

# CABINET AGENDA



**TUESDAY 31 JULY 2018 AT 7.30 PM  
CONFERENCE ROOM 2 - THE FORUM**

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

#### Membership

Councillor Williams (Leader)	Councillor Marshall
Councillor Griffiths (Deputy Leader)	Councillor G Sutton
Councillor Elliot	Councillor D Collins
Councillor Harden	

For further information, please contact Member Support

## AGENDA

**1. MINUTES** (Pages 4 - 13)

To confirm the minutes of the meeting held on 26 June 2018.

**2. APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

**3. DECLARATIONS OF INTEREST**

To receive any declarations of interest

A member with a disclosable pecuniary interest or a personal interest in a matter who attends a meeting of the authority at which the matter is considered -

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent

and, if the interest is a disclosable pecuniary interest, or a personal interest which is also prejudicial

- (ii) may not participate in any discussion or vote on the matter (and must withdraw to the public seating area) unless they have been granted a dispensation.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Members' Register of Interests, or is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal and prejudicial interests are defined in Part 2 of the Code of Conduct for Members

[If a member is in any doubt as to whether they have an interest which should be declared they should seek the advice of the Monitoring Officer before the start of the meeting]

#### **4. PUBLIC PARTICIPATION**

An opportunity for members of the public to make statements and ask questions in accordance with the rules as to Public Participation.

#### **5. REFERRALS TO CABINET**

There were no referrals to Cabinet

#### **6. CABINET FORWARD PLAN (Pages 14 - 15)**

#### **7. MEDIUM TERM FINANCIAL STRATEGY (Pages 16 - 37)**

#### **8. DACORUM BOROUGH LOCAL PLAN (Pages 38 - 76)**

#### **9. PRIVATE SECTOR HOUSING UPDATE (Pages 77 - 104)**

#### **10. THE BURY MUSEUM PROJECT (Pages 105 - 117)**

#### **11. COUNCIL TAX SUPPORT SCHEME 2019/20 (Pages 118 - 125)**

#### **12. ENTERPRISE ZONE (Pages 126 - 140)**

#### **13. EXCLUSION OF THE PUBLIC**

To consider passing a resolution in the following terms:

**That, under s.100A (4) of the Local Government Act 1972 Schedule 12A Part 1 as amended by the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during the items in Part 2 of the Agenda for this meeting, because it is likely, in view of the nature of the business to be transacted, that, if members of the public were present during those items, there would be disclosure to them of exempt information relating to the financial and business affairs of the Council and third party companies/organisations.**

**Local Government Act 1972, Schedule 12A, Part 1, paragraph 3.**



# Agenda Item 1

## MINUTES

## CABINET

26 JUNE 2018

<b>Councillors:</b>	Williams (Leader) Griffiths (Deputy Leader) Elliot	Harden Marshall G Sutton D Collins
<b>Officers:</b>	Mark Brookes  David Barrett Jo Deacon James Deane  Jim Doyle Sally Marshall Sam Bramley Oliver Donohoe	Solicitor to the Council and Monitoring Officer Group Manager - Housing Development Housing Development Team Leader Corporate Director - Finance and Operations Group Manager - Democratic Services Chief Executive Housing Development Lead Officer Housing Development Officer

The meeting began at 7.30 pm

### **CA/63/18     MINUTES**

Minutes of the meetings held on 22 May 2018 were agreed by Members present and signed by the Chair.

### **CA/64/18     APOLOGIES FOR ABSENCE**

None

### **CA/65/18     DECLARATIONS OF INTEREST**

There were no declarations of interest

### **CA/66/18     PUBLIC PARTICIPATION**

There was no public participation

### **CA/67/18     REFERRALS TO CABINET**

There were no referrals to Cabinet.

### **CA/68/18     CABINET FORWARD PLAN**

The Forward Plan was noted and agreed, with the following comment/amendment;

Cllr Sutton requested that a Brownfield Land Register update item be added to the September meeting.

Cllr Williams requested that a report on car parking standards for grant funded schemes be added to the July meeting

## **CA/69/18     AUTHORISATION OF VIREMENTS**

### **Decision**

Cabinet approved the virements as detailed on Form A, attached to the Cabinet agenda.

### **Reason for decision**

1. Virement to realign the revenue budgets for The Forum to the required subjective codes.
2. Virement for the purpose of setting up budgets in Environmental Services for an in-house Dog Waste service following the transfer of the service from Environmental and Community Protection.
3. Virement for the purpose of creating a salaries budget for the member of staff seconded to manage The Elms homeless hostel and setting up an individual budget for income on The Elms.

### **Corporate objectives**

To standardise documentation and authorisation requirements for all virements.

### **Monitoring Officer/S.151 Officer comments**

#### **Monitoring Officer:**

No further comments to add.

#### **S.151 Officer:**

This is a S.151 Officer report.

### **Advice**

Cllr Elliott introduced the recommendations set out in the report.

Recommendations agreed.

### **Voting**

None.

**CA/70/18     Q4 RISK REGISTER UPDATE**

**Decision**

Cabinet noted the content of the report.

**Reason for decision**

To provide the Quarter 4 update on the Strategic Risk Register for 2017/18.

**Corporate objectives**

Dacorum Delivers – Risk management is an essential part of ensuring that the Council meets all of its objectives.

**Monitoring Officer/S.151 Officer comments**

**Monitoring Officer:**

No further comments to add.

**S.151 Officer:**

This is a S.151 Officer report.

**Advice**

Cllr Elliot introduced the report and advised that it has been considered by the Overview & Scrutiny Committees.

JDeane flagged up a change around the Housing Revenue Account Business Plan; from 2020 we have confirmation from MHCLG that we can set rents at CPR + 1% rather than the 1% reduction we have seen over last 4 years.

Cllr Williams queried if next year will be a 1% reduction as the final of 4 years? JDeane confirmed, that is the final year. After that it will be CPR +1% for 5 years.

Recommendations noted.

**Voting**

None.

**CA/71/18     CONSTITUTION & PETITION SCHEME REVIEW & UPDATE**

**Decision**

**RESOLVED TO RECOMMEND;**

1. That Council adopt the amended Petition Scheme as annexed at Appendix 1A of the Cabinet report; and include a change in paragraph 5 (The word 'ago' be replaced with 'previously').

#### Resolved

2. That the Constitution be amended as set out in paragraphs 5, 7, 9 and 10 to reflect changes to staffing structures, operational changes and new legislation.

#### **Reason for Decision**

1. To seek approval to amend the Constitution to reflect changes to staffing structures, operational changes and new legislation.
2. To consider proposed amendments to the Council's Petition Scheme

#### **Corporate objectives**

The Constitution and the Council's Financial Regulations support all of the Council's Corporate Objectives as they provide the governance framework for all decisions, strategic and operational.

#### **Monitoring Officer/S.151 Officer comments**

##### **Monitoring Officer:**

This is a Monitoring Officer report.

##### **S.151 Officer:**

No direct financial implications as a result of the recommendations requested.

#### **Advice**

Cllr Williams introduced the report which includes changes to the petition scheme and updates the Constitution, primarily following the changes to Portfolio Holders as announced at Annual Council.

MBrookes advised one small change to recommendation 1; that Cabinet approves the changes to the constitution set out in paragraphs 5 & 7 and makes reference to paragraphs 9 & 10 in the background report to take account to the changes to Portfolio Holders.

Cllr Harden said that his understanding is that government changed its mind over the 2 year window, from encouraging petitions through the Localism Act, to not to require petitions, is that correct? MBrookes confirmed that yes, they were quite prescriptive in the original rules but they have withdrawn those and it is now for councils to decide. Most Councils still have a petition scheme and he was suggesting that we retain an amended version of ours.

Cllr Harden asked for clarification around online petitions and the difficulties identifying and validating those individuals who work, study or live in the area.

MBrookes advised that we are asking that email addresses are appended to any petition so that we can go back and ask for evidence of local connection; if they ignore the inquiry we may have to look at discounting that particular petitioner. He suggested that the number involved it is unlikely to make a big difference. He drew attention to the need to ensure petitioners Data is protected.

Cllr Marshall, following on from Cllr Harden's question, accepted it would be impossible to check out every petitioner but it would be nice to include a simple tick box to identify whether they are resident, work or study in this area so that when they sign up they pause and consider their connection to Dacorum.

MBrookes responded it would be nice to have, but we would have to have our own online petition system which would be quite expensive to purchase and maintain, we are trying to encourage people to use the readily available, free online systems.

Cllr Marshall referred to the top of pg. 51 under paragraph 7 of section c and the need to avoid publishing email addresses on the website, and confirmed that only names would appear on the website.

MBrookes took the point on board and advised would he would re-look at wording and amend if necessary; he clarified that we would not be publishing email addresses.

Cllr Tindall referred to pg. 39, first paragraph that reads 'remove references to local democracy and economic development', does that mean that we won't accept petitions on those subjects in future?

MBrookes responded that the original Act that brought in the requirement for petitions has been repealed and no longer exists, so the references to it have been removed.

Cllr Tindall was concerned that it could be read as the Council is trying to deny petitions on local democracy and he suggested rewording that paragraph.

Cllr Tindall referred to pg.40, second paragraph read extend circumstances under which a petition be deemed invalid to include 'or otherwise inappropriate'; does this give scope for the Council to pick and choose what petitions it accepts?

MBrookes responded that was not the intention, what we are trying to do is give a bit of discretion about how the policy is applied but it would be in very prescriptive circumstances that we would refuse to consider a petition.

Cllr Tindall commented that again, it does not read well in print and might be amended.

MBrookes advised that one of the areas we would apply this discretion would be where there has been repeated debate already on the matter.



- a. £2,003,686 to Hightown Housing Association for a development known as Top Car Site, Wood Lane, Hemel Hempstead subject to the site providing car parking at a ratio of one space per residential unit.
  - b. To approve an increase to the grant funding payment from £3,270,169 to £3,512,080 (increase of £241,911) to Hightown Housing Association for a development known as Viking House, Maylands Avenue, Hemel Hempstead.
  - c. In addition that authorisation is given to a +/- 5% adjustment to the stated cost figures above as a contingency sum should the Housing Association revise their cost data as these are based on current estimates which could adjust as the project develops.
4. That a further report be brought back to the next Cabinet to agree guidelines for grant funding in relation to car parking standards.

#### **Reason for decision**

To be read in collaboration with the Part II financial details included in the agenda.

1. To seek approval to award the main contract to construct 65 housing units at Martindale School Site, Hemel Hempstead.
2. To seek approval to obtain delegated authority to award the main contract to construct 6 flats at Northend garage site and 6 flats at Westerdale garage site.
3. To seek approval for the payment of “one for one” grant funding to Housing Associations (Registered Providers) delivering affordable housing schemes in the Borough.

#### **Corporate objectives**

Delivering Affordable Housing.

#### **Monitoring Officer/S.151 Officer comments**

**Monitoring Officer:**

The proposed contract awards have followed competitive procurement processes to ensure that the Council is receiving value for money. It is noted from the report that the model JCT Design and Build contract as approved by the Council's external solicitors will be used and this must be completed prior to commencement of any work on site.

The funding awards will also be made subject to completion of the Funding Agreement which has been drafted by the Council's legal team and ensures the funding is utilised within agreed timeframes.

### **S.151 Officer:**

The resulting tender process for both future developments has provided bids that are within existing approved capital budgets.

The S.151 officer should be consulted prior to the award of the Northend and Westerdale contract if the final award decision results in the development costs exceeding the existing approved capital budget.

The award of these grants can be met from the 1-4-1 receipts and will be reported on the pooling return to MHCLG which is audited on an annual basis by DBC's appointed external auditors.

The grant agreements signed by Hightown protects the council from any potential payment of any interest penalties charged for late delivery of schemes

### **Advice**

Cllr Griffiths introduced the update, which is a report that comes to Cabinet periodically as an update on the New Build Programme.

DBarrett addressed the meeting and gave a summary of the recommendations and content of the report.

Cllr Williams suggested that discussion will be split into two parts, deal with the Martindale, Westerdale, Northend New Build process first, then there is a Part 2 recommendation to move to with regard the funding.

Cllr Williams referred to the funding requests; The Wood Lane site is to develop 44 properties with in the region of 60 bedrooms, but is proposing only 37 car parking spaces. He informed the meeting that he had advised the Director of Housing via email last week that he could not support that ratio. In his view we ought not to provide financial support to schemes that do not achieve a minimum of 1:1 parking.

Cllr Williams referred to the Council adopting a more general principal and sought the Solicitor to the Council's view; that Cabinet, subject to discussion, put down, a marker as a guide to officers, that we will not in future consider any application for 1:1

funding where a minimum level of 1:1 parking has not be achieved. He suggested this ought to be the benchmark on all new applications. He queried if it is sufficient for Cabinet to give that sort of guidance to Officers for future parking requirements on funded residential schemes, or if it would be better to have the Council consider creating a policy on the matter.

DBarrett advised that his role, and that of his team, is to facilitate grant funding, which is based on achieving a scheme that is compliant with planning approval and he suggested that a similar message would need to go to Building Control as they are responsible for approving that scheme.

Cllr Williams stressed that Cabinet are looking at this as the grant funding body and not as planners: it is not for Cabinet to dictate rules for the Development Management process, but we are entitled to set our own requirements around funding. They might achieve planning permission, but do not come to us to fund it if it does not meet our funding requirement for parking.

Cllr Marshall agreed with Cllr Williams comments, adding that she would like to see something in paper that we can refer Housing Associations to, if they are coming to us for money, we can say look we have this policy decision on parking irrespective of what the Planning Department or Development Management Committee agree.

Cllr Griffiths added her support; agreeing that we have the right to add our conditions when we are providing funding. In reference to the Wood Lane End site; she would like to keep the green space they have come up with, using the under croft parking proposed, which would achieve both the parking and green space requirement.

DBarrett suggested that it is possible to amend the recommendation to the request is approved '... subject to achieving 1:1 parking...'? Cllr Griffiths responded that in her view it would be possible to approve subject to achieving the 1:1 parking.

MBrookes commented that, moving forward, if this is the approach Cabinet wish to take in terms of funding (not in terms of planning as obviously they are subject to separate process) then it would be best to bring a report back just to make sure the issues are being considered and to see what the impact of this approach has on developers.

Cllr Griffiths added that we could also amend the scheme of delegation, for this type of scheme.

Cllr Marshall sought clarification, the policy on parking report could come back, but could we reach an agreement on Wood Lane End tonight?

Cllr Williams and MBrookes confirmed it is in order for the Cabinet to amend the recommendation to approve funding tonight subject to achieving 1:1 parking and bring a report on the general policy to the next meeting.

Cllr Sutton commented this falls very much in line with parking standards review, so that should coincide with this policy.

DBarrett referred to the second request, for Viking House, do we need to do anything regarding parking on that as it is already approved. Cllr Williams confirmed he is not

suggesting a change to recommendation on this scheme, which has already been approved.

Cllr Griffiths clarified that, if they should come back with a changed application for Viking House, then the 1:1 will apply, but as they have already had grant funding, that application stands as is.

Recommendations agreed.

### **Voting**

None.

The item then moved to a Part 2 discussion (full details can be found in Part 2 minutes).

### **CA/73/18      EXCLUSION OF THE PUBLIC**

That, under s.100A (4) of the Local Government Act 1972 Schedule 12A Part 1 as amended by the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during the item in Part 2 of the Agenda for this meeting, because it is likely, in view of the nature of the business to be transacted, that, if members of the public were present during this item, there would be disclosure to them of exempt information relating to the financial and business affairs of the Council and third party companies/organisations. (Minute CA/072/18)

Local Government Act 1972, Schedule 12A, Part 1, paragraph 3 and 5

The Meeting ended at 8.01 pm

# Agenda Item 6

## CABINET FORWARD PLAN

	DATE	MATTERS FOR CONSIDERATION	Decision Making Process	Reports to Monitoring Officer/ S.151 Officer	CONTACT DETAILS	BACKGROUND INFORMATION
1.	18/09/18	Q1 Financial Report		30/08/18	Nigel Howcutt, Assistant Director (Finance & Resources) <a href="mailto:Nigel.howcutt@dacorum.gov.uk">Nigel.howcutt@dacorum.gov.uk</a>	To be provided
2.	18/09/18	Vehicle Repair Shop		30/08/18	David Austin, Assistant Director Neighbourhood Delivery, 01442 228355 <a href="mailto:david.austin@dacorum.gov.uk">david.austin@dacorum.gov.uk</a>	To approve the maintenance and repair of equipment used by the Clean Safe and Green service being brought back in house
3.	18/09/18	Longdean Leisure Services (Pt 2)		30/08/18	TBC	To be provided
4.	18/09/18	Sports Strategy and Athletics Track Consultation		30/08/18	TBC	
5.	18/09/18	Brownfield Land Register Update		30/08/18	James Doe, Assistant Director Planning, Development & Regeneration 01442 228583 <a href="mailto:James.doe@dacorum.gov.uk">James.doe@dacorum.gov.uk</a>	To be provided
6.	18/09/18	Development Company Update		30/08/18	James Deane, Corporate Director Finance & Operations 01442 228278 <a href="mailto:james.deane@dacorum.gov.uk">james.deane@dacorum.gov.uk</a>	To provide an update on the progress of the Development Company
7.	16/10/18	Hemel Hempstead Town Centre Parking Access and Movement Strategy		27/09/18	James Doe, Assistant Director Planning, Development & Regeneration 01442 228583 <a href="mailto:James.doe@dacorum.gov.uk">James.doe@dacorum.gov.uk</a>	To be provided
8.	16/10/18	Local Plan Update		27/09/18	James Doe, Assistant Director Planning, Development & Regeneration 01442 228583 <a href="mailto:James.doe@dacorum.gov.uk">James.doe@dacorum.gov.uk</a>	To be provided
9.	13/11/18	Q2 Financial Report		25/10/18	Nigel Howcutt, Assistant Director (Finance & Resources) <a href="mailto:Nigel.howcutt@dacorum.gov.uk">Nigel.howcutt@dacorum.gov.uk</a>	To be provided
10.	11/12/18	Treasury Management		22/11/18	Nigel Howcutt, Assistant Director (Finance & Resources) <a href="mailto:Nigel.howcutt@dacorum.gov.uk">Nigel.howcutt@dacorum.gov.uk</a>	To be provided
11.	11/12/18	Council Tax Base		22/11/18	Nigel Howcutt, Assistant Director (Finance & Resources) <a href="mailto:Nigel.howcutt@dacorum.gov.uk">Nigel.howcutt@dacorum.gov.uk</a>	To be provided
12.	11/12/18	Authority Monitoring Report		22/11/18	James Doe, Assistant Director Planning, Development & Regeneration 01442 228583 <a href="mailto:James.doe@dacorum.gov.uk">James.doe@dacorum.gov.uk</a>	To be provided
13.	11/12/18	Growth and Infrastructure Report		22/11/18	James Doe, Assistant Director Planning, Development & Regeneration 01442 228583 <a href="mailto:James.doe@dacorum.gov.uk">James.doe@dacorum.gov.uk</a>	To be provided

**Future Cabinet Dates 2019:** 29 January  
12 February  
19 March  
23 April  
21 May

**Future Items:**

23 July 2018

Local Plan Update (J Doe) – 12 February  
The Private Sector Housing Strategy (after Nov OSC)  
Enterprise and Investment Plan

# Agenda Item 7



## AGENDA ITEM:

<b>Report for:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>31<sup>st</sup> July 2018</b>
<b>PART:</b>	<b>I</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Medium Term Financial Strategy</b>
Contact:	Cllr Graeme Elliot, Portfolio Holder for Finance and Resources James Deane, Corporate Director (Finance and Operations) Nigel Howcutt, Assistant Director (Finance and Resources)
Purpose of report:	To present to Cabinet the revised Medium Term Financial strategy for approval.
Recommendations:	It is recommended that Cabinet recommend to Council the approval of the Revised Medium Term Financial Strategy for the period 2018/19 – 2022/23.
Corporate objectives:	The Medium Term Financial Strategy supports the delivery of all five of the Corporate Objectives.
Statutory Officer Comments:	<b>Section 151 Officer:</b>  My comments are included within the body of this report.  <b>Deputy Monitoring Officer:</b> No comments to add to the report.
Consultees:	Corporate Management Team. Budget Review Group.
Background papers:	Budget Report to cabinet February 2018. Provisional outturn Report to Cabinet, May 2018.



# MEDIUM TERM FINANCIAL STRATEGY

<b>Author</b>	James Deane, Corporate Director (Finance & Operations)		
<b>Responsible officer</b>	James Deane, Corporate Director (Finance & Operations)		
<b>Date of publication</b>	July 2018	<b>Date of last version</b>	July 2017
<b>Version no.</b>	1	<b>Date of expiry</b>	July 2018
<b>Associated documents</b>			

**DACORUM BOROUGH COUNCIL MEDIUM TERM FINANCIAL STRATEGY 2019/20–22/23**

**July 2018**

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## **1. Introduction**

- 1.1 The Medium Term Financial Strategy (MTFS) is the Council's key financial planning document. In detailing the financial implications of the Corporate Plan over a five-year period, the MTFS provides a reference point for corporate decision-making and ensures that the Council is able to optimise the balance between its financial resources and delivery of its priorities.
- 1.2 The MTFS informs the annual budget-setting process, ensuring that each year's budget is balanced and considered within the context of the Council's ongoing sustainability over the entirety of the planning period. The annual budget-setting process is detailed in the Financial Planning Framework in Section 3.
- 1.3 In order to forecast the Council's future financial position, the MTFS contains a number of assumptions, the bases of which are detailed throughout the Strategy. It should be noted that these assumptions are subject to change. The Corporate Director (Finance & Operations) will report back to Cabinet as a matter of urgency if there are changes to key assumptions in the Strategy that threaten the sustainability of the approved MTFS.

## **2. Recommendations**

- 2.1 The MTFS makes the following recommendations for approval by Council. It is recommended that:
  - 2.1.1 The financial projections within the 5-year Medium Term Financial Strategy be noted, and the Strategy approved;
  - 2.1.2 A General Fund savings target of £889k be approved for the 2019/20 budget-setting process;
  - 2.1.3 A four-year General Fund savings target of £2.8 million be approved for the duration of this Medium Term Financial Strategy;
  - 2.1.4 A review of the Housing Revenue Account budget and savings target be reviewed and approved as part of the budget setting for 2019/20;
  - 2.1.5 The Corporate Director (Finance & Operations) works with the Council's Corporate Management Team and Portfolio Holders to deliver options that will achieve the saving targets identified within the strategy;
  - 2.1.6 The Financial Planning Framework is approved to support the budget-setting process for 2019/20;
  - 2.1.7 The Corporate Director (Finance & Operations) be requested to revise the Medium Term Financial Strategy and re-present to Cabinet and Council for approval if material changes to forecasts are required following future Government announcements.

### 3. Financial Planning Framework

- 3.1 The Financial Planning Framework, shown below, demonstrates the process by which the Council ensures that revenue and investment plans are developed in tandem, and that the annual budgets approved by Council each February are developed within the context of longer-term sustainability. It also demonstrates the consultation the Council undertakes with major stakeholders as part of the budgeting process.

<b>July</b>	The final 2017/18 audited accounts are approved by the Audit Committee.  Proposed departmental savings targets and MTFS is approved and communicated.
<b>August/September</b>	Budget Holders begin developing Service Plans, in consultation with Portfolio Holders, for the following year. These plans include revenue and capital bids, and highlight new savings proposals and budgetary pressures.
<b>September</b>	Proposed Savings proposals and budget changes are scrutinised and challenged by the Corporate Director (Finance & Operations), Chief officers group and the Budget Review Group, supported by the Financial Services team.
<b>October</b>	Final Savings proposals approved by COG and the Budget Review Group.
<b>November</b>	Draft budget proposals presented to Joint Overview & Scrutiny Committee, for Members' scrutiny.
<b>November – December</b>	Provisional Local Government Finance Settlement announced by Government, which sets the level of grant the Council will receive over the next year(s).  Consultation events held with Town and Parish Clerks and Members, and with members of the public.
<b>January</b>	Feedback from November Joint OSC is considered by Budget Review Group, and incorporated into final budget proposal presented to a second Joint Overview & Scrutiny Committee meeting.
<b>February</b>	Final budget report presented to Cabinet for recommendation to Council. Council considers the recommendations of Cabinet for approval.
<b>April</b>	The new financial year begins, and the approved budget is then assessed under the in-year budget performance monitoring process.

#### **4. Review of the Council's primary funding streams (General Fund)**

- 4.1 On 6 February 2018, the Secretary of State for the Ministry of Housing, Communities and Local Government, The Rt Hon Sajid Javid MP, made a statement to Parliament on the Local Government Finance Settlement 2018/19. This announcement was the third year of a 4 year offer, with 2019/20 being the final year. The Settlement's key implications for Dacorum are summarised, below.

#### **Reduced central government grant to the local government sector**

- 4.2 On a national level, in 2018/19 there was a 5.37% reduction in the amount of Settlement Funding Assessment paid by Government to local authorities – reducing from £17.9bn to £16.9bn. The final year of the current financial settlement, 2019/20, is forecast to see a further 14.1% reduction to £14.5bn. If this reduction crystallises, on a national level Settlement Funding will have reduced by 21.8% over the period from 2016/17 to 2019/20.
- 4.3 Settlement Funding Assessment (SFA) constitutes the primary source of government support for local authorities, and refers to the combined payments of Revenue Support Grant and Baseline Funding (Business Rates).
- 4.4 Dacorum's SFA has been reduced by 22.2% between 2016/17 and 2018/19. The Provisional Settlement agreement indicates a further £900k reduction in 2019/20, which will result in Dacorum having faced 46% funding reduction since 2016/17. This level of reduction is significantly higher than the national average for district councils, which is forecast to be 31.5% for the period up to 2019/20.

#### **The concept of Core Spending Power**

- 4.5 DBC's SFA reduction has been high relative to the district council average since 2016/17, when Government began to award grant on the basis of each authority's *Core Spending Power* (CSP). Government's rationale for adopting CSP is that it enables the amount of grant reduction to be determined by each individual council's affordability rather than simply applying similar percentage reductions to all authorities. In addition to SFA, the CSP affordability calculation takes into account the amount that a council can raise locally from Council Tax and New Homes Bonus (NHB) when apportioning funding reductions.
- 4.6 In 2018/19, DBC was forecast by Government to generate around £11m in Council Tax income compared to a national average for districts of around £6.8m. This means that DBC can generate more income locally than most district councils and therefore, within the context of Core Spending Power, Government deem it capable of absorbing a greater reduction in grant than most district councils.

#### **Revenue Support Grant**

- 4.7 The 4-year settlement agreed RSG grant funding levels until 2019/20.
- 4.8 In the last 2 years of the settlement DBC will receive no RSG. Further, it will also face the introduction of a 'Tariff Adjustment', costing £1m, in 2019/20, as detailed in table 1 below. The Tariff Adjustment is effectively 'negative RSG', and its purpose is to allow Government to continue reducing an individual council's SFA, under the Core Spending Power calculation, even after they are no longer in receipt of any RSG to reduce.

**Table 1: Four Year Funding Settlement.**

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Revenue Support Grant	£970k	£100k	0	0
Transitional Grant	£130k	£130k	0	0
'Negative RSG'	0	0	0	(£1m)
<b>Total Funding</b>	<b>£1.1m</b>	<b>£230k</b>	<b>£0</b>	<b>(£1m)</b>

- 4.9 Within the 2018/19 Settlement announcement on 6 February 2018, the Secretary of State announced that a review would be undertaken into the rationale of negative RSG which could result in an amendment to the forecast 2019/20 figure. As of July 2018 further details have yet to be released, but it is possible that this review could result in a favourable adjustment for Dacorum in 2019/20.
- 4.10 Notably, the four-year deal excludes New Homes Bonus, of which Dacorum received £2.1m in 2018/19, and Baseline Funding, of which Dacorum received £2.9m in 2018/19. Updates on both of these funding streams are included within paragraphs 4.13 – 4.25 of this strategy.
- 4.11 Although the four-year deal offers the closest the Council can get to funding certainty over the medium-term, it is by no means guaranteed, with the Secretary of State confirming that the deal will not protect against:
- The extra responsibilities and functions that might need to be accepted by local government as part of the move to 100% business rates retention;
  - Future transfer of functions to or between local authorities, or the impact of mergers; and,
  - Any other 'unforeseen events'. (No parameters have been put on the breadth of this definition.)
- 4.12 A Government Spending Review will take place in 2019 which will provide additional information on future funding levels for the Local Government sector. Until further information is made available, the MTFs assumes that Government funding will continue to fall in line with average reductions over previous years, and that the Council will effectively be self-sufficient by 2022/23.

### **Baseline Funding**

- 4.13 Baseline Funding (also known as Retained Business Rates) contributed £3m to DBC in 2018/19. This is based on Government's assessment of need within the borough, and it can be increased or decreased depending on whether the overall amount of business rates collectable across the borough increases or decreases. The amount by which the Baseline Funding can reduce is capped at 7.5%, which is known as the 'safety net'.
- 4.14 The Council is required to make financial provision against refunds arising from business rates appeals against the revaluations undertaken by the Valuation Office Agency in 2013 and 2017. Between 2013/14 and 2017/18 the MTFs projected that the impact of these appeals would more than offset business rates growth, and would therefore limit DBC to the safety net position.

- 4.15 However, based on analysis of growth levels and the success of appeals over the last two years, the assumption in this version of the MTFs is that the level of appeals payments will not outweigh additional business rates collected. Consequently, from 2018/19 onwards it is forecast that DBC will receive funding at the baseline position, the level at which the government has assessed the level of need. This roughly equates to an additional £250k per annum for the Council.
- 4.16 It should be noted, however, that Government continues to work on its Fair Funding Review which will determine a new model of business rates distribution beyond 2020. Current indications are that the new model will result in the local government sector retaining 75% of business rates collected nationally. Although the retention of 75% of business rates will represent increased funding for the local government sector as a whole, it's not yet possible to evaluate the real-world impact of the new model. This is because the method of distribution among individual authorities is yet to be determined, as are the additional burdens that will be transferred to local government in order to meet Government's objective of the scheme cost being net neutral.
- 4.17 It is widely anticipated that the updated redistribution model will favour those authorities with responsibility for adult social care at the expense of district councils. As previously stated, this MTFs has sought to plan for this economic risk with the assumption by 2022/23 DBC will receive no financial assistance from Government. Based on information currently available, this reflects a prudent approach to what will be a period of great uncertainty, and the S151 Officer will report back to Members as more detail emerges.

### **Council Tax**

- 4.18 The Localism Act 2011 sets a cap on council tax increases of the higher of 2.99% or £5. As part of the 2018 financial settlement the government announced a revised referendum threshold for district councils at the higher of £5 or 2.99% for 2018/19. In February 2018, Council approved an increase in Dacorum Council Tax for 2018/19 of £5.68 (2.99%), within the new 2018/19 threshold. The government have not to date indicated that the additional CT cap increase applied for 2018/19 would be repeated in future years.
- 4.19 The proposed MTFs assumes continued increases of £5 per annum and growth in the tax base of 1% per annum, equating to around 560 dwellings per year. It should be noted that in calculating the four-year Settlement for Dacorum, Government assumed that DBC will increase Council Tax by £5 per year, and that the tax base will grow by around 1.5% per year.

### **New Homes Bonus**

- 4.20 The Council received £3.1m of New Homes Bonus (NHB) from central government in 2017/18. NHB is paid to local authorities to stimulate local housing growth and takes the form of a grant payable to the Council for each additional home created within the borough.
- 4.21 As part of Spending Review 2015, Government announced a review of NHB and a planned reduction in the amount of grant paid nationally by around 50%, or £800m, in order to divert increased funds to the provision of adult social care. In December 2016, Government announced the results of this review, which will result in the level of payment to DBC reducing annually throughout the medium-term.

4.22 There are two principle changes to the grant calculation mechanism that result in this reduction:

- Firstly, NHB payments will be made for only 4 years in 2018/19 (down from 5 years in 2017/18, and from 6 years previously). All things being equal, this equates to a reduction in the annual payment to DBC of one third from 2018/19 onwards when compared to awards pre-2017/18;
- Secondly, from 2017/18 NHB will only be payable on growth in excess of 0.4% of the tax base, where previously it was payable on all growth. The proposed MTFS assumes annual tax base growth of 1% (based on average growth over the last three years), which equates to around 570 additional dwellings per year, of which only around 342 dwellings (0.6%) will now attract NHB.

4.23 The table below demonstrates how DBC's NHB payments are predicted to fall over the medium-term as a result of these changes:

**Table 2: New Homes Bonus Funding**

	Actual			Forecast		
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
New Homes Bonus	£3.5m	£3.1m	£2.1m	£1.9m	£1.2m	£1m

4.24 With the exception of £325k per year, which is used to support annual revenue budgets, the Council has always used NHB to fund capital projects. This strategy has prevented the Council's revenue budgets from becoming dependent on NHB, which has always been considered a volatile funding stream, thereby ensuring that reductions are unlikely to be severe enough to increase the MTFS savings requirements.

4.25 In addition, the forecast reductions in NHB do not leave the Capital Programme underfunded over the medium-term, and therefore do not affect the Council's revenue position by increasing the borrowing requirement. It is recommended that Members continue with the strategy of retaining only £325k of NHB to support the provision of General Fund services.

## 5. Review of MTFS assumptions

### Update of General Fund budget assumptions based on 2017/18 outturn

5.1 The basic principle of the MTFS model is to extrapolate the current year's approved budget, in this case 2018/19, over the next four years. The extrapolation process incorporates assumptions on government grant, inflation, changes in demand for services, changing legislation, and probable risks and opportunities.

5.2 The 2017/18 outturn is to be presented to the Audit Committee at its meeting of 25 July. A fundamental part of the outturn analysis is to focus on those areas where there were over- or under-spends in order to identify whether the budget assumptions could be updated in order to improve the accuracy of the MTFS. Budgetary assumptions for 2019/20 have been updated where appropriate.

## Update of MTFS assumptions based on other information

- 5.3 A range of information sources have been used to inform the updated assumptions shown within the following table. The rationale behind estimates is shown in the notes below. Further sensitivity will be undertaken as new information becomes available.

**Table 3: Budget Assumptions.**

	Note	2019/20	2020/21	2021/22	2022/23
<b>Income</b>					
Council Tax	1	3.58%	3.52%	3.46%	3.46%
Revenue Support Grant	2	(£990k)	(£1.64m)	(£2.44m)	(£3.23m)
Business Rates Retained	3	2.3%	2%	2%	2%
Fees & Charges	4	0.87%	0.76%	0.76%	0.76%
<b>Expenditure</b>					
Pay settlement	5	2.45%	2%	2%	2%
Pay: contract increments	6	0.5%	0.5%	0.5%	0.5%
Pension contributions	7	0	1%	0	0
Utilities	8	5%	5%	5%	5%
Fuel	9	5%	5%	5%	5%
Supplies & Services	10	2.3%	2%	2%	2%

### Notes:

1. Increase by £5 per Band D and 1% increase in tax base (see paras 4.18 – 4.19).
2. Based on four-year Settlement (see paragraphs 4.7 – 4.12).
3. Based on four-year Settlement (see paragraphs 4.7 – 4.12).
4. Inflation assumptions from OBR on controllable income.
5. Consistent with April 2018 LGS announcement on the pay settlement.
6. Based on actual increments due and historical staff turnover rates.
7. Increase 1% on past service costs from next revaluation in 2020/21.
8. Based on Current inflation estimates.
9. Based on Current inflation estimates.
10. Inflation assumptions from Office of Budget Responsibility (OBR).

### Growth

- 5.4 Growth is defined as an increase in the expenditure, or the net expenditure, budgets of the Council. In the event that essential or unavoidable growth is required within a Service area, a business case outlining the requirements should be produced by the relevant Group Manager and Assistant Director, and be signed off by the Director and S151 Officer, before being submitted for consideration by the Budget Review Group.
- 5.5 Growth in the income generating capacity of a particular Service does not mean that the additional income automatically accrues to that Service. All Council income, unless stated otherwise by statute, is considered corporate income and is used to finance the provision of all Council services. All requests from budget holders to retain additional income budget in order to finance increased expenditure are subject to the growth process outlined above.

- 5.6 If, during the budget-setting process, a budget holder reduces the cost of providing one of their services, the resultant saving does not automatically become available to them to finance the expansion of an alternative service area. All savings made across services constitute a contribution to the Council's corporate budgetary position. Any expansion of a Service area constitutes growth, which necessitates a separate growth bid.

### **Fees and Charges Strategy**

- 5.7 The fees and charges set by the Council are subject to annual review as part of the budget-setting process. Changes made between years are included within the annual Budget Report, and are subject to Council approval. The key principles behind charging are that:
- discretionary charges should recover costs unless the strategy is to provide a particular service at a subsidy;
  - discretionary income should be optimised through appropriate commercial charges; and,
  - robust systems of discounts or concessions should be in place for those who would otherwise find that they could not access services, where deemed appropriate.
- 5.8 Provision of many Council services is a statutory requirement and charges for access to these are determined as part of that requirement. The Council therefore has no discretion in setting these fees.
- 5.9 A thorough review of the true cost and effectiveness of providing statutory services must be undertaken on a regular basis to ensure that the fees charged meet the cost of service provision wherever possible. Where any review indicates an under-recovery of cost, alternative methods of service provision and comparison with other comparable authorities must be undertaken to identify opportunities for minimising the liability to the Council.
- 5.10 The Local Government Act 2003 includes a general power for Councils to charge for discretionary services i.e. services that an authority has the power, but no obligation, to provide. Some discretionary charges are governed by alternative legislation, in which case this general power does not then apply.
- 5.11 Increases for the annual review of fees and charges have been included in the MTFS projections based on the percentages set out in table 5.3.

### **General Fund Working Balances and Earmarked Reserves**

- 5.12 The Council's Reserves Strategy is integral to the MTFS because it demonstrates how the Council augments its annual ongoing running costs with plans to finance specific items of one-off expenditure over the medium-term. The Strategy is reviewed annually, and was most recently approved by Council within the 2018/19 Budget Report, in February 2018. The reserves position was most recently approved by the Audit Committee as part of the outturn process for 2017/18 and is included at Appendix C.

- 5.13 The Council holds two types of reserve. These are:
- a. **Working balances**, which are required as a contingency against unforeseen events and to ensure that the Council has sufficient funds available to meet its cash flow requirements. The Local Government Act 2003 requires the S151 Officer to report on the adequacy of financial reserves when setting the General Fund budget requirement for the year. This requirement was met within Appendix M of the Budget Report to Cabinet in February 2018.
  - b. **Earmarked reserves**, which are funds approved by Members to finance specific items of future expenditure. The Council's Financial Regulations dictate that Earmarked Reserves can be created only by Member approval, and that all subsequent transfers to and from those reserves also require Member approval.
- 5.14 In accordance with best practice, the General Fund Working Balance is maintained at a level between 5% and 15% of Net Service Expenditure.

## 6. General Fund medium-term savings requirements

- 6.1 Based on the assumptions detailed throughout this Strategy, and the need to maintain the desired level of General Fund Working Balances, the Total Savings Requirement over the life of this MTFS is £2.8m.
- 6.2 In 2016/17 the Council adopted a three-year savings plan in recognition of the fact that the more easily deliverable savings opportunities have already been taken and that future initiatives are likely to be more complicated and have a longer lead-in period. As a result of this, the Total Savings Requirement comprises three elements which reflect the fact that the Council has a number of initiatives already underway to deliver savings in future years. The table below provides a breakdown of the savings requirement, and is followed by a brief explanation of each element.

**Table 4: Medium Term Financial Savings Requirement.**

		2019/20	2020/21	2021/22	2022/23
a.	Savings identified, and already delivered	0	0	0	0
b.	Savings identified, but still to be delivered	£366k	£280k	£15k	0
c.	Savings still to be identified	£523k	£292k	£599k	£735k
	<b>Total Savings Requirement</b>	<b>£889k</b>	<b>£572k</b>	<b>£614k</b>	<b>£735k</b>

- a. **'Savings identified and already delivered'** – refers to additional income, over and above the budgeted level, which is already being realised by the Council. These savings are lower risk as they were identified as part of the year-end process as having already contributed to the year-end surplus for 2017/18.
- b. **'Savings identified but still to be delivered'** – refers to those savings initiatives identified by budget holders as deliverable in future years. These savings, particularly the £366k identified for 2019/20, must be considered high risk. If delivery of these schemes is delayed, the savings target for 2019/20 will increase.

To mitigate the risk of delayed delivery, the Finance Team implemented a new process in 2017/18 to scrutinise budget holders' progress on a quarterly basis. Updates will be reported to CMT each month and to Budget Review Group

throughout the year, as well as formally to Members of OSC's and Cabinet as part of the quarterly Budget Monitoring reports.

- c. **'Savings still to be identified'** – refers to additional initiatives that must be put in place prior to April 2019 in order to meet the Total Savings Requirement. These initiatives will be identified through the annual budget-setting process detailed within the Financial Planning Framework in paragraph 3.1.

## 7. Key Budget Risks (General Fund)

- 7.1 The following paragraphs outline some of the key financial risks facing DBC over the medium-term. These risks will be monitored and Members kept updated on the implications for the MTFS.

### Local Government Funding Changes.

#### Spending Review/Fair Funding/Business Rates Retention.

- 7.2 The MHCLG is in the process of reviewing the fundamental principle of local government funding. Government's stated strategic aim is for the local government sector to become financially self-sufficient, primarily through the continued implementation of its 100% Business Rates Retention policy from 2020 onwards.
- 7.3 There are currently two reviews underway within Central Government which will fundamentally influence the level of funding Dacorum receives in the future. These are:
  - The 2019 Spending review;
  - The Fair Funding Review.
- 7.4 A **Spending Review** is a Central Government exercise which sets Departmental Expenditure Limits (DEL) for a multi-year period for all government departments. In his 2018 Budget, the Chancellor announced an SR for 2019. SR19 is significant for the local government sector because it will determine the amount of funding available to MHCLG to fund local authorities over the next three or four years. In the face of competing priorities such as health and education, the overall funding envelope for local government may be negatively impacted.
- 7.5 The **Fair Funding Review** (FFR) is running concurrently with SR19 and has been set up to create a model that will assess the relative financial needs of local authorities, and allocate a level of funding accordingly. The FFR runs hand in hand with the Spending Review because it provides the model that will distribute the amount of funding made available through the SR.
- 7.6 Examples of criteria currently under consideration by the FFR to assess need are deprivation, demography and geographical location. Although the relative weighting of each criterion is yet to be determined, current thinking is that the final funding 'drivers' will favour those authorities providing social care, which will result in a diminished pot of funding available for distribution among district councils.
- 7.7 The current Business Rates Retention scheme will be incorporated within the FFR model, which it is anticipated will include drivers to continue incentivising local authorities to deliver the national policy agenda of economic growth and increased housing numbers.

- 7.8 The Spending Review and the Fair Funding Review are currently expected to be developed, consulted on and finalised by January 2020 for implementation from 2020/21 onwards. Members will be updated as more information becomes available.

### **Brexit**

- 7.9 The continued move towards financial self-sufficiency means that local authorities are increasingly exposed to fluctuations and changes in the economy. In particular, the extent to which councils' financial sustainability will be linked to their ability to grow and retain rate-paying businesses has yet to be confirmed through the FFR.
- 7.10 Added to this uncertainty are the ongoing negotiations around Brexit, and the uncertainty around how multinational companies will view the UK's attractiveness as a base for investment as details of Brexit begin to emerge. There is a risk that demand for commercial property in the UK will fall as a result of the UK leaving the EU, resulting in reduced Business Rates and consequent funding pressures for local authorities in the medium-term.

### **Borrowing**

- 7.11 There is a risk that the UK's credit rating could be downgraded as a result of slow economic growth and prolonged Brexit negotiations, thereby prolonging economic uncertainty in the eyes of investors.
- 7.12 If this risk were to crystallise, and the cost of government borrowing was to increase, the lending rates available to the Council through the Public Works Loan Board would also increase. Based on the currently approved Capital Programme such an increase would not pose an immediate problem for the Council because there is a minimal additional borrowing requirement over the medium-term. However, this could change if the Council wished to extend the Capital Programme, thereby increasing its borrowing requirement at a time when interest rates were rising.

### **Pensions**

- 7.13 The Council's pension fund is the most volatile material liability on the balance sheet and prolonged economic uncertainty could drive up the deficit in the short-term. The size of the pension fund deficit has a direct relationship with the amount of contributions the Council is required to make to the fund, and therefore to the annual revenue cost of providing the scheme.
- 7.14 Changes to the Council's contributions are triggered by the recommendations of the fund's triennial review, the next is due in December 2019. The previous 2016 review required the Council to increase its employer's contribution rate from 16% to 18.5%, c£370k per annum, from 2017 in order to meet the likely future costs for current employees. There is also the risk that increased deficit relating to past service costs will increase depending on the assumptions within the actuarial valuation.
- 7.15 The Council currently has a Pensions Reserve of £2m which could be used for one-off payments to reduce the deficit, pending future actuarial reviews. However, given the scale of potential payment fluctuations, this MTFS recommends a continued further annual contribution to the reserve of £200k per annum. This recommendation can be reviewed at the time of the next triennial review, December 2019, to ensure that it remains appropriate.

## **Staffing pressures**

- 7.16 In common with other local authorities within Hertfordshire, the Council is currently facing difficulties in the recruitment of staff with professional qualifications e.g. within Finance, Legal, Building Control, Planning, and Environmental Health. In the short-term this can cause a revenue pressure as the Council is forced to increase its use of (more costly) agency staff in order to maintain service provision. Council officers continue to work with neighbouring authorities to identify a strategic solution to future recruitment needs.
- 7.17 The current MTFs assumes pay inflation of 2% per annum in accordance with recent Local Government pay agreements for 2018 and 2019. Any future increase in pay levels greater than 2% would result in additional financial pressure to the council. An additional increase of 1% in pay would result in an annual budgetary pressure of c£200k.

## **Universal Credit.**

- 7.18 The implementation of Universal Credit, to be rolled out across Dacorum from 2018, is expected to have a financial impact on the Revenues and Benefits service. At present the extent of the impact is uncertain as the value of future Benefits Administration Grants is unknown, and the level of service the Council will be required to provide to residents on an ongoing basis is also uncertain. These developments will be monitored closely as part of the UC implementation and any future government announcements will be communicated to Members accordingly.

## **8. Housing Revenue Account (HRA)**

- 8.1 The HRA Business Plan plans delivery of the Council's housing objectives over a thirty-year period. The long-term perspective is necessary to ensure sound investment decisions both in terms of the Council's new build programme and in maintaining existing stock.
- 8.2 The Business Plan is kept constantly under review, and is presented for Members' approval at least annually. The most recently approved HRA Business Plan was approved by Cabinet in March 2018. The table below details the assumptions within the most recently approved plan,

**Table 5: HRA Budget Assumptions.**

<b>Budget</b>	<b>Assumptions</b>
HRA Working Balance	Minimum 5% of turnover, as per Reserves Strategy.
Major Repairs Reserve (MRR) Balance	Depreciation is ring-fenced to the MRR. The plan does not show an increasing MRR balance because in all years planned capital expenditure exceeds depreciation.
Rent	In accordance with Government policy, the Business Plan assumes an annual reduction to rents of 1% up to 2019/20. After this, the plan assumes uplift on rents of CPI + 1% to all rents for 5 years, followed by CPI for the remainder of the plan.
RPI	3.9% in 18/19, 3.3% in 19/20 and 2.9% thereafter. Applies to service charges, repairs and maintenance
CPI	2.2%, from 2020 onwards.
New Build Programme	170 units planned with provision for expenditure for 100 more. Let at existing (social) formula rent.
Bad Debt Provision	VOIDS 0.8% of gross income. Bad debts 0.5% rising to 1.9% then reducing to 1.5% with the increases making provision for the impact of Welfare reform.
52 week rent per unit	Average rent of £101.2 p/w for 2017/18 with future years subject to the inflationary or deflationary assumptions detailed above.
Right to Buy	Assumes 55 in 2018/19 and 2019/20 then 50 in 2020/21 reducing to 20 for the remainder of the 30 business plan.
Interest Rates	Existing borrowing rates, fixed between 1.5 - 3.5% depending on the duration. New borrowing assumed later in the plan is modelled at 4%

**Key HRA Budget Risks**

- 8.3 The rent levels within the HRA business plan are set to continue to decrease by 1% per year up to 2019/20, in line with current legislation. Rents after this period are assumed to increase at CPI + 1%, as per the previous rent policy. Any future decisions by Government to impose further rent reductions will have a detrimental effect on the income levels assumed in this plan.
- 8.4 In order to finance the cost of implementing RTB for Housing Associations, the Housing and Planning Act 2016 stated that stock holding local authorities would be required to sell their high value properties. Receipts would be returned to HM Treasury, which would then allocate to HAs to cover the cost of the RTB discount. This policy was originally set for implementation in 2017 but has been postponed, though remains likely at some point in the future. Further detail is yet to be released on how the process would operate, though it is highly likely to result in reduced rental income for the Council as well as a diminution in the Council's overall asset value.
- 8.5 The number of properties sold under Right to Buy (RTB) reduced from around 100 in previous years to 53 in 2017/18 with a slow final quarter. The revised business model has RTB sales projected at 55 a year in 2018/19 reducing in future years. The 2018/19 Quarter 1 RTB sales processed has remained slow and this will be monitored as part of the monthly financial monitoring process. Within the current

model, the resulting loss of rental income is not yet sufficient to jeopardise the Council's medium-term ambitions.

- 8.6 The Council subscribes to Government's 'One for One Replacement' scheme, which entitles it to retain substantially all of the receipts from RTB sales. However, in order to retain the income, the Scheme stipulates that it can only be used as a contribution to new build schemes up to a maximum contribution of 30%, and must be utilised within three years of receipt.
- 8.7 There is a risk that the Council will be unable to retain this income because the high value of receipts (£10.8m in 2017/18) means that the Council may struggle to cash-flow its 70% share of new build project costs within the three-year timeframe. The borrowing cap imposed by government as part of the Self-Financing settlement precludes the Council from borrowing sufficient amounts to meet the costs.
- 8.8 In order to retain the receipts locally, the Council is currently working with a number of local Housing Associations (HAs) with a view to grant aiding their development projects within the borough. This is consistent with the terms of the One for One scheme. During 2017/18 the council awarded £3.7m of grants to HA's to deliver 82 additional units. However, there remains a risk that RTB sales will continue at a rate that prevents HAs from meeting the 70% contribution rate required to retain the funding. This risk will be closely monitored to ensure that the council exhausts every opportunity to ensure that the funding is retained locally.
- 8.9 The 2018/19 Roll out of universal credit has meant an increase in bad debt provision has been made for 2018/19 onwards but the full impact on rental income is uncertain to predict at this stage.

## **9. Capital Resources**

- 9.1 Capital expenditure is defined as expenditure incurred on the acquisition or creation of assets needed to provide services, such as houses, vehicles, public buildings, play areas, ICT, etc.
- 9.2 Capital grants and borrowing can only be spent on capital items and cannot be used to support revenue budgets. However, it should be noted that revenue funds can be used to support capital expenditure. Under the Local Government Act 2003, each council can determine how much it can borrow within prudential limits. All borrowings must be financed from the total available resources of the Council.

### **Flexible use of capital receipts**

- 9.3 Within the 2016 Settlement, Government provided new flexibility for local authorities to use capital receipts from the sale of property, plant and equipment to support upfront revenue expenditure on transformational projects that will deliver ongoing efficiency savings. Councils can only use capital receipts from sales made since the date of this announcement, and cannot use existing capital balances for revenue spending.
- 9.4 Consideration is being given to the application of capital receipts to support breakage costs associated with the re-tender of the Council's leisure management contract. A Flexible Use of Capital Receipts Strategy will be put before Members for agreement, subject to finalisation of these breakage costs and an associated funding proposal.

## Capital Spending Plans 2018/19 to 2022/23

9.5 The Council's approved Capital Programme for the current and future years was approved by Council in February 2018, and is summarised below:

**Table 6: Capital Expenditure Budgets.**

<b>Capital Expenditure</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
General Fund	21.7	13.4	2.8	9.5	4.7
Housing Revenue Account	36.5	35.9	25.7	23.0	17.1
<b>Total</b>	<b>58.2</b>	<b>49.3</b>	<b>28.5</b>	<b>32.5</b>	<b>21.8</b>

### General Fund

9.6 The Council's Capital Programme is currently fully funded, following borrowing of £19.4m taken in May 2015. The loan is structured over a portfolio of 30 loans, with one maturing each year. The loan was taken from the Public Works Loan Board (PWLB), at favourable rates, around 60 basis points above gilts, and resulted in an average initial interest rate of 2.98%.

9.7 The Council is required to pay off an element of borrowing each year through a revenue charge, the Minimum Revenue Provision (MRP). The Council's Treasury Management Strategy approved by Cabinet in February 2018, sets out the Council's policy to, at a minimum, pay off the debt over the life of the asset associated with the borrowing. This policy has been applied to the MTFS forecasts.

9.8 The full impact of borrowing costs of the current Capital Programme on the Council's revenue budgets is reflected in the forecasts included in this strategy. However, at the time of writing the Council is examining the potential for further investment in a number of capital projects, most notably in a housing development company. The costs associated with these projects have yet to be finalised, and thus, at this stage, there is no provision for their funding within the MTFS.

9.9 The financing of the Capital Programme will continue to be supported through the following prioritisation of funds: firstly, appropriate application of grant funding; secondly, use of revenue contributions and capital receipts generated from the sale of Council assets; and, thirdly, through undertaking prudential borrowing.

9.10 The approved General Fund Capital Programme is financed as follows:

**Table 7: General Fund Capital Funding.**

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Capital Receipts and Reserves	6.6	8.9	0.5	6.6	4.2
Capital 141 Receipts	5.4	1.8	0.6		
Borrowing	6.4				
Grants and Contributions	1.2	1.0	1.0	1.8	0.5
Revenue Contributions to Capital	2.1	1.7	0.8	1.0	
<b>Total</b>	<b>21.7</b>	<b>13.4</b>	<b>2.9</b>	<b>9.4</b>	<b>4.7</b>

## Housing Revenue Account

9.11 The majority of the approved HRA capital programme is funded through depreciation allocated to the Major Repairs reserve and revenue surpluses. Revenue is contributed to capital on an annual basis as required to fund the shortfall between planned capital expenditure and depreciation contributions to the Major Repairs Reserve. Surplus revenue not required for capital expenditure is transferred to the HRA revenue reserves.

**Table 8: Housing Revenue Account Capital Funding.**

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Capital Receipts and Reserves	25.4	28.3	17.7	14.4	9.2
Capital 141 Receipts	2.6	2.5	2.5	2.3	0.9
Borrowing					
Grants and Contributions	1.5				
Revenue Contributions to Capital	7.0	5.1	5.5	6.3	7.0
<b>Total</b>	<b>36.5</b>	<b>35.9</b>	<b>25.7</b>	<b>23.0</b>	<b>17.1</b>

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY UPDATE					
	Revised 2018/19	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23
	£000	£000	£000	£000	£000
<b>Service Expenditure &amp; Income</b>					
Employees	23,333	23,835	25,980	25,026	25,526
Premises	4,406	4,590	4,705	4,813	4,924
Transport	1,430	1,493	1,558	1,626	1,697
Supplies & Services	7,355	6,821	6,790	6,934	7,072
Third-Parties	609	623	636	648	661
Transfer Payments	47,199	47,199	47,199	47,199	47,199
Capital Charges & Bad Debts	4,491	4,494	4,496	4,498	4,501
Income	(67,846)	(68,450)	(68,993)	(69,385)	(69,682)
Recharge to HRA	(4,114)	(4,215)	(4,342)	(4,428)	(4,517)
Cumulative Savings	0	0	(534)	(832)	(1,443)
<b>Net Cost Of Services</b>	<b>16,863</b>	<b>16,389</b>	<b>17,496</b>	<b>16,098</b>	<b>15,939</b>
<b>Less:</b>					
Interest Receipts	(158)	(158)	(158)	(158)	(158)
Interest Payments & MRP	970	956	942	1,063	1,063
Reversal of Capital Charges	(4,344)	(4,376)	(4,376)	(4,376)	(4,376)
Revenue Contributions to Capital	2,111	1,882	1,260	3,137	1,037
Net movement to/(from) Earmarked Reserves	702	1,228	(280)	(1,124)	976
<b>Budget Requirement General Fund</b>	<b>16,144</b>	<b>15,921</b>	<b>14,883</b>	<b>14,640</b>	<b>14,481</b>
Parish Precepts	778	806	834	863	893
<b>Budget Requirement Including Parishes</b>	<b>16,922</b>	<b>16,727</b>	<b>15,718</b>	<b>15,503</b>	<b>15,374</b>
<b>Funded by:</b>					
Use of General Fund Balance	7	0	0	0	0
(Revenue Support Grant)/Tariff	0	990	1,640	2,440	3,225
Transition Grant	0	0	0	0	0
Business Rates Retained	(2,971)	(3,039)	(3,100)	(3,162)	(3,225)
New Homes Bonus/Government Grants	(2,086)	(1,857)	(1,235)	(1,012)	(1,012)
Council Tax (Surplus)/Deficit	0	0	0	0	0
Business Rates (Surplus)/Deficit	0	0	0	0	0
<b>Net Expenditure before Council Tax</b>	<b>11,872</b>	<b>12,821</b>	<b>13,023</b>	<b>13,769</b>	<b>14,361</b>
<b>Demand on the Collection Fund</b>	<b>(11,872)</b>	<b>(12,297)</b>	<b>(12,730)</b>	<b>(13,170)</b>	<b>(13,626)</b>
General Fund Balance B/Fwd	(2,502)	(2,509)	(2,509)	(2,509)	(2,509)
In year use	(7)	0	0	0	0
General Fund Balance C/Fwd	<b>(2,509)</b>	<b>(2,509)</b>	<b>(2,509)</b>	<b>(2,509)</b>	<b>(2,509)</b>
<b>Total Savings Requirement</b>		<b>889</b>	<b>572</b>	<b>614</b>	<b>735</b>
of which,					
<b>Savings identified, and already delivered</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Savings identified, but still to be delivered</b>		<b>(366)</b>	<b>(280)</b>	<b>(15)</b>	<b>0</b>
<b>Savings still to be identified</b>		<b>523</b>	<b>292</b>	<b>599</b>	<b>735</b>

## HOUSING REVENUE ACCOUNT BUDGETS

Year	2018.19	2019.20	2020.21	2021.22	2022.23
£ '000	2	3	4	5	6
<b>INCOME:</b>					
Rental Income	53,448	52,972	54,604	56,349	58,040
Void Losses	-430	-428	-443	-458	-472
Service Charges	1,999	2,065	2,125	2,186	2,250
Non-Dwelling Income	102	105	108	112	115
Grants & Other Income	535	550	565	580	595
<b>Total Income</b>	<b>55,653</b>	<b>55,265</b>	<b>56,960</b>	<b>58,769</b>	<b>60,528</b>
<b>EXPENDITURE:</b>					
General Management	-12,442	-12,938	-13,368	-13,803	-14,235
Special Management	0	0	0	0	0
Other Management	-34	-35	-36	-37	-38
Rent Rebates	0	0	0	0	0
Bad Debt Provision	-696	-1,003	-1,035	-848	-873
Responsive & Cyclical Repairs	-12,195	-12,526	-12,895	-13,261	-13,640
<b>Total Revenue Expenditure</b>	<b>-25,367</b>	<b>-26,502</b>	<b>-27,334</b>	<b>-27,948</b>	<b>-28,787</b>
Interest Paid	-11,594	-11,558	-11,486	-11,385	-11,302
Interest Received	387	304	207	234	253
Depreciation	-12,050	-12,474	-12,900	-13,303	-13,689
<b>Net Operating Income</b>	<b>7,029</b>	<b>5,034</b>	<b>5,447</b>	<b>6,366</b>	<b>7,004</b>
<b>APPROPRIATIONS:</b>					
Revenue Contribution to Capital	-7,029	-5,034	-5,447	-6,366	-7,004
<b>Total Appropriations</b>	<b>-7,029</b>	<b>-5,034</b>	<b>-5,447</b>	<b>-6,366</b>	<b>-7,004</b>
<b>ANNUAL CASHFLOW</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Opening Balance	2,892	2,892	2,892	2,892	2,892
Closing Balance	2,892	2,892	2,892	2,892	2,892

This excerpt is taken from the most recent version of the HRA 30 year business plan, approved by Cabinet 27 March 2018

General Fund Reserves Summary	Balance as at 31/03/2018 £'000	Net Reserve Movement 2018/19 £'000	Balance as at 31/03/2019 £'000	Net Reserve Movement 2019/20 £'000	Balance as at 31/03/2020 £'000	Net Reserve Movement 2020/21 £'000	Balance as at 31/03/2021 £'000	Net Reserve Movement 2021/22 £'000	Balance as at 31/03/2022 £'000	Net Reserve Movement 2022/23 £'000	Balance as at 31/03/2023 £'000
Civic Buildings Major Repairs Reserve	200		200		200		200		200		200
Capital Development Reserve	465	(165)	300		300		300		300		300
Earmarked Grants Reserve	103	(93)	10	(10)	0		0		0		0
Management of Change Reserve	1,425	(232)	1,193	304	1,497	350	1,847	350	2,197	350	2,547
Technology Reserve	56	200	256		256		256		256		256
Savings Efficiencies Reserve	0	604	604	377	981	244	1,225		1,225		1,225
On Street Car Parking Reserve	212	15	227		227		227		227		227
Local Development Framework Reserve	66		66		66		66		66		66
Dacorum Development Reserve	164	(110)	54		54		54		54		54
Planning Enforcement & Appeals Reserve	54		54		54		54		54		54
Planning & Regeneration Project Reserve	141	(70)	71		71		71		71		71
Litigation Reserve	201	86	287	200	487		487		487		487
Vehicle Replacement Reserve	1,050	350	1,400	350	1,750	350	2,100	(1,750)	350	350	700
Invest to Save	248		248		248		248		248		248
Tring Swimming Pool Repairs Reserve	8	8	16	8	24	8	32	8	40	8	48
Youth Provision Reserve	61	(40)	21		21		21		21		21
Election Reserve	90	30	120	(90)	30	30	60	30	90	30	120
Uninsured Loss Reserve	586	(86)	500		500		500		500		500
Training & Development Reserve	56	(33)	23	(23)	0		0		0		0
Housing Conditions Survey Reserve	96	15	111	(111)	0	15	15	15	30	15	45
Dacorum Partnership Reserve	39		39		39		39		39		39
Dacorum Rent Aid - Guarantee Scheme	15		15		15		15		15		15
Rent Guarantee Scheme Reserve	15		15		15		15		15		15
Funding Equalisation Reserve	2,480		2,480		2,480		2,480		2,480		2,480
Pensions Reserve	1,773	200	1,973	200	2,173	(1,300)	873	200	1,073	200	1,273
Maylands Plus Reserve	46	23	69	23	92	23	115	23	138	23	161
<b>Total Earmarked Reserves</b>	<b>9,650</b>	<b>702</b>	<b>10,352</b>	<b>1,228</b>	<b>11,580</b>	<b>(280)</b>	<b>11,300</b>	<b>(1,124)</b>	<b>10,176</b>	<b>976</b>	<b>11,152</b>
<b>Working Balance</b>	<b>2,502</b>		<b>2,509</b>								
<b>Total General Fund Reserves</b>	<b>12,152</b>		<b>12,861</b>	<b>1,228</b>	<b>14,089</b>	<b>(280)</b>	<b>13,809</b>	<b>(1,124)</b>	<b>12,685</b>	<b>976</b>	<b>13,661</b>

# Agenda Item 8



<b>Report for:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>31 July 2018</b>
<b>Part:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Dacorum Single Local Plan 2020-2036: Local Development Scheme</b>
Contact:	<p>Cllr Graham Sutton: Portfolio Holder for Planning &amp; Regeneration</p> <p>Author/Responsible Officers:            James Doe: Assistant Director, Planning, Development and Regeneration            Trevor Saunders: Interim Team Leader, Strategic Planning and Regeneration            Chris Taylor Group Manager Strategic Planning &amp; Regeneration.</p>
Purpose of report:	To update members on the progress towards preparing Dacorum's Local Plan and seek approval for an updated Local Development Scheme (LDS).
Recommendations	<p>That Cabinet recommend to Council:</p> <ol style="list-style-type: none"> <li>1. The adoption of the new Local Development Scheme (2018-2021) and;</li> <li>2. Authorise the Assistant Director - Planning, Development and Regeneration to make any necessary minor and non-consequential changes to the LDS prior to its final publication.</li> </ol> <p>And that Cabinet:</p> <ol style="list-style-type: none"> <li>3. Approves the production of a Corporate Growth and Infrastructure Strategy for Dacorum for consideration by Cabinet and Council at a future date.</li> </ol>
Corporate Objectives:	The Council's Local Plan helps support all 5 corporate objectives:

	<ul style="list-style-type: none"> <li>• <i>Safe and clean environment:</i> e.g. contains policies relating to the design and layout of new development that promote security and safe access;</li> <li>• <i>Community Capacity:</i> e.g. provide a framework for communities to prepare area-specific guidance such as Neighbourhood Plans, Town / Village Plans etc.;</li> <li>• <i>Affordable housing:</i> e.g. sets the Borough's overall housing target and the proportion of new homes that must be affordable;</li> <li>• <i>Dacorum delivers:</i> e.g. provides a clear framework upon which planning decisions can be made; and</li> <li>• <i>Regeneration:</i> e.g. sets the planning framework for key regeneration projects, such as Hemel Hempstead town centre and the Maylands Business Park.</li> </ul>
<p>Implications:</p> <p>'Value For Money Implications'</p>	<p><u>Financial</u> Funding to prepare the new Dacorum Local Plan is provided from existing budgets. A budget has been agreed for 2018/19. Preparations to deliver the LDS, can be met by re-phasing existing budgets through the MTFs process, to account for periods of high activity, pre and post examination periods over the next 5 years.</p> <p><u>Value for Money</u> Where possible, evidence base work is undertaken jointly with other authorities to ensure cost is optimised (through economies of scale). Collaborative working with landowner consultants will continue to help extend the resources available to the Council and avoid the duplication of site specific technical information.</p>
<p>Risk Implications</p>	<p>The Local Development Scheme contains its own detailed risk assessment.</p> <p>The key risk is that the new Local Plan could be found 'unsound' by an Inspector at Public Examination. To insure against this, the Council must ensure that the Plan's proposals comply with Government policy, are founded on robust evidence, such as that detailing housing, employment and infrastructure requirements and follow all statutory requirements regarding public consultation, publication, public examination etc.</p> <p>Following adoption of the Local Plan by the Council, the key risk is that the Plan does not deliver as planned. At that stage, continued close working with local communities, developers and infrastructure providers, along with consistent decision-making, helps to ensure sustainable development takes place in a timely fashion.</p> <p>The Annual Monitoring Report reviews the risks inherent in preparing and delivering the Local Plan. Monitoring of</p>

	development is a source of information which, properly used, can assist risk reduction – i.e. it checks whether progress and control of development has been successful and can indicate where change (in policy or process) may be beneficial. Regular monitoring is also able to inform future Local Plan and planning policy document review.
Community Impact Assessment	A full Sustainability Appraisal (SA) must be carried out as part of the Local Plan process. The SA looks at social, environmental and economic impacts in detail and is scrutinised at the Local Plan examination by an independent inspector. The Council will also undertake an Equalities Impact Assessment (EIA) in due course.
Health And Safety Implications	No implications as a result of this report.
Monitoring Officer/S.151 Officer Comments	<p><b>Deputy Monitoring Officer:</b></p> <p>Preparation of a Local Development Scheme ('LDS') is a statutory requirement.</p> <p>The LDS is a project plan which sets out the timetable for preparation of Local Development Documents (LDDs) that form the Council's Local Planning Framework.</p> <p><b>Deputy S.151 Officer</b></p> <p>The production and delivery of a single local plan and a local development scheme can be delivered within existing budgets provision.</p>
Consultees:	Consultation on the new Local Plan and other policy documents referred to in the LDS itself will be carried out in accordance with the council's adopted Statement of Community Involvement (SCI).
Background papers:	<ul style="list-style-type: none"> <li>• Adopted Local Development Scheme (January 2016)</li> <li>• Adopted Core Strategy (September 2013)</li> <li>• Adopted Site Allocations DPD (July 2017)</li> <li>• Dacorum Borough Local Plan 1991 – 2011 (April 2004)</li> <li>• Authority Monitoring Report 2016/17</li> <li>• National Planning Policy Framework (NPPF)</li> <li>• Housing White Paper 'Fixing our Broken Housing Market' (February 2017)</li> <li>• Planning for the Right Homes in the Right Places (Consultation Proposals September 2017)</li> <li>• National Planning Policy Framework (Revised Draft for Consultation – March 2018)</li> <li>• Planning and Compulsory Purchase Act 2004.</li> <li>• Planning Act 2008</li> <li>• Town and Country Planning (Local Planning) (England) Regulations 2012.</li> </ul>

<p>Glossary of acronyms and any other abbreviations used in this report:</p>	<p>AMR: Authority Monitoring Report  LDS: Local Development Scheme  SCI: Statement of Community Involvement  SPD: Supplementary Planning Document  NPPF: National Planning Policy Framework  NPPF2: New Draft National Planning Policy Framework  PPG: National Planning Policy Guidance  SHMA: Strategic Housing Market Assessment  ENS: Employment Needs Study  IDP: Infrastructure Delivery Plan  JSP: Joint Strategic Plan <i>(for SW Herts)</i>  LEP: Local Economic Partnership <i>(for Hertfordshire)</i>  SoCG: Statement of Common Ground  SA: Sustainability Appraisal  EIA: Equalities Impact Assessment  HRA: Habitat Regulations Assessment  SPEOSC: Strategic Planning &amp; Environment Overview &amp; Scrutiny Committee</p>
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## Background

1. The Council, is required to prepare a Local Development Scheme (LDS) under Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011).
2. The LDS must specify (among other matters) the documents which, when prepared, will comprise the development plan for the area. The LDS must be made available publically and kept up-to-date to ensure that local communities and interested parties can keep track of progress. Local planning authorities must also publish the LDS on their website.
3. This report seeks Member approval for the new Local Development Scheme (LDS) for the Council. This new LDS will move the current programme forward to 2021, to ensure it covers the adoption of the new Dacorum Local Plan. It also includes reference to the emerging South West Herts Joint Strategic Plan (JSP). It will replace the current LDS, which came into effect on 20 January 2016.
4. The new LDS 2018-2021 is attached as Appendix 1.

## Role and Content of the LDS

5. The LDS sets out the timetable for preparation of the Local Plan. Its purposes are to:
  - a) provide a point of reference for the community to find out about the Council's planning policies;

- b) set out the programme for production of new and/or more detailed planning policies in the form of local development documents; and
  - c) prioritise the preparation of documents in order to foster effective use of resources.
6. The LDS sets out:
- the Local Plan documents that the Council intends to produce, indicating subject matter and geographic coverage for each;
  - information on the Authority Monitoring Report;
  - a timetable for the production of documents up to 2021;
  - milestones to be achieved as part of the process leading to adoption of the Local Plan;
  - the relationship of the Local Plan to existing policies;
  - other supporting documents and statements that will be required or referred to;
  - which current development plans and policies are “saved”; and
  - the resources available, together with the constraints and a risk assessment.
7. The Borough Council’s current LDS was adopted on 20 January 2016, but now needs to be updated to reflect:
- Current progress upon preparing the Dacorum Local Plan 2036 and;
  - Formal agreement with the SW Herts planning authorities to prepare a new SW Herts Joint Strategic Plan (JSP) which will plan for longer term growth across the SW Herts area.
8. The Council’s new LDS takes into account existing Government guidance set out in the NPPF and that emerging in draft NPPF2 (March 2018), which is due for final publication before the Government’s summer recess.

### **The NPPF**

9. Both the present NPPF and the emerging NPPF2 emphasise the critical importance of plan-making to the development process.
10. The present NPPF makes clear that each local planning authority should produce a Local Plan for its area and that any additional development plan documents such as an Area Action Plan for example, should only be prepared where clearly justified. It makes clear that Local Plans should be prepared over an appropriate timescale, generally 15 years, but should also take account of longer-term development requirements.
11. Emerging NPPF2 which was consulted upon from March to May 2018, maintains the importance of plan-making but announces a number of important changes. This includes confirmation of the new requirement for local planning authorities to complete a review of their Local Plan every 5 years from its initial adoption date. In practice this means that the Council will in future be consistently working towards a frequent review or ‘roll forward’ of its Local Plan.
12. Importantly, the Government has also recently confirmed its new standard methodology for calculating the level of objectively assessed need (OAN) for

new homes to be planned for in their area. In Dacorum's case, the new standard methodology requires the Council to plan for a much higher number of new homes per annum, than has previously been the case. The current assessment of OAN for Dacorum using the Government's standard methodology is 1049 homes per annum, however, an updated assessment of OAN from Government is due to be published before the end of September 2018. This updated figure will be a key component upon which the new Local Plan must be prepared.

### **Dacorum Local Plan 2036: Issues & Options Consultation 2017**

13. As an important step in preparing the new Dacorum Local Plan, members will recall that the Council undertook an important Issues & Options Consultation during November and December 2017.
14. The Consultation asked a wide range of questions (46 questions), and this has resulted in over 22,000 responses being raised from approximately 2,300 respondents. The issues raised are currently being analysed by officers and will be included in a full Report of Consultation in due course, but to give members a flavour of the consultation response, some of the key issues raised are summarised in Appendix 2.

### **Sites Potentially Available for Consideration in the Dacorum Local Plan**

15. At the same time as the Issues & Options Consultation, the Council published an initial appraisal of sites which had been promoted to the Council for potential inclusion in the new Local Plan. It also undertook a further 'Call for Sites' to help identify any additional development site options which might be available. The further 'Call' led to a number of additional sites being submitted to the Council for consideration which officers need to evaluate.
16. In total at present, approximately 120 potential development sites have been submitted which need to be considered in detail.
17. This is in addition to the capacity already identified on sites with existing planning permission, with known potential or likely to come forward before 2036 through ongoing windfall etc., which is currently estimated to be able to deliver approximately 8,000 homes.

### **The Next Stages of Dacorum Local Plan Work**

18. As the Council continues to prepare its Pre-Submission Local Plan, there remain a number of key pieces of evidence that need to be progressed. This includes the detailed evaluation of potential sites for inclusion in the Local Plan, a housing needs update to help identify the components and mix of new housing we need to plan for, an update of the Employment Needs Study, the Infrastructure Delivery Plan (IDP), Habitat Regulations Assessment (HRA), flood risk and Sustainability Appraisal work.
19. Work is also ongoing to evaluate the many detailed issues raised in response to the Issues & Options Consultation 2017.

20. As part of the site assessment work, officers must continue to actively engage with local infrastructure providers and the promoters of key sites across the Borough on 'a without prejudice' basis to fully investigate and assess the infrastructure requirements of those sites and the extent to which they are deliverable within the Plan period.
21. Once this next stage of work is completed, officers consider that a Pre-Submission Draft Plan can be prepared for Submission in late Summer 2019.
22. Between now and then, officers will continue to progress preparation of the Local Plan and the key evidence and duty to co-operate discussions which underpin it, bringing reports on key matters to Cabinet and SPEOSC as required. In addition, a number of other areas of work will also be progressed in parallel or in advance of the Local Plan to help inform its content. These are referred to below.

### **Other Related Work**

#### **A new Corporate Growth and Infrastructure Strategy for Dacorum**

23. The production of a new Corporate Growth and Infrastructure Strategy for Dacorum addresses a fundamental point – that the Council needs a clear and ambitious vision for how it wants the Borough to develop and evolve over the next 20-30 years.
24. This Strategy will be key in articulating how the area can take full advantage of the economic and social opportunities which will arise as a result of the growth and change that is being planned for the area and will underpin the Council's approach towards providing many of its services into the future, such as affordable housing development, economic and business development, health and wellbeing, regeneration, parks and open spaces, tourism, the role of its town centres and the digital/technology development agenda. It will also set out how the Council will seek to direct and influence the provision of transport and access, utilities and other major infrastructure. The Strategy will also create important opportunities to access new funding across these broader areas of work to help the Council deliver its vision and attract new investment into the Borough.
25. The Strategy will be particularly important for Hemel Hempstead where, as the main urban centre of the Borough, a significant proportion of growth and change is likely to be concentrated. It is similarly important however at other towns and villages, where communities will be looking to the Council to help them optimise the benefits of new development for their local community, such as ensuring the availability of a proportion of new homes for local people in housing need, securing access to jobs and making the most of business opportunities arising from increased disposable income from incoming households and workers.
26. The Strategy will be relatively high level, but detailed action plans and programmes will flow from it, with delivery of a new Local Plan once adopted, placed as one such programme.
27. Preparation of the new overarching Strategy will involve all service providers and stakeholders in a range of ways over a long period and will be led by the

Corporate Group and Infrastructure Group. It is intended that the Growth and Infrastructure Strategy will be developed over the next few months and brought back to Cabinet and full Council for member approval before the end of 2018.

28. To help initiate the Strategy, a successful bid was recently submitted to Government for 'pump-priming' funding to enable the Council to begin to take this work forward. This early funding will allow for a consultant to work with the Council, local businesses and residents to help shape preparation of the Strategy.

### **SW Herts Joint Strategic Plan (JSP)**

29. Members will also be aware that in March 2018, the Council agreed to take forward work on a Joint Strategic Plan (JSP) with the other SW Herts local planning authorities (St. Albans, Hertsmere, Three Rivers and Watford) and support from Herts County Council and the Hertfordshire LEP.
30. The scope of SW Herts JSP has yet to be finalised, but is likely to consider:
  - a. any strategic, cross-boundary infrastructure requirements which derive from the growth being planned up to 2036 and beyond;
  - b. the strategy for dealing with any unmet housing needs which cannot be dealt with in the current round of Local Plans;
  - c. future strategic development opportunities for growth and infrastructure beyond 2036.
31. The final scope of the JSP will be confirmed through a Statement of Common Ground (SoCG) to be prepared and signed by the SW Herts local planning authorities during 2018.
32. The proposed timetable for the new SW Herts JSP is yet to be confirmed but an indicative timetable is included in this updated LDS. The indicative timetable shows the intention for the JSP to be at Issues & Options Consultation stage, prior to the formal submission of the Dacorum Local Plan for independent examination. This will enable the Local Plan inspector to understand any issues being raised to the JSP, whilst examining the Dacorum Local Plan.

### **Potential Development of Land to the North and East of Hemel Hempstead and the need for a new 'Strategic Sites Design SPD'**

33. Members may also be aware that the emerging St. Albans Local Plan 2036 is seeking to allocate significant new development to the East and North of Hemel Hempstead within its administrative area. The St. Albans Local Plan Pre-Submission Draft is likely to emerge for formal consultation in September 2018.
34. The emerging proposals for East and North Hemel could deliver approximately 5,500 new homes, with some 4,300 of those homes deliverable before 2036. In addition, approximately 10,000 new jobs are expected to be created within an extension to the Maylands Business Park.
35. Members should also note that technical discussions with the Crown Estate regarding East Hemel and its potential extension around the north of the town (primarily within Dacorum's area) are ongoing, as part of pre-application

discussions with the two authorities, prior to the likely submission of a planning application to St. Albans Council by the Crown Estate for the first phase of the development in due course.

36. In light of these discussions, to take account of the need for clear and ambitious development principles which will guide and ensure the highest quality design and sustainability of any new development East and North of Hemel, (which the Crown Estate is proposing to deliver as a series of new ‘garden communities’) and any other strategic scale sites which may come forward through the Dacorum Local Plan, officers are also working towards preparing a new ‘Strategic Sites Design SPD’, which will be presented for members consideration and approval in due course.

**Duty to Co-operate**

37. As part of the statutory process, The Council will be engaging with a number of neighbouring and nearby authorities on important cross-boundary planning and development issues. Discussions will take place on issues of mutual concern and interest, including the distribution of new housing and other forms of development and the delivery of new infrastructure.
38. It is anticipated that the Portfolio Holder for Planning and Infrastructure and the Assistant Director, Planning, Development and Regeneration will take the lead in these discussions. Members should note that this is a key part of the statutory process and it is necessary to demonstrate that all reasonable options to explore the possibility of nearby locations taking some of the Borough’s growth have been explored.

**Key Timescales and Reporting**

39. Below is an expected timeline of reports to be considered by Cabinet and full Council in due course:

<b>Action</b>	<b>Time</b>
Local Development Scheme considered by Cabinet	July 18
Growth and Infrastructure Strategy preparation begins	July/August 18
Local Plan update report to Cabinet to consider Issues & Options consultation responses, implications of new NPPF, confirmation of new housing requirements arising from the Government’s standard methodology and progress of key Local Plan work	October 18
Growth and Infrastructure Strategy considered by Cabinet and Council	December 18
Local Plan update report to Cabinet on key evidence reports	February 19
Site evaluation and selection report considered by	May 19

Cabinet	
Draft Pre-Submission Local Plan considered by Cabinet and Council	July-September 19

**Conclusions**

- 40. The revised LDS attached to this report for members' consideration and approval confirms a revised timetable for progressing the new Dacorum Local Plan to adoption in 2020.
- 41. Members are asked to note that preparation of the new Dacorum Local Plan and the JSP will both need to reflect the guidance contained in NPPF2, including the requirement for local planning authorities to plan for new housing based upon a new standard methodology for calculating local housing needs.
- 42. Members are also asked to note the other key areas of work to be progressed by officers, in particular the proposed Corporate Growth and Infrastructure Strategy for Dacorum that is intended to set a clear and ambitious vision for how it wants the Borough to develop and evolve over the next 20-30 years and take advantage of the economic and social opportunities of the growth and change being planned.



# Local Development Scheme 2018-2021

Draft

July 2018



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## 1. Introduction

- 1.1. The Borough Council, as local planning authority, is required to prepare a Local Development Scheme (LDS) under the provisions of the Planning and Compulsory Purchase Act 2004.
- 1.2 The main role of the LDS is to describe the documents that Dacorum Borough Council is preparing, or has already prepared, as part of its Local Plan. It explains the role of the individual documents, how they relate to one another and the timetable for their preparation – highlighting the stages at which public consultation will take place. It also summarises the evidence, resources and risks associated with this review process.
- 1.3 This LDS supersedes the previous version dated January 2016. It will continue to be reviewed on a regular basis, with any necessary adjustments made to the timetable in Chart A through the Council's Authority Monitoring Report (AMR) process.
- 1.4 In terms of managing the Local Plan process, this LDS is supported by a number of other key documents, including the Authority Monitoring Report (AMR) and the Statement of Community Involvement (SCI).
- 1.5 The Authority Monitoring Report (AMR) assesses the implementation of the LDS itself and the extent to which planning policies are being achieved. It also provides a mechanism through which to keep 'saved' policies, schedules and guidance under review and delete any parts the Council no longer considers appropriate or relevant.
- 1.6 The Council's Statement of Community Involvement (SCI) was adopted in July 2016. It sets out arrangements for public consultation in the connection with both the Local Plan and planning applications. This SCI is due to be reviewed in Summer 2018.

## 2. Overview of the Development Plan System

- 2.1 The Planning and Compulsory Purchase Act 2004 and The Town and Country Planning (Local Planning) (England) Regulations 2012 set out the requirements for producing a development plan for the Borough.
- 2.2 The development plan is essentially a document, or series of documents, containing the planning policies that the local planning authority will take into account when determining planning applications. The Borough Council is responsible for preparing most, but not all, documents that comprise the development plan.

### (a) The current Development Plan

- 2.3 The current development plan for Dacorum Borough Council is made up of the following:

- Dacorum Borough's Local Planning Framework Core Strategy (adopted September 2013);
- Dacorum Site Allocations DPD (adopted July 2017);
- 'Saved' policies from the Dacorum Borough Local Plan 1991-2011 (adopted April 2004), not superseded by the above;
- Grovehill Neighbourhood Plan (May 2018)

and

- Hertfordshire Minerals Local Plan Review 2002-2016 (adopted March 2007);
- Hertfordshire Waste Core Strategy and Development Management Policies (adopted November 2012); and
- Hertfordshire Waste Site Allocations Document (adopted July 2014).

- 2.4 The preparation of Minerals and Waste Plans is the responsibility of Hertfordshire County Council, although the Borough Council is an important consultee. For further detail please refer to the County Council's website:

<https://www.hertfordshire.gov.uk/services/recycling-waste-and-environment/planning-in-hertfordshire/minerals-and-waste-planning/minerals-and-waste-planning.aspx>

- 2.5 All Development Plan Documents (DPDs) are the subject of an independent examination (or inquiry) by an Inspector. As part of the examination an Inspector will examine the "soundness" of the document(s): i.e. whether the proper procedures have been followed; how the document(s) relate to national/strategic planning policy or other relevant strategic advice; whether the document(s) are coherent and stem from a credible evidence base; and whether the policies in the document(s) are effective and deliverable. Whilst the Inspector's report is not formally binding, the Council cannot adopt a DPD unless it has been found 'sound.'

## **Core Strategy**

- 2.6 The Core Strategy<sup>1</sup> sets out the planning framework for the Borough to 2031. Its aim is to deliver sustainable development i.e. new homes, facilities and businesses, whilst maintaining the quality of the environment. It provides a basis for planning for and securing new infrastructure provision, which should be aligned with new development.

## **Site Allocations**

- 2.7 The principal role of the Site Allocations DPD<sup>2</sup> is to set the Council's detailed proposals and requirements for particular sites and areas in order to assist in the delivery of the levels of growth set out in the Core Strategy. It:
- Allocates sites for future development in the Borough;
  - Defines the boundaries of planning designations; and
  - Ensures appropriate infrastructure is identified and delivered alongside new development.
- 2.8 All designations and allocations are illustrated on a Policies Map.

## **Dacorum Borough Local Plan 1991-2011**

- 2.9 All policies of the Dacorum Borough Local Plan 1991-2011 (DBLP), except Policy 27 relating to Gypsies and Travellers, were 'saved' in 2007 under transitional arrangements. Some DBLP policies have now been superseded by the Core Strategy and Site Allocations DPDs. The remainder will be replaced through the new Dacorum Local Plan, or via the preparation of new supplementary planning documents (SPDs). For a full list of existing policies and replacement arrangements see:

<http://www.dacorum.gov.uk/docs/default-source/strategic-planning/policy-advice-note.pdf?sfvrsn=8>

## **Neighbourhood Plans**

- 2.10 The Localism Act 2011 allows for Town and Parish Councils, and established 'Neighbourhood Forums' to prepare Neighbourhood Plans for their areas. Provided these conform with the strategic planning policies<sup>3</sup> for the area and gain a majority vote in a local referendum, these plans will be adopted as part of the Development Plan for Dacorum.
- 2.11 A Neighbourhood Plan for the Grovehill neighbourhood in Hemel Hempstead was supported at a local referendum on 15<sup>th</sup> February 2018, and adopted

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<sup>1</sup> <http://www.dacorum.gov.uk/home/planning-development/planning-strategic-planning/local-planning-framework/core-strategy/core-strategy-adopted-sept-2013>

<sup>2</sup> [www.dacorum.gov.uk/siteallocations](http://www.dacorum.gov.uk/siteallocations)

<sup>3</sup> Definition of Strategic Policies available at: <http://www.dacorum.gov.uk/docs/default-source/strategic-planning/policy-advice-note.pdf?sfvrsn=8>

(‘Made’) by Dacorum Borough Council on 16<sup>th</sup> May 2018. It now forms part of the area’s statutory development plan. It is available at:

<http://www.dacorum.gov.uk/home/regeneration/grovehill-future-project/neighbourhood-planning> or via:

[http://www.dacorum.gov.uk/docs/default-source/regeneration/grovehill-future-neighbourhood-plan---examination-version-\(pdf\).pdf?sfvrsn=0](http://www.dacorum.gov.uk/docs/default-source/regeneration/grovehill-future-neighbourhood-plan---examination-version-(pdf).pdf?sfvrsn=0)

## **(b) The emerging Development Plan**

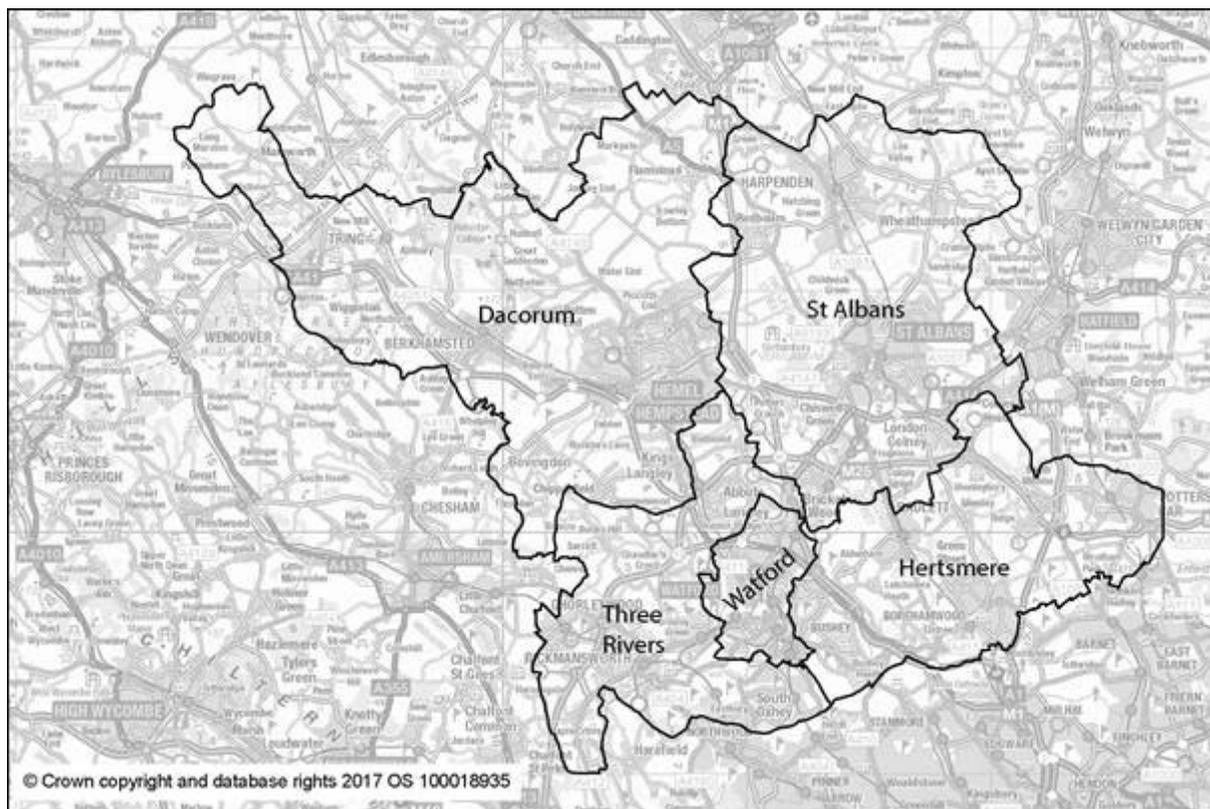
### **New Dacorum Local Plan**

- 2.12 The Council has begun work on its new Local Plan, with an Issues and Options document published for consultation in November/December 2017. Following detailed consideration of the responses to that consultation and the completion of further evidential work to inform preparation of the Local Plan, the Council will move to Pre-Submission Draft Consultation during 2019. When completed, the new Dacorum Local Plan will comprise a single document, containing site allocations and development management policies in addition to strategic policies covering the development of the Borough of Dacorum. Existing policies and designations will be reviewed and updated as appropriate, taking into account new evidence and the outcome of discussions under the duty to co-operate.
- 2.13 It is envisaged that the new Dacorum Local Plan will cover a 16-year timeframe (2020-2036) to reflect the guidance of the National Planning Policy Framework (NPPF). A summary of expected plan content and governance arrangements for the Local Plan is set out in Appendix 1.

### **Joint Strategic Plan**

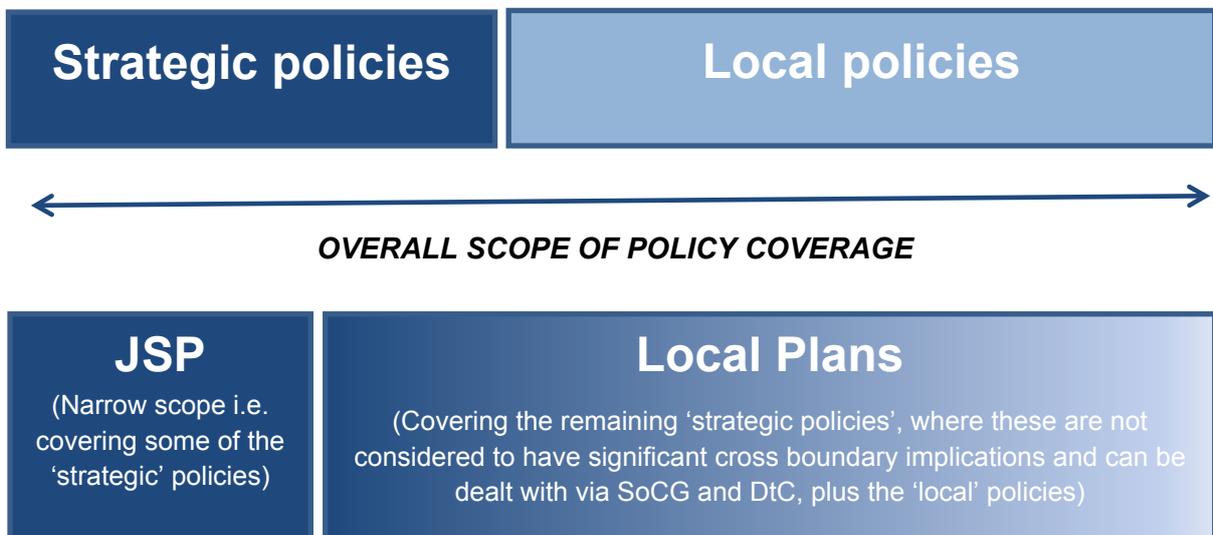
- 2.14 Neighbouring authorities are increasingly being encouraged by Government to work together to provide the homes, jobs and infrastructure where people want to live.
- 2.15 In Spring 2018, Dacorum, Hertsmere, St Albans, Three Rivers, and Watford Councils gave formal endorsement to begin work on a Joint Strategic Plan (JSP) for South West Hertfordshire (see Figure 1 below). Work on the JSP will progress aligned to an agreed Statement of Common Ground (SoCG), which is currently being prepared by the joint authorities.

**Figure 1: Extent of South West Hertfordshire Joint Strategic Plan Area**



2.16 Each council will still be responsible for preparing its own Local Plan, but the JSP will provide the platform to consider how the challenges of growth in the wider South West Hertfordshire area can be addressed longer term (i.e. to 2050). Figure 2 below illustrates how these two key planning documents will fit together. A summary of expected plan content and governance arrangements is set out in Appendix 1.

**Figure 2: Relationship between the JSP and the Local Plan**



2.17 By working together, the South West Herts Councils will also be in a stronger position to deliver, and better fund essential local transport links, health services and educational facilities that local people want to see alongside new homes and jobs.

2.18 Chart A (below) sets out the expected programme for production of the Local Plan and Joint Strategic Plan.

### **Additional Guidance**

2.19 A range of Supplementary Planning Documents (SPD), Supplementary Planning Guidance (SPG) and Advice Notes has been prepared to support policies and proposals within both the existing and emerging Development Plan. A full list is available online at:

[http://www.dacorum.gov.uk/home%5Cplanning-development/planning-strategic-planning/supplementary-planning-documents-\(spds\)](http://www.dacorum.gov.uk/home%5Cplanning-development/planning-strategic-planning/supplementary-planning-documents-(spds))



**Key:**

- I - Issues and Options Consultation (*consultation stage*)
- P - Pre-Submission / Publication Consultation (*representations stage*)
- S - Submission of plan and associated documents to Secretary of State
- E – Hearing element of the Examination
- A - Adoption of plan by the Council

**Notes:**

- 1 *The Core Strategy and Site Allocations DPDs have both been adopted so are not shown on this programme.*
- 2 *All timings are subject to the programming of Cabinet and Full Council meetings and the availability of Planning Inspectors to conduct the relevant Examinations.*
- 3 *The Local Plan timetable will be subject to review through the Authority Monitoring Report and any necessary changes to programming made.*
- 4 *The programme for the Joint Strategic Plan is currently provisional and will be confirmed once the South West Herts Joint Strategic Plan Director is in post.*

### **3. Evidence, Resources and Risks**

#### **(a) Evidence**

- 3.1 A range of technical studies have been prepared, or are being prepared to use as an evidence base to support production of the Local Plan, Joint Strategic Plan and Supplementary Planning Documents (SPDs):

<http://www.dacorum.gov.uk/home/planning-development/planning-strategic-planning/new-single-local-plan/technical-work-for-the-early-partial-review>

- 3.2 Land Position Statements for employment and housing are prepared annually. They, together with other sources of information, are used to prepare the Council's Authority Monitoring Report. The current report is available online at:

<http://www.dacorum.gov.uk/home/planning-development/planning-strategic-planning/monitoring-reports-and-land-position-statements>

- 3.3 If the timetable within this LDS is revised as part of the AMR process, the revised timetable will supercede that contained in Chart A of this LDS and will provide the most up-to-date work programme.

#### **(b) Resources**

- 3.4 The Council attaches high priority to the expeditious delivery of both the Dacorum Local Plan and SW Herts Joint Strategic Plan process, and despite financial stringency is maintaining the necessary mainstream funding. Budgets will continue to be reviewed on an annual basis and appropriate provision made. Where necessary some of the Local Plan budget will be used to bring in additional temporary staff resources, or consultancy support. Opportunities for additional funding sources such as grants from the Government's Planning Delivery Fund will also continue to be pursued.

- 3.5 Some 'pump-priming' funding has also been secured from Government to help take forward the Joint Strategic Plan. This will initially fund a Project Director, but further funding will be required in due course from both Government and Council budgets to support the completion of the JSP through to adoption in 2021.

#### **(c) Risk**

- 3.6 The timetable for the production of the new Dacorum Local Plan has been modified to take account of progress to date and to align with the indicative programme being established for production of the new South West Herts Joint Strategic Plan. It will continue to be managed to ensure that it remains both

realistic and achievable. The Authority's Monitoring Report (AMR) will track performance and highlight any amendments required to the work programme set out in this LDS. This will be supported through monthly reporting on milestones via the Council's in-house project management software (Rocket).

- 3.7 There are however a number of sources of risk that could impact upon the delivery of the work programme set out within Chart A. These risks, together with appropriate mitigation measures are set out in Appendix 1.

## 4. Contact information

For further information regarding planning policy matters please contact:

**Email:** [Strategic.Planning@dacorum.gov.uk](mailto:Strategic.Planning@dacorum.gov.uk)

**Phone:** 01442 228660

**Address:** The Forum  
Marlowes  
Hemel Hempstead  
Hertfordshire  
HP1 1DN

## Appendix 1

### Summary of DPD content and governance arrangements

<b>Title</b>		<b>Dacorum Local Plan</b>
<b>Description</b>	Single composite plan incorporating the early partial review of the Core Strategy, together with the Site Allocations and updated development management policies (currently within the 'saved' Dacorum Borough Local Plan 1991-2011).	
<b>Area Covered</b>	Borough wide, with some site specific elements.	
<b>Status</b>	DPD	
<b>Chain of Conformity</b>	In general conformity with the NPPF (and emerging Joint Strategic Plan – see below).	
<b>Priority</b>	High	
<b>Key milestones</b>		
<b>Issues and options consultation</b>	November/December 2017	
<b>Pre-Submission consultation</b>	August 2019	
<b>Submission</b>	February 2020	
<b>Examination (hearings)</b>	June 2020	
<b>Adoption</b>	December 2020	
<b>Arrangements for Production</b>		
<b>Lead</b>	Strategic Planning Team.	
<b>Management arrangements</b>	Corporate Growth and Infrastructure Group, Strategic Planning and Environment Overview and Scrutiny Committee, Cabinet and Council. Corporate Management Team.	
<b>Studies/evidence required</b>	To include update of key technical studies relating to housing, employment, retail, Green Belt, infrastructure, open space, leisure and site assessment matters.	
<b>Resources required</b>	See section 3.	
<b>Stakeholder/community involvement</b>	To comply with adopted Statement of Community Involvement. Strong emphasis on close liaison with adjoining local planning authorities and others regarding strategic planning matters, as required under the duty to co-operate.	
<b>Monitoring and Review Arrangements</b>		
Review of policy performance carried out as part of Authority Monitoring Report (AMR) process.		

<b>Title</b>	
<b>South West Herts Joint Strategic Plan</b>	
<b>Description</b>	A high level joint plan covering strategic issues including: the overall level of and broad distribution of housing and employment growth looking beyond 2036; the identification of strategic scale development sites beyond those already included in Local Plans; the key pieces of strategic infrastructure required to support that growth.
<b>Area Covered</b>	The administrative areas of Dacorum, Hertsmere, St Albans, Three Rivers and Watford.
<b>Status</b>	DPD
<b>Chain of Conformity</b>	In general conformity with the NPPF and compatible with individual Borough Local Plans as appropriate.
<b>Priority</b>	High
<b>Key milestones</b>	
<b>Issues and options consultation</b>	June 2019
<b>Pre-Submission consultation</b>	March 2020
<b>Submission</b>	September 2020
<b>Examination (hearings)</b>	January 2021
<b>Adoption</b>	July 2021
<b>Arrangements for Production</b>	
<b>Lead</b>	Joint Strategic Plan Director, supported by Strategic Planning Officers Group, Strategic Planning Members Group and overseen by Joint Member and Officer Board.
<b>Management arrangements</b>	See above. The authority to approve key stages of the JSP remains with each individual Council, informed by discussion at internal steering groups as appropriate.
<b>Studies/evidence required</b>	To include update of key technical studies relating to strategic issues. To include a Strategic Sites Study.
<b>Resources required</b>	See section 3.
<b>Stakeholder/community involvement</b>	To comply with adopted Statement of Community Involvement. Strong emphasis on close liaison between local authorities within the SW Herts group, other adjoining authorities, Hertfordshire County Council and the Local Enterprise Partnership (LEP).
<b>Monitoring and Review Arrangements</b>	
To be confirmed. It is anticipated that a review of policy performance will be carried out by individual districts, using shared information, as part of their Authority Monitoring Report (AMR) processes.	



## Risk Assessment

**Key****Red** = high impact / likelihood**Amber** = medium impact / likelihood**Green** = low impact / likelihood

	Risk	Comment	Likelihood	Impact	Mitigation Measures
1	Preparation of Local Plan and/or Joint Strategic Plan fails to meet key project milestones.		Amber	Red	Project management and monitoring of progress against the Local Development Scheme. Progress discussed with managers monthly and action taken as necessary. Progress on LDS timetable reported as part of Authority Monitoring Report and any necessary changes made to timetable. Formal review of the LDS to be carried out on a regular basis. Delays to JSP mitigated by establishing sound governance arrangements and appointing a JSP Director to closely project manage the plan preparation process.
2	Changes in national policy and regulations which require a significant alteration to emerging plan content.	There have been a number of recent changes to national planning policy, as set out in the draft National Planning Policy Framework (NPPF), changes to permitted development rights and	Amber	Red	The programme set out within this LDS takes account of emerging changes set out in the draft National Planning Policy Framework (March 2018) and it is considered prudent to await the final version of the new NPPF before undertaking the next stage of consultation on the Local Plan. If any further significant changes are introduced mid-way

	Risk	Comment	Likelihood	Impact	Mitigation Measures
		amendments to planning regulations, all of which need to be reflected when preparing the new Local Plan to ensure it can be found 'sound.'			through the plan production process, depending on their implications for the plan this might require amendment to the plan and a further stage of consultation.  Advice from the Planning Advisory Service (PAS) and the Planning Officers' Society (POS) will be taken to help mitigate these risks.
3	Lack of suitably experienced staff	Difficulties recruiting and retaining suitably qualified Planning Officers are currently being experienced across the country.			Should usual mechanisms of direct recruitment to fill vacant posts not prove successful, consideration will be given to the employment of temporary staff and /or consultants to take on specialist areas of work and extend the capacity of the Strategic Planning team. This option could be constrained by wider Council policies on vacancies and recruitment and available financial resources.
4	Delays to decision making process	Delays may be experienced due to democratic process and/or timetabling of meetings, or the inability to agree an appropriate content of the plan which can be found 'sound' by a Planning Inspector in due course. In the case of a Joint Plan, this risk may be increased due to the need for agreement across several local planning authorities.			Agreeing the timetable for the JSP and LP process through this LDS will enable meetings to be appropriately timetabled to allow timely decision making.  'Special' meetings of Cabinet and Full Council can be arranged in certain circumstances.  Continued member training and understanding of strategic planning issues and sound legal advice from Counsel to help guide members through the decision-making process.

	Risk	Comment	Likelihood	Impact	Mitigation Measures
5	Failure to agree critical cross boundary strategic planning issues with prescribed Duty to Co-operate bodies.				Discussions regarding what comprises the key strategic planning issues for the area have already taken place between the SW Herts authorities. Risks relating to how these issues will be addressed will be reduced through the production of a Statement of Common Ground and subsequent Joint Strategic Plan with Hertsmere, Three Rivers, St Albans and Watford Councils (with support from the County Council and Hertfordshire LEP). Regular meetings with other DtC bodies will help minimise any wider issues arising, or enable them to be addressed early on in the plan-making process.
	Pressure on financial resources				Budgetary provision has been made for plan-making work, however the length of public examinations and cost of defending any subsequent legal challenges could add significantly to the amount required. New Homes Bonus and 'Additional Burdens' payments from Government may help to mitigate the anticipated shortfall, although due to financial pressures this money may not all be available to support the Council's planning functions. Further funding may also be sought from Government in future to support continued preparation of the JSP.
7	Capacity of Planning Inspectorate (PINs)	The capacity of the Planning Inspectorate and other statutory consultees to			Public examinations could take longer than anticipated. This will be mitigated through ensuring appropriate evidence is prepared and

	<b>Risk</b>	<b>Comment</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation Measures</b>
	and other statutory consultees	provide detailed planning advice has been reduced due to internal reorganisation and financial constraints. The risk is outside the Council's control.			submitted and there is close liaison with the Programme Officer. The proposed timetables for the Dacorum Local Plan and the JSP have been aligned to run 'one after the other' which opens the possibility of securing a Planning Inspector whom may be able to examine both plans in due course.
8	Failure of external parties to meet project deadlines	There is sometimes a need, either as a result of insufficient internal officer capacity, or the need to bring in specialist skills, for some work relating to the Local Plan to be carried out by external consultancies or organisations (such as Herts CC).			Work quality and project work timetables will be controlled through normal procurement processes and contract conditions.
9	Local Plan found 'unsound'	Local Plans must be underpinned by detailed evidence. This evidence will face detailed scrutiny from the Planning Inspector and other stakeholders during the independent examination process.			<p>Risk is reduced by ensuring that the Council's decision-making regarding the content of its Local Plan and the JSP are firmly based on the technical evidence which emerges.</p> <p>Appropriate joint working arrangements with adjoining local planning authorities in line with the 'duty to co-operate' will continue to be essential.</p> <p>The soundness of the Local Plan and JSP will also continue to be guided by close liaison with the adjoining local planning authorities, statutory bodies, PINS, the availability of a robust evidence</p>

	Risk	Comment	Likelihood	Impact	Mitigation Measures
					<p>base and well-audited stakeholder and community engagement systems.</p> <p>Specialist external legal advice will be taken as and when necessary to help guide key decision-making.</p>
10	Legal challenge	This would result in financial costs, and if successful, could result in all or part of the plan being quashed.			<p>The likelihood of a successful legal challenge is substantially reduced where the Local Plan is prepared in accordance with relevant regulations, is strongly aligned to the conclusions of the evidence that underpins it and the plan-making authority can demonstrate it has met the necessary 'tests of soundness.'</p> <p>Specialist external legal advice will be taken at key stages and if any threats of challenge are made through the plan-making process.</p>

## Appendix 2

### **Part A: Overview of key issues raised to the draft (Issues and Options) Local Plan Consultation (Nov/Dec 2017) by local residents.**

#### **Consultation Process:**

- Complexity and length of the consultation documents.
- Too many questions.
- Lack of understanding of technical issues to be able to respond.
- Problems entering responses onto Objective system.

#### **Duty to Cooperate:**

- Need for greater/improved engagement with key stakeholders and neighbouring authorities, particularly in relation to cross-boundary housing numbers and new infrastructure.

#### **Homes:**

- Problems with high local house prices and support for increasing the supply of affordable homes.
- Concerns raised over the broadening definition of affordable housing.
- Developers avoiding providing and/or not securing sufficient affordable homes.

#### **Jobs:**

- Loss of employment land to housing.
- Settlements becoming solely commuter towns.
- Lack of support for new employment opportunities identified in the plan e.g. at Wayside Farm.

#### **Green Belt:**

- Support for the protection of the Green Belt.
- Need to use brownfield sites/look to urban sites before releasing Green Belt land. In some instances, a list of potential sites was provided.
- Green Belts are important to the character and setting of settlements.
- Green Belts protect the open countryside and the wildlife resource and recreational facilities there.
- Loss of Green Belt will result in the merging of settlements.

#### **Housing target:**

- General preference for the mid and lower options.
- Concern over the impact and scale of new development on the Borough, individual settlements and the countryside.
- Arguments made in support of lower growth options i.e. below 602dpa.
- The new homes will fail to resolve local housing needs.

#### **Housing distribution:**

- General preference for housing to be directed to the larger settlements, particularly Hemel Hempstead.
- Existing settlements have already accommodated sufficient housing.
- Impact and scale of new development on individual settlements and the surrounding countryside.
- Merging of towns and villages.

- Support for brownfield sites within settlements to accommodate the new housing and before greenfield and Green Belt development.
- Urge the need to identify/exhaust urban capacity opportunities.
- Arguments made for alternative growth distributions.

#### **Infrastructure:**

- Quality and capacity of existing infrastructure:
  - Lack of school places
  - Lack of community facilities
  - Capacity of highway network to accommodate future growth
  - Capacity of utility provision (electricity, water – both drinking and waste)
  - Capacity of health services, particularly relating to the future of Hemel Hempstead Hospital and GP surgeries
- Timing of new infrastructure:
  - Developers avoiding contributions
  - The need to bring forward infrastructure/contributions earlier.
  - The Council failing to bring forward infrastructure to keep pace with new development.
- The need to plug any funding gaps.

#### **Sites:**

- Concerns raised as to whether the sites align to local aspirations for the area or to the overarching plan objectives/place strategies.
- Significant objections made to the sites identified in the Schedule of Site Appraisals:
  - Cumulative impact and scale of sites relative to size of settlement
  - Adverse effects on existing character of settlement
  - Ability of local infrastructure / services / facilities to accommodate the new sites
  - Loss of Green Belt and countryside (Chilterns AONB and agricultural land)
  - Loss of local facilities
  - Settlements have already provided sufficient housing.
- A number of alternative sites suggested.
- Disagree with conclusions made on individual sites in the Sustainability Appraisal.

### **Part B: Overview of key issues raised to the draft (Issues and Options) Local Plan consultation (Nov/Dec 2017) by Duty-to-Cooperate organisations.**

#### **1. SW Herts authorities:**

- General support for working collaboratively to meet the needs of the district and those which may affect the wider SW Herts area.
- Potential for Dacorum to help meet the needs of other councils, especially the SW Herts authorities, particularly as it includes the only parts of SW Herts beyond the Green Belt.
- Issues to be addressed on a cross-boundary basis should include retail facilities and transit sites for Gypsies and Travellers.
- The SW Herts authorities should agree housing and job growth targets and how to meet them through joint working and a Statement of Common Ground.
- Further explanation should be provided of the SW Herts strategic sub-regional planning context.
- St Albans have stressed the need to explore potential for housing development / new settlement in the Rural Area beyond the Green Belt.

- Mixed views over the suitability of the approach to employment development. St Albans do not consider there is justification for further greenfield office development at Kings Langley given the potential East Hemel Hempstead employment allocation.

## **2. Hertfordshire County Council:**

Detailed responses received from a number of services:

### **(a) HCC Highways:**

- Dacorum should work with other neighbouring LPAs to understand the cumulative impact of their plans and develop deliverable and effective transport and highways mitigations as the Local Plan develops.
- HCC as Highway Authority has produced 'Requirements for Local Plans - August 2016'. This sets out that transport / highway information and evidence already available and what further evidence is required, a key requirement being a transport strategy that explains how the plan will mitigate the impacts of growth.
- The County-wide COMET transport model can be used to provide an appropriate evidence base and help to inform decisions on site selection and scale of development, as well as transport infrastructure needs.
- Early engagement and consideration of highways mitigation measures in the Local Plan process is essential
- Transport mitigation measures should be integrated into the Local Plan's infrastructure planning processes and ultimately the Infrastructure Delivery Plan.

### **(b) HCC Minerals and Waste:**

- Dacorum should consult HCC as mineral planning authority when identifying areas for non-mineral development in the local plan within HCC's defined Minerals Consultation Areas (MCAs). Draft MCAs are shown in the Draft Minerals Local Plan (2017).

### **(c) HCC Environment:**

- Herts Ecology considers that the environment should be included as a cross boundary issue, given development in Buckinghamshire and the increasing impact on the Special Area of Conservation (SAC) and other environmental resources.
- HCC is consulting on a new Local Transport Plan, and this should be reflected in terms of policies on transport, mobility and connectivity.
- The specific transport issues, implications and infrastructure needs to support the Local Plan will depend on development levels and sites selected in Dacorum and neighbouring local authority areas.
- The Local Plan should include a strategic green infrastructure (GI policy) and should refer to the Hertfordshire GI Strategy, Dacorum GI Strategy and how these translate into local projects.
- Comments submitted on the archaeology, transport/access and ecology implications of the sites in the Schedule of Site Appraisals.

### **(d) HCC Property (Development Services):**

- No changes to facilities proposed and no new fire stations needed to support future housing development.
- The possibility of re-locating fire stations could be examined, particularly at Tring, Markyate and Kings Langley.
- Facilities for young people and children are required, especially for young people.
- New housing developments will necessitate an increase in library service provision, and will need developer contributions.
- Opportunities for co-location of library services will be explored.

- A range of additional Support Accommodation is required for young and older people.
- Guidance has been provided on the possible implications for school place in the towns and large villages in relation to each growth option. Several new primary schools will be required, even with the lowest growth options (Options 1A-1C). There is also the potential need for some new secondary schools.

**(e) Waste Disposal Authority:**

- Longer term (10-15 years) the Hemel Hempstead Household Waste Recycling Centre (HWRC) is 'unsuitable', and a new HWRC is needed i.e. a one hectare site near the strategic road network.
- The Berkhamsted HWRC is 'not ideal' in the long term as there is insufficient space for additional containers.
- There is a lack of Organic Waste Treatment Facilities in the west of the county, so proposals that come forward should be supported.

**(f) Hertfordshire County Council (Public Health Service):**

- The Local Plan's policies should promote a positive, healthy environment alongside the provision of healthcare facilities.
- A Health and Wellbeing Policy should be included in the Plan and should be supported by the Plan's vision.
- The Local Plan should encourage new development to be sustainably located, with appropriate densities and provision for walking, cycling and bus services. The health and wellbeing benefits of providing and protecting green infrastructure should be recognised.
- A Health Impact Assessment should be carried out of the growth options as part of the Local Plan preparation.
- In identifying locations for future growth, consideration should be given to locations which will encourage healthy behaviours and lifestyles.
- There should be a policy on air quality and that all development proposals undertake a Health Impact Assessment.

**3. Other Neighbouring Authorities:**

- Need to consider opportunities for a new settlement.
- Concerns on impact of growth on the A41 and rural roads and the need for traffic modelling evidence to support the Plan's proposals.
- Site Tr-h5 (north of Icknield Way (Waterside Way), Tring) could set a precedent for more housing north of Icknield Way, which could have an adverse landscape and visual impact on Aylesbury Vale.
- Need for joint work on schooling, highways, improved access to Tring Station and other infrastructure requirements.
- The importance of close involvement with adjoining authorities in potential future proposals e.g. at Bovingdon and Markyate.
- Support for mid and higher housing options.
- The Greater London Authority and Chiltern & South Bucks both recommend Dacorum explores whether it can accommodate any needs from housing (and potentially G&T provision).

**4. Welwyn and Hatfield BC:**

- Part of the SW Herts Housing Market Area (HMA) is also within the Welwyn Hatfield HMA and is an appropriate basis for considering the full OAHN.
- WHBC and the SW Herts authorities should continue to discuss housing land supply and the full OAHN.

- DBC should consider if it can meet some of Welwyn Hatfield's housing shortfall as part of its plan preparation (within the context of the SW Herts HMA).
- The housing target should reflect the updated NPPF and the standard methodology.
- Part of the SW Herts Functional Economic Market Area (FEMA) i.e. St Albans is also within the Welwyn Hatfield FEMA. WHBC and the SW Herts authorities should continue to discuss employment growth and land supply.
- Growth along the A414 corridor should be addressed in the transport strategy and could have implications for the Dacorum Local Plan.
- The need to upgrade Maple Lodge Sewage Treatment Works may affect the location and timing of growth. WHBC should be informed of progress on the Stage 2 study.
- The Dacorum and Watford Gypsy and Traveller Accommodation Assessment (GTAA) should consider the need for transit sites. There should be countywide dialogue on such sites.
- Need to reconsider the option to deliver a small sustainable new settlement (1,000+ dwellings).

#### **5. Dacorum Town and Parish Councils:**

- General support for mid to lower housing growth options, with the emphasis on focussing development at Hemel Hempstead.
- A variety of objections raised in each case to sites identified in the Schedule of Site Appraisals, although some sites are supported (see below).
- Concerns raised over impact of growth on the character of settlements and capacity of local infrastructure.
- Markyate PC raised concerns over the impact of growth from Luton and Central Beds. They would support a small development of genuinely affordable housing on the north side of Buckwood Road, to meet local needs only.
- Northchurch PC would consider supporting site Be-h5 (Lockfield, New Road) development if traffic calming/traffic safety measures were introduced onto New Road/canal bridge and Northchurch High Street.
- Tring Rural PC is not opposed to site O-h2 (Grange Road, Wilstone), providing it provides houses/flats for first time buyers or elderly persons and should be affordable and compact in layout. The design should be in keeping with the local architecture.
- Tring Town Council is supportive of site Tr-h5 Dunsley Farm, as it has the scope to deliver a mixed development to meet the wider needs of the town and is well located to the town centre/relatively less constrained.

#### **6. Non-Dacorum Parish Councils:**

- Consideration should be given to the wider shared local infrastructure, particularly roads, public transport, education and medical services.
- Concerns over traffic volumes across the district and parish boundaries, including the impact on air quality and public health, and the importance of improving the current road infrastructure.
- Need to coordinate cross-boundary impacts of housing growth on school places in Tring and demand at Tring station.
- Only Redbourn PC raised specific concerns over housing growth options, particularly growth on the north and east of Hemel Hempstead and its impact on the village.

#### **7. Other Duty-to-Cooperate Organisations:**

##### **(a) Canal and River Trust:**

- Stresses the importance of cross-boundary consistency in the policy approach to the Grand Union Canal and its arms, particularly in the Aylesbury Vale, Three Rivers and Dacorum Local Plans.
- Objects to inclusion of Site O-h2 (north east of Grange Road, Wilstone) in the Schedule of Site Appraisals.

**(b) Herts Valleys Clinical Commissioning Group:**

- Stresses the shift towards more community based services and care closer to home.
- Consider that there is very limited funding for infrastructure improvements, so developer contributions for health services will be required.
- Housing growth in Dacorum by 2036 will increase pressure on an already pressurised system.
- Many GP surgeries are identified as either constrained or very constrained.

**(c) West Hertfordshire Hospitals NHS Trust:**

- Watford is currently the preferred option for the main emergency and specialist hospital, with a smaller hospital at St Albans for planned care, specialising in surgery and cancer. A local hospital is proposed in Dacorum, although planning is at an early stage.
- The Trust has not yet decided its requirements, but it has identified a range of the considerations in the next phase of the Local Plan.
- A site is required for the Dacorum local hospital. Hemel Hempstead Hospital is the most likely site, but alternatives could be considered e.g. in the north and east Hemel Hempstead developments.
- Any surplus land at Hemel Hempstead Hospital can be released for development, potentially housing.
- A greenfield site near Kings Langley (site KL-h3) has generally been ruled out as it is Green Belt, close to a congested motorway junction and lacks major utilities/services infrastructure.
- If a greenfield option is retained as an alternative to Watford General Hospital, the Trust will work with the local authorities to identify potential alternatives. A site at east or north Hemel Hempstead is unlikely, due to its proximity to Luton and Dunstable Hospital and displacement of activity into London from the south of the catchment area.

**(d) Historic England:**

- Need for a positive, integrated and evidence-led strategy for the historic environment in the Plan.
- The conservation and enhancement of the historic environment should be identified as a key cross boundary planning issue and a strategic duty to co-operate priority.
- The Plan's design policies should seek to reflect local character and distinctiveness.
- A more robust approach to the historic environment is required and various ways on how this can be achieved are suggested.
- Growth and development should conserve and enhance the significance of the Borough's many heritage assets.

**(e) Sports England:**

- The Plan should include a policy to protect and enhance open space and sporting facilities, and contain policy requirements for new sport/leisure provision across a range of sites.
- Outdoor sport should be encouraged in the Green Belt where a need exists.
- Existing playing fields should not be proposed for development or included on the brownfield sites register.

- The level of sports and recreation facilities in new development should be evidenced and take into account national and Sports England advice.
- Site specific comments were made regarding playing fields on sites HH-h1a & b (North of Hemel Hempstead), Be-h2 (Haslam Fields, Shootersway, Berkhamsted), Tr-h5 (Dunsley Farm, Tring), Tr-h6 (north of Icknield Way, Tring) and Bov h3 (rear of Green Lane, Louise Walk, Bovingdon).



<b>Report for:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>31 July 2018</b>
<b>Part:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Private Sector Housing</b>
Contact:	Cllr Margaret Griffiths, Portfolio Holder for Housing Emily-Rae Maxwell, Strategy, Improvement and Engagement Team Leader
Purpose of report:	<ol style="list-style-type: none"> <li>1. To provide Cabinet with an overview of activity undertaken by the housing service since gaining the remit of Private Sector Housing including an overview of key legislative changes.</li> <li>2. To set out the proposed approach outlined in the attached policies and terms of reference for approval</li> </ol>
Recommendations	<ol style="list-style-type: none"> <li>1. That the Private Sector Enforcement Policy, as set out in the report and attached appendices, be recommended for approval by Full Council.</li> <li>2. That the proposed approach for the Private Sector Housing Strategy and the focus on regulating the Private Rented Sector and Houses in Multiple Occupation, as set out in the report and attached appendices, be approved.</li> <li>3. That Cabinet note that a review of the Houses in Multiple Occupancy licence fee will be reported at a future meeting.</li> </ol>
Corporate Objectives:	<p>The Strategic Housing Service's responsibilities and activity in relation to the Private Rented Sector contributes to the following corporate objectives:</p> <ul style="list-style-type: none"> <li>• Clean Safe and enjoyable environment</li> <li>• Building Strong and vibrant communities</li> </ul>
Implications:	<p><u>Financial</u></p> <p>Failure to actively regulate the private rented sector could have financial implications for the council in relation to prevention of</p>

<p>'Value For Money Implications'</p>	<p>homelessness and in relation to pressures on temporary accommodation provision. Additionally, undertaking enforcement action to improve the standards of the private rented sector will require sufficient staff resource and additional legal input.</p> <p>Enforcement action and licencing supports the councils approach to income generation and although is not designed to generate profit recoups costs incurred by the service.</p> <p><u>Value for money</u></p> <p>Any income gained from activity related to regulating the private rented sector, is ring-fenced and must be retained for expenditure within the general fund to deliver an effective private sector housing service.</p>
<p>Risk Implications</p>	<p>The intention of this report is to comply with legislation and therefore avoid the risk of non-compliance and failure to deliver a statutory service.</p>
<p>Community Impact Assessment</p>	<p>Not applicable</p>
<p>Health And Safety Implications</p>	
<p>Monitoring Officer/S.151 Officer Comments</p>	<p><b>Deputy Monitoring Officer:</b></p> <p>This is an important policy document to aid the decision making process in this area and will also help to keep the public aware of how the Council will decide Private Sector Housing enforcement matters.</p> <p><b>Deputy S.151 Officer</b></p> <p>A review of the HMO licencing fees is underway as a result of the additional responsibilities being introduced in October 2018 and future approval from cabinet will be sought once these are known.</p> <p>These fees need to be set to ensure they recover the full cost of delivering this service.</p>
<p>Consultees:</p>	<p>Natasha Beresford, Group Manager, Strategic Housing</p> <p>Fiona Williamson, Assistant Director Housing</p> <p>Mark Gaynor, Director Housing</p> <p>Herts and Beds Private Sector Housing Network</p> <p>Hertfordshire Fire Service</p> <p>Private Sector Housing Team</p> <p>Enforcement Group</p>

	Housing and Communities Overview and Scrutiny Elected members (development session)
Background papers:	
Glossary of acronyms and any other abbreviations used in this report:	<ul style="list-style-type: none"> <li>• Houses in Multiple Occupation (HMO)</li> <li>• Private Rented Sector (PRS)</li> <li>• Full Time Equivalent (FTE)</li> <li>• Housing Health and Safety Rating System (HHSRS)</li> <li>• Ministry of Housing Communities and Local Government (MHCLG)</li> </ul>

## 1. Introduction

1.1. In January 2018, the housing service took on the responsibility for regulating private sector housing. The purpose of this report, is to provide members with an update on how the housing service has responded to this new remit. The report will include a proposed approach to the change in definition for Houses in Multiple Occupation (HMO) and new enforcement powers introduced in April 2018.

## 2. Context

2.1. On a national scale the private rented sector is the fastest growing housing tenure type, having more than doubled in size over the last decade. This growth, alongside the gradual decline of social rented stock due to policies such as the 'Right to Buy', means that private renting is increasingly becoming the primary option for addressing housing need across the country.

2.2. A recently conducted BRE Integrated Stock Model Report has identified that there are 65,289 dwellings in Dacorum, 18% of which are privately rented properties.

## 3. Remit, Staffing and Resources

3.1. The new Private Sector Housing team currently sit under the Strategy, Improvement and Engagement Team (*see appendix 1 – structure chart*). This team is a combination of 1.5 FTE officers who moved from Environmental health, officers that previously administered the Help to Rent scheme and newly appointed officers gained through a growth bid which was approved at Full Council in February 2018.

3.2. The remit of this team is as follows;

- Regulation of the Private Rented Sector (PRS) landlords and property standards

- Licencing Houses in Multiple Occupation (HMO)
  - Interventions for owner occupier properties or Registered Providers where there are Category 1 Hazards and works outstanding
  - Energy Efficiency Standards and Fuel Poverty
  - Prevention of illegal evictions or harassment
  - Empty Properties
- 3.3. The remit transferred over on 22 January 2018 and the required restructures and recruitment were delivered by May 2018.

#### **4. Establishing the team**

- 4.1. To deliver this remit a full review of the internal system FLARE has taken place. This required all standard letters, Notices and Licence templates to be reviewed. Additionally, a full suite of procedures has been established to support the team which are in the process of being programmed into FLARE.
- 4.2. All staff have since undergone the required specialist training to deliver this remit. This included:
- Housing Health and Safety Rating System (HHSRS)
  - HMO Enforcement and Licencing
  - Fire Safety
  - PACE Training

#### **5. Implementing Central Government Policies**

- 5.1. A specific Private Sector Enforcement Policy (see appendix 2 - PRS Enforcement Policy) to account for the new legislation introduced by Central Government. This paper however will draw attention to the key changes. The service is in the process of drafting a specific sub policy for HMO's.

##### 5.2. HMO Licencing Reform

- 5.2.1. In December 2017, the Ministry for Housing, Communities and Local Government (MHCLG) published a response to the proposed HMO licencing reforms. The new reforms offer major revisions to the HMO legislation extending the definition of an HMO to include houses with less than three storeys. This will mean all HMOs will be required to apply for a license regardless of the number of storeys the property has. Dacorum currently has 44 licensed HMOs in the borough.
- 5.2.2. With this legislation set to launch in October 2018, Central Government have advised Local Authorities to prepare for a minimum increase of 350 taking the number of HMOs in Dacorum closer to 400.
- 5.2.3. To achieve this, all suspected HMO's are being logged and inspected by the team. The council will write to landlords of suspected HMO's informing them of the changes in definition and the requirement to apply for a licence. Failure to do so will result in enforcement action.

##### 5.3. Energy Performance Rating

5.3.1. As of April 2018 all privately rented properties are required to have a minimum energy performance rating of E or above. If the rating falls into the F-G category the property will not be considered legal for letting. It is estimated that 6.7% (786 properties) of private rented properties within the Borough are below the E rating. All landlords of these properties have been contacted and advised of these changes and where to access support for energy grants.

#### 5.4. Fitness for Human Habitation Bill

5.4.1. Most recently, the Homes (Fitness for Human Habitation) Bill has been going through parliament. This Bill proposes to amend the Landlord and Tenant Act 1985 to create a new duty on landlords to ensure homes are fit for human habitation at the start of tenancy and throughout. The term fitness will be amended from the nine factors e.g. repairs, water supply, freedom from damp to also include any category 1 hazard under the HHSRS. Based on our knowledge of current properties with this category of hazard, this is approximately 1,800 homes in Dacorum.

#### 5.5. Housing and Planning Act 2016

5.5.1. Since April 2018, several new powers have been introduced. These include:

- Extension of Rent Repayment Orders
- Banning Orders
- Civil Penalties

(see appendix 2 - PRS Enforcement Policy for full details)

5.5.2. Additionally, the MHCLG launched the rogue landlord database. This requires DBC to input the details of any landlord or managing agent that we issue a banning order against onto a national database. This database can be accessed by all Local Housing Authorities.

5.5.3. Under section 30 of the Housing and Planning Act 2016, we can also input the details of landlords or managing agents who receive two civil penalties within a 12-month period. While this is discretionary, we are committed to tackling rogue landlords and believe that where two civil penalties have been issued within 12 months, it is appropriate to use this power.

## 6. Enforcement

6.1. Historically there has been limited enforcement action taken by DBC to regulate the private rented sector (see appendix 3 – breakdown of enforcement action.)

6.2. At present DBC has two Management Orders on properties which are set to expire in 2019 and 2020.

6.3. To establish a more robust approach to enforcement, a PRS enforcement panel is being established. The purpose of this panel will be to review cases where the landlord has failed to meet the requirements set out in either a

Prohibition Notice, or Improvement Notice or there has been a breach in the HMO licence (see appendix 4 – PRS Enforcement Panel Terms of Reference).

6.4. It is important to note that HMO licence costs and income generated through enforcement action such as Civil Penalties is ring fenced for investment back into the service area.

## **7. Private Sector Housing Strategy**

7.1. To support the Private Sector Housing team to establish a clear direction the service has committed to developing a Private Sector Housing Strategy. This will be developed in partnership with landlords, tenants, letting agents and other professional partners.

7.2. The strategy will concentrate predominately on regulation of the Private Rented Sector and HMO's. Whilst empty homes remain a core part of the team's remit at present the resource required to undertake an Empty Dwelling Management Order is limited. Additionally, with the introduction of new powers for tackling rogue landlords and HMO definition, the team will be required to focus on delivering this throughout the period of this strategy.

7.3. A copy of the strategy for consultation will be presented to Members in November 2018.

## **8. Wider context for Private Sector Housing**

8.1. The current strategy for Preventing and Tackling Homelessness includes a commitment to improving access, security and stability in the private rented sector.

8.2. One of the biggest barriers to accessing the private rented sector is the reluctance of many landlords to take on a tenant who is in receipt of housing benefit payments. This is likely to increase as Universal Credit continues to roll out across the borough. This has a knock on effect for the Homelessness team's ability to provide Personalised Housing Plans in line with the Homelessness Reduction Act 2017 as it significantly reduces options.

8.3. Across all property sizes within the private rented sector of Dacorum, the Local Housing Allowance rate falls below the rent level by between 15 – 25%. This means that low income households who rely on housing benefit to pay their housing costs are having to top up their rent payments with other benefits, Discretionary Housing Payments (DHP) or alternative forms of income.

8.4. A further barrier for tenants looking to rent a private sector property is often the initial deposit and other related costs required in order to secure it. On average, prospective tenants are required to pay between 4 – 6 weeks rent as a tenancy deposit as well as the first 1 – 2 month's rent upfront. If the tenant has gone through a letting agent in order to find accommodation, letting agent fees of between £250 - £450 will also be expected.

8.5. Tenants wishing to rent 1-bedroom accommodation in Dacorum will have to pay approximately £2000 - £2500 before they move in to the property. This becomes a particular issue when tenants are required to move between

private rented properties, as often their previously paid deposit (which, as long as there were no property damages or tenancy issues, they are due back) is still held by their former landlord, therefore making it difficult for them to pay the required deposit on any new property.

8.6. The proposed Tenants Fees Bill is now going through parliament. This calls for a ban on letting agent fees.

## **9. Fees and Charges**

9.1. The potential to revisit fees and charges is currently under consideration. A full review of fees and charges will require a full year of costs associated with the service and will inform the 2019 / 2020 fees and charges policy.

9.2. Ahead of the HMO licencing changes due in October 2018, the service will work with finance and develop a proposal for Members to amend the licence fee.

## **10. Conclusion**

10.1. This report has provided members with an overview of the PRS and changes to the council corporate structure which led to Strategic Housing taking over the delivery of this service. It includes an update on the progress of the team which has since been set up.

10.2. This report also draws members' attention to key legislative changes which the team are required to meet over the next year. Both a change in HMO definition and new powers to tackle rogue landlords will be a priority for the council.

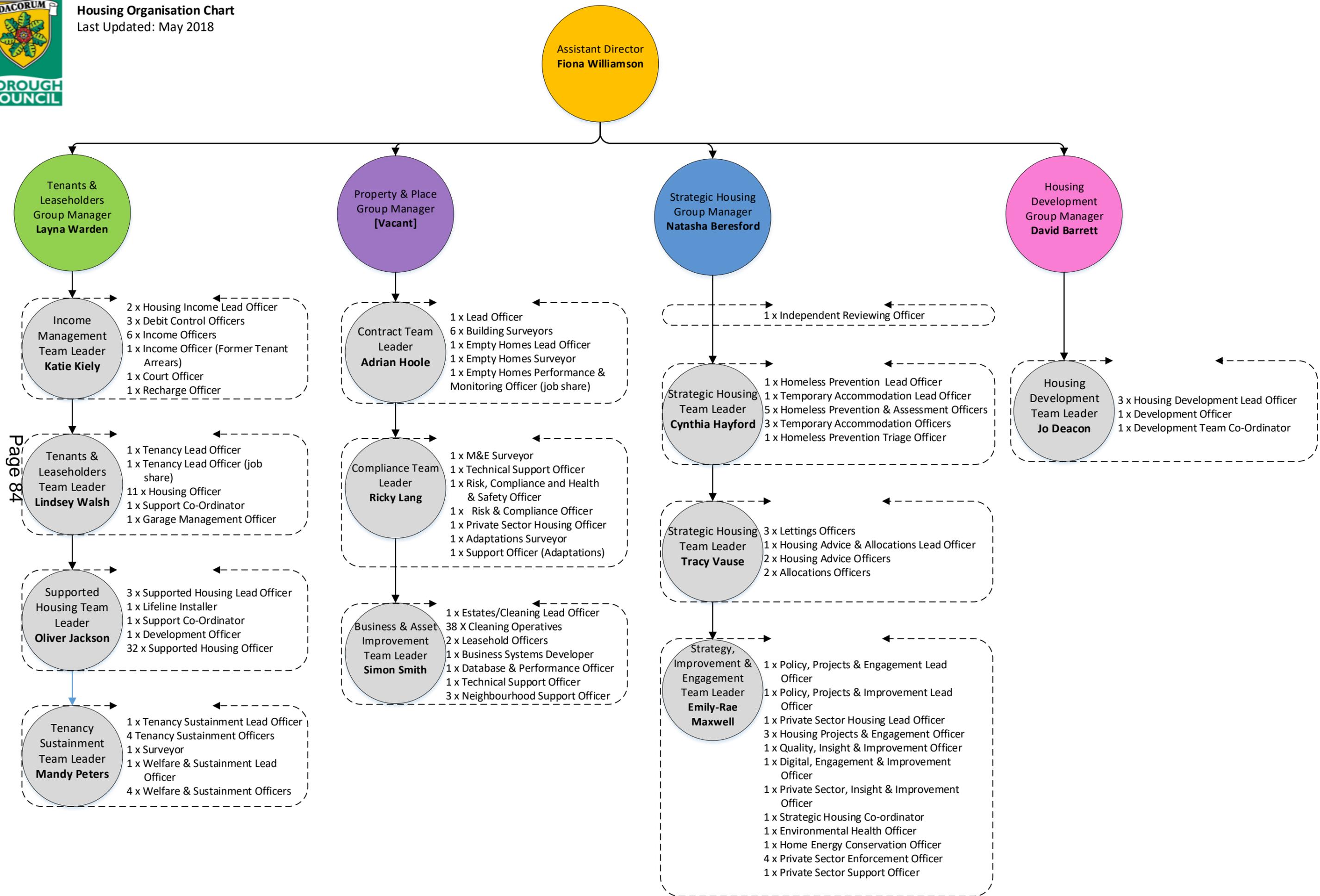
10.3. Through the drafted PRS Enforcement Policy and HMO Policy the service sets out a proposal for regulating the PRS. These draft documents offer members an opportunity to shape the approach taken.

10.4. Finally, the report informs members of the work that is on-going to review fees and charges and ensure they appropriately reflect the demand on the service so costs are covered by landlords.



# Housing Organisation Chart

Last Updated: May 2018





# Private Sector Housing Enforcement Policy

Last reviewed July 2018

# 1.0 Private Sector Housing Enforcement Policy

This policy is managed and adhered to by the housing service. This policy will be reviewed on a regular basis.

## Contents

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## 1.1 Introduction

Dacorum Borough Council (DBC) is committed to ensuring that all Dacorum residents live in homes that are safe and meet the required standards. This policy predominantly focuses on those living in the Private Rented Sector (PRS) but also considers owner occupiers and Registered Providers (RP). It does not include empty dwellings.

We recognise most landlords want to be compliant and provide a good standard of home to their tenants. This policy sets out how we will take appropriate action using powers outlined in relevant legislation (i.e. Housing Act 2004 and more specifically the Health and Safety Rating System [HHSRS]) to tackle 'rogue landlords' that have a clear disregard for their responsibilities and the safety of their tenants.

This policy defines enforcement as any action taken by the Private Sector Housing Team. This is not limited to formal enforcement action such as notices, civil penalties or banning order. It also includes offering advice or undertaking an initial investigation of a complaint.

## 1.2 Aim(s) of the policy:

The aims of this policy are to:

- Outline a range of enforcement options available to the Private Sector Housing Team;
- Ensure a fair, reasonable and consistent approach to enforcement is used in accordance with all appropriate guidelines and legislation; and
- Provide tenants and landlords with an overview of the consequences of enforcement action.

## 1.3 Links to Council's corporate aims:

This policy supports the council's corporate priorities which are set out in ['Delivering for Dacorum – Corporate Plan 2015-2020'](#).

## 1.4 Equality and diversity

The council is committed to promoting equality of opportunity in housing services and has procedures in place to ensure that all applicants, tenants and landlords are treated fairly and without unlawful discrimination.

## 1.5 Policy Statement(s)

All landlords in Dacorum are required to take responsibility for managing their properties so their tenants live in good conditions and feel safe and secure in their home.

All complaints received will be fully investigated before action is taken.

We will take action against landlords that do not effectively maintain their properties or impact on their tenant's quality of life.

We will use a range of powers to achieve a positive outcome for tenants living in poor conditions.

We will ensure all officers are competent and have a thorough understanding of current and upcoming legislation so any action taken by the council against landlords is informed.

We will take a partnership approach to enforcement against owner occupiers and RP's.

# 2.0 Private rented sector enforcement policy detail

## 2.1 Powers to investigate

We will fully investigate all complaints and requests we receive using relevant powers to gather information and gain access to properties where necessary. Investigations will be undertaken by officers who will determine whether further action is required.

As part of our investigations, in line with section 265 of the Housing Act 2004, we may request documentation to be produced in order to:

- Identify whether any offence has been committed under Parts 1-4 of the Housing Act 2004; or
- Support our functions as a local authority under Parts 1-4 of the Housing Act 2004.

So that we can determine details of anyone with an interest in the property being investigated (e.g. occupier, mortgagee, lessee or someone who is directly or indirectly receiving rent payments), a Requisition for Information may be served under section 16 of the Local Government (Miscellaneous Provisions) Act 1976.

A response to such notice must be provided within 14 days. Failure to respond, or deliberately providing false information, could result in a fine.

In line with section 237 of the Housing Act 2004, we will also liaise with Housing Benefit and Council Tax departments where appropriate, to gather information which will support our investigations.

Where required, we will carry out inspections of the property in question. Under Section 239 of the Housing Act 2004, authorised officers have a power of entry to properties at any reasonable time to carry out an inspection. At least 24 hours' notice will be given to owners (if known) and occupiers (if any) ahead of a property inspection unless in the case of an emergency, or where there is imminent risk to the health and wellbeing of persons using the premises.

We are not required to give notice of entry if we are seeking to determine whether an offence has been committed under sections 72 (offences in relation to licensing of HMOs), 95 (offences in relation to licensing of houses) or Section 234 (offences in relation to HMO management regulations).

If admission is refused, premises are unoccupied or prior warning of entry is likely to defeat the purpose of the entry, then we can apply for a warrant to be granted by a Justice of the Peace.

This warrant will include a power to enter by force, if necessary.

Following an inspection, a written response may be provided, usually in the form of a letter. It will include information on:

- what legislation is contravened
- what works are required and why
- wherever possible agreed timescales
- the nature of the enforcement action the authority may take in the future.

All investigations we carry out into alleged breaches will follow best professional practice and meet all necessary requirements of relevant legislation (as listed in 4.0).

## 2.2 Determining the need for enforcement action

All enforcement action taken will be both proportionate and reasonable. When deciding the type of action required, we will consider:

- The seriousness of the deficiencies identified in the property;
- The past history of compliance;
- The confidence in management and the degree of willfulness involved;
- The consequences of non-compliance;
- The existence of statutory duties or discretionary powers; and
- The likely effectiveness of the various enforcement options.

When deciding the appropriate action, we will also consider the views of the tenants and landlord, as well as any relevant partners e.g. the Fire Service.

# 2.0 Private rented sector enforcement policy detail

Depending on the outcome of this consideration we may choose from a range of enforcement options, including but not limited to:

- take no action;
- take informal action;
- take statutory action, e.g. service of Statutory Notices;
- carry out works in default;
- issue licences with conditions, remove licences or vary licence conditions;
- issue a caution;
- management orders;
- civil penalties;
- banning orders;
- rent repayment orders
- prosecute; or
- seek an injunction.

Investigative cases (and any enforcement action as a result) are regularly reviewed by senior officers to ensure a consistent approach in deciding the appropriate enforcement action to be carried out.

## 2.3 Enforcement action options

### 2.3.1 Take no action

Where an officer has investigated a complaint and no breach of legislation or concerns are identified, no action will be taken.

### 2.3.2 Informal action

Informal action that is either verbal advice, requests or warnings, or letters and inspection reports can be used when:

- concerns identified are not considered a serious risk;
- there is not a significant risk to the safety or health of the occupant or others as a result of the property;
- informal action will be more effective and/or quicker than formal action; or
- there is confidence in the Manager/owner or there is evidence they have previously responded well to advice and guidance from the team.

In the case of informal action, where the level of risk is not high and the landlord or managing agent is willing to work with the team, we will allow a reasonable timeframe for recommended works to be carried out. If works are not carried out in this time, the level of enforcement will increase.

### 2.3.3 Statutory action

If a property has a category 1 hazard under the HHSRS, will take enforcement action.

In these cases, enforcement action may take the form of:

- an Improvement Notice (including suspended Notices);
- a Prohibition Order (including Suspended Orders);
- a Hazard Awareness Notice;
- emergency remedial action;
- an Emergency Prohibition Order;
- a Demolition Order; or
- declaration of a Clearance Area.

Any Orders undertaken or Notices served will be accompanied by a statement of reasons under section 8 of the Housing Act 2004. All Notices issued will include timescales that are reasonable and comply with statutory legislation.

We will maintain contact with the landlord or managing agent throughout the duration of the Notice to ensure any requirements are complied with.

Landlords and managing agents can request an extension by contacting the Private Sector Housing Team outlining the reasons why an extension is required. This will be considered by the Management Team who will approve or reject extensions. The outcome of this decision will be given to the landlord or managing agent in writing within 7 days of the request.

If a Notice is not complied with, we will escalate the level of enforcement.

# 2.0 Private rented sector enforcement policy detail

## 2.3.4 Works in default

If a landlord refuses or fails to carry out repairs following a Notice, we may carry out works in default.

In most circumstances, a person will be given notice of our intention to carry out works in default. Where we carry out works in default, the landlord will be charged the repairs, administration cost and the time of the officers involved.

It is an offence for any person to obstruct the Council or any of the contractors or agents that have been employed to carry out the works.

## 2.3.5 Variation and revocation of a licence

We will vary a licence where it is considered that there has been a change of circumstances since the licence was granted. A licence will be revoked following a change in ownership; death of the licence holder or by agreement with the licence holder if the property is no longer licensable.

We will revoke a licence if the licence holder or manager is no longer deemed to be a fit and proper person.

## 2.3.6 Simple Caution

Officers may use Simple Cautions where someone has committed a less serious crime. Simple Cautions warn people that their behaviour has been unacceptable and makes them aware of the legal consequences should they commit further offences. Simple cautions can only be issued where:

- there is evidence an offender is guilty
- the offender is eighteen years of age or over
- the offender admits they committed the crime
- the offender agrees to be given a caution

If the offender does not agree to receive a caution, then they are likely to be prosecuted instead.

Simple cautions will not be used where there is history of offending within the last 2 years or where the same type of offence has been committed before.

Cases will be presented by the case officer to the Head of Legal Services /Private Sector Enforcement Panel for authority to issue a Simple Caution. The Cautioning Officer will be the Solicitor to the Council, who is the Head of Legal Services and the cautioning procedure in the Ministry of Justice guidance will be followed.

If an offender refuses to accept a formal caution, the delegated officer will refer the matter to the Head of Legal who may pursue a prosecution, taking into account the relevant guidance and the Council's Constitution.

## 2.3.7 Management orders

Under Part 4 of the Housing Act 2004 we will take over the management of privately rented property through a management order in certain circumstances e.g. where a privately rented property is unlicensed, no suitable licence holder can be found.

Section 26 and Schedule 3 of the Housing and Planning Act 2016 allows us to also make a management order in circumstances where a banning order has been made and where a privately rented property is being let in breach of a banning order (see section 2.3.9)

## 2.3.8 Civil Penalties

Civil Penalties are a financial penalty we can impose under the Housing Act 2004 and the Housing and Planning Act 2016 (section 23, 126 and schedule 9), as an alternative to prosecution. In Dacorum, Civil Penalties will be considered for the following:

- Failure to comply with an Improvement Notice (section 30 of the Housing Act 2004);
- Offences in relation to licensing of Houses in Multiple Occupation (section 72 of the Housing Act 2004);
- Offences in relation to licensing of houses under Part 3 of the Act (section 95 of the Housing Act 2004);
- Offences of contravention of an overcrowding notice (section 139 of the Housing Act 2004);
- Failure to comply with management regulations in respect of Houses in Multiple Occupation (section 234 of the Housing Act 2004).

# 2.0 Private rented sector enforcement policy detail

The Private Sector Housing Management Team will work with the dedicated Environmental Health Officer to review cases and determine the level of Civil Penalty. The amount decided can range up to a maximum of £30,000.

Factors that will contribute to the level of Civil Penalty imposed include:

- The severity of the case and the harm caused to the tenant or others as a result of the property;
- Any previous enforcement action taken against the landlord or managing agent, including evidence of previously failing to comply;
- The level of punishment required to deter the landlord or managing agent from failing to take responsibility for their tenants and properties in the future; and
- Any financial gain acquired by the landlord or managing agent as a result of their failings.

We will also use powers to assess a landlord's assets and any income they receive (not just rental income) when determining an appropriate penalty.

Landlords cannot be prosecuted for the same offence if we have already issued a Civil Penalty. Additionally, we will not issue a Civil Penalty if we are already in the process of prosecuting a landlord.

We will issue a Civil Penalty for each individual breach of the management regulations for Houses in Multiple Occupation.

Where a landlord has been issued with civil penalty and commits another offence we will take further action (see 2.5).

## 2.3.9 Banning orders

A banning order is an order by the First-tier Tribunal that bans a landlord from:

- Letting houses in England; and
- Engaging in letting agency or property management work in England.

We will use banning orders in cases where we believe an individual is high risk as a practicing landlord (based on incidents that have occurred after 01 April 2018).

A banning order will be issued for a minimum of 12 months, but there is currently no maximum amount of time a banning order can be in place for. When applying for a banning order we will consider the level of harm or risk created by the landlord's actions and use this to make a recommendation to the first tier tribunal for the length of time a banning order should be in place.

## 2.3.10 Rent repayment orders

Under the Housing Act 2004 rent repayment orders can be utilised when the landlord of a property has failed to obtain a licence for a property that was required to be licensed, specifically offences in relation to licensing of Houses in Multiple Occupation (section 72(1)) and offences in relation to licensing of houses under Part 3 of the Act (section 95(1)).

Section 41 of the Housing and Planning Act 2016 extended the use of rent repayment orders meaning we can now also apply for a rent repayment order for the following:

- Failure to comply with an Improvement Notice under section 30 of the Housing Act 2004;
- Failure to comply with a Prohibition Order under section 32 of the Housing Act 2004;
- Breach of a banning order made under section 21 of the Housing and Planning Act 2016;
- Using violence to secure entry to a property under section 6 of the Criminal Law Act 1977; and
- Illegal eviction or harassment of the occupiers of a property under section 1 of the Protection from Eviction Act 1977.

It is important to note that tenants also have the right to apply for a rent repayment order.

Any rent paid following a rent repayment order will be returned to either the tenant (if rent was paid directly by them) or the council, (if rent was covered by Housing Benefit / Universal Credit). Where there is a split of benefit payment and personal income this will be split accordingly.

# 2.0 Private rented sector enforcement policy detail

When pursuing a rent repayment order, we will do this on behalf of both the council and the tenants rather than tenants being required to use this power and make a separate application.

When a landlord commits the following:

- Failure to comply with an Improvement Notice (section 30);
- Offences in relation to licensing of Houses in Multiple Occupation (section 72(1));
- Offences in relation to licensing of houses under Part 3 of the Act (section 95 (1))

We can also issue a civil penalty notice (see section 2.3.8).

When applying for a rent repayment order we will:

- Inform the landlord that the local housing authority is proposing to apply for a rent repayment order and explain why;
- State the amount that the local housing authority is seeking to recover;
- Invite the landlord to make representations within a period specified in the notice which must be at least 28 days.

## 2.3.11 Prosecution

Where a local housing authority decides to prosecute when a landlord has committed breaches in more than one local housing authority area, it should consider the scope for working together with other local housing authorities.

A prosecution will only take place where it is in the public interest and where there is sufficient evidence to demonstrate a realistic prospect of a conviction. In a case where there is sufficient evidence to warrant a prosecution but the public interest would not benefit from such a course of action, then a Simple Caution may be used as an alternative (see section 2.3.6).

Any decision to prosecute will initially be considered by the Private Sector Enforcement Panel. The panel will consider any mitigating reasons to not pursue prosecution, such as;

- Any reasonable explanation provided by the individual or company.
- Evidence that the individual or company intends to prevent a recurrence of the problem
- An individual's age and state of health
- The offender's attitude to the offence

If prosecution is deemed appropriate, then the case will be fully prepared and referred to the Legal Team for consideration. All prosecutions will be brought without unavoidable delay.

## 2.3.12 Injunction

We may apply for an injunction against a landlord to prevent certain actions, activities or threats being made or carried out.

## 2.4 Community Safety and Landlord Responsibility

Landlords in Dacorum may be asked to attend a multi-agency meeting with service such as the police or social care if we consider there to be a risk to their tenants. Meetings will be requested in writing by the Private Sector Housing Team on behalf of the community safety partnership.

## 2.5 Rogue Landlord Database

From 01 April 2018, the Housing and Planning Act 2016 requires us to input the details of any landlord or managing agent that we issue a banning order against onto a national database. This database can be accessed by all Local Housing Authorities.

Under section 30 of the Housing and Planning Act 2016, we can also input the details of landlords or managing agents who receive two civil penalties within a 12-month period. While this is discretionary, we are committed to tackling rogue landlords and believe that where two civil penalties have been issued within 12 months, it will usually be appropriate to use this power.

We will use the rogue landlord database to identify whether other local authorities have taken enforcement action against a landlord. This information will be used to inform applications for banning orders.

# 2.0 Private rented sector enforcement policy detail

## 2.6 Owner Occupiers

There may be occasions we are required to intervene and use powers on owner occupiers. This will be administered largely through Hazard Awareness Notices. This will be predominantly focused on vulnerable people where it has been identified the condition of their property is having a detrimental effect to their health or they are at risk. The use of Improvement Notices, Prohibition Notices and their emergency equivalents will be considered in cases involving:

- Vulnerable or elderly people and those who are incapable of making informed decisions about their own welfare
- Vulnerable individuals who require the intervention of the Council to ensure their welfare is best protected
- Hazards that might reasonably affect persons other than the occupants
- Serious risk of life-threatening harm such as electrocution or fire

Where action is required against owner occupiers we will involve other partner agencies e.g. adult social care.

## 2.7 Registered Providers

We expect Registered Providers (RP) to ensure their homes are the required standard. If these are not completed tenants will be advised to use the RP's in house complaints process or contact the Housing Ombudsman Service.

If the RP does not take appropriate action or we have concerns for the safety of the tenant, we can intervene and take action.

## 2.8 Common boundaries

There may be issues that impact the condition of more than one property e.g. damp across a common boundary or shared wall.

Each individual will be responsible for the work on their own property.

Both parties will be expected to collectively organise works required to resolve the issue. If an individual wish to seek compensation for damage to their property they will need to claim on their home insurance or apply to civil court. The private sector housing team will not take action on behalf of any one party to reclaim damages.

## 2.9 Disputes and Anti-Social Behaviour

Where disputes either between the landlord and tenant or neighbouring properties occur we will refer both parties to mediation. This is not enforceable and both must be willing to attend.

Disputes between neighbours can also cause concerns. If a person feels threatened, we will advise them to notify the police by contacting 101. In an emergency they should call 999.

There may be cases where we will issue a community protection notice. Before issuing this notice the individual will receive a warning. Under the Anti-Social Behaviour, Crime and Policing Act 2014 authorised person may issue a community protection notice to an individual aged 16 or over, or a body, if satisfied on reasonable grounds that

- the conduct of the individual or body is having a detrimental effect,
- the conduct is of a persistent or continuing nature, on the quality of life of those in the locality; and
- the conduct is unreasonable.

This will be administered in line with our Anti-Social Behaviour [Policy](#).

# 2.0 Private rented sector enforcement policy detail

## 2.8 Staff competency

This policy is administered by a dedicated Private Sector Housing Team. All officers in the team are authorised to enforce delegated powers on behalf of the Council.

The competency of officers to regulate the private rented sector through investigation and enforcement is maintained by completion of mandatory training and any relevant qualifications.

## 2.9 Exceptions to policy

While we are committed to working with tenants and landlords, the following situations may impact our involvement and ability to use enforcement powers:

- where the tenant(s) unreasonably refuses access to the landlord, managing agent or landlord's builder, to arrange or carry out works
- where the tenant(s) have, in the opinion of the Council, clearly caused the damage to the property they are complaining about, and there are no other items of disrepair

- where the tenant(s) have requested a service and then failed to keep an appointment and not responded to a follow up letter or appointment card
- where the tenant(s) have been aggressive, threatening, verbally or physically abusive towards officers
- where the complaint is found to be trivial or has no reasonable justification on visiting the property
- where the tenant unreasonably refuses to provide the Council with relevant documentation

## 2.10 Appeals

Where a statutory notice/order is served, or a licensing decision is made, details regarding the method of appealing the decision will be included within the documentation provided. This will include the full postal address and contact information for the relevant appeal body and the relevant time period to submit an appeal.

To reduce the potential for unnecessary appeals, clear reasons will be given, wherever possible, to a person against whom enforcement action is being taken.

## 2.11 Publicising Outcomes

Verdicts and sentences in criminal cases are given out in open court and are a matter of public record. Evidence suggests that the public wants to know about the outcomes of local court cases. This information is also a legitimate way of engaging communities and making criminal justice services more transparent and accountable.

We may publicise the outcomes of criminal cases and basic personal information about the convicted offender, in accordance with guidance issued by the Criminal Justice System (Publicising Sentencing Outcome, CJS, 2011).

We will publicise action taken with the aim to:

- Reassure the public;
- Increase trust and confidence in the criminal justice system;
- Improve the effectiveness of the criminal justice system, and
- Discourage offending and/or re-offending.

### 3.0 Links to other corporate documents

This policy links to and should be read in conjunction with the following policies and strategies:

- 

### 4.0 Legislation

The legislation listed below will be taken into consideration when implementing this policy:

- Housing Act 2004
- The Human Rights Act 1998
- The Equality Act 2010
- The Regulation of Investigatory Powers Act 2000
- The Police and Criminal Evidence Act 1984 – Codes of Practice
- Enforcement Guidance issued under section 9 of the Housing Act 2004
- The Criminal Procedures and Investigations Act 1996
- The Legislative and Regulatory Reform Act 2006
- The Code for Crown Prosecutors
- The Regulators Code 2014

Breakdown of Enforcement Action taken by DBC

**Dacorum**

The number of complaints received per year for House of Multiple Occupancy (HMO) in the Private Rented Housing sector.	
2012/13	13
2013/14	31
2014/15	23
2015/16	23
2016/17	14
2017/18	28

The number of HHSRS inspections carried out per year for HMOs.	
2012/13	2
2013/14	1
2014/15	2
2015/16	3
2016/17	0
2017/18	2

The number of formal enforcement notices served for HMOs: Hazard Awareness Notices.	
2012/13	0
2013/14	0
2014/15	0
2015/16	0
2016/17	0
2017/18	0

The number of formal enforcement notices served for HMOs: Improvement Notices (Category 1 and 2 Hazards).	
2012/13	1
2013/14	0
2014/15	1
2015/16	0
2016/17	0
2017/18	1

The number of formal enforcement notices served for HMOs: Prohibition Orders.	
2012/13	0
2013/14	0
2014/15	0
2015/16	0
2016/17	0
2017/18	0

Breakdown of Enforcement Action taken by DBC

RH NOTE – No codes in system for (housing) emergency remedial action notices – unable to report

The number of formal enforcement notices served HMOs: Emergency Remedial Action.	
2012/13	
2013/14	
2014/15	
2015/16	
2016/17	
2017/18	

The number of prosecutions commenced on formal notices served for HMOs per year.	
2012/13	0
2013/14	0
2014/15	1
2015/16	0
2016/17	0
2017/18	0

Breakdown of Enforcement Action taken by DBC

**Dacorum**

(RH NOTE – FIGURES FOR HMO’s ABOVE NOT INCLUDED IN FIGURES BELOW)

The number of complaints received per year for Private Rented Housing.	
2012/13	157
2013/14	180
2014/15	131
2015/16	137
2016/17	165
2017/18	128

The number of HHSRS inspections carried out per year.	
2012/13	21
2013/14	13
2014/15	3
2015/16	0
2016/17	3
2017/18	16

The number of formal enforcement notices served: Hazard Awareness Notices.	
2012/13	1
2013/14	0
2014/15	1
2015/16	1
2016/17	0
2017/18	1

The number of formal enforcement notices served: Improvement Notices (Category 1 and 2 Hazards).	
2012/13	1
2013/14	4
2014/15	1
2015/16	2
2016/17	0
2017/18	0

The number of formal enforcement notices served: Prohibition Orders.	
2012/13	0
2013/14	0
2014/15	0
2015/16	0
2016/17	0
2017/18	0

Breakdown of Enforcement Action taken by DBC

**RH NOTE – No codes in system for (housing) emergency remedial action notices – unable to report**

The number of formal enforcement notices served: Emergency Remedial Action.	
2012/13	
2013/14	
2014/15	
2015/16	
2016/17	
2017/18	

The number of prosecutions commenced on formal notices per year.	
2012/13	0
2013/14	0
2014/15	0
2015/16	0
2016/17	0
2017/18	0



# Private Rented Sector Enforcement Panel Terms of Reference

**Working in partnership, to create a Borough which enables the communities of Dacorum to thrive and prosper**

• A clean, safe and enjoyable environment • Building strong and vibrant communities • Ensuring economic growth and prosperity • Providing good quality affordable homes in particular for those in need • Delivering an efficient and modern council

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- 12.0 Record of decisions
- 13.0 Right to appeal
- 14.0 Confidentiality

## Appendices

Appendix A Panel referral form

Appendix B Financial Penalty Matrix

## **1.0 Scope and representation**

1.1 Dacorum Borough Council's housing service seeks to provide a fair and consistent service to all. On occasions the service will be required to make important decisions in line with statutory legislation and our policies, the housing service recognises the importance of considering proportionality in respect of such decisions.

1.2 The purpose of the enforcement panel is to ensure all decisions where the council is seeking to take enforcement action, which will impact on an individual and local residents are made in line with legislative requirements, council policy and are proportionate to the circumstances of the case.

1.3 The panel may decide to postpone action pending further information or suggest further action is taken. Where a case has been postponed the panel will then review the decision at a later date.

## **2.0 Membership**

2.1 The Dacorum Borough Council housing panel will consist of the Group Manager, Strategic Housing, Strategy, Improvement and Engagement Team Leader, Lead Officer Private Sector Housing, Corporate Safeguarding Officer, local Police Community Safety Officer and a representative for the Legal Department. Additional invites will be sent requesting other specialist input for complex cases as and when required, this may include (but is not limited to); Corporate Anti-Fraud, Planning Department and Regulatory Services.

2.2 The Council's Portfolio Holder and Assistant Director, Housing may attend meetings in a monitoring role, but are not members of the Panel.

2.3 The Group Manager for Strategic Housing is primarily responsible for the Housing Panel.

2.4 Meetings are chaired by the Group Manager for Strategic Housing.

## **3.0 Frequency of meetings**

3.1 Housing panel meetings will take place on a monthly basis. Additional meetings can be arranged for urgent cases.

## **4.0 Remit of the Panel**

4.1 Consider requests to implement Civil Penalties and agree level of fine up to £30,000.

4.2 Consideration of requests to impose Banning and Rent Repayment Orders.

4.3 Consider steps taken and agree further actions required to bring empty properties back into use.

4.4 Review cases in advance of prosecution, to review remedial steps taken and consider any further action proportionate to the case prior to further enforcement.

## **5.0 Decisions beyond the remit of the Panel**

5.1 Standard day to day enforcement action and approval of notices.

5.2 Granting or refusal of Houses in Multiple Occupation (HMO) licences.

5.2 Approval of applicants to obtain warrant to gain entry

## **6.0 Referring cases to the panel**

6.1 Prior to referring to panel Officers will ensure that an interview under caution (IUC) has been undertaken. This is to ensure that a robust case has been compiled and all mitigating circumstances have been considered, prior to requesting further enforcement action.

6.2 The panel will consider written and/or photographic evidence, submitted on the standard referral forms (see appendices).

6.2 The dedicated Environmental Health Officer (EHO) from the Private Sector Housing Team can refer a case to the panel for consideration.

6.3 The EHO officer referring the case may be asked to present it if required.

6.4 In the case of referral to panel the Officer presenting the case will need to complete Appendix A 'Enforcement Panel request' form and indicate the request being made.

## **7.0 Private Rented Sector Enforcement panel process**

7.1 The EHO or Private Sector Lead Officer will provide the detail of the case, including any evidence or other opinions to be considered to the rest of the panel.

7.2 The Enforcement Panel should ensure that decisions made at panel are considered in line with the Private Rented Sector Enforcement policy, have regard to the Code for Crown Prosecutors and refer to and associated guidance when deciding how to proceed, the panel has to be satisfied that they have sufficient evidence to prove that an offence has been committed and this needs to be to the criminal burden i.e. beyond reasonable doubt.

7.3 Panel will be required to determine whether to issue a civil penalty as opposed to prosecution, each case will be considered individually and will take into consideration factors including the seriousness of the offence; the culpability of the offender; the harm, or potential harm to tenants; and the impact on the wider community.

7.4 Due regard must also be given to any potential defences and it may be appropriate to undertake an interview under caution in accordance with the Police and Criminal Evidence Act 1984 (PACE) to explore this. When the panel is satisfied that a relevant offence has been committed and that it is in the Public interest to proceed formally it must decide whether to prosecute or issue a civil penalty.

7.5 Panel members are then required to consider the following factors such as:

- Other occupants within the household
- Vulnerability or safeguarding concerns
- Consideration of factors such as risk of harm, culpability and multiple offences
- Any actions that have been taken prior to the case being referred to the housing panel
- Previous enforcement action for similar Housing Act offences

7.6 In the first instance the Panel will seek a decision by consensus. In the cases where consensus cannot be reached a majority opinion will be sought.

7.7 Panel reserve the right to reject consideration of a case on the basis of incomplete or inconsistent information.

## **8.0 Factors when considering harm**

8.1 In determining the level of harm the panel will have regard to;

- The persons affected in terms of physical injury, negative impacts on their health, and any psychological distress;
- Any vulnerability of the persons affected
- The number of persons affected
- The community in terms of economic loss and the effects on public health, public complaints and the effects of poor housing condition on the neighbourhood.

8.2 The degree of harm will depend on the personal characteristics and circumstances of the person affected, normally the tenant. Where no actual harm has resulted from the commission of the offence the panel will consider the relative danger and the potential of harm that could have resulted as a result of the offences.

## **9.0 Aggravating Factors**

9.1 The amount of penalty can be increased if there are any relevant aggravating factors. Furthermore, the amount of penalty can be reduced if any relevant mitigating factors are disclosed by the offender.

## **10.0 Multiple Offences**

10.1 Where the panel are satisfied that more than one offence has been committed a multiple Civil Penalty Notice can be issued, for example multiple breaches of the Management regulations in a House in Multiple Occupation. However, the panel will consider whether the issuing of multiple penalties would result in an excessive cumulative amount and this policy gives discretion in this situation. For instance, the panel could decide that it is appropriate to issue a penalty for the most significant offences and warn the offender that continuation or repeating of the other offences may result in further formal enforcement action being taken.

## **11.0 Factors when considering culpability**

11.1 In determining the level of culpability the panel will have regard to the following;

- Whether there was the intention to commit the offence
- Whether the offence has resulted from reckless behaviour for example where the offender had some appreciation of the effects their actions would have but proceeded regardless.
- Whether the offender had knowledge of the risks of harm that their actions could cause
- Whether the offender's actions are considered to be negligent.

## **12.0 Record of Decisions**

12.1 The panel will record all decisions made.

12.2 Outcomes of decisions will be communicated by the referring Officer to the relevant party, advising of actions to be taken.

12.3 The Enforcement Panel will keep a record of the cases considered and their outcome.

## **13.0 Right to review**

13.1 Any appeal to a decision made by the Enforcement Panel would need to be referred to the Tribunal process.

## **14.0 Confidentiality**

14.1 The Council may also seek information from other parties when necessary to provide verification of, for example, allegations of anti-social behaviour, violence or harassment, for the provision of support services, to prevent crime or detect fraud.



<b>Report for:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>31 July 2018</b>
<b>Part:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>The Bury Museum Project</b>
Contact:	<p>Cllr Graham Sutton, Portfolio Holder for Planning and Infrastructure</p> <p><b>Responsible Officer:</b> James Doe, Assistant Director (Planning, Development &amp; Regeneration)</p> <p><b>Authors:</b> Nathalie Bateman, Team Leader Strategic Planning and Regeneration Claire Covington, Strategic Planning and Regeneration Officer</p>
Purpose of report:	To seek approval for the Bury Museum Heritage Lottery Fund (HLF) Heritage Grants round one bid with match funding required.
Recommendations	<ol style="list-style-type: none"> <li>1. That Cabinet approves the stage 1 Heritage Lottery Fund heritage grants bid of £3.9m, as outlined in the report, to secure £1.9m funding to support a programme to develop the Bury into a museum.</li> <li>2. That Cabinet notes there is a need for an additional revenue commitment of approximately £370k per annum from 22/23 to operate the Bury post completion.</li> <li>3. That delegated authority is given to the Assistant Director (Planning, Development and Regeneration) in consultation with the Portfolio Holder, Planning and Infrastructure, to approve further design decisions on recommendation 1 above.</li> </ol>

	<ol style="list-style-type: none"> <li>4. That Cabinet delegates authority for the submission of the future bids to the HLF (including total project costs) to the Assistant Directors of Planning, Development and Regeneration, and Finance and Resources.</li> <li>5. That Cabinet notes there would be a need to work towards assembling match funding for the funding gap or for the total costs of the project if a grant is not secured in order for the project to proceed. The estimated total project costs for both the capital and revenue elements are shown in the report at table 1 and table 2 respectively, including future operational costs.</li> <li>6. That Cabinet approves revenue funding of £33k for in year project spend in support of the round one application process.</li> <li>7. That Cabinet notes the work required to explore different business models to help reduce the Council's ongoing revenue commitments. A further report with details will be brought back at a later date.</li> </ol>
<p>Corporate Objectives:</p>	<p><u>A Clean, Safe and Enjoyable Environment</u></p> <p>Through the Museum project the Bury and its grounds will become fully accessible to the public for the first time, a new café and toilets will complement Gadebridge Park and a new landscaping scheme will improve access to the Park.</p> <p><u>Building Community Capacity</u></p> <p>The project will recruit new volunteers to support heritage, and organisational training and development will build the capacity of Dacorum Heritage Trust.</p> <p><u>Ensuring Economic Growth and Prosperity</u></p> <p>The Bury Museum will add to Dacorum and Hemel Hempstead's appeal as a visitor destination, and support the economy of the Old Town.</p>
<p>Implications:</p>	<p><u>Financial</u></p> <p>The anticipated unbudgeted cost of feasibility work committed to as part of the round one application process is approximately £33k in year, and an additional budget is required for these costs.</p> <p>If the round one application is successful it will be followed by a development phase leading up to a second round application, programmed for May 2020. The HLF Heritage Grants application is for a £3.9m project. The total grant request to the HLF, combining round one (development) and two (delivery) will be under £2m following HLF guidance that a higher figure</p>

<p>Value For Money Implications'</p>	<p>would not be successful. Other grants and sponsorship will be sought throughout the project to secure additional funds.</p> <p>For the project to go ahead should all bids be unsuccessful DBC would need to fund the entire project, currently estimated at £3.1m, for the development of the Bury into a museum and circa £0.8m of operational costs equating to £3.9m.</p> <p>This is an early indication of costs at concept design stage. Costs are likely to increase as the project develops, but current estimates do include a small element for contingency. If successful at round one, the costs will be further refined and tested in preparation for the second round bid and reported to Cabinet for approval prior to submission.</p> <p>These costs have been arrived at, based on a number of basic assumptions due to the lack of information currently available.</p> <p>Please refer to table 1 and table 2 for an estimate of costs split between capital and revenue at this early stage.</p> <p><u>Value for Money</u></p> <p>This project aims to secure significant funding from the Heritage Lottery Fund's Heritage Grants programme. Other grants and sponsorship will be sought throughout the project to secure additional funds. Volunteer time can also be attributed towards the costs.</p> <p>A grant towards the development phase of works will be applied for as part of the round one submission. This forms part of the overall HLF funding consideration and the combined grants from the first and second round must total under £2 m.</p> <p>Total HLF project costs are currently £3.9m. A total grant request from the HLF of £1.9m is proposed, leaving a funding gap of £2m. The HLF cost estimate includes part of the operational costs from the first two years following the Museum's opening. In subsequent years from 2023/24 onwards, these running costs, estimated at £370k, will need to be funded. The HLF project costs also include an allowance for volunteer time, which contributes towards the funding DBC is able to claim.</p> <p>Further work on business modelling may provide opportunities to reduce costs in departments with the same staffing and operational functions.</p>
<p>Risk Implications</p>	<p>A full risk assessment has been carried out for the Bury museum project and will be updated monthly as part of DBC's project management reporting. Thorough reviews will be undertaken prior to bid applications and at construction.</p>

Community Impact Assessment	A Community Impact Assessment has been carried out for the Bury museum project.
Health And Safety Implications	The Health and Safety impacts of the proposals will be assessed at detailed design and delivery stage. The requirements of the Construction (Design and Management) Regulations 2015 will be incorporated into tender documents.
Monitoring Officer/S.151 Officer Comments	<p><b>Deputy Monitoring Officer:</b></p> <p>No comments to add</p> <p><b>Deputy S.151 Officer</b></p> <p>The Bury project seeks approval to submit the HLF grant application for phase 1. At this point this process is projected to cost £33k as a one off investment and these funds will need to be made available from reserves if this recommendation is approved. These funds would be none reclaimable if the bid is unsuccessful.</p> <p>The projected costs of designing, building and implementing the museum from 2019 – 22/23 is £3.9m of which the grant application is requesting £1.9m, at present the DBC capital programme includes funding to deliver this project on condition of a successful HLF bid.</p> <p>At this juncture the projected operating costs of the Bury museum would be £370k per annum from 22/23, which if successful would require DBC funding, and approval at a later stage.</p>
Consultees:	<p>Mark Gaynor, Corporate Director (Housing &amp; Regeneration), DBC</p> <p>James Deane, Corporate Director (Finance &amp; Operations), DBC</p> <p>Nigel Howcutt, Assistant Director (Finance &amp; Resources)</p> <p>Chris Taylor, Group Manager (Strategic Planning and Regeneration)</p> <p>Bury Museum Project Steering Group, including Dacorum Heritage Trust and the Council's museum development consultants, Buttress Architects</p>
Background papers:	<p>Cabinet Report: The Bury Museum Project, October 2017</p> <p>Cabinet Report: The Bury Museum and Art Gallery project,</p>

	Hemel Hempstead, July 2014.
Glossary of acronyms and any other abbreviations used in this report:	<p>DBC Dacorum Borough Council</p> <p>HLF Heritage Lottery Fund</p> <p>DHT Dacorum Heritage Trust</p>

## Background

### 1. Introduction

1.1 In October 2017 Cabinet approved the development of the Bury museum project up to a round one submission to the Heritage Lottery Fund's Heritage Grants programme and requested the detail be reported to Cabinet for approval prior to the submission date in August 2018.

1.2 The Heritage Grants programme funds larger heritage projects of any kind. The grant application can include contributions, for a limited and defined period, towards salaries of new posts, maintenance costs and an activity programme for involving people in heritage, in addition to capital construction costs and professional fees. A monetary value can also be placed on volunteer time which is expected to be delivered as part of the project.

1.3 In December 2017, the Heritage Lottery Fund issued an update on their grants programme and announced that a new five-year strategic funding framework will be launched in 2019. The final submission date for the Heritage Grants programme under the current framework is August 2018. Interim changes have been introduced in 2018, including the closure of three grant programmes and that all heritage grant requests of over £1m will be considered nationally by the Board of Trustees. As a result, it is expected that the August 2018 application round will be extremely competitive. Bids often fail at their first submission, if the Bury bid is unsuccessful the intention would be to prepare to re-submit at the next application date when the new programme is launched in spring/summer 2019.

### 2. Feasibility and design for round one submission

2.1 Buttress Architects Limited were appointed to develop the Bury project up to the round one submission including feasibility and design work, guided by a steering group of officers and Dacorum Heritage Trust trustees and officers.

2.2 The designs for the Bury have been developed to concept design (RIBA stage 2), the proposed floor plans are attached as appendices 1 and 2. Features include:

- Renovation and repair of the Bury building to modern standards, including a new lift
- Replacement front 2 storey extension to improve circulation and the building's appearance, plus provide wall space for artwork
- Rear single height extension to house a café/restaurant of 44 covers, new entrance/welcome area with shop and new toilets

- Conversion and fit out of the Bury to museum, including use of the attic and cellar for temporary storage
- Flexible internal spaces for activities and to provide opportunities to host functions
- Layout and design of the café/restaurant suitable for functions with the addition of an adjoining marquee to increase the space
- Layout of the museum to provide accommodation for staff based at the facility and meeting facilities
- Layout of the museum to provide a facility to maintain and prepare exhibits
- Enhancements to grounds to provide usable space for visitors and improve the connectivity of the Bury and its cafe with Gadebridge Park through better pedestrian access from the park, toddler play next to the Bury cafe and improved views of the charter tower and walled garden.

2.3 The proposals include demolishing the garages at the Bury to the rear of the Bury Lodge, to reconnect the grounds with Gadebridge Park and encourage visitors to use both facilities, increasing footfall to the new Bury café. The garages are used by Resident Services (4 garages), Estates and Cleaning (4 garages), Property and Place (2 garages), Commercial Assets and Property Development (0.5 garage), Dacorum Heritage Trust (0.5 garage) and Strategic Planning & Regeneration (1 garage) and are not listed within housing's garage management stock. The services involved have been informed of the intention to demolish and will be expected to find alternative accommodation and cover associated costs.

2.4 Within Gadebridge Park the Environment Agency has developed plans to move the river channel downstream of the White Bridge to the low point of the Park. This will enable underground spring water to be diverted into the channel, improving sustainability and biodiversity. Subject to planning permission, consents and DBC approval, the Environment Agency's river works are expected to commence towards the end of 2019 and will be completed ahead of the Bury construction works currently programmed for 2021/22. Within the Bury grounds a new landscaping scheme will be introduced as part of the HLF project including accessible routes between the Park and the Bury and opportunities for the natural environment to be explored using the Bury as a base.

### **Consultation**

2.5 To support the HLF application audience research was undertaken to assess the local demand for a museum. This received a high response rate of 822 from an on-line public survey and 305 returns from young people through research undertaken by Berkhamsted School. Both surveys showed overwhelming support for a museum, key messages were to:

- Market the museum as a family attraction
- Emphasise local heritage in promotional activities
- Include interactive and regularly changing displays
- Deliver a café, with a design to appeal to young people
- Offer children's activities relating to the displays

2.6 Consultation has also taken place with DHT's constituent museum societies. While they can support the project by sharing information on their collections,

they are not able to offer more resources or volunteers to the Bury. As a result, building a new base of volunteers to support activities will be vital to the Bury's future success.

### 3 Project programme

3.1 The Heritage Grants programme involves a two round application process which covers a period of approximately 7 years. The current programme is shown below.

Feasibility study	September 2017
Cabinet approval for project	October 2017
HLF Expression of Interest	November 2017
Develop HLF round 1 bid	December 2017 – June 2018
Approval for project costs	July 2018
<b>Submit round 1 HLF application</b>	<b>August 2018</b>
<b>Outcome of round 1 bid</b>	<b>December 2018</b>
Cabinet approval for round 1 offer	February 2019
Procure consultants HLF development phase (round 2)	March 2019
Planning application	February 2020
Cabinet approval round 2 costs	April 2020
<b>Submit round 2 HLF application</b>	<b>May 2020</b>
Outcome of round 2 bid	September 2020
Cabinet approval for delivery	October 2020
<b>Delivery phase – HLF permission to start</b>	<b>November 2020</b>
Procurement and appointment of main contractors	March 2021
Planning condition discharge	March 2021
Construction	21/22
<b>Museum opens</b>	<b>22/23</b>
Museum operational	23/24
HLF grant period end	24/25

### 4 Project costs

4.1 The total project costs are estimated at £3.9m split between capital and revenue with an ongoing revenue running cost to operate the Bury Museum once open of approximately £370k per annum. The project cost profile is detailed on table 1 below. This is an early indication at concept design stage and costs are likely to increase as the project develops, current estimates do include a small element for contingency. Table 2 outlines the estimated ongoing revenue commitment required to run the Bury Museum, which will be tested further during the development phase.

Table 1

ESTIMATED PROJECT COSTS							
	18/19	19/20	20/21	21/22	22/23	23/24	TOTAL
Capital	0	0	254,611	1,754,612	500,000		2,509,223
Revenue	33,000	143,455	143,455	292,102	490,302	369,100	1,471,413

<b>TOTAL</b>	<b>33,000</b>	<b>143,455</b>	<b>398,066</b>	<b>2,046,713</b>	<b>990,302</b>	<b>369,100</b>	<b>3,980,636</b>
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Table 2

**ESTIMATED ONGOING RUNNING COSTS**

	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>TOTAL</b>
Capital	0	0	0	0
Revenue	369,100	369,100	369,100	1,107,300
<b>TOTAL</b>	<b>369,100</b>	<b>369,100</b>	<b>369,100</b>	<b>1,107,300</b>

4.2 The HLF funded project is £3.9m, which includes part of the staffing and operational costs of the Museum in the first two years of its opening. A total grant request from the HLF of £1.9m is proposed, leaving a funding gap of £2m. Other grants and sponsorship will be sought throughout the project to secure additional funds. Volunteer time can also be attributed towards the costs, and an allowance has been included which contributes towards the funding DBC is able to claim. The HLF contribution towards costs is 68% during the development phase and 48% during delivery, giving a total HLF funding percentage of 49% across the two phases.

**Development phase**

4.3 The HLF has a two round application process. Subject to Cabinet approval, an HLF round one application will be made in August 2018 outlining the proposals for the Bury building, community engagement and organisational development, supported by a cost plan of £3.9m. If the round one application is successful, the project will enter the development phase during which a more detailed second-round application is developed. Activities during the development phase include preparation of detailed plans, costs, business plan, business modelling, activity plan and planning approval. There would also be community engagement work and organisational development with Dacorum Heritage Trust to prepare a governance model for the facility and build the skills of staff and trustees.

4.4 The costs of the development phase are £370k, including £33k in year spend leading up to the round one application. These are all revenue costs that are currently unbudgeted and will require funding. A development grant request of £195k will be made to the HLF towards these costs, which forms part of the overall £1.9m HLF funding.

4.5 The development phase bid includes a project manager to provide two days of additional support to the Strategic Planning & Regeneration Team and a curator for three days per week to develop the interpretation of the collection, both for a period of 15 months. If successful at round one, the grant for the additional curatorial time would be passed onto DHT via a service level agreement committing their employee to support the project for three days, with the post backfilled internally. The project manager funding would be used to support the project two days a week. Any additional resources required to support community or volunteer activities will be undertaken through additional hours to existing posts or consultants.

**Delivery phase**

- 4.6 The round two HLF application is currently programmed to be submitted in May 2020. If successful, DBC will enter a contract with the HLF, under which the terms of the grant will last for 20 years from the project completion date. Included within this will be the requirement to maintain and manage the Bury for the approved purposes of a museum in accordance with a five-year management plan agreed once the building is operational. Approval from the HLF must also be sought if DBC intends to sell, let or part with any interest in the Bury, or give any rights to another party. In this instance the HLF can reclaim their funding or a proportion of the sale price.
- 4.7 Within the initial programme, construction is expected during 2021/22 and an allowance for inflation in the period up to construction has been included. Construction costs at the current concept design stage are indicative and are likely to increase once the full condition of the building and requirements to operate the museum service are known. The gap in available funding would increase as a result.
- 4.8 An allowance for uplifted management and maintenance costs can be included in the project for up to two years of operation. The ongoing revenue running cost of the facility will be approximately £370k per annum. Part of the staffing and operational costs of the Museum's first two years of its opening will be included within the HLF bid.
- 4.9 It is expected that the Bury would be open a minimum of 5 days/35 hours a week (to include the weekend) and sufficient staffing levels are required to cover this period, and plan and deliver a dynamic programme of events to maximise income from the facility. Of the estimated £370k per annum operational costs to run the Bury, approximately £179k are staffing costs. New posts will be essential to support the opening hours, develop the visitor offer of the new museum and to build volunteer capacity and expertise to help ensure that the new attraction is successful. The roles identified cover an activity/volunteer co-ordinator, front of house, a new facilities manager, a marketing and communications officer (0.5 FTE) and an apprentice. It is expected that all the new staffing roles will be part of DBC's establishment.
- 4.10 Further funding will be sought from the HLF to continue the role of DBC project manager while construction is taking place. The additional curatorial time will continue during the delivery and ongoing during operation, and is included within the £370k annual running costs. The additional curatorial time will continue to sit with DHT and the payment mechanism will be resolved through the future operational model for the Bury.
- 4.11 A new programme and facilities manager dedicated to the Bury's operation will be key to the long term viability of the facility and delivery of the business plan. Their focus will be on generating income through developing the commercial offer of the café, hiring out spaces for functions, creating an innovative and diverse programme of events to encourage new and repeat visitors, securing room bookings and seeking sponsorship for activities. This will be supported by an economic development focussed steering group including representatives from tourism, economic development and the arts. The facility will have synergies with other facilities in the Park, and cultural and community providers across the Borough, and the role will be expected to develop new partnerships to market and promote the Bury as a visitor destination. The role will also manage the operational aspects of the building such as cleaning and catering.

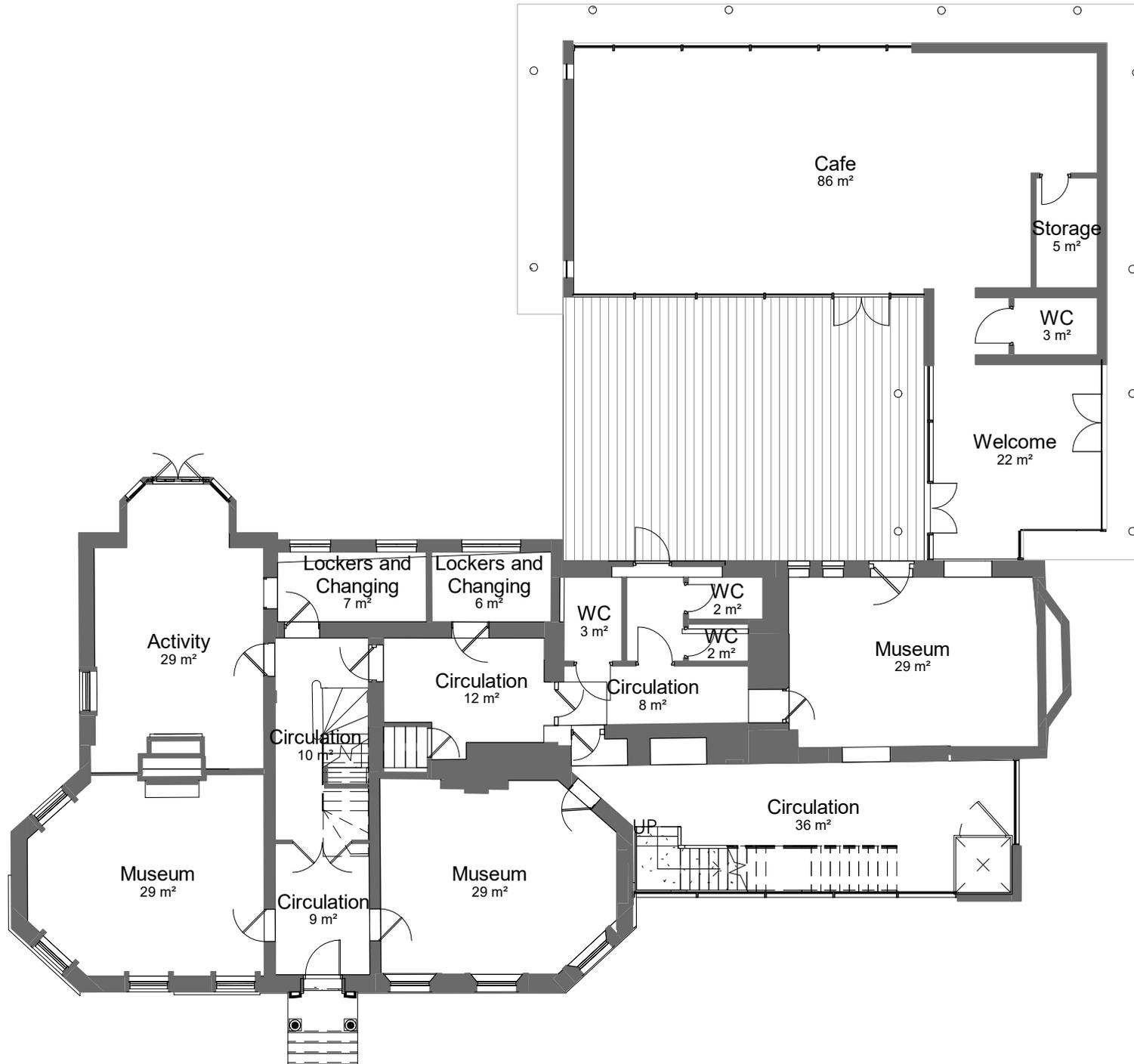
## **5 Future operational model**

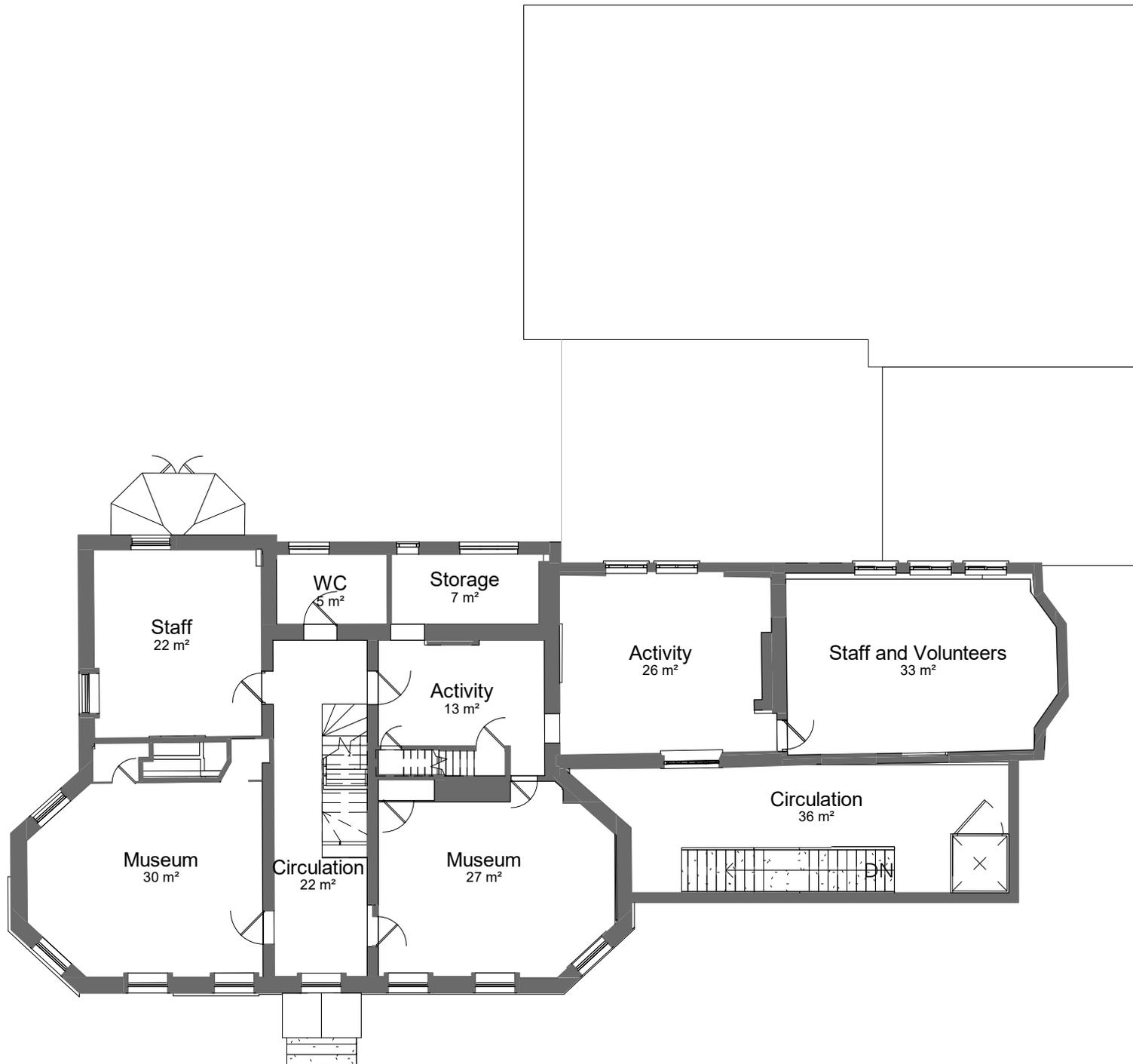
- 5.1 Dacorum Heritage Trust currently receives a community grant from Dacorum Borough Council via a service level agreement to provide local history and heritage services. Indirect support is also given via a peppercorn rent lease for the store at Clarence Road, Berkhamsted. The future of the store and any additional storage facility is outside the scope of this project. DHT's organisational structure, staffing, resources and funding are not sufficient to operate the Bury museum.
- 5.2 Moving forward it is proposed to introduce a single supplier commissioning model for Dacorum Heritage Trust's involvement in the operation of the museum. Under this approach Dacorum Borough Council would take full financial responsibility for the redeveloped Bury and manage the operational, maintenance and commercial activities of the facility, to include the café and function hire. Dacorum Heritage Trust would be commissioned to provide heritage services including exhibitions, collection management, and support towards heritage activities and events, education, outreach and volunteer management. Governance of the facility would be defined by Terms of Reference captured through the commissioning agreement, with Dacorum Borough Council ultimately responsible for decisions and finances.
- 5.3 The HLF will expect a Memorandum of Understanding or similar to be included in the HLF round one application as an expression of the partnership approach and how this will be formalised to support the sustainable operation of the Bury. During the delivery stage the Memorandum of Understanding will be developed, with funding support from the bid, into a draft of the commissioning agreement. Throughout the development and delivery phases support and training will be given to Dacorum Heritage Trust to build their organisational capacity and skills in readiness for when the Bury becomes operational.
- 5.4 Under this model DBC would be responsible for the operation and commercial activities of the Bury and the full running costs. DBC would retain income generated by the café and function hire, with the aim of maximising this offer to off-set against operational costs.
- 5.5 DHT's costs are likely to increase when the Museum is open as they will be supporting the collection at both the Berkhamsted store and the Bury. There will be the need for the additional curatorial hours supported by the HLF to continue after the project end date, which will be addressed through the single supplier commissioning agreement.
- 5.6 During the development phase alternative operating models will be considered with the viability of the Bury Museum becoming independent of DBC once the facility is established. This approach would reduce running costs, particularly in relation to DBC service recharges, and enable salaries to be benchmarked against the heritage and hospitality sector which are nationally lower than local authority pay scales.

## **6 Business Planning**

- 6.1 Initial work has been undertaken on the Bury's future business plan including research on comparable heritage facilities and income neighbouring authorities receive from park café's. A full business plan will be prepared during the

development phase to assure the long-term financial future of the Bury once the HLF funded project is complete, and a further report with details will be brought back to Cabinet at a later date. Performance against the approved final business plan will be carefully and regularly monitored during the museums initial operational period.







<b>Report for:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>31 July 2018</b>
<b>Part:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>COUNCIL TAX SUPPORT SCHEME 2019/20</b>
Contact:	Graeme Elliot, Portfolio Holder for Finance & Resources James Deane, Corporate Director (Finance & Operations) Nigel Howcutt, Assistant Director (Finance & Resources) Author/Responsible Officer Chris Baker, Group Manager (Revenues, Benefits & Fraud)
Purpose of report:	To consider whether to revise or replace the existing Council Tax Support scheme for the 2019/20 billing year, and if so, to approve options for consultation.  To note the requirement to consider revision or replacement of the Council Tax Support scheme for 2019/20.
Recommendations	That Cabinet recommends to Council not to revise or replace the current Council Tax Support scheme for 2019/20.
Corporate Objectives:	Effective management of the Council's finances supports the Council's vision and all five of its corporate objectives.
Implications:	<u>Financial</u>
'Value For Money Implications'	There are no direct financial implications arising if Cabinet agree with the recommendations made by this report, as the assumptions in the MTFS about council tax income are based on the continuation of the current scheme. The potential impacts of other choices are explained in the body of this report.
Risk Implications	If revision or replacement of the scheme is recommended, the Local Government Finance Act 1992 (LGFA) specifies the consultative steps which must be taken. If changes are made without the required process being followed, there is a risk of the scheme being challenged by Judicial Review.  There are also financial risks in relation to the impact of applications for support exceeding the anticipated level of payments within the financial year. This is being addressed by ongoing monitoring of the amount of support as part of the collection fund monitoring process.

Community Impact Assessment	An Equality Impact Assessment (EIA) was undertaken on the 2013 Council Tax Support scheme. There have been no changes since that date which have required an update to that assessment. If revision or replacement of the scheme is being considered, then an updated Community Impact Assessment will be developed in order to form part of the consultation process.
Health And Safety Implications	There are no health and safety implications arising from this report.
Monitoring Officer/S.151 Officer Comments	<p><b>Deputy Monitoring Officer:</b></p> <p>The Local Governance Finance Act 1992 (as amended) requires that a billing authority (this Council) considers each financial year whether to whether to revise or replace its Council Tax Support Scheme.</p> <p>This report satisfies that requirement and recommends no revision or replacement to the current scheme be made.</p> <p>If Cabinet or Council does require revision or replacement of the scheme following consideration of this report further consultation will be required.</p> <p><b>Deputy S.151 Officer</b></p> <p>This is a S151 Officer report.</p>
Consultees:	
Background papers:	
Glossary of acronyms and any other abbreviations used in this report:	<p>CTB – Council Tax Benefit  CTS - Council Tax Support  DBC - Dacorum Borough Council  DCLG – Department for Communities and Local Government  EIA – Equalities Impact Assessment  HB – Housing Benefit  LGFA – Local Government Finance Act 1992  MTFS – Medium term financial strategy  SFA – Settlement funding assessment  UC - Universal Credit</p>

## Background

1. In April 2013, the national Council Tax Benefit (CTB) scheme was abolished and replaced by a requirement for each local authority to devise a localised Council Tax Support (CTS) scheme to help people on low incomes pay their Council Tax. Within certain parameters (including reduced government funding) each authority had to devise their own scheme based on local priorities for working age customers. Pensioners were protected from any changes because the Department for Communities and Local Government (DCLG) continued to set national rules covering the level of support for them.
2. The LGFA includes a requirement that every year each council must consider whether to revise or replace its CTS scheme for the following year. If it chooses to do this it must carry out a consultation on the proposed changes following rules set out in the LGFA. In summary this requires an initial consultation with the major preceptors (Herts County Council and the Herts Police & Crime Commissioner), followed by a public consultation with local taxpayers. Caselaw requires that this consultation also include wider budgetary information (for example the option to reduce other service provision in order for the CTS scheme to be more generous).
3. Government funding for CTS is included within the overall Settlement Funding Assessment (SFA), but the amount provided has not been specified since 2013. Government have stated that the funding level for CTS has not reduced since then, although the overall SFA has been reducing year on year.

## Dacorum Borough Council's (DBC's) current CTS scheme

4. DBC's current scheme was agreed by Council in January 2012 following the required consultation. It was developed based on the principles that:
  - a. Everyone of working age should pay something towards their Council Tax (except for the most vulnerable)
  - b. The scheme should provide protection for the most vulnerable in the community
5. As a result, the DBC scheme has two main parts:
  - a. Vulnerable: where the taxpayer is disabled, has a child under 5, or receives a war widow's or war disablement pension, CTS is assessed on 100% of their Council Tax liability
  - b. Other: all other working age taxpayers have their CTS assessed on 75% of their Council Tax liability. This means that they are expected to be paying at least 25% of their Council Tax.

Once a customer has been allocated to one of these groups, their entitlement to CTS is means tested.

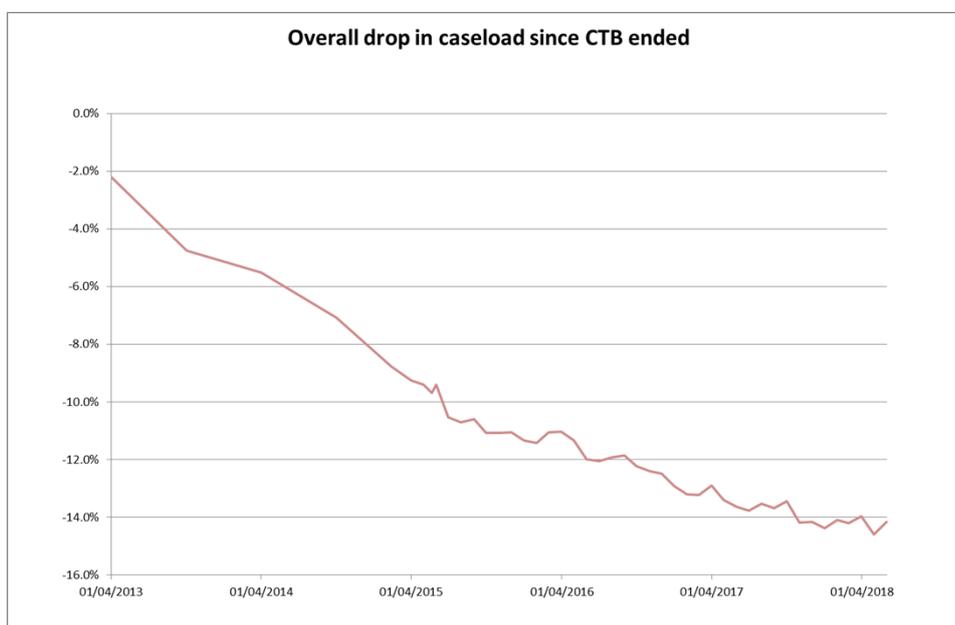
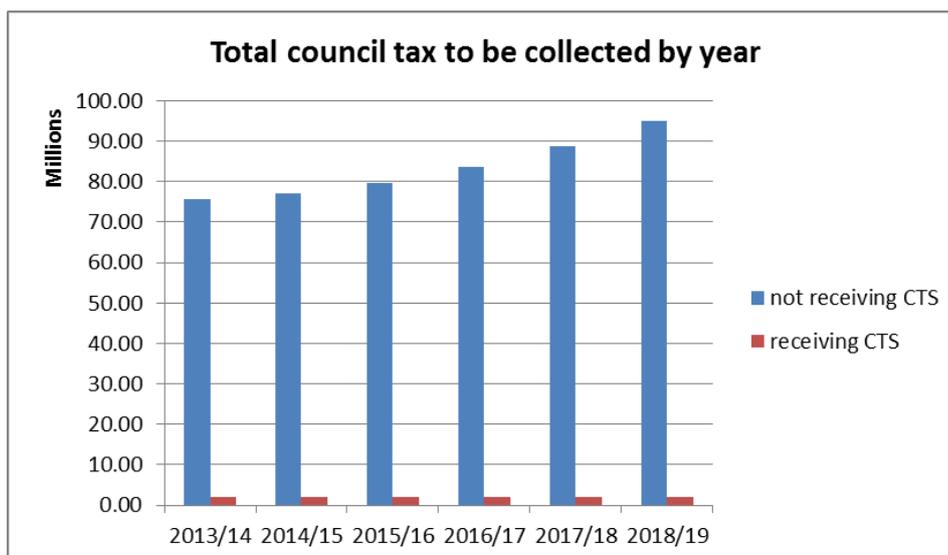
6. We are now in the sixth year of the CTS scheme. During this time DBC has chosen not to revise or replace the original scheme. The only changes made have been minor, for example uprating the means testing calculation factors so that they remain aligned with those used in Housing Benefit (HB).

### **Timetable**

7. The consultation required for any proposed revision or replacement of the scheme means that it cannot be considered within the rest of the normal budget setting process. If a consultation process is required, it will need to take place over the summer.
8. CTS acts in the same way as other discounts to reduce the council tax base, and so details of the scheme for the forthcoming year need to be known during December/January in order for the tax base to be set.
9. Replacement of the scheme would involve the introduction of a fundamentally different way of assessing the level of CTS awarded to a taxpayer. This may be something which would enable administrative savings to be made in the future, when most working age housing costs are being met by Universal Credit (UC) rather than HB. However, at present the majority of working age taxpayers receiving CTS also receive HB, and so it is more efficient to calculate both awards in a similar way. The full UC programme has not yet been rolled out in DBC, this is presently expected in December 2018 so there is still uncertainty over this implementation impact.
10. Revision of the existing scheme would leave the basis of the scheme the same, but with changes to significant elements, for example an expansion or restriction of the groups protected due to vulnerability, or a change to the minimum payment level from 25%.

### **Cost of current scheme**

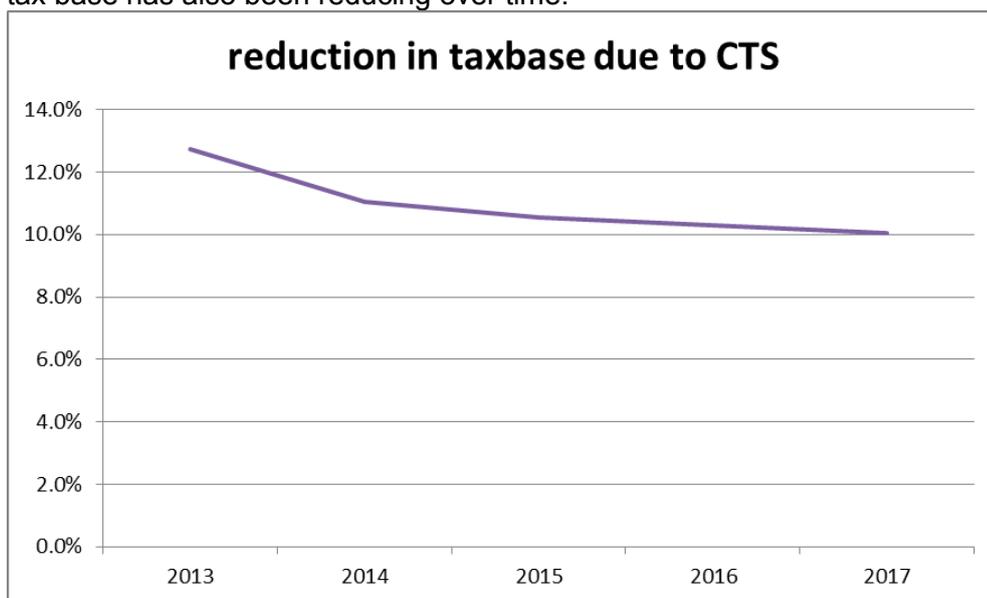
11. As noted in paragraph 3 above, the amount of funding provided by Government towards the cost of providing CTS is not separately identified, and so it is not easy to judge the affordability of the current DBC scheme on those terms.
12. When CTS was introduced, the DBC scheme was designed to fit within the new funding model (10% less funding than for the last year of CTB). For 2013/14 DBC received £1.04m of identified funding, and the CTS scheme ended up costing £0.99m.
13. There are currently around 8,350 households receiving CTS, of whom around 5,000 are of working age. This is about 1,400 less households than received CTB, a drop of just over 14%. The following charts show the breakdown between the collectible council tax split by whether or not the resident receives CTS, and the trend over time of the number of households receiving support.



14. During the same period the level of council tax charged has increased, so with the volume of applicants reducing but the cost of each applicant's CTS increasing this means the notional cost of CTS to DBC has remained fairly consistent since the scheme has been in place.

Tax year	Notional cost of CTS to DBC / £m
2013/14	0.98
2014/15	0.93
2015/16	0.92
2016/17	0.94
2017/18	0.97
2018/19	1.01

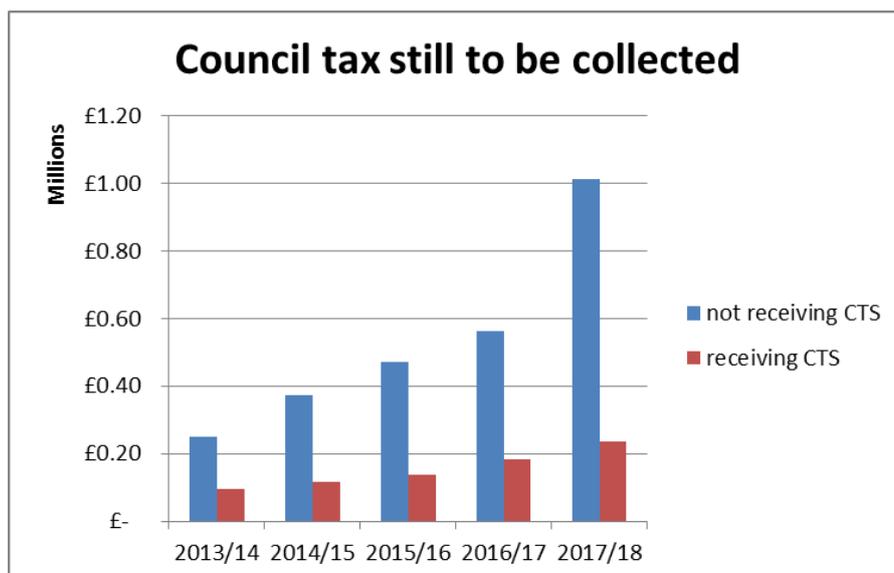
15. Linked to the reduction in caseload, the impact of the CTS scheme on the overall tax base has also been reducing over time.



16. The assumptions about future income from council tax in the Medium Term Financial Strategy (MTFS) are based on the CTS scheme continuing in its current form.

#### Options for change

17. Changes to the CTS scheme will have an effect on the council tax base. A more generous scheme will reduce the base, and a less generous one will increase it. However, it is worth noting that although an increased tax base will lead to a higher level of collectible council tax, this will not necessarily mean increased income for the Council, as the tax itself still needs to be collected.
18. Current data shows that the collection level from CTS recipients is significantly lower than the overall rate, which is probably linked to the fact that they are on low incomes. It is therefore not clear how much of any additional council tax liability would be collected, nor what additional resources may be required to maintain collection levels.
19. The amount of council tax that is still to be collected from CTS recipients is shown below.



20. Some options for revision to the scheme are shown in the table below. A change in tax base of 0.1% is roughly equivalent to £10k in collectible council tax for DBC.

Summary of option	Projected change to tax base
Revert to match rules of old CTB (i.e. no minimum payment)	-0.6%
Reduce minimum payment to 20%	-0.1%
Increase minimum payment to 40%	+0.3%

21. If any of these (or other revisions to the scheme) are considered, then we must carry out a formal consultation exercise in line with LGFA. This requires us to consult with all taxpayers, whether or not they receive CTS, as they will all be affected by any changes. The consultation which took place in 2012 prior to the introduction of the current scheme cost approximately £15k.

### Impact of UC rollout

22. The rollout of UC for working age people has still not had much impact within Dacorum, and it is not likely to until the end of 2018/19. It will therefore be some time still before the majority of CTS recipients are also receiving UC, rather than HB.
23. Early indications from authorities which have completed rollout show that there are some administrative issues linked to monthly adjustments to UC for those in low-paid work. However, there is not yet a solution developed which will simplify this process. Officers will continue to monitor the impact of UC rollout both within and outside DBC from December 2018, and if proposals for change are identified which would benefit residents, they will be offered for consideration by members when they are looking at the 2020/21 CTS scheme.

### Recommendation

24. Evidence of the current long-term collection rates and notional cost of the CTS scheme suggests that the original scheme design is still working well, and so this report recommends that the scheme is neither revised nor replaced for 2019/20. After the roll out of universal credit in DBC during 2018/19 it is recommended that

a review of the CTS scheme is undertaken in 2019/20 to ensure the policy is fit for purpose going forward.



<b>Report for:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>31 July 2018</b>
<b>Part:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>ENTERPRISE ZONE – RELIEF POLICY 2018/19</b>
Contact:	Graeme Elliot, Portfolio Holder for Finance & Resources Nigel Howcutt, Assistant Director (Finance & Resources) Author/Responsible Officer: Chris Baker, Group Manager (Revenues, Benefits & Fraud)
Purpose of report:	To approve the policy for business rates relief within the Enviro-Tech Enterprise Zone.
Recommendations	It is recommended that Cabinet approves the adoption of the Hertfordshire Enviro-Tech Enterprise Zone Business Rates Relief policy, as shown in Appendix 1 to this report.
Corporate Objectives:	Ensuring economic growth and prosperity
Implications:	<u>Financial</u>
'Value For Money Implications'	There are no direct financial implications arising if Cabinet agrees with the recommendation made by this report, as the Government will fully reimburse the cost of any relief granted. Indirectly, provision of the relief should help to encourage business growth within the Enterprise Zone, and help generate business rates income there more quickly.
Risk Implications	If the proposed relief scheme is not approved, there is a risk that businesses will not find a move to the Enterprise Zone attractive, and so growth may be slower.
Community Impact Assessment	The proposed scheme will encourage “green” businesses.
Health And Safety Implications	There are no health and safety implications arising from this report.
Monitoring Officer/S.151 Officer Comments	<b>Deputy Monitoring Officer:</b>

	<p>As highlighted in the report, the statutory power to introduce a local discretionary rate relief scheme is set out under section 47 of the Local Government Finance Act 1988.</p> <p>Under the Enterprise Zone business rate discount scheme, the billing authority is the aid administrator for State Aid purposes and so is responsible for ensuring the rules are met and that the De Minimis allowances are not exceeded (currently 200,000 euros in a three year rolling period)</p> <p><b>Deputy S.151 Officer</b></p> <p>S151 Officer paper comments are included in the report.</p>
<p>Consultees:</p>	
<p>Background papers:</p>	<p>Cabinet report November 2016 (CA/118/15)  Cabinet report March 2017 (CA/33/17)  Hertfordshire Enviro-Tech Enterprise Zone Business Rates Relief Policy (Appendix 1)</p>
<p>Glossary of acronyms and any other abbreviations used in this report:</p>	<p>DBC - Dacorum Borough Council  EZ – Enterprise Zone  LEP – Local Enterprise Partnership  LGFA – Local Government Finance Act 1988  SADC – St Albans City and District Council</p>

## Background

1. An Enterprise Zone (EZ) is a designated area within England where businesses can receive tax breaks and other Government support. 24 EZs were created in 2012, with a further 24 designated in 2016 and 2017. An EZ is in place for a 25-year period, during which all growth in business rates within the EZ is kept by the Local Enterprise Partnership (LEP) to be reinvested in local economic growth.
2. One of the key incentives which can be offered is business rate relief of up to £275,000 across five years, for businesses which start up within or relocate to the EZ during its first five years of operation. Government will meet the cost of the relief, and the LEP can determine details of what type of business operation will qualify.
3. The Hertfordshire Enviro-Tech EZ was designated from April 2017 and consists of sites within Dacorum Borough Council (DBC) and St Albans City and District Council (SADC).
4. The EZ Partnership Board provides governance for the zone; it is chaired by the Chair of the LEP and includes senior representatives from DBC, Hertfordshire County Council and SADC.
5. Under the terms of the Local Government Finance Act 1988 (LGFA), the formal decision to adopt a local discretionary business rate relief rests with the billing authority, i.e. DBC for those parts of the EZ which fall within the Council's area. A similar decision will need to be taken by SADC to formally adopt the relief for the remainder of the EZ.

## The recommended policy

6. The policy (attached as appendix 1) was approved by the EZ Partnership Board in November 2017. It offers three levels of support, which depend on the nature of the incoming business and how “green” they are:

Level	Description	Annual rate relief available
1	Enviro-Tech based businesses	Up to £55,000
2	Enviro-Tech Supply and Value chain businesses	Up to £50,000
3	Non Enviro-Tech businesses which can demonstrate their “green” credentials	Up to £40,000

7. Examples of the types of business activity which fulfil each description are included within the full policy (appendix 1).
8. A business would apply for the rate relief to the LEP, which would make the decision on the level of qualification or that the business doesn't qualify. The LEP will then notify DBC, and the relevant amount of relief would be awarded to the business rate account.

9. Relief will be available for a period of up to five years, as long as the business first becomes liable to pay business rates within the EZ between 1 April 2017 and 31 March 2022. Businesses will be required to reapply for each financial year.

#### **Legislation and finance**

10. The power to introduce a local discretionary rate relief scheme lies with DBC as a billing authority, under section 47 of the LGFA.
11. The cost of such relief is usually shared between DBC, HCC and central Government in line with the business rates retention scheme.
12. However, within an EZ, 100% of the net growth in business rates is retained locally to be reinvested in local economic growth. Awarding rates relief for the first five years of occupation by a new or relocating business would cause a delay in this net growth.
13. To counteract this, central Government has made amendments to the rates retention regulations which ensure that the cost of this relief is wholly met by them.
14. For the EZs which started from April 2017, these regulations were laid in Parliament at the end of March 2018.

#### **Recommendation**

15. It is recommended that Cabinet approves the adoption of the Hertfordshire Enviro-Tech Enterprise Zone Business Rates Relief policy, as shown in Appendix 1 to this report.



## Hertfordshire Enviro-tech Enterprise Zone Business Rates Relief policy

November 2017

## **Introduction**

This policy identifies the circumstances in which a business rate relief can be granted to occupiers of non-domestic properties located within the Hertfordshire Enviro-tech Enterprise Zone.

Businesses that occupy property in the Hertfordshire Enviro-tech Enterprise Zone may be eligible for a discretionary relief of up to 100% of the business rates payable, up to a limit of £55,000 per year and a maximum of £275,000 in any 5 year period - if they meet the criteria set out within this policy.

Businesses will need to demonstrate their involvement in the sectors targeted by the Enterprise Zone and provide appropriate evidence. Applicants for business rate relief will be assessed following the completion and submission of the Hertfordshire Enviro-tech Zone Business Rate Relief Application Form.

Applications will be assessed by The Enterprise Zone Team and applications will normally be determined within one month of receipt. The outcome of the assessment will be notified to the applicant in writing.

## **Objective**

The Hertfordshire Enviro-tech Enterprise Zone is a partnership made up of the Hertfordshire Local Enterprise Partnership, Dacorum Borough Council, St Albans City and District Council; Hertfordshire County Council; University of Hertfordshire; The Building Research Establishment (BRE) and Rothamsted Research.

It aims to deliver the following:

- To make a major contribution to regional and national economic growth
- To develop environmental technology enterprise in the area
- To attract and retain skills and talent in environmental technology research and its applications
- To attract international private sector inward investment
- To provide infrastructure linking green research, science, engineering and technology enterprises
- To assist the growth of new businesses associated with environmental technologies

## **Support available**

To deliver these aims we need to encourage more businesses to invest in our Enterprise Zone. Those who choose to locate here can access a number of benefits:

- Up to 100% business rate discount worth up to £275,000 per business
- Fast tracked local authority planning decisions through Planning Performance Agreements
- Government support to ensure that superfast broadband is rolled out throughout the Enterprise Zone
- Pre-planning support and advice from Building Futures on sustainable designs and construction.

- Technical advice from the Building Research Establishment on building materials, components and products that are fit for purpose, durable, reliable, sustainable and safe.
- Access to the Green Triangle range of products, seminars and services

Businesses that locate with the Enterprise Zone will be able to access business rate reliefs from April 2017 and need to have located onto the Enterprise Zone before March 2022 in order to qualify.

### **Eligibility for Business Rate Discount**

Any business locating within the Enterprise Zone could be eligible for some business rate discount.

However to qualify for relief:

- a) The whole or part of the property must be situated within the defined boundary of the Enterprise Zone as shown on the maps in Appendix A.
- b) The business occupying the property must satisfy the sector test defined in Appendix B. In order to qualify the primary focus (at least 50% of turnover) of the business located within the Hertfordshire Enviro-tech Enterprise Zone should be within the target sector.
- c) The award of relief will be made on an annual basis and the business will be required to reapply each year.
- d) The business must be liable for non-domestic rates and State Aid limits must not be exceeded (See Appendix C)

### **Support available**

The EZ aims to focus on environmental technologies such as agri-tech, sustainable construction, low carbon technology and the renewable energy sector. Businesses in these categories will therefore receive the maximum support.

We will also bring opportunities for the professional, financial, and business services to support these sectors and have developed the following sliding scale of rate relief:

<b>Level</b>	<b>Description*</b>	<b>Support available</b>
1.	Enviro-Tech based businesses	Up to £55,000
2.	Enviro-Tech Supply & Value chain businesses	Up to £50,000
3.	Non enviro-tech businesses who can demonstrate their 'green' credentials	Up to £40,000

\* See Appendix B for examples of each level

## **Appeals**

In circumstances where an application for business rate relief has been declined, the applicant may appeal for the decision to be reconsidered. A request for appeal should be made in writing to the Enterprise Zone Programme Manager, no later than one month after the date of the determination.

Appeals will be considered by the Enterprise Zone Project Board in consultation with the Enterprise Zone Programme Manager and this decision will be final.

## **Monitoring**

The Business Rate Relief is subject to annual monitoring to make sure that the qualifying business is still eligible for the relief and remains in occupation of the premises. The business will be required to complete an Annual Evaluation Form which will require the business to report on progress made against the plans described on their application form.

On-going relief will not be unreasonably withheld, but businesses will only be granted relief for one financial year at a time and relief will automatically terminate at the end of the financial year for which it is granted.

There are no powers of claw back. But the relief can be withdrawn for future years.

In cases where State Aid limits levels (see Appendix C) would be exceeded, relief will be terminated with immediate effect.

Each case will be considered on its merits.

# Appendices

## Sector Test

The lists below for each level are by no means exhaustive but merely give an illustration of either they types of companies that qualify for level 1 or 2 Business Rates discounts or the steps that should be taken to illustrate the efforts your company has made towards sustainability for a level 3 discount.

### Level 1:

#### Environmental

<b>Agri-tech</b>	Agri-biotechnology Companies Crop based Bioenergy & Bio materials Farming Management Software, Sensing technology and Internet of Things Farm Robotics, Mechanics and equipment Innovative Food processing Novel Farming Systems Agri Big Data Companies.
<b>Air Pollution</b>	Dust & Particulate Control Indoor Air Quality Industrial Ambient (Workplace) Air Control Industrial Emission Control Industrial/Mobile Source Emission Control Process Engineering Air Pollution
<b>Built Environment</b>	Advanced methods of building process, such as Modern Methods of Manufacturing, Offsite Manufacturing. Low carbon products, processes and/ or systems for the built environment Smart technologies with the potential to reduce carbon emissions in the built environment Developers and manufacturers of advanced, low carbon and smart materials and products for use in the built environment sector
<b>Contaminated Land Reclamation &amp; Remediation</b>	Decommissioning of Nuclear Sites Remediation & Land Reclamation
<b>Environmental Monitoring, Instrumentation and Analysis</b>	Environmental Analysis Environmental Monitoring Instrumentation Equipment & Software
<b>Marine Pollution Control</b>	Marine Pollution Abatement Marine Pollution Specialist Consulting & Training Technologies, Research & Development
<b>Noise &amp; Vibration Control</b>	Noise & Vibration Consultancy, Training & Education Services Noise Abatement Technologies, Research & Development
<b>Recovery and Recycling</b>	Automobile Recycling Coal Combustion Products Stock Processing Composting Feed Stock Processing Construction and Demolition Debris Stock Processing

	Electronics & Related Stock Processing Engineering & Equipment Glass Stock Processing Household Electrical Goods Stock Processing Metals Recycling Stock Processing Oil Stock Processing Paper Feed Stock Processing Plastics Stock Processing Rubber Products Stock Processing Technologies, Research & Development Textiles Feed Stock Processing Waste Collection Wood Stock Processing
<b>Waste Management</b>	Construction & Operation of Waste Treatment Facilities Equipment For Waste Treatment Technologies, Research & Development
<b>Water Supply and Waste Water Treatment</b>	Engineering Technology, Research & Development Water Treatment and Distribution

#### Renewable Energy Technology

<b>Biomass technology*</b>	Biomass Energy Systems Biomass Furnace Systems Boilers and related Systems Manufacturing Of Boilers and Related Systems
<b>Geothermal technology*</b>	Component Design & Research Manufacture and Supply of Specialist Equipment Suppliers of Systems Whole Systems Manufacture
<b>Hydro technology*</b>	Dams & Structures Electricity Supply Pumping & Lubrication Turbines
<b>Photovoltaic technology*</b>	Chemicals Other Related Equipment and Chemicals Photovoltaic Cells Research & Development Systems & Equipment
<b>Wave &amp; Tidal technology*</b>	Assessment and Measurement Ebb & Flood Other General Services Pumps & Equipment Turbine and Generation Two Basin Schemes
<b>Wind technology*</b>	Large Wind Turbine Small Wind Turbine Wind Farm Systems

**\* Note - EZ Rate Relief only applies to the production of the technology and not energy generation. For businesses engaged in energy generation the Non Domestic Rating (Renewable Energy Projects) Regulations 2013 applies.**

**Low Carbon**

<b>Additional Energy Sources</b>	Compressed Air in Cylinders and in Caverns Energy Storage Research Flywheel Energy Storage Fuel Cells Hydraulic Accumulator Hydrogen Produced by Electrolysis Molten Salt Magnetic Energy Storages Thermal Mass
<b>Alternative Fuel/ Vehicle</b>	Alternative Fuels (main Stream) for Vehicles Only Other Fuels and Vehicles
<b>Alternative Fuels</b>	Batteries Bio Fuels Alternative for Vehicles Only Main Stream Bio Fuels Other Bio Fuels Other Fuels
<b>Building Technologies</b>	Doors Insulation and Heat Retention Materials Monitoring and Control Systems Windows
<b>Carbon Capture &amp; Storage</b>	Engineering Geological Storage Mineral Storage Ocean Storage OxyFuel Combustion Pipeline Post-Combustion Capture Pre-combustion Capture Ship
<b>Energy Management</b>	Energy Saving Electrical Equipment Energy Saving Heating & Ventilation Equipment Energy Saving Lighting Equipment Gas Supply Technologies, Research & Development
<b>Nuclear Power</b>	Commissioning Engineering Services Construction of Plant & Equipment Manufacture of Cooling Equipment for the Nuclear Power Industry Nuclear Power Plant Operations Nuclear Safety Engineering Services Nuclear Science Services Sampling & Testing Services

## Level 2:

### Environmental

<b>Environmental Consultancy and Related Services</b>	Management Services in the Environmental Sector Manpower and Executive Recruitment Specialist Consultancy to the Environmental Sector Training & Education
<b>Recovery and Recycling</b>	Consultancy, Training and Education
<b>Waste Management</b>	Consultancy, Training and Education
<b>Water Supply and Waste Water Treatment</b>	Consultancy, Training and Education

### Renewable Energy

<b>Biomass</b>	Education and Technical Consulting
<b>Geothermal</b>	Consulting & Related Services
<b>Renewable Energy General Consultancy</b>	Consultancy Services Legal Services

### Low Carbon

<b>Carbon Capture &amp; Storage</b>	Consultancy Project Management
<b>Carbon Finance</b>	Carbon Credits Finance & Fund Management Carbon Credits Journals and Press Periodicals Carbon Credits Trading Carbon Market Intelligence & Forecasting Projects and Verification
<b>Energy Management</b>	Consulting, Education & Training

### **Level 3:**

Establishing 'green' credentials would include:

- whole life costing (WLC) of products and assemblies
- life cycle assessments
- BRE Environment Profile
- BRE Green Guide rating
- BREEAM BRE Environmental Assessment Method
- ISO 14001 - Environmental Management System
- PAS141 Standard
- CRC Energy Efficiency Scheme
- The Planet Mark
- association or accreditation with Investors in the Environment (IIE)

## Appendix B

### **State Aid**

State Aid is financial support that is provided by the State to business organisations. State Aid rules exist to avoid public funded interventions distorting competition within the European Union. Enterprise Zone Business Rate Relief is classed as State Aid.

Generally State Aid is prohibited and unlawful. However, there are a number of exemptions, which if they apply, render the State Aid lawful and permitted.

The relevant exemption in respect to the Enterprise Zone Business Rates Relief is De Minimis Aid.

If the business (including the applicant, parent company or subsidiary) has received any other de minimis State Aid during the current and the preceding three financial years this will be taken into account in calculating the amount of Business Rate Relief that may be awarded, to ensure that State Aid de minimis levels (currently €200,000 over a rolling three year period) are not exceeded.