

**HERTSMERE BOROUGH COUNCIL**

**MEETING OF THE COUNCIL**  
**HELD IN THE COUNCIL CHAMBER**  
**CIVIC OFFICES, ELSTREE WAY, BOREHAMWOOD**

26 November 2014

**Present:**

Councillors Keates (Mayor), , Turner, Griffin, Batten, Bright, Butchins, E Butler, R Butler, Choudhury, Donne, Galliers, Graham, Harrison, Heywood, P Hodgson-Jones, Lyon, Morris, O'Brien, Parnell, Quilty, Rutledge, Sachdev, Silver, Swallow, Swerling, Vince, Wayne, West and Winters

**Officers:**

D Graham  
S Bijle  
G Wooldrige  
P Hughes

Chief Executive  
Director of Resources  
Director of Environment  
Democratic Services Manager

323. **PRAYERS**

The Mayor's Chaplain said prayers.

324. **COMMUNICATIONS AND APOLOGIES FOR ABSENCE**

The Mayor advised the meeting that the page numbers of the printed and on-line agendas differed, and that he proposed to announce the item page number for both agenda types when introducing each item.

Apologies for absence had been received from Councillors Calcutt, Clapper, Cohen, Dobin, Gilligan, Goldstein, Knell, Legate, Maughan and Worster. Apologies for lateness were submitted on behalf of Councillor Hodgson-Jones.

325. **DECLARATIONS OF INTEREST (IF ANY)**

Councillor Bright declared an interest as a Council appointed director of Elstree Film Studios.

326. **MINUTES**

**RESOLVED** that the minutes of the Council meeting held on 17 September 2014 were approved and signed as a correct record.

327. **ANNOUNCEMENTS BY THE MAYOR**

The Mayor commenced his announcements by expressing his thanks to a number of people. He firstly thanked all who attended the Civic Service on 21 September. The Football Tournament held on 27 October was, said the Mayor, a great success raising approximately £900 for the Mayoral charities. He particularly thanked Arsenal Football Club for their hospitality. The final was won after a penalty shoot-out, and the Mayor offered his commiserations to the Chief Executive whose side lost the final.

Remembrance Sunday took place on 9 November and the Mayor thanked all those who attended the various ceremonies throughout the borough and particularly those who had represented the Mayor. Finally the Mayor thanked those who had attended the Armistice Day ceremony at the Civic Offices on 11 November. He particularly mentioned the contribution from Mr Bill Davies of the Royal British Legion and from the Bugler, Mr Adrian Temple.

The Mayor then announced some dates for the diaries of Councillors. Holocaust Memorial Day will be held in Bushey on the evening of 27 January starting with a parade through Bushey High Street followed by an event at The Bushey Academy. A Mayor's Charity Quiz Night was to be held at the Civic Offices in the evening of 4 February in aid of the Mayoral charities.

The Civic Dinner was scheduled for 7 March and would be held at Elstree Studios. The Mayor said that nominations for Civic Awards were now open, and there would be a new award for under 18's – the Youth Civic Award. All nominations should be submitted to the Mayor's Secretary by 14th January 2015, and invitations to the dinner will be sent out in the New Year.

On 2<sup>nd</sup> April 2015 a Charity Golf Day would take place at Bushey Hall Golf Club, more information was to be provided later.

In conclusion the Mayor offered seasons' greetings to all councillors and their families.

328. **QUESTIONS FROM MEMBERS OF THE PUBLIC**

The Council had received two questions from members of the public:

The first was from Mr Newmark of Borehamwood who asked;

“The updated financial strategy (document C/14/25) notes the impact of the ever reducing Revenue Support Grant from central government and anticipates a further 40% reduction next year, with subsequent further staged reductions of 25% and then 35% between 2016-2019. The strategy flags the possibility of the Council utilising its General Funds reserves as a consequence of these cuts and the general economic climate. However the report also states that utilising reserves in this way is not sustainable in the long term.

Under what specific circumstances will the Council access these reserves, at what levels and for what period of time?

What risks are involved in depleting reserves in this way, particularly as regards the availability of contingency funds for unexpected events and emergencies?

The high level budget proposals (for the same period, up to 2019) set out in the strategy, project efficiency savings totalling £1,366,000. The projected quantum of the reduced Revenue Support grant totals £1,317,000. Given that the total projected savings exceed the total projected grant reduction why is the prospect of utilising reserves being considered?”

Councillor Graham, the Finance and Property Portfolio Holder, thanked Mr Newmark for this detailed question, and said he was impressed by the level of detailed knowledge shown in this question. He said it was pleasing that such an interest was being taken by a member of the public in the Council's Financial Strategy.

To set the context for responding to this question, Councillor Graham had looked up the various definitions of reserves. In the Commercial Sector they were defined as:

Reserves are amounts (of stockholders equity) that are retained in the business and not distributed to the owners.

Clearly the public sector didn't have owners but the Council still had reserves. Councillor Graham posed the question - what were the Reserves for? CIPFA had given guidance but before Councillor Graham continued he made reference to how the Charity Commission viewed reserves in the not for profit sector (CC19):

Charity Trustees could keep money aside as a reserve to protect the charity against drops in income or allow it to take advantage of new opportunities.

In December 2012 CIPFA issued a press statement entitled "CIPFA sets out position on Council Reserves". This was in response to a 2012

audit Commission report called striking the Balance. You can find the press release by putting CIPFA and reserves into the Google search engine. But in essence CIPFA make the following three points:

- Reserves are an important component of councils' financial planning;
- Judgements about reserves can only be made locally within individual organisations;
- Local decisions should be taken by councillors having regard to clear and full information and advice provided by Chief Finance Officers;

So in summary Councillor Graham said the Council kept reserves to protect against drops in income or unexpected financial liabilities or if unforeseen opportunities arise. How and when the Council used them was a local decision having due regard to advice from their Chief Finance Officers.

With that Councillor Graham then looked at the specific questions:

- 1) Under what specific circumstances will the Council access these reserves, at what levels and at what period of time?

The Local Government Finance Act stipulated two main types of reserves: (1) Usable Reserve resulting from the authority's operations and (2) Unusable Reserve deriving from accounting adjustments which was unavailable to spend. Discounting the second category which cannot be spent, Usable reserves included Capital Reserves and Revenue Reserves.

By statute Capital Reserves can only be utilised for capital purposes or capital schemes, unless otherwise directed by the Secretary of State which was rare. Revenue Reserves were mainly of two types: General Fund reserve and Earmarked reserve. General Fund reserves, as the name suggests, were for general purposes held to cover unforeseen large events, while Earmarked reserves were for specific schemes as approved or agreed by the council. As far as Revenue Reserves were concerned, whether general or Earmarked, the Council had full discretion to utilise for both purposes, revenue as well as capital expenditure, subject to the Council's expenditure being lawful and there are no legal impediments on its utilisation.

No specific regulations were prescribed under the Local Government Finance Act on the level of reserves and period over which these reserves were to be maintained. The law requires a Chief Finance Officer to advise the elected members on the level of reserve taking into consideration all internal and external factors influencing the council's resource requirements. However as seen the CIPFA guidance and the authority's External Auditors play an important role in managing and maintaining reserve levels.

Reserves were there to mitigate unforeseen risk and take unexpected opportunity. The Council uses its reserves very rarely. Councillor Graham said the Council used reserves in 2010 when it downsized to meet the austerity measures implemented by the current government. The reserves were used to fund the cost of that downsizing and replenished from the savings made.

2) What risks are involved in depleting the reserves in this way, particularly as regards the availability of contingency funds for unexpected events and emergencies?

Councillor Graham said the words he used like unforeseen and unexpected to define when reserves might be used were the key to the implications of depleting reserves. The lower the level of reserves the less the capability of this Council to ride out unforeseen expenditure or to take unexpected opportunity. Extreme low levels of reserves put at risk long term financial sustainability, with possible significant adverse impact on service provision. Secondly if a council was required to make emergency or significant one-off expenditure then it could do so if there were resources held back for that eventuality. For example a few years ago in Brook Car Park, a heavy goods vehicle broke through the surface of the car park destroying the foundations and making the car park unusable. Because the Council had reserves it was able to immediately repair the car park even though the expenditure was not in the capital budget.

3) The rationale for the prospect of utilising reserves being considered.

The Finance Strategy was a five year medium term financial forecast, and the inherent nature of a forecast was that its scope may not materialise as predicted, which meant income may not be achieved while expenditure may be above the budgeted sums. If those assumptions did not accurately affect the future the Council may have to use reserves. Reserves may also be required to fund any unforeseen or unpredictable events.

Councillor Graham thanked Mr Newmark for his question and said there would be further discussion of the Financial Strategy later in the meeting.

The second question was received from Ms Schapira of Borehamwood who asked;

"The minutes from the Overview and Performance committee meeting on the 18th September 2014, highlight the worrying concern of the Planning Department having a high staff churn and a current lack of clear leadership. Given this is a critically important issue facing our

area, what measures has the council put in to stabilise the staff turnover? What are the current implications of a lack of leadership to the department and what are the immediate risks associated to the planning process?"

The Planning and Localism Portfolio Holder, Councillor Cohen was not present so the Leader of the Council, Councillor Bright relied on his behalf. He began by apologising that Councillor Cohen was not here this evening to give this answer, and said that this was the first Council meeting Councillor Cohen had missed. He continued by saying that the minute to Overview and Performance referred to a document entitled "Workforce Planning" and the period quoted within that for leavers was June 2013 – June 2014. The analysis of the period May - October this year (6 months) showed that no employee had left the Planning Department.

The Council was, of course, under constant pressure from other local planning authorities and commercial organisations as qualified planners were a finite resource. Demand was high as the house building market was now buoyant once again. When the Council needed to replace planners, it advertises in the usual places; professional and other journals, and if this process proved unsuccessful then the Council would recruit agency planners for a fixed period.

With regard to the comment about leadership, Councillor Bright said the current leadership structure had been in place since the middle February 2013. This had proved not only cost effective but had also enabled a number of planners to develop and broaden the depth of their skills. This, in turn, had benefited the Council and it continued to receive very positive comments from both individuals and professional organisations. During that period, there had been major changes to planning legislation and working guidelines as well as an increase in the number of applications. Yet despite this, the planning department had improved its performance and was performing a majority of the time above the targets set for it which reflected the excellent work and commitment shown by all those in the Planning Department and team. This was overseen by the Director of Environment, the joint second highest post in the whole authority, who ensured that both the Council's strategic and operational practices worked in harmony and that a strong focus was given to performance and personal development.

Under the ever-changing circumstances of national legislation, it was reassuring that the leadership of the planning department had risen to the occasion by continuing to provide professional and timely advice and support to colleagues, householders, developers and elected members. This would continue to be the case.

Councillor Bright said it was also worth pointing out that scrutiny as a committee was, quite rightly, not just a critical friend but also a tool to enable policy development within the authority, working together with

the Executive for the good of residents and businesses. He said that many colleagues had this evening attended a get together of the Executive and Overview and Performance Committee members to discuss what mattered and areas that would be scrutinised in the coming year. Within the confines of scrutiny members would ask questions; they may offer views which sometimes may be their own and which challenge both elected Members and colleagues alike. Councillor Bright said that one must be wary of assuming that such comments always carried the universal support among those on the Committee and perhaps officers, under these circumstances, should be aware when writing up the minutes that sometimes positive suggestions or personal critiques could be misinterpreted if the context in which these comments were made was not always fully explained in those minutes.

Councillor bright concluded his reply by thanking Ms Schapira for her question.

The Mayor advised that written responses to the questions would be sent to Mr Newmark and Mrs Schapira.

329. **URGENT DECISIONS EXEMPT FROM CALL-IN**

Noted that no decisions had been taken with the approval of the Mayor as matters of urgency in accordance with the provisions of the Constitution – Overview and Scrutiny Procedure Rule 14(j).

330. **SPECIAL URGENCY DECISIONS QUARTERLY REPORT**

The Leader reported that, in the last quarter, no key decisions had been taken in circumstances of Special Urgency, as set out in Rule 16 of the Constitution's Access to Information rules.

331. **REPORT OF THE LEADER OF THE COUNCIL**

**Leader's Report**

The Leader spoke on the following list of topics, which had been circulated to Members prior to the meeting. The Review of the Council's Financial Strategy item marked with an asterisk was listed separately on the agenda and would be discussed under that item. Discussion ensued on the other items and the Leader and Executive Members responded to Members' questions.

- **Executive**

The Executive had met twice since the last Leader's report. The major areas discussed were as follows:

22 October 2014

Review of the Council's Financial Strategy

Consideration of the Financial Strategy would take place later in this meeting.

Changes to the Local Authority Scheme (LAMS) Eligibility Criteria

The Executive agreed a change to the Local Authority Mortgage Scheme which was approved by the Executive in September 2012. The original maximum loan size of £190K had proved to be insufficient in view of average property prices and in line with advice from the Hertfordshire Scheme Management Company, the Executive agreed that the maximum loan size should be increased to £280K to generate interest in the Scheme.

One-Off Funding Contribution to the Ark Community Theatre

In support of the local community and the Ark Community Theatre's good reputation, the Executive awarded a one-off grant of £25,500 to the Hertswood Academy to enable the Theatre's programme for the current academic year to continue until its anticipated closure in August 2015.

Councillor Harrison declared a personal interest in this item as a Governor of Hertswood Academy.

Business Rates Pooling Update for 2015/16

The Executive had received an update on Hertsmere's participation in the Hertfordshire Business Rate Pool and noted the Council's decision not to join the Pool in the next financial year 2015/16. As this Council had the highest provision of all the authorities in the Pool, its position was finely balanced and the benefits of the Council joining the Pool did not outweigh the potential risk to the Council of unprotected losses.

Street Scene Vehicle Replacements

The Executive approved the purchase of six street cleaning vehicles and five panel vans, following a competitive tender process, together with the revised vehicle replacement programme, and that any capital receipts from the sale of existing vehicles be ring-fenced to future replacement costs.

Fuel Card Supply Contract



The Executive awarded a three-year fuel card supply contract to All Star Business Solutions for the purchase of fuel for the Council's fleet of refuse vehicles. The main advantages of the new contract were the large number of outlets that would accept the cards and the fact that the cards were limited to the purchase of fuel and connected to a particular vehicle, thus reducing the potential risk of fraud.

#### Elstree Film Studios – Future Strategy Options and Governance Arrangements: Procurement of Specialist Advice

The Leader reported that the Executive had approved the costs of procuring external specialist advice for two areas – firstly, to explore the options for future investment in the Elstree Film Studios site and secondly, to update the governance arrangements for the EFS site which included formulating a new updated management agreement, a controlled company and a lease. The governance review will be a six-week project with the final report to be presented early in January 2015.

Councillor Harrison declared an interest in this item as a Council appointed Director of Elstree Film Studios.

19 November 2014

#### Council Car Park Refurbishment – Award of Contract

The Executive had approved an award of contract to NMC Surfacing Ltd for the refurbishment of the car parks at Clarendon Road, Borehamwood; Manor Road, Potters Bar; and The Rutts, Bushey. The contract would form the first phase of a five-year, five-phase programme of priority capital works.

The Executive also asked for an update to be given to the Executive at the end of the contract to review it and check on progress with the possible trial of an electric car charging point which is likely to be fitted in the Civic Offices car park.

#### Affordable Housing: New Resolution for Draft SPD

Following clarification from Legal Services around the status of emerging supplementary planning documents, the Executive agreed to adjust the resolution made on 23 July in respect of the draft Affordable Housing SPD. The Executive believed that a more prudent approach was to apply the draft SPD to planning applications actually determined on or after the draft SPD publication date of 29 September 2014, and not to restrict it to those just registered after that date.

Members would be aware that the CIL came into effect for applications approved after 1 December. As there were a large number of applications involving section 106 agreements that needed to be

determined before that date, it was particularly important that this resolution be amended as soon as possible.

#### Review of the Council's Financial Strategy

Consideration of the Financial Strategy would take place later in this meeting.

#### Hertsmere Revenues NNDR Retention Resources

In order to drive forward the Council's NNDR Retention programme and help maximise the income from business rates, the Executive had approved the recruitment of some additional temporary posts in the Revenues Unit. This was an example of the "invest to save and prosper" methodology and the Executive anticipated that the investment would not only help with the increased workload in the Council Tax section but would be more than offset by the additional income generated in future.

#### Empty Homes Strategy 2014-2017

The Executive had adopted the revised Empty Homes Strategy 2014 to 2017 and its associated Action Plan. The Strategy sets out the Council's approach to managing long term empty properties within the Borough and the Action Plan explained the Strategy's key objectives and detailed how the Council would set about achieving them.

Members expressed interest in the Strategy's analysis of long term empty properties and noted, in particular, the periods of time for those properties which had been empty for more than two years and attracted an additional 50% council tax levy, which varied from just over two years to a staggering 21 years.

During debate on this topic, members expressed their thanks for the work of housing officers in performing well in difficult circumstances.

#### Compulsory Purchase Policy for Empty Properties in Hertsmere

Following on from the last item, the Executive received a report outlining the proposal to introduce a compulsory purchase policy as a last resort to ensure properties were brought back into use where owners had been obstructive or where large council tax bills were outstanding.

The Executive felt strongly that, with some properties standing empty for as long as 20 years, the case for stronger enforcement action was clear and that the Council should take a more robust approach to solving the problem of long term empty properties. The Executive had therefore instructed Officers to pursue this policy where appropriate,

that was as a last resort in cases where all other measures have been exhausted.

#### Compulsory Purchase Order for Empty House in Borehamwood

Following directly on from the policy just mentioned, the Executive agreed to authorise CPO proceedings in respect of a property in Borehamwood. This property has fallen into a state of disrepair, to the detriment of the surrounding area, and Officers had used all available approaches to the owner to seek voluntary improvements but so far without success.

Following a suggestion by a member, the Leader said he would see what could be done about vacant shops.

- **Licensing**

The Licensing Committee met on 16 September 2014, when it:

- considered ways of controlling street trading in the Borough and decided to recommend to the Executive that the current arrangements for the licensing of street trading should remain unchanged;
- considered wheelchair accessibility issues relating to the available choice of hackney carriage and private hire vehicles, and agreed:
- changed the requirements for hackney carriages and private hire vehicles, to enable the private hire vehicle fleet to increase the availability of wheelchair accessible vehicles;
- introduced a condition requiring drivers of wheelchair accessible vehicles to undertake a recognised and accredited training course in wheelchair handling, in the interest of public safety;
- set a lower vehicle licensing fee for wheelchair accessible vehicles;
- agreed the classification of all private hire and hackney carriage vehicles as M1, i.e. 'vehicles designed and constructed for the carriage of passengers and comprising of no more than eight seats in addition to the driver's seat'.

The Committee also noted:

- changes to taxi and private hire driver and vehicle licences due to come in to effect in 2015 as a result of the Deregulation Bill;

- Law Commission proposals for wholesale reform of the law relating to taxi and private hire services;
- the decision made by the Chairman and Vice Chairman of the Licensing Committee to refuse a request from the hackney carriage trade for an increase in hackney carriage fares in 2014/15.

- **Standards Committee**

The Standards Committee had met on 6 October and firstly reviewed the role of the independent person, and expressed themselves satisfied with the present arrangements. They then heard about two complaints alleging contraventions of the Councillor Code of Conduct and noted that neither case was a breach found. The Committee then discussed the worth of a councillor registering with the Information Commissioners Officer for data protection purposes. It was concluded that registration was worthwhile and information on how to go about this would be circulated to all councillors. Finally the Committee considered a report of the Committee on Standards in Public Life entitled "Ethics in Practice: ethical conduct in public life", and noted its conclusions.

- **Audit Committee**

On 23 September the Audit Committee noted that anti-fraud activity had recouped overpayments of some £217k. Next year part of the anti-fraud service was to be transferred to the new Single Fraud Investigation Service and the Audit Committee was of the opinion that Hertsmere should retain a capacity to investigate potential fraudulent use of Council services.

The Committee was very pleased to note that the outcome of the audit of the Council financial statements by Grant Thornton had produced an unqualified opinion for both the Council's use of resources and the quality of our financial statements. The Leader said that was auditor speak for a 10 out of 10 test score.

The Committee had gone on to note the 2013/14 Statement of Accounts; an internal audit progress report and annual report and a risk management update.

- **PCSOs in Hertsmere Borough Council**

The Leader was pleased to announce that, for the ninth consecutive year, an agreement to keep Police Community Support Officers on the beat in Hertsmere has been renewed. The Council was continuing its £128,000 per annum contribution to local policing and, as part of the agreement, Hertfordshire Constabulary had pledged to contribute the same amount. Maintaining PCSOs had been identified as a priority by residents in a participatory budget survey conducted by the Council at

the end of last year. All PCSOs would continue to be employed and managed by the Constabulary.

- **Coffee Ethic**

The Leader noted that visitors to Reception, as well as Councillors and staff, were being greeted by the fresh aroma of ground coffee following the arrival of “Coffee Ethic” at the Civic Offices. Coffee Ethic, was part of the Druglink Family, a social enterprise that aimed to support people recovering from drug and alcohol addiction and help them re integrate into work and society.

The project had been delivered thanks to funding and support from Hertsmere Borough Council, the Local Strategic Partnership, Community Safety Partnership, Hertsmere Community Grants, the Police and Crime Commissioner’s Community Fund and the Lottery’s Awards for All.

- **“Our Day”**

The Leader reported that today had been designated by local government as “Our Day”, an opportunity to share via social media the work officers and members undertake on behalf of residents and towns and their communities and authorities across the country. The Leader asked that if any member had an opportunity to tweet about the sort of work they carry out with and for residents they should do so and add the ‘#our day’ to any tweets.

### 332. **REPORT OF THE OVERVIEW AND PERFORMANCE CHAIRMAN**

The Chairman of the Overview and Performance Committee gave an oral report on the work of the Overview and Performance and two Scrutiny Committees.

Overview and Performance Committee - 18 September 2014

This meeting noted that recent Financial Monitoring reports had shown that performance had turned around and that most budgets now had a favourable status. The Committee also debated the implications of Business Rates Pooling and concluded that the level of uncertainty about pooling arrangements meant that the risks outweighed the potential benefits of joining a pool and that it would be imprudent for Hertsmere to join the Business Rates Pool this coming year. The Committee noted updates on the Workforce Strategy, Quarterly Performance Monitoring and Social Infrastructure Scrutiny.

Environment Scrutiny Committee - 21 October 2014

The Committee received an update on the work of the Hertfordshire Local Enterprise Partnership (LEP). It was interested to learn that the LEP could help with project appraisal, that there were different ways of funding growth activity and that the LEP provided a conduit for resources. This was followed by a report from the Head of Partnerships and Community Engagement on the progress made to date in delivering the priorities outlined in Hertsmere's Economic Development Strategy.

#### Resources Scrutiny Committee - 23 October 2014

A presentation was made to the Committee on Enterprising Councils, an initiative to generate innovative ideas at the Council, such as new ways of working. Some of the ideas included the coffee kiosk in Reception and plans to market the Committee Rooms on the Council website. Members were invited to send in ideas to Democratic Services. The Committee also received a progress update on Individual Elector Registration.

#### Overview and Performance Committee - 6 November 2014

This Committee received its customary reports on Procurement and Financial Monitoring, neither of which had raised issues of concern. A report on webcasting highlighted the substantial increase in viewers in the past two years, and the Committee suggested this could be further increased by advertising the service via social media. A key item before the Committee had been the Financial Strategy. The Committee suggested that the Council must be more aggressive in how it managed its assets, as they were the key to increasing income. To that end, the Financial Strategy should be more explicit about the necessity to raise income and should be streamlined by excluding irrelevant content, in particular any extraneous historic commentary. The Chairman added that this matter would be discussed later in the meeting.

In conclusion the Chairman said that members would have noted that throughout all of these meetings the Council was being enterprising in its approach to generate income and opportunity for the Borough and the Council.

### 333. **REVIEW OF THE COUNCIL'S FINANCIAL STRATEGY**

Report C/14/25 set out the updated Financial Strategy with 2014/15 budgeted figures and the financial projections for the years 2015/16 to 2018/19. The Strategy provided a framework to manage the Council's financial resources in an efficient and effective manner so that the Council was able to deliver its corporate goals and priorities. The Strategy further assisted in ensuring that resources were allocated in line with corporate and service priorities after taking full account of the

financial implications of all statutory duties and long term issues and implications.

Under the current economic climate the Council needed to apply a strategic approach to how the Council's services were prioritised, managed and delivered through the Corporate Plan and Community Strategy whilst meeting its duty to deliver services with ever reducing grant from central government and to continue to balance its budget.

The meeting noted that the Financial Strategy had been recommended to the Council for approval by the Council's Executive at its meeting held on 19 November 2014.

**RESOLVED** that the Financial Strategy, with the 2014/15 budgeted figures and the financial projections for the years 2015/16 to 2018/19 as set out in Appendix A of report C/14/25, be approved.

### 334. **PRESENTATION OF THE 2013/14 STATEMENT OF ACCOUNTS**

In line with good corporate governance, report C/14/28 presented to Council the Statement of Accounts for 2013/14. The meeting received detailed financial information including the Movement in Reserves Statement; the Comprehensive Income & Expenditure Account and the Balance Sheet.

External auditors were required, under the International Standard on Auditing (UK and Ireland 260): Communication of Audit Matters to those Charged with Governance (ISA 260), to report to the Audit Committee certain matters before giving an opinion on the Statement of Accounts. At the Audit Committee on 23 September the Statement of Accounts was approved with the external auditors providing an unqualified audit report. The external auditors were also satisfied that in all significant respects the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2014.

The external auditors stated that they received draft financial statements and accompanying working papers at the start of their audit in accordance with the timetable agreed with officers. As in previous years the financial statements were produced to a high standard. Members drew attention to this comment and thanked the Director of Resources, the Head of Financial and Business Services and their staff for the high standard of their work.

**RESOLVED** that the audited Statement of Accounts, approved by the Audit Committee and issued with an unqualified audit report by the Council's external auditors, be noted.

335. **WORKFORCE STRATEGY 2015-2018**

Report C/14/29 sought approval for the Workforce Strategy, a document which provided the strategic framework for planning, organising and developing the workforce. The Council recognised that the workforce played a critical role in enabling its strategic vision to be achieved. The Strategy set out the approach to resourcing issues, capacity building, organisational change management and the integration of equality and diversity issues into good people management practices. It also described the organisational culture needed for Hertsmere to become an 'enterprising council', using the best of all the talent in the workforce and engaging employees in innovation and service development.

During debate on this item, Members expressed their appreciation for the hard work of Hertsmere Council staff and particularly mentioned the marked reduction in staff sickness over recent years.

**RESOLVED** that

- (1) feedback from consultation with stakeholders on the revised Workforce Strategy 2015-2018 be noted, together with the recommendation from the Personnel Committee that it be adopted as part of the Council's Policy Framework.
- (2) the overall outcomes of the Staff Survey 2014 be noted.
- (3) the Council's achievement of the Investors in People Silver Award following the assessment in August 2014 be noted.
- (4) the Workforce Strategy 2015-2018 attached as Appendix B to report C/14/29 be approved as part of the Council's Policy Framework.
- (5) the Personnel Committee be authorised, in consultation with the Community Safety and Performance Portfolio Holder, to approve a detailed Workforce Plan for 2015-2016, subject to any financial implications being approved by the Executive.

336. **POLLING DISTRICT REVIEW**

To comply with Section 17 of the Electoral Administration Act 2013, Hertsmere Borough Council was required to conduct a review of all parliamentary polling districts and polling places within the Hertsmere Parliamentary Constituency. Report C/14/27 informed the Council that such a review was conducted between 29th August and 14th November 2014.

As part of the process of the review, the convenience for electors and the accessibility for voters with disabilities, had been taken into account.



Current and potential housing developments in the short to mid-term period had also been taken into account. It was noted that it was unlikely that they would have any adverse impact on the polling district structure.

A proposed change to the current polling district scheme was recommended for the Bushey Heath Ward where it was proposed to create a third polling district in the ward by dividing the GB district in two. Roads to the south of the High Road would form the new polling district GC, which would be named Bushey Heath Hartsbourne.

**RESOLVED** that

- (1) the outcome of the 2014 review of Hertsmere Council polling districts be noted, and
- (2) a new polling district (GC), to be known as Bushey Heath Hartsbourne, be created in the Bushey Heath Ward to overcome potential problems of congestion in the polling stations of that Ward.

337. **SCHEDULE OF MEETINGS 2015-16**

The Council was asked to approve the draft Schedule of Meetings for the period August 2015 to July 2016. Following the usual procedure, Officers had drafted a schedule of meetings for the forthcoming municipal year (2015/16), and taken account of the requirements of each Committee's workload, and any relevant legislative requirements. Consideration had also been given to bodies that interrelate to ensure that items can be referred on with the minimum of delay.

It was proposed that account be taken of the religious festivals of Eid and Diwali. It was noted that the proposed schedule for 2015/16 had taken account of these festivals and it was suggested that the dates of these festivals be added to the list of religious holidays to ensure that meetings do not take place on such dates in the future.

**RESOLVED** that

- (1) the non-Executive meeting dates shown in the draft schedule of meetings 2015/16, attached as an appendix to report C/14/26, be approved.
- (2) the Executive meeting dates shown in the draft schedule of meetings 2015/16, attached as an appendix to report C/14/26, be noted, and
- (3) that for 2015/16 and future years the schedule of meetings take account of the Eid and Diwali festivals.

338. **UPDATES FROM OUTSIDE BODIES**

The following Members, appointed as representatives of the Council on outside bodies, made a report on the activities of their respective organisations:

Hertfordshire Health Scrutiny Committee	Councillor Quilty
Hertfordshire Local Authorities Leaders Group	Councillor Bright
Hertfordshire Police and Crime Panel Winters	Councillor
Herts Young Homeless Group	Councillor West
Hertswood School Theatre Management Committee	Councillor Batten

**RESOLVED** that the information on the activities of the outside bodies listed above, as reported by the Councillors appointed to represent the Council on those bodies, be noted.

339. **QUESTIONS FROM MEMBERS OF THE COUNCIL**

Five questions had been received in accordance with Council Procedure Rule 11 as follows:

1) From Councillor Morris to the Housing and Economic Development Portfolio Holder, Councillor Quilty:-

“What funding does the Portfolio Holder for Economic Regeneration believe is required to facilitate a regeneration program to target the Borough’s major high streets, with a particular focus on the Shenley Road? Bearing in mind the parlous state of some of our high streets where can such money be found and when.”

The Housing and Economic Development Portfolio Holder, Councillor Quilty, replied that the Council had invested heavily in its planning framework which provided the starting point for the protection and promotion of the Council’s high streets. The Council Core Strategy was agreed as ‘sound’ by the Planning Inspectorate in December 2012 and adopted by the Council the following month and it was this document which sought to balance the competing land use interests and environment constraints which affected all of our town centres.

The Core Strategy also included a commitment to improve the links between Shenley Road and Elstree Way and a public examination into the Elstree Way plan was held at these offices last month. The Council’s emerging Site Allocations and Development Management Policies plan, a draft of which was agreed by the Executive earlier this

year, identified a series of primary and secondary frontages across all town and local centres. This document had a clear focus on A1 retail within the primary frontages and a more flexible approach to other town centre uses in secondary frontages.

In 2013, the Council also set up Hertsmere Connect, a Chamber of Commerce covering Borehamwood, Bushey, Elstree, Radlett, Shenley and Potters Bar with £50,000 of Revenue funding to fund officer support via the shared services arrangement with Broxbourne Borough Council. Allied to this, the Council's new Economic Development Strategy identified a series of work streams which would include Town Centre Improvement Strategies to improve the vitality and viability of Borehamwood, Potters Bar and Bushey.

The Parking Management Strategy, approved by the Council in 2012, prioritised the setting of our town centre parking charges to support the economic vitality and viability of local town centres. Hertsmere town centres continued to offer 30 minutes of free on-street parking with on and off-street parking charges lower than those in neighbouring authorities.

The Portfolio Holder said that a Streetscape Manual (2012) was developed in consultation with Hertfordshire County Council with the aim of helping to deliver improvements to the quality of the public realm in the town, district and shopping centres. This contained practical guidance for each of the centres across the borough including the improvements currently being undertaken in Elstree Village.

Although Hertfordshire County Council had responsibility for delivering highways schemes, as identified in the Urban Transport Plans for Potters Bar and Elstree and Borehamwood, the Council had a strong track record in leading on public realm improvements. The Council funded £250,000 of improvements to Potters Bar town centre (Darkes Lane) through its Potters Bar Town Centre Action Plan. The design and implementation of these improvements were completed in 2008.

The Portfolio Holder was not sure he could agree with the assertion that Shenley Road was in a parlous state. The current status of that Road, when surveyed in the summer, was that of 154 units, 8 were empty. Excluding 2 further units which were being refurbished at the time for new businesses, the vacancy rate of 5.1% compares to 7.9% in St Albans (June 2014) and a national average of 13.9% at the end of 2013.

The Council had recently seen the opening of Debenhams in the Boulevard, which was proving successful, along with the other major retailers in that area, and that was, in turn, benefiting the rest of the High Street.

There had been and there continued to be considerable investment in the locality which would directly and indirectly aid sustaining the Council's high streets. In Borehamwood the BBC were investing in the redevelopment of their site off the high street, an investment had been made in 96 Shenley Road, improvements undertaken at the train Station, and indeed the Council's own investments in Elstree Studios all contributed to the vitality and vibrancy of the town.

In terms of future investments the Council had a number of infrastructure bids submitted to the Local Enterprise Partnership which would have an indirect impact on the High Street but the source of funding for further investment in the High Street was a matter for the business owners and investors to determine.

In a supplementary question, Councillor Morris asked what action would be taken if the bids for funding were not successful, would the Council make provision within its own budget? The Portfolio Holder replied that all Council's had to live within their budgets but the first action must be to see what the outcome of the bids to the Local Enterprise Partnership were. If they were unsuccessful he said he would work hard to secure resources to help with regeneration of the Borough's High Streets.

2) From Councillor Ernie Butler to the Leader of the Council, Councillor Bright:-

"The consultation on Bus Services is now complete and the residents of Hertsmere and Hertfordshire have clearly rejected any and all bus cuts proposed by the County Council. With growth in housing and population in parts of our Borough the need is for expansion of bus services not cuts. Will our Conservative Borough Councillors who are also County Councillors, support and fight for the views and needs of our residents and oppose all bus cuts by the County Council."

Councillor Bright replied that Councillor Butler was aware that a response to the first consultation, endorsed by the Environment and Transport Portfolio Holder, had been made in September by Hertsmere Borough Council. It raised concerns about the proposed cuts to bus services - namely the evening services on the W19, 658, B3 and the evening and Sunday services on the 242 and 306. Data was provided in the Council's response showing the number of passengers using these routes including 170,000 passengers using the Watford between North Bushey and Watford, 93,000 passengers using the 658 between Borehamwood and St Albans and 46,000 passengers using the B3 around Borehamwood. Concerns were raised, in particular, that no evidence had been provided setting out the level of public subsidy per journey, which might inform any decisions to reduce bus services, given that bus routes solely running within existing built up areas, such as the B3, currently receive only 20% of HCC funding.

Councillor Bright believed that Hertfordshire County Council had listened to the concerns expressed by Hertsmere and the many others who responded to this consultation, including the local petitions in Borehamwood, and a second consultation was now to be held with additional options. This included extending the hours of operation of daytime routes from 6.30pm to 7.30pm before any evening services were stopped and limiting the amount of subsidy per passenger journey, a point the Council had raised in its response. This should help ensure that urban routes did not lose out disproportionately to the rural services which tend to have a higher level of subsidy per passenger journey. Councillor Bright reminded the meeting that subsidies could be anything from a few pence per journey up to almost £9 per person per journey on certain routes. This was taxpayers' money and it was important that the County Council found the right balance of subsidy verses usage.

Councillor Bright recognised that Hertfordshire County Council needed to identify savings but he believe the various changes which would be consulted on represented something of an improvement on the original proposals. Hertsmere Council would carefully consider the revised proposals and ensure that a robust response was made on behalf of the local community. Councillor Bright confirmed that he had spoken on behalf of residents and bus users when this matter had come before the County Council yesterday. Finally he said that it was worth noting that 35 million bus journeys were taken in Hertfordshire last year, that was almost 100,00 bus journeys per day. The County Council was looking at subsidies which affected just 2% of those journeys, 98% of the journeys remain unaffected.

In a supplemental question, Councillor Ernie Butler drew attention to the difficulties faced by those who required bus transport after 7.30 p.m. Councillor Bright acknowledged those difficulties and asked that all councillors ensure that their communities responded to the second round of bus consultation and to make the County Council aware of any ideas on how to improve the local bus services.

3) From Councillor Vince to the Finance and Property Portfolio Holder, Councillor Graham:-

"Could the portfolio holder please explain the process and time frame which was undertaken to lease out the 'Worknet' building (23 Shenley Road) and explain why the building has been empty for nearly a year? In this process what efforts were made to engage with organisations which had previously expressed an interest in leasing the building? In the past this building had played a significant role in provision of education and training to those who were unable to access training elsewhere. Was any consideration given to finding an alternative provider or was the only consideration to maximise commercial gain?"

Councillor Graham said he would reply to each of the questions three parts in turn and firstly addressed the time frame to lease the Worknet building. He said that Worknet was in discussion with the Council during 2013 and in early 2014 Worknet surrendered the lease and moved into accommodation in the basement of the Civic Offices on 3 February 2014. The vacated property was then marketed in February 2014. Organisations and companies who expressed an interest were referred to agents. The property was extensively marketed and Councillor Graham listed the publications and sites used. There were a number of initial parties interested, actually there were seven and they were requested to submit best and final offers by 18 June 2014.

Councillor Graham said that the planning status of the former Worknet offices was 'sui generis' as it was formerly a post office. Before the building could be used for commercial purposes that condition had to be changed to D1. At the same time any planning requirements for changes to the building would be assessed and the applicant who was successful on 18 June 2014 had engaged a planning consultant and the application for planning was in process so nothing could happen until that application was complete which Councillor Graham believed was going to happen in the early part of 2015.

The second part of the question concerned efforts to engage with organisations who had previously expressed an interest in leasing the building. Councillor Graham was aware that during 2013 the potential departure of Worknet was not a well-kept secret and three parties had expressed an informal interest to him direct. He passed those to the agent who themselves had carried out an extensive marketing campaign. The campaign had yielded seven expressions of interest and best and final officers were invited of the seven. Three of these parties made a best and final offer.

In the final part of Councillor Graham's reply, he confirmed that one of those seven parties who had expressed an interest was a provider of training. They had declined to process to the stage of full and final bids, so they fell away before the field was reduced to three interested parties. However since the lease was let, that training provider was now in active discussion with the Council over other potential premises, so having lost the Worknet site that provider was still talking with the Council about premises. Councillor Graham emphasised that in terms of its own properties, the Council had to demonstrate that it had demonstrated that due process had been followed during the selection of a tenant for the former Worknet property.

In a supplemental question, Councillor Vince drew attention to the lack of availability of the type of courses formerly offered by Worknet and asked if residents were entitled to another area of education in the town. Councillor Graham replied that the Council was conscious of that and that was part of the reason why the Council was continuing discussions with the training provider. He said that both the service and

property were important to the Council but that they did not need to be linked. Discussions were continuing on provision of training services and the Council had obtained the best outcome for a public asset.

4) From Councillor Vince to the Leisure Culture and Health Portfolio Holder, Councillor Batten:-

“Local doctors charge from £25 to £50 to write letters which their patients need to provide evidence for benefit and housing claims. For many such residents, already very hard pressed, these charges are unaffordable. Does the portfolio holder agree that these charges are excessive and would it be possible to use the role the Council now has in health and wellbeing to try to influence our local surgeries to reduce these charges?.”

Councillor Batten replied that charges by GP’s for writing letters on behalf of patients could be seen as excessive and unaffordable by those in need. But it was important to understand that many GPs were not employed by the NHS. They were self-employed and they had to cover their costs - staff, buildings, heating, lighting, etc. - in the same way as any small business. The NHS covered those costs for NHS work, but for non-NHS work, the fees charged by GPs contributed towards their costs.

The Government’s contract with GPs covered medical services to NHS patients, including the provision of on-going medical treatment. However, in recent years, more and more organisations had been involving doctors in a whole range of non-medical work.

Examples of non-NHS services for which GPs can charge their own NHS patients included accident or sickness certificates for insurance purposes: school fee and holiday insurance certificates; and reports for health clubs to certify that patients are fit to exercise. Examples of non-NHS services for which GPs can charge other institutions for included life assurance and income protection reports for insurance companies; reports for the Department for Work and Pensions (DWP) in connection with disability living allowance and attendance allowance; and medical reports for local authorities in connection with adoption and fostering.

Councillor Batten said it was up to individual doctors to decide how much they would charge, but the British Medical Association produced lists of suggested fees as guidance which many doctors use.

Whilst, the Council did not administer benefits such as disability living allowance which are administered by DWP, the Council may ask for a doctor’s letter in support of some discretionary housing payments. However, in terms of housing applications, the council did not require applicants themselves to get letters from their doctor to support their application. If there was an underlying health issue and the council

needed evidence to support this then the council would write to the GP and pay any associated fee to the doctor.

However, notwithstanding her comments, Councillor Batten said she would provide feedback to the Clinical Commissioning Group via our Health and Wellbeing Board, on the concern about the level of charges for doctors' letters.

In a supplemental question, Councillor Vince asked if it was right that costly doctor's letters were required to support application of the 'bedroom tax'. Councillor Batten replied that it was not within the Council's ability to dictate whether or not a charge was made and she re-iterated her intention to raise the matter with the clinical commissioning group.

5) From Councillor Harrison to the Housing and Economic Development Portfolio Holder, Councillor Quilty:

"Will Hertsmere Borough Council be supporting Small Business Saturday on the 6th December and be encouraging all our residents to use their local small businesses."

Councillor Quilty replied that Small Business Saturday UK was a grassroots campaign, which existed to support, inspire and promote small business, on the first Saturday in December each year. The campaign encouraged businesses to promote themselves and work with other small businesses, and consumers to 'shop local' and support small businesses in their communities.

The first Small Business Saturday UK took place on the 7th December 2013 and in 2014 it would take place on Saturday December 6. In 2013, research after the day suggested that 48% of consumers were aware of the day and spent in the region of £500m nationally at small businesses.

The Council would be supporting the campaign as it did last year through its communications on social media and press releases, and through Hertsmere Connect, the Council's partnership with the Watford and West Herts Chamber of Commerce.

Local businesses would be encouraged to sign up to the campaign and could either download or request a small business Saturday Pack which included posters that the shops could display. There was a link on the council's website to the Small Business Saturday Campaign website.

Councillor Quilty asked all to encourage their colleagues, friends and family to do their bit and participate in the campaign which was asking people to become local champions and tweet, facebook and instagram photos of themselves being a #smallBizSatUK local champion.



There was no supplemental question.

340. **NOTICES OF MOTION**

No notices of motion had been received.

341. **OPPOSITION BUSINESS**

No items of Opposition Business had been received for inclusion on the agenda.

342. **DATE OF NEXT MEETING**

Noted that the next meeting of the Council would take place at 7.30pm on Wednesday, 21 January 2015.

**CLOSURE: 9.42 pm**

**MAYOR**