

Ref: Cabinet Jan 30. 07
Contact: Ian Gourlay
Direct Dial No: 01462 474403
Email: ian.gourlay@north-herts.gov.uk

19 January 2007

To: Members of the Cabinet:

Councillor F.J. Smith (Chairman) (Leader of the Council);
Councillor Tricia Gibbs (Portfolio Holder for Community Engagement & Rural Affairs);
Councillor T.W. Hone (Portfolio Holder for Finance);
Councillor I.J. Knighton (Portfolio Holder for Leisure & E-Government);
Councillor Mrs L.A. Needham (Portfolio Holder for Waste Management & Environment)
Councillor R.A.C. Thake (Portfolio Holder for Planning & Transport);
Councillor Sarah Wren (Portfolio Holder for Housing & Environmental Health)
Councillor A.D. Young (Portfolio Holder for Policy).

Distributed to other Members on request.

You are invited to attend a

MEETING OF THE CABINET

to be held in the

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

on

TUESDAY, 30 JANUARY 2007

at

7.30 p.m.

Yours sincerely,



David Miley
Democratic Services Manager

AGENDA
PART I

ITEM	PAGE
1. APOLOGIES FOR ABSENCE	-
2. NOTIFICATION OF OTHER BUSINESS 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.	-
3. DECLARATIONS OF INTEREST To receive from Members of the Cabinet any Declarations of Interest in respect of any business set out in the agenda. Members should either declare a prejudicial or personal interest and are required to notify the Chairman of the nature of any interest declared. Members declaring a prejudicial interest should leave the room and not seek to influence the decision during that particular item.	-
4. PUBLIC PARTICIPATION To receive petitions, comments and questions from the public. At the time of preparing the agenda no requests to speak had been received. Any public participation received within the agreed time scale will be notified to Members as soon as practicable.	-
5. ITEMS REFERRED FROM COMMITTEES <i>At the time of preparation of this agenda there are no items referred from Committees. Any subsequent items referred from Committees will be circulated as soon as they are available.</i>	
6. FURTHER OPTIONS REGARDING REDUCED RENTS FOR HITCHIN TUESDAY AND SATURDAY MARKETS AND FUNDS TO ASSIST THE CONTINUATION OF THE SCHEME REPORT OF THE HEAD OF LEISURE & ENVIRONMENTAL SERVICES <i>To consider the options outlined in the report, for the continuation of a reduced rents scheme for Hitchin Tuesday and Saturday Markets, following the outcome of Hitchin Area Committee, and if required, to seek funding from Council to enable the chosen scheme to be implemented.</i>	1
7. WASTE MANAGEMENT CONTRACT REPORT OF THE HEAD OF LEISURE & ENVIRONMENTAL SERVICES <i>This report was under preparation at the time the agenda went to print and will be published as soon as possible.</i>	To Follow

8. BUDGET PROPOSALS 2007/08
REPORT OF THE STRATEGIC DIRECTOR OF FINANCIAL &
REGULATORY SERVICES

To Follow

This report was under preparation at the time the agenda went to print and will be published as soon as possible.

Future meetings of the Cabinet will take place on:

27 February 2007;
27 March 2007.

TITLE OF REPORT: REFERRAL FROM HITCHIN COMMITTEE – 23 JANUARY 2007 – REFERRAL FROM HITCHIN COMMITTEE – 23 JANUARY 2007 – HITCHIN MARKETS

The following is an extract from the Draft Minutes of the Hitchin Committee meeting held on 23 January 2007.

93. HITCHIN MARKETS

The Project Manager confirmed that Cabinet met on 19 December 2006 (Minute 118 refers) to review and decide whether to extend the 6 month reduction of stall rent schemes at Hitchin Tuesday and Saturday markets. Cabinet had resolved *inter alia* that the Hitchin Committee should be requested to consider and agree a financial contribution towards the extension of the reduced rents trial. The Projects Manager advised the Committee that Cabinet would meet on 30 January 2007 to receive the comments/suggestions of the Hitchin Committee prior to a final decision on the continued subsidy of the reduced stall rent schemes.

The Project Manager advised the Committee that at the meeting of Cabinet on 19 December 2006 the Portfolio Holder for Leisure and E-Government made the following comments:

- The Council had a need to ensure longevity of Hitchin and all other markets in the District;
- Despite the efforts of markets staff and traders, the trial had not been a financial success;
- Although the number of stalls had increased, this had not been to the levels targeted;
- The Market was battling against national trends of decline in markets utilisation;
- The needs of the Market should be balanced with the needs of other retailers in Hitchin;
- In view of the foregoing, a recommendation that Option 1(Appendix A) should be pursued.

The Committee noted that officers had met with the Hitchin Market Traders on 8 January 2007 to discuss the seven options (Appendix A) and the following comments had been recorded:

1.The Traders Association believe that it would be a mistake for the Reduced Rents Scheme for Hitchin Tuesday and Saturday Markets not to continue, as it has had a positive effect on stall holder morale and footfall in general.

2.The Scheme should continue until a decision concerning the Churchgate development has been reached, or at least until the Management Arrangements of North Hertfordshire District Markets has been finalised.

3.The Traders Association requested that their 2 year Business Plan be considered again, with a possible slight increase of rents at the end of the first year.

4.A suggestion put forward by the Traders was that of increasing the daily car parking charge by £1.50 and charging Casual Traders an administration fee of £3.00 per day. Also, ceasing the period of four weeks consecutive trading before being able to become a Licensed Trader, but charge one month's worth of parking to entice them to trade on the Market for longer. All these points are providing the trader constantly sells the commodity stated when they started trading.

The Project Manager advised that the above option (Point 4) had not been pursued as it is anticipated that it will only create a small amount of revenue, leaving a £23,500 variance to budget.

The Project Manager referred the Committee to the Cabinet report at Appendix B and the Options Available and the Associated Risks at Appendix A. The Committee noted that the months of January, February and March were described as the 'kipper season' and a very difficult time to attract traders and consequently stall utilisation would not increase greatly, but with reduced rents existing traders would probably continue. The Project Manager advised the Committee that the reduced rents had a positive impact on the morale of the market traders and although the reduced rents scheme was against the Council's agreed budget strategy if the trial was continued this could promote the economic vitality of the market.

The Committee noted that there were seven options for consideration and the Chairman led a debate on these options where Members expressed their views and discussed the merits of financial support from Hitchin Committee or that continued support should be sourced from central funds within North Hertfordshire District Council.

Throughout the debate Members were minded of the support within Hitchin for the Market and sought ways in which Hitchin Committee could match this support. The Community Development Officer provided an update on the available funding within the overall discretionary budget for 2006-2007 and the remaining funds in 2006 -2007 allocated to each Member for individual disbursement. The Committee confirmed that they preferred Option 4 which would allow the subsidy to continue until the end of period 13 (17 March 2007), then the introduction of a reduced cost per foot rate be implemented until 31 July 2007. The Community Development Officer confirmed that £4553 remained as unallocated funds in the 2006-2007 Discretionary Ward Budget less any grant made at this meeting. The Committee agreed that the remaining balance would be granted to the subsidy scheme with the proviso that Cabinet agreed to allocate the remaining funds to cover this subsidy during the 'kipper' season.

RESOLVED:

- (1) That the information provided in the report from the Head of Leisure and Environmental Services be noted;
- (2) That the information provided in the report from the Head of Leisure and Environmental Services presented to Cabinet on 19 December 2006 be noted:

RECOMMENDED TO CABINET:

- (1) That the options for continued financial support to the Tuesday and Saturday Hitchin Markets as presented at Appendix A be ranked as follows:

Rank: Option:

1. Option 4: Continue £10 and £15 scheme until the end of period 13 and then initiate Option 2 until 31 July 2007
Potential loss = £9,331;
2. Option 2: Tuesday , from 29 February to 31 July 2007
Casual: £1.50 per foot; Licensed £1.30 per foot.
Saturday
Casual: £1.90 per foot; Licensed £1.90 per foot.
Potential loss = £4,911

- (2) That the Hitchin Committee agreed to allocate £4353 of un-allocated funds from the 2006 – 2007 Ward Discretionary Budgets and a contribution of £312 taken from Bearton Ward previously allocated funds (total of £4665 which is a 50 per cent contribution to the costs of Option 4) subject to the proviso that Cabinet at its meeting to be held on 30 January 2007 commits the sum of £4666 which would confirm the £10 and £15 scheme until 17 March 2007, followed by the introduction of a reduced cost per foot rate until 31 July 2007.

REASON FOR DECISIONS:

For Hitchin Committee and Cabinet to provide joint financial support for the continued development of Hitchin Market, and allow Hitchin Market continue to play its part in the vibrant Hitchin business community.

[Note: the report to which the above referral relates is Item 6 on this agenda]

THIS PAGE IS BLANK

CABINET
30 January 2007

***PART 1 – PUBLIC DOCUMENT**

AGENDA ITEM No.

6

TITLE OF REPORT: FURTHER OPTIONS REGARDING REDUCED RENTS FOR HITCHIN TUESDAY AND SATURDAY MARKETS AND TO FUNDS TO ASSIST THE CONTINUATION OF THE SCHEME.

REPORT OF THE HEAD OF LEISURE AND ENVIRONMENTAL SERVICES
PORTFOLIO HOLDER: COUNCILLOR I.J. KNIGHTON

1. SUMMARY

- 1.1 Cabinet is requested to consider the options outlined in this report, for the continuation of a reduced rents scheme for Hitchin Tuesday and Saturday Markets, following the outcome of Hitchin Area Committee, and if required, seek funding from Council to enable the chosen scheme to be implemented.

2. FORWARD PLAN

- 2.1 This Report does not contain a recommendation on a key decision and has not been referred to in the Forward Plan.

3. BACKGROUND

- 3.1 Officers presented a report to Hitchin Area Committee on 12 December 2006, this report was then presented to Cabinet on 19 December 2006 (see Appendix A). The report provided an update of the 6 month reduction of stall rents scheme on Hitchin Tuesday and Saturday Markets and requested a decision, as to whether the scheme should continue after the trial period.

- 3.2 The Cabinet resolved the following:-

RESOLVED:

- (1) That officers investigate a re-calculation of the reduced charges for each stall on Hitchin Market, in order to offset the budgetary shortfall resulting from the current 6 month reduced rents trial;
 - (2) That a decision on whether or not to extend the 6 month market stall rent reduction trial be deferred, and that the matter be re-considered by Cabinet at its meeting to be held on 30 January 2007;
 - (3) That the Hitchin Committee be requested to consider and agree a financial contribution towards the extension of the trial at its meeting to be held on 23 January 2007.
- 3.3 On 18 January 2007, Council agreed to extend the current scheme for an additional 4 weeks (to 17 February 2007), to enable further options to be explored and reported back to Council at its next meeting on 8 February 2007.

- 3.4 Officers will be presenting a report to Hitchin Area Committee on 23 January 2007, requesting Members to rank in order of preference, further options that will enable the continuation of a reduced rents scheme on Hitchin Tuesday and Saturday Markets and also to provide a financial contribution. A summary of the Hitchin Area Committee decision will be given at this meeting.

4. STALL / PITCH RENTAL OPTIONS

- 4.1 There are different ways in which stall charges are set, historically the Council has used the cost per frontage/linear foot, however, recently with the Hitchin Tuesday and Saturday Markets there has been a flat rate charge that has been used, this section will discuss both.

4.2 Rent per frontage/linear foot.

- 4.2.1 Traditionally this is the way that most outdoor Market Operators set their stall charges.

- 4.2.2 The Hitchin Market Traders Association are not in favour of this type of pricing structure, as they believe it can be confusing to some traders.

- 4.2.3 This provides a fair and equitable way of paying for a pitch as traders pay for the space that they are using.

4.3 Flat Rate Rent.

- 4.3.1 This is an easier way of renting a pitch, as all stalls are the same price, however, those traders using a 14ft stall are at a greater advantage to those who have a significantly smaller stall. Therefore, most traders try to get as big a stall as possible to ensure better value for money. By using this method, it is important that the price for the smaller stalls are not too expensive as this could deter traders if the larger stalls are all used.

4.4 General.

- 4.4.1 Using both of the above pricing structures, Casual Traders can be encouraged to become Licensed, by charging them a higher rent than Licensed Traders, whether it be by frontage/linear foot or by flat rate per stall.

- 4.4.2 The timing of any new reduced rental schemes is essential, as February and March are during the 'Kipper' season and a very slow time of year for all Traders. Possibly the most appropriate time for a change in schemes would be at the beginning of the new financial year, when the slower retail period starts to pick up, that is why two of the options show the £10 and £15 scheme staying in place until the end of period 13 (17 March 2007).

- 4.4.3 Appendix B shows options that incorporate the above pricing structures, the table identifies potential risks associated to these schemes, which include financial, footfall and trader morale issues.

5. LEGAL IMPLICATIONS

- 5.1 No legal implications have been identified.

6. FINANCIAL AND HUMAN RESOURCE IMPLICATIONS

- 6.1 Council approved £31,000 to make up for the potential shortfall for the reduction in rents. This was an estimate taking into consideration the current market trends and actual income. The estimated losses for the full 6 month trial period currently stands at £37,223.

- 6.2 Council has approved extending the current 6 Month Trial Period for an additional 4 weeks, this could potentially cost an additional £5,000.
- 6.3 The new options shown in Appendix B, will help to improve the current financial position, however it is anticipated that there will be an estimated loss of between £5,000 and £19,000 if any option is introduced until the end of July 2007.
- 6.4 It has been hard to estimate the actual losses, as it is dependant on which option is introduced, as trader behaviour could change in terms of the way that they rent stalls and the size and number of the stalls they occupy. Casual Traders could also be inclined to become Licensed, which in turn could affect the level of income received.
- 6.5 The variances have been calculated using a flat rate budget (yearly budget divided by 12) as of 1 April 2007. A profiled budget would enable a more accurate calculation, however, this is difficult to undertake, as traders trends could change.
- 6.6 No Human Resource implications have been identified.

7. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 7.1 Officers met with the Hitchin Market Traders Association on Monday 8 January 2007, to discuss the options shown in Appendix B and to explore other possible options.
- 7.2 The following points and comments were noted:
- The Traders Association believe that it would be a mistake for the Reduced Rents Scheme for Hitchin Tuesday and Saturday Markets not to continue, as it has had a positive effect on the morale and footfall in general.
 - The Scheme should continue until a decision concerning the Churchgate development has been reached, or at least until the Management Arrangements of North Hertfordshire District Markets has been finalised.
 - The Traders Association also requested that their 2 year Business Plan be considered again, with a possible slight increase of rents at the end of the first year.
 - A suggestion put forward by the Traders was that of increasing the daily car parking charge by £1.50 and charging Casual Traders an administration fee of £3.00 per day. Also, ceasing the period of four weeks consecutive trading before being able to become a Licensed Trader, but charge one month's worth of parking to entice them to trade on the Market for longer.
 - The above option has not been provided, as it is anticipated that it will only create a small amount of extra revenue, leaving a £23,500 variance to budget between 20 February – 31 July 2007.

8. CONCLUSION

- 8.1 The 'Kipper' season, that runs from January to March is a very difficult time of year to attract traders, therefore, if the trial continued during this period it is unlikely that utilisation would increase, however, traders we have already attracted are more likely to stay.
- 8.2 The reduced rents have had a positive impact on the morale of the market traders and it is believed that this in turn has contributed to the increased footfall. Therefore, if the trial is continued, although it is against the Council agreed budget strategy, it

could assist the economic vitality of the market which could also have a positive impact on other retailers in Hitchin.

9. RECOMMENDATIONS

- 9.1 That Cabinet considers and determines the options presented in Appendix B, dependant upon the level of funding that Hitchin Area Committee provide and seek approval from Council, should additional funding be available.

10. REASON FOR RECOMMENDATIONS

- 10.1 To decide whether the existing reduced rent scheme on Hitchin Market, or a viable alternative, should be recommended.

11. APPENDICES

- 11.1 Appendix A – December 2006 Cabinet Report.
11.2 Appendix B – Options Available and the Associated Risks.

12. CONTACT OFFICERS

- 12.1 Lance Raperport
Market Manager
Lance.raperport@north-herts.gov.uk
01462 456202

- 12.2 Steven Crowley
Project Manager
Steve.crowley@north-herts.gov.uk
01462 474211

13. CONTRIBUTORS

- 13.1 Barrie Jones
Head of Financial Services
Barrie.jones@north-herts.gov.uk
01462 474243

CABINET REPORT

19th December 2006

TITLE OF REPORT : FEEDBACK ON MARKETS PERFORMANCE, INCLUDING THE 6 MONTH TRIAL PERIOD OF REDUCED RENTS FOR HITCHIN TUESDAY AND SATURDAY MARKETS

REPORT OF THE HEAD OF LEISURE AND ENVIRONMENT SERVICE
PORTFOLIO HOLDERS: COUNCILLOR I KNIGHTON

1. SUMMARY

- 1.1 To inform Cabinet Members of the progress of the 6 month trial period for reduced rents on Hitchin Tuesday and Saturday Markets and discuss if this should continue after the trial period.
- 1.2 To present to Cabinet Members the current performance of North Hertfordshire District Council's Markets.

2. FORWARD PLAN

- 2.1 This Report does not contain a recommendation on a key decision and has not been referred to in the Forward Plan.

3. BACKGROUND

- 3.1 Officers presented a report to Cabinet on 27th June 06 outlining the possibilities of the reduction of stall rents on Hitchin Tuesday and Saturday Markets for a 6 month period.
- 3.2 Cabinet Members endorsed this reduction and sought Full Council's approval at the meeting on 27th July 06. This was approved by Full Council at the meeting.
- 3.3 This scheme was introduced on the 8th August 06 and is planned to run until the 21st January 07 (end of market period 11).

4. 6 MONTH TRIAL

4.1 Advertising and events

- 4.1.1 Following Full Council's approval, significant advertising was undertaken to attract new traders and customers, this included: -
 - Market Trader News to attract new traders (advertised for 5 Months).
 - Market Trader Magazine to attract new traders (advertised for 4 weeks).
 - Local press, including the Comet and Royston Crow to attract local traders.
 - Took out subscription for a Market website that is aimed at new traders.
 - Phoned all traders that have left in the last year to inform them of the rent reductions.
 - Radio Advertising with local radio stations to attract customers, as an aim to increase footfall.
- 4.1.2 Also Various Events have been held both prior to and during the 6 Month Trial Period, the aim of which is to increase the footfall on the Markets as well as to help build up the general atmosphere of the Market. The following provides a summary of the events that were undertaken:-

APPENDIX A

- Summer Brass Band (July 06) playing by the River Hiz and a Treasure Hunt to keep children amused. Local Traders were also involved by donating prizes for the Event.
- Heritage Day (August 06), Hitchin Market held a Recycling Roadshow, with assistance from North Herts District Council Environmental Officers.
- National Food Fortnight (October 06). This consisted of 120 children from local schools visiting the Market site, where they were shown what a Market Traders working life consisted of, were able to try fresh fruit from around the world.
- Diwali celebration took place in October 06. This promotion consisted of an Ethnic Fashion Show, Traditional Music and Dancing, Traditional finger food and sweets, Henna Tattoos and a make-up demonstration.
- A number of additional seasonal markets have taken, or are due to take place, these include; Craft Fair, located in the Market Place (3rd December), General Market, located in the Market Place and High Street (17th December) and a Christmas Eve Market is planned to take place on the Market site.

4.2 Targets and outcome of 6 month trial

- 4.2.1 Prior to the introduction of the six month trial, Officers and the Hitchin Market Traders Association agreed the targets for both market days; these target were based on the income prior to the six month trial, to estimate how many stalls would be required to achieve the same level of income. Tuesday targets were 150 stalls and Saturday's were 180 stalls.
- 4.2.2 To achieve the above, Officers set monthly targets, these were presented to the Portfolio Holder for Leisure and the Head of Leisure and Environmental Services on a monthly basis, by the Markets Manager.
- 4.2.3 Tuesday Market – The initial growth was good and by the end of August utilisation had increased from 44% to 59% an increase of 15%, however, this growth did not continue and has only increased by 2% since September. This is due to the turnover of Casual Traders, that have only traded for one day.
- 4.2.4 Saturday Market – The growth of this market was initially slow, however, has steadily increased to 77%, an increase of 18% since July. The increase has mainly occurred during October and November, it is believed this is due to the influx of Casual Traders for the seasonal period. However, there is a concern that these Traders could leave after the New Year.
- 4.2.5 To date the six month reduction in stall charges has attracted approximately 75 new traders overall of which, approximately 40 have stayed. The majority of traders that have started are new, this has increased the range of commodities that are available, which in turn has increased footfall on both days.
- 4.2.6 Full Council approved £31k to make up for the potential shortfall for the reduction in rents. This was an estimate taking into consideration the current market trends and actual income.
- 4.2.7 The following table show the projected and current income losses for North Hertfordshire District Council's Markets for 2006/07, highlighted is the estimated losses for the 6 month trial period, which currently stands at £37,223.

Analysis of Market Income Losses 2006/07

£		
Underlying losses reported in June (2005/06 outturn report)	14,000	
Underlying loss on Markets reported to Cabinet November 06 (finance revenue report)	27,297	Figure, includes all markets, however, excludes Hitchin Tuesday and Saturday for the 6 month trial. This is assuming the 6 month trial ends on the 23 rd January 06 and rent is increase to normal rates for February and March.
6 month scheme pitch reduction	37,223	This is based on current utilisation levels for the period August to January inclusive. Full Council approved £31k to underwrite the reduced rent scheme.
Total market income loss 2006/07	78,519	

- 4.2.8 Included within the £78,519 are losses relating to markets across the District as a whole. This loss is the difference between the original budget and that projected in the 2nd quarter monitoring report. Losses which relate to However the majority of losses (£58,380) relates to the Hitchin Markets and are a combination of declining stallholders and the 6 month reduced rent scheme.
- 4.2.9 This year the utilisation for all Hitchin markets has been approximately 50%, this is 4% below last year, however, since the introduction of the reduced rents on Hitchin Tuesday and Saturday, the levels have increased and are now at 61%.
- 4.2.11 Excluding larger, established urban markets such as Norwich, Manchester etc, there is a national trend in market decline. This mirrors the reduced footfall on high streets too, given new shopping trends, availability of products online, delivered to the home etc. Any consideration of continuing to support a reduction in rents must be made in the light of this.
- 4.2.10 The increased utilisation figures may also be attributed in part to the rise in tenancy of the Churchgate units, which draws shoppers to the market within the natural pedestrian flow. It is therefore hard to estimate the additional impact this factor has had on stall uptake, alongside the rent reduction.

5. RISKS

- 5.1 As mentioned in 4.2.5, approximately 40 traders have commenced trading since the introduction of the reduced rents, this equates to 34 stalls on a Tuesday and 36 on a Saturday. These traders were attracted to Hitchin Market due to the reduced rents and might leave if the rents are put back to the original 2006/07 rates.
- 5.2 If the new traders were to leave, this could have an impact on the general atmosphere and footfall might decrease as there will be a reduced selection of stalls available. Therefore, it is important that the overall impact is fully accessed.
- 5.3 The tables below demonstrate the potential weekly financial impact, if all traders that have started since the introduction of the £10 and £15 were to leave, due to the original 2006/07 rates being re-introduced.

APPENDIX A

Tuesday weekly income

Type of trader	Normal rate based on July figures (79 licence & 7 Casuals)	£10 a stall with 120 stalls utilised	Variance
Number of stalls	86	120	34
Licence income	£1,480	£940	-£540
Casual income	£123	£260	£137
Total	£1,603	£1,200	-£403

Saturday weekly income

Type of trader	Normal rate based on July figures (113 licence & 7 Casuals)	£15 a stall with 156 stalls utilised	Variance
Number of stalls	120	156	36
Licence income	£2,643	£1,800	-£843
Casual income	£155	£540	£385
Total	£2,798	£2,340	-£458

NB. The table is for illustrative purpose only, as market utilisation fluctuates throughout the year.

- 5.4 The above tables show the financial implication would be better, however, this will have a significant impact on the utilisation, which in turn could affect footfall.

6. LEGAL IMPLICATIONS

- 6.1 No legal implications have been identified.

7. FINANCIAL AND HUMAN RESOURCE IMPLICATIONS

- 7.1 As mentioned in paragraph 4.2.8 it is anticipated that the projected losses for all markets this year will be approximately £78,519.
- 7.2 Cabinet agreed in November 06, in line with the April to September 2nd quarterly revenue monitoring report for 2006/07, a reduction in Market income of £30,000 for 2007/08, this is due to the general decline in current Market trends of all markets.
- 7.3 The table in paragraph 4.2.7 provides a breakdown of the projected losses for this year, it is expected that the 6 month trial will have cost the Council £37,223 against budget. Therefore, The cost of implementing the reduced scheme for a further 12 months is estimated to be a loss of £74,450 , this calculates at approximately £6,200 per month.
- 7.4 The 2007/08 markets income budgets have been reduced to take into consideration the identified in decline in market stall utilisation. The 2007/08 budgeted income is estimated to be £348,880 (this includes the annual inflationary increase of £14,600 and market car parking income). Market income is estimated to declined over that taken in 2005/06. In 2005/06, £350,970 was taken in income, which is higher than the 2007/08 estimate (£348,880 less inflation increase of £14,600) by £16,690.
- 7.5 The Council is currently under significant pressure to control expenditure, having to savings year on year in excess of a £1,000,000. Continuing to reducing market rents would add additional pressure to this existing General Fund savings target and could have an impact on other Council Strategic Priorities.
- 7.6 No Human Resource implications have been identified.

APPENDIX A

8. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

8.1 The Markets Manager has had regular meetings with the Hitchin Market Traders Association to discuss the progress of the 6 Month Trial Period of Rent Reductions.

8.2 The Portfolio Holder for Leisure and the Chair of Hitchin Committee met with representatives of the Hitchin Market Traders Association and Council Officers on the 23rd November 06, to discuss what impact the trial has had on the markets operation. This section provides the general thoughts and issues that were discussed at the meeting: -

- The traders feel the introduction of the reduced rents has had a positive impact on the market, as this has improved morale amongst traders and increased the vibrancy and vitality of the market.
- The original business plan that was presented to the Scrutiny Task and Finish Group on the 22nd February 06 recommended that the reduced rents should apply for the next two years and if the utilisation improved, then the rents could be increased. Therefore, as the reduced rents have only been in place for four months it is hard to get a clear idea of what could be achieved.
- The traders acknowledged that the reduced rents had attracted new traders, however, was below the targets that were set.
- The traders believe that if the trial was extended for an extra twelve months, traders from other markets would be more likely to move from their current markets and try Hitchin. With only a six month trial, it was always going to be hard to attract these type of traders, as they have more to lose. A twelve month reduction is a bigger incentive and therefore, could assist in attracting these types of traders. The Traders believe the current targets can be achieved if the trial is extended by twelve months, however, do not expect to see an increase during the 'Kipper' season (January – March), as this is normally a quiet time of year, historically utilisation figures decline during this period.
- Both the Market Staff and Traders believe the footfall has increased in recent months due to the greater amount of, and variety of stalls that are available, which in turn has improved the vibrancy of the market. If the reduced rents continue and more traders attend it is likely that the footfall will continue to increase, which is good for all of the retailers in Hitchin.
- The Traders that attended the meeting said they had not seen an increase in their income takings, however, they had not seen a loss either.

8.3 By the time of this Committee, Officers will have attended the December 06 Hitchin Area Committee, their thoughts will be presented to Cabinet Members at this meeting.

9. CONCLUSION

9.1 The Council remains committed towards Markets and has been positively promoting the reduced rents to improve utilisation, as it recognises that the Markets play a vital part to ensure the local vibrancy of Market Towns.

9.2 There is no evidence to suggest that the reduce stall rents have significantly increased utilisation in the short-term and it is unlikely that this will improve in the long-term.

APPENDIX A

- 9.3 Cabinet have only underwritten losses to the value of £31,000 for the six month trial, unfortunately, the trial has not been a financial success and is likely to cost £37,000.
- 9.4 The 'Kipper' season, that runs from January to March is a very difficult time of year to attract traders, therefore, if the trial continued during this period it is unlikely that utilisation would increase.
- 9.5 The reduced rents have had a positive impact on the morale of the market traders and it is believed that this in turn has contributed to the increased footfall. Therefore, if the trial is continued although it is against the Council agreed budget strategy, it is likely to promote the economic vitality of the market which could also have a positive impact on all retailers in Hitchin.
- 9.6 From the points that have been raised in this report, potential options with the associated risks have been listed, these are provided in Appendix 1.

10. RECOMMENDATIONS

- 10.1 Officers recommend that Members of Cabinet consider and determine the options presented in Appendix 1.

11. REASON FOR RECOMMENDATIONS

- 11.1 To ensure that Cabinet Members are provided with a good mix of options that focus on the financial impact of the Council and the vibrancy of Hitchin Market.

12. APPENDICES

- 12.1 Appendix 1 – Options Available and the Associated Risks.

13. CONTACT OFFICERS

- 13.1 Lance Raperport
Market Manager
Lance.raperport@north-herts.gov.uk
01462 456202

- 13.2 Steven Crowley
Project Manager
Steve.crowley@north-herts.gov.uk
01462 474211

14. CONTRIBUTORS

- 14.1 Vaughan Watson
Head of Leisure and Environmental Services 01462 474641
Vaughan.watson@north-herts.gov.uk

- 14.2 John Robinson
Strategic Director of Customer Services 01462 474655
John.robinson@north-herts.gov.uk

- 14.3 Clare Fletcher
Accountancy Manager 01462 474470
Clare.fletcher@north-herts.gov.uk

Options Available and the Associated Risks

Options	Utilisation Risk	Financial Risk till the End of July	Other Factors
<p>Option 1</p> <p>Hitchin Tuesday = £12</p> <p>Hitchin Saturday = £18</p>	<p>Utilisation rates are likely to stay roughly the same, until March/April time, then increase as the 'kipper' season ends and the warmer trading months begin</p>	<p>£16,190 potential loss</p>	<p>Traders morale will be positive. Footfall might increase Improve vitality and vibrancy of market. At worst case scenario, there may be a small drop in utilisation at the start, however this will swiftly increase as of March/April.</p>
<p>Option 2</p> <p><u>Tuesday</u></p> <p>Casual: £1.50 per foot Licensed: £1.30 per foot</p> <p><u>Saturday</u></p> <p>Casual: £1.70 per foot Licensed: £1.90 per foot</p>	<p>Utilisation rates are likely to stay roughly the same, until March/April time, then increase as the 'kipper' season ends and the warmer trading months begin</p>	<p>£4,911 potential loss</p>	<p>Traders morale will be positive. Footfall might increase Improve vitality and vibrancy of market. At worst case scenario, there may be a small drop in utilisation at the start, however this will swiftly increase as of March/April.</p>
<p>Option 3</p> <p>Continue £10 & £15 Scheme until the end of period 13 and then initiate option 1</p>	<p>Utilisation rates are likely to stay roughly the same, until March/April time, then increase as the 'kipper' season ends and the warmer trading months begin</p>	<p>£18,794 potential loss</p>	<p>Traders morale will be positive. Footfall might increase Improve vitality and vibrancy of market. At worst case scenario, there may be a small drop in utilisation at the start, however this will swiftly increase as of March/April.</p>

APPENDIX B

<p>Option 4</p> <p>Continue £10 & £15 Scheme until the end of period 13 and then initiate option 2</p>	<p>Utilisation rates are likely to stay roughly the same, until March/April time, then increase as the 'kipper' season ends and the warmer trading months begin</p>	<p>£9,331 potential loss</p>	<p>Traders morale will be positive. Footfall might increase Improve vitality and vibrancy of market. At worst case scenario, there may be a small drop in utilisation at the start, however this will swiftly increase as of March/April.</p>
<p><u>Original Options that have already been presented to Cabinet and Hitchin Area Committee.</u></p>			
<p>Option 5 - That the 6 month trial ceases as at 23rd January 07, with the re-introduction of original 2006/07 rates.</p>	<p>Utilisation may decrease, potential that the majority of traders that have commenced trading since the introduction of the reduced rents might leave.</p>	<p>Achieve amended budgets for 2006/07.</p>	<p>Negative morale from traders. Footfall could reduce, if traders leave, as there will be a lesser scope of commodities. Vitality and vibrancy of market could be affected.</p>
<p>Option 6 - That the reduced rents are extended until the outcome of the Markets Future Management arrangements are agreed. The current anticipated date for this will be July 07.</p>	<p>Utilisation is likely to reduce during the kipper season, then slowly increase. However, would not expect the utilisation to achieve current levels, as Christmas is normally a time when utilisation peaks.</p>	<p>£30,000 potential loss.</p>	<p>Traders morale will be positive. Footfall might increase Improve vitality and vibrancy of market</p>

APPENDIX B

<p>Option 7 - That the reduced rents are extended for an extra year</p>	<p>Utilisation is likely to reduce during the kipper season, then slowly increase to achieve similar utilisation as current.</p>	<p>£60,000 potential loss.</p>	<p>Traders morale will be positive. Footfall may increase Improve vitality and vibrancy of market</p>
--	--	--------------------------------	---

TITLE OF REPORT: WASTE MANAGEMENT CONTRACT

REPORT OF THE HEAD OF LEISURE & ENVIRONMENTAL SERVICES

PORTFOLIO HOLDER: COUNCILLOR MRS L.A. NEEDHAM

1. SUMMARY

- 1.1 For Cabinet to consider the proposals from our Waste management Contractor in relation to introducing 75 Bring Sites for the collection of Plastic Bottles, kerbside collection of Cans and Alternate Weekly Collection for landfill and recycling.

2. BACKGROUND

- 2.1 At the Cabinet meeting on 19 December 2006 members considered a range of options for expanding recycling and introducing a system of Alternate Week Collections (AWC) Officers were instructed to further develop Option 3 and report back to Cabinet with quotations in accordance with the Contract Change Notice process.
- 2.2 Waste and Recycling Policies affecting these proposals were considered and agreed by the Contractor and subsequently by Cabinet at their meeting on the 16 January 2007.

3. PROGRESS WITH CONTRACT NEGOTIATIONS

- 3.1 On 29th December 2006 three Change Notices were formally issued to Serviceteam.
- a) Change Notice No. 4 – Proposed Modification to refuse Collection Service
This notice sought to determine the cost and service impact of changing the service for the collection of non-recyclable waste from a weekly collection to a fortnightly collection.
- b) Change Notice No. 5 – Proposed Modification to Kerbside Recycling Collection Service
This notice sought to determine the cost and service impact of expanding the existing kerbside recycling collection scheme for paper and glass to include mixed cans.
- c) Change Notice No. 6 – Proposed Modification to the Recycling Service
This notice sought to determine the cost and service impact of introducing a bring Bank service at 75 sites for the collection of plastics.
- 3.2 Responses to Change Notices 4, 5, & 6 were received from Serviceteam on Friday, 19 January 2007. Queries arising from their qualitative responses were e-mailed to the Contractor on Monday, 22 January 2007, responses and changes to their financial bids were received from them on Tuesday, 23 January 2007, This raised further issues which were returned to them and they responded on Wednesday, 24 January 2007.

- 3.3 Further to a financial evaluation of the Change Notices a number of financial questions were put to ServiceTeam who responded on Thursday 25 January 2007. Arising from this response a number of further questions were raised and a response was received from the Contractor on Friday, 26 January 2007. Although many of the issues have been resolved, this has led to an escalation in the price quoted which will be discussed in the Part II Report.
- 3.4 Change Notice 6 proposes that the Contractor takes all plastic materials to the Material Recycling Facility (MRF) at Luton. This relies on agreement between Hertfordshire County Council and Luton Council who are the disposal authorities. This Council does not currently have the agreement of these authorities to use the MRF at Luton.
- 3.5 The quote for Change Notice 6 has identified a number of issues. The problems involved with plastics recycling were identified and reported to Cabinet in the previous report on 19 December 2006. These issues still remain. The Contractor has no local facility to receive and recycle plastics and there is no value in the material itself, with only a few of the many plastics that are currently on the market suitable to recycle, namely plastic bottles.

4. OTHER MATTERS

4.1 Consultants

In the previous Cabinet Report dated 19 December 2006, Officers committed to involving the Consultants (DJ) used previously in relation to the Waste Management Contract to confirm that the price quoted represents best value. The Consultants were used to progress negotiations with the Contractor. However in light of the responses to the Change Notices and the other quote obtained Officers are confident that this is now not required.

4.2 Identification of Bring Bank Sites

4.2.1 There have been 79 locations identified as potential sites for placement of plastic bring sites. Plans for all sites have been sent to the Land Registry to obtain ownership details:

4.2.1.1 Thirty two sites have been returned as unknown owners as the land is unregistered

4.2.1.2 Thirty eight site owners have been written to, requesting permission to site the bank on their land

4.2.1.3 Nine site details are still expected to be sent from the Land Registry

4.2.2 To date we have received one formal acceptance but have had six enquiries to discuss the request further. Where some landowners have called to discuss further if they are not entirely happy with our suggestion of location, it has been requested that they identify a more suitable site within their property.

4.3 Other Options for Bring Sites

4.3.1 Value for money is driving Officers to consider alternative options for collecting cans and other materials such as tetrapaks at bring sites rather than kerbside collection, this will be discussed in detail in the Part II Report.

5. LEGAL IMPLICATIONS

5.1 Once ST has responded to a Council Change Notice the Council is required to give a Council Change Notice Confirmation to ST for the Change Notices that it wishes to implement. The Council is required to issue this confirmation within 30 working days of the receipt of ST's formal response, (30 March 2007). The Confirmation incorporates

the changes required by the Council Change Notice into the Contract and both the Council and ST will then be bound.

6. FINANCIAL AND RISK IMPLICATIONS

- 6.1 This detail is dealt with in the Part II Report
- 6.2 Participation rates for recycling are unknown. Excessive take up may increase the number of lifts required and increase costs. Lower participation rates will impact on sales and recycling credits and not meet anticipated income targets.
- 6.3 In-vessel composting facilities are to be provided by Hertfordshire CC. However, it has not been confirmed that these will be operational by September 2007. This could impact on AWC as kitchen waste would only be collected in black bins fortnightly leading to potential adverse public reaction.

7. HUMAN RESOURCE AND EQUALITIES IMPLICATIONS

- 7.1 If Option 3 is chosen then there will be significant staffing issues for approx. Six months prior and six months after implementation. There will be a requirement for some additional temporary staff to deal with queries and telephone calls from the public arising from the transition.
- 7.2 There is a requirement for a part time Project Co-Ordinator to be employed by the Council to oversee the implementation of the Project.
- 7.3 Provision has been made for these requirements within the Promotions and Publicity sum referred to in the Report to Cabinet dated 19 December 2006.
- 7.4 Recruitment will be carried out in accordance with the Council's Policies.
- 7.5 At this stage there have been no identified equality issues.

8. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 8.1 The Portfolio Holder has been consulted.
- 8.2 BMG research, the company that undertakes the Councils District Wide Survey consulted with focus groups on the key issues that arise from this report. This information should inform us on the likely residents reaction to any of the options and assist in whatever option is chosen at the Cabinet meeting on 30 January 2007. Executive Summary attached as Appendix A.

9. RECOMMENDATIONS

- 9.1 That consideration is given to the issues raised in this Report in conjunction with the Part II Report.

10. REASONS FOR RECOMMENDATIONS

- 10.1 The Council is required to meet future government and EU directives in respect to recycling.

11. APPENDICES

- 11.1 Appendix A - BMG Research results

12. CONTACT OFFICERS

- 12.1 Vaughan Watson
Head of Leisure & Environmental Services
Tel: 01462 474641
mail: vaughan.watson@north-herts.gov.uk
- 12.2 Tony Clampton
Service Manager (Waste)
Tel: 01462 474304
Email: tony.clampton@north-herts.gov.uk
- 12.3 Katie White
Senior Lawyer
Tel: 01462 474315
Email: katie.white@north-herts.gov.uk
- 12.4 Anita Thomas
Service Accountant
Tel: 01462 474451
Email: anita.thomas@north-herts.gov.uk
- 12.5 Jamie Sells
Contracts Officer (Waste Management)
Tel: 0800 328 6023
Email: jamie.sells@north-herts.gov.uk

Contributors

- 12.6 John Robinson
Strategic Director Customer Services
Telephone: 01462 474655
Email: john.robinson@north-herts.gov.uk
- 12.7 Kim Sawyer
Corporate Legal Manager
Telephone: 01462 474561
Email: kim.sawyer@north-herts.gov.uk

12.8 Barrie Jones

Head of Finance

Telephone: 01462 474243

Email: barrie.jones@north-herts.gov.uk

13. BACKGROUND PAPERS

13.1 Cabinet Report dated 19 December 2006

13.2 Cabinet Report dated 16 January 2007

1 Executive Summary

Residents are broadly happy with the existing service. They make a range of suggestions as to how the service could be improved, most of which revolve around greater flexibility on the part of contractors and more information from the Council as to what can/cannot be recycled where and why. The brown bin is a particular area of confusion at present.

Residents spontaneously suggest the introduction of kerbside plastics and cans recycling. They feel a kerbside collection would be so convenient that it would ensure as many people as possible get involved in recycling as much as possible.

Expanding the number of 'bring' sites is seen as a useful step, with some suggestion that rural areas in particular require more 'bring' sites. Respondents would like these sites to be located at supermarkets. They feel supermarkets are particularly appropriate as residents will be visiting the supermarkets anyway (i.e. there will be no need for additional trips in the car, which some see as defeating the point of recycling).

Residents are less impressed at the concept of fortnightly alternate collections. Most are concerned about the impact of over-spilling rubbish bins, and the vermin and stench that that they imagine will result. In one group there is some limited acceptability of this approach assuming residents were able to recycle household waste into the brown bin. Where this is acceptable, respondents envisage that those food products that would otherwise have created a stench will instead be placed as compost waste into the brown bin. There is a perception that composting food stuffs would not create the same level of smell.

Most respondents are part of the composting scheme, using the service to dispose of cut grass, and some wonder why they can't put household waste such as potato peelings into their brown box too. So, when the idea of expanding the scheme is raised, most are enthusiastic about the principle of expansion. They naturally suggest that the scheme should be expanded to include the composting of household waste.

There can be some initial confusion at the logic of extending the composting scheme to include flats. Given that the scheme is currently focused upon garden waste, they wonder why those living in flats would have any need for the service (unless they were living on the ground floor). The Council should be aware that, if extending the scheme, it will be important to address this confusion and explain why/how the service is of use to those living in flats – otherwise there is a danger residents will assume that the service is of little use/offers poor value for money.

Without specific figures as to how much money would be spent on each of these schemes, and what that spending would mean to them (i.e. % increase in Council Tax) the respondents found it very difficult to engage in discussions around the cost-benefit analysis of each scheme.

TITLE OF REPORT: BUDGET PROPOSALS 2007- 2008

REPORT OF THE STRATEGIC DIRECTOR OF FINANCIAL & REGULATORY SERVICES
PORTFOLIO HOLDER: COUNCILLOR T.W. HONE

1. SUMMARY

- 1.1 To consider the factors which contribute to the determination of the District Council Tax level and to recommend the appropriate level to Council on the 8 February 2007.
- 1.2 To agree the provisional Capital Programme for 2007/08 to 2010/11.

2. FORWARD PLAN

- 2.1 This Report contains a recommendation on a key decision to be taken by Council on 8 February 2007 that was first notified to the public in the Forward Plan on 1 November 2006.

3. BACKGROUND

- 3.1 The Service and Financial Planning process for 2006/07 began at your meeting in July 2006 when the Director of Finance and Regulatory Services reported on the Council's financial strategy for 2007/08 to 2011/12. The report highlighted the pressures facing the Authority, namely
 - The statutory and other inescapable inflationary pressures
 - Anticipated resources required for strategic priorities.
- 3.2 The Service and Financial Planning Process provides a cyclical framework by which the Council determines its priorities and aligns both resources and finances to achieve these, in line with our short, medium and long term commitments determined in the Corporate Plan. In order to determine clear criteria to support such decisions, a methodology for scoring individual projects has been developed. This requires that each proposal for growth is required to be linked to one or more of the six key strategic objectives identified in the Corporate Plan. The intention is that criteria for inclusion of objectives on the Corporate Plan will reflect those contained within the Service and Financial Planning Framework.
- 3.3 The financial strategy highlighted those key areas of strategic, statutory and inflationary spending where NHDC has made a positive decision to meet both Government and customer expectations and indicated a potential funding gap of £1.267 million.
- 3.4 The report also identified the pressures faced by the Authority in the next few years. The spending gap compared to the District Requirement figure (DRF), as adjusted for anticipated capping limits, would continue to rise and the Authority set itself an efficiency savings target of £1.267 million in 2007/08 in an effort to minimise the gap between actual spending requirements and the DRF.
- 3.5 It is anticipated that the pressures the Council faces are likely to increase and we will have to continue to consider innovative ways of providing services through

partnership with other local authorities and the private sector and /or cease provision of some services where there are alternative providers

- 3.6 The December meeting received the revised draft savings and growth options proposals following discussions at Member workshops and Committees. Members indicated those items that should remain in the budget process for 2007/08 and noted that a minimum Council Tax increase of 4.90% would be necessary to produce a balanced budget. Members were reminded that further work to refine the estimates was ongoing and that final figures would be reported to the 30 January meeting.
- 3.7 The report now presented includes the results of the consultation exercises undertaken and seeks approval for a number of matters which have been built in to the estimates, namely
- Budget is based on strategic priorities
 - Pay award of 2.5%
 - In-built contractual inflation
 - Standstill budget for all other items
 - Government support totalling £7.5 million
 - Challenge Board Efficiency Savings target totalling £274k
 - Challenge Board Target Savings options totalling £567k
 - Statutory and Strategic Priority growth totalling £226k (excluding RG17)
- 3.8 The December report highlighted the fact that the Council must make an assessment of financial risk associated with the budget proposals and set the level of General Fund balance accordingly. This analysis of risk and the impact on the proposed General Fund balance is outlined in paragraph 4.4.3.
- 3.9 The Financial strategy outlined the additional costs falling to the General fund in future years as a result of inflation and growth and outlined a strategy to deal with these increases, namely:
- By a phased use of balances and
 - Using the Challenge Board to investigate means of reducing net expenditure to bring the District Council expenditure more in line with DRF.
- 3.10 The Department of Communities and Local Government (DCLG) have advised the Council that the 2007/08 settlement figure of £7.559million advised as part of the 2 year settlement is still the figure for 2007/08. In addition to this a further £10k (2006/07) and £49k (2007/08) will be allocated for implementing the new smoke free legislation, these amounts have been included in the estimates.

4. CONSIDERATIONS

- 4.1 In arriving at the final Council Tax precept recommendation, it is necessary to consider the impact of a number of items on the budget namely, the local Government Finance Settlement, the Collection Fund, position of Balances, other Reserves and Provisions, the savings options being accepted, the growth options being supported and the base revenue estimates for 2007/2008. The following sections of the report will deal with each item in turn.

4.2 Local Government Finance Settlement

4.2.1 As provisionally predicted the announcement made on 28 November 2006 confirmed a settlement totalling £7.559 million, some £306K more than this year. In the announcement, the Minister for Local Government stated that all authorities would receive an increase in grant in cash terms. The final figure was confirmed on the 18th January 2007 and remains unchanged. In our case, the Government figures show that we have received an additional £306K, a 4.2% increase compared to the Adjusted 2006/07 Formula Grant as per table 1 below.

Table 1 Adjusted figures for 2006/07 and figures for 2007/08

	<i>Original 2006/07</i>	<i>Adjusted 2006/07</i>	<i>Approved 2007/08</i>	<i>Diff to Adjusted</i>	<i>%</i>
	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	
<i>RSG</i>	<i>1,178</i>	<i>N/A</i>	<i>1,086</i>	<i>N/A</i>	
<i>NNDR</i>	<i>6,138</i>	<i>N/A</i>	<i>6,473</i>	<i>N/A</i>	
<i>Total</i>	<i>7,316</i>	<i>7,253</i>	<i>7,559</i>	<i>+306</i>	<i>4.2</i>

4.2.2 Early indications of provisional finance settlements by the DCLG for future years are not available and announcements are not expected until late March. To assist the Council's forward planning an assumption of an annual increase in grant of 2% has been made for future process.

4.2.3 Cabinet is asked in Recommendation 10.1 to note that Government support for 2007/08 total of £7.559m.

4.3 Collection Fund

4.3.1 The Council is required to maintain a Collection Fund to account for the costs of collecting the Council Tax. The Fund is required to break even over time and should a surplus/deficit develop, this must be returned/repaid to/from the Council Taxpayers. Any surplus/deficit must be shared with the County Council and Police authority in proportion to their share of the overall Council Tax bill. The provisional figures for 2006/07 indicates a year-end surplus on the collection fund of £5,115 see appendix A. North Hertfordshire's share is a deficit of £17,867 from this net surplus. However, the 2006/07 in year deficit will be dealt with as part of the 2007/08 budget setting process.

4.3.2 Cabinet is asked in Recommendation 10.2 to note the position on the Council Tax Collection Fund and agree that the in year deficit projected at 31st March 2007 is recovered in 2007/08.

4.4 Balances

4.4.1 Before setting a Council Tax precept for 2007/2008, it is necessary to review the position of balances and reserves. In addition to the General Fund balance, the Council keeps specific reserves and provisions for known areas of exposure to potential additional costs (provisions are sums set aside when the Council knows with reasonable precision the likely actual costs).

4.4.2 The Council operates with a reserve balance for General Fund activities in order to provide a cushion against unexpected increases in costs, reductions in revenues and expenditure requirements. Net expenditure on the General Fund is anticipated

to be approximately £17.5 million for 2007/2008. Guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) suggests that the revenue balances should be set at no less than 5% of net revenue expenditure, having taken account of the risks faced by the Authority in any particular year. For NHDC this would mean a minimum balance of about £875,000. The minimum figure represents the cushion against totally unforeseen items. When setting the level of balances for any particular year, known risks which are not being budgeted for should be added to this figure and the Council will be criticised for poor financial management by the District Auditor if, having considered the risks it does not budget for a higher figure.

4.4.3 An assessment of the risks faced in the coming year has identified the following items where the financial impact is not wholly known and prudence would therefore indicate the need to set the General Fund balance substantially higher than the minimum.

- Potential of not meeting the savings target, in particular those relating to:
 - the control of staff vacancies for the full year – medium to high risk
 - the increase in planning income streams – high risk
 - cost of subsidised bus routes and dial-a-ride – high risk
- The vulnerability of the authority to interest rate changes – the net expenditure figure quoted for the general fund includes an assumed £3 million from interest receipts - a 0.25% change in interest rates would result in £154k more or less in a full year. The 2007/08 General Fund estimates include the .increase on the 11th January 2007 of 0.25%– high risk
- The ongoing impact of Regional and Strategic Planning issues suggest that it would be prudent to hold additional funds in reserves that could be called upon if necessary. A budget for costs of specialist consultants has not been included in the base estimate – medium risk
- Concessionary fares expenditure has been capped across the districts in Hertfordshire for 2006/07, however individual authority's contributions have yet to be finalised. Negotiations with bus operators for 2007/08 are currently underway - high risk

It is assessed that the total of all these items is in the region of £600K. It would therefore be prudent to increase balances by at least £400k above the minimum level. This would seem to suggest that it is advisable to maintain a General Fund balance in the region of £1,275 million for 2007/08.

4.4.4 Cabinet is asked in Recommendation 10.3 to approve a General Fund Balance of £1,275,000.

4.5 Other Reserves and Provisions

4.5.1 As at As at 31st March 2006 the Council's Insurance Fund stood at £123,482. The original purpose of the Reserve was to protect the Council against the possibility of the Municipal Mutual Scheme of arrangement being triggered which would entitle them to 'clawback' claims costs paid since 1993. It can take a very long time for insurance company liabilities to be finally assessed the Scheme of Arrangement therefore remains in place and the Reserve allows 19% cover. In addition the Reserve has been maintained to cover the possibility of an 'event' year for liability claims, where for whatever reason the number of claims exceed that calculated and the probability of a loss on self-insured assets. The assessment of risk for these additional elements indicates that a suitable reserve of £192,000 is required and the fund is being built up annually to reach this level. There is an additional £50,000 reserve to meet potential as yet unidentified claims.

- 4.5.2 In 1997/98 the Council set aside a sum of £123,000 for an I.T. Acquisitions Fund. Arrangements are being made to utilise the fund not only to acquire I.T. equipment but also to generate internal income that will in time release the £123,000 back to the General Fund if needed. At the start of this financial year the fund balance was £29,000. Income generated by the fund in this year will fund some of the hardware and software purchases of £267,000 instead of external operating lease arrangements. The projected balance on the fund is estimated to be £162,1000 at the 31 March 2007. Subject to acceptance of a sound business case, the IT reserve will now be used to fund capital IT purchases identified as part of the service & financial planning process and their revenue consequences.
- 4.5.3 In 1998/99 approval was given to the creation of a Risk Management Fund from a special levy on premium charges to services. This was possible because of the overall savings on the Authority's insurance contract following the re-tendering of the service on April 1998. One of the savings options agreed for 2000/2001 was to discontinue the levy. At the commencement of this year the balance stood at £36,000 and this is earmarked for funding of special risk management initiatives, these initiatives will help reduce future insurance premium charges and provide much needed facilities and service improvements.
- 4.5.4 As part of the Stock Transfer agreement, the Authority was required to provide environmental warranties to North Hertfordshire Homes. A desktop environmental study indicated that the risk to the Council of the warranty being used was low and the Council took the decision to self insure the warranties from the post stock transfer reserve. In 2003/04 the Council agreed to transfer funds from the post stock transfer reserve to an earmarked Environmental Warranty provision. At the commencement of this year the balance stood at £209,000.
- 4.5.5 The Council has received grant towards meeting the Governments e-government targets, in order to match the Council's expenditure on the SSSC contract with the timing of the grant a reserve was set up which will be drawn on in 2006/07 and 2007/08. The balance on the reserve at the 31 March 2006 was £422,000.
- 4.5.6 The Council has received Planning Delivery Grant (PDG) towards meeting the Government's Communities Plan objectives. In order to match the Council's expenditure to the grant received for the work programme 2003/04-2008/09, a reserve was set up which will be drawn on in 2006/07,2007/08 and 2008/09. The balance on the reserve at the 31st March 2006 was £411,000.
- 4.5.7 Cabinet is asked at Recommendation 10.4 to note the position relating to the Council's other reserves and balances.**

4.6 Growth and Savings Options

- 4.6.1 At the December meeting of the Cabinet, Members approved the inclusion of an estimated £907,430 savings and £254,200 growth in the provisional budget calculations for 2007/2008. Further refinement to the estimates has reduced the savings proposals to a total of £887,430 as summarised as follows:

Table 2 Summary of Recommended Savings.

Appendix	Description of Saving Category	£,000
B1	Savings Proposals	474
B2	Income Increases	237
B3	Further Savings Proposals	176
	Total	887

The total growth for 2007/08 is £254,200, of which £28,000 relates to growth for cemeteries. This growth is only required if income increase option SG22 is not approved. The lists of these savings and growth items included in the calculations are attached at Appendices B & C.

4.6.2 All savings and growth proposals which commence in 2008/09 (excluding the Additional costs of implementing the new local Planning regime RG3) have been excluded from the base budgets shown in Appendix D. Instead until approved at a later date these will count against the savings and growth targets for their respective years. The savings target for 2008/09 remains at £900,000.

4.6.3 Cabinet is asked at Recommendation 10.5 to confirm the Savings and Growth items at Appendix B and C to be included in the budget estimates for 2007/08.

4.6.4 Cabinet is asked at Recommendation 10.6 to note that all growth proposals are in accordance with the strategic objectives for 2007/08.

4.7 Estimates 2007/2008

4.7.1 The estimates at Appendix D reflect the principles of priority-led budgeting and include the growth and savings options approved in principle at the December meeting of Cabinet. The draft revenue estimates for 2007/2008, shown as total expenditure in Appendix D to this report, show a total net district expenditure of £17,501 million compared to the original estimate for 2006/2007 of £16,861 million, an increase of £640k. The 2nd quarter projected outturn for 2006/07 is £17,686 million, which is £825K more than the draft estimate for 2006/07.

4.7.2 A number of areas of uncertainty have been identified in paragraph 4.4.3 above and a general fund balance higher than the minimum required is advised to deal with these risks.

4.7.3 Cabinet is asked at Recommendation 10.7 to note the estimated net expenditure for 2006/07.

4.8 Other Considerations

4.8.1 Having considered the implications outlined above, the Cabinet is free to set the Council Tax at whatever level it wishes. In practice, however, effective limitations still remain in relation to tax setting options. The Government continues to use Capping powers and has indicated that Council Tax increases should be below 5%. Members will have to justify the level of increase to the Council Taxpayers and have to balance the costs of providing services to the public with the implications of non-provision or variation to the level of provision.

The analysis at Appendix D indicates the impact of the above-mentioned items on the precept required to balance the budget for 2007/08 and shows that at this stage, an average District Council precept of £178.38 (4.90% increase) would be required across the District.

4.9 Capital Programme 2006/07 and Onwards

4.9.1 Appendix C2 lists the proposed capital growth items for inclusion in the 2007/08 Capital Programme, total £237,000. The revenue implications of all these projects have been included in the revenue growth proposals in appendix C1. The IT bids originally included in the capital growth options list will be funded via the IT reserve, these are subject to approved business cases and co-ordination with the Access to Service Project Board.

- 4.9.2 Page 1 of Appendix E summarises the funding position of the capital programme up to 2010/11 at which year, based on current projections, there will be a funding shortfall of £493K. Following the approval of the office accommodation strategy and the proposal to purchase and refurbish and extend the former 'Grammar School', Letchworth, for a new civic building. (Minute 89, - Cabinet 17 October) provision is required for borrowing during 2009/10. This borrowing will have an impact in terms of additional interest charges but this will be offset by reduced running costs and later asset disposals. The growth bids excluded from the programme are :
- CG1 Emergency Planning, Co-Ordination Centre Improvements
 - CG2 Green Space Strategy
 - CG3 Restoration of Howard Park & Gardens (budget in 2006/07 relates to the stage 1 submission bid only).

4.9.3 Cabinet is asked at recommendation 10.8 to approve the provisional capital programme for 2007/08 to 2010/11, which includes the projects listed in Appendix C2.

5. CONCLUSIONS AND COUNCIL TAX PRECEPT

- 5.1 For the purposes of producing this report the decisions of the December meeting regarding growth and savings have been used as a reference point and the General Fund summary attached as Appendix D reflects those decisions. The growth and savings as outlined in Appendices B and C have been included.
- 5.2 An analysis of the risks facing the General Fund for 2006/07 suggests that a balance of £1,275,000 is advisable during 2007/2008 to provide a cushion against the risks identified.
- 5.3 The analysis at Appendix D indicates the impact of the decisions already taken and the revised anticipated General Fund Balance requirement on the required Council Tax precept and indicates that a precept of £8,639,396 is applied, an annual increase of £8.33 on a band D property, (4.9%). The increase meets the objective set in the financial strategy to keep council tax increases to no more than 2 percentage points above inflation which stood at 3.6% at October 2006 and 4.4% at December 2006.
- 5.4 Indications from County are that they will set a precept of 4.99% and the likely precept for the Police Authority is not known.
- 5.5 Cabinet is asked at Recommendation 10.9 to indicate the level of precept it wishes to recommend to Council to be levied upon the Collection fund for 2007/2008.**

6. LEGAL IMPLICATIONS

- 6.1 Members are reminded of the requirement in the Local Government Finance Act 1992 to set a balanced budget by 9 March 2007. This requires that the Council Tax level be set at a level which bridges the gap between budget requirements and the expected income from local taxes and the Revenue Support Grant. The formula for calculating the Council Tax base rate is as prescribed in the Local Government Finance Act 1992 and the Regulations thereto.
- 6.2 The Local Government Finance Act 1992 requires the billing authority to consult with representatives of the non-domestic ratepayers about their expenditure for the financial year.

- 6.3 The Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of estimates and the adequacy of reserves allowed for in the budget. It requires Councillors to have regard to that report in making their budget decisions.

7. FINANCIAL AND RISK IMPLICATIONS

- 7.1 As outlined in the body of the report.

8. HUMAN RESOURCE AND EQUALITY IMPLICATIONS

- 8.1 Human resource and equality implications that may relate to savings and growth proposals are referred to in Appendices B and C attached to the report.

9. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 9.1 In accordance with the Service and Financial Planning process, this report has been referred to the Scrutiny Committee for comment. Comments from member budget workshops and committees were reported at the December Committee.
- 9.2 In accordance with the Local Government Act 1992, the business ratepayers have been consulted on the draft budget proposals interim comments were reported to the December Cabinet. A further meeting will take place on 22 January 2007.

10. RECOMMENDATIONS

- 10.1 That the Cabinet notes that Government support for 2007/08 of £7.559m.
- 10.2 That the Cabinet notes the position on the Council Tax Collection Fund and notes that there is a surplus of £5,115 projected at 31 March 2007. The North Hertfordshire share is a deficit £17,687 and it is recommended that this deficit is recovered in 2007/08.
- 10.3 That the Cabinet notes the position relating to the Council's balances and that a General Fund balance of £1,275,000 has been used in the precept calculations.
- 10.4 That the Cabinet notes the position of the other Reserves and Balances as detailed in paragraph 4.5.
- 10.5 That the Cabinet approves the inclusion of the Savings and Growth items at Appendices B and C in the budget estimates for 2007/08.
- 10.6 That the Cabinet notes that all Savings and Growth proposals are in accordance with strategic objectives.
- 10.7 That the Cabinet notes the estimated net expenditure for 2007/08.
- 10.8 That the Cabinet approves the provisional capital programme for 2007/08 to 2010/11, which includes the projects listed in Appendix C2.
- 10.9 That the Cabinet indicates the level of Precept it wishes to recommend to Council to be levied upon the Collection Fund for 2007/2008.

11. REASONS FOR RECOMMENDATIONS

- 111 To ensure that Members consider all relevant factors when arriving at the proposed Council Tax precept for 2007/08.

- 11.2 To ensure that the Cabinet recommends a prudent and balanced budget to Council on 8 February 2007.
- 11.3 To ensure that the capital programme meets the Council's objectives and officers can plan the implementation of the approved schemes.

12. APPENDICES

- 12.1 Appendix A – Collection Fund
- Appendix B – List of savings items
- Appendix C – List of growth items
- Appendix D - General Fund Estimates 2006/07
- Appendix E – Capital Programme 2006/07 to 2009/10

13. CONTACT OFFICERS

- 13.1 Norma Atlay, Director of Financial & Regulatory Services, Tel 474297, email, norma.atlay@north-herts.gov.uk.
- 13.2 Kim Sawyer Corporate Legal Manager, Tel 474561, email, kim.sawyer@north-herts.gov.uk
- 13.3 Barrie Jones, Head of Financial Services, Tel 474243, email barrie.jones@north-herts.gov.uk
- 13.4 Clare Fletcher, Accountancy Manager, Tel 474470, email clare.fletcher@north-herts.gov.uk

14. BACKGROUND PAPERS

- 14.1 Estimate working papers 2007/08
- Government provisional subsidy determinations 2007/08

THIS PAGE IS BLANK

**NORTH HERTFORDSHIRE DISTRICT COUNCIL
COUNCIL TAX COLLECTION FUND PROJECTION 2006/2007**

(- = DEFICIT)

	£'000	£'000
INCOME		
Council Tax:		
Income from Council Tax	56,164	
Council Tax Benefits	6,249	62,413
Income in respect of National Non-Domestic Rates		31,427
Contribution Towards Previous Years Deficit		
Hertfordshire County Council	282	
Hertfordshire Police	35	
General Fund	33	350
	Total	94,190
EXPENDITURE		
Precepts		
North Hertfordshire District Council	8,978	
Hertfordshire Police	5,945	
Hertfordshire County Council	47,230	62,153
National Non-Domestic Rate:		
Payment to national Pool	30,899	
Cost of Collection Allowance	528	31,427
Council Tax Bad Debt Provision (Increase)		181
SURPLUS FOR THE YEAR		<u>429</u>
DEFICIT AS AT 31 MARCH 2006 B/fwd		-424
SURPLUS AS AT 31 MARCH 2007		<u>5</u>
APPORTIONMENT OF COLLECTION FUND SURPLUS		
North Hertfordshire District Council (DEFICIT)		-18
Hertfordshire County Council (SURPLUS)		20
Hertfordshire Police Authority (SURPLUS)		3
SURPLUS AS AT 31 MARCH 2007		5

APPENDIX B1 - SAVINGS PROPOSALS

Ref No	Description of Savings Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Saving in 2007/08	Saving in 2008/09	Saving in 2009/10	Saving in 2010/11	Saving in 2011/12	Ongoing (Y/N) or No of further years available	Statutory Function (Y/N)
--------	---------------------------------	---	---------------	----------------	-------------------	-------------------	-------------------	-------------------	-------------------	--	--------------------------

Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a - score shows that the savings item meets the key factors, a + score shows that they do not. (maximum savings score - 13)

BUDGET SCRUTINY SAVINGS			£ 137,010	£ 109,210	£ 109,210	£ 109,210	£ 109,210
--------------------------------	--	--	-----------	-----------	-----------	-----------	-----------

REVENUE SAVINGS -SALARY EXPENDITURE RELATED

SG1	Removal of health development officer post (Post currently on fixed term to March 2007 and part funded by PCT £12.4k).	Healthier - Strategic Objectives -4, Service review -3 = -7	£22,130	£19,033	£22,130	£22,130	£22,130	£22,130	£22,130	Y	N
SG2	Remove IT Help Desk Customer Care Officer Post (vacant post)	Satisfied - Strategic Objective -4, Service review -3 = -7	£ 21,840	£ -	£21,840	£21,840	£0	£0	£0	N	N
SG3	With the implementation of the new Human Resources (HR) payroll system, 0.5 FTE post can be deleted from the establishment. Further savings may be possible in future years if further efficiencies are realised. (vacant post).	Satisfied - Strategic Objective -4, Service review -3 = -7	£62,220	£58,820	£8,260	£8,260	£8,260	£8,260	£8,260	Y	N
SG4	Delete Land & Property Officer (Currently filled by temporary staff on fixed contract which finish before 31st March - no redundancy costs)	Satisfied - Strategic Objective -4, Service review -3 = -7	£21,960	£21,960	£21,960	£21,960	£21,960	£21,960	£21,960	Y	N
SG5	Delete Decriminalisation Parking Attendant Post from establishment, (vacant post)	Safer - Strategic Objectives -4, Service review -3 = -7	£ 414,210	£ 396,105	£24,760	£24,760	£24,760	£24,760	£24,760	Y	Y
SG6	Deletion of Accountancy Assistant post (Currently Vacant -grade 6) £25.7k, with transfer of part of the cost to cover the appointment of a Shared Procurement Officer on a 50% basis with East Herts D.C., (net cost to Council £19k.) Leaving saving of £6,700.	Satisfied - Strategic Objective -4, Service review -3 = -7			£6,700	£6,700	£6,700	£6,700	£6,700	Y	N

Ref No	Description of Savings Proposal	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation etc)
--------	---------------------------------	---

REVENUE SAVINGS -SALARY EXPENDITURE RELATED

SG1	Removal of health development officer post (Post currently on fixed term to March 2007 and part funded by PCT £12.4k).	Post currently on fixed term to March 2007 and part funded by PCT £12.4k. The PCT funding will not continue post March 2007. The authority has a requirement to consider the well being of all its residents and to fulfil partnership role with health partners, but this could be fulfilled in a reduced manner by integration with scrutiny officer function.
SG2	Remove IT Help Desk Customer Care Officer Post (vacant post)	Budget provision was made in October 2005 for a new help desk function post within the IT service structure. The post was for a three year fixed term and budget provision was made until 2008/09. It has now become clear that following reorganisation of the existing service, the new post is not required and the full time grade 4 vacant post should be removed.
SG3	With the implementation of the new Human Resources (HR) payroll system, 0.5 FTE post can be deleted from the establishment. Further savings may be possible in future years if further efficiencies are realised. (vacant post).	New payroll system due to be in place for 01-04-07. System selection is currently taking place. Further salary savings may be realised in years 2 & 3 when the new system is embedded and on-going staffing requirements will be subject to a full assessment once the new system is operational. This is part of the implementation of the HR Fundamental Service Review (FSR).
SG4	Delete Land & Property Officer (Currently filled by temporary staff on fixed contract which finish before 31st March - no redundancy costs)	Remove post following Accolaid project which has improved efficiency regarding property searches.
SG5	Delete Decriminalisation Parking Attendant Post from establishment, (vacant post)	This post was created as part of the decriminalisation of parking enforcement. This post has never been filled and is no longer required in the establishment
SG6	Deletion of Accountancy Assistant post (Currently Vacant -grade 6) £25.7k, with transfer of part of the cost to cover the appointment of a Shared Procurement Officer on a 50% basis with East Herts D.C., (net cost to Council £19k.) Leaving saving of £6,700.	Post is currently vacant and its impact upon earlier closure of 2005/06 accounts was not apparent. However with further changes regarding the accounting treatment of capital and the presentation of accounts for 2006/07 and onwards from 'Statement of Recommended Practice' (SORP) 2006' there is a risk that existing staff capacity may need to be enhanced during the closure period (Feb to June) at additional cost. Part of the saving on the Accountancy Assistant post has been used to fund the CMT approved procurement officer post which was agreed during the current financial year. The remaining £6,700 has been offered up as a saving.

APPENDIX B1 - SAVINGS PROPOSALS

Ref No	Description of Savings Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Saving in 2007/08	Saving in 2008/09	Saving in 2009/10	Saving in 2010/11	Saving in 2011/12	Ongoing (Y/N) or No of further years available	Statutory Function (Y/N)
<p>Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a - score shows that the savings item meets the key factors, a + score shows that they do not. (maximum savings score - 13)</p>											
SG7	Restructure of caretaking service as part of current office improvements. Partial saving in 2006/07 - full saving in 2007/08 of £24k. (Staff consultation underway, saving means a reduction in the Caretakers employed hours.)	Satisfied - Strategic Objective -4, Service review -3 = -7			£24,000	£24,000	£24,000	£24,000	£24,000	Y	N
SG8	Student Environmental Health Officer (EHO) training: The Authority currently has a Student EHO post that is a salaried position - this could be converted to an annual bursary. (Part saving in 07/08 - proposal would come into effect for Student recruited in Sept 07)	Satisfied - Strategic Objectives -4, Service review -3 = -7	£21,080	£21,000	£5,540	£11,080	£11,080	£11,080	£11,080	Y	N
SG9	Reduced noise call-out service: The current 7 days per week service could be reduced to Thursdays, Fridays, Saturdays and Sundays (and Bank Holidays) only. Local Authorities can adopt powers from Clean Neighbourhood Environmental Act (CNEA) at their discretion and need not provide a noise call out service.	Safer - Statutory pressures +4, consultation +2 = +6	£11,950	£11,608	£4,200	£4,200	£4,200	£4,200	£4,200	Y	Y
SG10	Deletion of the Empty Homes Officer post: This officer works 21 hours per week encouraging owners of vacant residential properties in areas of high demand to return their dwellings to occupancy. (Consultation with the member of staff is currently underway).	Sustainable - Strategic Objectives -4, Service review -3 = -7	£16,053	£ 16,053	£16,050	£16,050	£16,050	£16,050	£16,050	Y	Y
SG11	Delete Technical Officer post (Vacant post - Grade 7)	Sustainable - Strategic Objectives -4, Service review -3 = -7	£27,596	£0	£17,600	£17,600	£17,600	£17,600	£17,600	Y	N
TOTAL SALARY EXPENDITURE SAVINGS OPTIONS			£619,039	£544,579	£173,040	£178,580	£156,740	£156,740	£156,740		

Ref No	Description of Savings Proposal	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation etc)
--------	---------------------------------	---

SG7	Restructure of caretaking service as part of current office improvements. Partial saving in 2006/07 - full saving in 2007/08 of £24k. (Staff consultation underway, saving means a reduction in the Caretakers employed hours.)	The restructure of the caretaking service at the main council offices (DCO), will improve caretaking and cleaning service together with improved office security. The caretaker will be on site half an hour prior to the start of any official Council meetings to meet and greet both members of the public and Councillors. The Caretaker will be situated in reception to show members of the public to the committee rooms. The caretaker will be on site at the DCO for the whole evening as the Town Lodge building will be secured by the contract cleaning supervisor. Arrangements for other meetings held in the evening, such as Arts centre AGM, food hygiene courses and Town Twinning will operate on the same basis as for committee meetings. Consultation with staff has commenced and the restructure will take place before March 2007 thereby reducing the risk of any delay in its implementation.
SG8	Student Environmental Health Officer (EHO) training: The Authority currently has a Student EHO post that is a salaried position - this could be converted to an annual bursary. (Part saving in 07/08 - proposal would come into effect for Student recruited in Sept 07)	The proposed change from a salaried to a more cost effective bursary arrangement is consistent with how some other local authorities financially assist student EHO's. Accordingly, the impact is likely to be negligible since students are still likely to be attracted by the planned level of remuneration.
SG9	Reduced noise call-out service: The current 7 days per week service could be reduced to Thursdays, Fridays, Saturdays and Sundays (and Bank Holidays) only. Local Authorities can adopt powers from Clean Neighbourhood Environmental Act (CNEA) at their discretion and need not provide a noise call out service.	An analysis of call-outs over the past few years has indicated that the majority of call-outs in respect of noise nuisance occur at weekends. A remodelled service focusing on weekends is likely to reduce the impact of this option. However, the reduced service may attract criticism from the public and our partners (i.e. the Police) as it has a high, and increasing number of users. <i>This option is linked to the on-going review of standby payments being conducted by the Authority as part of Equal Pay Status. Following this review costs may go up.</i>
SG10	Deletion of the Empty Homes Officer post: This officer works 21 hours per week encouraging owners of vacant residential properties in areas of high demand to return their dwellings to occupancy. (Consultation with the member of staff is currently underway).	Using BV64 it is possible to see that the number of properties being returned for residential use is low. Deletion of this post (arising from the Authority's CPA inspection) may be criticised by GO East/ the Audit Commission. The level of expenditure does not, however, appear to be good value for money to bring only a small number of properties back into use (2 in 2005/6, 2 in 2004/5) Alternative more cost effective ways of performing this function are being considered.
SG11	Delete Technical Officer post (Vacant post - Grade 7)	Reduce revenues technical team by one officer (1FTE). Part of the workload will be covered by more specialist advice in addressing external audit queries. To facilitate this £10K has been allocated to consultancy budgets leaving resulting saving of £17,600.

APPENDIX B1 - SAVINGS PROPOSALS

Ref No	Description of Savings Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Saving in 2007/08	Saving in 2008/09	Saving in 2009/10	Saving in 2010/11	Saving in 2011/12	Ongoing (Y/N) or No of further years available	Statutory Function (Y/N)
--------	---------------------------------	---	---------------	----------------	-------------------	-------------------	-------------------	-------------------	-------------------	--	--------------------------

Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a - score shows that the savings item meets the key factors, a + score shows that they do not. (maximum savings score - 13)

Ref No	Description of Savings Proposal	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation etc)
--------	---------------------------------	---

APPENDIX B1 - SAVINGS PROPOSALS

Ref No	Description of Savings Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Saving in 2007/08	Saving in 2008/09	Saving in 2009/10	Saving in 2010/11	Saving in 2011/12	Ongoing (Y/N) or No of further years available	Statutory Function (Y/N)
--------	---------------------------------	---	---------------	----------------	-------------------	-------------------	-------------------	-------------------	-------------------	--	--------------------------

Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a - score shows that the savings item meets the key factors, a + score shows that they do not. (maximum savings score - 13)

REVENUE SAVINGS -SERVICE RELATED

SG12	Improve "What the Media Say" service	Satisfied- Strategic Objective -4, Service review -3 = -7	£7,600	£6,890	£5,300	£5,300	£5,300	£5,300	£5,300	Y	N
SG13	Bring forward introduction of alternate week collection of residual waste with effect from Sept 2007. This is to meet the Government Recycling targets and reduce landfill tax.	Sustainable - Strategic Objectives -4, Service review -3, Consultation +2 = -5	£ 1,795,880	£ 1,743,165	SAVINGS OPTION SUPERSEDED BY AGENDA ITEM 19 (WASTE MANAGEMENT CONTRACT – RENEGOTIATIONS & POLICIES- 19th December 2006 Cabinet)						
SG14	Reduce job advertising with pictorial montages for Council vacancies and / or advertise in local papers with a generic advert pointing people to the NHDC website	Satisfied - Strategic Objectives -4, Service review -3 = -7	£4,790	£96,980	£36,800	£36,800	£36,800	£36,800	£36,800	Y	N
SG15	Reduction of Area Committee Budgets in line with the savings target of £1.267m on General Fund 2006/07 expenditure of £17.456 million or 7.26%	Equal - Strategic Objectives -4, = -4	£164,480	£175,660	Following consultation, Cabinet approved the removal of this savings option from the savings options for 2007/08 at the 19th December Cabinet meeting. (Resolved-that the inclusion of the Savings and Growth items at Appendices 1 to 5 in the budget estimates for 2007/08 be noted, the recommended changes as set out in paragraphs 4.5.4 to 4.5.6 of the report be agreed)						
SG16	Change delivery approach of holiday playschemes from direct management to commissioning the voluntary and community sector/other agencies. NHDC would provide indirect financial assistance.	Equal - Strategic Objectives -4, = -4	£119,450	£126,684	£0	£13,580	£13,580	£13,580	£13,580	Y	N
SG17	Discontinue Historic Buildings Grants	Sustainable - Strategic Objectives -4, Service review -3 = -7	£ 15,000	£ 10,000	£15,000	£15,000	£15,000	£15,000	£15,000	Y	N

Ref No	Description of Savings Proposal	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation etc)
--------	---------------------------------	---

REVENUE SAVINGS -SERVICE RELATED

SG12	Improve "What the Media Say" service	Circulation of press cuttings costs the council substantial copyright fees to the Newspaper Licensing Authority (£3,042 in 2006/07). The savings option would replace the cuttings with a weekly digest of the local reports, to be emailed, including links where appropriate to the local papers' own websites where many articles can be found. Copies of local papers will also be made available in the Members' room.
SG13	Bring forward introduction of alternate week collection of residual waste with effect from Sept 2007. This is to meet the Government Recycling targets and reduce landfill tax.	The proposal will enable NHDC to meet Government recycling and waste minimisation targets, and reduce the impact on landfill tax. Savings as a result of this change will also allow the enhancement of the current household recycling schemes to include plastics and cans. Because of the need to communicate changes in household waste arrangements to all NHDC residents substantial investment will be required in year one, restricting the saving to £50k. Note this is a saving already budgeted for from part of 2009/10 onwards and this proposal is a recommendation to bring the scheme forward one year, the figures quoted are subject to confirmation with the contractor.
SG14	Reduce job advertising with pictorial montages for Council vacancies and / or advertise in local papers with a generic advert pointing people to the NHDC website	This saving would mean maximising the use of the website for advertising vacancies, which is under redevelopment.
SG15	Reduction of Area Committee Budgets in line with the savings target of £1.267m on General Fund 2006/07 expenditure of £17.456 million or 7.26%	Savings options are being identified across all areas of the Council's budgets and to ensure equity, a reduction in Area Committee budgets is proposed proportional to the savings target.
SG16	Change delivery approach of holiday playschemes from direct management to commissioning the voluntary and community sector/other agencies. NHDC would provide indirect financial assistance.	NHDC would no longer directly run summer holiday playschemes. Within the context of 'Every Child Matters' (ECM), greater development and financial support would be given to other partner providers to fund the schemes, e.g. voluntary sector organisations, extended schools, children's centres.
SG17	Discontinue Historic Buildings Grants	Current grant is designed to help private owners with structures and buildings which are at risk (those on the "at risk" register), however the grant take up in 2005/6 was at a low level. The only grant allocation in 2005/6 was given to the church commissioners as matched funding for church improvements (against landfill tax credits); this was a specific one off scheme. Should the Council withdraw Historic Building Grants alternative funding sources are very limited to private owners. English Heritage (EH) only provide funding for Grade 1 and Grade2* listed buildings and where the building is on their (EH's) building at risk register.

APPENDIX B1 - SAVINGS PROPOSALS

Ref No	Description of Savings Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Saving in 2007/08	Saving in 2008/09	Saving in 2009/10	Saving in 2010/11	Saving in 2011/12	Ongoing (Y/N) or No of further years available	Statutory Function (Y/N)
<p>Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a - score shows that the savings item meets the key factors, a + score shows that they do not. (maximum savings score - 13)</p>											
SG18	The Handyperson/Securing scheme: This NHDC / Anchor Staying Put project is match-funded in collaboration with Supporting People and assists older and disabled people with minor repairs and improvements to security. A notice period of 6 months is required if the Authority wishes to terminate its contract with Anchor Staying Put.	Safer - Strategic Objective +4	£ 12,000	£ 12,000	Following consultation, Cabinet approved the removal of this savings option from the savings options for 2007/08 at the 19th December Cabinet meeting. (Resolved-that the inclusion of the Savings and Growth items at Appendices 1 to 5 in the budget estimates for 2007/08 be noted, the recommended changes as set out in paragraphs 4.5.4 to 4.5.6 of the report be agreed)						
SG19	Contaminated land consultancy: The investigation and remediation of contaminated sites, outside of the planning system, often requires the use of technical consultants to undertake sampling, soil analysis, etc.	Safer - Strategic Objectives -4, Service review -3 = -7	£ 45,000	£ 15,727	£ 20,000	£ 20,000	£ 20,000	£ 20,000	£ 20,000	N	Y
TOTAL SERVICE EXPENDITURE SAVINGS OPTIONS			£2,164,200	£2,187,106	£77,100	£90,680	£90,680	£90,680	£90,680		

Ref No	Description of Savings Proposal	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation etc)
--------	---------------------------------	---

SG18	<p>The Handyperson/Securing scheme: This NHDC / Anchor Staying Put project is match-funded in collaboration with Supporting People and assists older and disabled people with minor repairs and improvements to security. A notice period of 6 months is required if the Authority wishes to terminate its contract with Anchor Staying Put.</p>	<p>This project is based on match-funding and cessation of the service will equate to a £24k pa reduction in local expenditure. The scheme's clients are from both private and Registered Social Landlords (RSLs) client groups and are mainly elderly and/or disabled. The service also provides security initiatives, however the service is of a social welfare nature. This is a policy conflict in terms of providing welfare services, which is a County function. (Number of scheme users, 1st January 2005-31st March 2006, 428. Number of scheme users 1st April -30th June 2006, 124)</p>
SG19	<p>Contaminated land consultancy: The investigation and remediation of contaminated sites, outside of the planning system, often requires the use of technical consultants to undertake sampling, soil analysis, etc.</p>	<p>A partial reduction in this budget will inhibit the delivery of the Authority Contaminated Land Strategy. However more emphasis can be placed on the remediation of brown field sites via the planning system. There is a risk that expenditure may be required in later years.</p>

APPENDIX B1 - SAVINGS PROPOSALS

Ref No	Description of Savings Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Saving in 2007/08	Saving in 2008/09	Saving in 2009/10	Saving in 2010/11	Saving in 2011/12	Ongoing (Y/N) or No of further years available	Statutory Function (Y/N)
--------	---------------------------------	---	---------------	----------------	-------------------	-------------------	-------------------	-------------------	-------------------	--	--------------------------

Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a - score shows that the savings item meets the key factors, a + score shows that they do not. (maximum savings score - 13)

REVENUE SAVINGS -CONTRIBUTIONS TO OTHERS

SG20	Deletion of contribution to subsidised bus routes	Sustainable - Adverse impact on service +4 = +4	£ 128,010	£ 125,000	£66,660	£ 133,330	£133,330	£133,330	£133,330	Y	N
SG21	Deletion of contribution to dial-a-ride	Equal - Corporate objective +4, = +4	£ 38,660	£ 45,151	£19,690	£40,040	£40,040	£40,040	£40,040	Y	N

TOTAL CONTRIBUTIONS TO OTHERS SAVINGS OPTIONS

£ 166,670	£ 170,151	£ 86,350	£ 173,370	£ 173,370	£ 173,370	£ 173,370
-----------	-----------	----------	-----------	-----------	-----------	-----------

TOTAL OF SAVINGS OPTIONS IDENTIFIED

£2,949,909	£ 2,901,836	£ 473,500	£ 551,840	£ 530,000	£ 530,000	£ 530,000
------------	-------------	-----------	-----------	-----------	-----------	-----------

Ref No	Description of Savings Proposal	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation etc)
--------	---------------------------------	---

REVENUE SAVINGS -CONTRIBUTIONS TO OTHERS

SG20	Deletion of contribution to subsidised bus routes	<p>The Council currently supports subsidised bus routes which also receive a subsidy from Herts County Council, (HCC). The Council's policy is to cease funding County functions and associated subsidies. The HCC funding of £390k is likely to continue irrespective of District funding. HCC are currently undertaking a review of supported bus routes which will be concluded in March 2006. If NHDC were minded to withdraw funding then the NHDC input to the HCC review process would determine the optimum use of funding. The likely impact on services is: • Reduction in frequency of Royston town service from half hourly to hourly, Rural services less frequent and/or combined, Reduced frequency Hitchin-Luton service, Reduction in evening services, Reduction in Sunday services, Evening and Sunday services into Beds could also be reduced but this might prompt a review of Beds services into Herts. A 50% saving has been assumed in year 1 (for termination periods). Negotiations with the HCC will continue and this may determine the level of saving in year 1. (The saving has been increased for 2007/8 contractual inflation uplift which would need to be paid if the saving is not approved.)</p>
SG21	Deletion of contribution to dial-a-ride	<p>Reduction in specialist transport for vulnerable groups i.e. elderly and disabled who can not use the normal bus service. The Council's policy is to cease County functions and associated subsidies. This saving does pre-empt the Transport FSR, which although scoped has yet to be started. Currently 2 vehicles are used with one funded by the District Council and the proposal is to reduce it to 1 vehicle wholly funded by the County Council. This would reduce capacity of the service. Negotiations with the HCC will continue, this may determine the level of saving in year 1. (The saving has been increased for 2007/8 contractual inflation uplift which would need to be paid if the saving is not approved.)</p>

APPENDIX B2 - INCOME INCREASE OPTIONS

Ref No	Description of Income Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Increase in Income in 2007/08	Increase in Income in 2008/09	Increase in Income in 2009/10	Increase in Income in 2010/11	Increase in Income 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)
--------	--------------------------------	---	---------------	----------------	-------------------------------	-------------------------------	-------------------------------	-------------------------------	-------------------------------	--	--------------------------	---

Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a - score shows that the savings item meets the key factors, a + score shows that they do not. (maximum savings score - 13)

BUDGET SCRUTINY INCOME INCREASES	£70,200	£70,200	£70,200	£70,200	£75,200
----------------------------------	---------	---------	---------	---------	---------

REVENUE INCOME INCREASES												
SG22	To increase the charges for burials above the previously agreed rates by 24%, (a 19% increase over the 5% previously approved for 2007/08), to eliminate the subsidisation of the service and avoid the need for growth (Interment, Monuments and grave purchases)	Healthier - Strategic Objectives -4, BV FSR -3 = -7	£142,360	£122,866	£28,000	£28,000	£28,000	£28,000	£28,000	Y	Y	It is proposed to increase burial costs by 24% (19% over the 5% previously approved per annum). This increase is required to eliminate the subsidy on cemeteries in line with the user pays principle and to avoid any growth bids for the extension to Wilbury Hills cemetery. If the savings options are not approved a growth bid of £28k will be required. (see growth bid RG 18). Increase 2004/05 5%, 2005/06 5%, 2006/07 10% proposed price 2007/08 increase 24% . Grave purchase 2006/07 £366 (Hertfordshire average £346.86). Interment price 2006/07 £251, (Hertfordshire average £267.89). Monument price 2006/07 £105, ((Hertfordshire average £174.20). Subsidy per user in 2006/07 is £568.87
SG23	Increase residents parking Permits to £52 and then annually by the previous years Council tax (in line with the Council's income policy).	Safer - Strategic Objectives -4, Service review -3, Consultation +2 = -5	£39,250	£26,153	£13,000	£13,000	£13,000	£13,000	£13,000	Y	N	In setting the charges for 2006/07, Members approved an increase in permit costs from £26.00 to £39.00 . This charge applies to each car for which a permit is sought. This was done to reduce the subsidy on parking permits, a further increase in the charges of £13.00 will further reduce the subsidy. The subsidy per parking permit in 2006/07 is £73.08. This excludes any capital charges for implementing new schemes and equates to £67.8k of total subsidy. A number of Councils do not have resident parking schemes (Stevenage, Welwyn Hatfield and Broxbourne). Other charges in Hertfordshire vary from £20-£32, however a second vehicle charge varies from £40-£99. Discretionary income increases should be in accordance with the income policy contained within the agreed Financial Management Strategy.
SG24	Increase Car Park charges and season tickets every 2 years and in line with the previous years Council Tax rise.	Safer - Strategic Objectives -4, Service review -3, Consultation -2 = -9	£1,199,760	£930,626	£0	£115,830	£115,830	£236,870	£236,870	Y	N	To ensure that parking charge increases are to the nearest 10 pence, are in accordance with the income policy contained within the agreed financial management strategy and minimise the cost that price changes impose on new signage and public notices. It is proposed to increase parking charges on a 2 year cycle and not each year. The increase in charges in 2 yearly cycles (e.g. 2008/09 and 2011/12) will equate to the council tax over the previous 2 years. Based on 2006/07 Council Tax levels (4.5%) the first increase would occur in 2008/9 at 9%.
SG25	Introduction of fees for pre application advice for minor applications	Sustainable - Strategic Objectives -4, Service review -3 = -7	£0	£0	£45,000	£45,000	£45,000	£45,000	£45,000	Y	N	Although developers may not seek pre application advice to the same extent, officers may spend considerable time on pre-application advice, which is not reflected in the planning fee. Furthermore Council increases should be in accordance with with the income policy contained within the Council's agreed Financial Management Strategy.

APPENDIX B2 - INCOME INCREASE OPTIONS

Ref No	Description of Income Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Increase in Income in 2007/08	Increase in Income in 2008/09	Increase in Income in 2009/10	Increase in Income in 2010/11	Increase in Income 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)
<p>Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a - score shows that the savings item meets the key factors, a + score shows that they do not. (maximum savings score - 13)</p>												
SG26	Introduction of fees for street naming and numbering	Sustainable - Strategic Objectives -4, Service review -3 = -7	£0	£0	£40,000	£40,000	£40,000	£40,000	£40,000	Y	Y	Commercial and residential schemes would have to pay to receive a street name or property number. The Post Office require us to issue this before a post code will be issued. Authorities are now starting to charge for this function. Authorities currently charging are North Wilts, West Wilts and Wycombe. Four other Hertfordshire Authorities are currently considering whether to charge.
SG27	Planning fee price rise	Sustainable - Strategic Objectives -4, Service review -3 = -7	£495,790	£513,953	£35,000	£70,000	£70,000	£70,000	£70,000	Y	Y	It is anticipated that planning fees, set by central government, will be increased in the coming years in line with the Government's aim to enable planning to be self financing. The last fee increase was April 2005, (12%), an increase of 6% is anticipated for 2007/08 and a further increase of 6% in 2008/09. The saving also takes into account an expected increase in case load.
SG28	Charging for pre-application advice relating to the licensing of large open air events: The Local Government Act 1999 provides for Authorities to charge for the provision of advice relating to statutory services. This charge would relate to technical advice currently given free of charge to promoters before a licensing application has been received.	Safer - Strategic Objectives -4, Service review -3 = -7	£0	£0	£5,250	£5,250	£5,250	£5,250	£5,250	Y	N	This is a new charge and therefore it is difficult to ascertain the precise level of income generated. The charge would be levied where officers spend time on a large scale commercial open air event proposal, that is subsequently cancelled prior to a formal licensing application (with associated fee) being received by the Authority. A charge based on cost recovery is likely to dissuade speculative (but ultimately undeliverable) early approaches to the Authority – this will save officer time. Alternatively, it may encourage promoters to make early applications – this will enable discussions to progress, with costs covered by the licensing fee. It may be wise for the Authority to offer a limited amount of officer time, free of charge, to promoters at an initial stage of a proposal so that the scope of any large event can be explored in outline. Furthermore Council increases should be in accordance with the income policy contained within the Council's agreed Financial Management Strategy.
SG29	Pest control fees: An increase of the subsidised treatment charge from £14 to £15 (an increase of 7.1%) and the full charge from £48 to £52 (an increase of 8.3%).	Safer - Strategic Objectives -4, Service review -3, Consultation +2 = -5	£42,320	£38,811	Following consultation, Cabinet approved the removal of this savings option from the savings options for 2007/08 at the 19th December Cabinet meeting. (Resolved-that the inclusion of the Savings and Growth items at Appendices 1 to 5 in the budget estimates for 2007/08 be noted, the recommended changes as set out in paragraphs 4.5.4 to 4.5.6 of the report be agreed)							The proposed full charge for pest treatment will still be competitive having regard to local private sector suppliers. The reduced rate is already heavily subsidised and the overall impact is likely to be minimal.
SG30	Charging for Housing Act 2004 notices: The Act provides an option for Local Housing Authorities to levy a fee when they are obliged to serve statutory notices to improve housing conditions in the private sector.	Safer - Strategic Objectives -4, Service review -3 = -7	£0	£0	£1,000	£1,000	£1,000	£1,000	£1,000	Y	Y	Charges regarding the service of statutory notices should only reflect costs associated with that particular enforcement activity. Impact is likely to be limited as most matters are resolved informally.
TOTAL INCOME OPTIONS			£1,919,480	£1,632,409	£167,250	£318,080	£318,080	£439,120	£439,120			
TOTAL INCOME OPTIONS AND SCRUTINY SAVINGS			£ 1,919,480	£ 1,632,409	£237,450	£ 388,280	£ 388,280	£ 509,320	£ 514,320			

APPENDIX B2 - INCOME INCREASE OPTIONS

Ref No	Description of Income Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Increase in Income in 2007/08	Increase in Income in 2008/09	Increase in Income in 2009/10	Increase in Income in 2010/11	Increase in Income 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)
--------	--------------------------------	---	---------------	----------------	-------------------------------	-------------------------------	-------------------------------	-------------------------------	-------------------------------	--	--------------------------	---

Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a - score shows that the savings item meets the key factors, a + score shows that they do not. (maximum savings score - 13)

TOTAL SAVINGS IDENTIFIED	£ 4,869,389	£ 4,534,245	£ 710,950	£ 940,120	£ 918,280	£ 1,039,320	£ 1,044,320
---------------------------------	-------------	-------------	-----------	-----------	-----------	-------------	-------------

APPENDIX B3 - FURTHER SERVICE SAVINGS

Ref No	Description of Savings Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Saving in 2007/08	Saving in 2008/09	Saving in 2009/10	Saving in 2010/11	Saving in 2011/12	Ongoing (Y/N) or No of further	Statutory Function (Y/N)	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation etc)
<p>Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a - score shows that the savings item meets the key factors, a + score shows that they do not. (maximum savings score - 13)</p>												
BUDGET SCRUTINY SAVINGS			0	0	£ 66,310	£ 5,000	£ 5,000	£ 5,000	£ 5,000			
REVENUE SAVINGS - SALARY												
SG34	Increase Vacancy Control Target		£350,000	£480,190	£50,000	£50,000	£50,000	£50,000	£50,000	Y		The vacancy control target at £400,000 represents 2.9% of the salary budget. The target has over achieved each year and currently any excess up to £100,000 funds the strategic priorities fund. It is anticipated that a further £50,000 can be achieved.
TOTAL SALARY EXPENDITURE SAVINGS OPTIONS			£350,000	£480,190	£50,000	£50,000	£50,000	£50,000	£50,000			
REVENUE SAVINGS - SERVICE												
SG32	Graffiti Budget	Sustainable - Strategic Objectives -4, Service review -3 = -7	£ 45,000	£ 32,373	£ 30,000	£ 30,000	£ 30,000	£ 30,000	£ 30,000	Y	N	In 2005/06 £32.4k was spent, relating to £14k staff costs to administer graffiti works of £18.4k. The 2006/07 projected spend is anticipated to be £15k. The spend over the last 4 years has declined as the backlog of work has been addressed. (spend on works only: 2003/04 £34.4, 2004/05 £49.3k, spend 2005/06 £18.3k, spend 2006/07 est £15k) Note: Savings result from a down-turn in incidents and improved management of workload - any future outbreak of graffiti would need to be funded from reserves.
SG33	Fly Tipping on Farm Land	Sustainable - Strategic Objectives -4, Service review -3 = -7	£ 35,000	£ 2,426	£ 30,000	£ 30,000	£ 30,000	£ 30,000	£ 30,000	Y	N	The budget of £35k was approved 2005/06 growth and the service has been advertised via information flyers circulated to Parish Council's. however take up for the service has been low and £2.4k was spent in 2005/06 and for the current financial year to October 2006 a further £2k. Note: Savings result from a lower take up than anticipated.
TOTAL SERVICE EXPENDITURE SAVINGS OPTIONS			£80,000	£34,799	£60,000	£60,000	£60,000	£60,000	£60,000			
TOTAL OF SAVINGS OPTIONS IDENTIFIED			£430,000	£514,989	£176,310	£115,000	£115,000	£115,000	£115,000			

APPENDIX C - REVENUE GROWTH OPTIONS

Ref No	Description of Growth Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Growth in 2007/8	Growth in 2008/9	Growth in 2009/10	Growth in 2010/11	Growth 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)
--------	--------------------------------	---	---------------	----------------	------------------	------------------	-------------------	-------------------	-------------------	--	--------------------------	---

Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a + score shows that the growth item meets the key factors, a - score shows that they do not. (maximum growth score +36)

Statutory & Government Led													
RG1	Purchase of Property Maintenance and Asset Management System. Estimate Capital £53k, annual running costs £9k year 2 onwards	Satisfied - Strategic Objective +4, BV FSR +3 = +7	GROWTH BID WITHDRAWN, TO BE FUNDED FROM I.T. RESERVE, SUBJECT TO BUSINESS CASE APPROVED. (SUCCESSFUL BIDS WILL APPEAR IN THE CAPITAL PROGRAMME BUT FUNDED FROM I.T RESERVE)									N	This revenue growth bid is linked to the capital growth bid CG7. The system will provide property management information across the whole department by utilising a common and consistent approach that will consolidate existing information and negate duplication and non-conformity of data. This is subject to a business case being approved by December.
RG2	Purchase e-payment solution to meet National Procurement Strategy (NPS) and Service@north-herts improvement agenda. Estimate Capital £40k, annual running costs £4k	Satisfied - Strategic Objective +4, BV FSR +3, Invest to save +3 = +10	GROWTH BID WITHDRAWN, TO BE FUNDED FROM I.T. RESERVE, SUBJECT TO BUSINESS CASE APPROVED. (SUCCESSFUL BIDS WILL APPEAR IN THE CAPITAL PROGRAMME BUT FUNDED FROM I.T RESERVE)									N	Development of an e-payment solution linked to procurement and workflow improvements to deliver further efficiency gains in productive time and cost reductions. This is an Invest to save bid and resultant savings will be identified in the Annual Efficiency Statement. Although below the £5,000 limit for revenue growth bids, it is included here as it reflects the revenue implications of capital growth bid. (CG 6). This is subject to a business case being approved by December.
RG3	Additional costs of implementing the new local Planning regime - the Local Development Framework (LDF).	Sustainable - Strategic Objectives +4, Service Pressures +4 = +8	£ 219,650	£ 77,042	£0	£95,150	£250,000	£165,000		Y	Y	The Council has a Statutory duty to produce a Local Development Framework. The programming of this has been undertaken through the agreed Local Development scheme and covers the period to 2010/11.	
RG4	The introduction of Choice Based Lettings: (CBL) is mandatory for all Local Housing Authorities by 2010. This proposal represents the NHDC contribution to a joint bid to the Department of Communities and Local Government (DCLG) to adopt CBL across Hertfordshire.	Sustainable - Strategic Objectives +4	£0	£0	£0	£21,500	£10,000	£10,000	£10,000	Y	Y	Cabinet considered a report on this item at the meeting on 12th September and agreed to support participation in the joint bid for funding. CBL will enable customers to have more choice in their accommodation needs and it fulfils the national agenda for social inclusion, community engagement and sustainability. If the bid is successful, this growth proposal represents the NHDC contribution. It is anticipated that, in addition to the other Hertfordshire Districts involved in the joint bid, local Housing associations such as Howard Cottage and North Hertfordshire Homes will also contribute to the project. 2007/08 BID UNSUCCESSFUL, GROWTH BID DELAYED UNTIL 2008/09.	
RG5	Increase in out of hours working in Enforcement Team:	Safer - Strategic Objectives +4, Service Pressures +4 = +8	GOVERNMENT GRANT OF £10,130 (2006/07) AND £49,776 (2007/08) GIVEN TO IMPLEMENT SMOKE FREE LEGISLATION IMPLEMENTATION. GROWTH BID OF £5,000 WITHDRAWN.									Y	The Licensing Act and other legislation soon to be introduced e.g.: Gambling Act, Health Act(smoking in public places) and the increasing popularity of open air events has resulted in more out of hours working by officers which cannot be accommodated within existing resources or working practices.

APPENDIX C - REVENUE GROWTH OPTIONS

Ref No	Description of Growth Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Growth in 2007/8	Growth in 2008/9	Growth in 2009/10	Growth in 2010/11	Growth 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)
<p>Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a + score shows that the growth item meets the key factors, a - score shows that they do not. (maximum growth score +36)</p>												
RG6	Costs associated with the Gambling Act / Noise at Work Regulations / Health Act (the ban on smoke in public places): these new legislative duties will require additional resources to implement successfully - these can be accommodated if existing Environmental Health Officer post (currently 18.5 hrs) is increased to 1FTE.	Safer - Strategic Objectives +4, Service Pressures +4 = +8	£18,620	£0	£18,620	£18,620	£18,620	£18,620	£18,620	Y	Y	The ban on smoking in public places is well supported by the public and will have a significant impact on public health. Information available to date suggests the responsibility will fall to NHDC and it will be important to ensure it is implemented effectively. The new Noise at Work Regulations will protect the health of workers in high noise environments (e.g. pubs and clubs). The new gambling legislation is unlikely to attract much media attention but does contain significant administrative burdens for the Service. When combined, these new legislative requirements will require an additional 18.5 hours per week.
RG7	Increase of part-time hours to full time in the Electoral Services Team to maintain existing core team of 3 FTEs as opposed to the current establishment of 2.3FTEs. In addition there are likely to be further unavoidable costs in relation to implementing the Electoral Administration Bill, particularly related to postal voting.	Safer - Strategic Objectives +4, Service Pressures +4 = +8	£193,820	£145,612	£17,000	£17,000	£17,000	£17,000	£17,000	Y	Y	The current staffing levels within Electoral services equate to 2.3 full time equivalents (FTE). The independent review resolved that an adequate permanent staffing structure should be in place, to provide adequate support for electoral services, this has been estimated at 3 FTE's, at a cost of £10.5k. Also included within this growth bid is a further £3k for election consultants and £3.5 for possible new legislation additional costs including maintenance of new signature recognition software, as all postal voters will have to be written to, confirming signatures and dates of birth, regardless of how they register/vote. The initial cost of the software is now likely to be met from grant funding and has been removed from the growth bid
New Growth Bid	Bring forward introduction of alternate week collection of residual waste with effect from Sept 2007. This is to meet the Government Recycling targets and reduce landfill tax.	Sustainable - Strategic Objectives -4, Service review -3, Consultation +2 = -5	£ 1,795,880	£ 1,743,165	£36,480	-£77,030	£172,970	£172,970	£172,970	Y	Y	The proposal will enable NHDC to meet Government recycling and waste minimisation targets, and reduce the impact on landfill tax. Savings as a result of this change will also allow the enhancement of the current household recycling schemes to include plastics and cans. Note a saving already budgeted for from part of 2009/10 onwards and this proposal is a recommendation to bring the scheme forward one year, the figures quoted are subject to confirmation with the contractor. This is based on option 3 of agenda item 19 -19th December Cabinet report.

APPENDIX C - REVENUE GROWTH OPTIONS

Ref No	Description of Growth Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Growth in 2007/8	Growth in 2008/9	Growth in 2009/10	Growth in 2010/11	Growth 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)
--------	--------------------------------	---	---------------	----------------	------------------	------------------	-------------------	-------------------	-------------------	--	--------------------------	---

Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a + score shows that the growth item meets the key factors, a - score shows that they do not. (maximum growth score +36)

New Growth Bid	Improving housing options: a fixed term contract to recruit a Project Officer to reduce homelessness and the use of temporary accommodation.	Sustainable	£0	£0	£27,500		£0	£0	£0	N	Y	The use of temporary accommodation regularly fluctuates but trends illustrates more, rather than less, use of TA. Given the increasing pressures on housing, in the region it NHDC has been obliged to accept more people as being statutorily homeless and provide them with access to TA. NHDC receives direct financial support from DCLG to employ one homelessness officer and in November 2005 secured an addition £10k pa from DCLG to finance a Rent Deposit Guarantee Scheme (RDGS). This aims to prevent homelessness (or at least keep time spent in TA to a minimum); NHDC secured this funding as its TA statistics are of concern to DCLG who recognise that homelessness is best dealt with by preventative intervention.the growth bid is temporary to progress the change.The increasing recent demand for reactive services (i.e. assessments of people who have already become homeless). means the DCLG objective will not be achieved without the bid. Recent in-house initiatives have only slowed the rate of increased use of TA.
TOTAL STATUTORY & GOVERNMENT LED OPTIONS			£2,227,970	£1,965,819	£99,600	£75,240	£468,590	£383,590	£218,590			

APPENDIX C - REVENUE GROWTH OPTIONS

Ref No	Description of Growth Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Growth in 2007/8	Growth in 2008/9	Growth in 2009/10	Growth in 2010/11	Growth 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)
--------	--------------------------------	---	---------------	----------------	------------------	------------------	-------------------	-------------------	-------------------	--	--------------------------	---

Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a + score shows that the growth item meets the key factors, a - score shows that they do not. (maximum growth score +36)

Strategic Priorities												
RG8	Trade Union funding (The Trade Union facilities agreement which is subject to annual review provides funding for representation equivalent to 3 days per week)	Satisfied - Strategic Objectives +4, Statutory Pressures +4 = +8	£0	£0	£17,760	£17,760	£17,760	£17,760	£17,760	Y	N	NHDC has an agreement with the union to allow paid release time to recognised trade unions in support of the councils workforce. Historically the service area in which the representative is employed has met the cost. Services have lost a number of hours per week to Union activities and thus financial resources available to provide services have been reduced, resulting in the payment of overtime to ensure projects are completed. The Council has a rolling 12 month agreements to allow 3 days paid release time for staff representation, job evaluation panels and attendance at committees such as Staff Consultation Forum,(SCF) and the Health and Safety Forum, training and Branch Development. Providing a corporate budget for the 3 days will ensure that Trade Union activities are funded and service managers can use their allocated budget to ensure the service requirements are met. 35% of employees are in the union, however the Trade Union indirectly represents the whole workforce on collective bargaining.
RG9	Increase in support for Town Centre Managers	Prosperous - Strategic Objective +4, BV FSR +3 = +7	£ -	£ 50,000	£32,920	£16,230	£6,290	£-2,150	£-9,330	Y	N	Currently 2 posts are part funded in Letchworth and Royston and a grant is given for Hitchin Town Centre Initiative, (total £50.9k). The growth bid is based on the funding arrangements to be reported to Members at the January Cabinet. (Town Centre Funding Proposals). The growth bid of £32k diminishes over time as outlined in the Cabinet report.
RG10	Green Space Strategy	Sustainable - strategic Objective +4			£0	£25,000	£50,000	£50,000	£50,000	Y	N	To complement the existing Parks strategies which cover selected elements of the parks function i.e. Play Areas, Outdoor Youth Provision, Sports Pitch, Pavilions and Allotments, a more comprehensive Green spaces strategy is planned in 2007. In order to adopt the strategy and the capital growth bid (CG2) for green spaces such as Priory Gardens Royston, Bancroft Hitchin, Norton Common Letchworth, Weston Hills Baldock and the woodlands and parklands in Great Ashby, a revenue budget is required. The budget will fund signage improvements, footpath maintenance, fencing and gate repairs and shrub border renovations. In 2008/09 £25k has been allocated and £50k per year thereafter. This is a conservative estimate and more detailed costings will be known once the green space strategy is published. (See Capital growth bid CG2).

APPENDIX C - REVENUE GROWTH OPTIONS

Ref No	Description of Growth Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Growth in 2007/8	Growth in 2008/9	Growth in 2009/10	Growth in 2010/11	Growth 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)
<p>Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a + score shows that the growth item meets the key factors, a - score shows that they do not. (maximum growth score +36)</p>												
RG11	St. John's Road pavilion renovations	Healthier - strategic Objective +4			£8,200	£3,200	£3,200	£3,200	£3,200	N	N	The Council's strategy on Pavilions, play fields and sports pitches was completed in 2006 and identified a schedule of new build and refurbishment works. The value of the works outstanding is £2.5million of which the Council's contribution is estimated to be £1.039million. Included in the programme of works is renovation of St John's Road pavilion at a cost of £10k, of which the Council will make a 50% contribution. As individual pavilions are renovated and brought back into use, the pavilions maintenance budget needs to be increased by the estimated annual maintenance cost and a further £3.2k a year is required to maintain the St John's Road pavilion.
RG12	Revenue implications of capital bid for Cadwell Lane renovate pavilion & pitch, Ransoms Recreation Ground & pavilion Jackmans New Sports pavilion.	Healthier - strategic Objective +4, BV FSR +3 = +7	£ -	£ -	£6,700	£6,700	£10,200	£10,200	£10,200	N	N	Members will be aware that one of the 2006/07 approved savings options (SP18 £27.6k) agreed the closure of pavilions that were of unsatisfactory building standard. The Pavilions Strategy identified a programme of new build and refurbishment over a period of 3 years. New build and refurbished pavilions if approved will require a revenue budget of £6.7k in 2007/08, increasing to £10.2k thereafter. There will be a need to increase the revenue budget as more refurbished pavilions come on stream. (see CG5)
RG13	Restoration of Howard Park & Gardens	Sustainable - Strategic Objective +4	£ -	£ -	£0	£0	£50,000	£50,000	£50,000	Y	N	This is the estimated revenue cost of the capital bid for the restoration of Howard Park & Gardens. The costs to maintain the park are estimated to be in the region of £50k per annum, however this will be dependant on the final design brief. (see CG3)
RG14	Maintenance of Play Area surfacing, fencing and signage	Healthier - strategic Objective +4, BV FSR +3 = +7	£ 116,500	£ 108,888	£30,000	£30,000	£30,000	£30,000	£30,000	Y -12 years	N	There are 49 play areas throughout the district which require annual maintenance. There is a revenue budget of £110.6k (which includes a previous year's growth bid of £100k over 4 years for repairs to play equipment). The works carried out under this budget are repair of vandalism, general wear and tear, regular maintenance, painting, fencing repairs and topping up bark pits. The needs assessment carried out in 2005 identified additional works to replace bark pits with Matta tiles and replace wooden fencing with galvanised steel bow top. The total value of the works identified was £350k. £30k will be spent per annum over the next 12 years.

APPENDIX C - REVENUE GROWTH OPTIONS

Ref No	Description of Growth Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Growth in 2007/8	Growth in 2008/9	Growth in 2009/10	Growth in 2010/11	Growth 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)
--------	--------------------------------	---	---------------	----------------	------------------	------------------	-------------------	-------------------	-------------------	--	--------------------------	---

Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a + score shows that the growth item meets the key factors, a - score shows that they do not. (maximum growth score +36)

RG15	Herts & Luton E marketplace partnership project, annual licences (IDeA & @UK) £10k. Annual supplier analysis and access to on-line system for inter-authority comparison, £5k.	Satisfied - Strategic Objective +4, Service Review +3, Invest to save +3 = +10			£15,000	£15,000	£15,000	£15,000	£15,000	Y	N	Project implemented in 2006/07 with Regional Centre of Excellence grant funding for both capital and first year running costs. The e-marketplace is an invest to save project and will deliver further efficiency gains in productive time and supplier price reductions by allowing 'the buyer' to access suppliers on-line at pre-negotiated selected 'goods' and prices. Savings such as those on stationery (5K) highlighted under scrutiny savings will arise as the on-line supplier base increases. There is evidence from the Essex County experiment that for a district council with a net spend of £15million, savings over the initial 3 years are in excess of £125k. The Annual efficiency statement will capture savings made from this initiative.
RG16	Acolaid computer software projects	Satisfied - Strategic Objective +4, Service Review +3, Invest to save +3 = +10	GROWTH BID WITHDRAWN, TO BE FUNDED FROM I.T. RESERVE, SUBJECT TO BUSINESS CASE APPROVED. (SUCCESSFUL BIDS WILL APPEAR IN THE CAPITAL PROGRAMME BUT FUNDED FROM I.T RESERVE)								N	Acolaid is a property based software package used by the Planning, Environmental Health and Land Charges services. The growth bid would facilitate integration of the property database with CSC document management and back office systems; Acolaid and Scout Solutions. Acolaid development projects would include an electronic searches facility which would allow self service via the web for general enquiries, such as submitted planning applications and environmental, crime and disorder issues. Benefits arising from the growth bid would include Gershon efficiencies, facilitation of home and remote working, and contribution to the CSC efficiency agenda with single data entry access. This is subject to a successful business case being approved by December.
TOTAL STRATEGIC PRIORITIES			£116,500	£158,888	£110,580	£113,890	£182,450	£174,010	£166,830			

Directorate Priorities

RG17	Maintenance of Wilbury Hills Cemetery	Healthier - Strategic Objectives +4, BV FSR +3 = +7			£28,000	£28,000	£28,000	£28,000	£28,000	N	N	This growth bid is the cost of the extension to Wilbury Hills cemetery. This growth bid is required if the increase in cemetery income is not approved. (see savings option SG22)
RG18	Mainstreaming of Rural Play Officer Project	Equal - Strategic Objective +4, BV FSR +3 = +7	£ 41,070	£ 41,970	£0	£41,070	£41,070	£41,070	£41,070	N	N	This post is presently funded through Herts Children's Fund which time expires in March 2008. If not funded, all schemes/programmes to date would end and not be replaced. Officers are currently exploring other funding approaches, e.g.: through Herts District Children's Trust Partnership. This item will be subject to further consideration as part of the 2008/09 growth proposals. Comparator information: There is no similar project operating in Hertfordshire or Bedfordshire.

APPENDIX C - REVENUE GROWTH OPTIONS

Ref No	Description of Growth Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Growth in 2007/8	Growth in 2008/9	Growth in 2009/10	Growth in 2010/11	Growth 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)
--------	--------------------------------	---	---------------	----------------	------------------	------------------	-------------------	-------------------	-------------------	--	--------------------------	---

Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a + score shows that the growth item meets the key factors, a - score shows that they do not. (maximum growth score +36)

RG19	Implementation of Document Management Strategy	Satisfied - Strategic Objectives +4, BV FSR +3, Invest to save +3 = +10			£16,020					N	N	This one off growth bid is two fold; (1) this will allow new skills to be introduced into Document Centre and permit handover of Management expertise. This post will be fundamental to achieving some of the efficiency savings identified in the approved business plan between 2006-2008. (2) The design hardware & software in the Document Centre is 6 years old & has been superseded. New hardware will give improved functionality & faster running speeds. The design software being used is version 4.1 & the current version is 6.5, the upgrade will give extra facilities and eliminate the current issues where the software is unable to handle imported files in newer versions. (Reprographics review & service plan reported to Cabinet 18/10/2005, minute 103 refers).
RG20	GIS rationalisation	Satisfied - Strategic Objectives +4, Service review +3 = +7	GROWTH BID WITHDRAWN, TO BE FUNDED FROM I.T. RESERVE, SUBJECT TO BUSINESS CASE APPROVED. (SUCESSFUL BIDS WILL APPEAR IN THE CAPITAL PROGRAMME BUT FUNDED FROM I.T RESERVE)							N	This is the revenue implications for CG10 and would be required should the capital bid be approved. The growth bid would allow system integration with the Councils back office systems and data sharing across departments. This is subject to a business case being approved by December.	

TOTAL DIRECTORATE PRIORITIES

£ 41,070	£ 41,970	£ 44,020	£ 69,070	£ 69,070	£ 69,070	£ 69,070
----------	----------	----------	----------	----------	----------	----------

TOTAL OF REVENUE GROWTH OPTIONS IDENTIFIED

£ 2,385,540	£ 2,166,677	£ 254,200	£ 258,200	£ 720,110	£ 626,670	£ 454,490
-------------	-------------	-----------	-----------	-----------	-----------	-----------

APPENDIX C2 - CAPITAL GROWTH OPTIONS

Ref No	Description of Growth Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Growth in 2007/8	Growth in 2008/9	Growth in 2009/10	Growth in 2010/11	Growth in 2011/12	Annual Revenue Implications	Statutory Function (Y/N)	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation etc)
--------	--------------------------------	---	---------------	----------------	------------------	------------------	-------------------	-------------------	-------------------	-----------------------------	--------------------------	---

Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a + score shows that the growth item meets the key factors, a - score shows that they do not.(maximum growth score +36)

Statutory & Government Led

CG1	Emergency Planning, Co-Ordination Centre Improvements	Safer - Strategic Objective +4, Health & Safety +5 = +9			£0	£25,000					Y	For the main co-ordination centre equipment and to equip a mobile co-ordination centre.
TOTAL STATUTORY & GOVERNMENT LED OPTIONS			£ -	£ -	£ -	£ 25,000	£ -	£ -	£ -	£ -		

Strategic Priorities

CG2	Green Space Strategy	Sustainable - Strategic Objective +4 = +4	£ -	£ -	£0	£50,000	£100,000	£100,000	£100,000	£50,000	N	To complement the existing Parks strategies which cover selected elements of the parks function i.e. Play Areas, Outdoor Youth Provision, Sports Pitch, Pavilions and Allotments, a more comprehensive Green spaces strategy is planned in 2007. In order to adopt the strategy for green spaces such as Priory Gardens Royston, Bancroft Hitchin, Norton Common Letchworth, Weston Hills Baldock and the woodlands and parklands in Great Ashby, improvements need to be made to the Council's parks. The types of works required are works to the infrastructure of the parks such as footpath improvements, new gates and accesses, benches, litter/dog bins, lighting and new signage. In 2008-09 £50k is required and £100k per annum thereafter has been allocated as a prudent estimate. More detailed costings will be known once the green space strategy is published. (see RG10 for revenue implications).
CG3	Restoration of Howard Park & Gardens (budget in 2006/07 relates to the stage 1 submission bid)	Sustainable - Strategic Objective +4, Health & Safety +5, Adverse impact on service +4, Consultation +2, Condition survey +1 = +16	£70,000	£5,000	£0	£360,000	£360,000			£50,000	N	We are bidding for external funding to restore the park and gardens and funding for Stage 1 and 2 of the bid submission is included within the current capital programme. If the bid submission is successful the scheme is likely to cost a total of £1.8million and the Council's anticipated contribution to that total is estimated to be 40% or £720k. The remaining 60% or £1.08million will be funded from third parties. The growth proposal is for the Council's contribution only. The costs to maintain the park are estimated to be in the region of £50k per annum, however this will be dependant on the final design brief. (see revenue growth bid RG13)
CG4	Avenue Park Multi Use Games Area	Healthier - Consultation +2, Condition survey +1 = +3			£125,000						N	Avenue Park has some tennis courts, however the age of the flood lights around the court means they don't conform to modern lighting standards and there is a problem of overspill of light to near by properties limiting the amount of time the lights can be used. However, the lights have been re-angled and no further complaints have been received. The local netball team who currently use the courts wish to expand and the existing arrangements are not suitable for their needs. Furthermore, the Council has been approached by local youth football Teams who wish to use the courts for training. The play area was not included in the original programme of works in the play strategy or the playing field strategy and Knights Templar are building an artificial turf pitch (ATP) across the road from this site, although this provides a slightly different facility. The ATP is being built with a £50k contribution from the Council. The play strategy does propose a MUGA in Baldock on infill land for 2009/10.

APPENDIX C2 - CAPITAL GROWTH OPTIONS

Ref No	Description of Growth Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Growth in 2007/8	Growth in 2008/9	Growth in 2009/10	Growth in 2010/11	Growth in 2011/12	Annual Revenue Implications	Statutory Function (Y/N)	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation etc)
<p>Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a + score shows that the growth item meets the key factors, a - score shows that they do not.(maximum growth score +36)</p>												
CG5	Investment in new and refurbished sports pavilions. - 2007/08 Cadwell Lane renovate pavilion & pitch improvements £40k, Ransoms Recreation Ground renovate pavilion £50k. 2009/10 Jackmans Pavilion, new build £280k. 50% of the total investment is expected to be funded from external funding.	Healthier - Strategic Objective +4, Adverse impact on service +4, Consultation +2,Condition survey +1 = +11			£45,000		£190,000			£9,200	N	The Council's strategy on Pavilions, play fields and sports pitches was completed in 2006 and identified a schedule of new build and refurbishment works over a 3 year period. The value of the works outstanding is estimated at £2.5million of which the Council's contribution is estimated to be £1.039million. Works at Cadwell Lane (£40k) and Ransoms recreation ground (50k) have been identified in 2007/08 and Jackmans pavilion, new build (£380k)in 2009/10. The Council will make a 50% contribution to each of the schemes if the savings option is approved. (A further £17k at St Johns pavilion is included as a revenue growth). Members will be aware that approved savings option sp18 (£27.6k) for 2006/07 agreed the closure of pavilions that were of unsatisfactory building standard. New build and refurbished pavilions if approved will require reinstatement of revenue budget of £9.2k in 2007/08. There will be a need to increase the revenue budget as more refurbished pavilions come on stream. (see RG 12 for revenue implications).
CG6	IT Bid -Purchase e-payment solution to meet National Procurement Strategy (NPS) and Service@north-herts improvement agenda. (Estimate Capital £40k, annual running costs £4k)	Satisfied - Strategic Objective +4, Service review +3, Invest to save +3 = +10	GROWTH BID WITHDRAWN, TO BE FUNDED FROM I.T. RESERVE, SUBJECT TO BUSINESS CASE APPROVED. (SUCCESSFUL BIDS WILL APPEAR IN THE CAPITAL PROGRAMME BUT FUNDED FROM I.T RESERVE).								N	Development of an e-payment solution linked to procurement and workflow improvements to deliver further efficiency gains in productive time and cost reductions. (see RG 2 for revenue implications). This is an Invest to save bid and resultant savings will be identified in the Annual Efficiency Statement. This is subject to a business case being approved by December.
CG7	IT Bid - Purchase of Property Maintenance and Asset Management System. (Estimate Capital £53k, annual running costs £9k year 2 onwards)	Satisfied - Strategic Objective +4, Service review +3 = +7	GROWTH BID WITHDRAWN, TO BE FUNDED FROM I.T. RESERVE, SUBJECT TO BUSINESS CASE APPROVED. (SUCCESSFUL BIDS WILL APPEAR IN THE CAPITAL PROGRAMME BUT FUNDED FROM I.T RESERVE).								N	The system will provide property management information across the whole department by utilising a common and consistent approach that will consolidate existing information, negate duplication and non-conformity of data. (see RG1 for revenue implications) . This is subject to a business case being approved by December.
TOTAL STRATEGIC OBJECTIVES			£ 70,000	£ 5,000	£ 170,000	£ 410,000	£ 650,000	£ 100,000	£ 100,000	£ 109,200		
Directorate Priorities												
CG8	Maintenance work to Letchworth Outdoor Pool	Healthier - Strategic Objective +4, Health & Safety +5, Adverse impact on service +4,Condition survey +1 = +14			£30,000						N	In April 2006 a survey of the Letchworth Pool Tank was conducted using a combination of techniques such as Impulse Radar, Dynamic Impedance Measurement and Visual Inspection. The survey was undertaken to identify if there were any defects/cracking in the pool tank, this resulted in repair works to the pool tank being identified. Failure to carry out the works could increase the risk of major works required in the future. The works will extend the life expectancy of this facility.
CG9	Maintenance work to Hitchin Outdoor Pool	Healthier - Strategic Objective +4, Health & Safety +5, Adverse impact on service +4 = +13			£37,000						N	A survey is required at Hitchin Outdoor pool (£7k) and it is anticipated that at a minimum, works similar to that identified at Letchworth Outdoor pool will be required.

APPENDIX C2 - CAPITAL GROWTH OPTIONS

Ref No	Description of Growth Proposal	Link to Corporate Plan - Sustainable/Safer/Healthier/Equal/Prosperous/Listening	Budget 2006/7	Actual 2005/06	Growth in 2007/8	Growth in 2008/9	Growth in 2009/10	Growth in 2010/11	Growth in 2011/12	Annual Revenue Implications	Statutory Function (Y/N)	Anticipated Impact of Proposal (on Public/ Customers/ Staff/ Members/ Reputation etc)
--------	--------------------------------	---	---------------	----------------	------------------	------------------	-------------------	-------------------	-------------------	-----------------------------	--------------------------	---

Key: Scoring in the 'Link to Corporate Plan' column is against 10 Key factors - Factors that count are listed and the total score given, a + score shows that the growth item meets the key factors, a - score shows that they do not. (maximum growth score +36)

CG10	IT Bid- Graphical Interaction System (GIS) rationalisation (GIS is a computer based map based system)	Satisfied - Strategic Objective +4, Service review +3 = +7	GROWTH BID WITHDRAWN, TO BE FUNDED FROM I.T. RESERVE, SUBJECT TO BUSINESS CASE APPROVED. (SUCESSFUL BIDS WILL APPEAR IN THE CAPITAL PROGRAMME BUT FUNDED FROM I.T RESERVE)							N	The Council currently uses two GIS systems across a number of departments. GIS assists in a range of applications from printing maps for planning service use to identifying hotspots for targeted community safety intervention. Both systems are now old and one is unsupported. Replacing both systems with one modern corporate GIS system will provide much improved functionality and allow internal and external customers access to GIS via the web. This will contribute towards accessibility and self help on the website. One of the main internal users of the web interface will be the contact centre. (see RG20 for revenue implications). This is subject to a business case being approved by December.
------	--	---	--	--	--	--	--	--	--	---	--

TOTAL DIRECTORATE PRIORITIES	£	-	£	-	£67,000	£0	£0	£0	£0	£0
-------------------------------------	---	---	---	---	---------	----	----	----	----	----

TOTAL OF CAPITAL GROWTH OPTIONS IDENTIFIED	£ 70,000	£ 5,000	£ 237,000	£ 435,000	£ 650,000	£ 100,000	£ 100,000	£ 109,200
---	----------	---------	-----------	-----------	-----------	-----------	-----------	-----------

Appendix D Impact of Key Pressures on the Precept and Council Tax

	Estimate Book						
	Note	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Total Net Spend		16,784,420	17,062,020	17,683,680	17,875,235	18,464,917	19,217,799
Add:							
Carry Forwards		772,050					
Less Savings options not achieved		162,780					
Year on year superannuation increase			1.90%	1.90%	3.80%	3.80%	3.80%
Inflation:	21.50%		23.40%	25.30%	29.10%	32.90%	32.90%
Salary Estimates Superannuation increase				192,235	374,352	374,352	374,352
Pay Inflation			658,720	658,720	658,720	658,720	658,720
Other Inflation			354,420	354,420	354,420	354,420	354,420
			1,013,140	1,205,375	1,387,492	1,387,492	1,387,492
2007/08 Growth	1		189,720	219,660	368,070	274,630	102,450
Growth identified in future years				250,000	250,000	250,000	250,000
2007/08 Savings	2		-710,950	-926,540	-904,700	-1,025,740	-1,030,740
Savings Identified future years				-850,000	-850,000	-850,000	-820,000
Additional Savings found			-176,310	-115,000	-115,000	-115,000	-115,000
Additional Income found (discretionary fees @4.5%)			-20,780	-20,780	-20,780	-20,780	-20,780
Total Additional Savings Found			-197,090	-135,780	-135,780	-135,780	-135,780
Additional cost of recycling (option 3)			36,480	-77,030	172,970	172,970	172,970
Base adjustment for loss of car park income	3		96,310	96,310	96,310	96,310	96,310
Additional cost of Concessionary Fares			12,150	12,150	12,150	12,150	12,150
Total Expenditure		17,719,250	17,501,780	17,477,825	18,271,747	18,646,949	19,252,651
Government Support		-7,333,944	-7,559,423	-7,710,611	-7,864,824	-8,022,120	-8,182,563
Use of Balances		-2,230,843	-1,320,829	-613,801	-709,004	-350,210	-184,345
Transfer to/from Collection Fund		33,000	17,867				
District Precept		8,154,463	8,639,396	9,153,413	9,697,920	10,274,619	10,885,743
Average Band D Council Tax		170.05	178.38	187.13	196.29	205.91	216.00
Council Tax increase		4.50%	4.90%	4.90%	4.90%	4.90%	4.90%
Tax base		47,952	48,432	48,916	49,405	49,899	50,398
Revised Balances at 31 March each year							
GF Balance -cr		1,971,241	1,275,982	1,273,891	1,313,587	1,332,347	1,362,633
HRA Reserve -cr		2,569,580	1,944,010	1,332,300	583,600	214,630	
Total Balances		4,540,821	3,219,992	2,606,191	1,897,187	1,546,977	1,362,633

--=income/reduction in net expenditure

Notes:

1. Growth options commencing 2008/09 onwards have been excluded and count against future years allowance (RG10, RG13, RG18)
2. Savings options exclude savings options SG15, SG18 and SG30
3. This is the projected loss on income as a result of the 2006/07 price increase.

CAPITAL ESTIMATES 2007/08 ONWARDS

	Actual 2005/06 £	Estimate 2006/07 £	December 2006/07 £	Estimate 2007/08 £	Estimate 2008/09 £	Estimate 2009/10 £	Estimate 2010/11 £
CHIEF EXECUTIVE DIRECTORATE							
Computer Software and Equipment		26,400	70,800				
		26,400	70,800				
FINANCE & REGULATORY SERVICES							
Asset Management	599,914	238,000	563,780	700,000		7,000,000	
Corporate Items	535,293	105,600	105,600	77,090	50,160		
Computer Software and Equipment		40,500	40,500	108,000			
Town Centres	184,223	1,136,660	387,760	1,241,480	1,000,000	295,000	
Cycle Routes		90,000		90,000			
Advances and Cash Incentives	1,661,889	3,693,720	3,564,890	3,389,950	3,283,000	3,183,000	3,175,000
Low Cost Home Ownership	83,754						
Renovation and Reinstatement Grant Expenditure	915,582	815,000	1,020,000	815,000	815,000	815,000	815,000
	3,980,655	6,119,480	5,682,530	6,421,520	5,148,160	11,293,000	3,990,000
CUSTOMER SERVICES DIRECTORATE							
Computer Software and Equipment	683,939	575,760	566,830	216,980			
Parking & Environment	603,577	645,000	505,580	152,370			
Leisure Services	2,897,016	3,997,340	3,556,070	1,919,290	355,000	455,000	
Museums and Arts		161,000					
Community Services	144,206	1,683,000	1,343,270	500,000	127,000		
	4,328,738	7,062,100	5,971,750	2,788,640	482,000	455,000	
HRA IMPROVEMENTS							
HRA Improvement and Repair of Stock							
TOTAL CAPITAL PROGRAMME	8,309,393	13,207,980	11,725,080	9,210,160	5,630,160	11,748,000	3,990,000
ALTERNATIVE FUNDING SOURCES							
1 Operational Leasing	248,974	213,420					
2 Prudential Borrowing						7,000,000	
3 Third Party Contributions incl Grants	732,310	513,460	1,473,132	728,967	219,617	409,617	219,617
4 Direct Revenue	201,761		294,570	164,650			
5 Capital Receipts Applied	7,126,348	12,481,100	9,957,378	8,316,543	5,410,543	4,338,383	3,770,383
6 Non Cash Transactions							
	8,309,393	13,207,980	11,725,080	9,210,160	5,630,160	11,748,000	3,990,000
CAPITAL RECEIPT FUNDING AVAILABLE B/Fwd	-24,604,366	-19,396,725	-19,396,725	-9,842,292	-8,989,162	-5,578,619	-1,258,986
Add : CAPITAL RECEIPTS RECEIVED IN YEAR	-2,139,626	-4,168,450	-469,283	-7,529,750	-2,066,338	-85,088	-2,075,000
Less ; CAPITAL RECEIPTS POOLED AND REPAYED TO ODPM	220,919	66,338	66,338	66,338	66,338	66,338	56,250
Less ; CAPITAL RECEIPTS USED IN YEAR	7,126,348	12,481,100	9,957,378	8,316,543	5,410,543	4,338,383	3,770,383
CAPITAL RECEIPTS CARRIED FORWARD	(19,396,725)	(11,017,738)	(9,842,292)	(8,989,162)	(5,578,619)	(1,258,986)	492,647

Please Note: The capital estimates do not contain the following projects which have still to be costed or will be included as part of the Service & Financial Planning Process;

CAPITAL ESTIMATES 2007/08 ONWARDS

	Actual 2005/06 £	Estimate 2006/07 £	December 2006/07 £	Estimate 2007/08 £	Estimate 2008/09 £	Estimate 2009/10 £	Estimate 2010/11 £
CHIEF EXECUTIVE							
Computer Software and Equipment							
Replacement of elections/registration management system			44,400				
GROWTH BID 2006/07-Committee Management System		26,400	26,400				
Total: Computer Software		26,400	70,800				
TOTAL CHIEF EXECUTIVE DIRECTORATE		26,400	70,800				

CAPITAL ESTIMATES 2007/08 ONWARDS

	Actual 2005/06 £	Estimate 2006/07 £	December 2006/07 £	Estimate 2007/08 £	Estimate 2008/09 £	Estimate 2009/10 £	Estimate 2010/11 £
FINANCE & REGULATORY SERVICES							
Asset Management							
1 Building Improvement And Alterations							
a Council Offices							
i Restructuring & Other Improvements	7,542	189,000	488,550				
iv Renew Voice Enhancement System District Council Office		28,000	28,000				
xiii UpgradeToilets Town Lodge/DCO		21,000					
xiv Royston Town Hall site redevelopment	20,265						
xv Letchworth Council Offices Feasibility and Land Assembly costs	299,233						
xvi Asbestos Removal Letchworth Town Hall	48,986						
xvii New Office Accomodation (approved October 2006)				700,000		7,000,000	
b Access Improvements for people with disabilities	9,116		36,540				
c Depots & Miscellaneous Sites							
i Depot Relocation	1,645		180				
ii Relocation of St Johns Ambulance depot, Royston	140,514		10,030				
iii Demolition of Gatehouse Public House, Ivel Court, Letchworth	72,613		480				
Total: Asset Management	599,914	238,000	563,780	700,000		7,000,000	
Corporate Items							
1 General							
Housing Benefits Capitalised Costs Section 16(2)							
Capitalised Redundancy Costs Section 16(2) LGA 2003	419,069						
Capitalisation of commutation adjustment Section 16(2) LGA 2003	116,224	105,600	105,600	77,090	50,160		
Total: Corporate Items	535,293	105,600	105,600	77,090	50,160		
Total: Asset Management & Corporate Items	1,135,207	343,600	669,380	777,090	50,160	7,000,000	
Computer Software and Equipment							
GROWTH BID 2006/07-Northgate E Services System		20,000	20,000				
GROWTH BID 2006/07-Northgate Customer Portal				15,000			
GROWTH BID 2006/07-E payments		20,500	20,500				
IT BID- Funded from I.T reserve e-payment (NPS)				40,000			
IT BID- Funded from I.T reserve Property Maintenance and Asset Management System.				53,000			
Total: Computer Software		40,500	40,500	108,000			

CAPITAL ESTIMATES 2007/08 ONWARDS

	Actual 2005/06 £	Estimate 2006/07 £	December 2006/07 £	Estimate 2007/08 £	Estimate 2008/09 £	Estimate 2009/10 £	Estimate 2010/11 £
FINANCE & REGULATORY SERVICES (PLANNING)							
Town Centres							
a Hitchin - Bucklersbury / Sun Street	10,262		47,830				
b Baldock - High Street		925,000	42,020	587,980	1,000,000	295,000	
c Royston - Town Centre				210,000			
d Hitchin - Churchgate & adjoining land	100,432		7,000				
e Cadwell Lane Improvements			79,250	443,500			
f CCTV- Town Centres and Other Locations	73,529	11,660	11,660				
g NEW GROWTH BID 2006/07 5 CCTV Cameras		125,000	100,000				
h NEW GROWTH BID 2006/07 CCTV Control Room Improvements		75,000	100,000				
Total: Town Centres	184,223	1,136,660	387,760	1,241,480	1,000,000	295,000	
Transportation							
Cycling Schemes							
i Cycling development		90,000		90,000			
Total: Transportation		90,000		90,000			
Total: Finance & Regulatory (Planning)	184,223	1,226,660	387,760	1,331,480	1,000,000	295,000	

CAPITAL ESTIMATES 2007/08 ONWARDS

	Actual 2005/06 £	Estimate 2006/07 £	December 2006/07 £	Estimate 2007/08 £	Estimate 2008/09 £	Estimate 2009/10 £	Estimate 2010/11 £
FINANCE & REGULATORY SERVICES (HOUSING)							
Tenants Cash Incentives	236,250	175,000	141,250	175,000	175,000	175,000	175,000
Grants to Housing Associations		369,000					
Clothall Common, Baldock							
Orchard Way, Letchworth	86,630						
Meadow Way, Therfield	4,168						
9,10,83 Paschal Way - Springboard (99/2000)							
NHDC land Burleigh Park (NES 2)	56,441		91,790				
A & B Glass Hitchin - Guinness Trust 9 rented 15 shared ownership		216,000	288,000	72,000			
NHDC land Burleigh Park (NES 2) - Warden 25 units	120,000						
Grove Road, Hitchin Jephson - 66 units		686,670	629,000	157,250			
Grove Road Brookers Yard (was part of Grove Road site)		521,250	521,250	521,250			
Ransoms factory site, Hitchin - 42 units (was 53 units)	304,000	268,000	268,000	48,000			
Starling Bridge, Hitchin	300,000						
Burleigh Park phase 3 Guinness 21 units	80,000		20,000				
Burleigh Park phase 3 NHH 30 units		680,000	395,200	98,900			
Lloyd Way Kimpton phase2 Howard Cottage 7 units		42,000					
Maiden Street Weston -Howard Cottage 6 units		60,000	60,000				
Walsworth Road Jephson 2 shared ownership		20,000	20,000				
Burleigh Park phase 6 Warden 15 units		180,000	180,000				
The Tene Baldock NHH 4 Bungalows		120,000	120,000				
26 Strathmore Avenue (NHH)			40,000				
Bridger Site, Birds Hill (Howard Cottage)	474,400	355,800					
Burleigh Park phase 2 (Warden)				304,000	108,000	8,000	
Dark Lane Sandon (NHH)			144,000	36,000			
Fishponds Hitchin (Howard Cottage)			35,000				
Greenbury Close Barley (Howard Cottage)			45,000				
Maiden Street Weston (Howard Cottage)			80,000				
Milestone Road Hitchin (NHH)			120,000	30,000			
Queen's Road Royston (NHH)			40,000	10,000			
New Scheme Ling Dynamics (Jepherson Housing Association) 15 units			326,400	81,600			
Partnership Scheme Funding (Unallocated)				1,737,350	3,000,000	3,000,000	3,000,000
Total Grants to Housing Associations	1,425,639	3,518,720	3,423,640	3,214,950	3,108,000	3,008,000	3,000,000
Total Cash Incentives and Housing Advances	1,661,889	3,693,720	3,564,890	3,389,950	3,283,000	3,183,000	3,175,000
FINANCE & REGULATORY SERVICES (HOUSING)							
Low Cost Home Ownership							
Riddell Gdns, Baldock & King's Walk, Royston - Repurchase	83,754						
Total Low Cost Home Ownership	83,754						
Renovation and Reinstatement Grant Expenditure							
Private Sector Grants	213,012	350,000	270,000	350,000	350,000	350,000	350,000
Disabled Facility Grants							
Mandatory	629,820	415,000	664,000	415,000	415,000	415,000	415,000
Discretionary	72,750	50,000	86,000	50,000	50,000	50,000	50,000
Total Renovation and Grant Expenditure	915,582	815,000	1,020,000	815,000	815,000	815,000	815,000
Total Finance & Regulatory Low Cost Ownership & Grant Expenditure	999,336	815,000	1,020,000	815,000	815,000	815,000	815,000
TOTAL FINANCE AND REGULATORY SERVICES	3,980,655	6,119,480	5,682,530	6,421,520	5,148,160	11,293,000	3,990,000

CAPITAL ESTIMATES 2007/08 ONWARDS

	Actual 2005/06 £	Estimate 2006/07 £	December 2006/07 £	Estimate 2007/08 £	Estimate 2008/09 £	Estimate 2009/10 £	Estimate 2010/11 £
CUSTOMER SERVICES DIRECTORATE							
Computer Software and Equipment							
i Careline equipment upgrade	74,414						
ii Service at North Herts	609,525	428,010	481,400	65,330			
iii Purchase of Litho Printing Press		80,000		80,000			
iv GROWTH BID 2006/07 Replacement of HR Payroll system		67,750	85,430				
v IT BID- Funded from I.T reserve GIS system				71,650			
Total: Computer, Software & Equipment	683,939	575,760	566,830	216,980			
Parking & Environment							
Car Parks/Parking:							
i Controlled Parking Zones, All Towns	44,856	100,000	33,820	71,320			
iv Multi-Storey Hitchin - Remedial Works	202,097		40,000				
v Multi-Storey Hitchin - Security - lighting & railings			24,410				
v Multi-Storey Hitchin - Lift Refurbishment	46,737						
Total: Environmental Services & Transportation	293,690	100,000	98,230	71,320			
Waste Disposal							
Waste Disposal & Re-cycling							
i Compost Scheme - purchase of bins	309,887						
ii NEW GROWTH BID 2006/07 Extend Composting (brown bin) to all properties		545,000	407,350	81,050			
Total Waste Disposal	309,887	545,000	407,350	81,050			
Total: Customer Services Parking & Environment	603,577	645,000	505,580	152,370			

CAPITAL ESTIMATES 2007/08 ONWARDS

	Actual 2005/06 £	Estimate 2006/07 £	December 2006/07 £	Estimate 2007/08 £	Estimate 2008/09 £	Estimate 2009/10 £	Estimate 2010/11 £
CUSTOMER SERVICES DIRECTORATE (LEISURE & COMMUNITY)							
Leisure & Community Facilities							
1 Sports And Leisure Centre							
a Improvements							
i Refurbish Customer Toilets/Changing Rooms							
ii Pool hall glazing	277,410		2,640				
iii Improvement to Leisure Centre	89,021	1,023,420	1,325,450				
2 Hitchin Swimming Pool							
i Car Park extension	4,688	293,000		295,310			
ii Café Improvement	4,973	25,030	5,000	21,030			
iii Reception Improvements		75,000	5,000	71,000			
iv Refurbish Customer Toilets/Changing Rooms Phases 1-2							
v 2007/08 Growth Bid - Refurbishment of Hitchin Outdoor Pool Tank				37,000			
3 Letchworth Outdoor Pool							
i Refurbish Customer Toilets/Changing Rooms Phase 2		55,000	55,000				
ii Upgrade Pumps	14,772						
iii 2007/08 Growth Bid - Refurbishment of Letchworth Outdoor Pool Tank				30,000			
4 Royston Leisure Centre	2,067,197		13,000				
5 Recreation Grounds/Open Spaces							
a Refurbished Playgrounds	120,805	126,000	141,700	96,600			
b Kennedy Gardens Landscaping							
c King Georges - Renovation & Car park Extension	765	81,230	81,000				
d Replacement/Refurbishment of Pavilions/Changing Rooms	57,091	344,960	344,960	215,250			
di Growth bid 2007/08-Replacement/Refurbishment of Pavilions/Changing Rooms				90,000		380,000	
e Provision of local sports & play facilities for Youth	43,351	294,000	207,010	248,990	30,000		
f Grange Central (Refurb Play & Youth Facility)	4,107	63,000	220,890				
g Avenue Park paddling Pool		150,000		150,000			
h Howard Park Paddling Pool	5,000	65,000	80,000	60,000			
i Plant & Safety Equipment -Howard Park Paddling Pool		83,700					
j Grant aid towards Community Playing Field facilities		50,000	50,000				
k Allotments Strategy		36,500	34,470				
l works relating to Parks & Open Spaces Strategy				100,000	75,000	75,000	
Total Customer Services Leisure & Community Development	2,689,180	2,765,840	2,566,120	1,415,180	105,000	455,000	

CAPITAL ESTIMATES 2007/08 ONWARDS

	Actual 2005/06 £	Estimate 2006/07 £	December 2006/07 £	Estimate 2007/08 £	Estimate 2008/09 £	Estimate 2009/10 £	Estimate 2010/11 £
CUSTOMER SERVICES DIRECTORATE (LEISURE & COMMUNITY)							
Leisure & Community Facilities continued							
6 Markets & Halls							
a Hitchin Town Hall - Boiler replacement & Major Repairs	20,550		13,030				
b Whinbush Road Centre - Grant to NHEMF							
c Mrs Howard Hall- repair works	71,807	572,000	575,400				
d Community Halls - repair and refurbishment	42,594	232,390	228,520				
e Parish Amenities Capital Improvement Fund	72,885	427,110	173,000	504,110	250,000		
Total: Markets and Halls	207,836	1,231,500	989,950	504,110	250,000		
Arts & Culture							
1 Hitchin Museum essential health & safety improvements							
2 Hitchin Museum DDA works - Match Funding		50,000					
3 i Letchworth Museum DDA works - Match Funding (Net £20K)		56,000					
ii Letchworth Museum Major Repairs		55,000					
Total: Arts and Culture		161,000					
Community							
1 Cemeteries - Land Purchase and Development							
a Letchworth Phase 1(Part 1)							
b Letchworth Phase 1(Part 2)	139,147	375,000	385,850				
c Letchworth Mausoleum		200,000	200,000				
d Letchworth Chapel of Rest		200,000	200,000				
e Letchworth Crematorium							
f Royston							
2 Public Conveniences							
a Major Refurbishment & Replacement	5,059	463,000	452,420	150,000	127,000		
3 Meals on Wheels - Kitchen Facilities		70,000	70,000				
4 Area Visioning		375,000	35,000	350,000			
Total: Community	144,206	1,683,000	1,343,270	500,000	127,000		
Total Customer Services Leisure & Community Development	3,041,222	5,841,340	4,899,340	2,419,290	482,000	455,000	
TOTAL CUSTOMER SERVICES	4,328,738	7,062,100	5,971,750	2,788,640	482,000	455,000	

TITLE OF REPORT: BUDGET PROPOSALS 2007- 2008 – RECOMMENDATIONS OF THE SCRUTINY FINANCE SUB-GROUP

The Scrutiny Finance Sub-Group met on Tuesday, 23 January 2007, to consider the Budget Proposals 2007/08 report.

Members reviewed the responses to their questions raised at their previous meeting held on 14 December 2006.

The Finance Scrutiny Sub-Group would like to recommend that Cabinet consider the following, at its meeting on 30 January 2007:

SG1 - Removal of Health Development Officer post

A six month review is conducted that shows any impact the removal of this post has had on the new arrangements that are proposed.

SG9 - Reduced noise call-out service

A six month review is conducted that shows any impact the reduction of this service has had, with a breakdown of work that could have been undertaken if no changes were made to the service.

SG10 - Deletion of the Empty Homes Officer post

Investigate whether this post could be job shared with one or more neighbouring authorities, rather than deleting it altogether.

SG12 - Improve "What the Media Say" service

Look at a best practice method operating at Hertfordshire County Council, where they have arranged for councillors to receive a hard copy of press cuttings by signing an agreement which allows for the copyright fee to be removed.

SG17 - Discontinue Historic Buildings Grants

A gradual phasing out of the grant scheme over a 3 year period, rather than outright removal.

SG25 - Introduction of fees for pre-application advice for minor applications

A six month review is conducted on any impact the introduction of the fees have had on the service.

SG26 - Introduction of fees for street naming and numbering

The Group was concerned that the charge of £100 per unit was too high. The Group would like the effects of this to be reviewed after six months of implementation.

THIS PAGE IS BLANK

TITLE OF REPORT: LAND WEST OF THE A1(M) AT STEVENAGE - UPDATE

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 position regarding West of the A1(M) at Stevenage. The Council's response to the unilateral Deed of Obligation submitted by the West Stevenage Consortium has now been made.

2. FORWARD PLAN

- 2.1 This item is not included within the Forward Plan.

3. BACKGROUND

- 3.1 Members will recall that the Secretary of State was minded to approve planning applications relating to the development of 3,600 houses together with associated development, subject to a legal agreement being formulated to ensure delivery of the promised community and social facilities and infrastructure in an effective and timely manner. The deadline for submissions was 20 November 2006, at which time the West Stevenage Consortium lodged an unsigned unilateral agreement. Councils were then given until 25 January 2007 to comment on the unilateral.

4. ISSUES

- 4.1 Last Thursday, 25 January 2007, the Council submitted its comments on the latest version of the unilateral. It concluded that the document contained serious flaws and should not be used as a basis for the Secretary of State to grant planning permission.
- 4.2 The Council's comments were prepared by officers of the Planning and Legal departments, in consultation with the council's barrister, Mr Adrian Trevelyan Thomas. They comprise 3 documents –
- A covering letter
 - A Principal Objections Paper
 - A Detailed Critique
- 4.3 The last of these was a comprehensive commentary on the contents of the submitted unilateral. In order to draw attention to the key points, a separate "Principal Objections paper was prepared, setting out 9 points which, alone and together, meant that the unilateral was an entirely unsatisfactory basis for the grant of any permission. That paper is attached to this report as Appendix A.
- 4.4 The covering letter sets out two further points of importance.

- 4.5 Firstly, officers had seen Hertfordshire County Council's draft submission, and were able to include a statement that NHDC fully supports the objections raised by HCC. In particular, HCC state that they will be forced to challenge any permission granted on the back of this unilateral unless there are fundamental drafting changes to it. The covering letter states that NHDC fully supports this stance.
- 4.6 Secondly, HCC consider that the consortium has acted unreasonably in the preparation of the unilateral, thereby resulting in very substantial and unnecessary expense over the last two years. I agree with this view. Therefore, both councils have submitted a formal application for payment of their costs since October 2005.
- 4.7 I seek endorsement of the Council's formal response to the Department of Communities & Local Government (DCLG) regarding the submitted unilateral.

5. LEGAL IMPLICATIONS

- 5.1 If the Secretary of State does grant permission on the basis of this unilateral, NHDC would need to mount a legal challenge, in association with HCC. There would be substantial costs in such action, even though they would be shared by the two councils. If the challenge was successful, it is highly likely that the costs would be reimbursed. On the other hand, if the challenge was unsuccessful, the two authorities may have to bear the other side's costs.

6. FINANCIAL AND RISK IMPLICATIONS

- 6.1 See above.

7. HUMAN RESOURCE AND EQUALITIES IMPLICATIONS

- 7.1 There are no new HR or equalities implications arising from the contents of this report with the exception of the additional work associated with the reformulation of the legal agreement and appraisal of the Inspector's report and Secretary of State's decision. Adjustments may need to be made to the Service Plan to accommodate specific work associated with the Secretary of State's decision.

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 response recently sent to Department of Communities & Local Government in respect of the submitted unilateral Deed of Obligation regarding the proposed development west of the A1(M) at Stevenage, as set out at Appendix A to the report, be endorsed.

10. REASONS FOR RECOMMENDATIONS

- 10.1 To ensure that Cabinet is aware of current developments and agrees with the officers' actions.

11. ALTERNATIVE OPTIONS CONSIDERED

11.1 There have been no alternative options considered.

12. APPENDICES

12.1 Appendix A - Response to undated Deed of Obligation received 19 December 2006.

13. CONTACT OFFICERS

- 13.1 David Scholes
Head of Planning and Building Control
Telephone : 01462 474836
Email : 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
- 13.3 Kim Sawyer
Corporate Lawyer
Telephone : 01462 474460
Email : kim.sawyer@north-herts.gov.uk
- 13.4 Anita Thomas
Group Accountant
Telephone : 01462 474451
Email : anita.thomas@north-herts.gov.uk
- 13.5 Kerry Shorrocks
Head of Human Resources
Telephone : 01462 474224
Email : kerry.shorrocks@north-herts.gov.uk

14. BACKGROUND PAPERS

14.1 None other than published documents.

THIS PAGE IS BLANK

NORTH HERTFORDSHIRE DISTRICT COUNCIL

RESPONSE TO UNDATED DEED OF OBLIGATION RECEIVED 19 DECEMBER 2006

PRINCIPAL OBJECTIONS TO SUBMITTED DEED

1.0 SECTION 106A

- 1.1 The submitted unilateral in itself does not result in the discharge of the Deed of Unilateral Undertaking, the Security Deed and the Deed of Further Planning Obligations entered into by the applicants and others on various dates in 2004 and 2005. Instead, the submitted unilateral is conditional (Clause 3.1.2) upon one, two or three of the councils entering into an agreement under s106A of the 1990 Act. Clause 3.3 contains a covenant on behalf of the applicants and associated parties to enter into such an agreement with any or all of the councils, but sets out no time frame for this. By contrast, clause 3.1.2 requires the councils to enter into such an agreement within 6 months of the grant of planning permission. The 6-month period from the date of any permission is arbitrary, given that the applicants are not required to offer an agreement signed by them by any particular date.
- 1.2 North Hertfordshire District Council (NHDC) has no objection to entering into such an agreement. Indeed, it is prepared to enter into such an agreement in advance of any decision on the planning applications. However, it has significant concerns about the wording in the submitted unilateral. What would be the position, for example, if one or two councils entered into such an agreement, but the other council or councils did not? What then would be the status of the current unilateral, and indeed the 2004 Deed in such circumstances?
- 1.3 In the view of NHDC, an appropriate s106A agreement should be prepared and signed now by the applicants and associated parties, and no decision should be reached by the Secretary of State on the grant of planning permission until all 3 councils have signed such an agreement. It is common ground that the 2004-2005 suite of security documents is not "fit for purpose" and any risk that those obligations may remain in force must be removed in advance of any decisions on the planning applications.

2.0 TRIGGER POINTS

- 2.1 A key aspect of any delivery mechanism is the timing of delivery. The submitted unilateral ties the provision of many of the community and social facilities to "trigger points" or "thresholds" expressed in the form "... before the Occupation of the Xth Residential Unit." North Hertfordshire District Council believes that these triggers may never be reached and hence promised community and social facilities may never be delivered. In such circumstances, housing would be built but a sustainable community would not be delivered. The reasons for this conclusion are set out below.
- 2.2 "Residential Units" are defined within clause 2.1 as dwellings "*constructed or to be constructed within the Site under a Planning Permission and for the avoidance of doubt does not include any dwelling ... constructed or to be constructed on the Site pursuant to any other planning permission whatsoever.*"
- 2.3 "Planning Permission" is defined in the same clause as "*any planning permission granted by the Secretary of State pursuant to any one or more of the Planning Applications.*"

- 2.4 “Planning Applications” are defined as *“the applications for outline permission bearing statutory register numbers 01/01408/1 and 01/00506/OP.”*
- 2.5 Thus, it must follow that not every new dwelling built on the application site may count towards the attainment of the defined trigger points. Only those approved, constructed and occupied as reserved matters to the two specific planning applications currently under consideration would count towards the triggers. Any granted following submission of separate full planning applications would not count, as is made crystal clear in the definition above of “Residential Units.”
- 2.6 Experience shows that, following the grant of outline permission for large scale housing development, new dwellings are commonly constructed as a result of full planning permissions, rather than the submission of reserved matters. Examples where developers may choose to submit a full application are –
- Where the submitted scheme does not comply fully with the approved Master Plan, the developer is likely to submit a full planning application for the local planning authority’s consideration.
 - Where the proposed scheme does not comply fully with the conditions (for example maximum roof heights), a full planning application may be submitted to the local planning authority.
 - If a developer wishes to change the density or house types approved in an earlier permission, again this may be submitted in the form of a full planning application.
- 2.7 Importantly, in examples such as those above, decisions to submit full or reserved matters applications lie entirely in the hands of the developers. If a developer chooses to submit a full application, the local planning authority cannot refuse to determine it. Equally, it is highly likely that, for such application, planning permission could not be refused.
- 2.8 The West Stevenage Consortium may argue that, in circumstances where a full application for planning permission has been submitted, a new legal agreement under s106 of the 1990 Act should be drawn up between the developer and the local planning authority. Certainly, they have so argued in the past when this point was raised with them. However, North Hertfordshire District Council does not believe that this would resolve its concerns.
- 2.9 Firstly, any legal agreement must be relevant to the planning application to which it relates. It is difficult to see how the thresholds for the scheme for the whole site would be relevant to a specific application for, say, 50 or 100 houses on a small part of it.
- 2.10 Secondly, such a legal agreement could not bind developers on other parts of the site, who were not party to it. Thus the 50 or 100 houses the subject of the application for full planning permission could not be “slotted” within the thresholds for the overall scheme for 3,600 dwellings. In other words, a new legal agreement could not change the terms of the unilateral currently under consideration, such that the dwellings to which it relates do count towards the attainment of the thresholds.
- 2.11 In short, a new legal agreement would not overcome the problem. Dwellings constructed following the grant of a full planning application simply would not count towards the attainment of the trigger points in the submitted unilateral.

- 2.12 As a consequence, NHDC believes there is a substantial risk that if permission is granted in this case, 3,600 new dwellings may indeed be built on the application site, but a significant number of them will not count towards the various trigger points. Clearly, the more approved under separate full planning permissions, the less count towards the triggers. The less which count towards the attainment of the triggers, the greater the probability that the triggers will never be reached. And if the triggers are not attained, the obligations will not be provided. This cannot be acceptable in terms of the provision of a sustainable community west of the A1(M) at Stevenage.
- 2.13 This issue must also be viewed in the context of the provision of affordable and special needs housing. "Affordable Housing Units" are defined (clause 2.1) as "Residential Units" and so would count towards the attainment of thresholds, provided of course that they were approved following submission of reserved matter applications. The same applies to "Special Needs Units." Thus the submitted unilateral does not distinguish between affordable housing, special needs housing and market housing in the setting of thresholds. All 3,600 dwellings on the application site could count towards their attainment. However, failure to provide community and social facilities by respective trigger points would result in the local planning authority having to contemplate enforcement. The developers of affordable and special needs housing are immune from such enforcement (clause 2.7.1) and NHDC considers such immunity to be both appropriate and acceptable. It would not want to have to prevent the provision of much needed affordable and special needs housing, due to a failure to provide community facilities elsewhere on the site. If there is to be a large new urban extension west of the A1(M) at Stevenage, NHDC takes the view that affordable / special needs housing is one of its most important elements, and there should be no unnecessary obstacles in the way of its provision.
- 2.14 Thus 27.5% of the houses to be provided count towards the attainment of the trigger points, but have immunity from enforcement. These are also likely to be built in the latter stages of the development (whether at "development parcel" scale or overall), due to the need to organise finance, involve RSLs, etc. This means that there is already a degree of risk in relation to some of the trigger points. For example, details of open space have to be submitted and settled prior to the occupation of 75% of the dwellings in a development parcel (clause 35.1). If the affordable / special needs housing are indeed the last to be built, enforcement of the provision of open space would be impossible as all the open market housing would have been built and occupied prior to the trigger point.
- 2.15 In this context, developers may perceive there to be advantages in submitting full applications for planning permission, rather than reserved matters applications, simply to avoid triggering the provision of some community or social facility. In such a scenario, there would be nothing the local planning authority could do about it.
- 2.16 It goes without saying that the community and social facilities must be delivered as promised by the applicants. Only if these facilities are provided and eventually brought into use will the community be sustainable. Therefore, all dwellings without exception built on the application site must count towards the attainment of the various trigger points. As the current unilateral is unacceptable in this regard, it should not form the basis of a grant of planning permission.

3.0 OCCUPANCY

- 3.1 A significant difference between the versions of the unilateral dated 20 November 2006 and 13 Dec 2006 is the change from “commencement construction or occupation” to simply “occupation.” These phrases / words are used in relation to the obligations associated with the trigger points. In the earlier version, an obligation might be, for example, “not to commence, construct or occupy more than X Residential Units until ...” Now the equivalent obligation is “not to occupy more than X Residential Units until ...”
- 3.2 The three councils had agreed the earlier form of words with the consortium. In the Deed of Unilateral Undertaking dated 25 October 2004, the phrase used was “not to cause or permit the commencement construction or occupation of more than X units.” In subsequent versions, this wording was replaced by “not to commence construct or occupy” with a separate clause (similar to clauses 2.10 and 2.11 in the latest version) setting out a separate covenant “not to cause or permit” such activities. North Hertfordshire DC believes the most recent change has substantially weakened its powers to enforce against any failure to provide relevant community and social facilities on the site. It believes as a consequence that this may lead to such facilities simply not being provided.
- 3.3 In the current unilateral, attainment of the triggers is linked directly and solely to the occupation of Residential Units (or Traffic Generation Units). There is no link to construction works. Accordingly, it would be possible for all 3,600 dwellings to be commenced, constructed and completed without any of the community and social facilities being provided. The local planning authority would be unable to enforce in those circumstances. With trigger points being defined solely in terms of occupation, all the local planning authority could do to enforce the provision of facilities following a breach is to seek to prevent occupation of dwellings. It could not seek to prevent any construction taking place. This would be an incredibly weak enforcement position, where the chances of securing the eventual provision of the community and social facilities would be severely limited.
- 3.4 This is linked to another aspect of the submitted deed, referred to in the covering letter from Davies and Partners as “parting with interests in land.” The consortium requires that purchasers of individual dwellings should be immune from any future enforcement (clause 2.7.1). Hence, in the situation where a trigger point has been exceeded without the relevant facility being provided, no action could be taken against those already in occupation. Developers could continue to build dwellings without the risk of enforcement against such activity. All that could be done would be to seek to prevent occupation of any dwellings beyond the number specified in the trigger. And in those circumstances, if occupation were to go ahead, the new occupier would immediately be immune from any enforcement action. North Hertfordshire DC has no confidence that it would be successful in such an endeavour. It is therefore likely that facilities would not be provided, due to the ineffectiveness of the enforcement provisions available.
- 3.5 If the obligations were expressed in terms of “not to commence construct or occupy” or “not to cause or permit commencement, construction or occupation” of Residential Units, this would at least permit the local planning authority to stop construction on the site until the relevant facility had been provided. Such would be a much stronger enforcement position and would stand a much better chance of success.
- 3.6 The consortium’s motivation behind the change may be to simplify or clarify the trigger points. It may be argued that, as expressed in earlier versions, the triggers are ambiguous. NHDC does not accept such an argument. Clearly, the thresholds would be breached upon the commencement of construction of the relevant dwelling, as the three actions of “commencement,” “construction” and

“occupation” will always follow consecutively for any specific dwelling. Once a threshold was breached, NHDC would want to consider enforcement action to stop the commencement of any further dwellings on the site, to stop the construction of any dwellings already under construction, and to prevent occupation of any completed dwellings which had not yet been occupied. Such powers are not unreasonable, and are fully justified given the importance of the community / social facilities which enforcement action would be used to secure.

- 3.7 Clearly, one hopes that it would never be necessary to institute enforcement action. However, a legal agreement designed to secure the provision of substantial planning obligations in association with large-scale housing development is unacceptable without appropriate enforcement powers, to be adopted only in the case of failure to provide the facilities. The submitted unilateral is unacceptable for this reason, and therefore should not be a basis for the grant of planning permission.
- 3.8 NHDC believes the trigger points must be expressed in terms of “not to commence construct or occupy more than X Residential Units,” with a clause similar to 2.10 as set out in the submitted unilateral. Any further “simplification” would weaken the necessary enforcement powers it believes are appropriate in the circumstances.

4.0 BONDS OR CONTRIBUTIONS

- 4.1 The majority of the bonded obligations are offered in the alternative – either procurement of a bond or payment of a sum of money. The choice of which alternative will be adopted rests entirely with the consortium. The local authority has no say in the matter. This is entirely unacceptable, for the following reasons.
- 4.2 The primary responsibility for providing the facilities promised in the unilateral lies with the consortium, and not with the councils. The role of the local planning authority is to enforce failure to provide necessary facilities, and only in the last resort to step in and do the works itself. The wording of the current version of the unilateral does not reflect this reality. It enables the consortium / developers to side-step their obligations, by the simple procedure of electing to pay the local planning authority a sum of money to do the necessary work on their behalf.
- 4.3 The bond sums set out in the unilateral are reasonable current estimates of the likely costs of the various facilities, and they are index linked to reflect the fact that the facilities will be provided in the future. However, there is no guarantee that they will in fact be sufficient to cover all the costs of provision. Realistically, it may well be that the actual costs of a particular facility at the time it is to be built are significantly greater than the bond sum. In those circumstances, it is perhaps extremely likely that the consortium / developers would then elect to pay the local planning authority the contribution (index linked) to do the work. The councils would then be left having to fund the shortfall between the actual cost and the sum received from the developers. NHDC does not accept that it should be obliged to pay any element of the cost of these facilities from public funds, but such would be the inevitable consequence arising from the wording within the current unilateral.
- 4.4 NHDC is concerned that, if the above approach is accepted, a national precedent would be set for local government to have to pay such shortfalls. The Council is not aware of such an approach previously being imposed through a unilateral agreement. Clearly, the consortium are seeking to minimise any risk of future unforeseen costs having to be borne by the development, and desire to transfer the risk to the local planning authorities. Equally, the councils have no provision to make up any shortfalls in the future, other than to use public funds, and so are entirely unwilling to accept such risks.

- 4.5 It is interesting to note a point of equity here. Current estimates of future costs can of course be either underestimates or overestimates. If the latter were to be the case, the unilateral contains repayment provisions for the unused element of payment. Yet, as stated in this section, where costs are underestimates, there are no provisions for the consortium to pay the actual costs of the facility.
- 4.6 There may be situations where an authority is prepared to directly provide a facility. In such cases, payment of an agreed contribution by the consortium would be appropriate, in lieu of the consortium itself carrying out the work. However, the formalisation of any such contributions in a legal agreement must state that they will occur only if both consortium and relevant council agree that this is an acceptable way forward at the relevant time.

5.0 APPROVAL PROCEDURE / DISPUTES CLAUSE

- 5.1 The Councils' original prescription for an acceptable legal agreement, set out in paragraph 34.15 of the Inspector's report and accepted by the Secretary of State, included *"a properly thought out disputes clause ... with either party having the opportunity to invoke it."*
- 5.2 The submitted unilateral does include a Disputes Resolution Procedure in clause 73, activated by what is termed an "Approval Procedure" as set out in clause 65. In principle, these clauses would be appropriate if contained in a bilateral agreement. However it would not be lawful for such a disputes resolution procedure to be imposed on the Council through a unilateral obligation. In any event, the Council objects to many of the detailed provisions of clauses 65 and 73 and fully supports the detailed criticisms made in the submission by HCC in this regard. Furthermore, the disputes resolution procedure purports to duplicate matters proposed to be dealt with by the conditions recommended by the Inspector. An example is used to show how these procedures would operate in practice, as well as highlighting NHDC's concerns in this regard. The example relates to the provision and specification of the linear park.
- 5.3 The linear park would be one of the most important aspects of the development from NHDC's point of view. Located along the western edge of the built development, it would be a very important visual element in views from the Langley Valley, acting as a key transition between town and country. Therefore, it is vital that the details of the linear park are properly established.
- 5.4 According to clause 6.2 of the submitted unilateral, the development is not to be commenced until *"there shall be an Approved Specification for the Linear Park and an Approved Scheme which shall provide for the Linear Park to be constructed and brought into public use on a phased basis."* "Approved Specification" and "Approved Scheme" are both defined in clause 2.1 as a specification and scheme respectively *"to be settled in accordance with the Approval Procedure."*
- 5.5 A 'specification' for the linear park could only be the detailed layout of the park, showing the disposition of various uses and landscaping throughout the area. A 'scheme' for the park relates to its phased implementation. Under clause 65, a specification and scheme for the linear park must be submitted to the local planning authority, which then has 28 days to respond with an approval of both specification and scheme. This is the first area of concern. In complex matters such as this, 28 days may well be insufficient for a council to properly consider the details. There would undoubtedly be the need for consultation, possibly even the need to involve a consultant. For entirely reasonable and practical reasons, it may not be possible to respond in the period set out in the unilateral.

- 5.6 If the Council fails to respond within 28 days or refuses to approve the submission, the disputes resolution procedure is automatically invoked by clause 65.3. Even if the developer was willing to allow the council a further period of time to respond, this would not be possible under clause 65.3 as written, which says *“the Owners shall refer the matter to the decision of an expert.”* Clause 73.1 states that the decision of the expert *“shall be final and binding on the person making the reference and any other person who chooses to be a party to the reference.”*
- 5.7 Condition 16 of the list of conditions recommended by the Inspector states that – *“... no development shall take place until a scheme for the structural landscaping and nature conservation for the site as a whole ... has been submitted to and approved in writing by the Local Planning Authority. The submission shall include the following:*
v) *specification for the linear park;*
xv) *programme of implementation”*
- 5.8 Additionally, conditions 2, 6, 9 and 19 also contain provisions relating to the specification and phasing of the landscaping on the site.
- 5.9 Thus the submitted unilateral, if it ever came into force, would clearly result in two parallel approval and appeal procedures – a recipe for conflict and confusion. The local planning authority has a statutory responsibility to consider and determine reserved matters and details submitted in compliance with conditions imposed on an outline permission. It would be entirely unacceptable to impose on the local planning authority a process which replaces the statutory powers it already has. But that is exactly the position here, if permission is granted and this unilateral comes into force.
- 5.10 Whilst the council’s objection to this aspect of the submitted unilateral is described by using the example of the linear park, this is not the only case where the same objection applies. It would also apply to the allotments, general open space provision, the cemetery, the equipped play areas and the sports pitches.
- 5.12 To accept the proposed approval / disputes resolution procedure as set out would set a very unfortunate precedent nationally. It would indicate acceptance that a council’s statutory planning powers can be eroded or even replaced by means of a legal agreement, which cannot be right in law. It would be particularly objectionable where the agreement is in the form of a unilateral obligation, to which by definition the council is not a signatory.

6.0 JOINT AND SEVERAL LIABILITY

- 6.1 NHDC has always required there to be both joint and several liability for the planning obligations. The primary responsibility for providing the community and social facilities promised in the unilateral lies of course with the consortium, and not with the councils. The councils’ role is that of local planning authority. In the event of outline permission being granted, they would assess and determine the details of such facilities, grant approvals where appropriate, and then expect the consortium to arrange for their provision. Failure to provide a community or social facility by the relevant trigger point would lead to enforcement action, perhaps in the form of an injunction stopping all work on the site until such time as the facility was provided. Only if such action failed would the relevant council step in, draw down the bond and then provide the facility itself. Bonding arrangements and step-in rights are therefore very much a last resort, should all else fail.

- 6.2 The change from “commence construct or occupy” to simply “occupy” means that any enforcement action open to the local planning authority is severely limited, and would likely be ineffective. If joint liability was agreed, then the enforcement position in these circumstances would still be weak – the local planning authority could only seek to prevent occupancy across the whole site, rather than a part of it. However, if the Council could seek to prevent any “commencement, construction or occupancy” of dwellings across the whole site, the enforcement position would be significantly stronger. It would be essential to have the power to take such action across the whole site, given the scale and cost of some of the promised facilities and the multitude of land ownerships throughout the site. Hence, joint and several liability is essential in the view of NHDC.
- 6.3 Additionally, not all obligations are covered by bonding arrangements. In the view of NHDC, joint liability is also essential for those items not covered by bonds, for example the provision and operation of the monitoring officer. Also, some facilities are only partly bonded, for example the farmland species contribution, where 50% of the contribution is not bonded as it is due to be paid before any work is started on site. Again, joint liability is essential. In the absence of joint liability, if there was a failure to provide a monitoring officer or to pay the first instalment of the farmland species contribution, against whom would the local planning authority institute enforcement action? The answer is unknown.

7.0 SITE WIDE LIABILITY / IMMUNITY FROM ENFORCEMENT

- 7.1 Clause 55 purports to set out “site wide liability.” Whilst clause 55.1 establishes that certain of the thresholds are calculated by site wide aggregation, clause 55.2 makes it clear that any owner only has responsibility for the obligations relating to land in his ownership. Therefore, the reality is that no party to the unilateral would have a site wide liability under the terms set out.
- 7.2 The degree of immunity is extensive.
- 7.3 “Owners” have liability only for “*any act or thing done by the Owner himself ... in accordance with a planning permission* (clause 55.2.1).” Thus by this clause, the owner has no liability for any omission, or failure to provide obligations. This goes entirely against the grain and purpose of the entire agreement.
- 7.4 “Owners” must give “*express consent in writing to the Owners’ Agent*” (clause 55.2.3) before they have any liability for any payment which must be made. Who then has liability if the owner does not give express consent in writing for any particular payment? In the terms of the submitted unilateral, no one has this liability.
- 7.5 Owners / occupiers of single dwellings or traffic generation units are totally immune from enforcement (clause 2.7.1). NHDC considers that such owners / occupiers must have a liability for all the relevant negative covenants, if a breach leading to enforcement occurs prior to their occupancy. In practical terms, this would undoubtedly strengthen the effectiveness of any necessary enforcement action.
- 7.6 RSLs have immunity from any liability (clause 2.7.1). As stated earlier, NHDC agrees with this level of immunity, as it wishes no unnecessary obstacles to be in place preventing the provision of affordable / special needs housing.
- 7.7 The issues set out in this section and in section 6 above make it clear that the enforcement provisions are unacceptably weak. Enforcement is dependent upon preventing development and / or occupation (see section 3 above). How for example does NHDC ensure compliance with the delivery obligation of the linear

park if there are no Residential Units left incomplete or unoccupied at the time of delivery? Or, how does the Council enforce against failure to comply with the Woodlands Fencing obligations if the relevant owner has no residential development elsewhere on his land?

8.0 LIABILITY FOR TAX, STAMP DUTY OR VAT

- 8.1 The Councils have sought an indemnity in respect of any liability to VAT, stamp duty or tax arising from the transfer of land to a particular council. The particular concern relates to section 61 of the Finance Act 2003, which states that a land transaction which is entered into in order to comply with a planning obligation is exempt from charge if –
- a. the planning obligation is enforceable against the vendor
 - b. the purchaser is a public authority, and
 - c. the transaction takes place within a period of 5 years beginning with the date on which the planning obligation was entered into.
- 8.2 Within the current version of the unilateral, many of the land transactions will take place after the period of 5 years from the date (whatever it may be) that the unilateral is signed. Hence there is a significant risk in the Councils having to pay out substantial sums of money in those circumstances. It is unacceptable that any such sums of money should be paid from the public purse

9.0 MAINTENANCE

- 9.1 Schedule 13 sets out a procedure relating to maintenance of Amenity Land, which is defined as *“the Equipped Play Areas the Linear Park the Open Space or the relevant part or phase of any of them.”* Open Space is then defined as *“public amenity space forming part of the Development other than the Linear Park and the Equipped Play Areas.”* Neither of these definitions would appear to cover the Green Ways, defined separately as *“green movement corridor(s) for pedestrians cyclists and wildlife”* or arguably certain of the woodlands within the application site. NHDC believes therefore that there are no maintenance arrangements for the Green Ways or these woodlands. The submitted unilateral is therefore unacceptable in this regard.
- 9.2 For each of the areas covered by schedule 13, there is a rather complicated procedure designed to get to a position where the Relevant Authority issues a Completion Certificate (Certificate 1), when it is satisfied that the construction of the area has been carried out to an appropriate standard. The issue of the Completion Certificate signals the commencement of a period of 10 years where the maintenance of the area is the responsibility of the “Owners”. At the end of the ten-year period, the intention set out in the submitted unilateral is that the ownership of the area should then be transferred to the Relevant Authority. NHDC has no objection either to the principle of the “Owners” taking on responsibility for maintenance for the first 10 years after completion or to accepting ownership at the end of the period (subject of course to the issue set out in section 8 above).
- 9.3 The issue is again one of who has liability if the maintenance arrangements are carried out unacceptably or not carried out at all. Schedule 13 sets up a Maintenance Bond *“in respect of the cost of maintaining the works during the unexpired part of the maintenance period,”* which is any part of the 10-year period occurring after the occupation of the 3,300th Residential Unit. However, there are no such bonds covering the time between the Completion Certificate and the occupation of the 3,300th Residential Unit. This could be a substantial period of several years. During this period, if there were inadequate maintenance or a failure to continue to maintain a particular piece of land, the

powers of the Relevant Authority to remedy the situation are weak or non-existent.

- 9.4 The extensive degree of immunity from enforcement action has already been referred to above. This would apply to purchasers of new dwellings in the relevant area (clause 2.7.1) and could apply to the developers (clause 2.7.2) as failure to (adequately) maintain land is most likely to occur after the developers have finished development of the area. Thus enforcement would need to be instituted against the then owners of the land to be maintained. This may be a body such as a residents association or a commercial company. In such circumstances, the council is not at all convinced that such action would be successful, and considers that the solution is maintenance bonds for the full 10-year maintenance period.
- 9.5 The final aspect of the Council's concern regarding maintenance of open space is the determination of the amount of the bonds. Schedule 13 states that these amounts are to be determined under the Approval / Dispute Resolution Procedure. However, the bonds would only be used by the Council as a last resort in the event of failure to properly maintain land, and the Council's actual costs would be those set out in its then current contract with an outside contractor to carry out such work on its behalf. These contract costs should therefore be used to establish the amounts of the bonds. NHDC objects strongly to the use of the Approval / Dispute Resolution Procedure in this instance. It is unacceptable that, in circumstances where those responsible have failed to properly undertake maintenance, the Council should then have to subsidise the costs of maintenance in doing it itself – a clear consequence of the procedure set out in the unilateral.