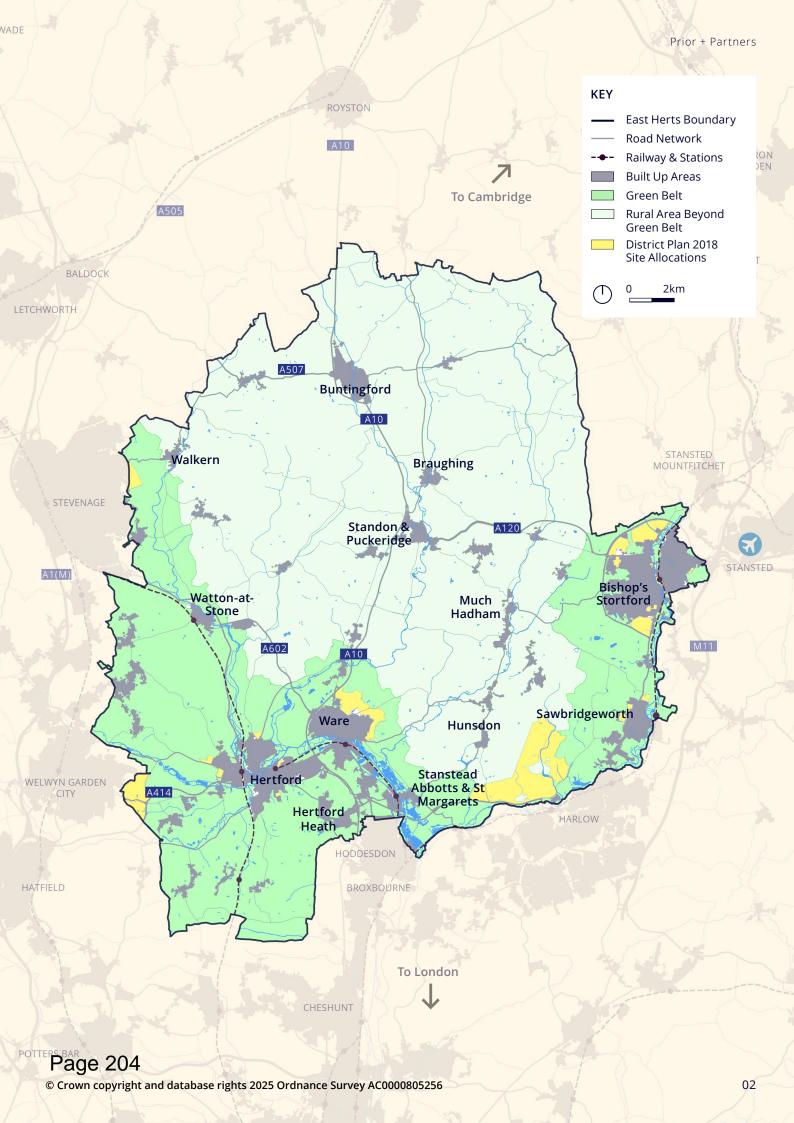
As the Council looks towards the future, the Strategic Vision will serve as the golden thread for the new District Plan, informing policies and decision-making that will shape East Herts in the years to come.

Purpose

Our Vision is intended to challenge current thinking and provide a unified direction for the Council's approach to growth, ensuring that future development is socially, economically, and environmentally sustainable. It aims to strengthen existing communities, facilitate the creation of new, vibrant ones, and position East Herts to capitalise on future trends such as digital and environmental innovation.

The Vision also serves as a tool for engaging residents, stakeholders, and partners, ensuring that the district's future is shaped not by chance, but by a clear, shared understanding of where East Herts is headed. By embedding climate change mitigation, sustainability, and inclusivity at its core, the Vision will help to navigate the District through evolving challenges, laying the foundation for a prosperous and resilient future for all who live and work in East Herts.

Beyond the District Plan, the Vision will remain a central point of reference, supporting discussions about future growth, investment and strategic priorities beyond planning.



How we developed our Vision

A collaborative approach

The Strategic Vision was developed through an active, engaging and participative process aimed at facilitating collaborative working. As part of this process, two stakeholder engagement workshops were held in Ware, Hertfordshire, consisting of:

→ Workshop 1

The here + now: Understanding East Herts today and building towards a Vision.

→ Workshop 2

East Herts: Towards a Vision

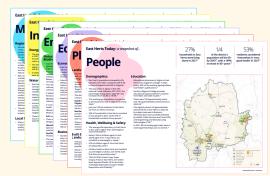
A key focus throughout has been to develop the Vision collaboratively, with councillors and the Council's leadership team, sharing ideas and finding consensus and support towards a future blueprint. Each workshop was attended by approximately 60 stakeholders, with participants including elected members across East Herts Council, East Herts' Council Senior Leadership Team, Key Officers from various departments including Planning Policy, Design and Conservation, Urban Design, Development Management, Sustainability, Housing and Health, and Economic Development.

The workshops consisted of tailored activities supported by graphic material and documents.

Activities in Workshop 2 were directly informed by outputs from Workshop 1, supporting a process where joint exploration, validation and challenge of lived experiences, ideas, trends and aspirations for the future has directly fed into the Strategic Vision, resulting in a shared Vision that has been co-produced and authored by all involved.

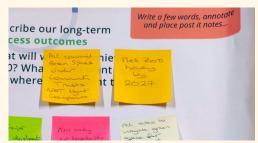


Timeline of engagement



Building an evidence base

To gain an initial understanding of East Herts as it is today, insights gathered from GIS and Census data were synthesised into a series of informative baseline posters, to help inform discussions for Workshop 1.



Workshop 1, June 2024

Building on the evidence base, a series of activities allowed us to validate, challenge and further understand East Herts through our lived experience. We began to think about our aspirations for the future.



Workshop 2, July 2024

Continuing to think about local and global trends, we explored different future scenarios to help us draft Vision statements, reflecting who we are now, and where we want to be in the future.



Futures Thinking

Through a futures flipbook, we looked towards global and national trends and how they might impact East Herts, inspiring us to think creatively about how to plan for a more positive future.



Sharing inputs

Inputs from each workshop were recorded onto an online platform, Miroboard. This allowed for wider viewing and further engagement.



Drafting the Vision

Combining our shared understanding of East Herts and the future we aspire to, our Strategic Vision was developed, forming key engagement material for the upcoming District Plan review.

East Herts today

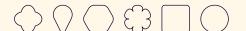
Our District

East Herts is a great place to live and work. Strategically located to major global centres such as London and Cambridge, East Herts offers a balance of rural and urban living, great access to nature and open green and blue space, and a rich tapestry of cultural networks, active town centres and local businesses.

The district's distinct local character, rich heritage and high quality environment contribute to its' strong sense of identity and community pride amongst residents.

But where we have strengths, we are also challenged. We can only ensure a district fit for current and future generations if we take stock and recognise areas that must improve.

Covering the themes of People, Place, Economy, Environment, Infrastructure and Movement, a snapshot of our strengths and challenges are highlighted across the following pages, helping to focus our aspirations for the future and toward a Vision that will inform future decisionmaking for East Herts.





People

Strengths

East Herts is a great place to live and our vibrant communities are a testament to that. People here are healthy and happy, and the district is renowned for its outstanding educational and leisure facilities, making it a desirable place for individuals and families seeking a high quality of life.

The welcoming communities in East Herts are deeply connected, with residents who care for one another, evident in the many community groups and strong volunteering sector, and are dedicated to ensuring the well-being of future generations.

Nature and the outdoors are embraced across the district, with residents benefiting from a wealth of walking, cycling, and outdoor recreational opportunities that promote health and well-being.

Challenges

While East Herts is generally prosperous, there are pockets of deprivation across the district. The demand for new housing, combined with high house prices, exacerbates this issue, highlighting underlying social challenges in some areas. The increasing demand for housing, coupled with rising house prices and cost of living, has made it difficult for many young people and families to find affordable homes, leading to longer stays with parents, or moving out of the area and separating families.

There is also a growing demographic trend toward ageing residents, many of whom require specialised support and accommodation. Addressing these challenges is crucial to sustaining vibrant, multi-generational communities where all residents feel supported and valued.

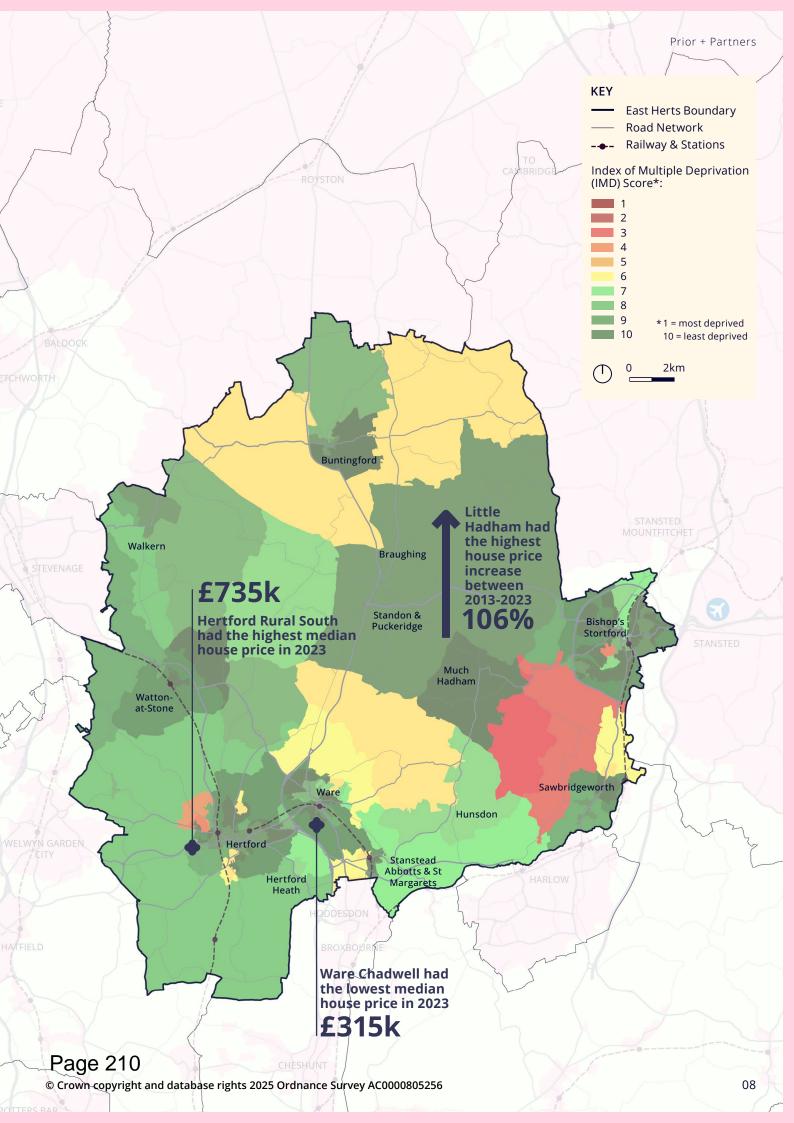
307th

out of 317 ranked lower tier authority on the indices of multiple deprivation (1 being most deprived). 53%

of residents in 2021 considered themselves in 'very good health'. 25%

of the districts population will be 65 years and older by 2043, with a 189% increase in people aged 85 years and above. 14.9%

of households in East Herts are classified as 'financially stretched'.



Place

Strengths

East Herts, with its historic market towns and picturesque villages, possesses a unique charm and character. This fosters a strong sense of place and identity among residents.

Market towns and villages within East Herts have strong local identities shaped by rich heritage, community groups and seasonal events. Our vibrant high streets have remained resilient despite recent economic challenges, and continue to support local independent businesses as places of culture, leisure and entertainment.

Our incredible open spaces, parks, and waterways are valuable assets that provide leisure opportunities for residents and attract visitors from surrounding areas.

Challenges

East Herts faces significant pressures on housing affordability and delivery. The high cost of homes and the limited availability of social housing create barriers for many residents, particularly younger generations and those with fewer means.

These pressures must be balanced against preserving the district's protected areas, and the local character and identity of its settlements. New developments can sometimes lack the distinct elements that give East Herts its unique charm and identity.

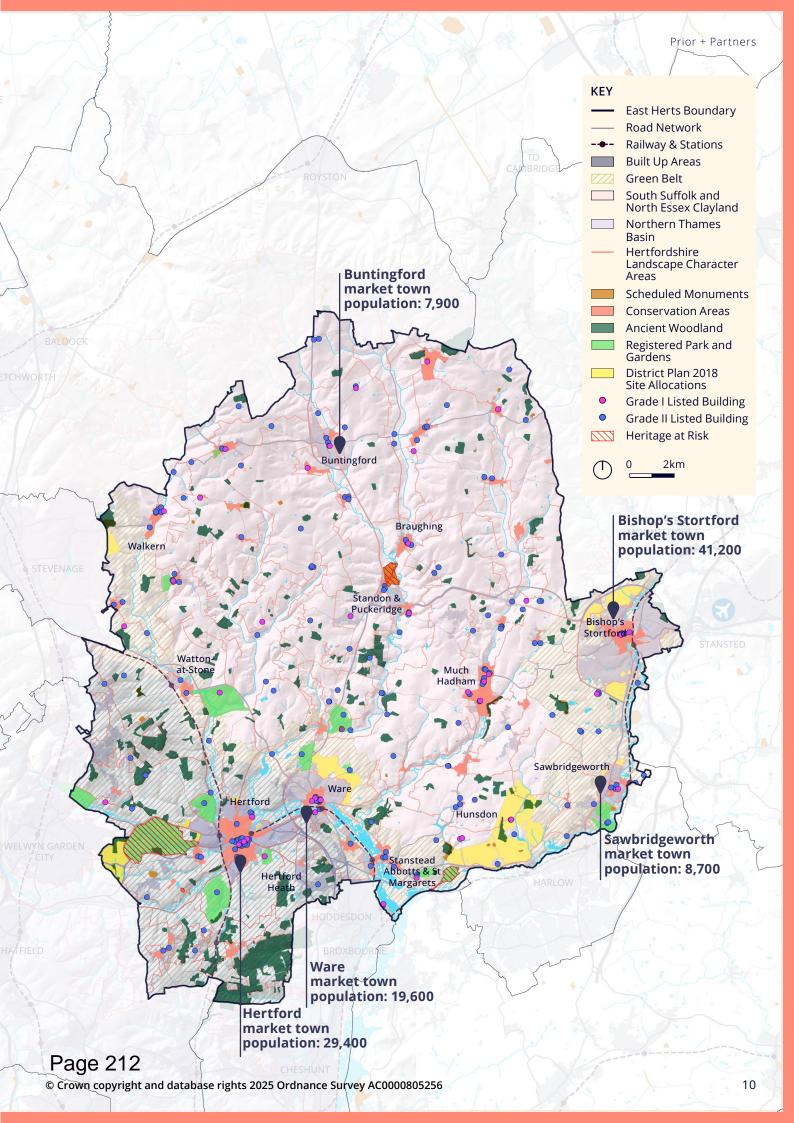
59

local Landscape Character Areas in East Herts, each with distinct characteristics and natural, historical and cultural features. 3000+

Heritage Listed Buildings across the district. 64

Grade II Listed Buildings are identified at risk by the Local Heritage at Risk Register. 9.5

house price to earnings ratio, compared to 8.1 in England and Wales.



Economy

Strengths

At the heart of the UK Innovation Corridor (formerly LSCC), East Herts is central to a broader area of economic growth and innovation that is critical to the UK economy. In particular, GSK, a leading biopharma company, has a global manufacturing facility located in Ware and is a key employer in the area. Many residents also work in nearby innovation hubs such as Stevenage, Cambridge, London, Harlow, and also at Stansted Airport, made possible through the existing inter-district connections that are essential to local economic success.

The local economy is also driven by the district's many market towns and villages, which serve as retail centres, employment areas, and tourism destinations, allowing locally owned micro-businesses to flourish. SMEs form a vital part of the wealth generation within the district's economy.

19%

of enterprises in East Herts are in the 'Professional, Scientific & Technical' industry group. 90%

of enterprises in 2023 were micro-sized (0-9 employees).

Challenges

The district faces economic challenges entwined with local mobility and housing affordability. Weak east to west transport connectivity within the district poses challenges to ensuring all residents can access employment opportunities, and high housing costs are driving out our young workforce and key workers.

There is a need to support local and small businesses in finding suitable premises for growth, and to address the potential impact of home-based businesses on future business rates. In a district where the rural economy is the most significant in terms of land holdings, our agricultural industries and food security is threatened amidst the challenges of climate change.

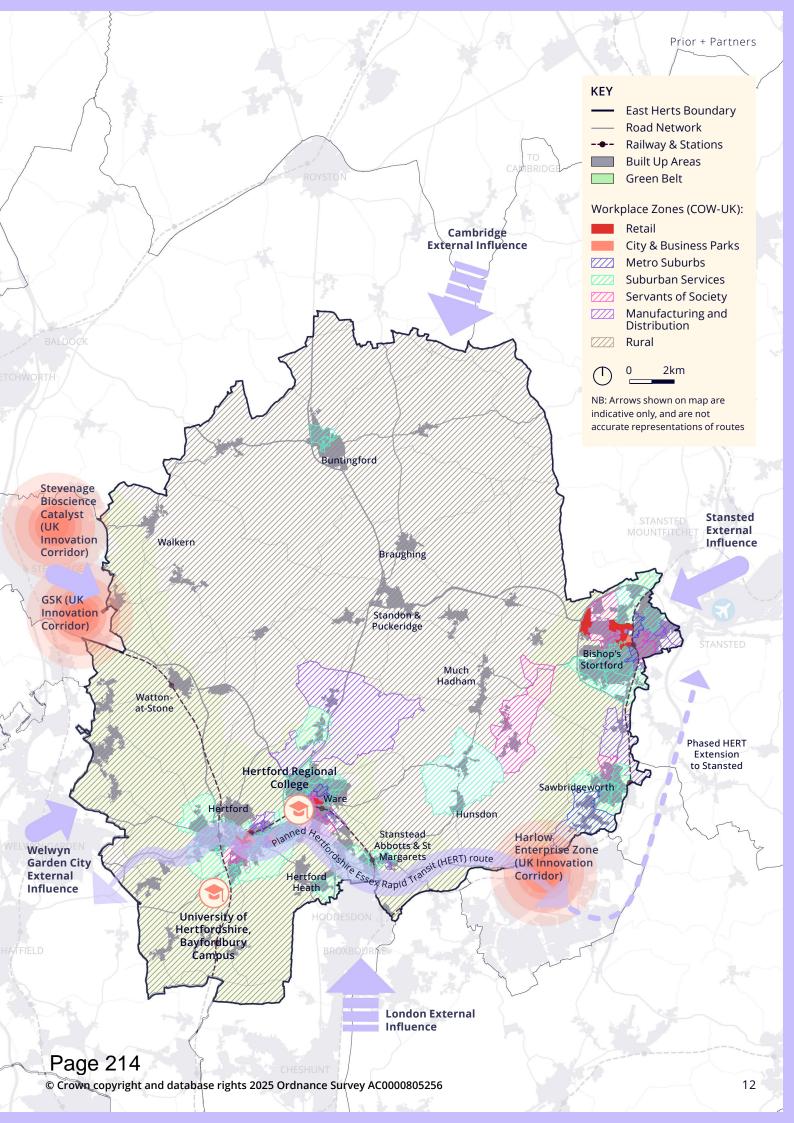
Improving the local job market and supporting sustainable economic growth will be key to creating thriving communities across the district.

2/3

of land in East Herts is made up of rural areas, with more than 400 agricultural holdings.

15%

of all businesses formed in 2016 survived at least five years.



Environment

Strengths

From rare chalk streams to ancient woodlands, East Herts is home to an incredibly rich and diverse natural environment. This variety enhances the quality of life for residents and fosters a strong connection to the natural world. Almost all of East Herts' rivers are chalk streams, making up 7 of around 210 globally.

Residents enjoy easy access to nature through an extensive public right-of-way network and opportunities to use the waterways, supported by numerous green spaces and country parks in and around urban areas.

Local communities have shown their commitment to environmental protection and reducing carbon emissions through habitat protection initiatives, participation in solar schemes, and organised litterpicking efforts.

542

non-statutory Local Wildlife Sites, 16 national Sites of Special Scientific Interest, 15 wildlife trust reserves, and 1 Local Nature Reserve. 7

out of 210 globally rare chalk streams are located in East Herts.

Challenges

Many of East Herts' natural assets and resources are under threat from climate change and human activity. Pollution from development and waste endangers ecologically important sites, including globally rare chalk streams, and climate change is resulting in hotter and drier seasons, contributing to water scarcity and flood risk. This issue is compounded by the over-extraction of natural resources, which could impact on the district's capacity for new development if not addressed.

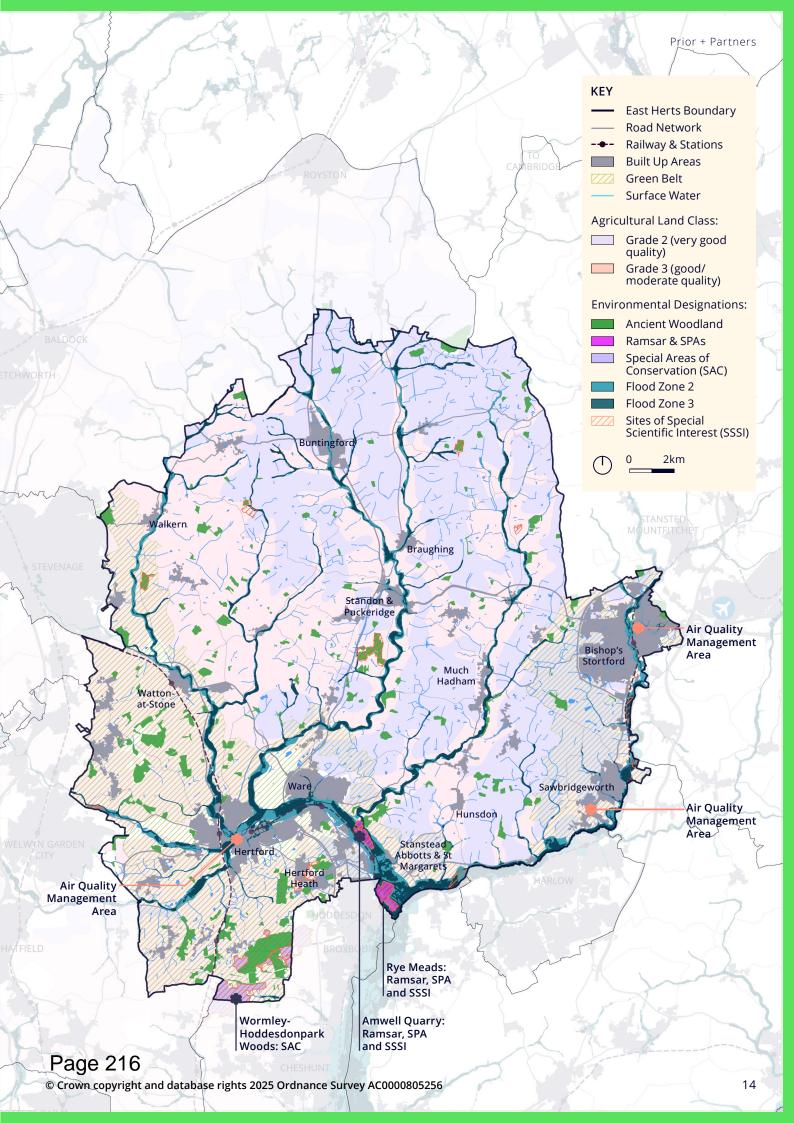
Heavy reliance on private vehicles and non-renewable energy sources means households and businesses across East Herts contribute to greenhouse gas emissions.

To protect the environment and embrace net-zero, innovative solutions are needed to promote sustainable lifestyles.

718kt

total greenhouse Gas emissions in East Herts in 2021, down from 965kt in 2011. 6.5%

Mortality rate attributable to particulate air pollution in residents aged 30 years and above.



Infrastructure

Strengths

In recent years, East Herts has made significant progress in embracing solar energy. Relative prosperity and councilled schemes have enabled communities to group-buy solar panels, resulting in 1,438 solar panels being installed between 2022 and 2023.

More broadly, our local infrastructure supports a high standard of living, including excellent social infrastructure provision. Digital connectivity is also impressive, with 96% coverage of superfast broadband. These strengths contribute to the district's economy and desirability as a place to live, work, or visit.

Challenges

Despite these advancements, the district's infrastructure is under significant strain, with water supply and electrical networks operating near capacity. This could pose challenges to sustainable growth.

In particular, water supply is a pressing issue, as over-abstraction and high water consumption strain existing resources and threaten future provision. Continued mismanagement of wastewater is impacting on the quality of our natural waterways.

Digital inequality also persists, particularly in rural and less affluent communities, limiting access to remote working opportunities and the digital world. Addressing these issues will be crucial to supporting future growth and ensuring equitable access to infrastructure across the district.

61 GWh

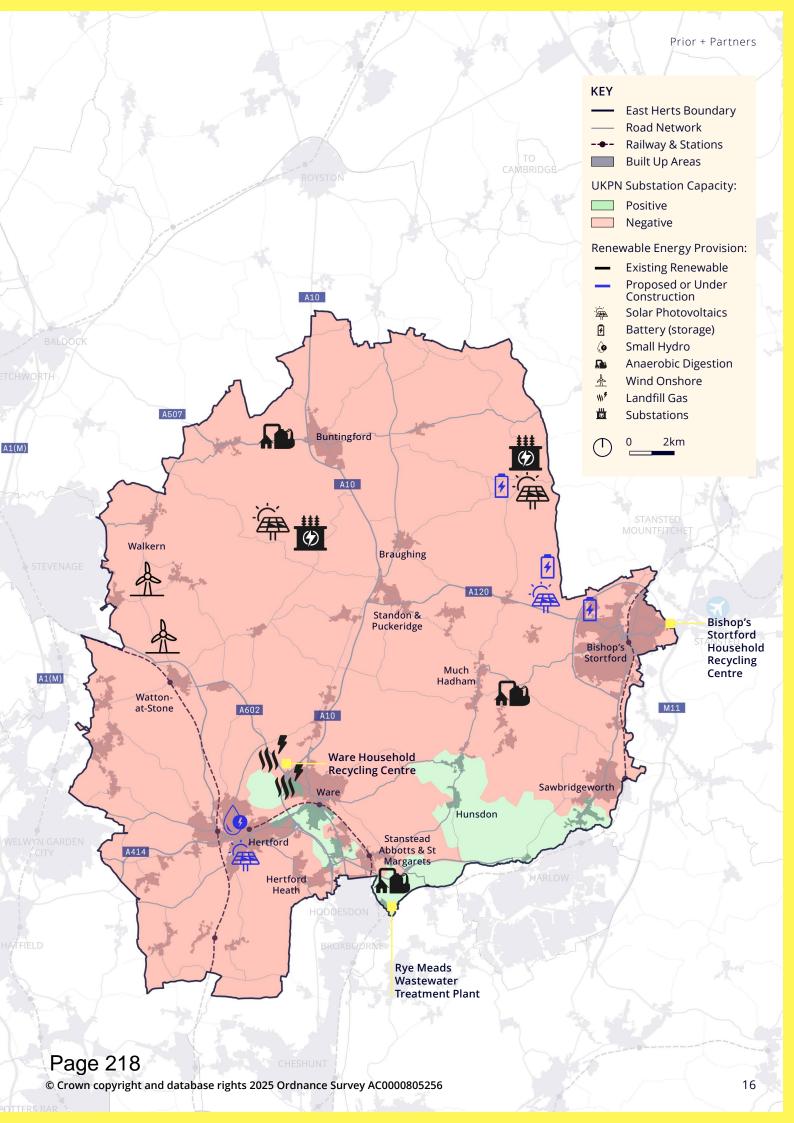
of total renewable electricity was generated in East Herts in 2022. 10%

of households in East Herts were estimated to be in fuel poverty in 2020. 1,779

hours of raw sewage was discharged into rivers across East Herts in 2022. 0.6%

of households use renewable energy for central heating, while 71% rely solely on gas supply.





Movement

Strengths

The district benefits from excellent national and international connectivity through its proximity to two international airports, Stansted and Luton. Key market towns such as Hertford, Ware, and Bishop's Stortford enjoy excellent north-south rail connections to London. Cambridge can be accessed from Bishop's Stortford, while this and other wider environs can be reached through interchanges outside of the district. East Herts is also well-connected to the national road network, bordered by the M11 and A1 on the east and west, and bisected by the A10, which connects central areas to London in the south and Cambridge in the north.

Much of the district is covered by an extensive Public Right of Way network, with many residents utilising it to walk to work. The National Cycle Network Route 61 also connects Hertford and Ware to London.

Challenges

The district faces challenges with public transport connectivity, particularly within rural areas and east-west connectivity, where reliability and access are limited. Some train stations lack safe footpaths and are not easily accessible without a car. Unreliability and slow journey times on some bus and train routes also contribute to a reliance on private vehicles and isolate those who cannot drive, such as younger or older people, or those with disabilities.

While the network of public rights of way and cycle routes is extensive, these are not always well integrated with each other, public transport, or desired destinations, therefore limiting their use for daily travel.

Improving connectivity and promoting active travel options will be essential for creating a car-free and healthy future.

34%

of residents in 2022 used walking as part, or all, of their main method of travel to reach a destination, and 1.6% included cycling.

45%

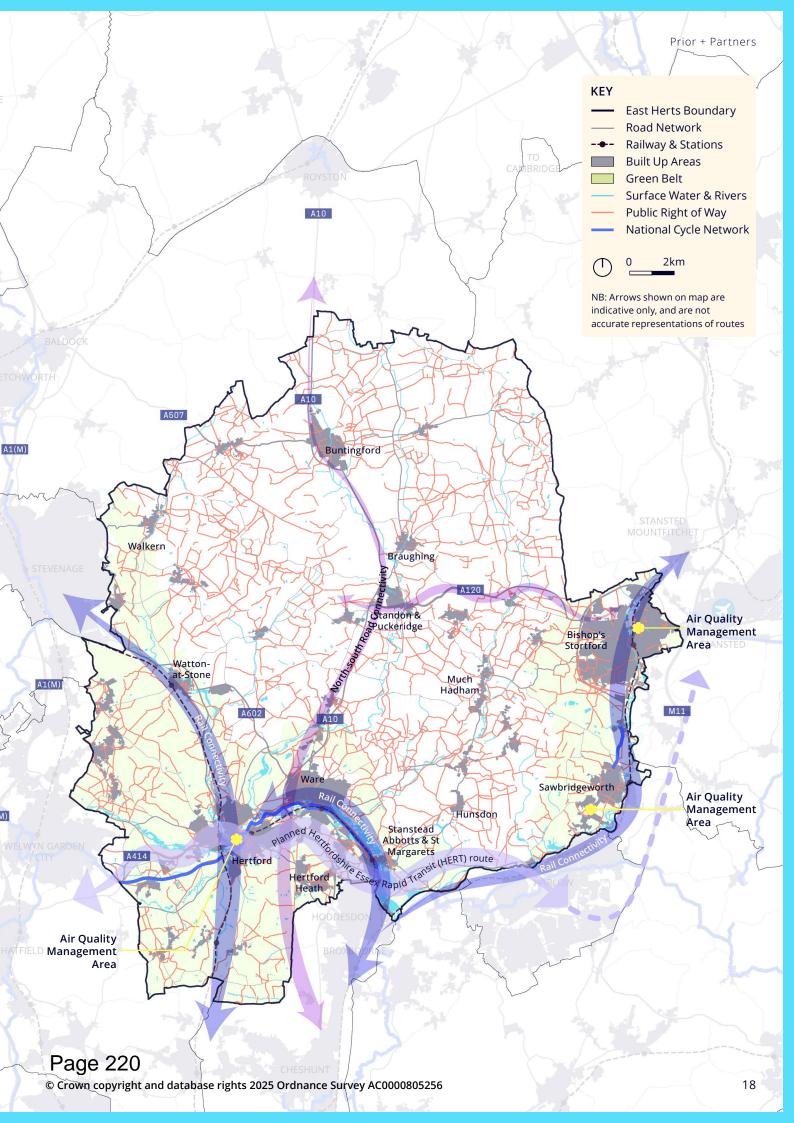
of East Herts households in 2022 owned one car, 39% owned two cars and 13% owned three or more cars. This is higher than the national averages of 41%, 26% and 9%, respectively.

57%

of residents used a car or van as their main method of travel in 2022.

244 kt

of CO2 in East Herts was generated by the transport sector, the greatest contributor in 2021.



Our Vision

The Vision structure

The East Herts Strategic Vision is summarised by an overarching Vision Statement, which reflects our aspirations for the District by 2050. Under the broad themes of People, Place, Environment, Economy, Infrastructure, and Movement, our Vision is explored in greater detail, with each theme containing four key aspirations outlining our objectives.

While a clear Vision and objectives are essential for guiding plan-making, our aspirations must also be grounded and deliverable. To help inspire us, each aspiration is supported by relevant examples of successful local, national, or global projects, and policy examples where local authorities and other bodies across the UK have demonstrated innovative ways on how ambition can be achieved through local planning powers.

These examples serve as inspiration and practical guidance, helping East Herts District Council turn the Vision into reality and achieve its long-term goals.

Our Vision statement



Renowned for our unique and charming historic market towns and villages set within beautiful countryside, rare chalk streams and rich heritage, East Herts will be an exemplar of sustainability, where innovative design solutions respect local character and are harnessed to mitigate and adapt to climate change and enhance biodiversity.

Our communities will continue to thrive, supported by affordable and accessible housing, reliable public transport, and improved public open spaces—promoting active lifestyles and creating inclusive places for all.

By nurturing local businesses, we will create a **resilient**, **prosperous and secure** future for all residents and visitors.

Collectively, we will recognise the responsibility we have to create a district fit for future generations.

Our aspirations in a snapshot



People

- → Encourage diverse communities
- → Provide quality education and jobs
- → Increase access to affordable housing
- → Foster health



Place

- → Enhance our unique local character
- → Pioneer high quality design
- → Effective land use
- → Create inclusive places



Economy

- → Support local businesses to thrive
- → Attract good investment
- → Grow our green economy
- → Promote a fair and resilient economy, including local food production and supply

Image credits: East Herts District Council (all)







Environment

- → Be custodians of the future
- → Increase biodiversity
- → Address the climate emergency
- → Clean air and water management

Infrastructure

- → Grow our renewable energy sources
- → Enable high speed digital infrastructure
- → Lead sustainable waste management
- → Connecting communities through travel

Movement

- → Enable district-wide public transport
- → Prioritise active travel
- → Reduce car reliance
- → Inclusive travel



People

Our aspirations

→ Encourage diverse communities

Establish a fair and balanced society by enabling young people, key workers and other East Herts residents to live locally, and support older people by delivering 21st century multi-generational communities.

→ Provide quality education and jobs

Maintain our high standards of education, nurturing a highly skilled and innovative workforce with equitable access to local work.

→ Increase access to affordable housing

Plan for a range of housing types and tenures to ensure equitable and affordable access to housing – meeting the needs of our residents.

→ Foster health

Be known as the 'happiest district' where we are renowned for prioritising our population's health by enabling everyone to lead sustainable lifestyles, using wellbeing as a key indicator.













Providing accessible and adaptable homes

Watford's Local Plan was adopted in October 2022 and has since been recognised as the 'Best Plan' at the RTPI East of England Awards for Planning Excellence.

A key aspect of the Plan is to ensure that new homes are designed to the highest standards in terms of being environmentally friendly and affordable for residents. In particular, the Local Plan includes a policy which requires developments of 50 homes or more to design 2% of the dwellings with 'Dementia friendly design principles'.

Where can we draw inspiration from...

Nationally...

Homeshare UK is a programme which matches older people who can offer a spare room with younger people looking for affordable living space. The scheme brings communities and generations together to reduce loneliness and social isolation which affects all ages.

Homeshare enables people to share their lives for mutual benefit in a reciprocal arrangement, addressing the pressure on our housing stock to meet people's needs through mutual trust and respect.

The <u>Fairer and Healthier Liverpool</u> Group has sought to integrate health considerations into city planning, housing, and resource allocation, fostering a holistic approach to public health in Liverpool that is helping to improve the health and wellbeing of all citizens.

Community engagement sits at the heart of the strategy, ensuring local voices shape policies. The work informs future public health strategies, building on Liverpool's experience and participation in networks such as the Healthy Cities Network.



Our aspirations

→ Enhance our unique local character

Enhance the charm and character of our historic market towns and villages, strengthening their unique and individual identities.

→ Pioneer high quality design

Pioneer design-led development to enhance the quality of our places and ensure they mature positively for future generations.

→ Effective land use

Maximise the potential of our land by ensuring a density and diversity of uses that activates streetscapes, improves public transport efficiency, minimises water and energy consumption and enhances biodiversity.

→ Create inclusive places

Engage with all our communities to create healthy, safe and well-connected places, so that they are accessible and inclusive places for all.

Centring a place-based approach

The Croydon Local Plan (2021), informed by a Borough Character Appraisal, divides the borough into 16 distinct "Places," each with its own Vision, policy framework, and proposals diagram.

This approach goes beyond the requirements of national planning policy to enable place-specific policies that protect and enhance the unique character of each area.

Where can we draw inspiration from...

Locally...

East Herts has set up Community Forums and Development Management Forums which bring together residents, planners, local councillors and developers to discuss and share information about housing developments planned for the district, to help collaboratively shape the places where they live, work and play.

Such spaces for community voice will play a vital role in shaping the future direction of the district and ensuring all are brought along on the journey.

or nationally?

BedZED is a pioneering eco-community in South London, exemplifying design-led development that prioritizes both highquality design and sustainability. The awardwinning project is centred on creating an environment that not only reduces ecological impact but also enhances the quality of life for its residents. The development's design features, which include energyefficient buildings and the use of renewable materials, reflect a commitment to long-term sustainability. By integrating these elements, a standard is set for high-quality living and future-proofing development, ensuring they remain resilient and beneficial for future generations while fostering a vibrant, liveable community.



Economy

Our aspirations

→ Support local businesses to thrive

Support a thriving local economy, where local businesses can access suitable, affordable workspace and be supported to grow. Protect and promote the viability of our town centres.

→ Attract good investment

Drive an innovative economy which leverages our advantageous location to attract key industries and inward investment.

→ Grow our green economy

Enable a green and resilient economy, by promoting green industry growth and supporting sustainable business practices including the circular economy, retrofitting and low carbon materials.

→ Fair and resilient economy

Strengthen local economic resilience by prioritising a diversified local economy, including local food production, and create a fair, inclusive economy with flexible, high-quality jobs that enhance people's quality of life.

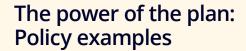












Preston Community Wealth Building

Preston City has become a leading light for community wealth building, creating a resilient and inclusive economy for the benefit of the local area. It has emerged as a powerful approach to local economic development.

Preston City Council and The Centre for Local Economic Strategies have released a joint publication 'How we build community wealth in Preston: Achievements and lessons', which sets out how community wealth has been built in Preston. It outlines key achievements, offers reflections and maps out possible next steps. The publication has had much success, with the 'Preston Model' now used as term used to describe community wealth building.

Where can we draw inspiration from...

Locally..?

The <u>East Herts Launchpad Business Centre</u> at Bishop's Stortford is an innovative space which provides a flexible working environment and meeting space for local entrepreneurs and start-ups.

The centres are run by East Herts District Council, and respond to new economic trends where businesses require more flexible spaces to economise and scale-up where necessary. The centres also offer one month free hot-desking, allowing local entrepreneurship to flourish.

Mudlarks is a Hertford based charity that enables people of all abilities to learn and work together through gardening.

The charity supports adults with learning disabilities through volunteering and employment opportunities on their allotments and cafe, promoting local skills and food production.

Their gardeners also provide services to local council gardens and elderly community members, charting a pathway from horticultural training into employment while delivering wider benefits to the community.



Environment

Our aspirations

→ Be custodians of the future

Protect and enhance our important green landscapes and waterways for future generations to enjoy and benefit from, balancing access to nature with its protection. Implement creative strategies to preserve our water supply and reduce consumption in new and existing communities.

→ Increase biodiversity

Protect habitats to support local ecosystems; promote sustainable, nature-rich environments and increase biodiversity.

→ Address the climate emergency

Embrace solutions to tackle the climate emergency by promoting sustainability through waste reduction, recycling, and lowcarbon lifestyles as responsible custodians.

→ Clean air and water management

Protect and enhance our unique chalk stream habitats and ensure our air remains clean, healthy, and safe. Protect landscape, wildlife and communities from the risk of flooding.









Putting landscape first

The 2019 South Downs Local Plan is underpinned by a landscape led approach to protect, conserve and enhance the natural beauty, wildlife and cultural heritage of the area. All policies within the Local Plan having been formulated by putting landscape first, and require any new development to enhance, respect and reinforce the landscape through a landscape led design approach.

Where can we draw inspiration from...

Locally...

Beane marsh is a much loved wildlife habitat with stunning views along the River Beane, a peaceful ecological oasis at the very heart of Hertford.

Save Beane Marshes is a campaign and fundraising initiative that started in 2019 by the local community to protect the Beane Marsh when it was put up for sale. The successful campaign led to the nature reserve becoming owned and managed by Herts and Middlesex Wildlife Trust to secure its ecological value. The objective remains to conserve and enhance the land for the benefit of ecology, wildlife and the local community.

or nationally?

The University of Sheffield, Yorkshire Water and <u>Siemens</u> have worked in collaboration to install a network of sensors (Internet of Things) along a series of chalk streams in Yorkshire to continuously monitor their water levels, temperature, and water quality.

Using artificial intelligence, sensors indicate where blockages in Combined Sewer Systems present an overspill risk, so that these can be addressed before unnecessary pollution occurs.



Infrastructure

Our aspirations

→ Grow our renewable energy sources

Power our district with clean, affordable and carbon neutral energy by maximising the use of solar, wind, and other types of generation in the right locations.

→ Enable high speed digital infrastructure

Equip communities and businesses with the necessary infrastructure to excel in the digital age by improving access to gigabitcapable and full-fibre broadband.

→ Lead sustainable waste management

Become a national leader in sustainable waste management by boosting recycling rates and reducing the consumption of non-recyclable materials.

→ Connecting communities through travel

Enable communities and businesses to physically connect with one another by ensuring infrastructure is in place so that sustainable and efficient travel choices are available as the most attractive option for journeys.



Delivering renewable energy

Stroud District Council's Draft Local Plan supports renewable energy development by identifying suitable areas for wind and solar energy generation, through an evidence-based Renewable Energy Resources Assessment.

Policies focus on community engagement and technical viability, facilitating onshore wind projects within local planning constraints, complying with national planning policy and guidance, and helping the district to achieve net zero carbon by 2030.

Where can we draw inspiration from...

Locally...

East Herts' <u>Solar Together</u> group buying scheme enables people to come together to invest in solar panels with optional battery storage and EV charging points. Those who have already invested in solar panels can benefit from retrofitted battery storage to help them

get more from the renewable energy they generate.

Between 2022 — 2023 East Herts residents used the scheme to install 1,438 solar panels which represents a collective investment of over £1.7 million in solar power. This will generate 12GWh of energy over 25 years leading to a carbon reduction of 2,791

Pagen 234/er that time.

or globally?

Melbourne City, Australia, has mainstreamed Water Sensitive Urban Design (WSUD) into all new developments and retrofit schemes. WSUD integrates sustainable water management and urban design to enhance environmental resilience and urban liveability. It employs strategies such as rain gardens, green roofs, permeable paving, and urban wetlands to manage stormwater at its source. These elements capture and filter rainwater, reducing runoff and improving water quality through natural processes.

WSUS is required by city ordinance, with local councils and developers collaborating to integrate these features into residential, commercial, and public spaces.



Movement

Our aspirations

→ Enable district-wide public transport

Enable residents to travel sustainably with ease between our market towns, rural villages and beyond by creating an efficient, reliable and affordable public transport system.

→ Prioritise active travel

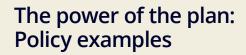
Promote healthy and sustainable lifestyles by prioritising walking, cycling, and wheeling as the go-to methods for daily travel.

→ Reduce car reliance

Foster an environment that minimizes our reliance and preference for private vehicles by encouraging the use of public transport and active travel.

→ Inclusive travel

Ensure everyone has equal access to a range of transport options irrespective of age, gender, disability or income by creating safe and accessible public transport and active travel infrastructure.



Promoting active travel towns

The Hailsham Neighbourhood Plan was adopted in 2021 and presents an alternative model to growth.

Hailsham Town Council identified that all everyday services and facilities were within a five to ten minute walk, cycle or bus journey, which was possible due to the town's relatively compact nature. However, the existing infrastructure and road design made it undesirable or unsafe to travel by any means other than by car, resulted in significant car usage. Therefore, the Neighbourhood Plan seeks to enhance Hailsham as a 'ten-minute town', where people of all ages and abilities can easily access day-to-day services and facilities without the use of private vehicles.

Where can we draw inspiration from...

Locally..?

Hertfordshire County Council and East Herts Council are working together to produce a Local Cycling and Walking Infrastructure Plan (LCWIP). The LCWIP will identify measures to make it easier, safer and more enjoyable to walk, wheel and cycle in East Herts so that more people can choose to make their everyday journeys in an active and sustainable way.

LCWIP's aim to give communities more options for how they travel, so that individuals and families can go to work, school, shopping or carry out other everyday journeys on foot or by bike and feel safe. They also enable more funding opportunities Part 286 ssed to help deliver the schemes.

The Hertfordshire Essex Rapid Transit

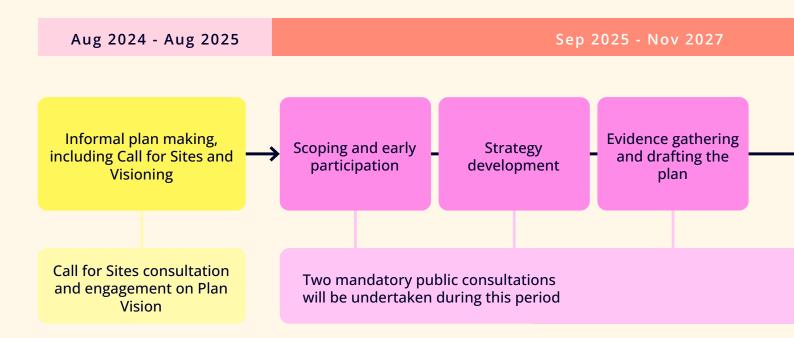
(HERT) is a long-term project to create a new, sustainable passenger transport network. This will be achieved through an accessible, reliable and affordable east-west transit system which connects people easily to where they live, work and visit.

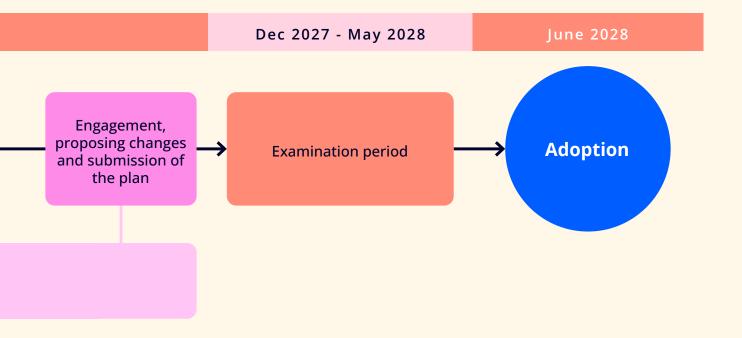
The HERT will support economic growth, improve the environment and positively impact our existing and new communities. It will also connect with north-south rail lines to create new sustainable journey options across the whole of Hertfordshire and beyond.

Next steps

District Plan Review Timeline

Following the development of the Strategic Vision, East Herts Council will embark on their district plan review. The timeline below outlines the steps in the district plan review process.





^{*} Dates subject to change

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