

# CABINET AGENDA



**TUESDAY 19 APRIL 2022 AT 7.30 PM**  
**COUNCIL CHAMBER, 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 Anderson
Councillor Griffiths (Deputy Leader)	Councillor Banks
Councillor Elliot	Councillor Barrett

For further information, please contact Corporate and Democratic Support or 01442 228209

## AGENDA

**1. MINUTES** (Pages 3 - 12)

To confirm the minutes of the meeting held on 15 March 2022

**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 (Page 13)**

#### **7. HRA BUSINESS PLAN (Pages 14 - 31)**

#### **8. EMPLOYMENT AND SKILLS SUPPLEMENTARY PLANNING DOCUMENT (Pages 32 - 65)**

#### **9. ANNUAL INTERNAL AUDIT PROGRAMME APPROVAL (Pages 66 - 77)**

#### **10. SOLAR BULK BUY PROPOSAL (Pages 78 - 108)**

#### **11. APPROPRIATION BY THE HOUSING REVENUE ACCOUNT OF GENERAL FUND LAND ST MARGARETS WAY (Pages 109 - 140)**

#### **12. 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.**

## MINUTES

## CABINET

15 MARCH 2022

**Present:**

**Members:**

**Councillors:** Williams (Leader)  
Griffiths (Deputy  
Leader)  
Elliot  
Banks  
Barrett

**Officers:** James Doe Assistant Director - Planning, Development  
and Regeneration  
Nigel Howcutt Chief Finance Officer (S151)  
Farida Hussain Group Manager (Legal & Corporate  
Services)  
Alex Robinson Interim Group Manager - Planning and  
Development

**Also Attendance:**

The meeting began at 7.30 pm

**CA/17/21 MINUTES**

The minutes of the meeting held on 15 February were agreed by Members present and signed by the Chair.

**CA/18/21 APOLOGIES FOR ABSENCE**

Apologies were received from Cllr Anderson.

**CA/19/21 DECLARATIONS OF INTEREST**

None

**CA/20/21 PUBLIC PARTICIPATION**

None

**CA/21/21 REFERRALS TO CABINET**

**CA/22/21     CABINET FORWARD PLAN**

The Forward Plan was noted.

**CA/23/21     COMMERCIAL STRATEGY UPDATE**

**Decision**

That Cabinet notes the update.

**Corporate Objectives**

1. A clean, safe and enjoyable environment.
2. Building strong and vibrant communities.
3. Ensuring economic growth and prosperity.
4. Providing good quality affordable homes.
5. Ensuring efficient, effective and modern service delivery.
6. Meeting the challenges of the climate emergency

**Statutory Officer Comments:**

**Monitoring Officer:**

There are no legal issues arising directly from this report and any implications arising from each IBC will be considered as the business cases are developed.

**Deputy S.151 Officer:**

The Council's Commercial Strategy will support the delivery of the Medium Term Financial Strategy. Further development of IBCs and any associated financial implications will be reflected in the update of the Medium Term Financial Strategy during 2022-23

**Advice**

Cllr Elliot introduced the report and said that Dacorum Borough Council needs to become self-funding, they have bought in Costain and Commercial Gov to help them identify and develop commercial initiatives and this report is an update on where they are with that.

Cllr Barratt asked in regards to the early properties and the retrofitting of commercial vehicles with electric motors and solar panels. He wanted to understand a bit more on that. He could see where that could save money however; he could not see what the commercial opportunity was with that.

NHowcutt responded that this was kind of two fold, the commercial strategy was aiming to create new income streams and expand stream that they have. It was also looking a taking a commercial approach to how they run their services and running them as efficiently as possible. Some of these schemes will reduce the costs of running those services. What they will have in the medium term is the opportunity to expand into other markets as well, so for instance if they were to go down the retro fitting of vehicles, it maybe that by upskilling our service and their maintenance teams that they could offer that service to other businesses or to other residents going forward. With the solar power or smart parking schemes, if they were to become specialist on the local area they could look to expand that into other areas and deliver that in more of a commercial frame. Therefore, it was a double edged around saving efficiencies initially but also potentially opening up to new markets.

Cllr Barrett said that it mentioned online that other authorities have received grants from the government to convert vehicles.

NHowcutt said that there were large ranges of grants for climate change, everything from decarbonisation of building to retro fitting cars as well. They apply for them when they become open and available. Most of these grants have a very short application time and excessive amounts of applicants. He said that the last decarbonisation scheme was around 1billion had around 3billion pounds worth of applicants so it's about them being ready for those schemes and that what they are trying to do at the moment.

### **Recommendation agreed**

Cabinet noted the report

## **CA/24/21 LITTLE GADDESSEN CONSERVATION AREA CHARACTER APPRAISAL**

### **Decision**

1. To delegate to the Portfolio Holder for Planning and Infrastructure to consider any further comments from Members on the Little Gaddesden Conservation Area: Character Appraisal received before 5pm on 21 March 2022.
2. To delegate authority to the Strategic Director (Place) to make any final minor editorial revisions to the document received in line with Recommendation 1 above and any minor typographical revisions required.
3. To delegate the approval of the Little Gaddesden Conservation Area: Character Appraisal final document to the Portfolio Holder for Planning and Infrastructure.

### **Corporate Objectives**

**A clean, safe and enjoyable environment**

The appraisal highlights the important character of the conservation area in particular in relation to design and layout which will inform any new development to ensure that the environment is protected or enhanced.

**Building strong and vibrant communities** Joint working with the parish council to produce the document has ensured community support for the proposal which in part seeks to protect the vitality of the village.

**Ensuring efficient, effective and modern service delivery**

Provides a clear framework upon which planning decisions can be made.

**Statutory Officer Comments:**

**Deputy Monitoring Officer:**

Pursuant to section 69(2) of the Listed Buildings and Conservation Areas Act 1990 the Council is required to carry out reviews 'from time to time' to determine whether any parts or further parts of its area should be designated as conservation areas, and if it so determines, that part (s) shall be designated as such. Although there is no statutory requirement for consultation, it is considered appropriate that the proposal to designate an area with Conservation Area status is subject to public consultation given the effect that such designation may have on future development proposals within the designated area.

**Deputy S.151 Officer**

No further comments to add.

**Advice**

A Robinson introduced the report, he said that the Little Gaddesden Character Appraisal was the latest in a number of conservation area appraisals that they had undertaken over the years and that this report was produced entirely by the Parish Council working with officers over the last year. The proposal is to extend the area to the east as set out on page 7. The conservation area appraisal was consulted on last year in November & December and was received positively from a whole range of residents and organisations. Historic England were very complimentary about the levels of details in the report and because of that, they will probably be using this model to update further conservation area appraisals in the future.

The original recommendation was for Cabinet to note however due to a late appendix it is recommended that the authority be delegated to the portfolio holder following a period of consultation with members.

Cllr Douris said he was the local Cllr for this area and he echoes and supports the report and the comments of Historic England. He thought that the appendix was excellent, the people from Little Gaddesden enjoyed doing this, its large piece of work that they have done with great care as it represents how they feel about the village.

Cllr Douris asked in regards to a note about speed limits although speed is not for Dacorum Borough Council, he is aware that this area is included in the speed strategy for evaluation by Herts County Council and there would be some recognition of that depending on how that develops. He wanted to thank the Parish Councils for their work and noted the comment about this being referred to officer. He asked if he could be kept in the loop and appraised of the situation if the portfolio holder was comfortable with that as it progresses. He was not looking to make changes but just by involvement as a local member.

Cllr Douris referred to questions 9 to 15 which refers to land on the south eastern side of Church Lane, there were no responses from officers on those and asked if ARobinson could explain why there were no responses to those and what the implication of that might be or not be.

ARobinson apologised again that the appendix in the report is not clear in explaining how officers have taken those comments forward. He assured members that those comments had been considered. This specific area in question, the land to the southeast of Church lane. There has been some suggestions that the conservation area should extend into that area however, it was felt with the Parish that the conservation area should not extend into that land. What they would do as part of the confirmation of the conservation area is they will update the table to make it very clear exactly what the recommendation was following the consultation.

### **Recommendations agreed**

Delegate to PH holder until close of play Monday 21st to allow for members comments

### **CA/25/21 GARAGE STRATEGY**

#### **Decision**

1. To recommend to Council to approve additional 21/22 supplementary funding of £110k revenue for project costs, to be funded from the Dacorum Development reserve.
2. To approve additional 21/22 supplementary funding of £300k capital.
3. To approve the proposed Operational Plans for 2022/23 and recommend to Council the approval of a one off £550k draw down from reserves, £425k funding for 22/23 and £125k funding for 23/24, funded from the Dacorum Development Reserve.

4. To approve the transfer of the Garages Service to primary oversight by the Finance and Resources Scrutiny Committee. Cabinet [www.dacorum.gov.uk](http://www.dacorum.gov.uk)
5. To recommend to Council to approve a supplementary capital budget for 2022/23 garage investment of £500k. The specific investment decisions to be delegated to the Strategic Director (Corporate and Commercial) in consultation with the Portfolio Holder for Finance and Resources and s.151 Officer.
6. To approve the disposal of £500k of underutilised garages to finance the additional garage investment and garage conversion proposals. To delegate specific disposal decisions to the Strategic Director (Corporate and Commercial) in consultation with the Portfolio Holder for Finance and Resources and s.151 Officer, and in line with current financial regulations.

### **Corporate Objectives**

A clean, safe and enjoyable environment  
Ensuring economic growth and prosperity  
Providing good quality affordable homes, in particular for those most in need  
Ensuring efficient, effective and modern service delivery

### **Statutory Officer Comments:**

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

No comments to add to the report.

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

Garages represent a significant income stream to the Council. The report sets out proposed oneoff investment in Garages over a three- year period to support and further develop this income stream and the quality of the service provided to customers. Proposed revenue costs would be funded from the Dacorum Development reserve. Capital costs would be funded from a combination of capital receipts arising from garage sales, alongside other sources of capital financing.

### **Advice**

Cllr Elliot said that they have a lack of data about the condition of the garages, they do need investment and they need to look at how these are to be refurbished going forward. It could be that they put in business units; there are a lack of workshops in the area, so that is one aspect to be considered that could be considered as a result of the condition survey. The survey will be around £150,000 and hopefully that would give them the information that they need on the garages they have and the condition that they are in. They will have to invest more in these garages as they have not invested much over the past decades. They will be ring fencing £500,000 from the sale of some of the garage sites and put that into the general fund rather than a separate fund. The garages will be removed from under the Housing service and moved into the general fund. There will be a focus on letting out these garages.



Cllr Griffiths said that she was delighted to see this report before them and it being moved on. Members will know she had complained for a few years about the fact they were not investing in their Council stock of garages and therefore each site had got slowly worse and that then means less people were renting them due to the area itself was getting worse. She agreed that they need the investment which would bring more of the garages back into use, it was more of an invest to save in many ways as the more that were in use the more income the council would get. She was more than happy for it to come out of the Housing Scrutiny and into the finance as it has not really been a housing function for a long time; She welcomed and fully supported the report.

Cllr Barratt also welcomes the report; he thought it was a tremendous commercial opportunity. He asked how many garages the £500k would refurbish/repurpose. He also asked where they might be turned into commercial units, would planning permission be required to do that.

NHowcutt said that in relation to the second question, as it would be a change of use there would be planning permission required which they may have a problem with in the 1<sup>st</sup> few quarters of next financial year however they would deal with that when it comes. In terms of the £500k of investment, this all depends on what you would be doing with the garage. Part of the work will look at supply and demand, what the end user wants, making sure that the garages are fit for purpose and for the medium term bring a commercial return. In terms of how they fund that and what they get from the sales, each site is worth very different amounts depending on their location and the quality of the asset that they are selling.

Cllr Douris wanted to confirm that they were only talking about the garages within the housing stock and not the commercial stock.

Cllr Griffiths confirmed that the ex-council stock was transferred to the general fund some time ago.

Cllr Tindall asked that where commercial use was considered the closeness of residents be taken into account in the type of business that is let too. He asks that they try to avoid nuisance such as fumes or noise. So perhaps the use of which the garages are put is a factor when determining their future use.

Cllr Elliot confirmed that he could confirm that. The residents would be paramount and they are there to ensure the residents have a reasonable way of life.

Cllr Williams said that the majority of garages are in residential areas and industrial type businesses would not be encouraged. They would be looking at more of lock up and storage type businesses.

### **Recommendation agreed**

**CA/26/21      BUSINESS RATES RELIEF**

### **Decision**

That Cabinet reviews and approves the proposed policy for awarding Covid-19 Additional Relief to businesses.

### **Corporate Objectives:**

Ensuring economic growth and prosperity

### **Statutory Officer Comments**

#### **Monitoring Officer**

The proposed policy is consistent with Government guidance in respect of the funding provided and powers under the Local Government Finance Act 1988.

#### **S151 Officer**

The comments of the S151 officer are included in the body of this report.

### **Advice**

Cllr Elliot introduced the report and explained that this was about 3.8 million pound that has been given by central government to be given to businesses that have not been given any rates relief since the pandemic started. It about business that have fallen through the cracks with previous rates relief. They felt it might be difficult for business to meet the criteria to qualify so it maybe that they have to hand the funding back to central government.

Cllr Barratt said that there were some 1500 businesses that could apply, were they going to be proactively promoting this directly to those businesses in order to not just have one or two.

NHowcutt said that they would use their usual mechanisms of direct email and social media which has worked exceedingly well with business grants and business rates relief. They were targeting a very small group of businesses with this and they would have to provide a lot more information than previously and information to show Covid has affected them and that they did not qualify for previous grants that have been awarded. They will do an advertising campaign. Other authorities who have had this a bit earlier than us have not seen a great return as they have seen with other schemes.

Cllr Barratt asked if they would have to hand the money back if they do not use it and presumably, there is a cap on the amount the business can have.

NHowcutt explained that this was classed as a discretionary scheme, there were a much smaller group of people that they can target for this and it's very hard to allocate it. The Council had fully utilised all other schemes and not had to return any. Where there has been schemes where there has been no discretion they have returned fund, as have almost every local authority in the country as they had to do it in line with strict conditions and eligibility criteria.

Cllr Tindall said that they only group of businesses that had contacted him at the beginning of the pandemic were those that didn't actually pay business rates direct, they were tenants or charities, where they paid rent and then the owner of the building paid the rates. They could not demonstrate that they paid rates so were ineligible for quite a lot of the support. He know that the finance team did try to help

them, however he wondered if there were any discretion in being able to capture those micro business people.

NHowcutt said that they did target those subletting business at the earliest opportunity with their own discretionary grants, they were able to support a lot of those businesses, those that they could not support were given a lot of information and guidance on how they could approach their landlords for support. The eligibility for this grant is entirely for ratepayers. It's could be that the government look at assessing this over the next few months if they are not able to allocate it however this one is solely for rate payer.

Cllr Williams asked if they were, ate payers in receipt of 100% discretionary small business rate relief, could they still apply for this.

NHowcutt said in theory they can but as they are in receipt of the 100% discretion it probably means that, they would not meet some of the other parts of the criteria. There may be some businesses out there that maybe able too.

Cllr Griffiths asked if there were people that had applied to us in the past and that although have paid their business rates and did not qualify for the grant; she asked if they were going through that list to see if they would qualify for this one.

NHowcutt said that people who have applied for grants in the past go onto different lists and when they start to advertise and publicise this list they will send the same information out to those on the various lists. The various business that applied and had not got a grant they managed to change the scope of various grants. The ARG is now in phase 3 and each time they enter a new phase they will try to target those businesses that were unable to achieve relief in previous phase. Effectively this phase 4 with more eligibility criteria restrictions is why local authorities are finding it difficult to find those niche amounts of businesses. Many of those 1500 businesses that they have outlined as potentially being able to get this are large organisations that for government subsidy reasons will not be able to accept these reliefs. He would like to be more optimistic on their ability to get this money out the door and they have been extremely good to date however this maybe a policy too far in terms of the eligibility criteria. They will put all of their energy's to that once they start in April and will report to members what options and opportunities they have between now and September to make these payments.

Cllr Griffiths asked when the 6 weeks starts.

NHowcutt said they would update members with the specific dates, they are estimating to start mid-April, which is when the 6-week period would start. The reason for that is that it has to be administered after all of the other reliefs and grants have been awarded to businesses in 2021/2022, it has to be the final one. They are waiting until everything has been finalised and approved and then they will roll it out. Equally, there has been a resource issue at the moment at this time of year with billing, council tax and the new reliefs that have come in for next year and closing the old ones. It makes sense to put energy into this one when they can during April and May. At that point, they will report to members in terms of how they are being received by businesses and what kind of information they were feeding back, also, weather new opportunities or new criteria from the government mean they can change, they will be a flexible as they can.

**Recommendation agreed**

**CA/27/21    GREAT GADDESSEN CHARACTER APPRAISAL**

The Meeting ended at 7.55 pm

## CABINET FORWARD PLAN

	DATE	MATTERS FOR CONSIDERATION	Decision Making Process	Reports to Monitoring Officer/ S.151 Officer	CONTACT DETAILS	BACKGROUND INFORMATION
	24/05/22	Business Engagement Proposals		04/05/22	James Doe – Strategic Director Place <a href="mailto:James.doe@dacorum.gov.uk">James.doe@dacorum.gov.uk</a>	To Be Provided
	24/5/22	Quarterly Risk Register		04/05/22	Nigel Howcutt, Chief Finance Officer 01442 228662 <a href="mailto:Nigel.howcutt@dacorum.gov.uk">Nigel.howcutt@dacorum.gov.uk</a>	To be provided
	24/5/22	Hemel Place Strategy Update and Consultation Launch		04/05/22	James Doe – Strategic Director <a href="mailto:James.doe@dacorum.gov.uk">James.doe@dacorum.gov.uk</a>	To be Provided
	12/07/22	South West Herts Joint strategic plan		23/06/22	James Doe – Strategic Director Place <a href="mailto:James.doe@dacorum.gov.uk">James.doe@dacorum.gov.uk</a>	To be provided
	12/07/22	MTFS Refresh		23/06/22	Nigel Howcutt, Chief Finance Officer 01442 228662 <a href="mailto:Nigel.howcutt@dacorum.gov.uk">Nigel.howcutt@dacorum.gov.uk</a>	To Be Provided
	12/07/22	Housing Asset Management Contract		23/06/22	Simon Moody – Group Manager procurement & Contracted services <a href="mailto:Simon.moody@dacorum.gov.uk">Simon.moody@dacorum.gov.uk</a>	To Be Provided
	12/07/22	Housing Action Plan		23/06/22	Deborah Wickham – Corporate Director Housing & Regeneration <a href="mailto:Deborah.wickham@dacorum.gov.uk">Deborah.wickham@dacorum.gov.uk</a>	To Be Provided
	12/07/22	Council Property Cladding Update		23/06/22	Deborah Wickham – Corporate Director Housing & Regeneration <a href="mailto:Deborah.wickham@dacorum.gov.uk">Deborah.wickham@dacorum.gov.uk</a>	To Be Provided
	12/07/22	Community Governance Review 2022		23/06/22	Emma Walker, Group Manager Environmental and Community Protection <a href="mailto:emma.walker@dacorum.gov.uk">emma.walker@dacorum.gov.uk</a> and Ben Stevens, Lead Officer Environmental <a href="mailto:ben.stevens@dacorum.gov.uk">ben.stevens@dacorum.gov.uk</a>	To Be Provided
	12/07/22	Appointment of the Principal Contractor for the St Margaret's Way project		23/06/22	David Barratt – Head of Development <a href="mailto:David.barratt@dacorum.gov.uk">David.barratt@dacorum.gov.uk</a>	To Be provided
	12/07/22	Appointment of the Principal Contractor to Stage 2 for the Marchmont Fields Site		23/06/22	David Barratt – Head of Development <a href="mailto:David.barratt@dacorum.gov.uk">David.barratt@dacorum.gov.uk</a>	To Be Provided
	12/07/22	Provisional Outturn Report		23/06/22	Nigel Howcutt, Chief Finance Officer 01442 228662 <a href="mailto:Nigel.howcutt@dacorum.gov.uk">Nigel.howcutt@dacorum.gov.uk</a>	To Be Provided
	12/07/22	Financial Monitoring Report		23/06/22	Nigel Howcutt, Chief Finance Officer 01442 228662 <a href="mailto:Nigel.howcutt@dacorum.gov.uk">Nigel.howcutt@dacorum.gov.uk</a>	To Be Provided



<b>Report for:</b>	Cabinet
<b>Title of report:</b>	Housing Revenue Account (HRA) Business Plan Update
<b>Date:</b>	19 <sup>th</sup> April 2022
<b>Report on behalf of:</b>	Councillor Griffiths, Portfolio Holder for Housing
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	Appendix A – Climate Emergency Housing Briefing Note February 2022
<b>Background papers:</b>	None
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	HRA – Housing Revenue Account SLT - Strategic Leadership Team (Chief Executive, Deputy Chief Executive and the 3 Strategic Directors) EPC – Energy Performance Certificate SAP – Standard Assessment Procedure DLUHC – Department for Levelling Up for Housing and Communities CPI – Consumer Price Index PWLB – Public Loan Works board UC – Universal Credit

<p><b>Report Author / Responsible Officer</b></p> <p>Deborah Wickham, Corporate Director, Housing (Interim)</p> <p>✉ 📞</p> <p>Deborah.wickham@dacorum.gov.uk / 01442 228875 (ext. 2575)</p>
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<b>Corporate Priorities</b>	<p>Providing good quality affordable homes, in particular for those most in need</p> <p>Ensuring efficient, effective and modern service delivery</p> <p>Climate and ecological emergency</p>
<b>Wards affected</b>	All Wards

<b>Purpose of the report:</b>	To provide members with an update on the Housing Revenue Account (HRA) Business Plan
<b>Recommendation (s) to the decision maker (s):</b>	<ol style="list-style-type: none"> <li>1. That Cabinet recommends that Council approves the updated Housing Revenue Account (HRA) Business Plan</li> <li>2. That Cabinet approves the following budget virements in the HRA for 22/23: <ul style="list-style-type: none"> <li>• £140k increase to the HRA Supervision and Management employee budget to cover the costs of an additional Team Leader Post and two new Strategic Housing Officer posts.</li> <li>• £200k increase to the HRA Supervision and Management supplies and services budget to cover the additional work to be undertaken in respect of stock reviews etc.</li> <li>• £340k reduction to the HRA Revenue Contribution to Capital budget.</li> </ul> </li> </ol>
<b>Period for post policy/project review:</b>	Annual review

## **1 Introduction/Background:**

- 1.1 This Plan outlines to Cabinet an update on the financial model, the Investment Strategy and the ongoing improvement and development pipeline. It also identifies pressures to the sector and has regard to the impending Building Safety Bill being enacted.
- 1.2 In 2012, the Council agreed its first 30-year Housing Revenue Account (HRA) Business Plan. It was a requirement following the introduction of Self-Financing (replacing the HRA Housing Subsidy System).
- 1.3 As the Council moved to Self-Financing in 2012, a broad strategic approach was adopted, enabling the Council to plan in the longer-term regarding investment in its Council owned housing stock. In this Plan, the Council has set out its strategic approach not just to housing stock, the conditions and improvements but community cohesion and development, environmental priorities and of course building new sustainable communities and homes. The Council has seen an increase in demand for affordable housing, (all forms of tenure including Shared Ownership).
- 1.4 The Plan details the financial related aspects and details how the Council's responsibilities as a Landlord can be discharged and compliant. It is crucial and prudent to ensure that housing stock is maintained to a good standard, is fit for purpose in the short, medium and longer terms and continues to serve the residents of Dacorum who are in greatest need.
- 1.5 The Council acknowledges that the data used to inform plans is being improved. A decision to set out its housing stock in an Asset Management Strategy was taken, and all housing stock will have a Stock Condition Survey undertaken over three years (ending 23/24). These surveys are vital in identifying community assets that require improvements, estate regeneration, potential remodelling and guide financial budget setting.

## **2. Performance and Governance**

- 2.1 The Plan is monitored through monthly finance management meetings, reported through to the Strategic Leadership Team (SLT) and Scrutiny and Cabinet. There is a clear governance structure that underpins the Plan.
- 2.2 The Coronavirus Pandemic has affected performance measures nationally and locally. Whilst the Council can see some form of recovery traction now, its planned Kitchen & Bathroom refit programme was stalled due to maintaining health & safety related infection control helping with reducing the risk to residents and employees alike. This was over the period of 18 months. The planned works programme for 22/23 is based on pre-pandemic levels.
- 2.3 The Council has recommenced delayed works due to the Coronavirus Pandemic.
- 2.4 Further scrutiny is in place with team leaders to ensure that all works are carried out to a good standard, value for money and include resident feedback and surveys.

## **3 Government Policy & Proposals**

- 3.1 The 1% rent reduction has impacted the income levels to approximately £33m over a total of four years. This decrease in income contributes to a negative impact on building new homes and investment in its current housing stock



- 3.2 When consideration is given to setting rents, (which becomes income in most parts), the Rent Standard which is regulated by the Regulator for Social Housing (RSH) must have regard to the Consumer Price Index (CPI) Rate plus 1%, albeit there is some flexibility to increase rents in General Needs by 5% and older people's accommodation by 10%. Further analysis is required to enhance the rent setting for Dacorum's housing stock.
- 3.3 There is also opportunity for prudential borrowing, (as a result of the Debt Cap being lifted in 2018), allowing increased investment in the new build programme. Whilst there is no ceiling threshold recommended by the Debt Cap being lifted, the Council demonstrates its financial consistency and prudence by assessing the need, potential borrowing, repayments and interest rates when seeking opportunities through this avenue. There are numerous aspects that influence borrowing as well as rent setting, running costs, land prices and viability surveys, inflation and increase in build costs, including the increase in labour market prices.
- 3.4 The Council must have regard to the Decent Homes Standard, this sets out the minimum acceptable condition standard for our housing stock. The Council underpins this through its Housing and Tenancy Strategies. There is a likely addition to the Standards including thermal performance (energy performance) and improved building safety regulations.
- 3.5 The Council is committed to reducing its carbon emissions in line with the new Energy Efficiency standard (minimum Band C) by 2030. This is detailed in the Government's white paper. Improvements to thermal performance, reduction in the use of gas and fossil fuels, replacing those with electric generated energy technologies requires investment and is contained within the HRA Business Plan. The data from sources such as South Eastern Energy Hub, the Energy Savings Trust and the Stock Condition Surveys/Asset Management will help the Council form its investment commitments whilst tackling climate emergency concerns. There is a briefing in Appendix A – Climate Emergency Housing Briefing February 2022, detailing the extent of its need to become more environmentally adaptable and still meet the demand for Council housing.
- 3.6 The Council is committed to drawing on the Public Works Loan Board (PWLB) and the way the borrowing is calculated (rates to gilts plus 80 basis points (0.08%) for its Certainty Rate with CR lower than Standard Rate PWLB borrowing). This means that short term borrowing can be affected but it leaves prudent room to plan for longer term borrowing.

#### **4 Increase in Rent Arrears and irrecoverable debts 20/21**

- 4.1 The Council has based its assumptions for this plan on rent arrears, which currently equates to 2.7% of its annual rent debit. The plan was adjusted to include a provision for irrecoverable debts to £2m in 20/21.
- 4.2 The mitigations set against the risks included increased capacity in staff numbers, procuring Income Analytics software targeting residents who require early intervention and support with their arrears which has increased the rent collection by 0.4%. The level of rent arrears in 2021 was 4.55%, decreasing to 4.1% in January 2022. The Bad Debt Provision is set at £2m which includes the likelihood of the impact of steeply increased energy bills and inflationary post-pandemic pressures on households. There is some movement for an increase in unemployment. It should be noted that the 'internal' Capital works programme was significantly reduced due to the Pandemic and the need to keep residents and staff safe and reduce the spread of Covid. 'External' component replacements continued but at a much slower pace due to staff shortages and material shortages nationally and locally.

#### **5 Right to Buy**

5.1 The re-invigoration of the Right to Buy Policy, (RTB) in 2013, resulted in an immediate increase in the number of sales recorded yearly. Table 1 provides the Right to Buy sales since 15/16. It is recognised that there is some volatility in recent years' sales which has an impact on Receipts (which contribute to building new homes) and rental income as the occupier moves to a mortgaged or cash purchase.

5.2 Table 1

Year	Right to Buy sales
2015/16	90
2016/17	93
2017/18	52
2018/19	29
2019/20	38
2020/21	35
2021/2022	36

5.3 The assumptions in the Business Plan have been updated to reflect the current trend and have been increased from 24 per annum, to 30 per annum from 2022-23 onwards.

5.4 The financial model allows for the use of the 1-4-1 receipts from RTBs being reinvested in the Council's development programme. The Council has obtained Investor Partner Status and is pro-actively seeking Affordable Homes grant funding through the Continuous Market Engagement route. The current Affordable Homes Grant programme covers the period from 21-26.

5.5 Homes England indicates that grants used to deliver social rent and use "modern construction" methods will be given additional weighting and consideration in the assessment of grant process. If the Council secures additional funding, due regard for merging 1-4-1 receipts and Affordable Housing Grant will need to be adhered to in order to maximise the use of the funding.

## **6 Stock Condition Survey and Building Safety Bill**

6.1 The Council wishes to continue to make sound, prudent decisions in terms of investment and seeks further information on its current housing stock to assist in those decisions. The Stock Condition Surveys programme (SCSP) will capture up to 100% of stock condition within three years. A sample cut of approximately 20% can be used to inform decisions ongoing. The SCSP commenced in December 2021, coinciding with the Omicron variant of the Coronavirus and resulted in, understandably, difficulties with gaining access to properties. The situation has improved, and the programme is on track. Once captured, the data will refine the assumptions that have currently been modelled in the Business plan regarding the investment required for component replacement.

6.2 The Council has made experienced and informed assumptions in the likely event of the Building Safety Bill (BSB) achieving Royal Assent in the coming months. A review was scoped and undertaken on the Council's blocks (flats) to ensure they were in scope of the BSB when enacted. Calford Seadon were commissioned to assess the Fire Risk Assessment (FRA) data, on behalf of the Council, with regard to any assumed high-rise blocks, and were scoped with identifying any additional data that could be used to give assurance that the Council's Fire Risk Assessment will be compliant. The data that was captured can help inform future decision making as soon as the BSB is defined.

## 7. Investment profile

- 7.1 The revised modelling has been scrutinised and reviewed by officers, in both housing and finance service areas, with the outcomes providing various different options for investment (further scoping is required).
- 7.2 The plan itself, details a number of financial assumptions, which are required to enable a level of future financial planning. They have been made based on past and future trends, along with the current knowledge of political and external factors. They are, however, subject to change and close monitoring throughout the year will ensure that, if there is significant change, this can be factored in, and the impact reported as required, depending on the significance.
- 7.3 As a result of these revisions and updates, the 2022/23 Business Plan reflects the current 30-year financial forecast, for the Housing Revenue account and some of the key issues that has covered already\* are as follows:
- Rents will rise at CPI plus 1% for the next 5 years and is then modelled with just a CPI increase for the remaining years of the plan.
  - The level of RTB sales remains forecast at 24 annually to the end of the current year and is then increased to 30 from 2022. Close monitoring on a quarterly basis will be required to ensure that receipts generated are in line with financial assumptions and that they align with the 1-4-1 receipt reinvestment.
  - The capital programme of investment in the current housing stock remains significant. The budgets in this area are to be approved within the Council's annual budget setting process. Each year the budgets are subject to review and budget approval. The forecast for the next five years is detailed within table 2 below:

Table 2

2021/22 *	2022/23	2023/24	2024/25	2025/26	2026/27
£13.818m	£22.029m	£18.100m	£18.524m	£17.523m	£15.306m

\*denotes current year.

Investment in the Council's New Build programme, over the same period is detailed in table 3 below:

Table 3:

2021/22 *	2022/23	2023/24	2024/25	2025/26	2026/27
£7.799m	£45.891m	£47.519m	£36.587m	£28.035m	£16.375m

\*denotes current year.

Table 4 below provides details of the schemes delivered to date, those currently under construction and those in the development pipeline. The table includes both properties let at social rent through the HRA, temporary accommodation units, six units developed as a rooftop scheme at Longlands, and 21 units that were developed on the Martindale site for open market sale, to cross subsidise the development programme.

Table 4:

<b>COMPLETED</b>			
Built pre 2019	Farm Place, St Peters, Elms, Aspen Ct, Queens St, Able House, Longlands	138	338
Kylna Court	Completed January 2019	79	
Swing Gate Lane New	Completed Autumn 2019	9	
Swing Gate Lane Refurb	Completed Autumn 2020	3	
Magenta Court	Completed September 2020	29	
Martindale	Completed November 2020	65	
Northend Garage Site	Completed June 2020	6	
Westerdale Garage Site	Completed July 2020	6	
Gaddesden Row	Completed January 2021	3	
<b>UNDER CONSTRUCTION</b>			46
Eastwick Row	Cladding Completed - Start January 2022	36	
Coniston Road	Start on Site Spring 2021	10	
<b>DEVELOPMENT</b>			362
Bulbourne	Design Commenced - On Hold	11	
St Margarets Close	Planning Approval achieved	46	
Wilstone	Start on Site Spring 2022	6	
Randalls Ride	Start on Site Spring 2022	30	
Garage Sites	Start on Site Summer 2022	25	
Paradise Depot	Submitted for Planning Approval	50	
Paradise Fields	Start on Site Spring 2022	58	
Cherry Bounce	Design Commenced	80	
LA1	Design Commenced	30	
Stoneycroft	Design Commenced	12	
Varney Road	Design Commenced	6	
Aragon Close	Start on Site March 2022	8	
<b>Total</b>		<b>746</b>	<b>746</b>

## 8. Risks and Opportunities

### Stock Condition Data

- 8.1 The Council was relying on old Stock Condition data to inform its Plan. This risk has been mitigated with the introduction of the SCSP.

### Land for new build supply

- 8.2 The Council has recognised risks regarding land availability. A slowdown in new build opportunity is assumed as difficulties in securing land for an ongoing pipeline is acknowledged but opportunity is considered for wider estate regeneration and land assembly. Both mitigating against the decline in land availability that is suitable for development.

### Changes to the Housing Service structure

- 8.3 Proposals have been developed to create a more substantial and resilient HRA strategic housing function. The creation and ongoing development of the strategic housing service area creates additional capacity to ensure that all aspects of housing strategy are considered through options appraisals, comprehensive reviews, renegotiating Nominations Agreements with our partner stakeholder Registered Providers and new partners, building on strengthening strategic partnerships across

rough sleeping initiatives and identifying further funding and grant opportunities. This service area will continue to influence and guide future investment in estate regeneration, new homes building, changes in legislation and be responsible for reporting on demand and supply modelling.

- 8.4 This service area will also ensure that a high-quality housing research, policy and information function is provided and reported across the Council.
- 8.5 Finally, the service will review and subsequently provide, improved performance monitoring capacity for the housing service and will lead the development of the Council's new Housing and Tenancy strategies and other key policy documents.
- 8.6 The service will have a working budget of £200,000 per annum in order to commission additional stock reviews, technical surveys, options appraisals and feasibility studies for particular stock archetypes and estates.

### **Investment and Asset Management Strategies**

- 8.7 The decisions around the approach toward the investment strategy will be undertaken when a suite of accountable reviews have concluded. This includes the Stock Condition Surveys which inform the Asset Management Strategy, the review of Supported Housing (Older people's accommodation options) and a Temporary Accommodation review not to mention a Rents review, development of a Demand and Supply model, the introduction of the new Allocations Policy and a service wide ICT review.
- 8.8 Further sensitivity analysis can be underpinned by the review outcomes so that ongoing compliance is effectively managed, assets are regenerated efficiently, and further projects are given consideration following analysis of the latest data.

### **Grant Funding**

- 8.9 The Council will continue to bid for any available grant funding through Homes England and will seek funding to support the thermal upgrading of the stock as and when it becomes available throughout the life of the Business plan. The Council has been successful in securing £300K funding from the Social Housing Decarbonisation fund which will supplement the existing budget in the financial year 22/23.

## **9. Consultation**

Strategic Leadership Team

Nigel Howcutt – Chief Finance Officer (S151 Officer)

Fiona Jump – Head of Financial Services (Deputy S151 Officer)

Chris Stratford – Interim Corporate Director, Housing – no longer at DBC

Jason Grace – Head of Housing Property Services

Natasha Beresford – Assistant Director Strategic Housing

Oliver Jackson – Head of Housing Management

David Barrett – Head of Development

Ada Terry – Team Leader Strategy, Improvement and Engagement

## **10. Financial and value for money implications:**

### **10.1 Financial**

All areas of the Housing service are subject to Monthly Budget Monitoring Meetings with the HRA Financial Accountant. Budget Reporting is provided quarterly to Housing and Communities Overview and Scrutiny Committee. Material variances are considered, and interventions identified where appropriate.

## **10.2 Value for Money**

The Housing Service & its costs are reviewed annually through a national benchmarking organisation (Housemark) and each of the contracts with service providers provide the opportunity for sector benchmarking to be undertaken as necessary. The Strategic Housing team will seek out best practice and ensure that performance indicators are measurable, effective and sustainable.

## **11. Legal Implications**

The Housing service must comply with numerous varying pieces of regulatory and statutory compliance. This ranges from homelessness prevention and relief to allocation of social housing through its waiting list to health & safety compliance and tenancy law. The service will review the implications as necessary, and this is business as usual.

## **12. Risk implications:**

The Housing Operational Risk register details the risks associated with the management of the Housing service and is updated following any changes in the risk profile and reviewed quarterly, for inclusion in the performance reports to Housing and Communities Overview and Scrutiny.

## **13. Equalities, Community Impact and Human Rights:**

13.1 The Housing Revenue Account is a 'ring fenced' account for income and expenditure solely related to the Council's housing stock, tenants and leaseholders. Community Impact Assessments are developed whenever there is a requirement to change or create a new policy or procedure or significant change to service delivery.

13.2 Human Rights – There are a number of services that are provided to tenants and leaseholders which involve entering their homes. The policies adopted by the Council are subject to tenant consultation or oversight to make sure that the right to "quiet enjoyment" is balanced against our responsibilities to discharge our housing functions effectively.

## **14. Sustainability implications, Health and Safety**

Investment programmes are contained in the HRA Business Plan and include sustainability and compliance to address the corporate priorities and statutory legislation.

## **15. Council infrastructure**

The HRA stock and management of the asset, including services that are outsourced forms part of the wider estates resources and the management of health and safety related matters are reported into the Corporate Health and Safety Working Group.

## **16. Statutory Comments**

### **Monitoring Officer:**

The annual review provides a robust mechanism to monitor the business plan to ensure that it takes account of changes in government policy, law and the economy and therefore meets the Council's statutory requirements.

### **Deputy S151 Officer:**

There are some inflationary assumptions inherent within the Business Plan which are liable to change over the lifetime of the plan and so represent a risk to delivery. These assumptions are kept under regular review.

The Business Plan incorporates a programme of capital works, which must be financed. Funding sources available to meet the cost of these works includes capital receipts and reserves, grant funding and external borrowing.

The way in which the Council structures its borrowing will influence the amount of funding available to deliver the Business Plan in future years. Borrowing options and the associated implications for the Business Plan will be presented to Members in advance.

**17. Conclusion:**

The HRA Business Plan has been updated to reflect the variables contained in the financial model and current government policy. A further report will be provided toward the end of the financial year which will update Cabinet on any changes.

## **APPENDIX A**

### **Climate Change Update – Housing**

#### **Introduction**

The construction industry is responsible for 20% of all global carbon emissions and with buildings requiring constant maintenance, demolition and rebuilding, coupled with an ever growing population this is a figure that is only going to increase. Additionally the average household in the UK emits 2.7 tonnes of CO2 every year from heating their home.

The Housing service directly manage over 10,000 properties across the Borough and have a pro-active Private Sector Housing team that support the owners and tenants in 12,000, properties of this tenure type.

It is essential that in order to support the objectives of the Climate emergency agenda, that the Housing service build on the work undertaken to date, to ensure that sustainability, energy and thermal efficiency, are at the root of all decisions made in respect of the buildings that are developed and maintained, by the Council.

Additionally, the opportunity to work with residents to educate and influence behaviour to assist in the reduction of waste, efficient use of heating and lighting and promoting community recycling initiatives, is equally important in the efforts to combat climate change. The Council provide home energy efficiency advice and work closely with third sector partners to support a wider opportunity to support those who are struggling to pay their rising energy costs.

#### **Sustainability approach and achievements to date**

##### ***Private Sector Housing***

The Council provides Energy Company funded energy efficiency measures, such as heating and insulation for qualifying private residents by working in partnership with YES Energy Solutions, the previous supplier for the Hertfordshire Warmer Homes scheme. By working directly with YES Energy Solutions Dacorum has been able to offer this service to qualifying private residents throughout the pandemic and there have been a further 23 installations since July 2020.

The Council have been successful in applying for £1.477 million Sustainable Warmth funding (Green Homes Grant Local Authority Delivery 3) in partnership with the Greater South East Energy Hub, which will be available until March 2023. The funding is limited to properties with an EPC rated D-G and a household income of less than £30,000. A targeted mailshot sent in January/February 2022 to 11,000 households generated an additional 185 enquiries from residents.

In addition, we promoted the Green Homes Grant voucher scheme in 2020/21 and, after the scheme closed in March 2021, signposted residents to Energy Company and/or Green Homes Grant Local Authority Delivery funding where applicable.



The Council have written to landlords with privately rented properties with an energy rating below E regarding the minimum energy efficiency standards and advised on how they may comply. We routinely check the energy rating of a property and ensure there is compliance with MEES when responding to complaints from privately renting tenants and licencing Houses in Multiple Occupation.

In June 2019, we gave a presentation on Minimum Energy Efficiency Standards and ECO funding at the Landlords Forum. We have also raised awareness via the Private Sector Team's quarterly newsletter, social media and our website.

Dacorum has been the leading organisation, on behalf of the Hertfordshire Climate Change and Sustainability Partnership, to work alongside the Energy Saving Trust and become the first local authority to launch an energy efficiency app for residents. This is called the Hertfordshire Energy Advice Tool (HEAT) and is free for residents to download.

### ***Existing Council Housing***

In 2020/21 Dacorum were allocated £400,000 Green Homes Grant Local Authority Delivery Funding, £100,000 of which has been earmarked for improving the energy efficiency Dacorum Borough Council Housing at Squires Ride. The remainder has been made available to qualifying owner occupiers and private residents across the Borough via our partnership with the Greater South East Energy Hub. The funding is available until June 2022.

The Council were successful in securing £300,000 of Social Housing Decarbonisation funding to improving the energy efficiency of Dacorum Borough Council Housing at Northend. The work needs to be completed March 2023.

The Council secured Green Homes Grant vouchers to install loft insulation in to a number of qualifying Dacorum social housing properties before the scheme ended in March 2021.

The Council are currently exploring the opportunities to use external funding beyond 2022/23 to improve the energy performance of the housing stock. The majority of funding available for social housing is limited to those rated Energy Performance Certificate E – G. There are a few exceptions for non-traditional properties rated D, which need innovative measures. However, this does not apply to the majority of our EPC "D" rated homes and the Council have a small percentage of the stock below D at 4.23%. The Council are modelling the current energy savings trust data and will overlay the stock condition data to develop the ongoing investment strategy.

The Council have optimised the use of historic grant funding from, the Green Deal, Energy Company Obligation (ECO), Carbon Emissions Reduction Targets (CERT) and Community Energy Saving Scheme (CESP), along with its own capital funding, to undertake a raft of energy improvements to existing stock.

One of the first projects was in response to the opportunity to obtain attractive feed in tariff's (FiT) from the installation of solar photovoltaic (PV) panels, which aside from the ongoing revenue income, used renewable energy sources to generate electricity, for use in the schemes communal areas. **Seven** of the sheltered housing schemes had large solar PV arrays installed, which combined with the installation of Light Emitting Diode (LED) light

fittings have dramatically reduced the energy consumption at the schemes. LED light fittings have been installed to a number of other sheltered schemes and combined with the use of motion sensors, to reduce the energy consumption substantially.

In addition the street lighting columns, which are owned by the housing service have been subject to a programme of fitment replacements and just over 35% have been replaced with LED fitments.

Other investments have been targeted at those properties with a low Energy Performance Certificate (EPC) banding, whereby the measures would have significant benefit to the occupiers. To date we have installed External Wall Insulation (EWI) at **265 individual houses**, all of which were solid wall construction.

The estate based project at Summer Court, provided a number of sustainable improvements to **32 flats**, including solar photovoltaics, EWI and a biomass boiler, which has sufficient capacity to add additional blocks, in the future. The biomass boiler qualifies for Central Governments, renewable heat incentive (RHI), which was set up to encourage uptake of renewable heat technologies amongst households, communities and businesses. The Council receive payments for seven years following the installation.

Seaton Road, in the image below, had a similar whole house approach undertaken and works included, EWI, new roofs including upgraded loft insulation and the installation of solar photovoltaic panels, and new condensing boilers. The scheme also provided the opportunity for private owners to have EWI installed to their properties, enabling a number to have works undertaken, which were part grant funded, whilst also having the benefit of retaining the streetscape. The project was shortlisted for a National Housing Maintenance Forum award in 2015, for sustainability and innovation.



The upgrade of the block of **20 flats** in Longlands, in the image below, included EWI, solar PV and new double glazed windows to all properties and the communal areas, as well as providing six additional flats on the roof for social rent.



Properties located in off gas rural locations, have benefitted from a raft of improvements including, EWI and installation of air source heat pumps (ASHP) to **62 homes**, which also attract RHI.

Properties with cavity construction, have had cavity fill installed, to improve the thermal performance, and loft insulation has been installed to the majority of Council properties, to provide 300mm of cross laid insulation.

The capital investment programmes in the past five years have delivered 988 window replacements, with thermally efficient double glazed units, 6632 composite doors, which have an insulated core and 3941 condensing boilers with a Seasonal Efficiency of a Domestic Boiler in the UK (SEDBUK) rating of A, which save around 90% of the energy rated by the boiler. To put that in perspective, old boilers lose 35-40% of the energy they create.

The RHI from the biomass boiler and ASHP's bring in approximately £20K per annum and the FiT around £30K, which can be reinvested in other energy efficiency measures.

## ***New Council Housing***

The principal control documents are our Design Guide and Employers Requirements. These outline the requirements in respect of sustainability and energy performance, along with reference to supporting documents that provide specific criteria to achieve buildings that minimise the environmental impact.

National Housing Federation Housing Standards Handbook- This document outlines design detailing that should be considered. It covers areas like:

- Building orientation doesn't exacerbate excess heat gain or loss
- Balancing the size and thermal performance of windows for improving daylight and sunlight without excess heat gain or loss
- Ensuring that the amount of ventilation is adequate
- Heating systems are correctly sized for the amount of insulation and levels of air tightness
- Understanding how improved thermal insulation can assist with reduced noise transmission.

UK Green Building Council – Health and Wellbeing in Homes - This report discusses the mental, social and physical health and wellbeing of the people who occupy the homes we build. This aims to gather and distil the most compelling evidence and advice about building and neighbourhood design features which can enhance the health and wellbeing of residents.

Site Waste Management Regulations - Our Designers must be aware of and contribute to the preparation of the Site Waste Management Plan. In particular, schemes are designed in a manner that reduces waste.

Sustainability and Energy Strategy - In order to formulate a standardised approach to sustainability and energy efficiency in the construction of new homes we operate a staged approach as follows:

- Stage 1 - Passive Design Measures and Features. 'Be Lean'

New dwellings design adopt a 'Fabric First' approach and as such benefit from - low U-values, high standards of air tightness, beneficial use of daylighting and high levels of insulation to initially reduce the energy demands and associated CO<sub>2</sub> emissions of the building.

- Stage 2 - Passive and Active Energy Efficient Building Services. 'Be Clean'

In addition to passive 'Lean' measures, the dwellings include high standards of energy efficient building engineering services. These measures include the following: high efficiency

lighting design and associated controls, high efficiency fan motors, variable temperature and volume control of the heating systems.

- Stage 3 Low/ Zero Carbon & Renewable Energy Provision 'Be Green'

Over and above passive and active measures to achieve further overall reduction in CO<sub>2</sub> emissions. Air source heat pumps, photovoltaic panelling or other renewable technology are considered to reduce emission figures.

Design to maximise daylight and solar gain - Schemes are designed to maximise solar gain to assist overall energy performance while at the same time taking precaution against potential summer overheating.

Design to minimise noise nuisance - A high standard of sound insulation must be provided. Values will be in excess of current Building Regulation

Design to minimise whole life costs - Designers should consider life cycle costing techniques to justify selection of elements and services.

Design to comply with new planning policy requirements and introducing both active and passive EV charging points in line with our planning approvals.

Design to maximise value - Schemes should be designed to maximise value by considering the most efficient use of space (while not detracting from our minimum space standards) and by maximising the likely saleability of any sales element

Design to Reduce Construction Waste - Designers must consider opportunities for reducing construction waste at design stage when the potential for such is at its greatest. This can be achieved by using construction techniques that make efficient use of materials, minimise production waste and have recyclable waste streams.

Modern Methods of Construction - Appropriate solutions will be considered provided it can be demonstrated that the proposals are of genuine value. This is an area we are just starting to move into and have some sites in mind, which could benefit from this approach.

Examples of our Contractors approach

- Site cabins are all low energy with inbuilt PV panels and sensors for lighting etc.
- Waste segregation is rarely available on site due to space, so they often use a waste management company that sort each skip into the separate waste streams when offsite and provide a report showing where the waste was used or disposed of.
- Using the feedback from these reports benchmarks can be set for use on the next schemes
- Working with a number of the suppliers to reduce the amount of packaging that is used prior to site delivery
- Where packaging is essential suppliers are encouraged to collect it for re-use

- Sustainable procurement practices – buying only materials that can be proven to have been sustainably manufactured or sourced – the perfect example of this is timber with PEFC or FSC certification
- Part of our supply chain selection process includes the vetting of each company’s environmental management processes/manual

St Peter’s Court, a development of nine general needs two bedroom flats was built to the Passivhaus design standard and the Council have also working in partnership with Hastoe Homes on a Passivhaus project in Great Gaddesden, which is an off-gas village. Four new homes were officially opened in May 2018.



Where appropriate solar PV or solar thermal has been fitted to the new build schemes to generate energy for the communal facilities, as shown above in the image of Farm Place in Northchurch.

### **Proposals**

- Align our actions to tackle Climate Change and Fuel Poverty, so one policy does not conflict with another. If we are to move away from fossil fuel based heating, we need to ensure we provide alternatives that are affordable to run.
- Consideration of the use of technology to assist in the management and use of energy in residents homes.
- Develop a Communications Plan or campaign, based on the “be lean, be clean, be green” principles to provide education and support to encourage all residents and contractors to play their part in preventing Climate Change.

- Focusing on constructing for the future, the use of more reliable and environmentally friendly materials and by improving understanding of embedded carbon and the ability of materials to be recycled.
- Ensure Minimum Energy Efficiency Standards are met for the Council owned stock
- Work with contractors and energy providers to access any available grant funding to supplement the capital investment programmes.

### ***Private Sector Housing***

- Use the Private Sector Stock Condition Survey to target our work to improve the energy efficiency of private sector housing.
- Continue to refer qualifying private households for Energy Company funded energy efficiency measures with the aim of all fuel poor households having a minimum of an EPC energy rating of “C” by 2030.
- Ensure Minimum Energy Efficiency Standards are met in the Private Rented Sector. The current Minimum EPC rating is an “E” and this is likely to rise to a “D” by 2025 and a “C” by 2030.



<b>Report for:</b>	Cabinet
<b>Title of report:</b>	Employment and Skills Supplementary Planning Document
<b>Date:</b>	19 <sup>th</sup> April 2022
<b>Report on behalf of:</b>	Councillor Alan Anderson, Portfolio Holder for Planning and Infrastructure
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	Appendix A Draft Employment and Skills Supplementary Planning Document Appendix B Draft Employment and Skills SPD Community Impact Assessment Appendix C Strategic Planning and Environment Overview and Scrutiny Committee Recommendations to Cabinet
<b>Background papers:</b>	<ol style="list-style-type: none"> <li>1. Economic Development Update Report 24 November 2021</li> <li>2. Economic Recovery Strategy Report 19 October 2021</li> <li>3. Dacorum Economic Recovery Plan (2021)</li> <li>4. Dacorum Borough Council Commissioning &amp; Procurement Strategy 2019-2024</li> </ol>
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	APD: Approved Delivery Partner SCI: Statement of Community Involvement SPD: Supplementary Planning Document

### Report Author / Responsible Officer

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<b>Corporate Priorities</b>	Building strong and vibrant communities Ensuring economic growth and prosperity
<b>Wards affected</b>	ALL
<b>Purpose of the report:</b>	1. To seek Cabinet's approval to consult on the Draft Employment and Skills SPD



	2. That Cabinet notes the views of Strategic Planning and Environment Overview and Scrutiny Committee (Appendix C)
<b>Recommendation (s) to the decision maker (s):</b>	<ol style="list-style-type: none"> <li>1. That Cabinet approves the Draft Employment and Skills Supplementary Planning Document for public consultation.</li> <li>2. That Cabinet delegates authority to the Portfolio Holder for Planning and Infrastructure and the Assistant Director for Planning, to agree the timing of the public consultation on the Draft Employment and Skills Supplementary Planning Document.</li> </ol>
<b>Period for post policy/project review:</b>	<b>5 years</b>

## 1 Introduction/Background

- 1.1 The Draft Employment and Skills SPD (Appendix A) is a new tool that will enable the Council to ring-fence specific opportunities arising from a development to benefit the Borough's residents, thereby generating additional social value.
- 1.2 Attracting social value and benefits from developments and procurements for the local community has become increasingly important within the public sector. The Public Services (Social Value) Act, which came into force in England and Wales in January 2013, requires the commissioners of public services to consider how they can secure wider social, economic and environmental benefits from their activities. Initially this focussed on social value in relation to the procurement of goods, works and services, but many local authorities are now extending their scope to include gain from planning developments.
- 1.3 The Draft SPD sits under Policy CS14 of the Dacorum Core Strategy (2013) which states "*Initiatives that help the local workforce adjust to change and develop their skills will be supported*". The Council's focus on improving local employment opportunities and skills is set out within the Dacorum Corporate Plan (2020-2025), the Dacorum Growth and Infrastructure Strategy to 2050 and the Dacorum Economic Recovery Plan.
- 1.4 This report sets out the Council's role in the social value agenda and how the SPD will help deliver economic priorities, before explaining the implementation of the SPD and the next steps to adoption.

## 2 Purpose of the Employment and Skills SPD

- 2.1 The Dacorum Economic Recovery Plan (2021) sets out in detail the economic challenges the Borough faces and the impact these are having on the local workforce shown through educational attainment, average wages and the number of economically inactive residents, particularly amongst young people aged 18-21. This highlights that slow recovery from the pandemic and ongoing automation in workplaces may create mismatches between the skills of the workforce and those needed for new job opportunities, leading to a decline in residents' economic wellbeing.
- 2.2 The Dacorum Economic Recovery Plan aims to drive forward Dacorum's ambition as a key contributor to economic growth and wellbeing with priorities and actions to tackle economic issues and help ensure a future successful economy. The Employment and Skills SPD will be a significant tool in achieving this.
- 2.3 The SPD aims to:
  - Increase employment opportunities by helping local businesses to improve, grow and take on more staff;
  - Help businesses to find suitable staff and suppliers, especially local ones;
  - Improve the skills of local people to enable them to take advantage of the resulting employment opportunities; and
  - Help businesses already located in Dacorum to grow and attract new businesses into the area.
- 2.4 The SPD will be used by:
  - Applicants when preparing development proposals;
  - Planning officers, to negotiate with applicants/agents;
  - Economic development officers, when assessing local needs and the impact development could bring;
  - Legal officers when preparing legal agreements (S106) that incorporate the SPD's requirements for delivering social value; and

- Elected Councillors when assessing development proposals in advance of and at planning committee.

## **Implementing the SPD**

- 2.5 Once adopted the SPD will become a material planning consideration when determining individual planning applications. The draft SPD includes development thresholds for when a Social Value Strategy will be required. These are set at 30 or more homes for residential development and building(s) of 1,000m<sup>2</sup> or more for non-residential. Opportunities will primarily be delivered during the construction phase. In addition, where appropriate, commercial development should also include a commitment to target local residents when recruiting for employment opportunities that will be created by the end-use occupation phase.
- 2.6 The Council will provide support to developers and help them access local networks, providers and schools in order to successfully implement the SPD. The Council can choose to provide this resource directly or procure an external body (an Approved Delivery Partner) to manage the process.
- 2.7 Development Management Officers will make applicants aware of the obligation and that a Strategy will be a requirement to secure permission for development that meets the threshold. A social value forecast will first be used to set a target for the number of social value weeks the specific development will be expected to deliver, generated by an industry approved model and regionally specific information.
- 2.8 A Social Value Strategy will then be prepared setting out the training and employment weeks to be delivered by the developer. Types of measures that will be encouraged through this process include:
- Targeted recruitment and training requirements, ensuring that apprenticeships and other work opportunities help to alleviate unemployment;
  - Work placement opportunities designed to support education and learning;
  - Targeted vacancy filling or maximising the use of employment support partners;
  - Supporting the integration of the local supply chain, helping to develop a wider business base both for the delivery of services and materials;
  - Provision of opportunities for social enterprises, which have explicit social, economic or environmental aims;
  - Participation in the promotion of education initiatives, supporting the transition between school and work;
  - Participation in forums created to promote sector development, sharing good practice to stimulate improvement;
  - Participation in forums created to promote community development, maximising the benefits of a strong voluntary and community sector.
- 2.9 The Social Value Strategy will be included within the development's S106 agreement. Once in place, the Strategy's measures will be delivered via a Social Value Delivery Plan, which will set out specific actions such as undertaking recruitment through Jobcentre Plus and other employment agents, creating apprenticeships, providing work experience and placements for students and young people, and delivering accredited training opportunities. These activities will be regularly monitored during the construction phase. The overall impact of the SPD will also be monitored and a measure included within the Annual Monitoring Report published by the Council.

## **Next steps**

- 2.10 Subject to approval by Cabinet, formal public consultation on the Draft Employment and Skills SPD will take place in accordance with the Council's Statement of Community Involvement (SCI).

- 2.11 Following the consultation, the Council will consider the views raised and make any changes it feels are necessary to the document before bringing the final Draft back to the Strategic Planning & Environment Overview & Scrutiny Committee and onto Cabinet for adoption.

### **3 Options and alternatives considered**

- 3.1 Continue the current situation – there will be no additional benefit to residents secured from future housing and commercial development, some opportunities may be delivered at the discretion of the developer, however these would not be targeted, measured or recorded.
- 3.2 Require development to submit a Social Value Strategy with the developer determining the need and requirements – this would deliver some additional benefit to residents, however there would not be measures in place to ensure it was proportionate to the scale of development and tailored to meet local needs.

### **4 Consultation**

The following services within the Council have been consulted on the work undertaken to date:

- Development Management
- Strategic Planning
- Economic Development
- Hemel Garden Communities
- Community Partnerships
- Housing Development
- Housing Strategy and Policy

### **5 Financial and value for money implications**

- 5.1 Funding to prepare the Draft Employment and Skills SPD is provided from existing base budgets.
- 5.2 The SPD will enable the Council to secure employment and skills opportunities for local residents from development that meets or exceeds a set area/number of units threshold. Requiring development to invest in the current and future local workforce will have a direct impact on individuals, will improve the overall skills level of the Borough's working population enabling businesses to flourish and will in turn bring wider social and economic benefits to Dacorum.
- 5.3 The requirement for developers to prepare a Social Value Strategy will include payment of a financial contribution relating to the Council's costs in providing advice to the applicant and undertaking the delivery, monitoring and reporting of social value.

### **6 Legal Implications**

The Social Value Act (2012) requires public bodies to consider how the services they commission and procure might improve the economic, social and environmental wellbeing of their local community. The Council has incorporated this objective into the Commissioning and Procurement Strategy (2019-2024) that seeks to deliver additional value to the community through the Council's contracts. Nationally, the range of activities that deliver social value is now widening and a growing number of Councils are looking to capitalise on this by integrating social value into their planning process. The most practical opportunity to achieve this is for a development to produce a Social Value Strategy.

### **7 Risk implications**

- 7.1 Given the long-term changes in employment and retail expected because of the pandemic and future automation, it is important that the Council has planning guidance in place to

enable the local workforce to adapt and develop skills that will meet future needs. The guidance will ensure that residents gain additional benefits from major development and will help support the Borough's long-term prosperity.

7.2 Without these measures, there is the risk that jobs created through the construction and operation of new buildings are taken by workers from outside the Borough, and that the skills of the local workforce become misaligned with emerging employment sectors.

## **8 Equalities, Community Impact and Human Rights**

### **Community Impact Assessment (Appendix B)**

8.1 The types of positive outcomes to be delivered include:

- Social Value Strategies will be expected to demonstrate opportunities aimed at young people to help alleviate unemployment and build skills, such as through targeted recruitment, apprenticeships and work placement opportunities.
- Developers will be encouraged to set out how they would engage with local schools and support them to promote the skills and qualifications needed for employment amongst young people aged 11 to 16 years, and also to support the transition between school and work.
- The Social Value Strategy should consider provision of opportunities for social enterprises, which have explicit social, economic or environmental aims.
- The activities of the Social Value Strategies will improve the economic wellbeing of individual residents in the Borough who may currently be impacted through having a low income, holding lower qualifications or being economically inactive.

### **Human Rights**

8.2 There are no Human Rights Implications arising from this report.

## **9 Sustainability implications (including climate change, health and wellbeing, community safety)**

The Draft SPD will enable additional social benefits to be secured from planned growth through the delivery of skills, training and employment outcomes targeted at local residents, education providers and businesses. Given the likely level of growth expected over the new plan period and initiatives such as the Hertfordshire Innovation Quarter and Hemel Garden Communities, the impact of this new policy could be transformative to both individuals and the local economy.

## **10 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)**

There are no implications for Council infrastructure arising from this proposal.

## **11 Statutory Comments**

### **Monitoring Officer:**

No comments to add to the report.

### **Deputy S151 Officer:**

This reports requests approval of the Draft SPD for public consultation. The costs associated with undertaking this consultation will be met from existing resources. Any financial considerations associated with the Council formally adopting the SPD will be brought before Cabinet in future reports.

## **12 Conclusions:**

- 12.1 Dacorum is likely to see significant growth and investment over the coming decades, particularly in housing and employment development. There is the opportunity to draw added value from these developments to directly benefit the Borough's residents and economy by requiring development above a set threshold to prepare and implement a Social Value Strategy.
- 12.2 By introducing the SPD requirement, the Council can act on its crucial role in the social value agenda and create opportunities for skills and apprenticeships, delivering on the priorities of the Dacorum Economic Recovery Plan.



# **Supplementary Planning Document (SPD)**

Employment and Skills SPD

**Consultation Draft**

**March 2022**

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## **1.0 Introduction**

### **What is this document and why is it needed?**

- 1.1 This document has been prepared by Dacorum Borough Council (the Council) as a Supplementary Planning Document (SPD).
- 1.2 The SPD is driven by the Council's aspiration to see additional benefits (known as Social Value) incorporated into the delivery of housing and other types of development. Social Value is the additional economic, social and environmental benefits that can be created as part of development. By seeking to capture Social Value from major developments, whilst such schemes are at the planning stage, the Council can achieve added value for Dacorum, particularly in the area of employment and skills, to which this SPD relates.
- 1.3 Ensuring growth and prosperity is one of the six priorities of the Council's Corporate Plan (2020-2025) which seeks to create a diverse choice of employment opportunities and a strong and thriving local economy where unemployment is low. Working with the Hertfordshire Local Enterprise Partnership (Herts LEP) and local colleges to develop skills for emerging growth sectors is a particular focus.
- 1.4 The Corporate Plan sits alongside the Dacorum Growth and Infrastructure Strategy to 2050 "Shaping the future of Dacorum" which sets out a commitment to facilitate good, high value jobs based on the skills that will sustain and develop new and emerging growth sectors.
- 1.5 These documents add impetus to the need for new development to contribute towards delivering skills and employment opportunities in the Borough.
- 1.6 The Local Plan policy context for this can be found in the Core Strategy (adopted 2013) where policy CS14 states "Initiatives that help the local workforce adjust to change and develop their skills will be supported".
- 1.7 This Supplementary Planning Document adds detail and further guidance to how this policy should be delivered on the ground by requiring developers to prepare and implement a Social Value Strategy for schemes that meet or exceed a certain threshold; such strategies will help to develop the skills of the resident workforce and provide a route to employment for local people.
- 1.8 In particular, this SPD provides detailed guidance in respect of:
  - The circumstances in which Social Value Strategies will be expected;
  - The types of development it would apply to;
  - The development thresholds that would trigger a requirement for a Social Value Strategy to be submitted with a planning application;
  - The content required in Social Value Strategies;

- Initiatives the Council would support; and
- The process involved in requesting, preparing and implementing Social Value Strategies and the expected outcomes.

### **Procedural matters**

1.9 Once adopted, the SPD will be a material planning consideration, which means it will assist Council officers and Elected Members in reaching a decision during the determination of applications concerning major development. It will also guide applicants and their agents in drawing up appropriate Social Value Strategies.

1.10 The successful implementation of the SPD will:

- Result in increased local employment opportunities by helping businesses to improve, grow and take on more staff;
- Help businesses to find suitable and (especially) local staff and suppliers; and
- Improve the skills of local people to enable them to take advantage of the resulting employment opportunities.

1.11 The Town and Country Planning (Local Planning) (England) Regulations 2012 do not require a Sustainability Appraisal to be carried out on SPDs. However, the potential requirement for a Habitats Regulation Assessment (HRA) and / or Strategic Environmental Assessment (SEA) based upon any environmental concerns introduced or influenced by the SPD must be considered. In response, an SEA / HRA screening assessment is underway.



## 2. National policy and Legal Framework

National advice on planning's role in promoting economic development is provided through the National Planning Policy Framework (NPPF). The sections of the NPPF most relevant to this SPD are summarised below.

- 2.1 NPPF paragraph 8 sets out three overarching objectives contributing to sustainable development: building a strong, responsive and competitive economy, supporting strong, vibrant and healthy communities and protecting and enhancing the environment. The wording of the economic development objective is as follows:

*“a) **an economic objective** – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure”*

- 2.2 Section 6 in the NPPF provides guidance on 'Building a strong, competitive economy'. The main guidance is contained in paragraphs 81-83:

*“81. Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. This is particularly important where Britain can be a global leader in driving innovation, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential.*

*82. Planning policies should:*

- a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;*
- b) set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
- c) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and*
- d) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.*

*83. Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for*

*clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.”*

### **Legal framework: Public Services (Social Value) Act**

- 2.3 There are a variety of definitions of Social Value already in existence, many of which stem from the Social Value Act (2012), which highlights the additional benefits available from thoughtful commissioning of public services. Because of this, existing definitions largely consider Social Value in relation to services, rather than goods or works. This overlooks the possibility that Social Value is the broader social, environmental and economic benefits which enrich society, rather than just the social capital of a locality.
- 2.4 Although the 2012 Act applies to contracts beyond a certain minimum value only, there is evidence that it has been applied by Councils to the procurement of goods and works, as well as services. This is perhaps a reflection of the growing recognition that the Act can be used to capitalise on the broader Social Value Agenda.
- 2.5 The scope of potential outcomes that deliver Social Value is therefore widening and a growing number of Councils are looking to capitalise on this by integrating Social Value into their planning process, albeit with different approaches. The most practical opportunities, however, include the requirement for development to produce a Social Value Strategy.

### **Levelling Up**

- 2.6 The Levelling Up agenda put Councils at the heart of delivering the Government’s programme to improve opportunities and outcomes in all parts of the country. Dacorum is a divided Borough with areas of deprivation sitting alongside areas of wealth and prosperity. This SPD emphasises the Council’s ambition to support the national Levelling Up agenda, working alongside local stakeholders to build forward for a prosperous and resilient future.



### **3. Local Policy Background**

The following local documents provide the policy framework for this SPD;

- [Dacorum Borough Council Corporate Plan 2020 - 2025](#)
- [Dacorum Growth and Infrastructure Strategy to 2050](#)
- [Dacorum Borough Council Local Plan](#)
- [Dacorum Economic Recovery Plan](#)
- [Hemel Garden Communities Spatial Vision 2020](#)

#### **Dacorum Borough Council Corporate Plan 2020 - 2025**

- 3.1 Ensuring economic growth and prosperity is one of the six key priorities of the Council's Corporate Plan, which will drive service delivery over the period of the plan. The outlined activities seek to achieve a future where "employment opportunities will be diverse and offer good choice, and unemployment is kept low, with the local economy strong and thriving".

#### **Dacorum Growth and Infrastructure Strategy to 2050**

- 3.2 The Dacorum Growth and Infrastructure Strategy '[Shaping the Future of Dacorum](#)' was prepared to help steer service delivery over the coming decades to enable the Borough to maximise on the benefits from growth, address the challenges it faces and anticipate the changes ahead. For theme 2 'Generating a vibrant economy with opportunities for all' the Strategy's vision for the economy is "A vibrant economy that makes the most of its location and its transport links, as well as offering varied high-value jobs. One that attracts businesses in emerging growth sectors, keeps unemployment low and continues to attract high levels of investment by working with the business community".
- 3.3 The Strategy continues by setting out the challenges the Borough faces, these are summarised below:
- Fostering a strong economy with a good range of employers and well-paid secure jobs for local people;
  - Ensuring land is available to build businesses;
  - Making town centres attractive and resilient to changes in retail patterns;
  - Preparing the local economy to take advantage of growing business sectors such as enviro-tech;
  - Creating the right employment base through skills and training;
  - Extending and improving digital connectivity to attract employers and enable agile work practices;
  - Creating conditions that encourage ongoing business investment; and
  - Developing Dacorum as a tourism destination.

## Dacorum Borough Council Local Plan

3.4 The [Dacorum Borough Council Local Plan](#) comprises:

- [Dacorum Core Strategy](#) (adopted September 2013);
- [Dacorum Site Allocations Development Plan Document](#) (adopted July 2017); and
- [Dacorum Borough Local Plan 1991-2011](#) (adopted April 2004) (saved policies).

3.5 Dacorum Core Strategy contains the Council's strategic policy framework for delivering development and change over the plan period (2006-2031). Strengthening economic prosperity is one of the central themes of the document beneath which sits a strategic objective to promote a vibrant and prosperous economy and supporting local objectives. Section 11 sets out the Plan's approach to creating jobs and full employment.

3.6 Policy CS14 seeks to support economic development in terms of ensuring sufficient land for jobs growth and guiding new development to key locations.

### **Policy CS14: Economic Development**

Sufficient land will be allocated to accommodate growth in the economy of approximately 10,000 jobs between 2006 and 2031.

Development that supports the knowledge-based economy, the transition to a low carbon economy, the rural economy and sustainable tourism, will be particularly encouraged.

Most employment generating development will be located in town and local centres and General Employment Areas in accordance with Policies CS1 and CS4. Hemel Hempstead will be the main focus for new economic development uses, which will be used to support the regeneration of the Maylands Business Park and Hemel Hempstead town centre. Employment levels elsewhere within the borough will be maintained to ensure a spread of job opportunities.

Initiatives that help the local workforce adjust to change and develop their skills will be supported.



- 3.7 The Council seeks contributions from developers towards the provision of infrastructure required to support growth in Dacorum via the Community Infrastructure Levy (CIL). Where applicable, the Council may also enter into an agreement (known as a Section 106) with the developer and/or landowners to mitigate the direct impacts of developments on local communities under Section 106 of the Town and Country Planning Act 1990.



### **Dacorum Economic Recovery Plan**

- 3.8 Giving local people the opportunity and responsibility to develop new and existing skills, to ensure that they are equipped to take advantage of growth, is a key output of the work currently being undertaken by Dacorum Borough Council.
- 3.9 In October 2021, Dacorum Cabinet approved the Dacorum Economic Recovery Plan, supported by a multi-partner Economic Recovery Board. The Board has brought together local and regional stakeholders including the Herts LEP, Herts Chamber of Commerce and Industry, social enterprises, West Herts College, Hertfordshire University and local businesses, to focus on six key priorities set out within the Dacorum Economic Recovery Plan. These are:
1. Ensuring a current and future workforce has the skills and opportunity to take advantage of new high skills technology employment.
  2. Engaging with and supporting businesses and develop social enterprises'/community interest companies' capacity to facilitate growth, investment and ensure longer term strategic plans meet the needs of the businesses.
  3. Supporting the growth of the existing Information, Science, Technology and Professional Services clusters and developing the growing Enviro Tech sector, linking closely with Herts Innovation Quarter (Herts IQ) and Hemel Garden Community.
  4. Identifying Dacorum's Unique Selling Point (USP) and develop the engagement with inward investors, regional and national partners to

promote the opportunities in the district and lobby for funding and investment.

5. Repurposing Hemel Hempstead town centre and introduce new work spaces and employment opportunities.
6. Developing the International Dacorum brand, promoting export and developing international partnership links.

3.10 The Dacorum Economic Recovery Board have commenced work on delivering actions to achieve access to opportunities for all residents in Dacorum. Activities under theme 1 of the Recovery Plan, Skills and Employment include:

- Develop an Employer Engagement Plan (to be linked with the Business Growth proposed Employer Engagement Plan and the Herts Local Skills Improvement Plan) aimed at using employers as consultees when developing the skills offer.
- Create Social Value from development and developer's Employment and Skills Plans. Develop a process to attract skills and employment opportunities from large developments and procurement.
- Track destinations from Further Education and Higher Education to identify student's successes and challenges when taking up employment after study.
- Work with Herts Innovation Quarter (Herts IQ) and others to investigate skills gaps and to identify opportunities to address them across existing and new provision.
- Target young people not in education or employment (NEETS) to ensure access to Traineeships and Apprenticeships.

3.11 These activities aim to deliver the following key outcomes

- Increased number of apprenticeships across key employment sectors (targeting skills shortages within the Borough of Dacorum).
- Increased inclusion of hard-to-reach groups such as long term unemployed, residents with disabilities and ex-offenders.
- Dacorum has a flexible and highly skilled workforce to enable future economic growth and economic wellbeing of its residents.
- All residents have access to and knowledge of a coordinated skills offer and available career paths to enable them to take advantage of future jobs.

3.12 The implementation of attracting Social Value in the form of skills and employment opportunities from developments, will contribute greatly towards achieving the aims of the Dacorum Economic Recovery Plan.

3.13 The Council is also in the process of developing a Dacorum Social Value Framework as a tool to support the development of skills and increase in residents' economic wellbeing.



## 4. Justification and Context

### The need for Social Value Strategies

- 4.1 The Borough is likely to experience significant change and growth over the next 15 years with plans for some of the most ambitious development programmes within Hertfordshire.
- 4.2 This will create a period of unprecedented opportunity and it is important that local residents are able to access the jobs created by growth. Doing so will help to address existing barriers to employment that are reflected in the current proportion of Dacorum residents who are not economically active and who lack any qualifications.
- 4.3 In June 2021 (ONS), there were over 15,000 economically inactive residents and 5,000 residents with no qualifications in the Borough. This represents a major untapped resource for the Borough of residents whose lives could be transformed through support and access to job opportunities that would increase their economic well-being.
- 4.4 Low levels of educational attainment is an issue facing the Borough. A breakdown of the number and proportion of residents with various levels of qualifications is shown in Table 1 below. This compares educational attainment levels in Dacorum Borough with that of the wider Hertfordshire County and, in doing so, it reveals that the Borough has a greater proportion of its workforce with no qualifications.

Level of Attainment	Dacorum Borough Council (%)	Hertfordshire (%)	National (%)
NVQ4 and above	42.8%	47.2	43.1%
NVQ3 and above	52.8%	64.3	61.3%
NVQ2 and above	76.6%	79.9%	78.1%
NVQ1 and above	86.8%	85.5%	87.7%
Other qualifications (NVQ)	7.9%	5.8%	5.9%
No qualifications (NVQ)	5.3%	4.7%	6.4%

*Table 1: Qualifications of Dacorum Borough Residents*  
Source: NOMIS y Dec 2020



- 4.5 Compared to the Hertfordshire averages, Dacorum has fewer residents who have gained higher qualifications and more residents with lower qualifications. In Dacorum, 42.8% of residents have NVQ4 and above compared to the Hertfordshire average of 47.2% and 5.3% of residents in Dacorum have no qualifications compared to 4.7% in Hertfordshire.
- 4.6 Failure to address this low skills base would inevitably slow the growth of the local economy adding more urgency to the need to maximise the development of skills and thereby improve the employment prospects of local people.
- 4.7 There are pockets of deprivation throughout Dacorum, including wards that are within the 20% most deprived Super Output Areas<sup>1</sup> in Hertfordshire in each of Hemel Hempstead, Tring and Berkhamsted.
- 4.8 Average wages provide a further clear indicator that resident's economic wellbeing is reduced, with workplace earnings averaging £30,666 in 2020, lower than the Hertfordshire average of £32,541. This shows the challenge facing Dacorum's residents in being able to access high skilled and high paid jobs in the Borough as well as the lack of access and career paths.
- 4.9 In addition, many residents are employed within low paid sectors that have been affected by the pandemic and where future automation is expected.
- 4.10 The recovery from the Pandemic will be slow as the change in the labour market will create mismatches with employees from affected sectors needing to retrain to access employment in sectors with job opportunities. This is particularly true for young people, aged 18 – 21, where across the UK 3 out of 5 have lost their

<sup>1</sup> Super Output Areas cover around 125 households. SOAs are built from groups of OAs and replace the previously used electoral ward/divisions as the standard geographic hierarchy for reporting small area statistics in England and Wales.

jobs as a result of COVID-19. Unemployment for this group is currently at 6.6% in Dacorum.

- 4.11 While some areas of the economy might start to recover, young workers are under-represented in these sectors, and the industries that typically employ them are likely to be impacted more. Longer-term structural changes in the labour market such as automation and the introduction of new technologies are likely to reduce job opportunities for those young people who do not have support to improve their skills.
- 4.12 These factors drastically reduce the likelihood of local residents being able to access opportunities to improve their economic wellbeing. As a result, intervention is now needed to ensure local residents can take full advantage of new opportunities and the changing needs of the labour market, through access to reskilling and new career paths.

### Circumstances in which a Social Value Strategy will be requested

- 4.13 The Council will expect developments that meet or exceed the thresholds set out in Table 2, to submit a site-specific Social Value Strategy:

Use Class	Development	Threshold for Social Value Strategy
<b>C3</b>	Residential (Dwelling houses)	30 or more dwellings
<b>B2</b>	General industry	Building(s) of 1,000m <sup>2</sup> or more
<b>B8</b>	Storage and distribution	Building(s) of 1,000m <sup>2</sup> or more
<b>C1</b>	Hotels	Building(s) of 1,000m <sup>2</sup> or more
<b>E</b>	Commercial, business and service	Building(s) of 1,000m <sup>2</sup> or more
<b>F1</b>	Learning and non-residential institutions	Building(s) of 1,000m <sup>2</sup> or more
<b>F2</b>	Local Community	Building(s) of 1,000m <sup>2</sup> or more
<b>Sui generis</b>		Building(s) of 1,000m <sup>2</sup> or more

Table 2: Thresholds for Social Value Strategy requirement

For the avoidance of doubt, the Social Value Strategy should cover the construction phase of all residential and commercial development in the Borough that meets or exceeds the threshold. In addition, where appropriate, commercial development should also include a commitment to target local residents when recruiting for employment opportunities that will be created by the end-use occupation (see 4.21).

## **Content of a Social Value Strategy**

- 4.15 The Council will provide prospective developers with a Social Value Forecast on request to enable the applicant to prepare a Social Value Strategy for submission with their application. The targets in the Social Value Forecast must be generated using an industry approved model that calculates Social Value requirements according to planning class uses and then applies regionally specific information, such as CITB Construction Skills Network Data. This approach ensures that Social Value targets are relevant to specific developments and allows flexibility for genuine and sustainable outcomes to be delivered which reflect the business needs of Applicants/Developers/Contractors and their supply chain.
- 4.16 Developers are strongly encouraged to work with the Council's Approved Delivery Partner to draft and agree a Social Value Strategy. Those applicants not involved in Planning Performance Agreement (PPA) discussions are required to check the Local Validation Checklist requirements in force at the time of making an application. Contact details for the Council's Approved Delivery Partner can be obtained from the Council's Development Management Team.
- 4.17 The Social Value Strategy must reference the Social Value Target generated by the Social Value Forecast and demonstrate a clear commitment by the Applicant/Developer to achieve the target during the construction phase of the project. Where appropriate, the Strategy should also include 'end-use' (see 4.21).
- 4.18 The Council will expect the Strategy to demonstrate clear links to the Borough's needs, to include liaising with organisations and bodies such as the Hertfordshire Opportunities Portal, West Herts College and local schools. Measures within the Strategy must benefit local residents, with commitments made to as many of the following as is practicably achievable;
- Targeted recruitment and training requirements, ensuring that apprenticeship and other work opportunities help to alleviate unemployment;
  - Work placements opportunities designed to support education and learning;
  - Targeted vacancy filling or maximising the use of employment support partners;
  - Supporting the integration of the local supply chain, helping to develop a wider business base both for the delivery of services and materials;
  - Provision of opportunities for social enterprises, which have explicit social, economic or environmental aims;

- Participation in the promotion of education initiatives, supporting the transition between school and work;
- Participation in forums created to promote sector development, sharing good practice to stimulate improvement;
- Participation in forums created to promote community development, maximising the benefits of a strong voluntary and community sector.

4.19 The above list is not exhaustive and discussion with the Council is recommended at pre-application and Planning Performance Agreement stage for all proposals requiring a Social Value Strategy, in order that the individual requirements for each Social Value Strategy are negotiated prior to the submission of a planning application.

4.20 A wide range of other local employment and training measures can also be secured through the Social Value Strategy, as detailed in Appendix 1.

4.21 End-use refers to the employment and skills opportunities that will be generated once the development is complete. For the avoidance of doubt, this will apply to all developments other than residential developments. All such non-residential developments must include in their Social Value Strategies a commitment to provide the Council with details of the end-user. The Council's Approved Delivery Partner and Economic Development Team will then liaise with the end-user as the project nears completion to support them with their immediate recruitment requirements. Any outcomes generated during the end-use phase of the project will be counted as additional to the Social Value Target.



## 5. **Implementation and Monitoring**

The process and typical procedures involved in the implementation and monitoring of Social Value Strategies are shown in Appendix 2.

### **How will Social Value Strategies be implemented?**

5.1 The Council's requirement for a Social Value Strategy will be highlighted to applicants during their pre-application and Planning Performance Agreement

discussions with the Planning Case Officer. The Planning Case officer will provide details for the Council's approved Social Value Delivery Partner who will support the applicant to obtain a Social Value Forecast and draft and agree the content of a Social Value Strategy.

- 5.2 The finalised and agreed Social Value Strategy will thereafter be submitted with the planning application. Its content will then be considered as part of the application's assessment and a planning obligation (under S106 of the Town and Country Planning Act 1990) secured where it satisfies the relevant tests.
- 5.3 During the construction phase of a development, delivery of Social Value Strategies will be supported by the Council's Approved Delivery Partner. The Delivery Partner will support the developer and/or main contractor to agree a Social Value Delivery Plan detailing the Social Value outcomes that will be generated by the project with the ultimate aim of achieving the Social Value Target set out in the Social Value Strategy. The Approved Delivery Partner will provide an end-to-end service for each development supporting delivery as well as monitoring and reporting of all outcomes.



#### **How will Social Value Strategies be monitored?**

- 5.4 Delivery of the Social Value Strategy will be monitored via the Council's S106 monitoring process and it will be the responsibility of the developer to ensure that the Strategy (including any monitoring requirements on the developer) is delivered in accordance with the S106 agreement. Any non-compliance relating to the delivery of the Social Value Strategy by the applicant or the appointed contractor will be reported to the Council by the Approved Delivery Partner, the Council will then take the appropriate action to ensure compliance.
- 5.5 The Council's Approved Delivery Partner will routinely monitor the delivery of all Social Value Strategies and will regularly up-date the Council on

performance and progress. The Approved Delivery Partner will submit a final report at the end of each development detailing the outcomes achieved.

- 5.6 A financial contribution to enable the Approved Delivery Partner to deliver their end-to-end service will be collected via Section 106 agreements, specifically relating to the delivery, monitoring and reporting of Social Value.
- 5.7 It will be important for the Council and the development industry, as well as its delivery partners, to evaluate the outcomes of Social Value Strategies once they have been completed. Successful examples in Dacorum Borough and elsewhere will be shared with applicants for planning permission, in order to ensure that they can be used again for the benefit of local residents.
- 5.8 The number of Social Value Strategies in operation and the opportunities provided will be reported in the Annual Monitoring Report (AMR) published by the Council.
- 5.9 Finally, the Council will monitor the effectiveness of this guidance and review as appropriate in the light of its performance and any future changes in planning law, national policy and guidance.

## Appendix 1: Delivery Options

The range of local employment and training methods that can be secured through Social Value Strategies include, but are not limited to, the following:

- Recruitment through Jobcentre Plus and other employment agencies
- Creating new apprenticeship opportunities for local people.
- Pre-employability Support e.g. mentoring, work trials and interview guarantees.
- Work experience and work placements (14-16 years, 16-19 years and 19+ years).
- Training e.g. Construction Skills Certification Scheme (CSCS) Cards.
- Work with local education providers (e.g. schools, colleges and universities) to actively promote careers in development and construction.
- Community based projects.

Where possible, opportunities should be offered to local residents who have traditionally been excluded from the employment and training cycle. In addition to unemployment, this includes residents who would like to work but are unable to do so because of factors outside their control e.g. those with a disability, sickness, caring responsibilities.

Through their Social Value Strategies, developers are also encouraged to set out how they would engage with local schools and support them to promote the skills and qualifications needed for employment amongst young people aged 11 to 16.

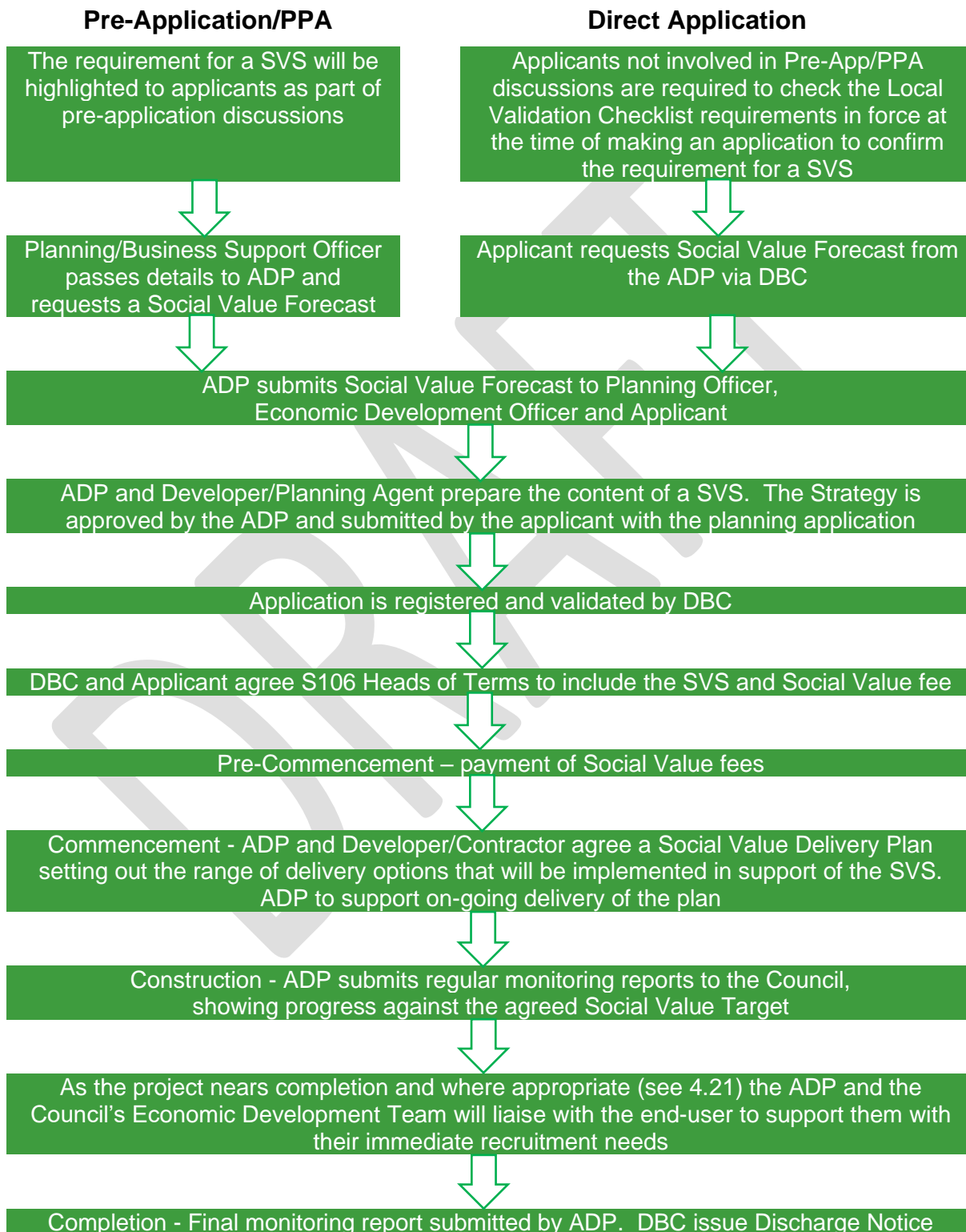
The Social Value Delivery Plan will contain more detail around how these outcomes will be achieved, for example;

- Career inspiration: speakers provided to schools, role models to inspire and encourage career progression, work 'taster' events.
- Employability: mentoring and support for specific cohorts of young people (e.g. under-achievers, high achievers, or young people from particular areas or estates), sessions on employer expectations, mock interviews and interview preparation.
- Curriculum support: advice on curriculum design to bring construction opportunities to life and support to design curriculum-based interventions.
- Work-based learning: workplace visits to complement classroom-based learning, work experience placements etc.



**Appendix 2: The Process**

DBC = Dacorum Borough Council  
 ADP = Approved Delivery Partner  
 SVS = Social Value Strategy  
 PPA = Planning Performance Agreement



# Dacorum BC Community Impact Assessment (CIA) Template

Policy / service / decision

Draft Employment and Skills Supplementary Planning Document (SPD)

## Description of what is being impact assessed

*What are the aims of the service, proposal, project? What outcomes do you want to achieve? What are the reasons for the proposal or change? Do you need to reference/consider any related projects?*

*Stakeholders; Who will be affected? Which protected characteristics is it most relevant to? Consider the public, service users, partners, staff, Members, etc*

*It is advisable to involve at least one colleague in the preparation of the assessment, dependent on likely level of impact*

The Draft Employment and Skills SPD is a new tool that will enable the Council to ring-fence specific opportunities arising from a development to benefit the Borough's residents, thereby generating additional social value. The SPD aims to increase local employment opportunities by helping businesses to improve, grow and take on more staff; help businesses to find suitable and (especially) local staff and suppliers; and improve the skills of local people to enable them to take advantage of the resulting employment opportunities.

The Public Services (Social Value) Act (2012), which came into force in England and Wales in January 2013, requires the commissioners of public services to consider how they can secure wider social, economic and environmental benefits from their activities. Initially this focussed on social value in relation to the procurement of goods, works and services, but many local authorities are now extending their scope to include gain from planning developments.

The draft SPD will require residential development of 30 or more homes and non-residential building(s) of 1000m<sup>2</sup> or more to prepare a Social Value Strategy. The Strategy must demonstrate a commitment to achieve a social value target (expressed in number of weeks) and to deliver as many of the following outcomes as is practically achievable:

- Targeted recruitment and training requirements, ensuring that apprenticeships and other work opportunities help to alleviate unemployment;
- Work placement opportunities designed to support education and learning;
- Targeted vacancy filling or maximising the use of employment support partners;

- Supporting the integration of the local supply chain, helping to develop a wider business base both for the delivery of services and materials;
- Provision of opportunities for social enterprises, which have explicit social, economic or environmental aims;
- Participation in the promotion of education initiatives, supporting the transition between school and work;
- Participation in forums created to promote sector development, sharing good practice to stimulate improvement;
- Participation in forums created to promote community development, maximising the benefits of a strong voluntary and community sector.

The SPD will help support the delivery of the Dacorum Economic Recovery Plan.

### Evidence

#### **What data/information have you used to assess how this policy/service/decision might impact on protected groups?**

*(include relevant national/local data, research, monitoring information, service user feedback, complaints, audits, consultations, CIAs from other projects or other local authorities, etc.). You should include such information in a proportionate manner to reflect the level of impact of the policy/service/decision.*

Dacorum Economic Recovery Plan  
 Economic Profile of Dacorum  
 Dacorum Economic Dashboard  
 Office for National Statistics (ONS) June 2021  
 NOMIS Official Labour Market Statistics (ONS) December 2020

**Who have you consulted with to assess possible impact on protected groups?** *If you have not consulted other people, please explain why? You should include such information in a proportionate manner to reflect the level of impact of the policy/service/decision.*

Alex Robinson – Interim Group Manager – Planning and Development  
 Keeley Mitchell – Trainee Strategic Planning and Regeneration Officer

## Analysis of impact on protected groups (and others)

The Public Sector Equality Duty requires Dacorum BC to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service/decision will achieve these aims. Using the table below, detail what considerations and potential impacts against each of these using the evidence that you have collated and your own understanding. Based on this information, make an assessment of the likely outcome, **before** you have implemented any mitigation.

- The PCs of *Marriage and Civil Partnership* and *Pregnancy and Maternity* should be added if their inclusion is relevant for impact assessment.
- Use “insert below” menu layout option to insert extra rows where relevant (e.g. extra rows for different impairments within Disability).

Summary of impact		Negative impact / outcome	Neutral impact / outcome	Positive impact / outcome
Protected group	<i>What do you know? What do people tell you? Summary of data and feedback about service users and the wider community/public. Who uses / will use the service? Who doesn't / can't and why? Feedback/complaints?</i>			
Age	Social Value Strategies will be expected to demonstrate opportunities aimed at young people to help alleviate unemployment and build skills, such as targeted recruitment, apprenticeships and work placement opportunities. Developers will also be encouraged to set out how they would engage with local schools and support them to promote the skills and qualifications needed for employment amongst young people aged 11 to 16 and to support the transition between school and work.	□	□	☒
Disability (physical, intellectual, mental)  <i>Refer to CIA Guidance Notes and Mental Illness &amp; Learning Disability Guide</i>	The Social Value Strategy should consider the provision of opportunities for social enterprises, which have explicit social, economic or environmental aims.	□	□	☒

<b>Gender reassignment</b>	No material impact on this protected group	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Race and ethnicity</b>	No material impact on this protected group	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Religion or belief</b>	No material impact on this protected group	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sex</b>	No material impact on this protected group	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sexual orientation</b>	No material impact on this protected group	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Not protected characteristics but consider other factors, e.g. carers, veterans, homeless, low income, loneliness, rurality etc.</b>	The activities of the Social Value Strategies will improve the economic wellbeing of individual residents in the Borough who may currently be impacted through having a low income, holding lower qualifications or being economically inactive.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Negative impacts / outcomes action plan**

Where you have ascertained that there will potentially be negative impacts / outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.

<b>Action taken/to be taken</b> <i>(copy &amp; paste the negative impact / outcome then detail action)</i>	<b>Date</b>	<b>Person responsible</b>	<b>Action complete</b>
n/a	Select date		<input type="checkbox"/>
	Select date		<input type="checkbox"/>
	Select date		<input type="checkbox"/>
	Select date		<input type="checkbox"/>
	Select date		<input type="checkbox"/>
	Select date		<input type="checkbox"/>
	Select date		<input type="checkbox"/>
	Select date		<input type="checkbox"/>

**If negative impacts / outcomes remain, please provide an explanation below.**

n/a

**Completed by (all involved in CIA)**

**Claire Covington**

**Date**

**28/02/2022**

**Signed off by** *(AD from different Directorate if being presented to CMT / Cabinet)*

**Alex Robinson - Interim Group Manager (Planning and Development)**

**Date**

**4 March 2022**

**Entered onto CIA database - date**

**To be reviewed by** (officer name)

**Review date**

## **Appendix 3 – Strategic Planning and Environment Overview and Scrutiny Recommendations to Cabinet (Minutes from meeting 16<sup>th</sup> March 2022)**

### **9. Skills Supplementary Planning Document**

ARobinson took the report as read and provided an overview, noting that the report looks to provide a new SPD to allow the council to require developers to deliver skills and apprenticeship training as part of developments. The proposal is that the document is consulted on before returning to the Committee and then going to Cabinet and Council.

Cllr Birnie noted that this was an interim advisory and would return to the Committee.

Cllr Timmis referred to the Social Value Strategy and that it would be delivered within S106, stating that this would be an additional charge on developers. ARobinson confirmed it would be a further obligation on developers to provide skills and apprenticeship training for residents of the borough. ARobinson stated that costs would be low as many organisations already have apprenticeship levies and schemes in place.

Cllr Wilkie thanked ARobinson for the report and asked how approved delivery partners are selected. ARobinson confirmed the report was created by Clare. On the delivery bodies, ARobinson clarified that the council has the option to contract out the implementation of the SPD to a third party and that this third party would work with the developer to get social value strategies in place. The council are yet to make a decision on whether there should be an approved partner, though the consultation provides the information for clarity.

Cllr Birnie asked if the delivery body would be paid for by the developer. ARobinson explained the developer is required to put the strategy in place and there would be an administration charge to put that process in place. ARobinson added it would be enforced through planning regulations and S106. Cllr Birnie asked if there would be a charge to the council. ARobinson confirmed that costs would be with the developer and the council's only role would be around obligation.

Cllr Wilkie agreed with the principle of the programme and asked who would take responsibility of the stated thresholds. ARobinson stated that the SPD would set out the charge per sqm or dwelling and this would be communicated to the approved delivery partner. ARobinson added that the threshold could not be so low that every house would need to implement a strategy though they need to ensure medium to large developments are captured. ARobinson reminded the Committee that this is still a consultation and that thresholds could be revised.

Cllr Wilkie asked if there would be a timeframe for the apprenticeship. ARobinson advised that this would depend on the development. Obligations for residential developments exist during the development whereas non-residential developments would broadly have a requirement for construction and operational phases.

Cllr Birnie commented on the shortage of building operatives and that developers would likely be in support of finding apprentices.

Cllr Harden referred to item 2.6 in the report, noting that the council could chose to resource directly or appoint an external body but that the report assumes an approved delivery partner will deliver this. Cllr Harden noted that much of the concept focuses on the 18-21 age group and encouraged that the proposal look at all ages. Cllr Harden also noted the wording in item 2.6 of 'council will provide support to developers to help them access local networks, providers and



schools', stating that this appeared bureaucratic and suggested that an ADP manage this. ARobinson took the point on age ranges and confirmed that the focus was not intended to be only on school leavers. On the council's involvement, ARobinson advised that it would be to provide local intelligence and ensure the ADP understands what the local issues are.

Cllr Stevens commented on the threshold and asked if the 30-house limit was a finger-in-the-air number. ARobinson confirmed that this number could be reviewed and could be changed if it was felt it was not appropriate.

Cllr Stevens asked if any other planning authorities have a similar programme in place. ARobinson stated that the Dacorum is now in the minority by not providing it and that many London boroughs are more advanced in this area.

Cllr Stevens queried if the proposal has been put to developers. ARobinson explained that many developers are already running this scheme elsewhere and they would make representations known during the consultation process. Testing is being rolled out to applications in the system and so far none has questioned this.

In response to a question from Cllr Foster, ARobinson confirmed that thresholds are required and that the proposed figure will sit with an algorithm, though the formula needs to be set up on how many apprenticeships are required per development.

Cllr Foster noted the reference to the Social Value Act 2012 and asked how this is currently applied in Dacorum. ARobinson stated that he was unable to provide an answer on this and could take the question to the relevant colleague.

Cllr Beauchamp queried if local colleges have confirmed places will be available. ARobinson confirmed that they would contact colleges as part of the consultation process to ensure the skills gaps in the boroughs are matched by available courses.

Cllr Beauchamp asked if the provision of green space is part of the part of S106 and would include the Chilterns beechwood. ARobinson stated that developers have to pay into a mitigation strategy for the beechwoods and there would be a likely threshold for developers to provide onsite open space or pay towards the provision of open space. Cllr Beauchamp asked if this provision would be shared with other authorities. Cllr Birnie intervened to point out that that infrastructure can of course be handled by S106 agreements, but the beechwoods were irrelevant to the item under discussion. ARobinson agreed that this was not a matter associated with the Chilterns beechwood. Cllr Birnie requested that Cllr Beauchamp raise his question at a more appropriate forum.

The report was noted.

**ACTION: ARobinson to check how the Social Value Act 2012 is currently applied in Dacorum.**



## Cabinet

<b>Report for:</b>	Audit Committee
<b>Title of report:</b>	Annual Internal Audit Programme 2022-23
<b>Date:</b>	19 April 2022
<b>Report on behalf of:</b>	Cllr Graeme Elliot, Portfolio Holder Finance & Resources
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	Appendix A –Annual Internal Audit Programme 2022-23
<b>Background papers:</b>	Audit Committee 29 March 2022 Agenda item 8 Annual Internal Audit Programme 2022-23
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	None

### Report Author / Responsible Officer

Fiona Jump, Head of Financial Services



Fiona.jump@dacorum.gov.uk / 01442 228162 (ext. 2162)

<b>Corporate Priorities</b>	Ensuring efficient, effective and modern service delivery
<b>Wards affected</b>	All
<b>Purpose of the report:</b>	To present the Annual Internal Audit Programme for 2022-23.
<b>Recommendation to the decision makers:</b>	To approve the Annual Internal Audit Programme for 2022-23.
<b>Period for post policy/project review:</b>	Progress updates again the Internal Audit Programme will be presented regularly to Audit Committee during 2022-23.

## **1 Background:**

The Internal Audit service has a rolling 3 year programme of works to provide assurance over processes and controls across the Council. This programme has a mixture of Internal Audit reviews that are undertaken on an annual, biennial and triennial basis.

The frequency of these audits is based on the risk and potential impact to the Council of specific services, processes and systems being ineffective. As an example, the review of core financial services is undertaken annually. Appendix A to this report outlines the proposed Internal Audit Programme for 2022-23.

## **2 Consultation**

The proposed Internal Audit Programme has been reviewed and approved by the Council's Strategic Leadership Team. The programme was presented to Audit Committee on 29 March 2022, where it was reviewed and approved.

## **3 Financial and value for money implications:**

There are no direct financial implications resulting from the Internal Audit Programme for 2022-23. The plan will be delivered by TIAA, provider of internal audit services to the Council. The delivery of the plan is funded from a budget which is earmarked for the provision of Internal Audit services.

## **4 Legal implications:**

The Council is required by law to ensure that it has a sound system of internal control which facilitates the effective exercise of its functions. It is also required by law to undertake adequate and effective internal audit of its accounting records and of its system of risk management, internal control and governance processes. The adoption of a robust Internal Audit Programme of work is essential to meet these requirements.

## **5 Risk implications:**

The proposed Internal Audit Programme has been informed by a risk assessment, to ensure that planned coverage for the year is focussed on key audit risks and supports the provision of a robust Head of Internal Audit opinion.

## **6 Equalities, Community Impact and Human Rights**

A Community Impact Assessment is not required for this report.

There are no Human Rights Implications arising from this report.

## **7 Statutory Comments**

### **Monitoring Officer**

As set out in section 4, the Council is required by law to have a sound system of internal controls in place to review its main functions and areas of risk. This Internal Audit Programme will help to provide the required assurance and ensure the Council meets its statutory requirements.

### **Deputy s151 Officer:**

This is a Deputy s151 Officer report. Comments are contained within the body of the report.

## **8 Conclusion**

The Annual Internal Audit Programme for 2022-23 sets out areas of internal audit review for 2022-23. Its approval is required for the Council to be able to meet its statutory obligations in respect of internal audit activity.



Dacorum Borough Council

Audit Strategy 2020/2023 and Annual Plan 2022/23

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2022/23



iIn

March 2022

FINAL

## OVERVIEW

### Introduction

The Audit Plan for 2022/23 has been informed by a risk assessment carried out across our Local Government clients and by an updated audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks, and that the coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

### Key Emerging Themes

This year will continue to be another challenging year for Local Government in terms of funding, managing additional recruitment and technological advancement. There are a number of operational issues that have also come to prominence; we have identified a number of key areas which require consideration when planning internal audit coverage.

**“Multi-channel” resident engagement:** Partly as a result of COVID-19 but also as process changes through improved technology, councils will need to embrace cutting edge technology. Adopting a multi-channel approach to resident engagement will enable council services to be more readily available, more accessible and more transparent.

**Commercialisation:** Councils are being driven towards being more self-sufficient and cost effective, with pressure to close funding gaps and rebalance budgets. Councils will already be operating in different financial and more commercial environments. The pandemic is likely to have brought significant unforeseen risks to these investments and their underlying assumptions.

**Cyber Security:** As more services move on-line, risks and vulnerabilities are likely to increase. Cyber security is as much about awareness and behaviours as it is about network security. Resilience needs to be regularly and stringently stress tested across the organisation to ensure it is operating effectively.

**Council mergers:** Reorganisation is very much back on the table with central government inviting submissions for locally-led proposals for unitary government. The merger process itself and the cost of any redundancies is likely to add to short-term financial pressures. Mergers don't just involve the transfer of assets but also liabilities and risks; there needs to be certainty that the outcome will lead to better public services and the identified efficiencies.

**Financial Viability:** As we emerge from the clutches of the pandemic and some degree of normality returns the supporting grant aid will end and local authorities will be faced with the reality of unbalanced medium term financial plans without including significant potential savings. Realisation of these savings could be challenging and if not achieved at the outset will fail to provide the funds needed to retail a balanced budget.

**Staff Wellbeing:** COVID-19 has led to mental health declines, increased work demands and feelings of loneliness due to remote working. Staff turnover is at an all-time high. Managing the wellbeing and associated risks is crucial to ensure a stable workforce.

**Climate Change:** Around 300 councils have declared a climate emergency. Councils are taking action to reduce their own carbon emissions and working with partners and local communities to tackle the impact of climate change on their local area.

### Providing Assurance during the COVID-19 pandemic

From the outset, we successfully transitioned to new and remote ways of working without any diminution of the service and we recognise that many if not all of our clients have had to implement changes in the way that they work. We continue to consider any gaps in control or exposures that have arisen as a result of this. Whilst many measures have largely been relaxed, it is not inconceivable that further measures might be implemented to stem any increases in cases. We continue to adopt a hybrid approach with a mix of remote and on-site working and tailor this approach to client requirements and the nature of each assignment.

### Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2022/23 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of the Local Government's framework of governance, risk management and control as required by TIAA's charter. The reviews have been identified from your assurance framework, risk registers and key emerging themes.

# INTERNAL AUDIT PLAN

## Audit Strategy Methodology

We adopt a proprietary risk-based approach to determining your audit needs each year which includes reviewing your risk register and risk management framework, the regulatory framework, external audit recommendations and previous internal audit work for the organisation, together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. For 2022/23, we have conducted an analysis of the key risks facing the sector and client base more broadly to inform our annual planning. The Audit Strategy is based predominantly on our understanding of the inherent risks facing the Council and those within the sector and has been developed with senior management and Committee. Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate the Public Sector Internal Audit Standards (PSIAS).

## Risk Prioritisation

Each year an updated risk assessment is carried out to ensure the Audit Strategy remains fully aligned with the key risks facing the Local Government. We take in to account any emerging or heightened risks that are facing the sector, to ensure that the work of internal audit remains appropriately focused. Links to specific strategic risks are also contained in the Internal Audit Strategy.

## Internal Audit Strategy and Plan

Following the risk prioritisation review, the Audit Strategy has been produced (Appendix A) and the Annual Plan (Appendix B) sets out the reviews that will be carried out, the planned times and the high-level scopes for each of these reviews.

The Annual Plan will be subject to ongoing review and could change as the risks change for the organisation and will be formally reviewed with senior management and the Audit Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of each assignment within the Annual Plan includes: research; preparation and issue of terms of reference; site work; production and review of working papers; and reporting.

The Annual Plan has been prepared on the assumption that the expected controls will be in place.

The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and Dacorum Borough Council . This number of days is fixed and it is TIAA's responsibility to deliver the Audit Plan for this number of days. Where the Local Authority agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the Chief Finance Officer and will be clearly set out in the terms of reference for the additional review(s).

## Release of Report

The table below sets out the history of this plan.

<b>Date plan issued:</b>	31 <sup>st</sup> January 2022
<b>Date final plan issued:</b>	14 <sup>th</sup> March 2022

## APPENDIX A: ROLLING STRATEGIC PLAN

Review Area	BAF/Risk Ref	Type	2020/21	2021/22	2022/23
<b>Corporate Services and/or Council Wide Audit</b>					
Business Continuity (rolled forward from 2020/21)		Assurance	10	10	-
Community Safety Partnerships		Assurance	7	-	
Human Resources – Absence Management	SR2	Assurance	-	10	
Human Resources – Recruitment	SR2	Assurance	-	10	
Corporate Health and Safety ( <i>rolled forward from 2021/22</i> )		Assurance	10	10	10
Planning		Assurance	10	-	10
Governance and Risk Management	All	Assurance	10	10	10
Benefits/Savings Realisation		Assurance	10	-	
Benchmarking (Topic to be agreed)		Benchmarking	-	10	-
Communications		Assurance	-	-	10
<b>ICT</b>					
Document Management System		Assurance	-	-	10
ICT – Network Security (Remote Access)	SR4	Assurance	-	10	-
GDPR/Information Governance		Assurance	10	-	-
Cybersecurity		Assurance	10	-	-
<b>Financial Services and Resources Audit</b>					
Key Financial Controls	SR1	Assurance	20	15	15
Payroll	SR1	Assurance	-	10	10
Budgetary Control	SR1	Assurance	8	8	-
Council Tax	SR1	Assurance	8	8	8
NNDR	SR1	Assurance	8	8	8
Insurances (include staff owned vehicles on Council business)		Assurance	-	-	10

Review Area	BAF/Risk Ref	Type	2020/21	2021/22	2022/23
Customer Services		Assurance	-	8	-
Housing Benefits and Council Tax	SR1	Assurance	8	8	8
<b>Operational Audit – Law and Governance</b>					
Procurement/Contracts		Compliance	-	10	10
Freedom of Information		Compliance	-	8	-
<b>Operational Audit – Planning and Environment</b>					
Empty Homes	SR5	Assurance	10	10	10
Commercial Asset Management	SR1	Assurance	15	-	15
Planning Enforcement	SR1	Assurance	-	10	-
<b>Operational Audit – Housing and Community Developments</b>					
Housing Repair and Maintenance		Assurance	-	-	10
Housing Allocations and Homelessness		Assurance	-	-	10
Housing Rents	SR1	Assurance	10	8	8
Safeguarding/Prevent		Assurance	-	10	-
Waste Management		Assurance	-	15	-
<b>Management and Planning</b>					
Follow Up		Follow Up	10	10	10
Update Strategic Risks <i>(rolled forward from 2021/22)</i>			5	5	5
Audit Committee Training <i>(rolled forward from 2021/22)</i>			5	5	5
Adhoc <i>(Rolled forward from 2021/22)</i>			25	5	5
Annual Planning		-	4	4	4
Annual Report		-	2	2	2
Audit Management		-	10	13	13
<b>Total Days</b>			<b>225</b>	<b>250</b>	<b>216</b>

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## APPENDIX B: ANNUAL PLAN – 2022/23

Quarter	Review	Type	Days	High-level Scope
1 May 2022	Corporate Health & Safety	Assurance	10	The review will ascertain and report on the systems and processes the council has in place to ensure compliance and provide assurance that these are designed and operating effectively in relation to health and safety and building safety compliance.
1 May 2022	Communications	Assurance	10	The review will focus on the following key areas of activity: <ul style="list-style-type: none"> <li>• Communications arrangements following the Leadership restructure;</li> <li>• The strategy and policy for communications;</li> <li>• Roles and responsibilities as supported by details in Job Descriptions;</li> <li>• Awareness and training;</li> <li>• Monitoring, reporting and review; and</li> <li>• Future vision for structure and communications (vertical and horizontal).</li> </ul>
1 May 2022	Housing Allocation & Homelessness	Assurance	10	The review will assess the Council's effectiveness on dealing with Housing Allocations and Homelessness.
1 June 2022	Insurances	Assurance	10	The review to provide assurance that the Council has effective and robust insurance procedures, to ensure that appropriate insurance cover is in place, and that processes are well defined and adhered to.
2 July 2022	Document Management Systems	Assurance	10	The review will assess: <ul style="list-style-type: none"> <li>• Application Management and Governance;</li> <li>• System Security;</li> <li>• Interface Controls and Processing;</li> <li>• Data Input and Output;</li> <li>• Change Control;</li> <li>• System Resilience and Recovery; and</li> <li>• Support Arrangements.</li> </ul>
2 July 2022	Payroll	Assurance	10	The review will provide assurance over the adequacy and effectiveness of current controls over Payroll.

Quarter	Review	Type	Days	High-level Scope
2 August 2022	Housing Benefit	Assurance	8	The review will focus on Housing Benefits Overpayments, namely identification of overpayments, monitoring, reporting, write off and adherence to policy and procedures.
2 August 2022	Commercial Management Asset	Assurance	15	<p>The review will consider, the following key areas:</p> <ul style="list-style-type: none"> <li>• How the rental arrangements are being managed and there is a system to prevent failure to apply a rent rise;</li> <li>• The current portfolio of commercially rented properties and how these are managed/verified are accurate;</li> <li>• To establish and confirm that all commercial rents are appropriately recorded with trigger dates for rent reviews are in place;</li> <li>• To establish that the database of commercial properties is accurate and up to date; and</li> <li>• To sample test a number of commercial properties to confirm that rents are paid in accordance with their agreement</li> </ul>
2 Sept 2022	Housing Repairs & Maintenance	Assurance	10	The review will assess the delivery of an effective repairs service to manage emergency, urgent and routine repairs in a timely but cost effective manner.
3 Oct 2022	Key Financial Controls	Assurance	15	Key financial controls will be reviewed on an annual basis covering main finance systems and processes, with a more detailed review of each finance area on a modular basis over a three-year period. For 2022/23, this will include Creditors and Payments
3 Oct 2022	Council Tax	Assurance	8	The review will focus on arrears management and adherence to policy and procedures.
3 Oct 2022	NNDR	Assurance	8	The review will focus on arrears management and adherence to policy and procedures.
3 Nov 2022	Planning	Assurance	10	To review s106 planning permissions and application of these funds.
3 Nov 2022	Housing Rents	Assurance	8	The review will focus on arrears management and adherence to policy and procedures.

Quarter	Review	Type	Days	High-level Scope
4 Mid Jan 2023	Procurement/Contract Management	Assurance	10	To determine whether Major Revenue and Capital Contracts entered into by the Council adhere to Policies and Procedures.
4 Feb 2023	Empty Homes	Assurance	10	Assess and report on the systems and processes the council has in place to ensure empty homes are kept to a minimum and compliance with procedures and provide assurance that these are designed and operating effectively. Including compliance with the Decent Homes policy.
4 Feb 2023	Governance & RM	Assurance	10	To review: <ul style="list-style-type: none"> <li>the Council's Governance arrangements (<b>topic to be specified</b>); and</li> <li>Risk Management - arrangements for identifying and monitoring the mitigating controls with regards to the Council's business significant risk map.</li> </ul>
1 – 4	Follow-up	Follow up	10	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the Housing Association are implementing recommendations, and providing reports to the Audit Committee.
1-4	Update Strategic Risks		5	To aid the Council with their Strategic Risks
1-4	Audit Committee Training		5	To provide Audit Committee Members training, on areas requested.
1-4	Adhoc		5	Contingency for additional work
1	Annual Planning	Management	4	Assessing the Local Government's annual audit needs.
4	Annual Report	Management	2	Reporting on the overall conclusions and opinion based on the year's audits and other information and providing input to the Annual Governance Statement.
1 – 4	Audit Management	Management	13	This time includes: meeting client management, overseeing the audit plan, reporting and supporting the Audit Committee, liaising with External Audit and Client briefings (including fraud alerts, fraud digests and committee briefings).
<b>Total days</b>			<b>216</b>	

## APPENDIX C: INTERNAL AUDIT CHARTER

### The Need for a Charter

The Audit Charter formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within Dacorum Borough Council (the 'Council') and defines the scope of internal audit activities. The establishment of the Audit Charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the Audit Committee.

### The Role of Internal Audit

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the framework of governance, risk management and control. TIAA is responsible for providing assurance to Council's governing body (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the risk management, control and governance processes.

### Standards and Approach

TIAA work will be performed with due professional care, in accordance with the requirements of the PSIAS and the IIA standards which are articulated in the International Professional Practices Framework (IPPF).

### Scope

All Council activities fall within the remit of TIAA. TIAA may consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that Council management has taken the necessary steps to achieve these objectives and manage the associated risks. It is not within the remit of TIAA to question the appropriateness of policy decisions; however, TIAA is required to examine the arrangements by which such decisions are made, monitored and reviewed.

TIAA may also conduct any special reviews requested by the board, Audit Committee or the nominated officer (being the post responsible for the day-to-day liaison with TIAA), provided such reviews do not compromise the audit service's objectivity or independence, or the achievement of the approved audit plan.

### Access

TIAA has unrestricted access to all documents, records, assets, personnel and premises of Council and is authorised to obtain such information and explanations as they consider necessary to form their opinion. The collection of data for this purpose will be carried out in a manner prescribed by TIAA's professional standards, Information Security and Information Governance policies.

### Independence

TIAA has no executive role, nor does it have any responsibility for the development, implementation or operation of systems; however, it may provide independent and objective advice on risk management, control, governance processes and related matters, subject to resource constraints. For day-to-day administrative purposes only, TIAA reports to a nominated officer within Council and the reporting arrangements must take account of the nature of audit work undertaken. TIAA has a right of direct access to the chair of the board, the chair of the Audit Committee and the responsible accounting officer (being the post charged with financial responsibility).

To preserve the objectivity and impartiality of TIAA's professional judgement, responsibility for implementing audit recommendations rests with Council management.

### Conflict of Interest

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to.

We are not aware of any conflicts of interest and should any arise we will manage them in line with TIAA's audit charter and internal policies, the PSIAS/IIA standards and Council's requirements.

### Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.

### Limitations and Responsibility

Substantive testing will only be carried out where a review assesses the internal controls to be providing 'limited' or 'no' assurance with the prior approval of Council and additional time will be required to carry out such testing. The Council is responsible for taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

Internal controls can only provide reasonable and not absolute assurance against misstatement or loss. The limitations on assurance include the possibility of one or more of the following situations, control activities being circumvented by the collusion of two or more persons, human error, or the overriding of controls by management. Additionally, no assurance can be provided that the internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks that may arise in future.

The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.

Reliance will be placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

### Liaison with the External Auditor

We will liaise with Council’s External Auditor. Any matters in the areas included in the Annual Plan that are identified by the external auditor in their audit management letters will be included in the scope of the appropriate review.

### Reporting

**Assignment Reports:** A separate report will be prepared for each review carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with TIAA and which accord with the requirements of TIAA’s audit charter and PSIAS/IIA standards.

**Progress Reports:** Progress reports will be prepared for each Audit Committee meeting. Each report will detail progress achieved to date against the agreed annual plan.

**Follow-Up Reports:** We will provide an independent assessment as to the extent that priority 1 and 2 recommendations have been implemented. Priority 3 recommendations are low-level/housekeeping in nature and it is expected that management will monitor and report on implementation as considered appropriate.

**Annual Report:** An Annual Report will be prepared for each year in accordance with the requirements set out in TIAA’s audit charter and PSIAS/IIA standards. The Annual Report will include a summary opinion of the effectiveness of Council’s governance, risk management and operational control processes based on the work completed during the year.

**Other Briefings:** During the year Client Briefing Notes, Benchmarking and lessons learned digests will be provided. These are designed to keep the organisation abreast of in-year developments which may impact on the governance, risk and control assurance framework.

### Assurance Assessment Gradings

We use four levels of assurance assessments as set out below.

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

### Data Protection

TIAA has policies, procedures and processes in place to comply with all associated regulation and legislation on information security, which is underpinned by mandatory annual awareness training for all staff. To carry out our role effectively, we need to obtain information that is reliable, relevant and sufficient to support our findings and recommendations. The collection of data, particularly sensitive personal data, is minimised and is not shared with unauthorised persons unless there is a valid and legal requirement to do so. We have clear policies on the retention of data and its appropriate, controlled disposal. TIAA has a fully robust Information Security Management System that meets all the requirements of ISO27001:2013.

### Quality Assurance

TIAA recognises the importance of Internal Audit being controlled at each stage to ensure that we deliver a consistent and efficient Internal Audit service that is fully compliant with professional standards and also the conditions of contract. We operate a comprehensive internal operational quality review process to ensure that all Internal Audit work is carried out in accordance with these standards. These quarterly reviews are part of our quality management system which has ISO 9001:2015 accreditation.

### Audit Committee Responsibility

It is the responsibility of the Council to determine that the number of audit days to be provided and the planned audit coverage are sufficient to meet the Committee’s requirements and the areas selected for review are appropriate to provide assurance against the key risks within the organisation.

By approving this document, the Audit Committee is also approving the Internal Audit Charter.

### Disclaimer

The matters raised in this planning report, along with those raised in our audit and annual reports, are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management’s use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

### Performance Standards

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

Performance Measure	Target
Completion of planned audits.	100%
Audits completed in time allocation.	100%
Draft report issued within 10 working days of exit meeting.	100%
Final report issued within 10 working days of receipt of responses.	100%
Compliance with TIAA’s audit charter and PSIAS/IIA Standards.	100%



<b>Report for:</b>	Cabinet
<b>Title of report:</b>	Hertfordshire Solar Bulk Buy Scheme
<b>Date:</b>	19 <sup>th</sup> April 2022
<b>Report on behalf of:</b>	Councillor Anderson, Portfolio Holder for Planning and Infrastructure
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	A. Due Diligence FAQs B. Solar Bulk Buy presentation
<b>Background papers:</b>	Hemel Garden Communities Spatial Vision Hemel Garden Communities Programme Board report 9 <sup>th</sup> Sept 2020
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	HCC: Hertfordshire County Council HGC: Hemel Garden Communities HSOG: Hertfordshire Sustainability Officer Group HCCSP: Hertfordshire Sustainability Partnership LA's: All 11 authorities within Herts. SADC: St Albans and District Council MoU: Memorandum of understanding Buckinghamshire CC: Buckinghamshire County Council

### Report Author / Responsible Officer

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<b>Corporate Priorities</b>	A clean, safe and enjoyable environment Building strong and vibrant communities Climate and ecological emergency
<b>Wards affected</b>	ALL
<b>Purpose of the report:</b>	<ol style="list-style-type: none"> <li>1. To provide details of a proposed joint Hertfordshire wide district 'Solar Bulk Buy Scheme' that will enable Hemel Garden Communities and the 11 Hertfordshire authorities to join and assist residents to benefit from a solar bulk buy scheme, allowing them to make cost savings and encourage them to purchase Solar PV panels for their private residence and help with the climate change emergency.</li> <li>2. If recommended to proceed, delegated approval is given to Strategic Director (Place) for Dacorum Borough Council to sign the contract and appoint the chosen scheme provider (iChoosr) to proceed with the delivery of the scheme. Dacorum Borough Council will lead the project because Hemel Garden Communities is providing 100% funding to market the scheme.</li> <li>3. That the Council considers the sharing of the scheme's auction benefits with Buckinghamshire CC (plus any other local authority outside of Hertfordshire who may require support to join the scheme), subject to Dacorum Borough Council being satisfied there will be no legal commitments.</li> </ol>
<b>Recommendation (s) to the decision maker (s):</b>	<ol style="list-style-type: none"> <li>1. That delegated approval is given to the Strategic Director (Place) for Dacorum Borough Council to sign the contract and appoint the chosen scheme provider (iChoosr) to proceed with the delivery of the Hertfordshire wide solar bulk buy scheme.</li> <li>2. That the signing of the final contract by Dacorum Borough Council on behalf of the other authorities that wish to join the scheme, will be subject to them signing an MoU to 'promote the scheme and afford the relevant property data to Dacorum Borough Council', if required.</li> <li>3. That Dacorum Borough Council agrees to share the auction benefits with Buckinghamshire County Council (plus any other local authority who may require support to join the scheme), subject to Dacorum Borough Council being satisfied there will be no legal commitments between the parties.</li> </ol>
<b>Period for post policy/project review:</b>	April 2023

## **1 Introduction/Background:**

- 1.1 Hemel Garden Communities is an ambitious development programme that will transform Hemel Hempstead and create attractive and sustainable new neighbourhoods and communities to the North and East of Hemel Hempstead, through the delivery of more than 11,000 new homes and 10,000 new jobs by 2050.
- 1.2 There is an expectation that all new development in the North and East Hemel Hempstead growth areas will be Net Zero Carbon. The Garden Communities programme is also keen to transform the wider town with greater carbon resilience, through the promotion of sustainable low/no carbon transport choices with easily accessible, non-car options/links between business centres, the town centre, train station/transport hubs and wider connections across Hertfordshire and the surrounding counties.
- 1.3 In order to deliver these transformational and sustainable environmental improvements to both existing and future communities, Hemel Garden Communities prepared a number of recommended proposals as part of a HGC business case (which also covered Herts IQ proposals) to support Hertfordshire Growth Board's county-wide growth and funding paper presented to MHCLG in 2020.
- 1.4 The proposals supported sustainable energy infrastructure to address climate change, contributing to the Authorities' response to the Climate Emergency and need for decarbonisation. It included infrastructure to support renewable energy generation such as solar bulk buy, and power/charging infrastructure to support Electric Vehicles (EVs).

## **2. Key Issues/proposals/main body of the report: What is a Solar Bulk Buy Scheme?**

- 2.1 The Solar Bulk Buy Scheme gives private homeowners the opportunity to enter into a collective purchasing scheme for solar panels as well as an option for electric vehicle charging (EV) and energy storage, at a discount to the market rate and at a faster rate compared with individuals purchasing and installing the panels themselves. The Local Authorities also benefit from de-carbonising the local electricity supply and retrofitting of existing private housing stock to have renewable energy, which would otherwise be difficult to secure. During the year, there are three cohorts (spring, summer & autumn) whereby residents can express their interest in participating in the scheme to the provider (iChoosr).
- 2.2 The Local Authority's main involvement is to fund a one-off letter campaign "Solar Together Hertfordshire" (circa £30k, funded by HGC) issued to households identified by the provider (iChoosr) and for each successful installation of the panels, monies are recouped/paid back to HGC and could be re-used to fund future campaigns.
- 2.3 iChoosr, after vetting potential suppliers, goes out to auction for the best price supplier, then contracts with the supplier to complete the installation process directly with the homeowner. Any installers entering the 'Solar Together' auction are required to deliver a high level of customer service. iChoosr interrogates the experience, quality, stability and capacity of the installers beforehand through a rigorous pre-qualification procedure. The qualification not only includes a review of all essential certifications and insurance policies, but also covers customer satisfaction and a detailed financial due diligence of the company.

## **3. Why is Solar Bulk Buy a Hemel Garden Communities project?**

- 3.1 In 2019, shortly after the Climate Emergency was declared by the authorities and, before Dacorum Borough Council had a Climate/Sustainability team, the Hertfordshire Growth Board asked Hemel Garden Communities to identify a package of proposals to support a strategic



business case for their programme area. A range of proposals were identified, including Solar Bulk Buy, as a suitable delivery solution to embed renewable energy into the Hemel Garden Communities' programme.

- 3.2 In order for the Solar Bulk Buy scheme to achieve maximum opportunity for climate improvements and cost savings for residents, the scheme needs to maximise economies of scale. As such, it has been proposed as a cross county project. There is scope to expand this beyond the County to further maximise the potential savings, however, any participation beyond the County would be subject to a direct contract between the respective authority and iChoosr.
- 3.3 Homes England asked all Garden Communities to identify projects that could demonstrate benefits of cross working between Garden Communities. As part of the Garden Communities' capacity funding, HGC received £30k to progress a Solar Bulk Buy scheme in 2021/22.

**4 Solar Bulk Buy - Project progress/Due diligence/Risks**

- 4.1 In order to fulfil its obligation to deliver the 'bid funded' scheme, Hemel Garden Communities identified a route to delivery that included joint working with partner authorities through the Herts CC Sustainability Partnership.
- 4.2 A due diligence exercise to mitigate the legal, financial and reputational risk to Dacorum Borough Council and the partner authorities was undertaken (see **Appendix A** – Due Diligence FAQs) and the scheme has progressed through the Council's internal approvals process.

**Risks/Mitigation**

<u>Type</u>	<u>Key Risk</u>	<u>Value For money</u>	<u>Mitigation</u>
Legal	There is a small risk that Dacorum Borough Council could be in breach of contract if HCC are unable to provide the relevant resident profile data.		In order to mitigate this risk, each authority will be required to sign a MoU to provide this data for their area.
Financial	Funding to deliver the scheme via mail-shots is provided by Hemel Garden Communities existing base budget, no funding is Required from Dacorum Borough Council's budget or the other Local Authorities	Using iChoosr is considered best value as there are no comparable scheme / Single source concessions, and this product supports and recognises Local Government procurement rules. Using this provider is expected to be cost neutral/or minimal costs and has been considered as a benefit.	There is minimal risk to the Local Authorities as funding is provided through the Hemel Garden Communities budget The budget is small in Relation to the likely benefits to the resident and environment in the short, medium and long term.

<u>Type</u>	<u>Key Risk</u>	<u>Value For money</u>	<u>Mitigation</u>
Reputational	There is a minor risk to the Local Authorities' reputation should the installation of the product not provide the best customer experience		This is mitigated prior to auction as each provider is vetted for both financial stability and their' customer relations' standards.  Further mitigation is through the MoU with each joining authority responsible their own customer service route, (as per any other service delivery 'business as usual' complaints service).

## 5 Next steps and key milestones - Autumn Cohort

If approved by Cabinet, this will be reported to the HCCSP and work will be progressed to conclude both the contract with iChoosr and the required MOUs prior to the deadline for the Autumn cohort. Key milestones for delivery of the scheme are as follows.

### Key milestones

<b>Key meeting</b>	<b>Meeting/key date</b>
HCCSP Board	27 <sup>th</sup> April
Contract signing for Autumn Cohort	27 <sup>th</sup> May 22
Key campaign points to be agreed	6 <sup>th</sup> June 22
Content for communications sign off	5 <sup>th</sup> Aug 22
Deliver resident direct mail letters	5 <sup>th</sup> Sept & 12 <sup>th</sup> Sept 22
Auction	27 <sup>th</sup> Sept 22
Solar PV Installation	28 <sup>th</sup> Nov 22 – 30 <sup>th</sup> Apr 23

## 6 Options and alternatives considered

There are many companies offering to supply residents with Solar Panels and residents are fully able to access these at any time without the Council's support or input. However, the iChoosr scheme offers benefits of bulk buy discounts and pre-qualification financial stability, quality assurance and insurance protection.

## 7. Consultation

- Legal, Procurement & Finance teams
- Growth and Infrastructure Group (GIG)
- Strategic Leadership team (SLT)
- Chief Officers; Dacorum Borough Council, HCC & SADC
- Assistant Director (Neighbourhood Delivery)

- Chief Finance Officer
- HGC Councillor Visioning Group (CVG)
- Hertfordshire Sustainability Officer Group (HSOG)
- Hertfordshire Sustainability Partnership (HCCSP)
- UK Energy Hub
- Cambridge and Suffolk Councils (Lead Officers for scheme)

## 8 **Financial and value for money implications:**

### Financial

Funding to deliver the scheme via mail-outs is provided by the Hemel Garden Communities existing base budget, no funding is required from DBC's budget or from the other Local Authorities.

### Value for money

Using iChoosr is considered best value as there are no comparable scheme/single source concessions, and this product supports and recognises Local Government procurement rules. Using this provider is expected to be cost neutral/or minimal costs and has been considered as a benefit.

## 9 **Legal Implications**

There is a small risk that Dacorum Borough Council could be in breach of contract if HCC are unable to provide the relevant resident profile data to DBC for iChoosr. In order to mitigate this risk, each joining authority have been required to sign a MoU, including HCC, to provide this data for their area.

## 10 **Risk implications:**

### Finance

There is minimal risk to the Local Authorities as funding is provided through the Hemel Garden Communities budget. The budget is small in relation to the likely benefits to the resident and environment in the short, medium and longer term.

### Reputation

There is a minor risk to the respective Local Authorities' reputation should the installation of the product not provide the best customer experience, however this is mitigated prior to auction as each provider is vetted for financial stability and their 'customer relations' standards.

There is a small risk that issues may be raised at Member level, should a customer feel the Local Authority is responsible for any issues, however this can be mitigated by utilising each Local Authorities' own customer service route, as per any other service delivery 'business as usual' complaints service but, additionally, by providing clarity in communications regarding the contractual relationship between residents and the supplier. The details of this communication material will be agreed with the Lead Officers of the authorities joining the scheme.

## 11 **Equalities, Community Impact and Human Rights:**

A Community Impact Assessment for Hemel Garden Communities was prepared in October 2018 and reviewed in January 2020.

Human Rights: There are no Human Rights Implications arising from this report. The contract sets out the Council's position in relation to Modern Slavery.

## 12 **Sustainability implications (including climate change, health and wellbeing, community safety)**

This will be the first joint 'Solar Bulk Buy' scheme that represents all Hertfordshire Local Authorities, with the potential for wider cross border working. The scheme is designed to assist residents to

purchase PVs at a discounted rate, help accelerate delivery of the Council's climate improvement goals and help improve resident's health and wellbeing.

### **13 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)**

The next steps for delivery of this scheme currently sits with HGC to co-ordinate the other authorities to deliver their respective roles, however the HGC team has worked closely with Dacorum Borough Council's Assistant Director (Neighbourhood Delivery) and Climate Emergency and Sustainability Programme Lead and, if required, HGC could relinquish the lead to either of these teams.

### **14 Statutory Comments**

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

The internal Legal Team has reviewed the legal documents that are required to lead and participate in the Scheme and confirm there are no legal issues or concern.

#### **Deputy S151 Officer:**

The costs associated with this arrangement relate to the promotion of the scheme with householders and will be met in full by HGC funding. Engaging iChoosr as set out in this report is in line with relevant procurement requirements.

### **15 Conclusions**

Following conclusion of a due diligence exercise, it is recommended that the benefit in taking part in the scheme outweighs the minimal financial and reputational risk. These risks have been mitigated by contract amendments to address strengthened indemnity clauses and ensuring that the Communication Plan is clear about Dacorum Borough Council's role in the Scheme. Homeowners will be clearly advised that they participate in the Scheme at their own risk.

Reputational risk will be mitigated through the MoU with partner authorities and it is expected that each authority will be responsible for their own risk mitigation. To date, significant collaboration and internal discussion has been undertaken with partner authorities to prepare this scheme ready for approval and a delay to proceeding to the Autumn cohort could result in Dacorum Borough Council losing its place at the next auction and could impact on the climate emergency targets.

The recent Government budget announcement offering customers Zero VAT rating for PV panels has helped raise the profile of this type of scheme and can assist residents further during these financially uncertain times.

# Hertfordshire Solar Bulk Buy Scheme

## Joint district working

**Below are some due diligence FAQ's to assist with the approval process.**

### **1) Why iChoosr? Are there other companies who offer the same thing?**

iChoosr and UK Energy Hub are not aware of any other organisation offering a comparable service. There are considerable barriers 'to entry' in the development of the process and systems which means it will not be easy for others to deliver schemes at the same scale with the same assurances and protection for customers. Most councils follow the precedent set by others. The exception has been Devon which put a notice on its procurement portal and received no relevant responses and London which did the same when renewing the contract after the initial 4 year term.

### **2) What is the predicted take up rate?**

In terms of take-up rate, iChoosr assume that 3.3% of those sent direct marketing letters (DM) would sign-up. This is a conservative estimate and iChoosr report that they always exceed this take up rate in practice.

### **3) Why the intervention in the market?**

The operator negotiates the best deal on behalf of the homeowners, maximising the economies of scale. Without such discounts and marketing many homeowners would otherwise not take up solar panels. They also benefit from confidence that the solar suppliers are pre-approved and will be of high quality. The scheme unlocks significant scale of private investment in solar which wouldn't have otherwise been possible, and at limited / no cost to the Local Authority.

### **4) What savings can our residents expect**

The final cost of the PV units won't be known until auction, however iChoosr report that between 20%-30% discount against an individual purchase could be available (subject to current market forces).

### **5) What if my neighbour found a cheaper installation?**

As with any purchase, it is likely you can find a product cheaper, however iChoosr offers a quality product, with approved installers and warranties. The resident is under no obligation to progress with their quote and can therefore make an informed decision on their purchase.

### **6) What are the outputs/outcomes/measurable's for each of the parties?**

**Homeowners:** It maximises number of households accessing renewable energy, at a much reduced rate than they would otherwise be able to negotiate on their own. Once there is sufficient sign-up, the operator of the scheme will go out to the market, with a request for quotation for a certain number of panels, based on the sign-up rate. The solar panel providers then compete on price to win the contract to provide and install the solar panels – offering a price which is discounted compared with market rate. Homeowners also benefit from high quality PV as the installing contractors allowed to participate in the auction have been vetted by the bulk-buy provider.

**Local Authority:** Maximises the number of homes switching to renewable energy, helping to reduce greenhouse gas emission and local air pollution. Helps to deliver on Climate Crisis objectives, and retrofitting existing private housing stock which would otherwise be difficult to enable. Numerous local authorities have already run this scheme (GLA, Cambs, and Suffolk CC etc.). It is also expected to run at no net cost to the authority as it involves a targeted letter campaign to households most likely to sign-up, and is at a scale to reach enough households to ensure take up is sufficient to pay back the authority's cost.

**iChoosr:** As brokers, they take a commission for negotiating the purchase of the solar panels and benefits from using the authority's address data linking them up with potential customers. This connection also reduces GDPR concerns and improved the homeowner 'trust' that comes with a partnership with the Local Authority.

**The installing contractor/installer:** They win significant contracts to sell and install solar panels.

**7) Is there min of Expression of Interest (EOI) that needs to be collected before auction is initiated? Could the auction be postponed?**

With regards EOI from Local Authorities, yes, if we do not have enough households to target with 100k letters then it would be delayed until it could be combined with neighbouring authorities.

With regards EOI from households registering, technically yes but we have a proven model which we know will deliver the required volumes for a viable auction.

With regards the volume of households accepting the offer, no, this would not cause delay. We do not guarantee fixed volumes to winning installers.

**8) Most customers are lay-people, what pre-information is available to help them decide?**

This product works well as iChoosr give the customer the information in advance to help them make an informed decision, prior to committing to purchase. Following the issue of the DM letter, customers are invited to visit the iChoosr website to research and ask relevant questions, even after they register their interest they still have opportunities to liaise and work with the appointed installation contractor on the right product for them, prior to final installation and a commitment to pay.

**9) Can we make changes to the DM correspondence**

Yes, whilst the main body of the letter has been written by iChoosr to target their specific audience to help achieve max uptake of the offer, there is scope to add items relevant to the Local Authority i.e. 'Planning permission may be required' etc... (See Q20).

Example text: *\*Solar Together XXX - buying solar panels and battery storage made easy.*

*\*Solar Together is a group-buying scheme that helps you through the process, keeping you informed at every stage. Installations will generally not need planning permission. However in some cases, such as in Conservation Areas and on Listed Buildings, planning permission may be required. For planning advice please visit [Insert web address for planning authority] [www.xxx.gov.uk/planning](http://www.xxx.gov.uk/planning), or call xxxx on 01xxx....*

## 10) What other ways can we promote the scheme?

Once we confirm which Local Authorities are joining the scheme, further Officer and comms team meetings will be set up to agree the comms messaging, as there have been nationwide issues with fraudulent 'going green' offers making residents wary to take up genuine offers i.e. [Being a confident eco-friendly consumer - Citizens Advice](#), and by badging the DM letter with the logo of the authority for their areas' letter drop will help re-inforce to residents the credibility of the offer (NB, all DM's will also contain the HGC and HCC logos).

We will also agree a 'route to customer recourse' in the event of any issues, i.e. regular reporting from HGC to the Officer group to capture whether issues are isolated to one event or whether there is a county wide installation problem and have processes in place to address potential reputational issues, and by making each customer service area aware of the project we help to ensure the customer experience is the same as any other 'business as usual' process.

iChoosr have a wealth of information on their website that they share with those that sign up, this is not shared in advance due to the way they protect their business model and as soon as we sign the contract we will be able to assess what information may be missing for our resident i.e. create a FAQ's video/webinar.

It is anticipated this work will commence between 'contract signing' deadline and 'DM' content deadline.

## 11) At what point is the customer committed to the purchase of the panels?

Following receipt of the DM letter campaign the customer registers for free, and with no obligation, their potential interest in purchasing PV's (usually circa 1-3% of the letters issued). iChoosr then conducts the auction with the installers who were successful in passing the qualification process. The auction determines the offers for installations 4-50 panels. A personalised offer is sent to the registrant for consideration. If they accept they pay a £150 deposit, following this a desktop and then a site visit/survey is carried out. The customer's requirements are discussed and finalised - the customer can check online the cost of the changes they have made e.g. adding another panel or including a battery.

The customer can withdraw their interest any time **before** installation (and subject to T&C's have their deposit returned) and payment for the goods is not made until after installation. If at any time during the pre-installation process the installation is not possible then the customer is not obliged to continue with the installation, e.g. can't achieve planning if required, or panels can't be fitted to building etc.

## 12) Who owns the product?

The customer outright purchases the PV panel and installation. There should be no issues on ownership should the customer wish to sell their property with the panels.

## 13) What is the Electric Vehicle (EV) option listed in the proposal?

EV is an option iChoosr introduced as an add-on for this year's cohorts i.e. you can add it to solar and or storage but not have it stand alone. Unsurprisingly take up has been low (c10%) as people will want a point fitted when they buy an EV rather than wanting to arrange it through our scheme which does not provide immediate installation, however with an ever changing economy and increasing waiting lists for new EV's this could change.

**14) Will EV and battery storage be subject to the same level of scrutiny as the solar PV to ensure they represent best value for money?**

Yes, iChoosr sets product requirements to ensure quality, suitability and value, but pricing may not be standardised as 'one price for all'

**15) We understand that there may be some extras that may not be made known up-front, i.e. extra batteries for max storage capabilities, wire to stop bird nesting, are these standard items within the industry or do they differ dependent upon the installing contractor?**

The prices for extras are fixed in the auction.

**16) Will the contractors be aware of any grants for EV charging points that could be available to homeowners for installations to ensure homeowner are not paying for something they could have obtained for free?**

Yes, current requirements include that the installer is OZEV registered and we will continue to monitor and update the grant landscape to ensure homeowners are not disadvantaged.

**17) We understand the scheme can also work if you already have panels, not just for those newly adopting solar power, is this correct and are these included the DM, if not, could these be added?**

Households with PV can register for retrofit storage through the scheme. They could also apply for a new array to be added, although this would be a separate system with its own inverter - you can't just add on more panels.

**18) We understand that it takes approx. 12 weeks after installation to get the permission from the District Network Operator (DNO) to export to the grid?**

The installing contractor will apply to the DNO on behalf of the customer. After the survey the installer will start this process and book their installation accordingly, it generally should not be the case that the customer is installed whilst still waiting for DNO approval.

You cannot apply for a Smart Export tariff until you have your MCS certificate after installation, this is provided in the handover pack sent to a customer after they have paid their invoice. It can take approximately 2 weeks after install for the handover pack to arrive (assuming customer pays within 10 day payment terms). Customer will also need to ask their energy supplier to fit a SMET2 smart meter to benefit from a SEG tariff, we recommend they start these conversations as soon as possible.

**19) We understand that there needs to be a change to the customer's way of using power in order to achieve max benefit i.e. use the washing machine/dishwasher/tumble dryer at noon when there is lots of sun and its being powered directly off the panels, rather than in the evening and running off the batteries (and potentially the grid once you have drawn down all the stored energy). Is this made known to the customer how to make the most of the product?**

The customer has a full briefing in the handover from the installer during which these types of things can be discussed.



**20) What considerations are there with regards planning permission requirements, both with PV and EV? And, in the case of EV charging there will need to be agreement from the Highway Authority on installation of EV where it involves dropped curbs i.e. no trailing cables over the pavement or highway?**

**Do iChoosr make it clear about the suitability criteria for PVs & EV for households? In particular in conservation areas where permitted development rights may have been removed?**

iChoosr is not currently making the recommendation for EV charge points as it is not included as standard within the solar panel offer. The installers will make a recommendation to the customer for an EV charge point based on their circumstances and requirements, this recommendation will take into account planning requirements and safety requirements - i.e. not taking cables across pavements.

Regarding planning permission in general, we advise customers that they need to check with their local authority regarding planning as requirements vary, but we give some generic advice on our website: <https://solartogether.co.uk/adur/info/planning-permission>

**DBC Planning department confirmed the following:**

*Some PV is PD – see Class A of Part 14. If the limitations / conditions within that Class are exceeded then a planning application is required. The same applies to electrical outlets for recharging vehicles and electrical upstands for recharging vehicles, which are considered under Class D & E of Part 2, respectively.*

*If a resident makes an enquiry we would try and make a quick assessment based on the PD rules (known as the General Permitted Development Order), but ultimately we would advise them to make an application for a Lawful Development Certificate if they want a formal answer to the question, “Do I need planning permission for...?”*

*These rules are applied national (i.e. for each of the LA’s). We don’t see any issue with us promoting PV and EV installations, but would advise the standard caveat ‘subject to planning – please check whether planning permission is required’. We would also advice that the purchaser checks with Hertfordshire Building Control for any Building Regulations that may be required.*

**21) How will the contractors ensure that roofs are structurally sound to take the weight of the systems being installed? Will there be any Building Control involvement or structural engineers to confirm the roof is suitable to take the weight of the system proposed?**

All Solar Together installers have to be MCS accredited and therefore must install solar PV in line with the Solar PV standard MIS 3002. MIS 3002 includes calculation methodologies for ensuring that the roofs can withstand loads imposed by the system, and guidance outlining in which scenarios a qualified structural engineer should be consulted in the design process.

Most installs are permitted development and where they are not, iChoosr and the installer will advise the registrants.

**22) Can we combine this scheme with our Green Homes Grant (GHG) work – i.e. where we are signing up homes for solar PV we could refer to the scheme for installation?**

The scheme is targeted at those 'able to pay' and therefore does not work in conjunction with the GHG, which does not cover PV's.

**23) How are customer service issues usually dealt with? Is the route for complaints/issues as follows:**

**Stage 1 = Installation contractor;**

**Stage 2 = iChoosr;**

**Stage 3 = relevant local authority/customer services department?**

Correct; however issues should be limited as the provider provides regular update/delivery reports and iChoosr provides a regular customer service report and should the customer be unhappy with the service, they contact the provider in the first instance, should the issue not be resolved this will be escalated to iChoosr to resolve.

iChoosr has worked with over 150 local authorities on the energy switching and solar schemes since 2012 and appreciates the requirement for excellent customer services to minimise complaints and, where they do occur, the importance of managing them.

During the period 2020-2021:

- iChoosr has delivered 22 Solar Together schemes with 14 local and combined authorities
- 16,571 residents have accepted offers and passed to winning installers for their surveys
- 4,288 installations have taken place
- During that time iChoosr handled 86 complaints made to Local Authorities, meaning these account for 0.5% of acceptances and 2% in installations

**24) What happens if the customer is un-happy with their customer experience/process?**

If the customer feels their issue has not been resolved through either the provider or iChoosr then they should be afforded the option to escalate their issue through their respective Local Authority.

The following options have been set up by for other Solar Bulk, Buy campaigns i.e. Cambs:

- a) Each LA issues their own customer service number and treats the scheme as 'business as usual' (with support from an Officer for their respective authority) or
- b) Herts CC Sustainability Partnership board considers allocating a Member to represent/be main point of contact for all the LA's, with support from an Officer for their respective authority, liaison with iChoosr (this has been successful for the Suffolk scheme).

See Q10 Officer/comms meetings to agree the 'best customer experience' process in the event of an issue.

## 25) What is the Qualification process for installers

The qualification procedure includes provision of:

- Evidence of MCS certification plus either HIES or RECC certification
- Evidence of a CRM system that enables them to manage a high volume of customers
- Evidence that the installer can realise an Insurance Backed Guarantee for workmanship
- Evidence of Insurance policies that cover liability, works and indemnity
- Annual Accounts
- Details Of Organisation And Employees
- Evidence of Customer Satisfaction Results

## 26) What is the specification being suggested for the installs, are they string inverters, or micro inverters and how are they being monitored for failure?

We do not currently offer micro inverters through the scheme, the inverters are string inverters. We allow installers participating in the auction to select which brands they will use, however they must specify which brands will be used upfront and they are obliged to comply with the fixed conditions defined by iChoosr to ensure product quality.

Customers will be aware of what brands are being offered before they choose to go ahead with the installation and will be able to access downloadable product spec documentation and all components must be rated as per the requirements in MIS3002.

The systems installed through Solar Together schemes come with monitoring software.

## 27) What is the monitoring system? Are customers able to engage to check on performance?

The monitoring system will be unique to the panels used for the installation. The customer will be shown how to use it as part of the handover by the installer when the installation is complete.

## 28) Will the system be MCS registered – what level of warranty will be provided, will the warranty be insurance backed in the event of the contractor / manufacturer going into receivership?

**Workmanship Warranty and Insurance Backed Guarantee:** All Solar Together installations include a workmanship warranty valid for 10 years. With the workmanship warranty, the workmanship regarding the correct functioning of the various system components such as solar panels, inverters, mounting material and other materials is guaranteed. The installer guarantees the correct operation of the entire system, and ensures a cost-free repair if the system does not operate correctly due to bad workmanship.

This workmanship warranty is safeguarded by an Insurance Backed Guarantee, which means an insurer will take over the warranty in the event that installer ceases to trade in the future. DBC will request confirmation of a valid insurance as part of the due diligence.

**Quality Inspections:** An independent and specialised third party will thoroughly audit about one in every 25 installations completed as part of Solar Together to ensure that work has been delivered according to standards.

**Product Standards:** We allow installers participating in the auction to select which brands they will use, however they must specify which brands will be used upfront and they are obliged to comply with the fixed conditions defined by iChoosr to ensure product quality.

Customers will be aware of what brands are being offered before they choose to go ahead with the installation and will be able to access downloadable product spec documentation and all components must be rated as per the requirements in MIS3002.

Solar panel product conditions include: Manufacturer (production facility) of the solar modules is:

- MCS Product certified
- CE compliant
- Tier-1 according to BNEF's latest Tier list
- Silicon Module Super League panels are preferred
- Modules are supported by a WEEE compliant recycle scheme
- Modules are all Black, Mono-Crystalline (PERC). All visual parts (i.e. module clamps) of the mounting materials are black
- Minimum module efficiency of 18.1%
- Minimum power output of 330 Wp
- Product (Mechanical) Warranty from the Manufacturer of at least 12 years.
- Performance Warranty of 25 years (At least 90% of the Nominal Module output for the first 10 years and at least 80% in the 15 years following the first 10 years, or better)

**29) What is the relationship between iChoosr and Solar Together?**

iChoosr is a Dutch owned company, registered in the UK, iChoosr is the registered business name (that DBC will enter into contract with) and Solar Together is the brand name that supports the programme i.e. Solar Together Hertfordshire, Solar Together Suffolk etc.

**30) Will there be an after sales service for ongoing repairs and maintenance. Will there be access engineers in case of a fault?**

There should be no requirement for maintenance, other than occasional (every few years or so depending on area) cleaning with water only, usually can be done by a window cleaner with a long brush.

Re the 10-year workmanship warranty, the installer guarantees a free repair in the event that there are issues with the installation as a result of their workmanship. This is insurance-backed so in the event that the installer is no longer trading then the warranty will be covered by an insurer. Should the products fail then these are covered by the product warranties.

**31) Does the scheme cover the whole district? /Is there a maximum number of participating households?**

The scheme is intended to cover all of Herts and potentially to include Bucks (and other counties who can't join directly due to limited number of eligible properties). There is no maximum, but a minimum of 30-50% of eligible households is required, which for Herts is around 100k.

**32) Are social housing providers, schools, businesses, retail (or similar orgs) able to register interest and benefit from the bulk buy scheme or whether it's really only for individual residents?**

In principle, yes any premises that could accommodate PV (and/or EV's) could benefit, the main point of the scheme is 'volume of custom' and whether the property has the right to receive the product such as ownership/lease agreements etc. This is an opportunity that could be discussed if the project was successful and there was an appetite to repeat the process (see Q38).

**33) Can we work with other Counties?**

Yes, we can work together and be contractually independent of each other. Some lead authorities will never have enough relevant properties, so to allow them obtain the benefits for their residents they can join the auction process, but they are contracted separately with iChoosr.

**34) Why iChoosr vs Solar Streets programme?**

The iChoosr scheme is similar to the Solar Streets programme, however feedback suggests that sign up can be low as it relies on at least six households on a single street to sign up before the provider installs the panels. The iChoosr scheme isn't limited by street and would cover all of Hertfordshire, with the potential therefore for an improved sign-up rate.

**35) The Solar Streets programme includes £50 contributions from each sign-up into a Community Fund to be used on Green Community Projects. Do iChoosr offer something similar, if not is this something they would consider?**

iChoosr pays a referral fee for each installation which could be diverted all, or in part, in to a community fund\*\*. (***\*\*Please note this option to be discussed with HGC internal partners and does not form part of the proposal at this time.***)

**36) Could the two scheme run together?**

The two schemes could operate at the same time, however we would need to consider that this would result in more officer resource to set-up/manage, and whether this could be confusing to residents!

**37) Are there any procurement issues with using iChoosr?**

There is precedence that this is the only provider of this type for local authorities and therefore entering into a contract with a single source concession is within the relevant procurement rules, and if required it could be considered a pilot project for a set number of years which allows for other companies to enter the market and be considered in future tenders.

DBC Procurement, Legal and Finance teams have been consulted and confirmed they are happy with the approach we have taken to directly appoint iChoosr and cannot foresee any issues for DBC to therefore sign the contract.

**38) If there are any surplus funds arising from the commission could the money be transferred to HCCSP so a decision can be made on how it is spent in the future?**

There is unlikely to be a surplus, it is designed to be cost neutral and technically the monies are to remain with HGC as they received the funds as part of their funding bid and would look to use this elsewhere in line with their programme, however if there was an appetite to repeat the residential process, this is something that could be considered to help facilitate another cohort.

**39) What is the overall value of the contract for the installing contractor and what financial benefit does iChoosr receive from signing a contract with the Local Authority, which ultimately allows iChoosr to contract with the installing contractor?**

DBC procurement have confirmed they have no procurement issue for us to direct appoint iChoosr for this project. As the cost is below the Council's tender threshold (>£75k), this contract can be awarded under the Council's quotation process.

In terms of the income that iChoosr could 'make off the back of the agreement' whilst this is not relevant to the Council as we are not part of that agreement, if the Council are allowing a company to benefit 'off the back of an agreement' we have with a company, then this would fall under the concession regulations which carries a higher WTO (formally OJEU) threshold of £4,733,252.

iChoser confirm that based upon best case scenario of update of sales within Herts and Buck/Berks combined, that their fee/income would be below this threshold and therefore the LA's would not be in breach of procurement rules.

**40) Who signs the contract?**

The contract is directly with iChoosr to allow them to undertake the auction and approach the residents on behalf of the relevant authority(s). The successful Provider (installing contractor) then enters into a contract with iChoosr to supply and install the product.

The contributing authority usually signs the contract with iChoosr on behalf of the other authorities to support this approach and ensure buy-in from the joining authorities, DBC have issued a draft MOU for sharing with all parties to agree with their legal team in readiness for the contract signing date. Other authorities have undertaken a similar process with success as the contract is fairly standard, but there is an opportunity for amendments to be made to satisfy the relevant authority that the risks are minimal and therefore acceptable.

DBC Legal has confirmed that they are able to sign the contract direct with iChoosr, supported by, but not dependent on the MOU from each authority (that wish to join).

**41) Can the contract be amended?**

Yes, DBC has reviewed the contract and made amendments to ensure the protection of DBC from any breach of contract and third party risks, added clauses to reflect Modern Slavery, proof of Public Liability and relevant indemnities.

Below the clause DBC propose to add to the final DBC/iChoosr contract.

**“ANTI-SLAVERY**

- 1.1 In performing its obligations under this Agreement, iChoosr shall;
  - 1.1.1 Comply with all applicable anti-slavery and human trafficking laws, statues, regulations and codes from time to time in force including but not limited to the Modern Slavery Act 2015
  - 1.1.2 Ensure compliance with this clause by the Personnel, its contractors, Suppliers and agency.
  - 1.1.3 Not engage in any activity, practice, or conduct that would constitute an offence under sections 1, 2 and 4 or the Modern Slavery Act 2015 if such activity, practice or conduct were carried out in the UK.
  - 1.1.4 Maintain procedures throughout the duration of this Agreement to ensure compliance with this clause.
  - 1.1.5 iChoosr undertakes to notify the Council of any breach of this clause.”

#### **42) What does each authority need to do?**

Some Officer time is required by each joining authority, to help support the scheme and obtain their own internal approvals to progress to signing the MoU. Whilst iChoosr will undertake the main bulk of the customer contact and delivery process, Officers will be required to:

- Approve the mailshot letter for their area.
- Provide links to their webpage for the 'Solar Together' scheme.
- Agree other marketing opportunities to guide residents to sign up with iChoosr.
- Provide the relevant branding/comms guidance.
- Provide iChoosr with the relevant private resident addresses (no GDPR as no names are used).
- Agree a route to customer recourse / issue a customer services contact number / or provide details of a Member to represent the whole group and;
- Support the other authorities where required.

#### **43) How will iChoosr know tenure of residential properties and can someone apply without receiving a letter?**

iChoosr will work with HCC's GIS team to run a set of parameters they have identified to establish the occupants' likely tenure and they will be invited to check the criteria to see if they are eligible. This is also the route to eligibility for anyone who might be interested without being invited via the DM.

The link we share on our website will take interested parties to the eligibility checker before they can proceed to next phase.

#### **44) Will the Zero VAT rate on PV's be passed to the customer**

The benefit of this new VAT change is expected to benefit the customer. Details of this are currently being worked through with iChoosr.

# Hemel Garden Communities Solar Bulk Buy Scheme Joint authority working





# How Group Buying Works:



1

**REGISTRATION**



2

**AUCTION**



3

**PERSONAL  
OFFER**



4

**DECISION**



5

**WE'LL TAKE  
CARE OF IT!**



# Group Buying for Solar works...

## For Residents

- By coming together, residents get a better deal
- Council backing gives reassurance
- Hassle-free process
- Working with experts who have vetted suppliers and researched the market helps navigate uncertainty
- Service desk for queries and support at all stages of the process

## For Councils

- Significant measurable carbon reduction driven by resident investment in green energy
- Group buying is an extremely cost-effective option
- Small investment of council officer time to drive significant private investment
- Supplier vetting and engagement handled by iChoosr
- Customer support handled by iChoosr



# What's new

The customer offer will include:

- High performance panels only
- Options for storage or power diverter
- Standalone storage for households with existing PV installations
- Option for EV point
- Optional / recommended optimised panels where residents have indicated shading

# Auction calendar

## 3 auctions:

- Spring, summer & autumn

## The customer offer will include:

- EV points
- A route to /guidance on how to get switched to export fee providing electricity supplier

# Model per 100k targeted letters

Business case per 100k targeted letters	Council model	Expected Parameters	Council underperformance model	Parameters
households	466,200		466,200	
owner-occupied	303,030	65%	303,030	65%
targeted RM letters	100,000	33%	100,000	33%
cost/targ hh for letters	£28,000.00	£0.28	£28,000.00	£0.28
cost/targ hh for other	£1,400.00	£0.05	£1,400.00	£0.05
cost/hh				
<b>total cost</b>	<b>£29,400.00</b>		<b>£29,400.00</b>	
registrations	3500	3.5%	3000	3.0%
acceptances	560	16%	420	14%
net installations	420	75%	315	75%
conversion on hh	0.09%		0.07%	
<b>council revenue</b>	<b>£31,500.00</b>	<b>£75</b>	<b>£23,625.00</b>	<b>£75</b>
total system size in KW	1,386	3.3	1,040	3.3
MWH generated (1 wp= 1kwh yearly)	1.4	1	1.0	1
<b>Yr 1 CO2 reduction in tons (0.28307 KG/kWh)</b>	<b>395</b>	<b>0.94</b>	<b>296</b>	<b>0.94</b>
<b>Lifetime CO2 reduction in tons (0.28307 KG/kWh)</b>	<b>9,870</b>		<b>7,403</b>	
investment per install	£70.00		£93.33	
<b>revenue per install</b>	<b>£75.00</b>		<b>£75.00</b>	



# What is the Solar Together DM?

The DM is the key driver of interest in your scheme and comprises of the following elements:

- **Letter:** This is single sided, full colour print, and unnamed e.g. *Dear Resident*
- **Leaflet:** Accompanying the letter is a tri-fold leaflet, printed full colour.
- **Envelope:** This is a windowless DL format leaflet, addressed but unnamed e.g. *Dear Homeowner*

Our DM has been tested with group of consumers for content, key messages and layout.

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 Hampshire County Council

## Dear Resident,

Do you want to save on your energy bill and generate your own clean electricity? Having your own solar panels can be an intelligent investment: not only can you save on your energy bill, but you will be powering your home with clean energy. Hampshire County Council are working in partnership with independent experts (iChoose) to make the transition to clean energy as cost effective and hassle-free as possible. This initiative is part of Hampshire County Council's commitment to climate action.

## SOLAR TOGETHER HAMPSHIRE - BUYING SOLAR PANELS MADE EASY

Solar panels can seem complicated but buying a solar system doesn't need to be daunting. Solar Together Hampshire is a group-buying scheme that helps you through the process, keeping you informed at every stage.

**Do you already have solar panels installed?** You can also register to have battery storage added to your existing solar panels to maximise the benefits of your system. For more information please see the leaflet accompanying this letter.

## HOW DOES IT WORK?

**1. Registration:** you can register before 23 March for free and without obligation at [www.solar-together.co.uk/essex](http://www.solar-together.co.uk/essex). To register you simply provide details about your roof, such as its size and orientation.

**2. Auction:** a supplier 'auction' will be held on 23 March, when our approved solar suppliers will bid for the work. The more people that register, the better the deal should be for each household.

**3. Personal recommendation:** from 22 April you will be contacted with a personal recommendation, based on the specifications of your roof. This includes your costs and specification of your solar panel installation.

Decision is then yours as to whether you want to accept your recommendation, or to continue. You will have until 24 May to decide and will be invited to visit an

apt, the winning supplier will contact you to survey your roof and set an

ions are planned to be completed by the end of month 2022.

at likely costs, the amount of energy you can expect to generate, and lots

er.co.uk/hampshire

interest to you. The more people that participate, the better the price

vable energy will be generated by Essex residents.

[www.solar-together.co.uk/hampshire](http://www.solar-together.co.uk/hampshire)  
essex@solar-together.co.uk  
0800 048 8428  
Mon-Fri, 8am-5pm

# What can be changed in the DM?

The majority of the DM is made up of fixed elements that are the same for each region we work with. This content is based on our experience of delivering these schemes over the last seven years and has also regular testing with consumers in the UK.

However, we are aware that the DM needs to feel like something your council would send out to residents. Each element of the DM allows for key elements to be customised as follows:

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**Letter:** Intro paragraph to set local context (50 word limit), name and role of council signatory (this should be a person, rather than a generic team sign off), council registration link (can be your Solar Together link, or one to your corporate site), council logo.

- **Leaflet:** This will have the same registration link and council logo as your letter.
- **Envelope:** This will have your council logo, and the Solar Together logo printed on the front. The Solar Together logo can also be placed on the envelope in addition to your council logo, but not in isolation.



# How should DMs be targeted?

There are a number of ways in which address data can be refined in order to reach an audience most suitable for Solar Together. In the first instance you should aim to remove social housing, flats and businesses from your pool of potential target areas.

If you have Mosaic data for your council you should then be able to rank postcodes in line with our recommended Mosaic types to choose the 'best' areas to target.

If you do not have Mosaic data for your council area then you can look at the housing and demographic data you do have access to and find similar groups e.g. housing tenure, housing type, income levels, indices of multiple deprivation and other social demographic info.

As an additional measure these can then be run through the Experian database to attribute the addresses to a Mosaic type, and then the addresses can be ranked from most to least desirable. This is a service that iChoosr can provide for a fee via our Experian licence.

Alternatively if you have access to EST Home Analytics data this identifies households suitable for Solar PV. If this number is higher than the budget available for the Solar Together DM, you could then have an additional report run via Experian to rank based on our Mosaic targeting info.





## So far Solar Together...

- London (GLA)
- Manchester (GMCA)
- Norfolk
- Suffolk
- Essex
- Cambridgeshire
- Kent
- E&W Sussex
- Devon
- Hampshire
- Warwickshire
- Surrey
- West of England (Combined Authority)



# Solar Together Suffolk 2020 Progress To Date

**65k Direct  
Mails Sent**

**2,157  
Residents  
Registered**

**459  
Customers  
to installer  
for survey**

**249  
installations  
to date**

**912 kW  
Solar PV  
installed**

**193  
tonnes of  
CO2  
reduction  
already  
delivered**



# Battery Add-On Rate

- 46% of participants added battery storage when accepting their offer
- Battery add-on rate has increased to over 80% of solar PV installations after survey



# Thank you

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Hertfordshire  
Local Enterprise  
Partnership





# Cabinet

<b>Report for:</b>	Cabinet
<b>Title of report:</b>	Land assembly at St Margaret's Way for housing development (Appropriation of General Fund land and Housing to planning purposes and subsequently to the Housing Revenue Account for housing development purposes.)
<b>Date:</b>	19 <sup>th</sup> April 2022
<b>Report on behalf of:</b>	Councillor Margaret Griffiths, Portfolio Holder for Housing
<b>Part:</b>	I
<b>If Part II, reason:</b>	
<b>Appendices:</b>	Appendix 1 - Plan
<b>Background papers:</b>	Valuation Report – 24 <sup>th</sup> January 2022 (included in Part II)
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	HRA – Housing Revenue Account

**Report Author / Responsible Officer**

David Barrett, Head of Housing Development

David.Barrett@dacorum.gov.uk

<b>Corporate Priorities</b>	<ul style="list-style-type: none"> <li>A clean, safe and enjoyable environment</li> <li>Building strong and vibrant communities</li> <li>Ensuring economic growth and prosperity</li> <li>Providing good quality affordable homes, in particular for those most in need</li> <li>Ensuring efficient, effective and modern service delivery</li> <li>Climate and ecological emergency</li> </ul>
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<b>Wards affected</b>	Leverstock Green
<b>Purpose of the report:</b>	<p>To be read in conjunction with Part II.</p> <p>To seek approval for the appropriation of a block of garages, domestic storeroom and adjacent amenity land at St. Margaret's Way, Hemel Hempstead.</p>
<b>Recommendation(s) to the decision maker(s):</b>	<ol style="list-style-type: none"> <li>1. Cabinet confirms that the site at St Margaret's Way is no longer required for its current purpose.</li> <li>2. Cabinet agrees to delegate authority to the Strategic Director (Place) to apply for consent pursuant to section 19 Housing Act 1985 to the Secretary of State for Levelling Up, Housing and Communities (or equivalent successor title) to appropriate the flats (above a garage block) and amenity land held within the Housing Revenue Account at St Margaret's Way as shown edged red and green on the Plan ('HRA Land').</li> <li>3. Cabinet agrees to delegate authority to the Strategic Director (Place) to carry out a consultation in relation to the intended appropriation and the disposal of the public open space within the HRA Land at St Margaret's Way; if objections are received as part of the consultation process, the consideration of those objections will be referred back to Cabinet.</li> <li>4. Cabinet agrees to delegate authority to the Strategic Director (Place) to take all necessary steps to appropriate the HRA Land from the Housing Revenue Account to planning purposes and the garages held within the General Fund within the Site for planning purposes pursuant to Section 122 of the Local Government Act 1972 and Section 227 of the Town and Country Planning Act 1990 for planning purposes subject to the completion of the processes authorised by Recommendations 2 and 3..</li> <li>5. Cabinet agrees to delegate authority to the Strategic Director (Place) to appropriate the Site at St Margaret's Way from planning purposes to the Housing Revenue Account prior to construction of the new build council houses as set out in Part II of the report.</li> </ol>
<b>Period for post policy/project review:</b>	N/A

## **1 Introduction/Background:**

In order to ensure a continued pipeline of the future affordable housing development sites, this report seeks approval to consider the appropriation of the land as shown at Appendix 1 ("Site") that includes garages held in the General Fund and the HRA Land for planning purposes and then the subsequent appropriation of the Site from planning purposes to housing to be held under the HRA at market value.

## **2 Key Issues/proposals/main body of the report:**

The St Margaret's Way social housing new build project of 46 units received a resolution to grant planning permission, subject to a section 106 agreement at Development Management Committee on the 16<sup>th</sup> December 2021. The approved scheme includes the demolition of four flats, shown on the Plan outlined in red on the first floor, that are not fit for purpose due to their condition and size. They are situated above a garage block of seven garages, a domestic storeroom and are adjacent to amenity land (shown shaded green on the Plan). The proposals for the site will accommodate three additional houses and enhance the wider development. The flats above the garage block and amenity land are required to be appropriated from the Housing Revenue Account to the General Fund to be held for planning purposes and the garages need to be appropriated from the General Fund for planning purposes.

A red book valuation has been carried out by Brasier Freeth, and is included in Part II of this Cabinet report.

## **3 Options and alternatives considered**

None

## **4 Consultation**

Margaret Griffiths, Portfolio Holder for Housing

James Doe, Strategic Director of Place

Nigel Howcutt, Chief Finance Officer

Deborah Wickham, Interim Corporate Director (Housing)

Farida Hussain, Head of Legal and Democratic Services

Richard Rice, Head of Property Services

## **5 Financial and value for money implications:**

The overall development budget is reviewed strategically as part of the annual review of the Housing Revenue Account Business Plan. Each individual scheme, following contract award, is subject to close financial monitoring with any variances agreed formally through a change control

The lifting of HRA borrowing cap has provided the opportunity to undertake additional borrowing, through the Public Works Loan Board, at what are still historically low rates of interest, enabling the expansion of the new build programme in a sustainable and affordable way.

Land purchases / appropriations are in line with Red Book valuations to ensure value for money.

## **6 Legal Implications**

Pursuant to section 120 of the Local Government Act 1972 ("LGA"), the Council has the power to acquire land for the purposes of (a) any of the Council's functions under the Local Government Act

or (b) for the benefit, improvement or development of the area. The report sets out how these requirements are met.

In addition to the above power, further to section 9 of the Housing Act 1985, a local authority may provide housing accommodation by erecting houses or converting buildings into houses on land acquired by them.

Pursuant to section 122 of the LGA, a local authority may appropriate land for any purpose for which it is authorised to acquire land, when the land is no longer required for the purposes for which it is held. In reaching this decision, the Council must consider the public need within the area for the existing use. The proposed scheme of 46 new units will provide much needed social housing which would outweigh the public need for the current use of the Site.

The purpose for which the local authority is appropriating the land must be authorised by statute. Further to section 17(1) (a) of the Housing Act 1985, a local housing authority may acquire land for housing purposes. Section 19 of the Housing Act 1985 prevents a local authority from appropriating land held in the Housing Revenue Account consisting of a house or part of a house without the consent of the Secretary of State for Levelling Up, Housing and Communities.

Section 227 of the Town and Country Planning Act 1990 authorises a local authority to acquire land by agreement for a purpose for which the local authority may be authorised to acquire land under section 226 Town and Country Planning Act 1990. As a result, the appropriation of the Site to planning purposes must be made pursuant to section 122 Local Government Act 1972 and section 227 Town and Country Planning Act 1990.

Section 226 of the Town and Country Planning Act 1990 ("1990 Act") provides authorisation for the appropriation of land for planning purposes. Section 226 states that that a local authority (subject to the authorisation of the Secretary of State) has the power to compulsorily acquire any land in their area, if it considers that this will facilitate the carrying out of a development, redevelopment, or improvement on or in relation to the land, or is required for a purpose which is necessary to achieve in the interests of the proper planning of an area.

Under Section 226(1A) of the 1990 Act, a local authority may not acquire land compulsorily, for the purpose facilitating the carrying out of development, unless they consider that the development is likely to contribute to the achievement of one or more of the following objectives:

- a) the promotion or improvement of the economic well-being of their area;
- b) the promotion or improvement of the social well-being of their area;
- c) the promotion or improvement of the environmental well-being of their area.

A resolution to grant planning permission has been secured for the redevelopment of the Site (with planning reference 21/03089/MFA). It is considered that the redevelopment would result in the improvement of the economic, social and environmental well-being of the area, by sustainably providing a significant number and mix of high quality Council-built homes, which would contribute to the Council's identified affordable housing need. The redevelopment of the Site will provide local people with high-quality, affordable accommodation, improvements to local infrastructure and potential employment opportunities from the construction process. Accordingly in the Council's view, the redevelopment would contribute to the economic and social well-being of the area, fulfilling the requirements of section 226(1A) of the 1990 Act.

Section 203 of the Housing and Planning Act 2016 ("2016 Act") provides that where land has been appropriated for planning purposes then existing rights, which could prevent the development of that land from being carried out in accordance with the planning permission can be overridden, subject to payment of compensation to the affected parties.

For section 203 to be utilised or relied upon, the development must receive planning permission and the Council must hold an appropriate interest in the land. The Council will also need to be



satisfied that the requirements set out in section 226(1A) of the 1990 Act are met, and would need to consider whether an interference with the rights of third parties would be justified.

The use of section 203 powers would have the effect of ensuring that previously unknown interests do not frustrate the process of development, and is considered necessary in order to facilitate the proposed scheme of development.

The Council has carried out a report on title that has not identified specific private rights or any beneficiaries of private rights that affect the Site, but given the previous use of the Site it is considered prudent to appropriate the Site for planning purposes to engage the powers within Section 203 to override any third rights and convert them into a right to claim compensation.

As set out above, the Council considers that the redevelopment would result in the improvement of the economic, social and environmental well-being of the area. There may be a minor impact or infringement of the rights of as-yet-unknown persons, but the Council considers that on balance, an interference with those rights would be in the public interest and would be justified in the context of the benefits of the proposed redevelopment.

The Site will not be appropriated for planning purposes until

- i. the outcome of the advertisement process required by section 122(2A) of the Local Government Act has been completed and any representations received have been properly considered; and
- ii. Consent from the Secretary of State to appropriate the HRA Land for planning purposes pursuant to Section 19 Housing Act 1985 has been granted.

## **7 Risk implications:**

Risk Assessments are completed, reviewed and updated on a monthly basis.

## **8 Equalities, Community Impact and Human Rights:**

A Community Impact assessment not required. There are no Human Rights Implications arising from this report.

## **9 Sustainability implications (including climate change, health and wellbeing, community safety)**

The new housing scheme will consider sustainability implications.

## **10 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)**

Each new build scheme has in place a Principal Designer and Construction Design and Management Regulations (CDM) Advisor. Contractors are required to comply with the Council's Health and Safety (H&S) policy along with Considerate Constructors requirements. Health & Safety is identified as a key risk of the Housing Service and is reported to the Council's Housing and Communities Overview and Scrutiny Committee on a quarterly basis. To ensure compliance monthly site checks carried out on behalf of DBC as the client to ensure adherence to H&S procedures.

## **11. Statutory Comments**

### **Deputy Monitoring Officer:**

The appropriation powers have been set out in the body of the report. The use of appropriation power needs to be justified by a clear 'public interest' case that overrides the individual rights of potential affected third party owners and occupiers of nearby properties.

Prior to appropriating the flats above the garage site which are currently held in the HRA, Secretary of State Consent will be required under section 19 of the Housing Act 1985.

Where land consisting or forming part of an open space is proposed to be appropriated, the Council cannot do so unless it has advertised its intention to do so for two consecutive weeks in a local newspaper and specifically considered any objections received under section 122(2A) of the Local Government Act 1972.

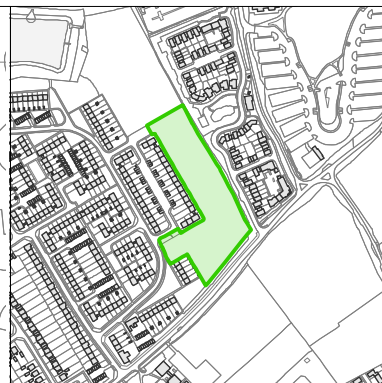
The definition of open space is “any land laid out as a public garden, or used for the purposes of public recreation, or land which is a disused burial ground”. The amenity land at St Margaret’s Way shown edged in green on the Plan comes within this definition and therefore the open space rules apply.

**Deputy S151 Officer:**

The appropriation of General Fund property and land to the HRA requires a technical to reduce the Capital Financing Requirement (CFR) of the General Fund and adjustment increase the CFR of the HRA by the market value of the transfer. The CFR is an indication of the Council’s underlying need to borrow as a result of capital investment.

**12 Conclusions:**

In order to support the delivery of the St Margaret’s Way project this report seeks approval to consider the appropriation of General Fund Land and HRA properties for planning purposes and subsequently to the Housing Revenue Account for Housing Development purposes.



Do not scale from this drawing, except for planning purposes. Use figured dimensions only. Figured dimensions are in millimetres except where indicated otherwise. All levels are in metres. All dimensions and levels shall be verified on site before proceeding with works. This drawing is to be read in conjunction with other documentation from the architect, design team and main contractor. The architect must be notified of any discrepancy. Where building components are described in the specification as contractor designed, 'construction' information relating to those components on this drawing represents design intent only.

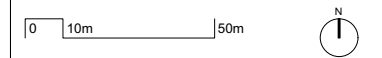
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- Site Boundary - Extent of Planning Application
- Extent of Applicant's ownership
- Garage site

Rev.	Date	Revision notes
PL2	16/03/2022	For information
PL	11/08/2021	For Planning

Drawing No. **275\_A\_00\_100** Revision **PL2**

Drawing Title **Existing Site Plan**



Project	St Margarets Way		
Client	Dacorum Borough Council		
Status	Planning		
Drawn	MB	Checked	ST
Scale@A3	1:1500	Scale@A1	1:750

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