

Ref: Cabinet 21.10.08  
Contact: Ian Gourlay  
Direct Dial No: 01462 474403  
Email: ian.gourlay@north-herts.gov.uk

10 October 2008

To: Members of the Cabinet:

Councillor F.J. Smith (Chairman) (Leader of the Council);  
Councillor Tricia Gibbs (Portfolio Holder for Community Engagement and Rural Affairs);  
Councillor T.W. Hone (Portfolio Holder for Finance);  
Councillor I.J. Knighton (Portfolio Holder for Leisure and E-Government);  
Councillor Bernard Lovewell (Portfolio Holder for Housing and Environmental Health);  
Councillor Mrs L.A. Needham (Portfolio Holder for Waste and Recycling);  
Councillor Mrs C.P.A. Strong (Portfolio Holder for Policy and Green Issues);  
Councillor R.A.C. Thake (Portfolio Holder for Planning and Transport).

Distributed to other Members on request.

You are invited to attend a

**MEETING OF THE CABINET**  
to be held in

**COUNCIL CHAMBER, COUNCIL OFFICES,  
GERNON ROAD, LETCHWORTH GARDEN CITY**  
on

**TUESDAY, 21 OCTOBER 2008, at 7.30p.m.**

Yours sincerely,



David Miley  
Democratic Services Manager

**AGENDA**  
**PART I**

<b>ITEM</b>	<b>PAGE</b>
<b>1. APOLOGIES FOR ABSENCE</b>	-
<b>2. MINUTES</b> To take as read and approve as a true record the Minutes of the meeting of Cabinet held on 9 September 2008.	-
<b>3. NOTIFICATION OF OTHER BUSINESS</b> Members should notify the Chairman of other business that they wish to be discussed by the Cabinet at the end of either Part I or Part II business set out in the agenda. They must state the circumstances that they consider justify the business being considered as a matter of urgency.  The Chairman will decide whether the item(s) raised will be considered.	-
<b>4. CHAIRMANS ANNOUNCEMENTS</b> Members are reminded that any declarations of interest in respect of any business set out in the agenda, should be declared as either a prejudicial or personal interest and are required to notify the Chairman of the nature of any interest declared at the commencement of the relevant item on the agenda. Members declaring a prejudicial interest can speak on the item, but must leave the room before the debate and vote.	-
<b>5. PUBLIC PARTICIPATION</b> To receive petitions, comments and questions from the public. At the time of preparing the agenda, no requests to speak had been received.	-
<b>6. ITEMS REFERRED FROM COMMITTEES</b> At the time of agenda preparation there were no items referred from committees. Any such items will be circulated as soon as practicable.	-
<b>7. CAR PARKING STRATEGY</b> REPORT OF THE HEAD OF PLANNING & BUILDING CONTROL <i>To inform Cabinet of the forthcoming review of the Car Parking Strategy, which follows from the conclusion of the Transport Fundamental Service Review (FSR) presented to PARC on 9 October 2008; and seeks approval for the scope of the review of the Car Parking Strategy, which picks up a number of the strands and recommendations from the Transport FSR.</i>	<b>1 REPORT TO FOLLOW</b>
<b>8. CORPORATE BUSINESS PLANNING 2009/10 – EFFICIENCIES AND INVESTMENTS</b> REPORT OF THE STRATEGIC DIRECTOR OF FINANCIAL & REGULATORY SERVICES <i>To inform Cabinet on progress of the Corporate Business Planning process and present the efficiencies and investment proposals submitted by officers for 2009/10 and onwards; and to seek agreement for the items to be included in the list of efficiencies and investment proposals for consultation from October to December 2008.</i>	<b>3 REPORT TO FOLLOW</b>

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| 9.  | <p><b>REGIONAL AND STRATEGIC PLANNING ISSUES</b><br/> <b>REPORT OF THE HEAD OF PLANNING &amp; BUILDING CONTROL</b><br/> <i>To inform Cabinet of the current positions regarding:</i></p> <ul style="list-style-type: none"> <li>• <i>The East of England Plan and other regional issues;</i></li> <li>• <i>West of the A1(M) at Stevenage – Planning Application;</i></li> <li>• <i>Stevenage &amp; North Herts Action Plan (SNAP);</i></li> <li>• <i>Growth Area Liaison for Luton/Dunstable/Houghton Regis;</i></li> <li>• <i>Luton &amp; Dunstable Northern Bypasses;</i></li> <li>• <i>London Luton and Stansted Airports</i></li> </ul> | 5   |
| 10. | <p><b>ADOPTION OF TWO AMENDMENTS TO THE PRIVATE SECTOR HOUSING RENEWAL POLICY</b><br/> <b>REPORT OF THE HEAD OF HOUSING &amp; ENVIRONMENTAL HEALTH</b><br/> <i>To seek agreement on the adoption of two amendments to the Private Sector Housing Renewal Policy in order to accommodate (a) provisions relating to recoverable charges against future Disabled Facilities Grants, and (b) modifications relating to the funding of Home Repair Assistance Grant in respect of heating improvements.</i></p>  | 11  |
| 11. | <p><b>SERVICE LEVEL AGREEMENTS – REVIEW OF 2006-2009 AND PROPOSALS FOR 2009-2012</b><br/> <b>REPORT OF THE HEAD OF COMMUNITY DEVELOPMENT &amp; CULTURAL SERVICES</b><br/> <i>To consider a strategic approach to the development of the next phase of Service Level Agreements (SLAs) for the period April 2009 – March 2012.</i></p>  | 27  |
| 12. | <p><b>LLOYD WAY, KIMPTON</b><br/> <b>REPORT OF THE HEAD OF FINANCE</b><br/> <i>To seek Cabinet approval to the method of disposal of the Council's remaining undeveloped housing land in Lloyd Way, Kimpton to North Hertfordshire Homes Limited.</i></p>  | <p style="text-align: center;"><b>37</b><br/> <b>REPORT TO FOLLOW</b></p> |

**The following future meetings of the Cabinet have been arranged:**

Tuesday, 16 December 2008;  
 Tuesday, 27 January 2009;  
 Tuesday, 17 February 2009 (Special);  
 Tuesday, 31 March 2009

**TITLE OF REPORT: REFERRAL FROM SCRUTINY COMMITTEE – 14  
OCTOBER 2008 – CAR PARKING STRATEGY**

*The following is an extract from the Draft Minutes of the Scrutiny Committee meeting held on 14 October 2008.*

**42. CAR PARKING STRATEGY**

The Head of Planning and Building Control presented a draft report in respect of a proposed Car Parking Strategy. The final report was to be considered by the meeting of Cabinet to be held on 21 October 2008.

The Head of Planning and Building Control advised that the emerging Transport Fundamental Service Review (FSR) provided an overview of the types of issues which could be considered in the review of the Car Parking Strategy. Linked to the Local Development Framework, there was a need to review car parking standards and the car parking supplementary planning document and this was encompassed within the Council's Local Development Scheme.

In respect of car parking charges, the Committee was informed that the FSR had acknowledged that the three yearly review of fees in line with inflation within car parks was a sensible practice, bearing in mind the increments of increasing car parking charges and rounding to the nearest 10 pence. Further, the review recognised that an increase in car parking charges on the 3 yearly cycle was due to come into effect in April 2009, and that this increase in charges had already been incorporated into the Council's Medium Term Financial Strategy. Less conclusively, however, the FSR team examined evidence from a number of Districts about differential charging and ways in which this could be looked at for North Hertfordshire, and felt that it was not possible to reach a conclusion on any future differential charging as there was not a sufficiently comprehensive view about the actual usage of car parks (as opposed to ticket sales data) and that further research and modelling would be necessary to inform a decision.

The Head of Planning and Building Control stated that survey work had been undertaken on car parking usage within Royston as part of the Royston Town Centre Strategy and equally pre-scheme car parking studies had been undertaken for Baldock. It was proposed that in order to inform a review of the Car Parking Strategy the gaps in information in Letchworth Garden City and Hitchin should be filled with some further parking study work to inform a revised Car Parking Strategy.

With regard to on-street parking, the Head of Planning and Building Control commented that it was proposed to undertake a detailed comparison exercise with other Hertfordshire Districts who operated the decriminalised parking enforcement regime, to look at the effectiveness of service provision, particularly with regard to the cost effectiveness of that service and the arrangements with Hertfordshire County Council. This work would then inform both the Car Parking Strategy and future discussions with Hertfordshire County Council regarding the management of on-street parking.

In addition to the work within the existing town centre areas, the Committee was advised that the Transport FSR had also looked at parking around town centres and railway stations within residential areas. The Council's practice in the past had been to respond to petitions or significant requests from local areas to implement on-street parking controls, either in the form of Controlled Parking Zones (CPZs) or more recently through the implementation of Traffic Regulation Orders (TROs) to limit parking. The Transport FSR concluded that given the pressures for on-street parking around town centres and railway stations, an ad-hoc approach of this nature was not

satisfactory as it inevitably led to displacement of car parking to adjacent areas which were not covered by such controls. The cost of implementing these on-street parking controls was often significant and there were on-going enforcement and management costs which were not recouped from the sale of permits or issue of parking notices. The Transport FSR advocated that an area based approach around town centres/railway stations should be adopted for each of the four towns and that this was commenced for Hitchin to run along side the preparation of the Hitchin Urban Transport Plan. This element of work did not feature within currently allocated resources and would need to be identified growth as part of the Council's Corporate Business Planning process for 2009/10 for it to be taken forward.

The Head of Planning and Building Control stated that a review of the Car Parking Strategy would need to encompass a policy framework for concessions on car parking permits and the approach to the provision of disabled parking bays in residential areas. In respect of concessions, hitherto the Council's approach had not been to allow concessions to residential car parking permits and the permits were currently at a relatively low cost. However, it may be appropriate to consider concessions for low income households should it emerge that significant increases were required in the cost of such permits. In respect of the residential area disabled parking bays, it was noted that the use of discretionary bays had been widely used county-wide and, as an interim measure prior to the adoption of a new parking strategy, it was proposed that this Authority adopted that approach too. The funding for any discretionary bays would need to be identified through the Area Committee discretionary budget process should the Area Committee support the provision of such bays.

During the debate, a Member suggested some amendments to the objectives in paragraph 2.4 of the report, which were supported by the Committee though it was confirmed that these items were as specifically detailed in the Transport FSR Action plan. Further suggested amendments were not supported by the Committee.

**RECOMMENDED TO CABINET:** That the draft report regarding the Car Parking Strategy be supported, subject to the following clarification of the bullet points in paragraph 2.4 of the report:

- Develop a policy for charging for off street car parking in line with our strategic objectives, and next year's emerging themes for Green and Town Centres, recognising that different towns may need different solutions.
- Investigate whether we should continue to provide on street parking services in line with current arrangements.
- Investigate the possibility of parking controls through the use of CPZs/TROs on an area basis as an addition to the current practice of individual controls.
- Review the ratio of parking spaces to houses detailed in the Supplementary Planning Document (SPD) in light of more recent Government Policy. This will include a review of car parking standards and the Car Parking Supplementary Planning Document.

**REASON FOR DECISION:** To comment on the report, prior to its consideration by Cabinet on 21 October 2008.

**[The report to which the above referral relates is Item 7 on this agenda]**

**TITLE OF REPORT : REVIEW OF CAR PARKING STRATEGY**

REPORT OF THE HEAD OF PLANNING & BUILDING CONTROL  
PORTFOLIO HOLDER: COUNCILLOR RICHARD THAKE

**1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to inform Cabinet of the forthcoming review of the Car Parking Strategy, which follows from the conclusion of the Transport FSR and the report that was presented to PARC on the 9th October 2008. This report seeks Cabinet approval for the scope of a review of the Car Parking Strategy, which picks up a number of strands and recommendations from the Transport FSR. This report contains a key decision and is included on the Forward Plan.

**2. BACKGROUND**

- 2.1 The Council adopted its first Car Parking Strategy in 2004 as precursor to the Authority undertaking on-street parking enforcement following a withdrawal of the parking warden service by the Police. The adopted Car Parking Strategy covers the 2004-2009 and it is in this context that, with the outcomes of the Transport FSR now known, it is appropriate to commence a review of the Car Parking Strategy.
- 2.2 In terms of the background, it is important to note that the period since the adoption of the Car Parking Strategy has seen a significant change in issues such as car parking trends and legislative changes that supports a total review of the strategy at this stage. There have been increases in population within the North Hertfordshire towns over these years and with the recently adopted East of England Plan advocating substantial housing growth within the District generally such increases will continue.
- 2.3 The Transport Fundamental Service Review commenced in January 2008 and reported to PARC in October. A copy of the report and action plan are available in the members room or on request. The FSR report provides in its Action Plan an overview of transport related matters that the District may wish to pursue over the next few years.
- 2.4 Clearly one of the most important of these is the approach that the Council takes to car parking and the approach taken to providing car parking at new developments. The key recommendations in the FSR which the Car Parking Strategy will need to address are set out below:-
- Develop a policy for charging for off street car parking, considering our strategic objectives and next year's themes for Green and Town Centres;
  - Investigate whether we should continue to provide on-street parking services in line with the current arrangements;

- Investigate parking controls through the use of CPZs/TROs on a town-wide basis and not individually;
- Review the ratio of parking spaces to houses detailed in the Supplementary Planning Document (SPD) in light of more recent Government Policy.

### **3. ISSUES**

3.1 The Transport FSR provides an overview of the types of issues which may be considered in the review of the parking strategy. However, the duration of the FSR work and the level of detail needed in terms of primary data collection, means that further work needs to be undertaken before being able to prepare a revised Car Parking Strategy.

3.2 Linked to the Local Development Framework there is a need to review car parking standards and the car parking supplementary planning document and this is encompassed within the Council's Local Development Scheme. Resources are already identified within existing budgets to progress this work and, subject to confirmation of the Local Development Scheme by the Government Office, that review work can be commenced within the next two to three months.

3.3 With regard to car parking charges, the FSR acknowledges that the three yearly review of fees in line with inflation within car parks is a sensible practice bearing in mind the increments of increasing car parking charges and rounding to the nearest 10 pence. Further, the review recognises that an increase in car parking charges on the 3 yearly cycle is due to come into effect in April 2009 and that this increase in charges has already been incorporated into the Council's Medium Term Financial Strategy. Less conclusively however, the FSR team examined evidence from a number of Districts about differential charging and ways in which this could be looked at for North Hertfordshire and felt that it was not possible to reach a conclusion on any future differential charging as there was not a sufficiently comprehensive view about the actual usage of car parks (as opposed to ticket sales data) and that further research and modelling would be necessary to inform a decision.

3.4 Equally, this is a time of significant change for our town centres, not only relating to the general economic conditions that prevail, but also in relation to other initiatives which seek boost the economic wellbeing of the towns which align with one of the Council's immediate priorities of Town Centres. Over the next year or so there will be some significant changes within each of the towns which may lead to different patterns of car use and parking use and these relate to:-

- The development of business improvement districts for both Hitchin and Royston.
- The implementation of the environmental enhancement works within Leys Avenue and Eastcheap, Letchworth Garden City.
- The re-development proposals for the Wynd area of Letchworth Garden City.
- Proposals for regeneration and environmental enhancement in Hitchin Town Centre (Churchgate).
- The completion of the Baldock Town Centre Enhancement Scheme.
- Town centre enhancements in Royston from 2009/10.

- 3.5 Survey work has been undertaken on car parking usage within Royston as part of the Royston Town Centre Strategy and equally pre-scheme car parking studies have been undertaken for Baldock. It is proposed that in order to inform a review of the Car Parking Strategy the gaps in information in Letchworth and Hitchin be filled with some further parking study work to inform a revised Car Parking Strategy.
- 3.6 It is understood that the BIDS teams in Royston and Hitchin have undertaken some car parking survey work within the towns and early discussions with the teams' consultant indicated that the information would be available to help inform the Car Parking Strategy. It is therefore proposed that in the period through to early summer 2009 survey work and further analysis is undertaken to provide a comprehensive picture of parking trends throughout the four towns and develop options for pricing structures.
- 3.7 With regard to on-street parking, it is proposed to undertake a detailed comparison exercise with other Hertfordshire Districts who operate the decriminalised parking enforcement regime, to look at the effectiveness of service provision, particularly with regard to the cost effectiveness of that service and the arrangements with Herts County Council. This work will then inform both the Car Parking Strategy and future discussions with Herts County Council regarding the management of on-street parking.
- 3.8 In addition to the work within the existing town centre areas, the Transport Fundamental Service Review has also looked at parking around town centres and railway stations within residential areas. The Council's practice in the past has been to respond to petitions or significant requests from local areas to implement on-street parking controls, either in the form of Controlled Parking Zones (CPZs) or more recently through the implementation of Traffic Regulation Orders (TROs) to limit parking. The Transport FSR concluded that given the pressures for on-street parking around town centres and railway stations, an ad-hoc approach of this nature was not satisfactory as it inevitably leads to displacement of car parking to adjacent areas which are not covered by such controls. The cost of implementing these on-street parking controls is often significant and there are on-going enforcement and management costs which are not recouped from the sale of permits or issue of parking notices. The Transport Fundamental Service Review advocates that an area based approach around town centres/railway stations be adopted for each of the four towns and that this is commenced for Hitchin to run along side the preparation of the Hitchin Urban Transport Plan. This element of work does not feature within currently allocated resources and would need to be identified growth as part of the Council's corporate business planning process for 2009/10 for it to be taken forward.
- 3.9 In addition to these items, a review of the Car Parking Strategy would need to encompass a policy framework for concessions on car parking permits and the approach to the provision of disabled parking bays in residential areas. In respect of concessions, hitherto the Council's approach has not been to allow concessions to residential car parking permits and the permits are currently at a relatively low cost. However, it may be appropriate to consider concessions for low income households should it emerge that significant increases are required in the cost of such permits. In respect of the residential area disabled parking bays, it is noted that the use of discretionary bays has been widely used county wide and as an interim measure prior to the adoption of a new parking strategy, it is proposed that this Authority adopts that approach

too. The funding for any discretionary bays would need to be identified through the Area Committee discretionary budget process should the Area Committee support the provision of such bays.

#### **4. LEGAL IMPLICATIONS**

- 4.1 Cabinet is responsible, under its Terms of Reference, for the development of strategies and policies to meet the Council's overall objectives and additionally has responsibility for service delivery to the public.
- 4.2 The operation of both on and off street car parking needs to have regard to the Road Traffic Regulation Act and the Traffic Management Act 2004 and any on-street parking controls needed to be formulated with regard both to the Traffic Management Act and other legislation.

#### **5. FINANCIAL AND RISK IMPLICATIONS**

- 5.1 There are clearly significant financial and risk implications associated with the management of both on and off street car parking and the production of an up-to-date Car Parking Strategy will seek to manage those risks and provide a clear framework for the Council's initiatives in the forthcoming years. In settings its budget strategy for 2008/9 and beyond an allowance has been made that income for off street parking will increase by £141K next year and in every subsequent year. Car parking charges across the District are to be increased on the same pro rata basis as with previous price increases to achieve the overall income increase.
- 5.2 It has not been possible to conclude an approach to differential charging (should that be supported) though the Transport FSR, the additional information about car parking patterns and usage have been identified and a number of options for differential charging, it is proposed to complete this work through the progression of car parking surveys throughout the four North Hertfordshire towns and further work on modelling charges to inform a revised Car Parking Strategy that will be produced in summer 2009. Work with the BIDS Teams in Hitchin and Royston may identify initiatives that they wish to pursue with regard to off street car parking charges and these would be supported, provided they have no net impact on the Council's income.
- 5.3 The Growth Areas Fund (GAF) bid included proposals to consider car parking in the District's town centres. It is proposed that the necessary survey work be undertaken through the use of GAF funding and that the £56,000 of GAF revenue funding be allocated to this.
- 5.4 In relation to on street car parking consideration needs to be given to how this can be operated on a break even basis.

#### **6. HUMAN RESOURCE AND EQUALITIES IMPLICATIONS**

There are no direct HR or equalities implications arising from this report and any implications from the adoption of a revised Car Parking Strategy will need to be considered at that time.

## **7. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS**

- 7.1 The Planning and Transport Portfolio Holder has been fully informed and involved in the approach set out in this report and there has been significant involvement of other Members through the fundamental Service Review Group and with the wider stakeholders through the challenge and consult elements of the FSR process.

## **8. RECOMMENDATIONS**

- 8.1 That the North Hertfordshire District Car Parking Strategy 2004 to 2009 be reviewed in light of the outcomes of the Transport Fundamental Service Review encompassing the further work identified in this report.
- 8.2 That Cabinet approves the use of growth areas (GAF) funding to carry out the additional car parking usage survey work identified in Section 5.3 of this report to inform the production of a revised Car Parking Strategy.
- 8.3 That in the interim and before a new Car Parking Strategy is approved, Cabinet supports the use of discretionary disabled parking bays subject to funding for the implementation of such bays being identified and supported upon a case by case basis.
- 8.4 That Cabinet notes the outcome of the Transport Fundamental Service Review regarding the implementation of area based residential parking controls and that this be considered as part of the Corporate Business Planning process for 2009/10 and beyond.

## **9. REASONS FOR RECOMMENDATIONS**

- 9.1 In order to produce an up to date Car Parking Strategy for the District and to reflect the outcomes of the Transport Fundamental Service Review.

## **10. APPENDICES**

- 10.1 None.

## **11. BACKGROUND DOCUMENTS**

- 11.1 Transport FSR Report, Action Plans and supporting documents.

## **12. CONTACTS**

- 12.1 David Scholes  
Head of Planning & Building Control  
Telephone 01462 474836  
E-mail [david.scholes@north-herts.gov.uk](mailto:david.scholes@north-herts.gov.uk)
- 12.2 Simon Young  
Transport Policy Officer  
Telephone 01462 474846  
E-mail [simon.young@north-herts.gov.uk](mailto:simon.young@north-herts.gov.uk)

- 12.3 Kerry Shorrocks  
Head of Human Resources  
Telephone 01462 474224  
E-mail [kerry.shorrocks@north-herts.gov.uk](mailto:kerry.shorrocks@north-herts.gov.uk)
- 12.4 Anita Thomas  
Group Accountant  
Telephone 01462 474451  
E-mail [anita.thomas@north-herts.gov.uk](mailto:anita.thomas@north-herts.gov.uk)
- 12.5 Katie White  
Senior Lawyer  
Telephone 01462 474315  
E-mail [kate.white@north-herts.gov.uk](mailto:kate.white@north-herts.gov.uk)
- 12.6 Vaughan Watson  
Head of Leisure and Environmental Services  
Telephone 01462 474641  
E-mail [vaughan.watson@north-herts.gov.uk](mailto:vaughan.watson@north-herts.gov.uk)

**TITLE OF REPORT: CORPORATE BUSINESS PLANNING 2009/10 – EFFICIENCIES AND INVESTMENTS**

REPORT OF THE STRATEGIC DIRECTOR OF FINANCIAL & REGULATORY SERVICES  
PORTFOLIO HOLDERS: COUNCILLOR T.W. HONE & COUNCILLOR MRS C.P.A. STRONG

**1. PURPOSE OF REPORT**

- 1.1 Update Cabinet on the budget pressures and required efficiencies target if the Council is to keep within the financial parameters set out in its Medium Term Financial Strategy for 2009-2014.
- 1.2 Inform Cabinet on progress of the Corporate Business Planning process.
- 1.3 Present to Cabinet the list of efficiencies and investment proposals submitted by officers for 2009/10 and onwards and seek agreement for the items to be included in the list of efficiencies and investment proposals for consultation at the member budget workshops on the 4<sup>th</sup> and 6<sup>th</sup> November and with Scrutiny, Area Committees, Local Strategic Partnership and Business Ratepayers from November to December.

**2. FORWARD PLAN**

- 2.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 1<sup>st</sup> July 2008.

**3. BACKGROUND**

- 3.1 The Council's Medium Term Financial Strategy (MTFS) was presented to Cabinet on the 24<sup>th</sup> June 2008 and the accompanying report outlined the following:
  - the financial background to the Corporate Business Planning (CBP) process for the period 2009 to 2014.
  - the known funding pressures which the Council will face in that period and the Council's medium term financial forecast.
  - the strategy for dealing with any funding gap.
- 3.2 In identifying the likely Council Tax requirement, the report focussed on the pressures on expenditure and assumed a neutral position with regard to income. The strategy was based on the following assumptions:
  - Year on year spend is adjusted to take account of cyclical variations in expenditure
  - Investment income falls in accordance with the cash flow/investment projections to take account of the reducing balance of capital receipts and assumptions regarding interest rates.
  - Assumed average base rate of 4.875% for 2009/10 and then 4.75% for subsequent years.

- Any approved one-off increase in expenditure or carry-forward budgets for 2009/10 have been removed from the base figures in subsequent years.
- Government support will increase in real cash terms year on year by 1%.
- Contract inflation in accordance with individual contractual terms.
- Pay inflation at 2.5%
- Pay increments due in 2009/10
- Superannuation contribution of 22.6% for the next 10 years following the revaluation of the pension fund and the impact of the Capital contribution of £1.9m agreed in 2007/08 (previously contributions were estimated to peak at 34% in 2010/11 before falling back to 26.4%)
- General inflation of 4.2% on expenditure and 4.2% on fees and charges income
- Use of the general fund special reserve (previously the proceeds of the Housing Revenue Account) will happen on a phased basis to prevent erratic movements in Council Tax increase.
- The Council tax base figure will rise by 1% per annum.
- The minimum General Fund balance should be 5% of net expenditure plus an allowance for identified risks.
- Allowance for Statutory and political priority decisions of £250k per annum
- Any growth in Area Committee budgets to reflect additional responsibilities will be offset by reductions in Directorate budgets.
- Vacancy control target set at 3% of salary budget to yield in the region of £440k towards the efficiency target.

3.3 The MTFs is an integral part of the CBP process, providing the financial analysis to complement the objectives in the Corporate Plan.

3.4 The MTFs recommended a continuation of a phased use of balances over this and the next three years to bring the amount held in balances and reserves back to the 5% of net General Fund expenditure plus an allowance of £400k for known risks.

3.5 The CBP process set a cashable savings target for 2009/10 at £0.951million in order to meet the Gershon efficiency target and enable the expenditure requirement to be managed. An allowance of £0.250million was made for investment for statutory and Government led and political priority decisions.

3.6 The CBP Process starts from the draft Corporate Plan and seeks to ensure that the identified policies and priorities of the Council drive the budget allocations. To assist in the analysis of how our budget links with the six Strategic Objectives and the three immediate priorities, Heads of Service were asked to complete four items in advance of individual Challenge Sessions scheduled throughout September. These were as follows:

- Review the current service and answer the question: "How do I meet the three immediate priorities (Town Centres, Green Issues and Sustainable Development) now and how could I meet them in the future?"
- Review the Service profile value for money proforma and ensure that it contains relevant and correct information
- Be prepared to indicate which elements of service could be de-prioritised and hence where efficiencies could be made
- Produce a preliminary list of potential efficiencies and investments

3.7 Part of the CBP process involves the Challenge Board, comprising the Chief Executive, the two Strategic Directors and the Accountancy Manager scrutinising the Council's

budgets for potential areas of efficiency. The process included the Heads of Service group who peer challenged the efficiencies and investment proposals and fed back comments to Challenge Board.

- 3.8 The list of potential efficiencies and investments were subjected to challenge at individual sessions by Challenge Board. As a result of discussion and fact finding at this forum some of the preliminary proposals were dropped, further budget efficiencies extracted and further information was sought on other areas that could be explored.
- 3.9 As a result of Challenge Board scrutiny a number of proposals were accepted as efficiencies that do not have any direct impact on service provision; they are 'good housekeeping' measures reflecting the changing priorities. These are labelled as 'Challenge Board Scrutiny' and are not itemised in this document, total £301K.

#### **4. ISSUES**

##### **Medium Term Financial Forecast**

- 4.1 Since the meeting in June, the base budget figures have been reviewed in the light of known changes and Appendix 1 presents the position at September 2008. The 2008/09 and onwards base figures includes the items agreed as on-going growth when setting the current year's budget and known changes following the closure of 2007/08 accounts and the 1st quarter budget monitoring review. Any further changes to the anticipated 2008/09 outturn position will be reported at the December Cabinet meeting when the draft budget recommendations will be made.
- 4.2 As well as the base figures, the parameters contained with the financial management strategy have been reviewed and the revised position is also summarised in Appendix 1, the following changes have been made to the forecast:
- Contract inflation at an average of 5.61%
  - General inflation of 4.8% (RPI for August)
- 4.3 The financial management strategy includes an efficiency target of £951K for 2009/10. As a result of a surplus of efficiencies achieved in previous years and a reduction in employer's superannuation contributions, the balance of efficiencies required in 2009/10 is £464k. The total efficiencies identified in Appendix 3 & 4 are £722K. Although the identified efficiencies are above the target Members should be aware of the following issues:
- The 2010/11 efficiencies target of £954K could be reduced if additional efficiencies were identified in 2009/10 and likewise would need to be increased if the target in 2009/10 was not achieved.
  - The figures produced are based on the best available information and may be subject to further change before the final budget is set in February 2009. There are, for instance, a number of items which are still subject to negotiation such as Concessionary Bus Fares (see paragraph 4.4).
  - There may be further changes to the 2008/09 General Fund budget in the 2<sup>nd</sup> quarter monitoring report to the December Cabinet.

##### **Transport**

- 4.4 The budget strategy includes an inflation based increase in car parking income of £141k as a result of an increase in parking fees for 2009/10. Members will recall that the 1<sup>st</sup> quarter budget monitoring reported a downturn in income from car-parking. This may in part be linked to "learned behaviour" where fine income is reducing as motorists

seek to avoid enforcement activity, compounded by the national economic situation which has seen a marked decline in turnover for town centre retailers too. The increase in the ability to travel further, to other towns, on the concessionary bus pass scheme, has been recognised by retailers to have had an additional impact, not only on those who would have previously shopped locally, but also who would have used their car to do so. The Transport FSR refers to the fact that on-street parking which is supposed to run at break-even is in fact costing the Council money and is being subsidised by the off street car parks, see table 1 below.

**Table 1; Net Income / Expenditure of On street / off street parking services**

<b>Actual 2007/08</b>	<b>Off street Parking £</b>	<b>On Street Parking £</b>	<b>Residents Parking £</b>
Gross Expenditure	921,986	422,138	121,003
Gross Income	(1,568,279)	(191,223)	(51,966)
Net (Income)/Expenditure	(646,293)	230,915	69,037

- 4.5 The recommendations from the Transport FSR may have further implications on car parking proposals; the plan was presented to PARC on 8<sup>th</sup> October, and it has been agreed further analysis of the potential implications of the proposals will be made and reported in due course. The draft action plan, however, does not make any proposals at this stage that would impact on the £141k income increase proposed and makes recommendations that further work is undertaken during 2009/10 with a view to inclusion of any financial impact in the 2010/11 corporate business planning process.
- 4.6 There is no budgeted increase in expenditure with regards to concessionary bus fares. A claim from bus operators for a higher settlement could be expected, for increased take up and fuel price inflation (21%) and is likely to be higher than the 2.8% increase in the Government Grant received. Negotiations with the bus operators are scheduled for November 2008.

**The current economic situation**

- 4.7 With the current volatility in the market, prediction of future inflation and investment interest rates over the next 15 months will be difficult. Current inflation at 4.8% could impact significantly upon pay and price over 2009/10, note the FMS is based on pay inflation of 2.5% and contract inflation is 5.61%. The recent interest rate reduction of 0.5% will have no impact upon the Council's investment interest as long as market uncertainty persists but future interest rate reductions will eventually impact significantly upon the investment interest we receive but their timing will be difficult to predict.

**Income**

- 4.8 The FMS aligns all increases for fees and charges to the annual inflation rate, currently 4.8%. Increases above or below the RPI requires budget approval. The income increases put forward for consideration relate to new charges. The Council offers concessions against the full price of a number of the services for which a charge is raised and the policy on concessions will be reviewed, not only in terms of financial implications, but also for compliance with the latest age/gender/cultural requirements, before fees and charges are set for 2009/10. It is anticipated that any revision of concessions would be cost neutral.

### Council tax

- 4.9 Members are aware that the Financial Management Strategy (FMS) maintains the policy of containing council tax increases to no higher than two percentage points above inflation and to stay within the government's council tax capping limit. RPI currently stands at 4.8%(August) and capping still at 5%. Appendix 1 is based on a 4.5% increase year on year from 2009/10 to 2013/14. The same calculation using an annual increase of 4.9% would result in an additional Council precept over the 5 year period of £643k.

### Investment and Efficiency Proposals

- 4.10 The Revenue Budget 2009/10 efficiency proposals for discussion total £160k and there are also additional income increases identified of £261k and Challenge Board scrutiny identified a further £301k of efficiencies giving total efficiencies of £722k. Against this, investment proposals totalling £457k have been identified. Table 2 gives a summary of the proposals by year. All proposals are detailed in Appendices 2 to 5.

**Table 2 Summary of Investment & Efficiency Proposals 2009/10**

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Revenue Investment Proposals	457	512	467	360	360
Investment Allowance in Budget Strategy	250	250	250	250	250
<b>Investment Proposals above Allowance in Strategy</b>	<b>+207</b>	<b>+262</b>	<b>+217</b>	<b>+110</b>	<b>+110</b>
<b>Efficiency Proposals:</b>					
Challenge Board	-301	-271	-271	-271	-271
Expenditure Efficiencies	-160	-160	-160	-160	-160
Income Increases	-261	-261	-261	-261	-261
<b>Total Efficiency &amp; Income Proposals</b>	<b>-722</b>	<b>-692</b>	<b>-692</b>	<b>-692</b>	<b>-692</b>
Gershon Efficiencies Required	-951	-954			
Less;					
- surplus on prior year's target	229	258			
- reduction in employer superannuation contributions	258				
<b>Revised Gershon Efficiency Target</b>	<b>-464</b>	<b>-696</b>			
<b>Efficiencies above target in Strategy</b>	<b>-258</b>	<b>+4</b>			
<b>Capital Proposals</b>					
Funded by Capital Receipts	180	250			
Funded by IT Reserve	450	190			
<b>Total Capital Investment Proposals</b>	<b>630</b>	<b>440</b>			

- 4.11 Challenge Board considered a number of proposals for additional staffing and reductions in staffing with a resultant net increase in cost. These are not presented to Members at this stage as officers aim to maintain any restructure arrangements within

existing budgets. Over the last five years (2004/2009) staff levels have reduced by 83 full time equivalents, (18%).

#### **Investment proposals**

- 4.12 Directorates have been asked to put forward investment items which meet one or more of the following criteria;
- Assist the Council in meeting the three immediate priorities of; Town Centres, Green Issues and Sustainable Development
  - Are an absolute statutory requirement
  - Are invest to save items
- 4.13 Members will recall that an allowance of £250K for investment is included in the MTFS. Revenue investment proposals totalling £457K are included at Appendix 2 and Capital investment proposals of £830K are included in Appendix 5.
- 4.14 An investment for an improvement in brand image and public relations is included as proposal RI /11. Members may wish to consider the option to invest in signage of public facilities and on major transport routes when entering the district to improve NHDC's visibility as a major provider of services and infrastructure. This also reflects a recommendation arising from the IDeA Corporate Peer Review action plan in early 2008
- 4.15 Proposals RI / 6 & 7 relate to investment for the maintenance of street furniture. Members specifically asked that officers investigate this area. In addition proposal RI / 10 details the investment required for support of the town centre BIDs which has already received agreement in principle from Cabinet on 9<sup>th</sup> September.

#### **Efficiencies and Income Proposals**

- 4.16 Appendix 3 lists the efficiency proposals totalling £461K and Appendix 4 lists the income increase options totalling £261K giving total efficiency proposals of £722K.
- 4.17 A total of £92,330 was identified as efficiency proposals with respect to Member's expenditure but Challenge Board did not consider these appropriate for further consideration. These included items on Members allowances and Chairman's reception. In addition the option to establish whole Council elections was discussed and a potential efficiency of £92k was identified. This would be a longer term efficiency and if implemented would not achieve an efficiency until 2012/13. Early consideration of this option is, however, necessary should we wish to pursue this.
- 4.18 A proposal to reduce the Member Development budget from £19k to £14k has been accepted by Challenge Board on the basis that this budget has been consistently underspent in recent years and a £5k reduction would bring it more in line with actual spend.

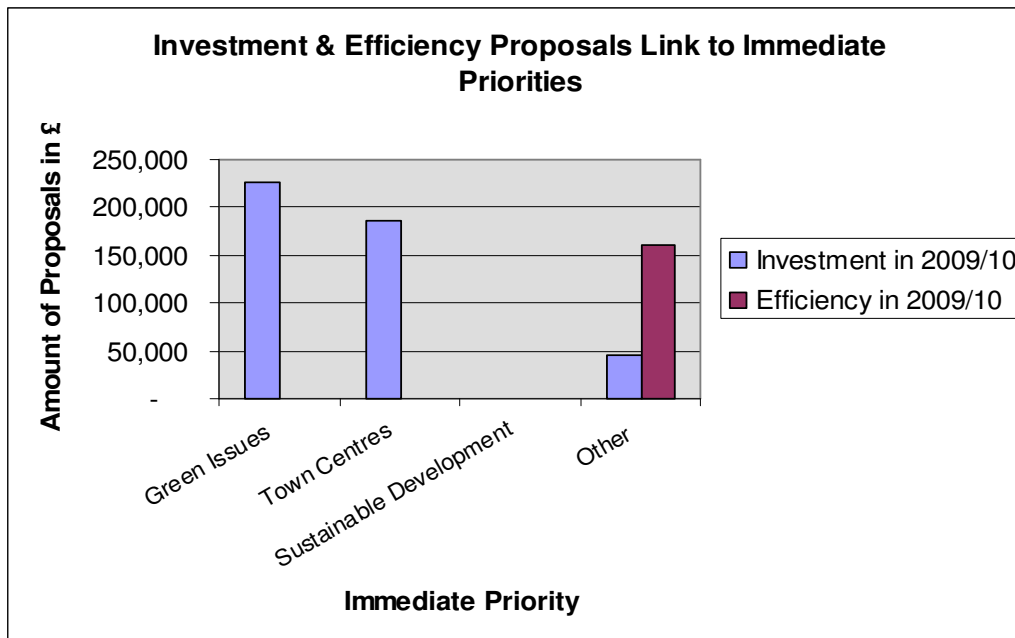
#### **Summary of Investment and Efficiency Proposals**

- 4.19 Revenue Investment proposals will add £226K to the immediate priority of Green Issues and £185K to the immediate priority of Town Centres. Table 3 and Chart 1 illustrate the spread of investment and efficiency proposals over the priorities with 'other' encompassing investment or efficiencies that do not fall within these categories.

**Table 3: Linking of Proposals to the Council's Immediate Priorities**

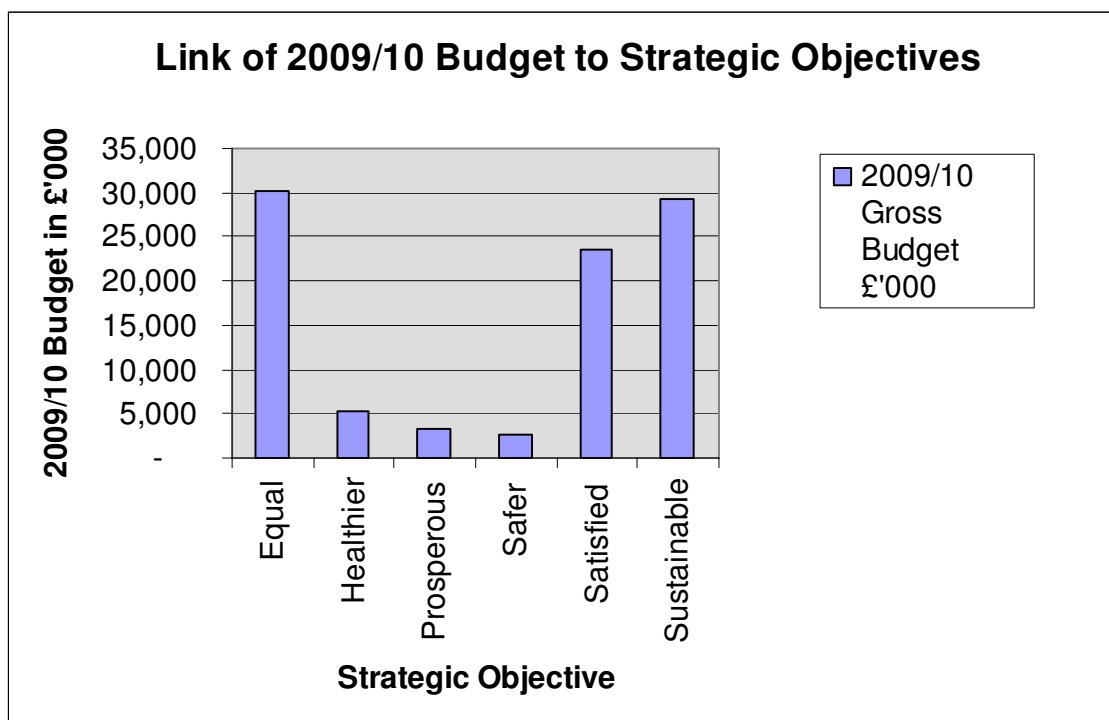
Immediate Priority	Investment in 2009/10 £	Efficiency in 2009/10 £
Green Issues	225,500	0
Town Centres	185,460	0
Sustainable Development	0	0
Other	46,330	160,070
<b>Grand Total</b>	<b>457,290</b>	<b>160,070</b>

**Chart 1; Linking of Proposals to the Council's Immediate Priorities**



4.20 Although there are no investment proposals in 2009/10 for the third priority (Sustainable Development), Members are reminded of the investment already within the base budget on this priority. Chart 2 demonstrates the spread of the gross 2009/10 base budget over the Council's six strategic objectives. The column relating to 'Equal' appears high, but includes the Council's payment of benefits.

**Chart 2; Linking of 2009/10 Gross Base Budget to the Council's Strategic Objectives**



4.21 The efficiency and income proposals do not relate to the Council's immediate priorities. This is because officers are constantly looking for efficiencies across the Council's budgets and the options put forward aim to reduce service cost without impacting on service outputs, i.e. demonstrating value for money.

#### **Scoring System for Efficiencies and Investment Proposals**

4.22 In preparing these proposals, officers have sought to ensure the immediate priorities are driving the budget process. Both efficiencies and investment proposals are scored as the CBP Process provides a cyclical framework by which the Council determines its priorities; it aligns both resources and finances to achieve these, in line with our short, medium and long term commitments determined in the Corporate Plan. To assist in the prioritisation process the scoring system has been developed further for 2009/10, an improvement arising from our recent Efficiency FSR..

4.23 The Council's Revenue & Capital Strategies require that revenue investment and efficiency options, and capital projects submitted by services are classified against ten key factors, as outlined in table 4 below. The scoring has been applied to all considerations of both revenue and capital investment in order to determine the risk and effect of growth, reduction or complete removal of a service.

**Table 4 – Capital & Revenue Investment Key Factors**

	Capital	Revenue	Points Score
1	Strategic objectives	Strategic objectives	4
2	Immediate Priorities*	Immediate Priorities*	5
3	Statutory pressures	Statutory pressures	4
4	Health & Safety	Health & Safety	5
5	Contractually inescapable	Contractually inescapable	5
6	Adverse impact on service	Risk Management	4
7	Consultation/Opinion Poll survey	Consultation/Opinion Poll survey	2
8	Condition survey	Condition survey	1
9	Best Value FSR & Service review	Best Value FSR & Service review	3
10	Invest to save	Invest to save	3

\* Immediate priorities include the 3 priorities of green issues, sustainable development and town centres identified in the North Hertfordshire District Council Corporate Plan.

- 4.24 Efficiencies are scored in a similar manner, taking account of the negative impact of removal from the Corporate Programme, adverse effect on service and evidence of public opinion in the form of an existing survey. This will assist in the establishment of ranking in terms of overall impact as decisions are taken. Scoring for savings is applied against six key factors, as outlined in the table below 5 below:

**Table 5 – Revenue Efficiencies Key Factors**

Revenue Savings	Points Score
Strategic objectives	4
Risk Management	4
Consultation/Opinion Poll survey	2
Condition survey	1
Best Value FSR & Service review	3
Invest to save/VfM	3

- 4.25 Following the scoring of all efficiencies and investment proposals based on the points in the above tables, the total score for each proposal has been ranked in order, highest score meeting more of the key factors.
- 4.26 Only those proposals which commence in 2009/10 are included in the appendices to this report. Officers have identified longer term efficiencies and investment proposals and are currently working on these proposals to ascertain how viable they are and when they could be implemented. Members will be updated as part of the Corporate Business Planning process.

## **5. LEGAL IMPLICATIONS**

- 5.1 There are no specific legal implications arising from this report. Members are reminded of the duty to set a balanced budget.

## **6. FINANCIAL AND RISK IMPLICATIONS**

- 6.1 The financial implications arising from this report are outlined in the main body of the report.
- 6.2 Given the pressures identified in this report, in order to balance the budget and achieve a Council Tax figure in accordance with the agreed strategy, it will be necessary to find an acceptable balance between reducing expenditure, increasing income from fees and charges, using balances and increasing the Council tax. The final decision on the District Council Tax level for 2009/2010 will be made at Council on 26th February 2009.
- 6.3 Risks relating to the achievement of efficiency targets and investment approvals are managed by a combination of implementation plans, regular monitoring reports and maintenance of adequate revenue reserves. An update on 2008/09 efficiency proposals will be given at the December Cabinet as part of the 2nd quarter monitoring report.

## **7. HUMAN RESOURCE AND EQUALITY IMPLICATIONS**

- 7.1 Human resource and equality implications that may arise from proposed efficiencies and investment proposals are outlined in the 'anticipated impact' column of the proposal forms.

## **8. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS**

- 8.1 As part of the Corporate Business Planning process, consultation on the efficiency and investment proposals will be carried out from November to December. As in previous years, Member workshops will be held and these are scheduled for the 4<sup>th</sup> and 6<sup>th</sup> November. This is in addition to seeking the views of Area Committees, Scrutiny, the LSP and business ratepayers.

## **9. RECOMMENDATIONS**

- 9.1 That Cabinet recommends any changes to the lists of efficiencies and investment proposals and seeks the views of all Members at the Member workshops and the views of Scrutiny, Area Committees, Local Strategic Partnership and Business Ratepayers from November to December.

## **10. REASONS FOR RECOMMENDATIONS**

- 10.1 To ensure that all relevant committees and groups are consulted on the proposed efficiency and investment proposals and afforded the opportunity to comment before Cabinet sets the draft budget in December 2008.
- 10.2 To ensure that the Council is able to adjust its base expenditure downwards to narrow the gap between our 2009/10 District Requirement figure, as adjusted for anticipated capping limits, and our service spending requirements.

## **11. APPENDICES**

Appendix 1 - Medium Term 5 Year Forecast  
Appendix 2 – Investment – Revenue Proposals  
Appendix 3 – Efficiencies – Service Proposals  
Appendix 4 – Efficiencies – income increase proposals  
Appendix 5 – Investment – Capital proposals

## **12. CONTACT OFFICERS**

Report Writer – Tim Neill, Accountancy Manager, Tel 474470, email [tim.neill@north-herts.gov.uk](mailto:tim.neill@north-herts.gov.uk)

Contributors - Norma Atlay, Strategic Director Finance and Regulatory Services, Tel 474297, email [norma.atlay@north-herts.gov.uk](mailto:norma.atlay@north-herts.gov.uk)

Barrie Jones, Head of Financial Services, Tel 474243, email [barrie.jones@north-herts.gov.uk](mailto:barrie.jones@north-herts.gov.uk)

Kim Sawyer, Corporate Legal Manager, Tel 474460, email [kim.sawyer@north-herts.gov.uk](mailto:kim.sawyer@north-herts.gov.uk)

Kerry Shorrocks, Head of Human Resources, Tel 474224, email [kerry.shorrocks@north-herts.gov.uk](mailto:kerry.shorrocks@north-herts.gov.uk)

## **13. BACKGROUND PAPERS**

14.1 Budget working papers 2008/09

14.2 1<sup>st</sup> Quarter Monitoring Report 2008/09

14.3 Medium Term Financial Strategy

	NOTE	Actual	1st Qtr Projected	Updated from Estimate Book				
		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Total Net Spend		16,620,625	18,772,080	17,923,810	18,771,039	18,826,691	18,890,333	18,741,975
Add:								
Base Budget adjustments from 0809 1st qtr monitoring	8			311,000			-311,000	
Year on year superannuation increase	1			-0.50%	0.00%	0.00%	0.00%	0.00%
Superannuation charge per year				22.60%	22.60%	22.60%	22.60%	22.60%
Salary Estimates Superannuation increase				-258,000	0	0	0	0
Pay Inflation				554,642	554,642	554,642	554,642	554,642
Other Inflation	2			688,307	400,000	400,000	400,000	400,000
				984,949	954,642	954,642	954,642	954,642
Income Increases on discretionary income	3			-100,000	-100,000	-100,000	-100,000	-100,000
<b>Efficiencies:</b>								
2009/10 Onwards Gershon Efficiencies Required	4			-951,000	-697,990	-1,015,000	-1,015,000	-1,015,000
Gershon Efficiencies already achieved	9			487,000				
Additional Efficiencies required to maintain the GF Balance					-361,000	-70,000		
Revised Gershon Efficiencies to be achieved				-464,000	-1,058,990	-1,085,000	-1,015,000	-1,015,000
2009/10 Efficiencies proposed above those required				-256,010				
Car Parking Income Increases				-141,000			-141,000	
<b>Investment Proposals:</b>								
2009/10 Onwards Investment Proposals	5			457,290	250,000	250,000	250,000	250,000
2009/10 Onwards Contributions to Capital	6			0	0	0	400,000	500,000
<b>Total Expenditure</b>		<b>16,620,625</b>	<b>18,772,080</b>	<b>18,716,039</b>	<b>18,816,691</b>	<b>18,846,333</b>	<b>19,238,975</b>	<b>19,331,617</b>
Government Support		-7,559,423	-7,741,901	-7,886,191	-8,069,703	-8,150,400	-8,231,904	-8,314,223
Use of Balances (-) / Contribution to Balances (+)		-438,947	-1,919,459	-1,213,905	-597,957	16,001	298,959	915,917
Transfer to/from Collection Fund		17,867	0	0	0	0	0	0
District Precept		8,640,122	9,110,720	9,615,943	10,149,031	10,711,934	11,306,030	11,933,311
Average Band D Council Tax		178.38	186.41	194.79	203.56	212.72	222.30	232.31
Council Tax increase		<b>4.90%</b>	<b>4.50%</b>	<b>4.50%</b>	<b>4.50%</b>	<b>4.50%</b>	<b>4.50%</b>	<b>4.50%</b>
Tax base		48,433	48,876	49,365	49,858	50,357	50,860	51,369
<b>Revised Balances at 31 March each year:</b>								
GF Balance -cr	7	2,550,158	1,358,700	1,355,802	1,380,835	1,402,317	1,441,949	1,466,581
GF Special Reserve -cr		2,569,164	1,841,164	630,157	7,167	1,685	261,012	1,152,297
Total Balances		5,119,322	3,199,864	1,985,959	1,388,002	1,404,002	1,702,961	2,618,877
				- = income/reduction in net expenditure				
Estimate of budget risk	7			420,000	440,000	460,000	480,000	500,000
<b>1% on Council Tax equals</b>				<b>92,018</b>	<b>97,121</b>	<b>102,505</b>	<b>108,191</b>	<b>114,191</b>

**Notes**

- 1 Superannuation percentages are based on the 2007 valuation with a 10 year impact from the special repayment of £1.9 million
- 2 Inflation based on RPI 4.8% (further updates required)
- 3 Increases in discretionary income based on August 2008 RPI of 4.8% (further updates required)
- 4 Gershon target for three years (2009/10 to 2011/12), set at 3% of combined revenue & capital expenditure.
- 5 The objective of Gershon efficiencies is in part to transfer investment to the Council's key objectives, hence the investment target of £250K per annum could increase if the efficiencies can be achieved.
- 6 Contribution towards depleted capital reserves following disposal of Council assets.
- 7 General Fund Balance & Budget Risk - Risk element calculated on key budget risks and is additional to the required working balance, e.g. 2009/10 (£914K + £420K)
- 8 Base adjustment mainly a projected down turn in land charges income £200K and car park fees £100k.
- 9 Consists of surplus achieved in 2008/09 of £229k and superannuation decrease of £258K

## INVESTMENT PROPOSALS

Ref No	Description of Proposal	Link to Immediate Priorities - Town Centres / Green Issues / Sustainable Development	Actual 2007/8 £	Budget 2008/9 £	Proposed Budget 2009/10 £	Investment in 2009/10 £	Investment in 2010/11 £	Investment in 2011/12 £	Ongoing (Y/N) or No of further years available	Statutory Function (Y/N)	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation etc)
RI/1	Closure of the North Herts land fill at Holwell and redirection to an alternative site at Ware.	<b>Sustainable Communities - green Score 14 Rank 1</b>	3,698,266	3,839,780	4,059,780	220,000	330,000	330,000	Y	Y	Maintaining the current level of service provision. Final cost is an approximation and subject to contract negotiations with Veolia.
RI/2	Works identified in the Allotment Strategy	<b>Healthy Communities - green Score 10 Rank 8</b>	13,133	8,050	13,550	5,500	0	0	N	Y	Completion of the following work programme, in accordance with adopted Allotment Strategy; a) A £500 sign at Prior Way, Letchworth, b) A £500 gate at Norton, Letchworth, c) £2,000 of fencing at Pirton Road, Hitchin, d) £2,500 of fencing & a gate at Burford Way, Hitchin
RI/3	Car Park resurfacing and re-lining	<b>Sustainable Communities - town centres Score 13 Rank =2</b>	77,240	25,160	75,160	50,000	50,000	15,000	Y	N	The Council's car parks are currently in a poor state and will require a programme of resurfacing. The improved quality of the car parks should lead to a reduction in the number of challenges to Penalty Charge Notices (PCNs) and an increase in the volume of cars which can be accommodated within the car parks. This may increase income generation by the parking service and provide better quality parking facilities.
RI/4	Customer Profiling - Purchase of an Experian mosaic license	<b>Satisfied Communities - other Score 4 Rank =10</b>	0	0	6,830	6,830	6,830	6,830	Y	N	In order to best serve an individual customer we need to know which services they use and how they prefer to contact us. An Experian licence will enable us to use the esd-toolkit which can take details of our transactions from any source and identify the profile type of the customer for any transaction. Reports and charts show us the customer profile of our services by channel and also allow us to compare service profile with that of other local authorities. The toolkit allows us to record unit costs for providing services across different channels. Analysis tools give us the capability of identifying savings which could be made if you were able to 'shift' customers to alternative channels.

## INVESTMENT PROPOSALS

Ref No	Description of Proposal	Link to Immediate Priorities - Town Centres / Green Issues / Sustainable Development	Actual 2007/8 £	Budget 2008/9 £	Proposed Budget 2009/10 £	Investment in 2009/10 £	Investment in 2010/11 £	Investment in 2011/12 £	Ongoing (Y/N) or No of further years available	Statutory Function (Y/N)	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation etc)
RI/5	Second hand folding and collating equipment for the Document Centre to allow more work to be retained in house. <i>(see IE/1)</i>	<b>Satisfied Communities - other Score 7 Rank 9</b>	0	0	9,500	9,500	0	0	N	N	A payback period of 18 months on the purchase of updated equipment is expected and 99% of current work outsourced for folding and collating can be brought back in house.
RI/6	Enhanced Town Centre Maintenance - Hitchin and Royston	<b>Sustainable Communities - town centres Score 13 Rank =2</b>	8,790	8,000	53,000	45,000	30,000	15,000	N	N	Additional funding for the maintenance of Hitchin and Royston town centres. Such funding would be complementary to the BIDS initiatives and would be on-going maintenance of street scene furniture. A catch up is needed following a period of low investment in maintenance and hence the higher investment in 2009/10 of £45,000. Letchworth Town centre is subject of a refurbishment scheme by LGCHF where they are entering into agreements with HCC over on going maintenance. Letchworth is, therefore, excluded from this initiative at this stage.
RI/7	Planned Maintenance Baldock town centre street scene.	<b>Sustainable Communities - town centres Score 12 Rank =5</b>	0	0	5,000	5,000	10,000	15,000	N	N	Enable a planned maintenance programme of the newly refurbished town centre in Baldock. Through the formulation of the specification there are detailed asset schedules and funding would seek to maintain the scheme in good condition.
RI/8	Implementation of Area Based TROs	<b>Sustainable Communities - town centres Score 12 Rank =5</b>	4,000	0	65,000	65,000	65,000	65,000	N	N	Currently there is no budget for the implementation of CPZ schemes or TROs to control parking. Arguably this is an HCC function and is therefore a provision of subsidy to the County. If the Council wishes to undertake this service then it needs to be funded and the emerging conclusions of the transport FSR indicate that a town area based approach will reduce the displacement affect of TROs/CPZs. CPZs are very expensive to implement and do not meet their full costs. TROs would provide a more cost effective solution although the full cost of implementation is difficult to accurately assess.

## INVESTMENT PROPOSALS

Ref No	Description of Proposal	Link to Immediate Priorities - Town Centres / Green Issues / Sustainable Development	Actual 2007/8 £	Budget 2008/9 £	Proposed Budget 2009/10 £	Investment in 2009/10 £	Investment in 2010/11 £	Investment in 2011/12 £	Ongoing (Y/N) or No of further years available	Statutory Function (Y/N)	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation etc)
RI/9	Planned maintenance - lines & signs on street parking.	<b>Sustainable Communities - town centres Score 13 rank =2</b>	25,374	0	12,000	12,000	12,000	12,000	N	N	There is currently no budget for the planned maintenance of lines & signs. Work has been undertaken to ensure that in the most heavily used areas they are checked and maintained however in the longer term there needs to be a clear maintenance plan.
RI/10	Revenue costs to support the Hitchin & Royston BIDs including the Council's projected BID Levy charge	<b>Prosperous Communities - town centres Score 11 Rank 7</b>	0	0	8,460	8,460	8,460	8,460	Y	Y	Annual costs of administering BIDS and the Council's own BID Levy. It supports the Council's immediate priority to promote & improve our Town Centres.
RI/11	Signage - brand reinforcement	<b>Satisfied Communities - other Score 4 rank =10</b>	0	0	30,000	30,000	0	0	N	N	One of the recommendations of the recent Peer review was a need to:- Review the brand of the council and the impact it has in the community to ensure a visible connection between the successful programmes the council delivers and how the community recognises these, creating a greater sense of place and purpose. An increase in branding used is expected to have a significant impact upon the public's understanding of where their money goes and hence their perception of the value for money NHDC delivers. This is also referred to in the Communication Strategy
<b>TOTAL REVENUE INVESTMENT OPTIONS IDENTIFIED</b>			<b>3,826,803</b>	<b>3,880,990</b>	<b>4,338,280</b>	<b>457,290</b>	<b>512,290</b>	<b>467,290</b>			

## EFFICIENCY PROPOSALS

Ref No	Description of Proposal	Link to Immediate Priorities - Town Centres / Green Issues / Sustainable Development	Actual 2007/8 £	Budget 2008/9 £	Proposed Budget 2009/10 £	Efficiencies in 2009/10 £	Efficiencies in 2010/11 £	Efficiencies in 2011/12 £	Ongoing (Y/N) or No of further years available	Statutory Function (Y/N)	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation etc)
<b>CHALLENGE BOARD SCRUTINY</b>						<b>300,940</b>	<b>270,610</b>	<b>270,610</b>			
RE/1	Part of the Disposal Authority's efficiency as a consequence of sending less waste to landfill.	<b>Satisfied Communities - other Score -10 Rank = 1</b>	nil	nil	180,000	70,000	70,000	70,000	Y	N	Impact is minimal. The saving is ongoing providing NHDC continues to meet its targets for a reduction in landfill..
RE/2	Negotiate a new stationery supply contract.	<b>Satisfied Communities - other Score -10 Rank = 1</b>	53,721	55,260	40,260	15,000	15,000	15,000	Y	N	No adverse impact on service provision.
RE/3	Area Committee Development budgets - reduction of expenditure on highways	<b>Satisfied Communities - other Score +2 Rank 12</b>	183,584	154,960	134,960	20,000	20,000	20,000	Y	N	Highways are a County Council responsibility and it is NHDC policy not to subsidize work of other Authorities. Consequently, there no longer needs to be an allocation within the Area Committee budgets for this expenditure. The efficiency savings identified reflect the indicative allocations given by Area Committees in 2008/9 for Highways work which should be provided by HCC.
RE/4	Cease Use of 5 blackberries amongst IT maintenance officers	<b>Satisfied Communities - other Score -5 Rank = 8</b>	£2,946 including mobile phones	£3,000 (including mobile phones)	1,670	1,330	1,330	1,330	Y	N	Rationalisation of mobile technology. Blackberries cost approximately £80 per quarter. Citrix access at home for adhoc or full time home workers negates the need for Blackberry technology. No capability of reading emails, viewing calendars or arranging meetings when out of the office.
RE/5	Take out 3 year warranty agreements on Dell equipment instead of the current 5 year agreements	<b>Satisfied Communities - other Score -7 Rank =4</b>				20,790	20,790	20,790	Y	N	No adverse impact on service provision.
RE/6	Cease use of the Sunrise Helpdesk Pro software.	<b>Satisfied Communities - other Score -7 Rank =4</b>	3,677	3,670	0	3,670	3,670	3,670	Y	N	The helpdesk function has been transferred to the Customer Service Centre utilising the LAGAN package. Impact is minimal.
RE/7	Cease planning advertisements in local papers.	<b>Satisfied Communities - other Score -5 Rank = 8</b>	42,562	27,830	0	27,830	27,830	27,830	Y	Y	Proposed changes to the Planning Regulations indicate that placing advertisements in local papers will no longer be required from April 2009. There is little 'value' to the local community now from such adverts as most interested parties use the web or other communication channels to ascertain such information. On the basis that this change takes place the total budget is offered as a saving.

## EFFICIENCY PROPOSALS

Ref No	Description of Proposal	Link to Immediate Priorities - Town Centres / Green Issues / Sustainable Development	Actual 2007/8 £	Budget 2008/9 £	Proposed Budget 2009/10 £	Efficiencies in 2009/10 £	Efficiencies in 2010/11 £	Efficiencies in 2011/12 £	Ongoing (Y/N) or No of further years available	Statutory Function (Y/N)	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation etc)
RE/8	Reducing print, collation and postage costs on resourcing for RAG and LSP partnership meetings by using email to despatch Agenda and meeting papers etc	<b>Satisfied Communities - other Score -5 Rank = 8</b>	2,650	5,300	3,850	1,450	1,450	1,450	Y	Y (RAG)	The intention is to switch to entirely electronic despatch of meeting papers, in order to reduce not only print and paper costs, but also the collation time spent by officers in the PPP team throughout the year. Those who could be adversely affected were we to change to this system would include those from the voluntary or community sector, since they are less likely to have sufficient IT/printer capacity. It has been suggested that statutory partners receive their papers electronically, with others receiving a traditional hard copy through the post, but the costs of doing this latter for approximately one third of the RAG and more than half the LSP would remain considerable.
<b>EFFICIENCY OPTIONS</b>			<b>286,194</b>	<b>247,020</b>	<b>360,740</b>	<b>160,070</b>	<b>160,070</b>	<b>160,070</b>			
<b>TOTAL EFFICIENCY OPTIONS &amp; SCRUTINY</b>			<b>286,194</b>	<b>247,020</b>	<b>360,740</b>	<b>461,010</b>	<b>430,680</b>	<b>430,680</b>			

## INCOME INCREASE PROPOSALS

Ref No	Description of Income Proposal	Link to Immediate Priorities - Town Centres / Green Issues / Sustainable Development	Actual 2007/8	Budget 2008/9	Proposed Budget 2009/10	Efficiencies in 2009/10	Efficiencies in 2010/11	Efficiencies in 2011/12	Ongoing (Y/N) or No of further years available	Statutory Function (Y/N)	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation etc)
			£	£	£	£	£	£			

## REVENUE INCOME INCREASES

IE/1	Linked to Investment in second hand folding and collating equipment for the document centre. 99% of this work currently out sourced can be retained if second hand machinery is purchased. Pay back period 18 months,. Equipment life expected to be minimum of 5 years. (see RI/5)	Satisfied Communities - other Score -7 Rank =4	0	0	6,000	6,000	6,000	6,000	Y	N	NHDC Document Centre would be able to keep more work in house . Allowing it to generate extra income to contribute to overhead recovery and better control over work loads. The purchase of quality, second hand technology in itself contributes further to our 'green' agenda.
IE/2	Introduction of charges for non statutory diversions under the Planning Acts.	Satisfied Communities - other Score -5 Rank = 8	0	0	2,000	2,000	2,000	2,000	Y	N	Levy a charge to recoup costs where requests are made for non statutory diversions of rights of way.
IE/3	Provide external training to other Local Authorities on the consultation software, SNAP, and charge a consultancy fee	Satisfied Communities - other Score -7 Rank =4	0	0	3,000	3,000	3,000	3,000	Y	N	A SNAP (consultation) training course was provided to staff at Hertsmere Borough in June 2008. There is potential to offer this service to other Authorities. The aspiration that authorities provide such joint working opportunities is part of new statutory guidance coming into place in 2009, and forms part of our CAA assessment from April 2009. The evidence that we can achieve additional income can be used to demonstrate VFM.
IE/4	New paper recycling contract	Satisfied Communities - other Score -10 Rank = 1	256,758	270,360	520,360	250,000	250,000	250,000	Y	Y	The current contract for selling the paper that NHDC recycles is coming to an end. The new contract is part of a Hertfordshire wide consortium, supported by the Hertfordshire Waste Partnership, and as a result income will significantly increase. This also contributes further to our 'green' agenda, and provides increased evidence of joint partnership working plus the financial benefits of doing so, required from April 2009.
<b>TOTAL INCOME OPTIONS</b>			<b>256,758</b>	<b>270,360</b>	<b>531,360</b>	<b>261,000</b>	<b>261,000</b>	<b>261,000</b>			

CORPORATE PLANNING 2009/10  
CAPITAL INVESTMENT PROPOSALS

APPENDIX 5

Ref No	Description of Proposal	Link to Immediate Priorities - Town Centres / Green Issues / Sustainable Development	Actual 2007/8	Budget 2008/9	Proposed Budget 2009/10	Investment in 2009/10	Investment in 2010/11	Investment in 2011/12	Statutory Function (Y/N)	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation etc)
			£	£	£	£	£	£		

Immediate Priorities										
CI/1	Replace pay and display car parking machines	<b>Sustainable Communities - town centres Score 13 Rank 1</b>	0	0	50,000	50,000	250,000	0	N	This is a proposal that forms part of the outcome from the Transport FSR and implementation plan. The anticipated impact of replacing machines will be to increase security and hence reduce money stolen from machines, reduce the cost of maintenance of old machines and improve the collection of good data and information for future policy decisions.
CI/2	Contribution towards Community use Artificial Turf Pitch, Meridian School, Royston	<b>Healthy Communities - other Score 7 Rank 8</b>	0	0	50,000	50,000	0	0	N	Councils adopted a Sports Pitch Strategy which identified a need for provision in Baldock and £50,000 was contributed towards the Baldock scheme. Royston have secured £150,000 external funding and require a £50,000 contribution from NHDC.
CI/3	Refurbishment of Cadwell Lane Sports Pavilion and Pitch enhancements.	<b>Healthy Communities - other Score 8 Rank = 5</b>	0	0	40,000	40,000	0	0	N	Councils adopted Sports Pitch Strategy has identified need for refurbishment of pavilion and works to pitches to improve safety of playing surface.
CI/4	Refurbishment of Play Area, Jackmans Playing Fields, Letchworth (next to the Pavillion)	<b>Healthy Communities - other Score 8 Rank = 5</b>	0	0	40,000	40,000	0	0	N	The Council's adopted Play Area Strategy has identified the need for refurbishment of the play area at Jackmans Playing Fields. All play area refurbishments are being completed in line with the strategy.
CI/5	Server Strategy (IT reserve funding)	<b>Satisfied Communities - other Score 9 Rank = 3</b>	0	0	150,000	150,000	90,000	0	N	The Council currently has 40 servers which will need replacing , a programme of replacement 25 in 2009/10 and 15 in 2010/11 has been proposed, this will allow improvements in capacity, speed and resilience and disaster recovery. A number of the servers will be more than 5 years old in 2009/10 and will be at the end of their life cycle. There is currently no business case approved for the software and this could be funded from the IT reserve.

CORPORATE PLANNING 2009/10  
**CAPITAL INVESTMENT PROPOSALS**

APPENDIX 5

Ref No	Description of Proposal	Link to Immediate Priorities - Town Centres / Green Issues / Sustainable Development	Actual 2007/8	Budget 2008/9	Proposed Budget 2009/10	Investment in 2009/10	Investment in 2010/11	Investment in 2011/12	Statutory Function (Y/N)	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation etc)
			£	£	£	£	£	£		
CI/6	Purchase of Disk Storage Array hardware (IT reserve funding)	<b>Satisfied Communities - other Score 9 Rank = 3</b>	0	50,000	50,000	50,000	100,000	0	N	This hardware is required to consolidate the core technology SQL/Oracle to support the infrastructure programmes. The current hardware, purchased in 2004 is now unable to cope with the volume of data and the formatting is incompatible with new systems. There is currently no business case approved and this could be funded from the IT reserve.
CI/7	Upgrade of Microsoft Licences. (IT reserve funding)	<b>Satisfied Communities - other Score 8 Rank = 5</b>	0	0	250,000	250,000	0	0	N	This is the cost of upgrading from Microsoft Office 2003 to 2007. There is a need to upgrade Microsoft office to remain compatible with third party systems i.e. DIP/security releases. There is a risk that 2003 will become unsupported by 2009/10. There is currently no business case approved and this could be funded by the IT reserve.
<b>TOTAL STRATEGIC PRIORITIES</b>			<b>0</b>	<b>0</b>	<b>630,000</b>	<b>630,000</b>	<b>440,000</b>	<b>0</b>		
<b>TOTAL OF CAPITAL INVESTMENT OPTIONS IDENTIFIED</b>			<b>0</b>	<b>0</b>	<b>630,000</b>	<b>630,000</b>	<b>440,000</b>	<b>0</b>		

**TITLE OF REPORT: REGIONAL AND STRATEGIC PLANNING ISSUES**

REPORT OF THE HEAD OF PLANNING AND BUILDING CONTROL  
PORTFOLIO HOLDER: COUNCILLOR R. A. C. THAKE

**1. SUMMARY**

- 1.1 To inform Members of the current positions regarding:
- The East of England Plan;
  - The Stevenage growth agenda, including the WA1M planning applications and SNAP;
  - The growth agenda for the Luton conurbation, including the proposed Luton & Dunstable Northern Bypasses;
  - London Luton Airport and Stansted Airport.

**2. FORWARD PLAN**

- 2.1 This report to Cabinet is included within the Forward Plan.

**3. BACKGROUND**

- 3.1 Members will be aware of, and familiar with, many of the issues surrounding the significant strategic planning issues referred to in paragraph 1.1 above. This report is primarily intended to provide Members with the current positions on these matters.

**4. ISSUES**

**4.1 The East of England Plan**

- 4.2 At the meeting of the Regional Planning Panel on 30 September 2008, the consultation on the draft project plan for the **review of the East of England Plan** was discussed. 161 responses were received, including those from NHDC and HIPP. Most of the responses criticised the proposed timetable as being unrealistic, ambitious and immensely challenging for all concerned. Concerns include the following:

- beginning the review without knowing the effects of implementing the just published Plan;
- insufficient time available to consider a complex set of issues and concerns that significant issues such as climate change and coastal flooding will not be given sufficient consideration;
- inadequate time being available to compile a robust evidence base and technical work, and allow for adequate stakeholder consultation;
- the concurrency of the review with changes to local government in several parts of the region as a result of the boundary reviews;
- the increased demands that the timetable places on local authorities at a time when they are involved in preparing local development frameworks/document which will increase pressure on resources;

- the implications of the current state of the housing market;
- Government's (un)willingness to fund the infrastructure needed to support the current Plan; and
- the need to balance the Government's target for completing the review by 2011 with the Assembly's responsibility to prepare a revised Plan that is fit for purpose and passes the tests for soundness at the examination in public.

The Panel agreed that the project plan timetable should be adhered to. Progress reports will be submitted to all subsequent RPP meetings to allow critical appraisal and readjustment if appropriate.

- 4.3 A seminar for EERA and RPP members is planned for late January to enable all authorities and stakeholders to debate the issues emerging from the various strands of work due to report at that time.
- 4.4 EERA has also invited developers and local authorities to submit initial proposals for small new settlements and urban extensions to assist in the consideration of alternative spatial options. This process also attracted criticism as being contrary to the non-site-specific nature of an RSS. However, RPP considers that the process is worthwhile:
- To provide evidence of the deliverability of the RSS,
  - To assist the soundness of the allocation process,
  - To avoid proposals emerging late in the process, making consistent appraisal extremely difficult (although it cannot preclude proposals being put forward at a later date).
- 4.5 Regarding the single issue review on **Gypsy and Traveller Accommodation**, an Examination in Public has been arranged for the week 21-24 October 2008 at the Spirella Ballroom. NHDC has a seat at the table for the session relating to the sub-regional need and provision in Hertfordshire, and is a part of the North and East Hertfordshire Partnership which has a seat at the session relating to the overall regional need and deliverability. The outcomes will be reported to a future meeting.
- 4.6 On a different subject, a meeting of the **Hertfordshire Infrastructure and Planning Panel** (HIPP) will have taken place the evening before Cabinet – 20 October 2008. The main item on the agenda is a progress report from the consultants working on the Hertfordshire Investment and Infrastructure Study (HIIS). I will report on this orally.
- 4.7 **West of A1M at Stevenage – Planning Applications (3,600 dwellings and Associated Development)**
- 4.8 Nothing to report on this issue this month.
- 4.9 **Stevenage / North Herts Action Plan (SNAP)**
- 4.10 Again, nothing to report.

4.11 **Strategic Housing Land Availability Assessment**

4.12 In November 2006, the Government published Planning Policy Statement 3: Housing. This updated previous housing policy and introduced a requirement for two new assessments to be carried out to inform planning policy:

- **Strategic Housing Market Assessment (SHMA)**; and
- **Strategic Housing Land Availability Assessment (SHLAA)**

4.13 The SHMA considers the demographic needs for housing, and people's preferences for particular types of dwelling. It also covers what level of need for affordable housing there may be and the likely split between different types of affordable housing. A joint SHMA has been prepared for Stevenage Borough and North Hertfordshire District by David Couttie Associates. It is available for inspection on the Council's website and it is recommended that it is noted. In economic terms, the SHMA can therefore be seen as assessing the demand side of the housing market.

4.14 The SHLAA, conversely, assesses the supply side. Local planning authorities are encouraged to prepare SHLAAs in respect of housing market areas rather than have a separate SHLAA for each district. Therefore, officers from Stevenage Borough Council and North Hertfordshire District Council have jointly prepared a SHLAA to cover the two districts. A steering group of local estate agents, developers and housing associations was invited to participate in the preparation of the SHLAA, in particular via a workshop held on 6 June 2008.

4.15 The SHLAA is a technical study, designed to demonstrate that there is sufficient land available to deliver at least fifteen years' supply of housing at the rates identified in the East of England Plan. If the SHLAA demonstrates that there is an adequate supply of land, the Council should be able to defend robustly applications on sites outside existing settlement boundaries which were not included in the SHLAA.

4.16 Whilst the SHLAA does inform the plan-making process, it does not supplant it. Developers wishing to promote sites not included in the SHLAA are not hindered by the fact of that non-inclusion. Likewise, the inclusion of sites in the SHLAA does not guarantee that those sites will actually be developed. It remains the role of the Local Development Framework (in particular the Land Allocations document) to allocate land for development.

4.17 For the purposes of this initial SHLAA, we have assessed all the sites which were included in the Land Allocations Issues & Options paper of January 2008 and the broad locations identified in the Stevenage and North Hertfordshire Action Plan (SNAP).

4.18 For each identified site, the SHLAA asks whether that site is:

- a. suitable for development (focussing on physical rather than political suitability);
- b. available for development (established by contacting landowners); and
- c. achievable (considering economic viability based on discussions with the steering group).

4.19 It draws conclusions about the number of sites which satisfy all three tests and the likely dwelling yield of those sites. This is best illustrated in the following table:

	Stevenage Borough	Urban extensions to Stevenage in North Hertfordshire	Elsewhere in North Hertfordshire	Total
East of England Plan target 2001-2021	6,400	9,600	6,200	22,200
Target carried forward to 2026	1,900	2,900	1,550	6,350
<b>Total target</b>	<b>8,300</b>	<b>12,500</b>	<b>7,750</b>	<b>28,550</b>
Net completions 2001-2008	1,364	1,432	2,837	5,633
Identified supply 31 Mar 2008	1,216	206	1,472	2,894
Sites identified in SHLAA as suitable, available and achievable	7,402	7,750	2,876	18,028
<b>Total Site-specific supply</b>	<b>9,982</b>	<b>9,388</b>	<b>7,185</b>	<b>26,555</b>
<i>Surplus / deficit against total target using specific sites</i>	<i>1,682</i>	<i>-3,112</i>	<i>-565</i>	<i>-1,995</i>
Broad locations around Stevenage		13,960		13,960
Likely contribution of small sites			1,095	1,095
<b>Surplus / deficit against target using broad locations and small sites</b>	<b>1,682</b>	<b>10,848</b>	<b>530</b>	<b>13,060</b>

- 4.20 As the SHLAA has to consider housing supply over a fifteen year period from the adoption of the Land Allocations document (currently anticipated for 2011), we have been obliged to project forward the housing targets from the East of England Plan to 2026.
- 4.21 It can be seen that the specific sites, broad locations and the likely contribution of small sites in total ensure that the necessary fifteen years' supply has been met for each of the three sub-areas – Stevenage Borough, urban extensions to Stevenage in North Hertfordshire and the rest of North Hertfordshire. Thus, the SHLAA has fulfilled its purpose.
- 4.22 Copies of the SHLAA on a disc are available on request from Andy Beavan (extension 4317) or Richard Kelly (extension 4847). As soon as we can, we will ensure a hard copy is available for inspection in the Members' Room. Also, a copy will be added to the documents available for inspection on the Council's website in the near future. As housing supply is constantly changing, each year we will need to consider whether the SHLAA needs to be updated in light of the latest monitoring data.
- 4.23 It is recommended below that the SHLAA is approved for use as an evidence base study to inform the Local Development Framework.

4.24 **The Growth Agenda for the Luton Conurbation**

4.25 Little to report this month. Evidence is being prepared by the Bedfordshire authorities (and their consultants) before the Joint Committee again considers draft preferred options for the Luton / South Bedfordshire Core Strategy. This is likely to be at a meeting on 28<sup>th</sup> November, with a formal public consultation taking place early next year.

4.26 A legal opinion has been sought on the policies in the Milton Keynes & South Midlands Sub-Regional Strategy and the emerging Luton / South Bedfordshire Core Strategy, specifically in relation to their status as far as North Hertfordshire is concerned. I anticipate having that opinion around 16 October, thus prior to the meeting, and hence I will report orally on the advice we receive. It may be necessary to consider this matter in Part 2.

4.27 **Luton & Dunstable Northern Bypasses / Luton Airport / Stansted Airport**

4.28 There is nothing new to report on these issues.

**5. LEGAL IMPLICATIONS**

5.1 There are no new legal implications raised in this report which have not previously been reported or anticipated.

**6. FINANCIAL AND RISK IMPLICATIONS**

6.1 The matters in this report do not raise any new financial or risk issues.

**7. HUMAN RESOURCE AND EQUALITIES IMPLICATIONS**

7.1 There are no new HR or equalities implications arising from the contents of this report.

**8. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS**

8.1 Councillor Thake has been kept fully informed on all the matters set out above.

**9. RECOMMENDATIONS**

9.1 That the SHLAA be approved for use as an evidence base study to inform the Local Development Framework, and the other contents of this report be noted.

**10. REASONS FOR RECOMMENDATIONS**

10.1 To comply with government requirements and to ensure that Cabinet is aware of current developments.

**11. ALTERNATIVE OPTIONS CONSIDERED**

11.1 There have been no alternative options considered.

## **12. APPENDICES**

12.1 None

## **13. CONTACT OFFICERS**

- 13.1 David Scholes  
Head of Planning and Building Control  
Telephone : 01462 474836  
Email : [david.scholes@north-herts.gov.uk](mailto:david.scholes@north-herts.gov.uk)
- 13.2 John Ironside  
Regional and Strategic Developments Manager  
Telephone : 01462 474626  
Email : [john.ironside@north-herts.gov.uk](mailto:john.ironside@north-herts.gov.uk)
- 13.3 Andy Beavan  
Local Development Framework Manager  
Telephone : 01462 474317  
Email : [andy.beavan@north-herts.gov.uk](mailto:andy.beavan@north-herts.gov.uk)
- 13.4 Kim Sawyer  
Corporate Lawyer  
Telephone : 01462 474460  
Email : [kim.sawyer@north-herts.gov.uk](mailto:kim.sawyer@north-herts.gov.uk)
- 13.5 Anita Thomas  
Group Accountant  
Telephone : 01462 474451  
Email : [anita.thomas@north-herts.gov.uk](mailto:anita.thomas@north-herts.gov.uk)
- 13.6 Kerry Shorrocks  
Head of Human Resources  
Telephone : 01462 474224  
Email : [kerry.shorrocks@north-herts.gov.uk](mailto:kerry.shorrocks@north-herts.gov.uk)

## **14. BACKGROUND PAPERS**

None other than published documents.

**TITLE OF REPORT: ADOPTION OF TWO AMENDMENTS TO THE PRIVATE SECTOR HOUSING RENEWAL POLICY**

REPORT OF THE HEAD OF HOUSING AND ENVIRONMENTAL HEALTH  
PORTFOLIO HOLDER: CLLR. BERNARD LOVEWELL

**1. SUMMARY**

- 1.1 To seek agreement on the adoption of two amendments to the Private Sector Housing Renewal Policy in order to accommodate a) provisions relating to recoverable charges against future mandatory Disabled Facilities Grants (DFG's), and b) modifications relating to the funding of Home Repair Assistance Grant (HRAG's) in respect of heating improvements.

**2. FORWARD PLAN**

- 2.1 This report contains a key recommendation that was first notified to the public via the Forward Plan in July 2008.

**3. BACKGROUND**

- 3.1 The DFG is a critical part of the range of provisions available for the adaptation of homes to enable independent living. Mandatory DFG's are available for a range of works needed to help a disabled person to remain living more independently in their home. The mandatory grant has a new limit of £30,000 (previously £25,000). The types of works covered are:

- to make it easier to get into and out of a dwelling by, for example, widening doors and installing ramps;
- ensuring the safety of the disabled person and other occupants by, for example, providing a specially adapted room in which it would be safe to leave a disabled person unattended or improved lighting to ensure better visibility;
- to make access easier to the living room;
- by providing or improving access to the bedroom, kitchen, toilet, washbasin and bath (and/or shower) facilities; for example, by installing a stair lift or providing a downstairs bathroom;
- to improve or provide a heating system which is suitable to the needs of the disabled person;
- to adapt heating or lighting controls to make them easier to use; and
- to improve access and movement around the home to enable the disabled person to care for another person who lives in the property, such as a spouse, child or another person for whom the disabled person cares.

Improvements identified as part of a mandatory DFG, will need to meet the following criteria:

- **necessary** and **appropriate** to meet the disabled person's needs. They will consult an Occupational Therapist to make the assessment; and
- **reasonable** and **practicable** depending on the age and condition of the property.

The Council needs to be satisfied about each of these matters, and the overall feasibility of the works, if they are to give a DFG. The Council can refuse a DFG if they believe the scheme is not **necessary** and **appropriate, reasonable** and **practicable**.

3.2 The government commissioned a review of the national DFG programme in 2006 in order to bring forward proposals for its improvement. In January 2007 the Communities and Local Government (CLG) issued the consultation document '*Disabled Facilities Grant programme: the government's proposals to improve programme delivery*'. Its principal focus was to provide revised arrangements for the provision of adaptation grants for older people in light of the growing demand on current services. The government stated policy is to enable older people, as far as is practicable, to live independently in their own homes.

3.3 Subsequent to this review the Secretary of State, in exercise of his powers under the Housing Grants Construction and Regeneration Act 1996, issued new legislation and a general Consent ('The Housing Grants Construction and Regeneration Act 1996 Disabled Facilities Grant (Conditions relating to approval or payment of grant) General Consent 2008'). The Consent provides Local Housing Authorities (LHA's) with the new limited discretion to impose a legal charge on owner-occupiers that have benefited from a DFG if the property is sold within ten years of the award of grant. This charge can be up to a maximum of £10,000 where the cost of the DFG exceeds £5,000.

3.4 The purpose of this discretion is to enable LHA's, should they so wish, to partially recycle DFG funds in order to enable more adaptation works.

3.5.1 The current (08/09) annual level of expenditure is £819,000 for both mandatory DFG's and the HRAG's.

	Total grant	Committed Cost	Grant paid
• Mandatory Disabled Facilities Grants	£666,000	£300,000	£417,000
• Home Repair Assistance Grant,	£153,000	£34,200	£32,000

In 06/07 the demand for DFG and HRAG work increased to a point where an additional funding of £100,000 was required to meet the demand - overall figure being £915,000 spent in one year. Last year the figure was contained within the set budget limits of £815,000.

To date in 08/09 the grant paid figure along with the funding levels committed to projects are close to the total level of spend for the year (i.e. £819,000). This situation is being monitored closely to ensure overall costs are contained within the budget.

Should the committed costs be paid in this financial year (08/09) there will be no funds available for grants, this will cause delays in processing both mandatory DFG and the HRAG and there will be a waiting list.

3.5.2 The following chart shows the number / value (by band) of individual DFG grants that were processed in 2007 / 08. Please note, private tenants and RSL tenants (this equates to 60 grants in total ranging from under £5,000 to £14,999) are excluded from this calculation as the new legislation is only applied to private owner occupier's.

Adaptation Value	Owners Occupiers
Under £5,000	11
Between £5,001 and £10,000	24
Between £10,001 and £15,000	11
Between £15,001 and £20,000	4
Between £20,001 and £25,000	0
Over £25,001	3

3.6 The Council consider applications for discretionary HRAG from owner-occupiers and qualifying tenants. Applications from tenants other than qualifying tenants will be considered for energy efficiency works only. All applications are subject to a maximum of £5,000 for works within categories a)-h) listed in Appendix B, subject to its own terms and conditions (Section 10.4 in the Private Sector Housing Renewals Policy). Multiple applications can be made as long as the level of assistance does not exceed £5,000 in any three-year period. Applicants will qualify if they receive one or more of the following means tested benefits.

- Income Support
- Housing Benefit
- Working Tax Credit
- Council Tax Benefit
- Income Based Jobseekers Allowance
- Pension Guarantee Credit (not Pension Savings Credit)
- Child Tax Credit with relevant income of less than £14,200
- Attendance Allowance
- Disability Living Allowance
- War Disablement Benefit
- Industrial Injuries Disablement Benefit.

3.6.1 A minor inconsistency has come to light with regard to the HRAG offered by the Council in respect of heating funded by Warm Front. This is a government funded initiative which provides grants to make owner occupied or private tenanted accommodation, warmer, healthier, and more energy efficient. The Council provides funding for replacement / additional heating provision in principle living room, hall, and principle bedroom. Applications through Warm Front may receive funding (up to £2700) for whole house heating,

3.6.2 The policy change as suggested is proposed to eliminate this difference. This proposal is not expected to cause any additional funding costs to the existing budget.

#### **4. ISSUES**

4.1 It is a requirement (as contained within the Consent) that prior to any demand for repayment of DFG capital that the LHA consider the following matters on a case by case basis, in order to determine whether it is satisfied that it is reasonable to require the repayment. In arriving at a determination the LHA should have regard to the following:

- (i) the extent to which the recipient of the grant would suffer financial hardship were he/she to be required to repay all or any of the grant;
- (ii) whether the disposal of the premises is to enable the recipient of the grant to take up employment, or to change the location of his/her employment;

- (iii) whether the disposal is made for reasons connected with the physical or mental health or well being of the recipient of the grant or of a disabled occupant of the premises; and
- (iv) whether the disposal is made to enable the recipient of the grant to live with, or near, any person who is disabled or infirm and in need of care, which the recipient of the grant is intending to provide, or who is intending to provide care of which the recipient of the grant is in need by reason of disability or infirmity.

4.2 The Consent enables LHA's to adopt a recharging regime that sets out how DFG monies will be recovered in practice. For example, to avoid the possible harshness (and inconsistency) of the imposition of a charge of £5,000 on a DFG of £10,000 (i.e. a 50% recovery rate) as opposed to a charge of £10,000 on a DFG of £30,000 (i.e. a 33 % recovery rate) some LHA's have adopted a pro-rata charging regime.

4.3.1 The following table shows the proposed pro-rata charging regime (33%) on average costs / values that would be achieved (applied to previous year's figures). This is only applies to private owner occupiers, as noted in the legislation.

<b>Adaptation Value / pro-rata charging regime of 33%</b> (no. of grants applicable shown in brackets)	<b>Owner Occupiers</b>
Under £5,000	No cost
£5,001 and £10,000, Average adaptation cost - £7,500 @ 33%	£27,500 (11)
£10,001 and £15,000, Average adaptation cost - £12,500 @ 33%	£99,000 (24)
£15,001 and £20,000, Average adaptation cost - £17,500 @ 33%	£63,525 (11)
£20,001 and £25,000, Average adaptation cost - £22,500 @ 33%	0 (0)
Over £25,001, Average adaptation cost - £27,500 @ 33%	£27,225 (3)
<b>Total value possible over 10 years</b>	<b>£217,250 (49)</b>

4.3.2 Indicated in the table above, is the maximum value possible, should every grant applicant return their 33% charge, within the ten year after the adaptation completion date.

4.3.3 It is very unlikely that this figure - £217,250, will be achieved. It is possible that the actual return cost will be in the order of 25 to 40% of the overall charge figure, (as people living longer are therefore able to use the adaptation for longer than 10 years) i.e. £54K to £85K. The return charge costs will be spread over 10 years giving an average of £5,400 to £8,500 a year.

4.3.4 The existing 'Acolaid' system will be used to monitor 'applied' charge and 'returned' charge costs.

4.4 A minor amendment to the HRAG section of the Private Sector Housing Renewal Policy to allow the flexibility of providing additional radiators where appropriate is indicated as follows:

- Installation of radiators to principal bedroom(s), main living room, hallway and bathroom if not present.
- Financial assistance maybe available to top up a Warm Front grant to provide the above energy efficiency works.

This will bring into line the Council's policy on site works, included in the 'Warm Front' Government funded scheme.

## **5. LEGAL IMPLICATIONS**

- 5.1 The Terms of Reference for Cabinet confirm authority to develop the policy of the Council in relation to housing matters.
- 5.2 The relevant legislation is the Housing Grants Construction and Regeneration Act 1996 and the General Consent issued under that Act, namely The Housing Grants Construction and Regeneration Act 1996 Disabled Facilities Grant (Conditions relating to approval or payment of grant) General Consent 2008.
- 5.3 A charge would be placed on all properties who receive a Disabled Facilities Grant. In the event that the owner/occupier does not dispose of the property within ten years, the Council would release the charge. Alternatively in the event that the owner/occupier pays off the appropriate proportion of the charge, the Council would also release the property from the charge.
- 5.4 Para 4.1 above identifies issues which the LHA are required to consider in order to determine whether it is satisfied that it is reasonable to require the repayment. This is in accordance with clause 3(2)(b) of the General Consent.

## **6. FINANCIAL AND RISK IMPLICATIONS**

- 6.1 The introduction of proportionate DFG recharges will augment the annual grant budget and may assist the Council in its duty to providing adaptations for the disabled or infirm residents of the district. The actual amount of monies that can be expected to be recycled by the implementation of a recharging regime as recommended in 8.1, below, is difficult to estimate given the lack of existing data.
- 6.2 It is not expected there will be any cost increase associated with the HRAG amendment.
- 6.3 The risks associated with the implementation of the proposed charging regime:
- Lower uptake of grants as some elderly / infirm residents may not wish to proceed with an application if it will result a charge being placed on their property. Information and assistance will be offered to applicants to ensure that the circumstances of the charge and the application of the policy are clearly communicated.
  - Difficulty in predicting annual receipts and the gross budget available to commit to demand for grant assistance.

## **7. HUMAN RESOURCE AND EQUALITIES IMPLICATIONS**

- 7.1 Additional officer time will be required to register a charge and to assess whether repayments are appropriate. This is not envisaged to be excessive and can be incorporated in existing workloads. This will be monitored and reviewed.
- 7.2 An Equality Impact Assessment has been completed and is included under Appendix C. It should also be noted that as part of the Housing Strategy Action Plan the Private Sector Housing (Grants) EIA will be considered as part of the Action plan process.

## 8. RECOMMENDATIONS

- 8.1 That a limited financial charge be placed on all who have received a DFG funded adapted properties of owner-occupiers subject to them being sold within ten years of the completion of adaptation works. The value of the charge to be limited to 33% of the cost of the works, as shown in the table below: The proposed policy is attached at Appendix A

Total cost of DFG	% of charge	Level of recharge placed on the property
Up to £5,000	0%	£0
From £5,000 up to £10,000	33%	£1,651 to £3,300
From £10,000 up to £15,000	33%	£3,301 to £4,950
From £15,000 up to £20,000	33%	£4,951 to £6,600
From £20,000 up to £25,000	33%	£6,601 to £8,250
From £25,000 up to £30,000 (max)	33%	£8,251 to £9,900

- 8.2 That HRAG's be made available to top up Warm Front funding for the works where the costs are in excess of the applicant's Warm Front funding limit of £2,700.

The works would include:

- Provide, or replace a defective, boiler
- Provide, or replace defective, radiators to main bedroom, living room, hallway and bathrooms (towel rail)

The proposed policy is attached at Appendix B

## 9. REASONS FOR RECOMMENDATION

- 9.1 This recommendation is made in order to assist in securing adequate financial resources for the Council to implement an adequate DFG programme. This assists the Council in meeting the growing demand to provide assistance towards the cost of adaptations works and will only be enforced once a sensitive review is completed of the householders circumstances.
- 9.2 The variation to the HRAG policy will enable the Council to align itself with the Warm Front policies. It allows the officer flexibility to make the best of the new heating system, whilst resolving possible condensation and moisture problems with the unbalanced heating.

## 10. ALTERNATIVE OPTIONS CONSIDERED

- 10.1 The Council could continue with the current arrangements as regards DFG's, however this will not yield any future receipts to assist rising demand.
- 10.2 The Council could adopt a more aggressive approach to the recovery of DFG capital by placing a maximum charge, as permitted by the Consent, on all eligible properties. This could lead to less people applying for DFG's and create greater financial hardship for the vulnerable individuals with the adapted housing needs.
- 10.3 If the HRAG policy is not aligned with the Warm Front, the Council could expect additional

## **11. APPENDICES**

- 11.1 Appendix A: Existing statement and proposed amendment to the Private Sector Housing Renewal Policy Section 9 – Grants / Loans item 9.1 - Mandatory Disabled Facilities Grants
- 11.2 Appendix B: Existing statement and proposed amendment to the Private Sector Housing Renewal Policy Section 9 – Grants / Loans item 9.3 – Discretionary Home Repair Assistance Grant
- 11.3 Appendix C: Equalities Impact Assessment sheet.

## **12. CONTACT OFFICERS**

- 12.1 Alan Davey (report author)  
Housing Strategy and Renewals Manager  
Tel: 01462 474 519  
Email: [alan.davey@north-herts.gov.uk](mailto:alan.davey@north-herts.gov.uk)
- 12.2 Lesley Boast  
Environmental Health Officer  
Tel: 01462 474 267  
Email: [lesley.boast@north-herts.gov.uk](mailto:lesley.boast@north-herts.gov.uk)
- 12.3 Andy Godman  
Head of Housing and Environmental Health  
Tel: 01462 474 293  
Email: [andy.godman@north-herts.gov.uk](mailto:andy.godman@north-herts.gov.uk)
- 12.4 Katie White  
Senior Lawyer (Legal Services)  
Tel: 01462 474 315  
Email: [katie.white@north-herts.gov.uk](mailto:katie.white@north-herts.gov.uk)
- 12.5 Anita Thomas  
Service Accountant  
Tel: 01462 474 451  
Email: [anita.thomas@north-herts.gov.uk](mailto:anita.thomas@north-herts.gov.uk)
- 12.6 Kerry Shorrocks  
Head of Human Resources  
Tel: 01462 474 224  
Email: [kerry.shorrocks@north-herts.gov.uk](mailto:kerry.shorrocks@north-herts.gov.uk)

## **13. BACKGROUND PAPERS**

- 13.1 *'Disabled Facilities Grant programme: the government's proposals to improve programme delivery'*, DCLG, January 2007
- 13.2 The Council's Private Sector Housing Renewals Policy, February 2007
- 13.3 The Housing Grants Construction and Regeneration Act 1996 Disabled Facilities Grant (Conditions relating to approval or payment of grant) General Consent 2008

**APPENDIX A: PRIVATE SECTOR HOUSING RENEWALS POLICY  
PROPOSED AMENDMENTS IN RESPECT OF DFGs**  
(Variations shown italic and underlined in the proposed policy column)

EXISTING POLICY STATEMENT (FEBRUARY 2007)	PROPOSED POLICY STATEMENT
<p><b>9. <u>GRANT/LOAN DETAILS</u></b></p> <p><b>9.1 <u>Mandatory Disabled Facilities Grants</u></b></p> <p>The Council will award mandatory Disabled Facilities Grants according to the governing legislation and guidance issued by central government which determines, amongst other things, the type of work that can be funded, the maximum contribution that may be made, and the test of financial resources that must be made. Our information leaflet is available on request for more detailed information. The maximum grant that can be awarded is £25,000 minus any applicants' contribution. Section 10.2 provides further information on terms and conditions.</p> <p>Enquiries/applications by landlords will be subject to an alternative method of assessment. The method to be used is detailed in appendix 4, however, the principles of accessing the process remain the same.</p>	<p><b>9. <u>GRANT/LOAN DETAILS</u></b></p> <p><b>9.1 <u>Mandatory Disabled Facilities Grants</u></b></p> <p>The Council will award mandatory Disabled Facilities Grants according to the governing legislation and guidance issued by central government which determines, amongst other things, the type of work that can be funded, the maximum contribution that may be made, and the test of financial resources that must be made. Our information leaflet is available on request for more detailed information. The maximum grant that can be awarded is <u>£30,000</u> minus any applicants' contribution. Section 10.2 provides further information on terms and conditions.</p> <p><u><i>All grants in excess of £5000, paid to owner- occupiers for the provision of adaptations for a disabled person, will be subject to a legal charge. An amount of 33% of the value of the grant will be repayable should the property be disposed of (whether by sale, assignment, transfer or otherwise) within ten years of the certified date of the grant (completion date).</i></u></p> <p>Enquiries/applications by landlords will be subject to an alternative method of assessment. The method to be used is detailed in appendix 4, however, the principles of accessing the process remain the same.</p>

**APPENDIX B: PRIVATE SECTOR HOUSING RENEWALS POLICY  
PROPOSED AMENDMENTS IN RESPECT OF HRAGs**

(Variations shown italic and underlined in the proposed policy column)

EXISTING POLICY STATEMENT (FEBRUARY 2007)	PROPOSED POLICY STATEMENT
<p><b>9.3 <u>Discretionary Home Repair Assistance</u></b></p> <p>The Council will consider applications for discretionary Home Repair Assistance from owner-occupiers and qualifying tenants. Applications from tenants other than qualifying tenants will be considered for energy efficiency works only. All applications are subject to a maximum of £5,000 for works within categories a)-h) listed below, subject to its own terms and conditions (Section 10.4). Multiple applications can be made as long as the level of assistance does not exceed £5,000 in any three-year period.</p> <p>Applicants will qualify if they receive one or more of the following means tested benefits.</p> <ul style="list-style-type: none"> <li>• Income Support</li> <li>• Housing Benefit</li> <li>• Working Tax Credit</li> <li>• Council Tax Benefit</li> <li>• Income Based Jobseekers Allowance</li> <li>• Pension Guarantee Credit (not Pension Savings Credit)</li> <li>• Child Tax Credit with relevant income of less than £14,200</li> <li>• Attendance Allowance</li> <li>• Disability Living Allowance</li> <li>• War Disablement Benefit</li> <li>• Industrial Injuries Disablement Benefit.</li> </ul> <p>Applications for discretionary Home Repair Assistance will be considered for the following outcomes:</p> <p>a) To remedy essential repairs or conditions that interfere materially with the personal comfort of an elderly, infirm or disabled occupant.</p>	<p><b>9.3 <u>Discretionary Home Repair Assistance</u></b></p> <p>The Council will consider applications for discretionary Home Repair Assistance from owner-occupiers and qualifying tenants. Applications from tenants other than qualifying tenants will be considered for energy efficiency works only. All applications are subject to a maximum of £5,000 for works within categories a)-h) listed below, subject to its own terms and conditions (Section 10.4). Multiple applications can be made as long as the level of assistance does not exceed £5,000 in any three-year period.</p> <p>Applicants will qualify if they receive one or more of the following means tested benefits.</p> <ul style="list-style-type: none"> <li>• Income Support</li> <li>• Housing Benefit</li> <li>• Working Tax Credit</li> <li>• Council Tax Benefit</li> <li>• Income Based Jobseekers Allowance</li> <li>• Pension Guarantee Credit (not Pension Savings Credit)</li> <li>• Child Tax Credit with relevant income of less than £14,200</li> <li>• Attendance Allowance</li> <li>• Disability Living Allowance</li> <li>• War Disablement Benefit</li> <li>• Industrial Injuries Disablement Benefit.</li> </ul> <p>Applications for discretionary Home Repair Assistance will be considered for the following outcomes:</p> <p>a) To remedy essential repairs or conditions that interfere materially with the personal comfort of an elderly, infirm or disabled occupant.</p>

<p>b) Remedial action to remove Category 1 hazard(s) where cost of works is less than £2,750 and property is occupied by person(s) falling within the defined vulnerable group for that hazard.</p> <p>c) Urgent adaptations for the care of the disabled, elderly or infirm will be considered from applicants, including those not in receipt of benefit, in exceptional circumstances only, subject to authorisation by the Chief Officer and the Portfolio Holder.</p> <p>d) Improvement to home security for the disabled, elderly or infirm.</p> <p>e) Essential and significant repairs to the basic fabric or services of residential mobile homes.</p> <p>f) Energy efficiency works as follows, where applicants are not eligible for assistance under another scheme e.g. Warm Front and this has been confirmed:</p> <ul style="list-style-type: none"> <li>• Top up loft insulation to 250mm</li> <li>• Cavity Wall insulation</li> <li>• Double glazing to principal rooms i.e. bedroom(s) in regular use and/or main living room</li> <li>• Insulate hot water tank</li> <li>• Installation of radiators to principal bedroom(s) and main living room if not present.</li> </ul> <p>Enquiries for very small items of work may be considered for referral to the Home Improvement Agency "Handy Person Scheme", where appropriate.</p>	<p>b) Remedial action to remove Category 1 hazard(s) where cost of works is less than £2,750 and property is occupied by person(s) falling within the defined vulnerable group for that hazard.</p> <p>c) Urgent adaptations for the care of the disabled, elderly or infirm will be considered from applicants, including those not in receipt of benefit, in exceptional circumstances only, subject to authorisation by the Chief Officer and the Portfolio Holder.</p> <p>d) Improvement to home security for the disabled, elderly or infirm.</p> <p>e) Essential and significant repairs to the basic fabric or services of residential mobile homes.</p> <p>f) Energy efficiency works as follows, where applicants are not eligible for assistance under another scheme e.g. Warm Front and this has been confirmed:</p> <ul style="list-style-type: none"> <li>• Top up loft insulation to 250mm</li> <li>• Cavity Wall insulation</li> <li>• Double glazing to principal rooms i.e. bedroom(s) in regular use and/or main living room</li> <li>• Insulate hot water tank</li> <li>• <u>Installation of radiators to principal bedroom(s), main living room, hallway and bathroom if not present.</u></li> </ul> <p><u>Financial assistance maybe available to top up a Warm Front grant to provide the above energy efficiency works.</u></p> <p>Enquiries for very small items of work may be considered for referral to the Home Improvement Agency "Handy Person Scheme", where appropriate.</p>
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## Appendix C

### Equality Impact Assessment

<b>Service Area:</b> Housing and Environmental Health	<b>Department Section:</b> Housing Strategy & Renewals	<b>Person responsible for the assessment:</b> Sharon Forde	<b>Date of assessment:</b> 9 <sup>th</sup> October 2008
<b>Name of Policy to be assessed:</b> NHDC Private Sector Renewal Policy		<b>Existing or new policy?</b>	Change to existing policy

<p>1. Brief description of the aims, objectives and purpose of the policy</p>	<p>The policy governs the provision of assistance for housing renewal which includes grants for disabled facilities and housing renewal. The changes are required to Statutory Instrument No. 1189 Housing, England: The Disabled Facilities Grants (Maximum Amounts and Additional Purposes) (England) Order 2008. The Statutory Instrument requires the Council to increase the Maximum amount payable for mandatory Disabled Facilities Grants from £25K to £30K. It also provides for the Council to reclaim up to £10K from the recipient should the adapted property be sold within 10 years.</p> <p>A further amendment to the policy has been made to ensure that grant monies are not used to top up government grants for works in excess of those offered directly by the Council.</p>
<p>2. Are there any associated objectives of the policy?</p>	<p>The change will not impact the current objectives of the policy which include:</p> <ul style="list-style-type: none"> <li>• To bring homes up to a decent standard;</li> </ul>

	<ul style="list-style-type: none"> <li>To enable people with disabilities to live as independently as possible;</li> <li>To eliminate serious disrepair that constitutes a hazard.</li> </ul>
3. Who is intended to benefit from the policy and in what way?	There will be no change to the beneficiaries of the policy which aims to assist private sector residents of the district to meet the costs associated with adaptations and essential repairs.
4. What outcomes are wanted from this policy?	Compliance with the Statutory Instrument
5. What factors/forces could contribute/detract from the outcomes?	The changes not being approved by cabinet
6. Who are the main stakeholders in relation to this policy?	NHDC Private Sector Renewals Team Social Services Members of the public
7. Who implements the policy and who is responsible for the policy?	NHDC Private Sector Renewals Team
8. Could the policy have a positive/negative impact on minority ethnic groups?	It is not envisaged that the policy change will have any impact on minority ethnic groups
What evidence is available to support this?	There are no changes that affect eligibility
9. Will the policy have a positive/negative impact due to gender?	It is not envisaged that the policy change will have either a negative or positive impact on applications from either gender
What evidence is available to support this?	There are no changes that affect eligibility
10. Could the policy have a positive/negative impact due to disability?	Both positive and negative
What evidence is available to support this?	The policy change provides for a higher amount of funds to be made available for individual DFGs. However, as the total amount available for all DFGs will not change, the implication is that, at least initially, the funds will cover fewer grants. This may be rectified in future when reclaimed monies become available
11. Could the policy have a positive/negative impact due to	It is not envisaged that the policy change will have an impact on

sexual orientation?	applicants due to their sexual orientation.
What evidence is available to support this?	There are no changes that affect eligibility
12. Could the policy have a positive/negative impact due to age?	It is not envisaged that the policy change will have an impact on applicants due to their age.
What evidence is available to support this?	There are no changes that affect eligibility
13. Could the policy have a positive/negative impact on people due to their religious beliefs?	It is not envisaged that the policy change will have an impact on applicants due to their religious beliefs.
What evidence is available to support this?	There are no changes that affect eligibility
14. Could the positive/negative impact identified in 8 – 13 amount to there being potential for adverse impact in this policy?	No
15. Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group or any other reason?	
16. Is it necessary to perform a more in-depth impact assessment?	As part of the Housing Strategy Action Plan an Equality Impact Assessment will be carried out on the Renewals Service
17. In-depth impact assessment to be completed by (date)	

Signed (Completing Officer) \_\_\_\_\_

Sharon Forde

Dated.....

Signed (Service Manager) \_\_\_\_\_

Alan Davey

Dated.....

21<sup>st</sup> October Cabinet Report

Agenda item 10

### **ADOPTION OF TWO AMENDMENTS TO THE PRIVATE HOUSING RENEWAL POLICY**

Changes to text / table in items 4.3.1, 4.3.2 and 4.3.3 of the above report.

4.3.1 The following table shows the proposed pro-rata charging regime (33%) on average costs / values that would be achieved (applied to previous year's figures). This only applies to private owner occupiers, as noted in the legislation.

<b>Adaptation Value / pro-rata charging regime of 33% (no. of grants applicable shown in brackets)</b>	<b>Owner Occupiers</b>
Under £5,000	No cost (11)
£5,001 and £10,000, Average adaptation cost - £7,500 @ 33%	£59,400 (24)
£10,001 and £15,000, Average adaptation cost - £12,500 @ 33%	£45,375 (11)
£15,001 and £20,000, Average adaptation cost - £17,500 @ 33%	£23,100 (4)
£20,001 and £25,000, Average adaptation cost - £22,500 @ 33%	0 (0)
Over £25,001, Average adaptation cost - £27,500 @ 33%	£27,225 (3)
<b>Total value possible over 10 years</b>	<b>£155,100 (53)</b>

4.3.2 Indicated in the table above, is the maximum value possible, should every grant applicant return their 33% charge, within the ten year after the adaptation completion date.

4.3.3 It is very unlikely that this figure - £155,100, will be achieved. It is possible that the actual return cost will be in the order of 25 to 40% of the overall charge figure, (as people living longer are therefore able to use the adaptation for longer than 10 years) i.e. £39K to £62K. The return charge costs will be spread over 10 years giving an average of £3,900 to £6,200 a year.

**TITLE OF REPORT: SERVICE LEVEL AGREEMENTS – REVIEW OF 2006/9 AND PROPOSALS FOR 2009 – 2012**

REPORT OF THE HEAD OF COMMUNITY DEVELOPMENT AND CULTURAL SERVICES  
PORTFOLIO HOLDER: COUNCILLOR TRICIA GIBBS

**1. SUMMARY**

- 1.1 The report proposes a strategic approach to the development of the next phase of Service Level Agreements (SLAs) for the period April 2009 – March 2012.

**2 FORWARD PLAN**

- 2.1 This report contained a recommendation on a key decision that was first notified to the public in the Forward Plan on the 1<sup>st</sup> July 2008.

**3. BACKGROUND**

- 3.1 At its meeting on 24th June 2008, Cabinet resolved:

- “(1) That consultation through the North Herts Compact on the proposals for the next tranche of Service Level Agreement awards, as set out in the report, be approved, prior to a final report being submitted to Cabinet for its meeting on 21 October 2008;
- (2) That the review include all Service Level Agreements operated by the Council, including Town Centre Partnerships, and that this information be included in the report back to Cabinet on 21 October 2008;
- (3) That a proposed rebalancing of the funding of Service Level Agreements to reflect better the district wide/local area focus be noted;
- (4) That it be noted that Area Committees will be reviewing those Service Level Agreements that have been funded through the Area Committee Development Budgets;
- (5) That the proposed timescale for implementing the new Service Level Agreements be noted, and that the detailed negotiations with individual projects be conducted by relevant officers, in consultation with the Portfolio Holder for Community Engagement and Rural Affairs.

**REASON FOR DECISION:** To confirm the future strategic policy direction for the programme of financial assistance for the voluntary and community sector, through the negotiation of Service Level Agreements.”

- 3.2 There is a growing recognition within all levels of Government of the value and importance of the voluntary and community sector (often now referred to as the ‘Third Sector’ as a provider of services. This is reflected in the development of Compacts, in the involvement of the voluntary sector in Local Strategic Partnerships, the new duty placed on partners to co-operate in the delivery of local

improvement planning and in the development of Local Area Agreements and the new Empowerment Fund.

- 3.3 If there are to be any changes to the way the SLAs are administered and awarded, the minimum notice that must be given to existing SLA holders is three months in writing. However, good practice suggests that if there are to be any changes to the way in which the Council wishes to continue its support for the voluntary and community sector, as much notice as possible should be given.

#### **4. ISSUES - PROPOSALS FOR 2009-12**

##### **Strategic Objectives for the Council**

- 4.1 All current SLAs require the applicant organisation to comply with the LSP's district-wide Vision, the Council's Mission and Strategic Objectives. A list of current SLAs is set out in Appendix 1.
- 4.2 In the event that their work no longer directly supports the objectives, then the Council may wish to review its funding relationship.
- 4.3 The Sustainable Community Strategy that has recently been drafted has also identified a number of key priorities for the District to 2021 and it is evident that funding the voluntary and community sector is an efficient and effective way of achieving a number of its ambitions and aspirations. The use of Local Area Agreement reward grant funding via the Local Strategic Partnership to fund voluntary and community projects will also require formal corporate governance, using an SLA.
- 4.4 The Council is currently preparing the revision of its Corporate Plan 2005-2015, including three new priorities of work for 2009/10 and beyond, which are:
- Green issues
  - Sustainable development
  - Town centre improvements

The detail of what each of these themes will include has been set out within the draft Corporate Plan which in turn, will link into the new Corporate Business Planning programme for the Council.

- 4.5 The alignment and ownership of actions to be undertaken on our behalf by the voluntary and community sector contributing to these themes will be included in future SLAs, with organisations required to demonstrate how they are contributing to them.

##### **Future Proposals for Service Level Agreements – April 2009 – March 2012**

##### **Funding Context**

- 4.6 Cabinet needs to determine how best it wishes to allocate the Council's resources for the voluntary and community sector for the period 2009/12 as the present tranche of awards time-expires on March 31<sup>st</sup> 2009.
- 4.7 Within the context of its Corporate Business Planning process that is now well under way, it is proposed that 2008/9 baseline budget for the SLA is continued for the next three years, but with an annual inflation allowance.

## Service Context

4.8 It is further proposed that, subject to final decisions on the Corporate Business Planning process for 2009/10, for the next three years (April 2009 – March 2012), the current programme of Service Level Agreements should be renegotiated in compliance with the following conditions:

1. There should be a review of the current SLA arrangements to ensure that all organisations have fully complied with the terms and conditions of their agreement and have met targets that were agreed during the second phase 2006-2009. This will include those organisations who are funded through the economic development programme, such as the Town Centre Partnerships.
2. If a project/scheme is not compliant or met its targets, then the Council may wish to withdraw its financial support. Any savings made here can be redirected into other schemes.
3. Existing organisations will be expected to link their activities into the three new Council priorities. If a project or organisation is no longer able to reflect the new strategic themes or the Council in its work, the Council may wish to terminate funding.
4. The Council will be able to identify any gaps in service and commission applications from new organisations, specifically to help implement its new strategic priorities, but any financial assistance for these would have to come from within the existing budget provision.
5. If an organisation no longer wished to continue its work then the contract would be formally concluded and funds could be redirected.
6. Consideration of longer term “exit strategies” will be given as part of the re-negotiation of the SLA.
7. The Council will delineate between those SLAs that have a clear district-wide remit which should remain centrally funded and those that have a clearer local focus that can be funded from Area Committees.

4.9 The proposed indicative timescale for negotiation of the new phase of SLA is:

<b>ACTION</b>	<b>TIMESCALE</b>
Approval of final report by Cabinet	21st October 2008
Start review and renegotiation of individual SLA for 2009/12	27 <sup>th</sup> October 2008
Complete review and renegotiation of individual SLA	31st December 2008
Write to all projects with new SLA	31 <sup>st</sup> January 2009
Start next three year tranche of SLA	1 <sup>st</sup> April 2009

## Area Committee Service Level Agreements

4.10 In addition to the main, centrally funded SLA, Area Committees have increasingly funded smaller SLA with those local organisations with whom a longer term service relationship has been deemed appropriate and beneficial. A summary of Area Committee SLAs is attached in Appendix 2.

4.11 Each Area Committee has been advised of those SLAs that fall within its remit and has been asked to consider which it would wish to continue to support and at what level.

- 4.12 This work will be concluded later this autumn and will include the balance of funding between the Area Committees and the central SLA funds.

## **5. LEGAL IMPLICATIONS**

- 5.1 The Terms of Reference in relation to Cabinet confirm that Cabinet may develop policy in relation to financial management and the making of grants.
- 5.2 Section 2 Local Government Act 2000 provides that the Council has power to do anything which it considers likely to promote or improve the economic, social or environmental well-being of its area. This would apply on the basis that financial assistance to voluntary and community organisations improves the economic, social or environmental well-being of the District or part of it.
- 5.3 Section 137 Local Government Act 1972 provides specific authority for the Council to incur expenditure on anything which is in the interests of and will bring direct benefit to its area. This includes a charity or other body operating for public service.
- 5.4 When re-negotiating SLAs the Council will need to be mindful of its own Contract Procurement Rules and the EU procurement regime. The reason for this is that in some instances the payment of a grant could be construed as a contract for services.
- 5.5 Revised and updated SLA documentation will be introduced in the renegotiation of the SLAs for introduction in 2009/10. The negotiation of the SLA's and the re-drafting of the documentation will be targeted to emphasise that any grant and resulting SLA is not intended to be a contract and therefore does not contain the key elements of a contract, those being an offer, acceptance, consideration and an intention to create legal relations between the parties.

## **6. FINANCIAL AND RISK IMPLICATIONS**

- 6.1 The annual budget for the Major and Minor Service Level Agreements with the voluntary and community sector for 2008/9 is £323,040
- 6.2 Though the budget for 2009/10 has yet to be agreed, the agreed practice of applying an annual increase in line with the local government staff pay award, if set at approximately 2.5%, would increase the above amount by £8,080 giving a revised budget total of £331,120.
- 6.3 The budget for SLAs funded through Area Committees for 2008/09 is £49,060 and a similar percentage increase of 2.5% would be £1,230, giving a revised budget total of £50,290.
- 6.4 The annual budget for Service Level Agreements funded through economic development budgets for 2008/9 is £91,910.

## **7. HUMAN RESOURCE AND EQUALITIES IMPLICATIONS**

- 7.1 For transparency and objectivity there is a separation of function between those Development Officers who provide support and assistance to projects and the Project Officers who monitor and evaluate each project.
- 7.2 The above officers are drawn primarily from the Community Development and Policy, Partnerships and Performance Divisions. The work is absorbed as part the annual work programmes.
- 7.3 However, a Business Process Review has been commissioned this year to review the most effective and efficient way in which SLAs and the more general grant

awarding arrangements can be improved. This is due to complete its report at the end of October 2008.

- 7.4 The great majority of the voluntary and community projects that are funded by the Council have equality and social inclusion as a key objective of their purpose. Such projects work very closely with and for the more disadvantaged and potentially socially excluded within our communities. There is a strong argument to be made that if the Council did not provide financial support for projects to do the work that they do, then it would, itself, have to meet the needs of such people in other ways.

## **8. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS**

- 8.1 Consultation with user groups on the proposed approach was coordinated through the North Herts Compact at a meeting held on 8<sup>th</sup> July and thereafter until the closing date of 12<sup>th</sup> September. The comments emerging from the consultation are:

- 3 year funding is seen as being good and welcomed
- Monitoring arrangements are proportionate and reasonable
- An annual meeting to talk through issues not necessarily included in this report would be useful
- Sharing of funding should be equitable and take into account whole funding packages and support
- Criteria for decision making should be known
- Projects need a clear understanding of the three new themes
- Funding should be kept aside for multi-agency/partnership work, especially around the new Sustainable Community Strategy.

- 8.2 The proposals were also placed on the Council's web-site to enable a wider consultation from any other interested groups or organisations.

- 8.3 Members who represent the Council on the management committees/boards of voluntary groups and organisations were consulted and any comments considered within this report.

- 8.4 Area Committees were consulted on the strategic approach to Service Level Agreements and also on the local SLAs that pertain to each Committee.

- 8.5 Each organisation having a Service Level Agreement with the Council had an annual review with a Project Officer.

## **9. RECOMMENDATIONS**

Cabinet is asked to:

- 9.1 Approve the approach for the next tranche of SLA awards as set out in paragraphs 4.1- 4.12 of this report.
- 9.2 Note that a rebalancing of the funding of SLAs is being actioned to reflect better the district wide/local area focus.
- 9.3 Note that Area Committees are reviewing those SLAs that will be funded through the Area Committee Development Budgets.
- 9.4 Agree the timescale for implementing the new SLAs and that the detailed negotiations on levels of future funding for individual projects will be determined by relevant officers, in consultation with the Portfolio Holder for Community Engagement and Rural Affairs and other Portfolio Holders, as appropriate.

## **10. REASONS FOR RECOMMENDATIONS**

- 10.1 To confirm the future strategic policy direction for the programme of financial assistance for the voluntary and community sector, through the negotiation of SLAs.

## **11. APPENDICES**

- 11.1 Appendix 1 - Major and Minor Funded Service Level Agreements  
Appendix 2 - Area Committee Funded Service Level Agreements  
Appendix 3 - Economic Development Service Level Agreements

## **12. CONTACT OFFICERS**

- 12.1 Patrick Candler  
Head of Community Development and Cultural Services  
Tel: 01462 474823  
E-mail: [patrick.candler@north-herts.gov.uk](mailto:patrick.candler@north-herts.gov.uk)

- 12.2 Jodie Penfold,  
Group Accountant  
Tel: 01462 474566  
E-mail: [Jodie.penfold@north-herts.gov.uk](mailto:Jodie.penfold@north-herts.gov.uk)

- 12.3 Katie White, Senior Solicitor  
Tel: 01462 474315  
E-mail: [katie.white@north-herts.gov.uk](mailto:katie.white@north-herts.gov.uk)

- 12.4 Liz Green  
Head of Policy, Partnerships and Performance  
Tel: 01462 474230  
Email: [liz.green@north-herts.gov.uk](mailto:liz.green@north-herts.gov.uk)

## **13. BACKGROUND PAPERS**

- 13.1 Review of Policies and Procedures for Financial Assistance to Voluntary and Community Organisations, November 2002.
- 13.2 Report to Cabinet on 24<sup>th</sup> June 2008 on the review and proposals of Service Level Agreements for 2009/12.

Current Service Level Agreements 2006-9

<b>Appendix 1 Summary of Major and Minor Funded Service Level Agreements</b>							
	<b>PROJECTS OVER £5,000</b>	Level of NHDC Funding 2007/08	Level of NHDC Funding 2008/9	Link to Strategic Objectives	Link to new NI/LAA	District Wide (DW) or Local Focus (LF)	<b>NHDC Member Representatives (1)</b>
1	CAB	169,376	172,585	√	√	DW	Cllrs. Sangha, Paterson, Brindley
2	CVS	23,676	24,280	√	√	DW	Cllr. Marshall, Kercher
3	Relate	5,970	6,120	√	√	DW	Cllr. Burt, vacant
4	North Herts Minority Ethnic Forum	13,325	13,658	√	√	DW	Vacant
5	Arts Council for North Herts	13,889	14,236	√	√	DW	Cllrs. Weeks, Paterson, Beardwell
6	Sports North Herts (inc. RDSC)	6,102	6,253	√	√	DW	Cllrs. Knighton, Grindal, Kearns, Barnard, Young (Burt)
7	Countryside Management Services	42,120	43,170	√	√	DW	Vacant
8	North Herts Sanctuary	7,405	7,590	√	√	DW	Vacant
9	Herts Young Homeless Group	5,125	5,253	√	√	DW	Vacant
10	British Schools Museum Hitchin	11,200	11,483	√	√	LF	Vacant
	<b>Total</b>	<b>298,188</b>	<b>304,628</b>				
	<b>PROJECTS UNDER £5,000</b>						
1	Royston and District Volunteer Bureau	3,470	3,560	√	√	LF	Vacant
2	Royston Community Transport	2,840	2,915	√	√	DW	Cllr. Smith
3	Herts and Middlesex Wildlife Trust	3,660	3,750	√	√	DW	Vacant
4	Herts Rural Housing Project	2,732	2,870	√	√	DW	Vacant
5	Shelter	2,706	2,846	√	√	DW	Vacant
8	Area Rape Crisis Line	710	720	√	√	DW	Vacant
9	Stevenage and North Herts Women's Resource Centre	1,710	1,751	√	√	DW	Vacant
	<b>Total</b>	<b>17,828</b>	<b>18,412</b>				
	<b>Town Twinning</b>						
1	Baldock	158	162	√		LF	Cllrs. Weeks, Knighton
2	Hitchin Link	280	287	√		LF	Cllrs. Kirby, Ashley
3	Letchworth	288	295	√		LF	Cllr. Davey
4	Royston	233	239	√		LF	Vacant
	<b>Total</b>	<b>959</b>	<b>983</b>				
	<b>NB</b>						
	1. Where there is currently a vacancy, arrangements are in hand to ensure appropriate representation by 31.3.09						

<b>Appendix 2 - Summary of Area Committee Funded Service Level Agreements</b>							
	<b>AREA COMMITTEES</b>	Level of NHDC Funding 2007/08	Level of NHDC Funding 2008/9	Link to Strategic Objectives	Link to new NI/LAA	District Wide (DW) or Local Focus (LF)	<b>NHDC Member Representation</b>
	<b>Letchworth Area Committee</b>						
1	Howard Garden Social club	4,793	4,913			LF	Cllrs. Kercher, Davey, Muir
2	Letchworth Settlement	357	366			LF	Cllr. Paterson
3	Wednesday Drop in club	502	515			LF	Vacant
4	Hall Subsidies budget	8,750	8,969			LF	
5	Yvonne Savage club	300	308			LF	Vacant
6	Kiran Playscheme	784	804			LF	Vacant
7	Letchworth Arts Centre	27,500	22,500	√	√	LF	Cllr. Paterson
	<b>Total</b>	<b>42,986</b>	<b>38,376</b>				
	<b>Baldock Area Committee</b>						
1	Baldock Senior Club	1,354	1,388			LF	Cllrs. Knighton, Weeks
2	Baldock Retirement Sewing Club	420	431			LF	Vacant
3	Baldock Festival	1,060	1,087			LF	Vacant
4	Ashwell Museum	340	349			LF	Vacant
	<b>Total</b>	<b>3,174</b>	<b>3,255</b>				
	<b>Royston Area Committee</b>						
1	Royston Cave	1,000	1,025			LF	Vacant
	<b>Total</b>	<b>1,000</b>	<b>1,025</b>				
	<b>Hitchin Area Committee</b>						
1	Hitchin Senior Citizens Welfare Committee	4,000	4,100			LF	Cllrs. Kirby, Ashley
2	Hitchin Festival	2,000	2,050			LF	Vacant
3	Apna Duniya Playscheme	250	256			LF	Vacant
	<b>Total</b>	<b>6,250</b>	<b>6,406</b>				
	<b>Southern Rural Committee</b>						
	None						
	<b>NB</b>						
	1. The links between the majority of the Area Committee funded SLA's and the Council's Strategic Objectives need to be reviewed as part of the renegotiation of the SLA for 2009/12.						

<b>Appendix 3 - Summary of Economic Development Service Level Agreements</b>							<b>NHDC Member Representation</b>
		Level of NHDC Funding 2007/08	Level of NHDC Funding 2008/9	Link to Strategic Objectives	Link to new NI/LAA	District Wide (DW) or Local Focus (LF)	
<b>Town Centre Partnerships</b>							
1	Royston	13,750	13,750	√	√	LF	Cllr. Hill
2	Baldock	9,000	14,160	√	√	LF	Cllrs. Weeks, Muir, Kirkland, Knighton
3	Letchworth	27,500	27,500	√	√	LF	Cllrs. Levett, Kercher
4	Hitchin	27,500	27,500	√	√	LF	Cllr. Billing (J)
5	Stevenage & North Herts Business Initiative	9,000	9,000	√	√	DW	Vacant
<b>Total</b>		<b>86,750</b>	<b>91,910</b>				

<b>Grand Total Community Development</b>	<b>370,385</b>	<b>373,085</b>
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<b>Grand Total Economic Development</b>	<b>86,750</b>	<b>91,910</b>
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<b>*PART 1 – PUBLIC DOCUMENT</b>	<b>AGENDA ITEM No.</b>  <b>12</b>
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**TITLE OF REPORT: PROPOSED ARRANGEMENTS FOR DISPOSAL OF COUNCIL OWNED HOUSING LAND AT LLOYD WAY, KIMPTON TO NORTH HERTFORDSHIRE HOMES LIMITED**

REPORT OF THE HEAD OF FINANCIAL SERVICES  
PORTFOLIO HOLDER: COUNCILLOR T.W. HONE

**1. SUMMARY**

- 1.1 The purpose of this report is to ask Cabinet to reconsider the legal limitation attached to its decision to the disposal of the Council's remaining undeveloped housing land in Lloyd Way, Kimpton to North Hertfordshire Homes Limited.

**2. FORWARD PLAN**

- 2.1 This report does not relate to a key decision.

**3. BACKGROUND**

- 3.1 At the time of Local Government Reorganisation in 1974, the Council owned several acres of designated housing development land at the rear of 115-151 High Street, Kimpton, of which part has already been disposed of for affordable housing.
- 3.2 Approximately half of the site still remains undeveloped and consent that the land was surplus to requirements and could be disposed of for housing development was given on the 13<sup>th</sup> July 1999, minute 48(3). At its meeting on the 24<sup>th</sup> June this year Cabinet agreed dispose of the site to North Hertfordshire Homes Limited (NHH) at open market value.
- 3.3 The reason for the Association's interest in the land is the need to replace the Probyn House sheltered scheme with modern homes that will be more suited to the needs of the local community. The availability of a site immediately next to Probyn House would therefore afford them the flexibility to close Probyn House once appropriate new housing has been developed on this site.
- 3.4 Cabinet approved a rider to the approval:

*'That the disposal of the remainder of the Council's housing land in Lloyd Way, Kimpton to North Hertfordshire Homes Limited by private treaty in accordance with the requirements of Appendix E of the Council's Contract Procurement Rules be agreed, subject to the legal limitation that residents of Probyn House, Kimpton be offered accommodation in the new development and be permitted to remain in Probyn House until the new development is completed. (Minute 29).'*

#### **4. ISSUES**

- 4.1 Following the decision by Cabinet, officers have been in discussion with NHH to implement the Cabinet decision and proceed with the disposal of the site. However, NHH has concluded that the condition to the sale *'that residents of Probyn House, Kimpton be offered accommodation in the new development and be permitted to remain in Probyn House until the new development is completed'*, is unworkable.
- 4.2 The reasons given were that while they hoped to provide some homes on the site that would be designed to life-time homes standards, and therefore suitable for occupation by a range of households, including older people, they could not guarantee that existing residents would be offered these homes. This was because each resident would need to be assessed as to their care and support needs and then offered accommodation that best meets those needs.
- 4.3 Following further discussions with NHH a compromise has been reached that meets the approval of Kimpton Parish Council, as follows:

In addition to any other requests/restrictions that are appropriate to the disposal of the Land at Lloyd Way, Kimpton, this disposal shall be subject to the following conditions:-

1. Any resident of "Probyn House", (Site A), shall be offered accommodation at "Lloyd Way Kimpton", (Site B), provided that a needs and suitability assessment has confirmed that the resident is suitable to reside in one of the dwellings provided at Site B and the resident is nominated for a tenancy at that dwelling.
2. A needs and suitability assessment will be carried out by NHH at an appropriate time once the accommodation at Site B is approaching a standard suitable for occupation.
3. The residents of Site A be permitted to remain in Site A until alternative accommodation is found for all residents.
4. The demolition of Site A shall not be commenced until the development of Site B is substantially complete and there are sufficient units suitable for occupation.

#### **5. LEGAL IMPLICATIONS**

- 5.1 The Cabinet is to develop the policy of the Council within the overall framework set by the Council in relation to (inter alia) land property financial and asset management.
- 5.2 Although it may have been possible under Local Govt. Act, 1988, section 25 to dispose of this land to a registered social landlord, e.g. North Herts. Homes ("NHH") at less than market value, the proposal here is to sell to NHH under the Local Govt. Act, 1972, section 123 for a consideration not less than the best available. Such a consideration must reflect all the terms of the transaction and changing the terms may affect the price that may be expected.

- 5.3 Under Appendix F disposals may be negotiated (inter alia) by private treaty, but all valuations and negotiations shall be carried out by or under the supervision of a properly qualified member of the Royal Institution of Chartered Surveyors ("RICS") or equivalent. However, to ensure that a proper price is received here, it is also intended to seek confirmation of the price and terms from an external RICS-qualified surveyor.
- 5.4 Under Local Govt. Act, 1972, section 123 (2A) before disposing of open space notice of disposal must be given for two consecutive weeks in a local newspaper and consideration given to any objections received; to the extent that this might be said to apply these notices were inserted in 2007.

## **6. FINANCIAL AND RISK IMPLICATIONS**

- 6.1 The remaining Council housing land in Lloyd Way Kimpton has already been declared surplus to requirements and identified as a site for disposal on the open market at full market value which is currently valued in excess of £2.5 million. The proposal set out in this report will enable this objective to be achieved and at the same time assist the provision of an important element of social housing within the village.
- 6.2 The effective management of the disposal of land and property assets to assist the Council's capital programme is registered as a top risk.

## **7. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS**

- 7.1 Full consultation on the general proposal to dispose of this land on the open market was completed in September 2007.
- 7.2 North Hertfordshire Homes has been consulted on the proposed wording of the revised condition, as set out in 4.3. above, and has confirmed its willingness, in principle, to proceed with the purchase of Lloyd Way on that basis.
- 7.3 The proposed land disposal arrangements set out in this report have been discussed with Kimpton Parish Council and they are in agreement with the revised conditions to the sale to North Hertfordshire Homes.
- 7.4 The Multi-Agency Group dealing with this project has also been made aware of the need to revise the existing disposal condition, as resolved by Cabinet in June 2008, and is fully supportive of the proposed text.

## **8. HUMAN RESOURCE AND EQUALITIES IMPLICATIONS**

- 8.1 None.

## **9. RECOMMENDATIONS**

- 9.1 That Cabinet approves the revised conditions to the disposal of the site at Lloyd Way, Kimpton, in order that the disposal to North Hertfordshire Homes can proceed.

## **10. REASONS FOR RECOMMENDATIONS**

- 10.1 To facilitate the provision of new social housing to meet the needs of the Kimpton community through the use of Council owned land.

## **11. APPENDICES**

11.1 None.

## **12. REPORT AUTHOR**

12.1 Barrie Jones  
Head of Financial Services  
Tel: 01462 474243 Email: [barrie.jones@north-herts.gov.uk](mailto:barrie.jones@north-herts.gov.uk)

## **13. CONTRIBUTORS**

13.1 Katie White  
Senior Lawyer  
Tel: 01462 474315 Email: [katie.white@north-herts.gov.uk](mailto:katie.white@north-herts.gov.uk)

13.2 Andy Godman  
Head of Housing & Environmental Health  
Tel: 01462 474243 Email: [andy.godman@north-herts.gov.uk](mailto:andy.godman@north-herts.gov.uk)

## **14. BACKGROUND PAPERS**

14.1 Asset Papers.