Hertsmere Borough Council

Meeting of the Council

Wednesday 19 July 2023

7.30pm

Council Chamber, Civic Offices, Elstree Way, Borehamwood

Agenda

Please note:

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Managing Director
Civic Offices, Elstree Way, Borehamwood, Hertfordshire, WD6 1WA

Council Agenda
Wednesday, 19 July 2023

1. **Communications and apologies for absence**

(a) Communications by the Mayor (if any) relating to business on the agenda.

(b) Apologies for absence.

(c) Any motions by Members relating to the order of business on the agenda.

2. **Declarations of Interest (if any)**

Members are required to declare any Disclosable Pecuniary Interests they or their spouse/partner have in any matter which is to be considered at this meeting. Members must also declare any other pecuniary or non-pecuniary interests they have in any matter to be considered at this meeting. The responsibility for declaring an interest rests solely with the member concerned.

Members must clearly state to the meeting the existence and nature of any Disclosable Pecuniary Interest, other pecuniary interest or non-pecuniary interest and the agenda item(s) to which it/they apply.

Disclosable Pecuniary Interests are prescribed by the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 as follows:

a. Employment, office, trade, profession or vocation

Any employment, office, trade, profession or vocation carried on for profit or gain.

b. Sponsorship

Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by a member in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

c. Contracts

Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not

been fully discharged.

d. Land

Any beneficial interest in land which is within the area of the relevant authority.

e. Licences

Any beneficial interest in land which is within the area of the relevant authority.

f. Corporate tenancies

Any tenancy where (to the member's knowledge) - (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
g. Securities

Any beneficial interest in securities of a body where – (a) that body (to the member's knowledge) has a place of business or land in the area of the relevant authority; and (b) either (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

In cases of Disclosable Pecuniary Interest, Members must withdraw from the meeting room while the matter is being considered.

3. **Minutes**

To confirm and sign the **TO FOLLOW** minutes of the Full Council and Extraordinary meeting held on 26 April 2023 and Annual Council held on the 17 May 2023. To Follow

In accordance with the Constitution no discussion shall take place upon the minutes, except upon their accuracy.

4. **Announcements by the MAYOR**

To receive such announcements as the Mayor may decide to make to the Council.

5. **Questions from Members of the Public**

To deal with the **ATTACHED** questions received from members of the public in accordance with Council Procedure Rule 10. (Pages 8 - 9)

6. **Questions from Members of the Council**

To deal with the **ATTACHED** Questions received from Members in accordance with Council Procedure Rule 11. (Pages 10 - 11)

7. **Decision Report: First Homes – delegation of administrative functions to officers / local connection and eligibility criteria**

To consider the **ATTACHED** report which seeks delegated powers to Officers to administer the First Homes scheme. C/23/24 (Pages 12 - 22)

8. **Decision Report: Police Community Support Officer Funding**

To consider the **ATTACHED** report which seeks to approve changes to the funding of enforcement activities. C/23/25 (Pages 23 - 27)

9. **Decision Report: Council Tax 2023/24 Increase Refunds**

To consider the **ATTACHED** report which asks Council to approve a process for refunding the Hertsmere share of the Council Tax increase for 2023/24. C/23/26 (Pages 28 - 37)

10. **Decision Report: Appointment of Independent Non-Executive Directors to Elstree Film Studios Limited (Company No 04975020)**

To consider the **ATTACHED** report which asks Council to appointment the Non-Executive Directors to Elstree Film Studios Limited (EFS). C/23/27 (Pages 38 - 46)

11. **Report of the Leader of the Council**

The Leader will make an oral report on the **ATTACHED** list of items. (Pages 47)

The Constitution provides for a maximum of 45 minutes for questions and answers, once the Leader has made their report. Within those 45 minutes the Leader of the largest Opposition Group may speak immediately after the Leader, on matters related to the Leader's report, for the same length of time as the

Leader's presentation or for 10 minutes, whichever is the greater.

12. **Reports of Committee Chairs**

The Chair of Personnel Committee will make oral reports on the **ATTACHED** list of items. (Pages 48)

The Constitution provides for a maximum of 15 minutes in total for this item, including responses to any questions arising.

13. **Report of the Chair of the Policy Review Committee**

The Chair of the Policy Review Committee will make an oral report on the **ATTACHED** list of items. (Pages 49)

The Constitution provides for a maximum of 15 minutes for the Chair to make their report and respond to any questions arising.

14. **Notices of Motion**

To deal with Notices of Motion received from Members in accordance with Council Procedure Rule 12.

14.1 **Notice of Motion: LGBTQI Solidarity in Hertsmere**

To deal with the **ATTACHED** Notice of Motion received from the Labour Group in accordance with Council Procedure Rule 12. (Pages 50)

15. **Opposition Business**

To deal with the **ATTACHED** Opposition Business Motion regarding the Honours awarded to Cllr A Plancey MBE. (Pages 51)

16. **Any other urgent business**

To consider such matters (if any) which, by reason of special circumstances (to be specified in the minutes of the meeting), the Mayor (or in his absence, the Chair) is of the opinion should be considered at this meeting as a matter of urgency (LGA 1972 S100B(4)(b).

17. **Date of next meeting**

The next meeting is scheduled for 20 September 2023.

MANAGING DIRECTOR

Civic Offices, Elstree Way
Borehamwood. Herts, WD6 1WA.
11 July 2023

Hertsmere Borough Council

Full Council on 19 July 2023

Agenda item 5: Questions from members of the public

Five questions have been received from members of the public, in accordance with Council Procedure Rule 10:

Ref	Question from	To portfolio holder	Question
PQ2023-17	David Peters	Cllr P Richards Deputy Leader of the Council and Cabinet Member for Environmental Sustainability and Net Zero and Public Health	During the recent local election campaign Liberal Democrats across Bushey were knocking on our doors and asking us "Do you want Green Belt built on ...if so then vote Conservative, if you want to fully protect Green Belt you must vote Liberal Democrat" This policy seriously undermines the Environmental Policy and Climate Change Strategy and completely breaks the election pledge made by the Cabinet member, who is also the leader of the Liberal Democrats, so will he apologise to Bushey residents for misleading them?
PQ2023-18	Pavan Sirsi	Cllr J Newmark Leader of the Council and Cabinet Member for Consultation, Communications and Asset Management	'Could the leader of the council please explain why the first decision taken by the new coalition of Labour and Liberal Democrats councillors was to increase the councillor salaries by 5%? We are in the midst of a cost-of-living crisis and does he think the residents would be happy for their council tax to increase in order to pay for councillor pay rises?
PQ2023-19	Mr Kumail Jaffer	Leader	1) Could you please advise on steps being taken to improve transport performance in Radlett and Borehamwood, namely: a) Bus services in Radlett and improving the frequency of UNO buses. b) Thameslink's continually poor performance.
PQ2023-14	Anthony Jauncey	Cllr P Richards Deputy Leader of the Council and Cabinet Member for Environmental Sustainability and Net Zero and Public Health	Before the local election, one of our local representative's, I believe it was local town councillor, Dan Ozarow, mooted the possibility of having local area skips, where white goods and other such other household detritus could be disposed of.

			I visit Barcelona regularly to visit my son who resides there and they have this system in place for some time now and it's used with great success. It avoids having local fly tipping and the rubbish can be dealt with by the local authority in a safe and responsible manner. Could this practice please be adopted by Hertsmere council

Hertsmere Borough Council

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Agenda item 6: Questions from Members of the Council

10 Questions have been received from Members of the Council and are listed in the order for response, in accordance with Council Procedure Rule 11:

Ref	From Councillor	To	Question
CQ2023-28	Cllr R Butler	Cllr P Rani Cabinet Member for Street Scene, Parks, Leisure and Culture	Does the portfolio holder agree with me that this council must change its policy to allow all future play equipment built in Hertsmere owned parks to have disabled access play equipment installed alongside other play facilities?
CQ2023-31	Cllr A Clarkson	Cllr J Newmark Leader of the Council and Cabinet Member for Consultation, Communications and Asset Management	At the Mayor-making, it was clearly stated by Councillor Myers that the mission of the new administration was to continue promoting a mutually tolerant and multi-cultural community in Hertsmere. Does the Leader of the Council, Councillor Newmark, concur with this view and as an Orthodox Jew, will he support this noble intention?
CQ2023-29	Cllr R Butler	Cllr J Newmark Leader of the Council and Cabinet Member for Consultation, Communications and Asset Management	What steps will the leader take to improve joint working and collaboration between Hertsmere and Hertfordshire County Council?
CQ2023-32	Cllr H Cohen	Cllr N Oakley Cabinet Member for Planning Infrastructure and Transport	In the run up to the local elections including at a public hustings in Borehamwood, Cllr Jeremy Newmark, then Opposition Leader, pledged on record to Hertsmere residents that if Labour was to be running the administration, a new Local Plan will be ready to go out for consultation within six months. Labour is now running the administration in a coalition with the Liberal Democrats. So can the portfolio holder responsible for planning matters confirm that the commitment to our residents is still valid and if so will the new Local plan be ready to come to Full Council at our November meeting, which will be six months since the local elections.
CQ2023-35	Cllr H Green	Cllr J Newmark Leader of the Council and Cabinet Member for Consultation, Communications and Asset Management	What steps have been taken to implement the pledge to enhance the council's public consultation mechanisms; to deliver a greater level of engagement. This is especially important In the area of planning?
CQ2023-33	Cllr S Quilty	Cllr J Newmark Leader of the Council and Cabinet Member for Consultation, Communications and Asset Management	Does the leader support the fact that once an item is proposed at a committee meeting it is normal practice, from the Chairman, to request 'Is there a seconder?' .

Ref	From Councillor	To	Question
			That said, if this does not happen, should officers guide the Chairman to request a seconder?
CQ2023-36	Cllr R Georgiou	Cllr J Newmark Leader of the Council and Cabinet Member for Consultation, Communications and Asset Management	Do you support the Secretary of State, Michael Gove's introduction of the "Economic Activity of Public Bodies (Overseas Matters) Bill", which will ban councils and other public bodies from imposing their own boycott or divestment campaigns against foreign countries and territories?
CQ2023-38	Cllr M Bright	Cllr J Newmark Leader of the Council and Cabinet Member for Consultation, Communications and Asset Management	Would the Leader of the Council join with me in offering thanks to, and recognising the efforts of, all the outgoing directors of Elstree Films Studios Ltd - both council-appointed non-Executive directors and the Independent NEDs from the film and television industry - as the term of their directorships comes to an end of 31 July?
CQ2023-37	Cllr R Georgiou	Cllr J Newmark Leader of the Council and Cabinet Member for Consultation, Communications and Asset Management	"Given the rising cost of mortgages and the audit finding of the increased risk of homelessness in Hertsmere Borough, what will the council do to help protect residents from the Conservative Government's Mortgage Penalty?"
CQ2023-39	Cllr N Susman	Cllr C Shenton Cabinet Member for Finance and Budget	When will be getting the council tax rebate as promised by Labour as part of their manifesto?

Meting name & Date	**FULL COUNCIL** **19th July 2023**
Agenda item	**7**
Report title	First Homes – delegation of administrative functions to officers / local connection and eligibility criteria
Report reference no.	C/23/24
Wards affected	All wards
Report author, job title & email	Mark Silverman, Planning Policy Team Leader Mark.Silverman@hertsmere.gov.uk Emily Dillon, Housing Services Manager Emily.Dillon@hertsmere.gov.uk Harvey Patterson, Head of Legal and Democratic Services Harvey.Patterson@hertsmere.gov.uk
List of Appendices	Appendix 1 – Summary of First Homes Process
Reason for urgency	Not applicable

Is it a Key Decision	No
Call-In expires on	
Exempt from Call-in	No
Portfolio Holder	Cllr Nik Oakley, Portfolio Holder for Planning Infrastructure and Transport Cllr Alan Matthews, Portfolio Holder for Housing and Housing Development

PUBLIC REPORT - this report is available to the public.

1 RECOMMENDATION

That full Council:

1.1. Notes the new responsibilities for the Council arising from the Government's introduction of First Homes as set out in this report and authorises the Head of Legal Services and Executive Director, or any officer to whom they subsequently delegate such authority, to issue First Homes Authority to Proceed and Eligibility Approval and the Authority to Exchange and Compliance Certificate, and to take other decisions necessary to enable the administration of First Homes to proceed in a timely manner.

1.2 Agrees and publishes the interim local eligibility criteria for First Homes set out in paragraph 5.3 subject to any minor amendments to be agreed by the Housing Services Manager, in consultation with the Portfolio Holder for Housing and Housing Development

2 PURPOSE OF THIS REPORT

2.1 To advise full Council of the initial implications for the Council of the Government's new requirements for securing First Homes through the Planning process and set out the need for it to delegate a number of key aspects of the administration of the delivery of First Homes to officers.

3 REASONS FOR RECOMMENDATION

3.1 There are significant affordability challenges for people seeking accommodation in Hertsmere, with lower quartile prices across Hertsmere prices now being around 15x earnings. In response to affordability challenges in the borough the adopted Local Plan Policy CS4 *Affordable Housing* requires proposals for residential development of 10 or more homes to provide a minimum of 35% or 40% Affordable Housing, depending on the location within the borough.

3.2 First Homes are a new type of Affordable Home Ownership product which has been introduced by the government. In accordance with the Government's policy for securing First Homes, the Council now requires the Affordable Housing element of development proposals secured under Policy CS4 to include a proportion of First Homes. The process for delivering and conveying First Homes is complex, requiring the Council's involvement at various stages in order for the process to progress and the meeting of criteria for enable properties to qualify as First Homes, both initially and in perpetuity. These include responsibilities that the Council has previously not been required to exercise.

3.3 Authority for officers to exercise these and other responsibilities on behalf of the Council is therefore required.

4 ALTERNATIVE OPTIONS

4.1 There are not considered to be any alternative options to the delegation of administration arrangements which enable the delivery of First Homes to be rolled out. The sale of First Homes to prospective owners cannot proceed without the Council issuing Authority to Proceed and Eligibility Approval and the Authority to Exchange and Compliance Certificate.

4.2 In respect of applying local eligibility criteria for First Homes, which may apply for the first three months from when a property is marketed, the alternative would be to allow developers to continue to market First Homes more widely with no geographic restriction or other locally agreed eligibility

criteria and as such, the local community not having priority to acquire these properties.

5. BACKGROUND

5.1 In May 2021 a Written Ministerial Statement[1] introduced the Government's policy for the delivery of First Homes - a new type of Affordable Home Ownership product. The associated Planning Practice Guidance[2] states that First Homes are the Government's 'preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.'

5.2 The Government has set out national criteria that must be met in order for properties to qualify as a First Home.

Homes must:

- be sold at a minimum of 30% discount against the market value; and
- be sold to a person or persons meeting the First Homes eligibility criteria (see below); and
- be capped at a price of £250,000 (or £420,000 in London), after the discount has been applied, on first (but not subsequent) sale of properties outside of London i.e. a maximum open market value without discount of £357,000 outside of London; and
- ensure the discount is retained for every future sale (through clauses in the S106 and the placing of a restriction on the title deeds at the Land Registry)

Prospective owner(s) must

- be first-time buyers (as defined in paragraph 6 of schedule 6ZA of the Finance Act 2003 for the purposes of Stamp Duty Relief for first-time buyers); and
- have a combined annual income not exceeding £80,000 for those living outside London (or £90,000 in London), in the tax year immediately preceding the purchase; and
- occupy a First Home as their sole or primary residence; and
- use a mortgage or home purchase plan (if required to comply with Islamic law) for at least 50% of the discounted purchase value.

5.3 Local authorities are also able to apply local connections and other eligibility criteria which will apply during the first three months of First Homes marketing, after which national criteria would apply. The introduction of local connection and key/essential worker criteria in Hertsmere is currently under consideration as part of the preparation of a new Affordable Housing Strategy; the Strategy will be subject to member approval at the earliest opportunity. In the interim, the following local connection and essential worker eligibility criteria, which it is suggested may be included in any future

[1] Written statements - Written questions, answers and statements - UK Parliament
[2] First Homes - GOV.UK (www.gov.uk)

Affordable Housing Strategy, are considered to provide an appropriate foundation for prioritising First Homes for the local community.

Hertsmere Borough Council will prioritise First Homes in the following order during the initial 3 month marketing period:

1. Purchasers with a **local connection**, who:

- Currently live in the area in settled accommodation (and have done for more than 12 months); or
- Have previously lived in the area in settled accommodation for 3 of the past 5 years; or
- Have immediate family in the area (immediate family is defined as parents, siblings, children or other family members on an exceptional basis as agreed by Hertsmere Borough Council).

The Council defines settled accommodation as a tenancy, tied accommodation or living with family.

2. Purchasers who are **essential workers** employed within Hertsmere Borough and in one of the following occupations:

- Public sector employees delivering or supporting those delivering frontline services in areas including health, education, community safety, housing and can include NHS staff, teachers, police, firefighters, military personnel, social care, civil servants, council employees and childcare workers; or
- Employees of registered charities; or
- Private sector employees and the self-employed providing essential frontline services, which may include those being delivered on behalf of a public sector body, and which can include teachers, health care, social care, and childcare workers; or
- Any other frontline occupational group experiencing recruitment or retention issues, such issues being first evidenced to the satisfaction of Hertsmere Borough Council. Inclusion as local essential workers is at the sole discretion of Hertsmere Borough Council.

A 'local essential worker' must have an income level lower than £80k, and would be deemed to be employed in the following circumstances:

- In paid full or part-time permanent employment for 16 hours or more per week; or
- Working in the borough on a paid temporary or zero-hour employment contract that has been in place for at least 6-months, and can demonstrate they have worked at least 16-hours per week since starting the employment contract

To qualify as being employed in the borough, one of the following conditions must be met:

- The actual place of work is in Hertsmere Borough; or
- For those with a caseload or have a roving remit (e.g. district nurses, social workers, police officers etc), the applicant would need to obtain written confirmation from their employer that a substantial amount of their day-to-day duty fell within the ***borough***; or
- For the self-employed, if the employment required the worker to work outside of the ***borough*** from time to time, they would be required to demonstrate that their permanent base of operations was within the ***borough***.

In recognition of the unique circumstances of military personnel, local connection criteria should be disapplied for all active members of the military personnel, divorced/separated spouses or civil partners of current members of the military personnel, spouses or civil partners of a deceased member of the military personnel (if their death was wholly or partly caused by their service), and veterans within 5 years of leaving the military personnel.

5.4 The Government's First Homes policy applies to all planning applications determined since 28 December 2021. The Council's policies for the provision of Affordable Housing – primarily Policy CS4 *Affordable Housing* of the Local Plan and the associated Affordable Housing SPD - pre-date the introduction of First Homes. Accordingly, an Advisory Note was published by the Council, following consultation with the Member Planning Panel, at the end of 2021 setting out how Local Plan Policy CS4 would be interpreted in light of the new First Homes requirements, pending the new emerging Local Plan having reached a sufficiently advanced stage to carry weight in the determination of planning applications.

5.5 In line with Government policy, this requires 25% of affordable units to be delivered as First Homes in the first instance. Proposals are also subject to meeting the separate National Planning Policy Framework (NPPF) policy that at least 10% of all homes on the site should be for affordable home ownership. Paragraph 65 of the NPPF states: "*Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups."*

5.6 It is intended that First Homes are sold by the developer to a qualifying owner, who may subsequently sell to future qualifying First Home purchasers at the same discount from which they originally benefitted. A restriction is placed on the title deeds of the property at first sale thus ensuring, apart from in certain specified circumstances, that the property remains a First Home in perpetuity. Whilst the conveyancing itself is largely undertaken outside of the local authority there is a responsibility on the Council to ensure that First Homes are delivered and retained in line with eligibility criteria (as outlined in paragraph 5.2 and 5.3 above). A summary of the process as set out by Department for Levelling Up, Housing and Communities (DLUHC) is included at Appendix 1. Officers in Planning, Housing and Legal Services are currently working to establish the way in which this will work in Hertsmere.

5.7 There are no Government regulations governing the administration of the First Homes programme, nor, according to DLUHC, any current intention to consider introducing them. The Government has issued template documents to be used in the process although some require adjusting as they relate to the previous 'Early Delivery' phase of First Homes implementation that operated on a different basis to that currently in place.

These documents include template s106 clauses, the recommended wording of the restriction to be placed on the title deeds to ensure the property remains a First Home in perpetuity, and Application and Conveyancing packs, which it strongly recommends are used for the administration of First Homes sales.

5.8 Two developments[3] which will deliver six First Homes in Hertsmere currently have planning permission (including completed S106 agreements), one of which is already under construction. Two appeals[4] against the Council's refusal of planning permission for major residential development are currently under consideration by the Planning Inspectorate and if granted on appeal should deliver a total of around 40 First Homes in order to be policy compliant. Major residential developments coming forward for approval should now all be delivering 25% of their Affordable offer as First Homes.

5.9 Releasing First Home properties to eligible purchasers requires input from the Council at key stages. Once an eligible purchaser for a First Home has been identified by the developer, the Council will issue an Application Pack, to which officers will have added the relevant requirements of the signed s106 agreement. It is then intended that both the Application and Conveyancer packs are completed jointly by the developer, conveyancer, lender and prospective owner and should provide the local authority with all the information required to satisfy the Council that the homes and prospective purchaser meet the eligibility criteria.

5.10 Having been satisfied that all necessary requirements are met at each stage, the Council is required to issue firstly an *Authority to Proceed and Eligibility Approval* – which enables the conveyancing process to begin – and subsequently an *Authority to Exchange and Compliance Certificate*. Although the Council is not directly involved in the conveyancing process, guidance notes issued by DLUHC are clear that a sale cannot proceed past either of these points without the Council having issued the relevant Authority.

5.11 These are new responsibilities and so approval for the Head of Legal Services or Executive Director (or any officer to whom they delegate this authority) is required, inter alia, to issue *Authority to Proceed and Eligibility Approval* and *Authority to Exchange and Compliance Certificate* on behalf of the Council. This authority would be added to the existing schedule of functions allocated to officers under the Constitution.

5.12 As already indicated, the administration of First Homes is a new responsibility for the Council, with little Government guidance available. Likewise, given the relatively recent introduction into Government policy of the requirement to secure First Homes, there is little experience from other local authorities on which to draw when considering the most appropriate way of administering the process. It is also unclear as to the extent to which

[3] 21/2220/FUL South Medburn Farm; 21.2448/FUL Wyevale Garden Centre, Dancers Hill Road
[4] 22/1071/OUT Little Bushey Lane; 22/1539/OUT Land south of Shenley Hill, Radlett

future issues may arise. This includes, for example, securing a means of retaining properties as alternative forms of Affordable Housing where First Homes fail to sell to eligible applicants within the prescribed timescale following the required minimum six months of marketing. Authority is therefore sought for officers to take other decisions necessary to enable the administration of First Homes to proceed in a timely manner.

6 FINANCIAL AND BUDGET FRAMEWORK IMPLICATIONS

6.1 None for the purposes of this report. Officers are presently convening on a fortnightly basis to review ongoing First Homes arrangements and should the experience of administering First Homes over the next 6-12 months indicate there to be resource implications these can be brought back to members for consideration.

6.2 Officers have met separately with DLUHC officials who have advised that there is no 'new burdens' or other funding available to support the roll out of First Homes.

7 LEGAL POWERS RELIED ON AND ANY LEGAL IMPLICATIONS

7.1 No direct legal implications as a result of this report. The requirement for local authorities to deliver First Homes is set out in the Ministerial Statement and national Planning Practice Guidance.

8 EFFICIENCY GAINS AND VALUE FOR MONEY

8.1 The administration of First Homes is a resource-intensive responsibility but the proposed delegation of administrative functions to officers will assist in enabling the administration of First Homes to be undertaken in a more timely manner.

9 RISK MANAGEMENT IMPLICATIONS

9.1 There are considered to be reputational and legal risks associated with not proceeding with the report recommendations as the sale of First Homes on the open market will not be able to proceed in a timely manner. This risks the Council being open to challenge from both prospective purchasers, unable to complete on their property purchase, and from developers who may be prevented from delivering the Affordable Housing that they are required to provide under the terms of their planning permission.

10 PERSONNEL IMPLICATIONS

10.1 Administration of First Homes will involve staff from Legal, Housing and planning teams. It is as yet not clear how much time will need to be spent although initial estimates, based on the projected number of applications requiring the delivery of First Homes, indicate that it will be the equivalent of

at least 1FTE member of staff. This work will be monitored over the first 6-12 months with a view to assessing whether additional resources will be required going forward.

11 EQUALITIES IMPLICATIONS

11.1 First Homes will only be available to those households with an income of less than £80,000, requiring a mortgage to cover at least 50% of the discounted value of the property. They fall within the government definition of Affordable Housing and as such will only be available to those households who would not be able to afford to purchase a property locally on the open market.

12 CORPORATE PLAN and POLICY FRAMEWORK IMPLICATIONS

12.1 The report recommendations will assist in the delivery of First Homes, which fall within the definition of Affordable Housing, and will therefore contribute to the achievement of

- Hertsmere Vision – Driving Better Futures 22-27, which includes a commitment to "*Create affordable communities …we will strive to enable housing that is affordable, varied and flexible, where opportunities and accessible homes mean our children choose to stay here."*
- Corporate Plan Position Statement 2 Hertsmere Drives Sustainable Growth, which includes a measure of success as being "*An increase in local affordable housing supply, with a focus on accessibility*."
- Corporate Plan Position Statement 5 Hertsmere is inclusive and equitable which includes a commitment to *"support policies to enable a range of affordable housing options."*

13 ASSET MANAGEMENT IMPLICATIONS

13.1 None specifically for the purposes of this report. However, it should be noted that the development of Council-owned land for new homes will be subject to the same First Homes requirements as privately developed sites, unless those sites are developed exclusively for Affordable Housing.

14 HEALTH AND SAFETY IMPLICATIONS

14.1 None for the purposes of this report.

15 BACKGROUND DOCUMENTS USED TO PREPARE THIS REPORT

Document Title:	**Filed at:**
National Planning Policy Framework	https://www.gov.uk/government/publications/national-planning-policy-framework--2
Planning Practice Guidance	https://www.gov.uk/government/collections/planning-practice-guidance

Hertsmere Vision 22/27	https://www.hertsmere.gov.uk/Documents/11-Your-Council/Official-Publications--Guides--Policies/211123-Hertsmere-Place-Vision-FINAL.pdf
Corporate Plan 2023/24	https://www.hertsmere.gov.uk/Documents/11-Your-Council/Official-Publications--Guides--Policies/Hertsmere-Borough-Council-Corporate-Plan-202324v4.pdf
First Homes Early Delivery Programme 2021 to 2023: guidance for developers	First Homes Early Delivery Programme 2021 to 2023: guidance for developers - GOV.UK (www.gov.uk)

16 CONSULTATION ON DRAFT REPORT

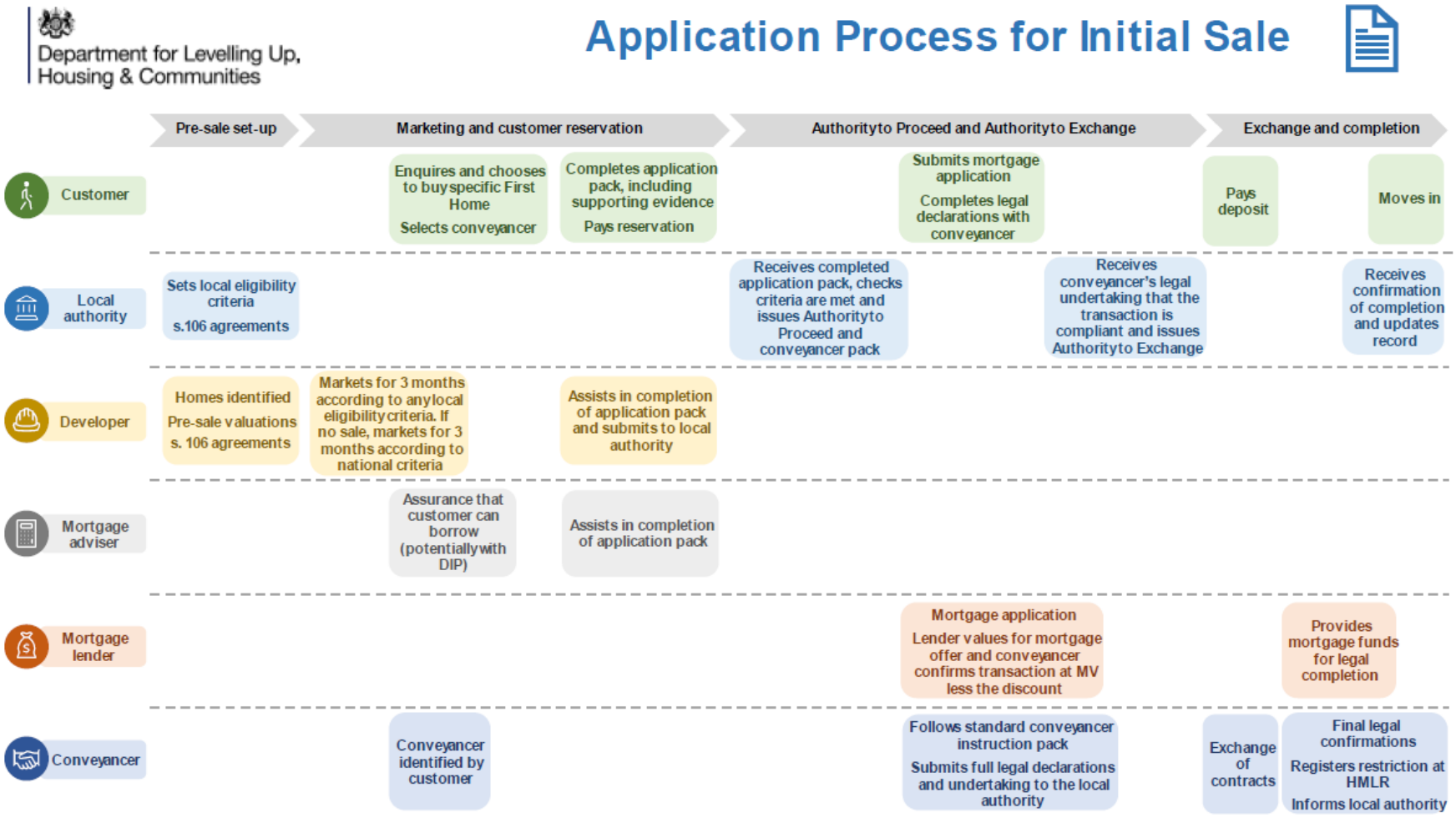
16.1 A draft of this report was sent to the following on the following dates:

Consultee	**Report sent**	**Comments rcvd**
Portfolio Holder for Planning Infrastructure and Transport	13/06/23	20/06/23
Portfolio Holder for Housing and Housing Development	13/06/23	20/06/23
Managing Director	30/05/23	
Executive Director	30/05/23	31/05/23
Head of Planning and Economic Development	16/05/23	
Head of Corporate Support, Corporate Performance and Community Services	30/05/23	
Head of Legal Services	30/05/23	
Head of Waste and Street Scene	30/05/23	
Head of Engineering	30/05/23	
Head of Finance	30/05/23	

Appendix 1 - Summary of First Homes process

Department for Levelling Up, Housing & Communities

Application Process for Initial Sale



HERTSMERE BOROUGH COUNCIL

Meeting name & Date	**Council** **19 July 2023**
Agenda item	**8**
Report title	**Police Community Support Officer Funding**
Report reference no.	**C/23/25**
Wards affected	**All wards**
Report author, job title & email	**Hilary Shade, Head of Partnerships Community Engagement and Housing** **Hilary.shade@hertsmere.gov.uk**
List of Appendices	**None**
Reason for urgency	**Not applicable**

Is it a Key Decision?	Yes.
Call-in expires on	This will be five working days after the decision is **published** (not made).
Exempt from Call-in	Not applicable
Portfolio Holder	Cllr Gray, Portfolio Holder Communities, Neighbourhoods, Enforcement, Economic Development and Transformation Cllr Shenton, Portfolio Holder Finance and Budget

PUBLIC REPORT - this report is available to the public.

1 RECOMMENDATION

1.1 That the Council cease its funding contribution of £130,700 per annum to Hertfordshire Constabulary for the provision of Police Community Support Officers (PSCOs) with effect from 31 March 2024.

1.2 That this funding is redirected within the 2024/25 revenue budget to support the Council's future enhanced enforcement approach subject to the outcome of the Operations Review Committee review of enforcement and any recommendations arising.

2 PURPOSE OF THIS REPORT

2.1 The purpose of this report is to recommend to the Council to cease funding to Hertfordshire Constabulary for the provision of the Police Community Support Officers (PSCO) and to refocus that funding on Council led enforcement activity.

3 REASONS FOR RECOMMENDATION

3.1 The Council is currently exploring and considering mechanisms to enhance its direct role in enforcement focusing on dealing with environmental crime and anti-social behaviour and is considering options of deploying Council employed uniformed enforcement officers to tackle these issues. This is subject to a scrutiny review by the Operations Review Committee and any recommendations arising from that review.

3.2 Although the Council has part funded PCSO's for a number of years (as set out below in para. 4), in recent times the Constabulary has been focussed on the recruitment of Police Officers, which has seen a freeze on recruitment of PCSOs and a number of PSCOs securing Officer appointments, resulting in a number of vacant posts and a reduction in the PCSOs operational in the district. It has been calculated by the Constabulary that provision has been approximately two thirds of the establishment requirement and consequently the Council have received a refund of £37,370 towards the part funded 7 officers for the 2022/23 financial year. There are currently circa 7 vacant PCSO posts against a full establishment of 22 PCSO posts. Officers will seek to agree the level of funding for 2023/24 based on the ongoing vacancies.

3.3 Although the Council has a long established record of working well in partnership with the Constabulary, the continued funding of PCSOs is no longer seen as a cost effective way of delivering the council's commitments under the 2022-27 Vision Position Statement and the commitment to: *Keep residents safe: We will facilitate and support work with our statutory and voluntary sector partners to build a safer, stronger and more cohesive community.*

3.4 Although a Service Level Agreement (SLA) has not yet been agreed for 2023/24 all previous Service Level Agreements have made provision for a minimum of 6 months' notice period to cancel the agreement. It is therefore recommended that if the Council determines to cease funding then this should be from 2023/24 financial year and that the Constabulary should be advised accordingly.

4 BACKGROUND

4.1 Hertsmere Borough Council has, since circa 2007, provided funding under the PCSO Incentive scheme whereby the Constabulary agrees to match the funding contributed by a Partners and provide the appropriate resource.

4.2 The current revenue budget provision is £130,700 per annum which, taking the Constabulary's match funding commitment, equates to the provision of 7 PCSO posts.

4.3 The Chief Constable maintains operational control over the deployment of PCSOs, in accordance with the needs of the local community through Community Safety Partnership (CSP) consultation and recognising any specific requirements of the funding partner. The Chief Constable also determines which powers are designated to the PCSOs.

4.4 The PCSOs are deployed as a visible foot patrolling representative of law and order, providing public reassurance and to assist with the prevention of crime and disorder within the community. Their role is to complement the work of Police Officers by focussing on lower level crime, disorder and anti-social behaviour. The intention is for PCSOs to be at the heart of the local Community Safety Partnership ensuring that neighbourhood policing is delivered at a local level cognisant of locally agreed priorities.

5 ALTERNATIVE OPTIONS

5.1 The Council has yet to determine the details of its own approach to enforcement and consideration could be given to phasing out support for PCSOs over a longer period whilst the Council develops and embeds its own enforcement presence and arrangements. However it should be noted that an Enforcement Review is planned by the Operations Review Committee.

5.2 Alternatively the Cabinet could determine to continue funding PCO's and not employ its own enforcement team and instead strengthen joint working across the different areas of enforcement; including greater utilisation of Anti-Social Behaviour powers.

6 FINANCIAL AND BUDGET FRAMEWORK IMPLICATIONS

6.1 The 2023/24 revenue budget provides for £130,700 for PCSO funding which is allocated via a discretionary contribution from excess parking income. It is proposed that going forward this funding is refocussed to support an alternative enforcement approach from 2024/25 onwards.

6.2 The table below shows that the majority of other local authorities in Hertfordshire no longer provide funding for PCSOs, with the exception of Three Rivers who fund £70,000 which taking into account the Constabulary match funding equates to funding 4 PCSOs.

Local Authority	**Funding pa**
Hertsmere	£130,700
Three Rivers	£70,000
East Herts	No
North Herts	No
Stevenage	No
Broxbourne	No
Dacorum	No
St Albans	No
Welwyn Hatfield	No
Watford	No

6.3 The refund for 2022/23 of circa £37,300 has been set aside for community safety initiatives. Officers will seek to agree a level of funding for 2023/24 based on the ongoing levels of vacancy and any balance of funding will be set aside to support community safety initiatives.

7 LEGAL POWERS RELIED ON AND ANY LEGAL IMPLICATIONS

7.1 The provision of the PSCO funding is part of the Council's partnership response to the Community Safety Partnership. Hertsmere Community Safety Partnership (CSP) is a statutory partnership, working to reduce crime and offending in accordance with the Crime and Disorder Act1998; Police Reform and Social Responsibility Act 2011; the Anti-Social Behaviour, Crime and Policing Act 2014 and the Police, Crime, Sentencing and Courts Act 2022.

8 EFFICIENCY GAINS AND VALUE FOR MONEY

8.1 Given the reduction in the PCSOs operational in the district in recent years with only two thirds of the establishment requirement operation in 2022/23, it is considered that the Council is not achieving Value for Money.

8.2 The proposal to cease funding will provide annual cashable efficiencies of £130,700 which can then be refocussed to Council led enforcement activity.

9 RISK MANAGEMENT IMPLICATIONS

9.1 Consideration needs to be given to the resource implications of the Constabulary if the PSCO establishment if reduced by 7 PSCOs from 22 posts to 15 posts. The provision of these resources has meant that the Constabulary have been able to be more proactive in areas of anti-social behaviour and low level crime and disorder, and have embodied this is as business as usual for the Police neighbourhood Teams. The Constabulary have indicated that they will need to reconsider their priorities and resources accordingly which may place more expectation on the Council's enforcement provisions.

9.2 The Council will need to also provide not only front line enforcement but also the required legal and administrative support to utilise powers available to them, however these matters will be considered as part of any future Enforcement Report to be considered by the Cabinet and Council.

10 PERSONNEL IMPLICATIONS

10.1 There are obviously personnel implications for Hertfordshire Constabulary as a consequence of this decision but for the Council there are none for the purposes of this report. Any future Enforcement provision will be subject to separate reporting to the Executive and to Council and any personnel implications would be considered as part of those reports.

11 EQUALITIES IMPLICATIONS

11.1 None for the purposes of this report.

12 CORPORATE PLAN and POLICY FRAMEWORK IMPLICATIONS

12.1 The provision of PCSO funding is part of the Council's commitment to:

Keep residents safe : We will facilitate and support work with our statutory and voluntary sector partners to build a safer, stronger and more cohesive community under the position statement that Hertsmere is Inclusive and Equitable - Our communities feel safe, secure, healthy and happy.

13 ASSET MANAGEMENT IMPLICATIONS

13.1 None for the purposes of this report.

14 HEALTH AND SAFETY IMPLICATIONS

14.1 None for the purposes of this report.

15 BACKGROUND DOCUMENTS USEDTO PREPARE THIS REPORT

15.1 None for the purposes of this report.

HERTSMERE BOROUGH COUNCIL

Meeting name & Date	**COUNCIL** **19 July 2023**
Agenda item	**9**
Report title	**Council Tax 2023/24 Increase Refunds**
Report reference no.	C/23/26
Wards affected	All wards
Report author, job title & email	Matthew Bunyon, Head of Finance & Business Services Matthew.bunyon@hertsmere.gov.uk
List of Appendices	None
Reason for urgency	Not applicable
Is it a Key Decision?	Yes
Portfolio Holder	Councillor Chris Shenton, Finance and Budget Portfolio

PUBLIC REPORT - this report is available to the public.

1. RECOMMENDATIONS

1.1. The full Council are recommended to approve that:

1.1.1. Hertsmere's share of the Council Tax increase for 2023/24 be refunded under an opt-in refund scheme as set out in paragraphs 3.22 to 3.28;

1.1.2. the opt-in scheme application window be open for a period of 12 weeks (paragraph 3.26); and

1.1.3. any unclaimed refunds, after allowing for any additional administration costs, be set aside in the Council Tax Support Reserve to provide additional provision for Council Tax Support for the most vulnerable households.

1.2. The Council are requested to note that the one-off costs of the Council Tax opt-in refund scheme are £251k as set out in the financial implications at section 4 and that these costs are to be funded from the 2023/24 contingency budget (current balance £300k).

2. PURPOSE OF THIS REPORT

2.1. At its meeting on 12th July 2023 (CAB/23/04) the Cabinet considered two options for refunding Hertsmere's share of the 2023/24 Council Tax increase:

2.1.1. **Option 1** – A refund to all households by way of a credit against their 2023/24 Council Tax liability.

2.1.2. **Option 2** – An opt-in scheme whereby refunds will be paid to households who opt-in to the proposed refund scheme by way of a credit against their 2023/24 Council Tax liability, with any unclaimed refunds being set aside to support the most vulnerable households.

2.2. Having considered these options the Cabinet agreed to recommend option 2, an opt-in refund scheme, to the full Council for approval.

2.3. This report presents background information in relation to the 2023/24 Council Tax and the two options for refunding Hertsmere's share of the 2023/24 Council Tax increase and requests the full Council to agree the proposed opt-in refund scheme.

3. BACKGROUND

3.1. Hertsmere's Council Tax level for 2023/24 was agreed by the full Council at its meeting on 22 February 2023. This was part of a series of budget reports presented to the February Council meeting to meet Hertsmere's legislative requirement under the Local Government Finance Act 1992 (LGFA 1992) to set a balanced budget for 2023/24 by the 11 March 2023.

3.2. Officers have since been requested to present options to the Cabinet to refund the 2023/24 Council Tax increase to households.

3.3. Hertsmere, as a collection authority, collects Council Tax on behalf of itself and on behalf of the precepting bodies namely Hertfordshire County Council, the Hertfordshire Police and Crime Commissioner and the Town and Parish Council's. Each of the precepting bodies is responsible for setting its own budgets and submitting a precept demand to Hertsmere to collect Council Tax on their behalf. Hertsmere must collect the amount demanded by the precepting bodies and pay this over to them. As such any refund can only relate to Hertsmere's share of the Council Tax which represents just 10% of the overall Council Tax charge.

3.4. The total average Council Tax bill for 2023/24 for a Band D property amounts to £2,075.94 of which just £198.04 or just under 10% relates to Hertsmere Borough Council. The remainder of the bill relates to the precepting bodies with £1,605.63 (77%) being for Hertfordshire County Council, £238.00 (11%) for the Police and Crime Commissioner and £34.27 (2%) for the Parish and Town Councils.

3.5. In accordance with the Council Tax regulations, Hertsmere's share of the Council Tax is made up of two parts, a charge for "General Expenses" which are charged to all households for the provision of the majority of the Council's services. There is also a charge for "Special Expenses" which are charges for the provision of parks, bus shelters and allotments where these services are not provided by the Town or Parish Council.

3.6. Hertsmere's approved Council Tax for 2023/24 included an increase of 2.99%, which for a band D property equates to an annual increase of £5.31 for general expenses and £0.51 for special expenses amounting to an overall

increase of £5.82 for non-parished areas. The increase in special expenses for parished areas will however differ depending on the services provided by the Town or Parish Council as shown in tables 3 and 4, paragraph 3.11, below. Due to this differential by parish, the **average total Band D increase for 2023/24** (general and special expenses) across all households amounted to £5.71.

3.7. The increases discussed in paragraph 3.4 are for a Band D property as this is the constant by which Council Tax is measured. Hertsmere's Council Tax Base for 2023/24, which is the multiplier for the overall Council Tax Requirement, is 43,176.1 being the total number of properties in the Borough (45,565) after accounting for exemptions and discounts expressed in Band D equivalents.

3.8. Council Tax Bandings however actually range from A to H and the Council Tax liability for each band is determined by the national ratio as set out in the following table:

Table 1 - Council Tax Bandings 'Relevant Amounts'

Band	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**
Ratio to band D	6/9ths	7/9ths	8/9ths	1	11/9ths	13/9ths	15/9ths	2

3.9. As mentioned in paragraph 3.1, it is a statutory requirement for the Council to set a balanced budget whereby the net budget requirement or gross spend on service provision less income from rents, fees and charges, specific grant funding and other contributions is balanced by an equivalent level of funding. In order to maintain a balanced budget any refunds must be fully funded.

2023/24 Council Tax Increase – General Expenses

3.10. The following table sets out Hertsmere's approved level of Council Tax general expenses for 2022/23 and 2023/24 by Council Tax Band and shows the value of the year on year increase of 2.99% by tax band:

Table 2 – Hertsmere's General Expenses 2023/24 Increase by Band

Band	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**
No. of Households (excluding exempt)	758	3,014	7,176	14,607	8,805	4,374	4,649	1,167
	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Hertsmere Council Tax Charge 2023/24	122.01	142.34	162.68	**183.01**	223.68	264.35	305.02	366.02
Hertsmere Council Tax Charge 2022/23	118.47	138.21	157.96	**177.70**	217.19	256.68	296.17	355.40
Hertsmere Council Tax Increase 2023/24	**3.54**	**4.13**	**4.72**	**5.31**	**6.49**	**7.67**	**8.85**	**10.62**

2023/24 Council Tax Increase – Special Expenses

3.11. The special expenses approved for 2022/23 and 2023/24 are set out in tables 3 and 4 below, the amount of special expenses charged vary by parish dependant on the services provided by the Town or Parish Councils:

TABLE 3 - 2022-23 SPECIAL ITEMS BY PARISH	Taxbase	Parks & Open Spaces*	Allotments	Bus Shelters	Parks & Open Spaces	Allotments	Bus Shelters	**Total Special Expenses**
		SPECIAL ITEM LEVY			**TOTAL PER PARISH**			
Aldenham	5,322.5			0.16			852	**852**
Elstree & Borehamwood	13,747.6	15.98			219,686			**219,686**
Ridge	91.5	15.98		0.16	1,461		15	**1,476**
Shenley	1,814.6	15.98			28,996			**28,996**
South Mimms	321.9	15.98	1.06	0.16	5,143	341	52	**5,536**
Bushey & Potters Bar	21,502.0	15.98	1.06	0.16	343,601	22,792	3,440	**369,833**
	42,800.1				**598,887**	**23,133**	**4,358**	**626,378**

TABLE 4 - 2023-24 SPECIAL ITEMS BY PARISH	Taxbase	Parks & Open Spaces*	Allotments	Bus Shelters	Parks & Open Spaces	Allotments	Bus Shelters	**Total Special Expenses**
		SPECIAL ITEM LEVY			**TOTAL PER PARISH**			
Aldenham	5,480.7			0.17			932	**932**
Elstree & Borehamwood	13,839.2	16.45			227,654			**227,654**
Shenley	1,827.9	16.45			30,068			**30,068**
South Mimms & Ridge	426.4	16.45	1.09	0.17	7,013	465	72	**7,551**
Bushey & Potters Bar	21,477.7	16.45	1.09	0.17	353,307	23,411	3,651	**380,369**
Parish of Meriden	124.2	16.45	1.09	0.17	2,042	135	21	**2,199**
	43,176.1				**620,084**	**24,011**	**4,677**	**648,772**

3.12. The following table combines Hertsmere's overall Council Tax increase for 2023/24 of 2.99% (general expenses and special expenses) and shows the

year-on-year increase by parished and non-parished areas and by Council Tax band:

Table 5 – Hertsmere's Combined 2023/24 Council Tax Increase by Parish and Council Tax Band

Band	A	B	C	D	E	F	G	H
No. of Households (excluding exempt)	758	3,014	7,176	14,607	8,805	4,374	4,649	1,167
	£	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Aldenham	3.55	4.14	4.73	**5.32**	6.50	7.68	8.87	10.64
Elstree & Borehamwood	3.85	4.50	5.14	**5.78**	7.06	8.35	9.63	11.56
Shenley	3.85	4.50	5.14	**5.78**	7.06	8.35	9.63	11.56
South Mimms & Ridge	3.88	4.53	5.17	**5.82**	7.11	8.41	9.70	11.64
Non-Parished Areas	3.88	4.53	5.17	**5.82**	7.11	8.41	9.70	11.64

3.13. Table 5 above represents the total combined increase in Hertsmere's share of the Council Tax (general expenses and special expenses). These amounts will however differ where households receive any discounts reducing their overall Council Tax liability, which in some cases may reduce a household's liability to zero. Some properties are also exempt from Council Tax such as student accommodation so will not receive a refund as they have no liability. Any refund will need to reflect the actual year on year increase in liability by individual household so the amounts set out in table 5 above will only apply to households with a full Council Tax liability in 2023/24, households with a reduced liability or no liability will receive a pro-rated or no refund.

3.14. Table 6 below expands on table 5 and provides the total number of properties, excluding exempt properties, by parish area and by tax band and also shows the number of band A-H equivalent properties after allowing for discounts and Council Tax Support to arrive at the total amount of the 2023/24 Council Tax increase by parish area and by tax band:

Table 6 – Potential Cost of Refunds by Parish Area and Tax Band

	Band	A	B	C	D	E	F	G	H	Total
No. of Households (excl exempt)		785	3,005	7,200	14,582	8,783	4,392	4,669	1,179	**44,595**
No. of Band Equivalent Households *		555.3	1,800.1	5,135.8	12,075.4	7,930.3	4,112.3	4,445.1	1,131.2	**37,185.5**
Aldenham	Increase to be refunded	£3.55	£4.14	£4.73	£5.32	£6.50	£7.68	£8.87	£10.64	
	No. of households	115	178	274	563	394	574	1408	660	**4,166**
	No. of band equivalent households*	91.0	94.7	206.6	487.8	357.1	539.4	1,333.6	642.9	**3,753.1**
	Total cost	£323.05	£392.06	£977.22	2595.096	£2,321.15	£4,142.59	£11,829.03	£6,840.46	**£29,420.65**
Elstree & Borehamwood	Increase to be refunded	£3.85	£4.50	£5.14	£5.78	£7.06	£8.35	£9.63	£11.56	
	No. of households	412	1884	3317	7,609	1,810	713	798	160	**16,703**
	No. of band equivalent households*	271.8	1,117.3	2,396.6	6,299.1	1,622.9	689.9	760.8	153.5	**13,311.9**
	Total cost	£1,046.43	£5,027.85	£12,318.52	36,409	£11,457.67	£5,760.67	£7,326.50	£1,774.46	**£81,120.91**
Shenley	Increase to be refunded	£3.85	£4.50	£5.14	£5.78	£7.06	£8.35	£9.63	£11.56	
	No. of households	27	55	161	604	302	302	253	32	**1,736**
	No. of band equivalent households*	27.5	37.1	103.3	511.1	268.2	287.1	244.5	29.8	**1,508.6**
	Total cost	£105.88	£166.95	£530.96	£2,954.16	£1,893.49	£2,397.29	£2,354.54	£344.49	**£10,747.75**
South Mimms & Ridge	Increase to be refunded	£3.88	£4.53	£5.17	£5.82	£7.11	£8.41	£9.70	£11.64	
	No. of households	36	34	91	167	36	41	60	19	**484**
	No. of band equivalent households*	32.1	27.0	52.1	142.1	31.6	39.5	57.9	18.5	**400.8**
	Total cost	£124.55	£122.31	£269.36	£827.02	£224.68	£332.20	£561.63	£215.34	**£2,677.08**
Non-Parished Areas	Increase to be refunded	£3.88	£4.53	£5.17	£5.82	£7.11	£8.41	£9.70	£11.64	
	No. of households	195	854	3,357	5,639	6,241	2,762	2,150	308	**21,506**
	No. of band equivalent households*	132.9	524.0	2,377.2	4,635.3	5,650.5	2,556.4	2,048.3	286.5	**18,211.1**
	Total cost	£515.65	£2,373.72	£12,290.12	£26,977.45	£40,175.06	£21,499.32	£19,868.51	£3,334.86	**£127,034.69**
Total Cost for Equivalent Households		**£2,115.56**	**£8,082.89**	**£26,386.19**	**£69,762.52**	**£56,072.05**	**£34,132.06**	**£41,940.21**	**£12,509.60**	**£251,001.07**

* Band equivalent households is the total number of households after allowing for reductions in relation to Council Tax Support and Council Tax discounts

3.15. Two potential options for making refunds were presented to the Cabinet at their meeting on 12th July 2023 (CAB/23/04) which are as follows:

Option 1 – Refund all households

3.16. This option would apply to all households in the borough whereby a refund of Hertsmere's share of the 2023/24 Council Tax increase (as set out in Table 5, paragraph 3.12) would be made to all eligible households by way of a credit against their overall Council Tax liability, thereby reducing the amount to be paid.

3.17. The one-off cost to refund all households will be c.£251k (Table 6, paragraph 3.13) plus any costs of administering the scheme estimated to be a maximum of £30k.

3.18. Whilst automation would be the most resource efficient way of delivering the refunds this would require a software update to be developed by the system supplier. This would be a bespoke software update to Hertsmere and will likely therefore have significant cost implications. For comparison, recent system patches to enable the implementation of the various Government Covid-19 related support grant schemes and the Energy Rebate scheme each had a one-off cost to Hertsmere ranging between £5k to £15k. This was Hertsmere's share of the overall development costs plus implementation. As these were national schemes the development costs will have been split across the system suppliers full customer base of around 80 Local Authorities meaning Hertsmere will only have paid an eightieth of the suppliers development costs. As such an automated process will likely be cost prohibitive, a manual process would therefore be required to make a payment against each Council Tax account thereby reducing the overall Council Tax liability.

3.19. It should also be noted that when a household's Council Tax liability is changed, for example due to a discount being applied or the award of Council Tax Support, then that account would be rebilled and a revised Council Tax Demand Notice would be sent to the household. The cost of rebilling for all households in relation to printing and postage would however also have a significant cost in the region of £50k and it is therefore recommended that this cost also be avoided if possible. This would however mean that households who pay their bills by means other than direct debit may end up overpaying resulting in a year end credit which would be carried forward onto the following year's bill.

3.20. Due to the significant costs of automation and rebilling, which it is proposed are avoided, the main additional administration costs will be in relation to any additional staff resource required for running a manual refund process where this cannot be met within existing resources. It is estimated that the maximum additional resourcing costs would be up to £30k.

3.21. A slight deviation to option 1 could be to make the 2023/24 refunds to all households in their 2024/25 Council Tax bills which could potentially reduce resource requirements by building the refunds into the 2024/25 billing process.

Option 2 – An Opt-in Scheme by application

3.22. This option would allow households to either opt-in and request a refund of Hertsmere's share of the 2023/24 Council Tax increase (as set out in table 5, paragraph 3.12 above). Alternatively households could decide not to opt-in and in doing so agree for their refund amount to be set aside to provide additional Council Tax Support provision for the most vulnerable households in Hertsmere who may be feeling the greatest impact due to the cost of living crisis.

3.23. Households that do wish to opt-in will be required to complete a simple online request and would receive their refund by way of a one-off credit against their 2023/24 Council Tax liability, thereby reducing the amount of Council Tax to be paid in 2023/24.

3.24. Households choosing not to opt-in would not need to do anything.

3.25. The maximum cost of refunds under option 2 will be up to £251k, the same as option 1 (Table 6, paragraph 3.13), plus any additional administration costs estimated to be a maximum of up to £30k. The actual value of refunds and cost of administration will however be dependent on the number of households taking up the option, which it is anticipated will be contained well within the funding provision of £251k. Any unclaimed refunds, after allowing for the cost of administering the refund scheme, will be set aside in the Council Tax Support Reserve, thereby providing additional provision to provide additional Council Tax Support to the most vulnerable households.

3.26. To make this process as efficient as it can be and to keep costs down, it is proposed that applications are all reviewed together on mass. It is therefore recommended that expressions of interest to opt-in should be time limited to a 12-week application window with all applications then being processed

together after the application window has closed. This will also enable the Revenues and Benefits Manager to determine whether any additional temporary staffing resource is required to administer the refunds so as not to detract from business as usual.

3.27. In order to raise public awareness of the opt-in refund scheme it is proposed that it be promoted via various media channels including press releases, flyers, the Council's website, e-alerts and social media with repeated communications throughout the application period.

3.28. As households are able to opt-out of the refund scheme, option 2 is likely to provide the greatest support to the most vulnerable households as unclaimed refunds will be set aside in the Council Tax Support Reserve, option 2 is therefore the recommended option.

Bank Transfers

3.29. It is not proposed to make refunds under either option by way of bank transfer as this would require significant additional resource to collate and check bank details as well as attracting additional bank charges meaning the additional costs of administration will outweigh the actual quantum of the amount to be refunded. A refund by way of a bank transfer would also increase the risk of fraudulent claims albeit the individual refund amounts will be low.

4. FINANCIAL AND BUDGET FRAMEWORK IMPLICATIONS

4.1. It is a statutory requirement for the Council to set a balanced budget whereby the net budget requirement or gross spend on service provision less income from rents, fees and charges, specific grant funding and other contributions is balanced by an equivalent level of funding. The Council agreed the 2023/24 budget and the level of Council Tax at its meeting on 22 February 2023.

4.2. Any refund can only relate to Hertsmere's share of the Council Tax, which amounts to just under 10% of the overall charge. Hertsmere also collects Council Tax on behalf of the precepting bodies namely Hertfordshire County Council (77%), the Hertfordshire Police and Crime Commissioner (11%) and the Town and Parish Council's (2%). However, it is the responsibility of the precepting bodies to set their own budget and level of Council Tax and submit a precept demand to Hertsmere to collect on their behalf. As such it is not possible for Hertsmere to refund any increase by the precepting bodies.

4.3. The level of refunds vary by parish and by Council Tax Band and the different value of refunds due to a household paying the full Council Tax liability for 2023/24 are set out in table 5, paragraph 3.12 above. The refunds range from £3.55 (Aldenham Band A) to £11.64 (South Mimms & Ridge and Non Parished areas Band H). Refunds due to households in receipt of Council Tax discounts will be adjusted pro-rata.

4.4. The refund scheme will only apply to households that were subject to the 2023/24 Council Tax increase and will therefore exclude exempt households (e.g. Student Accommodation) and households that moved in after 1 April 2023 after the 2023/24 Council Tax increase had been implemented.

4.5. The maximum value of refunds under option 2 will be up to £251k (Table 6, paragraph 3.13), plus any additional administration costs estimated to be a maximum of up to £30k. The actual value of refunds will however be dependent on the number of households taking up the option, which it is anticipated will be contained well within the total value of £251k. Any unclaimed refunds, after allowing for the cost of administering the refund scheme where these cannot be contained within existing resources, will be set aside in the Council Tax Support Reserve, thereby providing additional provision to provide additional Council Tax Support to the most vulnerable households.

4.6. The overall cost of option 2 is therefore £251k which it is recommended be funded from the 2023/24 contingency budget (current balance £300k).

5. LEGAL POWERS RELIED ON AND ANY LEGAL IMPLICATIONS

5.1. The Local Government Finance Act 1992 requires that all known and anticipated revenue budgetary requirements of the Authority for the forthcoming year be calculated prior to setting of the Council Tax. This must be done no later than 11th March in the preceding financial year.

5.2. The requirement to produce a “balanced budget” is enshrined in the local authority financial control framework. This requirement applies only to revenue and was introduced by section 31A of the Local Government Finance Act 1992. The Act sets out a number of detailed items that must be included in the balanced budget calculation.

6. EFFICIENCY GAINS AND VALUE FOR MONEY

6.1. The proposal to implement all applications together after the application period has closed will be the most efficient way to implement the opt-in scheme.

7. RISK MANAGEMENT IMPLICATIONS

7.1. None for the purposes of this report.

8. PERSONNEL IMPLICATIONS

8.1. It is anticipated that the implementation of Council Tax refunds will have a resource implication for the Revenues team and temporary resource may be required.

9. EQUALITIES IMPLICATIONS

9.1. None for the purposes of this report.

10. CORPORATE PLAN and POLICY FRAMEWORK IMPLICATIONS

10.1. The financial implications support the Corporate Plan objective of Hertsmere being Enterprising and Collaborative.

11. ASSET MANAGEMENT IMPLICATIONS

11.1. None for the purposes of this report.

12. HEALTH AND SAFETY IMPLICATIONS

12.1. None for the purposes of this report.

13. BACKGROUND DOCUMENTS USEDTO PREPARE THIS REPORT

Document Title:	**Filed at:**
Reports to Council 22 February 2023: Setting the Revenue Budget for 2023/24 (C/23/04) Council Tax Setting and Collections Fund Levies 2023/24 (C/23/06) Setting the Council Tax 2023/24 (C/23/07) **Report to Cabinet 12 July 2023:** Council Tax 2023/24 Increase Refunds (CAB/23/04)	Agenda pages: www.hertsmere.gov.uk

Hertsmere Borough Council

Meeting name & Date	**Council** **19 July 2023**
Agenda item	**10**
Report title	**Appointment of Independent Non-Executive Directors to Elstree Film Studios Limited (Company No 04975020)**
Report reference no.	C/23/27
Wards affected	All wards.
Report author, job title & email	Harvey Patterson, Head of Legal & Democratic and Shareholder Representative to Elstree Film Studios Limited harvey.patterson @hertsmere.gov.uk
List of Appendices	Appendix - Candidates recommended for Appointment to the Board of Directors of Elstree Film Studios Limited as Independent Non-Executive Directors
Reason for urgency	N/A

Public Report - this report is available to the public.

1 Recommendations

1.1 That the recommendations of the Cabinet and the Hertsmere Shareholders & Investment Panel in relation to the composition of the Board of Directors of Elstree Film Studios Limited, the consequential amendments to the Articles of Association of the company and the appointment of Independent Non-Executive Directors to the Board of the company, be noted.

1.2 That on and from 1 August 2023 the membership of the Board of Directors of Elstree Film Studios Limited (Company number 04975020) shall comprise of :-

- five non-executive directors who shall be elected members of Hertsmere Borough Council;
- four independent non-executive directors with industry experience appointed by the Council on the recommendations of the Hertsmere Shareholders & Investment Committee; and
- one executive director appointed by Elstree Film Studios Limited;

1.3 That in accordance with the recommendations of the Hertsmere Shareholders & Investment Panel, the four persons identified in the Appendix to the Officer's report be appointed as independent non-executive directors of Elstree Film Studios Limited for a term of two years commencing on 1 August 2023 extendable by the Council by up to two more years.

1.4 That in accordance with the recommendations of the Cabinet, Articles 4.4.2 and 5.1.2 of the Articles of Association of Elstree Film Studios Limited and paragraph 5.3.5 of the Governance Agreement between the Council and Elstree Film Studios Limited dated 28 August 2018 be amended to read as follows:-

"4.4.2 Subject to Article 4.4.3, a meeting is quorate where: (i) all the directors are present; or (ii)not less than half the directors attending the meeting are Council Members and a minimum of four (4) directors in total are in attendance."

. "5.1.2 A majority, or at least half, of the directors shall be Council Members"

"5.3.5 Ensure that it appoints Council Members to the Board representing at least half the total number of Directors"

1.5 That acting on the nominations of the Leader of the Council (and the Leader of the Conservative Group if that Group is allocated one or more seats on the Board Directors of Elstree Film Studios Limited), the Council appoints five (5) elected members of Hertsmere Borough Council as Non-Executive Directors of Elstree Film Studios Limited whose terms of office shall commence on and from 1 August 2023 and continue to the Annual meeting of Council in 2027 unless before then they resign, cease to be elected Members of Hertsmere Borough Council or are removed from office by the Council.

1.6 That the Directors who retired following the May elections or who will retire on 31 July 2023 without being re-appointed, be thanked for their services to the company.

2 Purpose of this report

2.1 To note and have regard to the recommendations of the meeting of the Hertsmere Shareholders & Investment Panel on 10 July 2023 and the meeting of the Cabinet on 12 July 2023 in relation to the appointment of Independent Non-Executive Directors to the Board of Elstree Film Studios Limited, the resultant composition of the Board and related consequential amendments to the Articles of Association of the Company and the Governance Agreement between the Council and the Company.

2.2 To agree:-

2.2.1 that the composition of EFS is amended to 5 Non- Executive Directors who are elected members of Hertsmere Borough Council, four Independent Non-Executive Directors with relevant industry experience and one Executive Director;

2.2.2 that the four persons named in the Appendix to this report be appointed as Independent Non-Executive Directors (INED's) of Elstree Film Studios Limited (EFS), such appointments to take effect on 1 August 2023 for a period of two years with the option to extend them by a further two years;

2.2.3 That a number of consequential amendments be made to the Articles of Association of EFS and the Governance Agreement between the Council and EFS to enable a meeting of the Board to be quorate if all the Directors are present, or if the Member-Directors number at least half the total number of directors present (never being less than four directors).

2.2.4 That five elected members of the Council be appointed as Non - Executive Directors of Elstree Film Studios Limited in accordance with the nominations of the Leader of the Council (and the Conservative Group Leader if the composition of the Board is to include one or more opposition councillors.

Background

3.1 EFS, one of the Council' s arms-length Teckal companies, has entered into a 30 year lease of the Elstree Film Studios site effective from 1st April 2017. When the Council approved the terms of the Lease it also approved the terms of a revised Governance Agreement and approved the adoption of revised set of Articles of Association for EFS. Collectively, these measures were intended to give the EFS Board the operational freedom to build on the success of the company while safeguarding the interests of the Council as sole shareholder and improving the accountability of the Board for the good governance and sound stewardship of taxpayer funded assets.

3.2 Clause 5.3.7 of the Governance Agreement required EFS to comply (and procure that the Board adopted and complied with) the Governance Framework set out in Schedule 3 of the Agreement. Under the heading 'Good Practice and Excellence' paragraph 1.11 of the Framework acknowledged that the Board as a whole **'should have, or acquire, a diverse range of skills, competencies, knowledge and experience'** These included, leadership, team working, general business, financial and management skills and knowledge of the creative and media industries including their operating environment and emerging trends. Under the heading, 'Appointments to the Board', paragraph 4.1 of the Framework acknowledged that while the contribution of experienced directors was vital, Boards also needed new directors who could provide 'an independent challenge to long-standing practices and thinking'.

3.3 Paragraph 3.1 of the Framework also provided that on joining the Board all Directors should receive induction training and should regularly refresh and update their skills. This requirement has also been supported by Constitutional and Member Development Panel who have recommended that Institute of Director (IOD) accredited training should be pre-requisite to serving on the Board of any arms-length company as this would enhance the ability of Board Members to exercise sound governance and manage risk and opportunities in a rapidly changing industry.

3.4 Accordingly, in 29 November 2018 some Members of the EFS Board (along with the Shareholder Representative and some members of the Board of Hertsmere Developments Limited) received induction training from an IOD accredited trainer on the role of the Board, where the topics covered included the composition of an effective Board and the contribution that independent non-executive directors could make to an effective 'check and challenge' as well as enhancing the skills, competencies, knowledge and experience of the Board as recommended by the Governance Framework. It is proposed that similar training is undertaken by the new Board members.

3.5 As a consequence of the training in 2018 the Shareholder representative and Chairman of EFS agreed to recruit INED's from the creative industry in accordance with best practice recommendations by the IOD. Furthermore it was recognised that during a period of major change to the British film and TV industry and potential expansion of EFS that it made sound business sense to

bring to the Board individuals actively working at the heart of the industry who will be able to contribute towards the continued success of the studios, particularly as the Board, in consultation with the Council, was considering the opportunities in 2019/20 for significant expansion within the footprint of the studios site and beyond.

3.6 In 2019 the decision had been made to appoint five INEDs as well as a substitute. The Articles of Association of EFS provide that a Board meeting is only quorate if a majority of Council appointed member-directors are present. This resulted in an EFS Board of 13 directors - 7 member-directors, 5 INED's and the Managing Director (the latter being the company's only executive director).

3.7 As a consequence, the author of the 2019 Audit Report on the Governance of Council Owned Companies noted that the composition of the EFS Board was "not commensurate with best practice" partly due to the size of the Board in relation to the activities and turnover of EFS. However, taking into account that that the INED's had only recently been appointed on fixed term contracts, she recommended that if the Board became too unwieldly, consideration should be given to reducing the number of member-directors by the introduction of weighted voting - where, say, a vote by a member-director at a Board meeting would count as two votes. The EFS Board subsequently sought legal advice on the possibility of reducing the number of member-directors through the introduction of weighted voting but, in summary, the advice received was that given the identical duties and responsibilities imposed on all Board members by the Companies Act 2006, the introduction of weighted voting was neither lawful or desirable (as it would create a two-tier board).

3.8 As a result, in November 2020 the EFS Board commissioned an independent report on the effective functioning of the Board which, following consultation with all the non-executive directors, recommended that the Board be reduced in size to between 5 and 9 directors. However as the term of office of the INED's had by then been extended by the Council for a further two years, it was considered prudent to defer consideration of the composition of the Board until the expiry of the term of office of the INED's at what had been the end of April 2023.

3.9 In light of the above it has been recommended that the total number of Non-Executive Directors to be appointed be set at nine in total with 5 Member Directors and 4 Independent Non-Executive Directors. This allows for a proposal to reduce the number of directors whilst retaining overall control through the minor changes to the Articles of Association as set out.

3.10 Previously, recommendations to the Council to appoint INED's were made solely by the Executive (most recently on the 13 February 2019) but with the establishment of the Hertsmere Shareholders and Investment Committee (HSIC) on 17 November 2012, the responsibility to consider nominations from the Leader of the Council on the appointment of all non-executive directors and to then make recommendations to Council was transferred by Council to HSIC

3.11 The Hertsmere Shareholders & Investment Committee is also responsible for considering and recommending changes to the Company documentation including the Memorandum, Articles of Association and Shareholder/Governance Agreement to the Cabinet and Full Council, hence the requirement for linked reports from the Cabinet and Hertsmere Shareholders & Investment Committee to make the necessary recommendations to full Council.

4. Reasons for Recommendations

4.1 Following the recommendations of the Audit report in 2019 on the Governance of Council owned Companies the Elstree Film Studios Limited Board currently comprises of 5 Industry Non-Executive Directors (and one substitute) and 7 councillor Non-Executive Directors. Their terms of office are due to end on the 31 July 2023 having been extended by Council on the 26 April 2023 to provide continuity and oversight of major projects.

4.2 One of the key purposes of appointing non-Executive Directors to a company board is to hold management and the executive director to account with respect to company performance and strategy whilst providing management with access to additional expertise skills, perspective and acting as a critical friend. The INEDs are ultimately required to act in the best interests of the company and its shareholders by ensuring that the management of the company is working effectively and lawfully.

4.3 Consequently, it considered than the good governance of EFS would be harmed if the Council failed to appoint experienced INED's to replace the INED's whose terms of office will expire on 31 July 2023. In this regard, it is now recommended that four INED's with relevant industry experience are appointed to the Board of Directors of EFS.

4.4 Given also that the term of office of the EFS Member-Directors also expire on 31 July 2023, the Council needs to appoint/re-appoint five Member-Directors in order to ensure that meetings of the Board of Directors achieve a quorum for decision making. As with all appointments of elected members to outside bodies, Council will be guided by the nominations of the Leader of the Council. However, should the Leader of the Council agree to one or more of the Member-Directors vacancies on the EFS Board being offered to the Conservative Group, Council will be guided by the nominations of the Conservative Group Leader in relation to any vacancy or vacancies offered to the Conservative Group

5. Selection Process for INED's and Member-Directors

5.1 The INED role was advertised in the main industry outlets and a response in excess of 55 applications was received. Out of this, 11 candidates were shortlisted for interview. This compares to over 100 applications in 2019 when 12 candidates were shortlisted for interview.

5.2 An Interview Panel was established comprising:-

- the Leader of the Council, Councillor Jeremy Newmark;
- the Chair of Hertsmere Shareholders & Investment Committee, Councillor Shailain Shah;
- the Managing Director, Sajida Bijle; and
- the Acting Head of Studios, EFS, Rebecca Hawkes;

The Panel was assisted by the Council's Head of Human Resources, Judith Fear and the Human Resources Operations Manager, Clare Noble.

5.3 There was a high calibre of applicants and the Interview Panel was presented with a difficult choice. Ultimately four candidates were selected with a very high

level of experience and expertise in the film industry and property field. Summary details are set out in the Appendix.

5.4 All the successful candidates have been informed and have accepted the appointment subject to approval by the Council. It is anticipated that a formal induction training event for all Board Members and the Shareholder Representative will take place following confirmation of the appointments by Council.

5.5 By the date of the Council Meeting, both the Hertsmere Shareholder & Investment Committee and the Cabinet will have met to consider the future composition of the Board of Directors of EFS and the appointment as INED's of the four person identified in the Appendix as well as the consequential changes to the EFS Articles of Association and Council/EFS Governance Agreement. Consequently, proceeding on the assumption that the recommendations of the Hertfordshire Shareholders & Investment Panel and the Cabinet align with the recommendations in this report, it is recommended that the four persons named in the Appendix be appointed as INED's to the EFS Board commencing on 1 August 2023 for a period of two years with the option for the Council to extend by a further two years.

5.6 However, should the recommendation of the Hertfordshire Shareholders & Investment Committee on 10 July 2022 and/or the recommendations of the Cabinet on 12 July 2023, differ in any material respect from the recommendations in this report, these will be will tabled at the Council meeting prior to any decisions on appointment being made.

5.7 It should also be noted that Council recommended changes on the 26 April 2023 to reduce the EFS Ltd Board to two INEDs. The reason why four INEDS is now recommended for appointments is based on feedback from the outgoing INEDs who highlighted that a reduction from six to two was not in the best interests of the company. They drew attention to the fact that it would fail to provide a sustainable level of resilience or challenge if one INED was absent for any reason.

5.8 The proposal to reduce the number of INED's by one and the removal of the substitute, coupled with reducing the number of Council Member Directors by two, would ensure that the size of the Board is brought down to the recommended level whilst retaining expert knowledge.

5.9 Unfortunately, a balanced Board of 5 Member-Directors and 5 other Directors offends the current rules for quorum which require a majority of the directors present at a Board meeting to be Member- Directors. Consequently, two amendments are proposed to the Articles of Association of EFS to ensure that a meeting of the full Board is quorate notwithstanding that the Member-Directors will not be in the majority. However, the Member-Directors will still retain overall control of the Board given that in the event of equality of votes, the Chairman (who will be a Member- Director) will have a casting vote.

5.10 In terms of completing the appointment of directors to the Board of EFS, the Council also has to appoint five Member-Directors and the appointment process for them is as described in paragraphs 2.2.4 and 4.4 of the report.

6 Alternative options

6.1 The Council could decline to agree the recommendations in this report in relation to appointment of INEDS. However this would not be in accordance with best

practice recommendations made by the IOD accredited consultant and could expose the Council to having insufficient skills set on an arms-length company Board during a period of change and opportunity in the industry.

6.2 The Council could in theory decline to agree the nominations of the Leader of the Council/Conservative Group Leader in relation to the appointment Member-Directors to the EFS Board. This is not recommended as it would render the EFS Board inquorate and unable to make decisions in the best interests of the company.

7 Meeting of the Hertsmere Shareholders & Investment Panel and the Cabinet

7.1 As at the date of writing this report the HSIC will meet on 10 July 2022 to consider the recommendations of the Leader of the Council in relation to the proposed appointment of four INED's to the Board of Directors of EFS to replace the five INED's and one substitute INED who retire on 30 July 2023. In turn, it is the responsibility of HSIC to make recommendations on such appointment to the Council taking into account the views of the Chairman of EFS (see paragraph 2.3 of the Term of Reference (TOR) of HSIC).

7.2 HSIC also have a responsibility to advise the Boards of Directors of Council owned and controlled companies on best practice in relation to good governance and to report to the Cabinet and the Boards of Directors on compliance (TOR paragraph 2.3), as well advising the Executive and the Council on any proposed changes to the Memorandum or Articles of Association of a Council owned or controlled company (TOR paragraph 2.10).

7.3 Consequently, as HSIC will also be requested by the EFS Shareholder Representative to consider alterations to the composition of the EFS Board and consequential amendments to the Articles of Association of EFS, the recommendations of HSIC in relation to all the matters referred to in paragraphs 7.1 and 7.2 above will be reported to and considered by the Cabinet on 12 July 2023, whose responsibility it will be to make final recommendations to the Council.

8 Financial and budget framework implications

8.1 The recruitment of INED's was advertised as offering only a modest level of remuneration and is to be set at £7,000 per annum.

8.2 The Council Member Directors allowance rate was set through the Independent Remuneration Panel. The amounts are increased each year in line with main Scheme of Allowances as set out in Part 6 of the Council Constitution. The rate for 2023/24 is £14,601 for the Chair of Elstree Studios (having been pegged to that of a Council Cabinet Member Special Responsibility Allowance). The other Council Member Directors will receive £1,194.

9 Legal powers relied on and any legal implications

9.1 The recruitment of NED's to the Board of EFS is promoted as best practice by the IOD and the UK Code of Corporate Governance. It will satisfy a number of the best practice recommendations in the Governance Framework previously agreed between the Council and EFS.

9.2 Both the revised Articles of Association and the Governance Framework require elected members to be in the majority on the EFS Board. Accordingly, it is

recommended that appointment of NED's to the Board of EFS should take effect on and from the 19 July 2023 Full Council meeting. This meeting will also agree the nomination/appointment of elected members to the Board of EFS. For 2023 this was delayed from the 17 May 2023 Annual Council meeting due to the all up elections which were held on 4 May 2023.

10. Efficiency gains and value for money

10.1 As the industry undergoes marked changes and EFS is going through a number of challenges the presence of INEDs from the industry will provide insight and direction to evaluate/assess and mitigate risks as well as identify and appraise business opportunities for expansion.

10.2 Overall the reduction in directors will result in a lower cost to EFS.

11. Risk management implications

11.1 The Council will continue to exercise control through the Councillor Non-Executive Directors appointed to the EFS Board who will continue to hold the majority which is assured through the current Articles of Association, Quorum for Directors' Meetings (Article 4.4). The additional clause proposed ensure that if the full Board of ten is present, the Council Members shall retain the casting vote whilst ensuring quorum can be achieved.

11.2 The Articles of Association require that only a Council Member shall chair (Article 4.5) and that the Chairman shall have a casting vote (Article 4.7).

11.3 The Articles of Association also include provision for "Members' Reserve Power" (Article 3.2), whereby the Executive of the Council may "direct the directors to take, or refrain from taking, specified action."

11.4 Additional oversight and scrutiny is provided through the Hertsmere Shareholders & Investment Committee through quarterly monitoring reports and reports to the Council.

11.5 The monitoring reports may include a Part II Agenda where appropriate to protect matters of commercial sensitivity.

12. Personnel implications

12.1 None for the purposes of this report.

13. Equalities implications

13.1 The recruitment of the INED's was carried out within the framework of the Councils recruitment practices and requirements. The range of the INED's will ensure the Board better reflects the diversity of the industry and society.

14. Corporate Plan and policy framework implications

14.1 The recruitment of NED's demonstrates the Council is taking steps to ensure a key asset remains on a sound footing and reflects a greater diversity on the Board thereby promoting the Councils equality agenda.

15. Asset management implications

15.1 None for the purposes of this report. Any proposals for expansion will be assessed by the Hertsmere Shareholders & Investment Committee, Cabinet and Council as appropriate.

16. Health and Safety implications

16.1 None for the purposes of this report.

17. Background documents used to prepare this report

Document Title:	**Filed at:**
None - Candidate Information is confidential and shall not be open to inspection	

Hertsmere Borough Council

Full Council on 19 July 2023

Agenda item 11: Report of the Leader of the Council

1. Cabinet held on 14 June 2023

At the Cabinet held on 14 June 2023 Members considered the following reports:

- Hertsmere Vision Performance Report for Quarter 4 and Year End 2022/23
- Charging Food Business for Food Hygiene Rating Revisits

2. Cabinet held on 12 July 2023

At the Cabinet held on 12 July 2023 Members considered the following reports:

- Council tax increase 23/24 refunds
- Police Community Support Officer Funding
- Procurement of a Consultant - Elstree Film Studios Strategic Future - Way Forward
- Appointment of Council-owned companies Board
- Administration of First Homes: Delegation of authority
- Draft Local Development Orders: Sky Studios Elstree and Panattoni Park, Borehamwood
- Insurance Contract Renewal
- Revenue and Capital Outturn 2022/23

3. Other matters

- To be updated at the meeting

HERTSMERE BOROUGH COUNCIL

Full Council on 19 July 2023

Agenda item 12: Report of Committee Chairs

- **Audit Committee held on 31 May 2023**

  - Risk Management Update May 2023
    - Risk report – Cyber Risk
    - Risk Report – Data Protection and Information Management
  - Presentation and Approval of Statement of Accounts for 2021/2022
  - External Audit Results Report 2021/2022
  - 2022/2023 Annual Assurance Statement and Internal Audit Annual Report
  - 2022/2023 Annual Governance Statement

- **Standards Committee held on 20 June 2023**

  - Councillor Code of Conduct and the role of the Standards Committee.

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Hertsmere Borough Council

Full Council on 19 July 2023

Agenda item 13: Report of Policy Review Committee Chair

- **Policy Review Committee held on 8 June 2023**

  - Scrutiny Context – training for Members

- **Operations Review Committee held on 13 June 2023**

  - Complaints Handling (annual item)
  - Financial Monitoring (quarterly item)

- **Operations Review Committee held on 18 July 2023**

  - Enforcement Task and Finish Group (formation)
  - Community Infrastructure Levy/Section 106/Appeals Monitoring Report (six monthly item)
  - Quarterly Procurement Update (quarterly item)

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LGBTQI+ Solidarity in Hertsmere

Proposer: Cllr Helen Green
Seconder: Cllr Aadiyta Kaza

Council Notes:
1) That LGBTQI+ people are part of our community, our family and our friends and that we celebrate them.

2) That there has been hard won progress on equality for LGBTQI+ people in the UK such as the repealing of Section 28 and same-sex partnerships under the last Labour government and equal marriage less than a decade ago during the Coalition government. However, there is still far more that needs to be done.

3) LGBTQI+ people still face discrimination in the UK: two thirds have experienced hate crime and/or abuse; one half feel they cannot be open about their identity to their family; one third feel they cannot be open about their identity at work. Hertsmere's LGBTQI+ residents face similar challenges.

4) That Trans people in particular face a hostile environment at this time, often at the centre of a vitriolic national debate which is about them but often does not include them.

5) That this environment risks further marginalising this group of our fellow citizens, who too often suffer from ostracisation, workplace discrimination and hate crime.

6) That for the first time in many years Hertsmere Borough Council is sponsoring Herts Pride 2023 taking place on Saturday 19th August.

Council Resolves:
1) To encourage members, officers and local people to attend Herts Pride this August

2) To ask the Cabinet to consider a commitment to sponsoring Herts Pride on an ongoing basis.

3) To call upon all political parties at a national and local level to work for the equality and protection of all LGBTQI+ people, and in particular trans people.

4) To restate the Council's unwavering determination and commitment to ensure Hertsmere is a borough where LGBTQI+ people are valued, celebrated and safe.

OPPOSITION BUSINESS – July 19, 2023

Hertsmere Borough Councillor Alan Plancey has been recognised in the first Birthday Honours list of the new Monarch, His Majesty King Charles III.

Cllr Plancey has been made a Member of the Order of the British Empire (MBE). The citation declares that the award has been made for Cllr Plancey's Political & Community Work.

Cllr Alan Plancey MBE is also an Alderman of Hertfordshire County Council having served two terms in that authority. He was the former Rabbi of the Borehamwood and Elstree United Synagogue Community for more than three decades. Cllr Alan Plancey MBE has held a host of other roles from representing the Chief Rabbi at national and international events to being the Chaplain for the Hertfordshire Constabulary for 30 years.

This Council:

- Offers its collective congratulations to Cllr Alan Plancey MBE and his family on the award of this honour
- Recognises that at the age of 81, Cllr Alan Plancey MBE has given almost 60 years of his life to assisting with the betterment of the lives of others and that he continues to do this work
- Also recognises that in making such an award, Cllr Alan Plancey MBE, is deemed by the independent Honours Committee who make recommendations to the Prime Minister and His Majesty the King, to be an exemplary member of society worthy of such an honour.
- Agrees that Councillor, Alderman & Rabbi, Alan Plancey MBE, is the embodiment of what giving selflessly to one's community is all about.

Proposed by Cllr Morris Bright MBE

Seconded by Cllr Alexander Clarkson