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Daneshill House
Danestrete
Stevenage
Hertfordshire

5 October 2021

Dear Sir/Madam

Notice is hereby given that a meeting of the Stevenage Borough Council will be held in the Council Chamber, Daneshill House, Danestrete, Stevenage on Wednesday, 13 October 2021 at 7.00pm and you are summoned to attend to transact the following business.

Yours faithfully

Matthew Partridge
Chief Executive

AGENDA

- 1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**
- 2. MINUTES - 26 MAY 2021 (ANNUAL), 21 JULY 2021 (SPECIAL) AND 21 JULY 2021**

To approve as a correct record the attached Minutes of the Meetings of the Council held on 26 May 2021 (Annual Meeting), 21 July 2021 (Special Meeting) and 21 July 2021 (Ordinary Meeting) for signature by the Mayor.

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- 3. MAYOR'S COMMUNICATIONS**

To receive any communications that the Mayor may wish to put before the Council.

- 4. MAIN DEBATE**

There is no Main Debate.

- 5. PETITIONS AND DEPUTATIONS**

None received.

- 6. QUESTIONS FROM THE YOUTH COUNCIL**

In accordance with Standing Orders, written responses to the following questions submitted by the Youth Council will be sent out on a supplementary agenda.

- (A) What services do SBC provide for Young People aged between 11 to 17?
- (B) What are the local councillors doing to help support Youth provision? If so, how can the Youth Council get involved?
- (C) What are the Council doing to ask Young People what they want to see in the town?

7. QUESTIONS FROM THE PUBLIC

None received.

8. LEADER OF THE COUNCIL'S UPDATE

In accordance with the Council's Standing Orders, the Leader of the Opposition shall be given the opportunity to raise one matter relevant to the Borough that has arisen since the last meeting of the Council. The Leader of the Council shall then have the opportunity to advise the Council of matters relevant to the Borough that have arisen since the last meeting.

9. UPDATE FROM SCRUTINY CHAIRS

To receive updates from the Chairs of the Scrutiny Committees on the recent activities of those Committees.

10. NOTICE OF MOTIONS

In accordance with Standing Orders, the following motions have been received for consideration:

- (i) **Councillors to be made aware of upcoming announcements to press and public**

To be moved by the Liberal Democrat Group.

“That Council calls for a weekly bulletin to be circulated to all councillors by the start of each week outlining all known events, public announcements, statements, news releases and other information planned for publication by the Council during the coming week.”

- (ii) **Managing the IT System**

To be moved by the Liberal Democrat Group.

“That Council notes the serious financial consequences of the recurrent series of IT failures experienced in recent years and those to date during 2021 by SBC. These failures have caused widespread disruption to Council services to residents, to staff working practices and to the e-mail system on at least four separate occasions.

We therefore call upon the Overview and Scrutiny Committee urgently to investigate and review the management and operation of the Council's IT systems and specifically:

- speedily to appoint independent consultants to analyse and identify the key problems;
- quickly to resolve these problems with the minimum of disruption to Council services and working arrangements;
- to appoint senior staff including at least one at director level to manage the IT system;
- to develop a strategy and plan for the IT system and submit it to Council for approval;
- to suspend the introduction of all new devices, apps and systems until such time as the above has been achieved; and
- to introduce measures to ensure that future failures and outages are costed and reported to Council.”

(iii) Live animals as prizes

To be moved by the Liberal Democrat Group.

“That Council asks for an officer report on the feasibility of not allowing the giving of live animals as prizes or rewards:

- (a) at any SBC event;
- (b) on SBC controlled premises; and
- (c) in the Borough of Stevenage.”

11. QUESTIONS FROM MEMBERS TO COMMITTEE CHAIRS / PORTFOLIO HOLDERS

In accordance with Standing Orders, written answers to the following questions will be circulated on a supplementary agenda.

(A) Question from Councillor Margaret Notley

“In the past there used to be provision for substitute Members to attend committee meetings in the event that a Member of a Committee cannot attend. Why is this not being re-instated?”

(B) Question from Councillor Nick Leech

“Can you explain who owns and is responsible for the derelict oil container in Waverley Close, Roebuck ward?”

(C) Question from Councillor Adam Mitchell CC

“The current ‘line of sight’ policy for trimming hedges results in hedgerows looking unfinished and messy. Will you consider reviewing this policy and start trimming Stevenage’s hedgerows properly?”

(D) Question from Councillor Chris Howells

“The safety of local people should be a priority, but in the town centre pedestrians are having to dodge cyclists, e-scooters and skateboarders. They are frightening the elderly, the disabled and children. What is being done to stop this anti-social

behaviour?”

(E) Question from Councillor Julie Ashley-Wren

“Why is it taking so long to prepare and submit final accounts for refurbishment works to leaseholders of SBC owned flats? In many instances the work has long been completed, yet without a final and settled account, meaning that sales cannot take place.”

(F) Question from Councillor Stephen Booth

“Why is it taking so long for simple queries to be dealt with by the “Your Say” system? Should not all queries from councillors be responded to within a week?”

(G) Question from Councillor Andy McGuinness

“What is the latest update on progress to provide a permanent home for the Covid-19 Cobra snake?”

(H) Question from Councillor Robin Parker CC

“Why are opposition parties not allowed to be Chair of any Scrutiny functions?”

(I) Question from Councillor Graham Snell

“Why does it take so long for the Council to evict tenants who are in clear and continuing breach of their tenancy agreement when backed with reported and documented instances of repeated anti-social behaviour? Will the Council lobby the Government to grant stronger powers to local authorities to act in such situations?”

(J) Question from Councillor Alex Farquharson

“Can the Leader expand on her stance towards GSK’s £400 million investment in Stevenage?”

12. TRANSFORMING OUR TOWN CENTRE PROGRAMME UPDATE AND TOWNS FUND DECISION MAKING

To consider an update report on the Town Centre Regeneration Programme, and proposals for Towns Fund decision making.

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13. ANNUAL TREASURY MANAGEMENT STRATEGY REVIEW 2020/21 INCLUDING PRUDENTIAL CODE

The report circulated at Item 13 was considered by the Executive on 15 September 2021 when the following recommendations to Council were agreed:

1. That the 2020/21 Annual Treasury Management Review be recommended to Council for approval.

2. That Council be recommended to approve that the wording in Appendix C, Table 1 of the report (Specified Investments Criteria) be amended as set out in Paragraph 4.2.6.5 of the report, in order to allow the use of Enhanced Cash Funds included in Table 3 (Treasury Limits).

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14. AUDIT COMMITTEE MINUTES

To note the Minutes of the meeting of the Audit Committee held on 8 September 2021.

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STEVENAGE BOROUGH COUNCIL

COUNCIL MINUTES

Date: Wednesday, 26 May 2021

Time: 7.00pm

Place: Main Auditorium, Gordon Craig Theatre, Lytton Way, Stevenage

Present: Councillors: Sandra Barr (Mayor 2021/22), Myla Arceno, Julie Ashley-Wren, Doug Bainbridge, Philip Bibby CC, Stephen Booth, Lloyd Briscoe, Rob Broom, Adrian Brown, Jim Brown, Teresa Callaghan, Matt Creasey, Michael Downing, John Duncan, Alex Farquharson, Michelle Gardner, Jody Hanafin, Richard Henry, Jackie Hollywell, Chris Howells, Wendy Kerby, Graham Lawrence, Nick Leech, Mrs Joan Lloyd, Lin Martin-Haugh, Andy McGuinness, Maureen McKay, Sarah Mead, Adam Mitchell CC, Margaret Notley, Robin Parker CC, Claire Parris, Loraine Rossati, Graham Snell, Simon Speller, Sharon Taylor OBE CC, Jeannette Thomas and Tom Wren.

Start / End Start Time: 7.00pm
Time: End Time: 8.45pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors John Gardner, Liz Harrington, Lizzy Kelly and Alderman Ann Webb.

There were no declarations of interest.

The Mayor then welcomed everyone to the meeting, particularly those new Members who had been elected at the recent elections.

At this juncture, the outgoing Mayor spoke about his year in office which had been severely affected by the Covid-19 Pandemic.

The Mayor thanked all those who had been a great support to him during this unique and challenging year including Fairlands Valley Spartans, Cycling UK, Tracey Frost the Mayor's PA, Alissa Crew the Youth Mayor, Michelle Gardner Deputy Mayor and Penny Schenkel the Mayoress.

The Mayor said goodbye to former Councillors Laurie Chester, Dave Cullen, John Lloyd and John Mead who did not stand for election this time as well as former Councillor Michelle Gardner, his deputy Mayor.

The Mayor also said goodbye and thankyou to SBC Members Services Officers, Maureen Nicholson, Mary Cherry and Jackie Cansick the Constitutional Services Manager who would be retiring during the year.

Finally the Mayor wished all the best to Councillor Barr, the incoming Mayor.

On behalf of Members, the Leader of the Council thanked the outgoing Mayor for his year in office and his commitment to the role and the Town.

The Mayor then asked for tributes to His Royal Highness the Duke of Edinburgh and Baroness Shirley Williams, who was a Freeman of Stevenage, as well as the many thousands of victims of the Pandemic.

A number of tributes were given. Councillor Sharon Taylor led the tributes to the Duke of Edinburgh and spoke about the loyal support he had given during his life of service to the Queen and country. A number of other Members spoke about the Duke's commitment to the Queen and the great legacy of the Duke of Edinburgh Award Scheme.

Members then spoke about the sad loss of Shirley Williams who was a Freeman of Stevenage and had always maintained her links with the Town.

A number of members then spoke about the devastating impact of the Pandemic and the tragic number of lives lost as a result of Covid-19. Tributes were also paid to the Emergency Services and Key Workers for their roles throughout the Pandemic.

Following the tributes, Council stood and observed a moment's silence in remembrance.

2 MINUTES - 24 FEBRUARY 2021

It was **RESOLVED** that the Minutes of the Council meeting held on 24 February 2021 be approved as a correct record and signed by the Mayor.

3 ELECTION OF MAYOR

The Mayor asked for nominations for the Office of Mayor for 2021/22.

Councillor Sharon Taylor OBE CC nominated Councillor Sandra Barr for the Office of Mayor. Councillor Taylor spoke about Councillor Barr's love of Stevenage, her voluntary work with many groups and in particular her role as Chair of the Governors at Larwood Academy Trust, a special school for children with complex Social, Emotional and Mental Health issues. Councillor Barr also had a great passion for performing arts especially in the area of dance and she was particularly proud when Stevenage was chosen to host the semi-finals at the Gordon Craig Theatre of the All England Dance Championships.

The nomination was seconded by Councillor Claire Parris.

There being no other nominations, a vote was taken and it was **RESOLVED** that Councillor Sandra Barr be elected as Mayor for the 2021/22 Municipal Year.

Councillor Sandra Barr then made the statutory declaration of office.

The Mayor announced that her daughter, Louisa Barr would be the Mayoress for 2021/22.

In her speech the Mayor thanked all of those who would be supporting her through the year in particular her husband who had given up his opportunity to be Mayor's Consort to care for their disabled son.

The Mayor announced that her three charities for the year would be Leyden House, Stevenage Day Centre for adults with learning disabilities, and Larwood Academy School, a special school for children with severe emotional, behavioural and mental health issues and the third the first ever Stevenage Festival of Dance.

4 ELECTION OF DEPUTY MAYOR

The Mayor asked for nominations for the Office of Deputy Mayor for 2021/22.

Councillor Sharon Taylor nominated Councillor Margaret Notley. Councillor Taylor highlighted Councillor Notley's work and in particular her commitment to the Symonds Green Community Centre.

The nomination was seconded by Councillor Phil Bibby.

There being no other nominations, a vote was taken and it was **RESOLVED** that Councillor Margaret Notley be appointed Deputy Mayor for the 2021/22 Municipal Year.

Councillor Margaret Notley then made the statutory declaration of office. The Deputy Mayor announced that Cathy Bibby would be her Deputy Consort for the 2021/22 Municipal Year.

5 APPOINTMENT OF YOUTH MAYOR

The outgoing Youth Mayor, Alissa Crew, thanked the outgoing Mayor, Councillors, Council Officers, family and friends for their support over the year. She highlighted her work with the Youth Council and how they had found new ways of working and engaging, despite the Government restrictions due to the Pandemic including handing out activity packs to children of some key workers and also taking part in Remembrance Sunday.

Councillor Richard Henry congratulated the outgoing Youth Mayor for her achievements during the year despite being affected by the Covid-19 Pandemic.

Council was informed that following an election, the Youth Council had nominated Eden Searle as the 2021/22 Youth Mayor.

It was moved, seconded and **RESOLVED** that Eden Searle be elected as Youth Mayor for the 2021/22 Municipal Year.

Eden Searle then signed the declaration of office. In her acceptance speech, the Youth Mayor stated that she was proud to be the new Youth Mayor and would

ensure the door was open to encourage more young people in the Town to join the Youth Council. She also spoke about her passion for the Scouting movement.

Members congratulated Eden Searle on her appointment.

6 BOROUGH COUNCIL ELECTIONS 2021

Council considered a report that detailed the results of the Borough Council Elections that were held on 6 May 2021.

The Leader in moving the report, thanked Matt Partridge (Returning Officer), Luke Fattorusso (Local Land Charges and Electoral Services Manager) and the Elections Team for the excellent and smooth management of the Election process particularly with the additional complications as a result of the Covid-19 pandemic. She also thanked the Stevenage public for coming out to vote during a difficult time. Councillor Taylor congratulated all those Councillors successful in winning or retaining their seats. She also thanked those retiring Councillors for their service and commitment to the Council including Laurie Chester, Dave Cullen, John Lloyd and John Mead.

Councillor Mrs Joan Lloyd seconded the report.

Councillor Robin Parker CC and Councillor Phil Bibby CC both thanked the Returning Officer and the Elections Team for the efficient running of these complicated elections.

It was moved, seconded and **RESOLVED** that the results of the Stevenage Borough Council Elections 2021 be noted.

7 APPOINTMENT OF LEADER AND DEPUTY LEADER OF THE OPPOSITION

The Chief Executive advised that where the 'Labour Group' had been quoted in paperwork it should read 'Labour and Co-operative Group'.

The Chief Executive then advised that the Leader of the Opposition would be Councillor Phil Bibby CC and that Councillor Graham Lawrence CC would be his deputy.

8 APPOINTMENT OF LEADERS AND DEPUTY LEADERS OF THE POLITICAL GROUPS ON THE COUNCIL

The Chief Executive advised the Council that Councillors Sharon Taylor OBE CC, Phil Bibby CC and Robin Parker CC had been appointed as Leaders of the Labour and Co-operative, Conservative and Liberal Democrat Groups respectively. It was noted that Councillors Mrs Joan Lloyd, Graham Lawrence CC and Andy McGuinness would be Deputy Leaders of the Labour and Co-operative, Conservative and Liberal Democrat Groups respectively.

9 CONSTITUTIONAL ISSUES

Council considered various matters relating to the Member level decision making structure of the Council and the Council's constitution for the forthcoming Municipal Year.

It was moved, seconded and **RESOLVED**:

1. That the Terms of Reference, as detailed in the appendices to the report; and the size and political composition for the following bodies that form the non-Executive Member level decision making structure of the Council be approved subject to the rules of proportionality where appropriate for 100 Committee places where applicable (relevant Committees are identified thus*) -

- Overview and Scrutiny Committee* (Appendix A) – 14 Members (8 Labour Group, 4 Conservative Group, 2 Liberal Democrat Group)
- Community Select Committee* (Appendix B) – 10 Members (6 Labour Group, 3 Conservative Group, 1 Liberal Democrat Group)
- Environment and Economy Select Committee* (Appendix C) – 11 Members (6 Labour Group, 3 Conservative Group, 2 Liberal Democrat Group)
- Planning & Development Committee* (Appendix D) – 14 Members (8 Labour Group, 4 Conservative Group, 2 Liberal Democrat Group)
- Licensing Committee (Appendix E) – 14 Members (8 Labour Group, 4 Conservative Group, 2 Liberal Democrat Group)
- General Purposes Committee* (Appendix F) – 14 Members (8 Labour Group, 4 Conservative Group, 2 Liberal Democrat Group)
- Appointments Committee* (Appendix G) - 8 Members (5 Labour Group, 2 Conservative Group, 1 Liberal Democrat Group)
- Standards Committee* (Appendix H) – 8 Members (5 Labour Group, 2 Conservative Group, 1 Liberal Democrat Group)
- Audit Committee* (Appendix I) – 10 Members (6 Labour Group, 2 Conservative Group, 2 Liberal Democrat Group) + 1 Co-opted non-elected member
- Statement of Accounts Committee* (Appendix J) – 8 Members (5 Labour Group, 2 Conservative Group, 1 Liberal Democrat Group)
- Joint Consultative Committee* (Appendix K) – 3 Members (2 Labour Group, 1 Conservative Group)

* Indicates where those bodies covered by the rules of proportionality for the purposes of the Local Government (Committees and Political Groups), Regulations 1990 – total Committee places being 100

- 2 That the membership of the Executive and the individual Portfolios, as set out at paragraph 4.2 of the report, be noted.
- 3 That the various Executive bodies appointed by the Leader, detailed in paragraph 4.3 of the report, be noted. The relevant Terms of Reference for each body are shown at Appendix L.
- 4 That the dates for Council meetings for the Municipal Year, as shown at paragraph 4.6 of the report be approved and that the calendar of formal meetings shown at Appendix M be noted.
- 5 That the recommended amendments to Standing Orders concerning the Council Tax and Budget setting Council meeting, as referred to in paragraphs 4.10 – 4.11 of this report, be approved.
- 6 That the Constitution be amended to make reference to the Hertfordshire Growth Board Joint Committee and the Hertfordshire Growth Board Joint Scrutiny Committee as approved by Council on 16 December 2020.
- 7 That it be noted that the Regulations that allowed for remote meetings have now expired and that all formal meetings are to revert to being 'in person'.

10 APPOINTMENT TO COMMITTEES OF THE COUNCIL

Details of the individuals nominated to serve on each Committee had been circulated prior to the meeting. The Membership was noted, subject to Councillor John Gardner being replaced by Councillor Sharon Taylor on the Statement of Accounts Committee. Members voted on the appointment of Chairs and Vice-Chairs where these had been quoted.

Councillor Sharon Taylor OBE CC moved the appointments of Chairs and Vice-Chairs and Councillor Mrs Joan Lloyd seconded the nominations.

It was **RESOLVED**:

1. That the membership of Committees, together with the Chairs and Vice-Chairs, where detailed, are appointed for 2021/22 Municipal Year as follows:

OVERVIEW AND SCRUTINY COMMITTEE

14 Members (8-4-2)

Councillors – L Martin-Haugh (Chair), P Bibby, CC (Vice-Chair), M Arceno, A Brown, M Downing, A Farquharson, C Howells, W Kerby, A McGuinness, S Mead, R Parker CC, C Parris, L Rossati and S Speller.

COMMUNITY SELECT COMMITTEE

10 Members (6-3-1):

Councillors – S Mead (Chair), M Notley (Vice-Chair), M Arceno, S Booth, M Creasey, J Duncan, A Farquharson, L Harrington, C Parris and S Speller.

ENVIRONMENT & ECONOMY SELECT COMMITTEE

11 Members (6-3-2):

Councillors – M Downing (Chair), A Mitchell, CC (Vice-Chair), J Ashley-Wren, D Bainbridge, S Booth, A Brown, W Kerby, M McKay, S Mead, C Parris and S Speller.

PLANNING & DEVELOPMENT COMMITTEE

14 Members (8-4-2)

Councillors – S Speller (Chair), M McKay (Vice-Chair), D Bainbridge, M Arceno, A Brown, T Callaghan, M Creasey, M Downing, J Hanafin, G Lawrence CC, Mrs J Lloyd, A Mitchell CC, G Snell and T Wren.

LICENSING COMMITTEE

14 Members (8-4-2)

Councillors – M McKay (Chair), D Bainbridge, R Broom, A Brown, J Hanafin, L Harrington, L Kelly, G Lawrence CC, A McGuinness, L Martin-Haugh, M Notley, C Parris, L Rossati and G Snell.

GENERAL PURPOSES COMMITTEE

14 Members (8-4-2)

Councillors – M McKay (Chair), D Bainbridge, R Broom, A Brown, J Hanafin, L Harrington, L Kelly, G Lawrence CC, A McGuinness, L Martin-Haugh, M Notley, C Parris, L Rossati and G Snell.

APPOINTMENTS COMMITTEE

8 Members (5-2-1)

Councillors – P Bibby, CC, T Callaghan, L Martin-Haugh, G Lawrence, CC, R Parker, CC, L Rossati, S Taylor, OBE, CC and J Thomas.

STANDARDS COMMITTEE

8 Members (5-2-1)

Councillors – P Bibby CC, R Broom, T Callaghan, R Henry, L Kelly, Mrs J Lloyd, M Notley and T Wren.

Independent Person who must be consulted on alleged breaches to the Code of Conduct – Dr. Robert Cawley

AUDIT COMMITTEE

10 Members (6-2-2) + 1 Independent co-opted Member (G Gibbs)

Councillors – T Callaghan (Chair), M Arceno, J Ashley-Wren, S Booth, J Gardner, G Lawrence CC, N Leech, M McKay, C Parris and L Rossati.

STATEMENT OF ACCOUNTS COMMITTEE

8 Members (5-2-1)

Councillors – Mrs J Lloyd (Chair), P Bibby CC, J Hollywell, S Mead, A Mitchell

11 APPOINTMENTS TO OUTSIDE BODIES

Council considered a list of individuals nominated to serve on Outside Bodies which had been circulated before the meeting.

It was moved, seconded and **RESOLVED** that the following individuals are appointed to represent the Council on the various bodies detailed below for one year, unless otherwise stated:

COUNCIL FOR THE PROTECTION OF RURAL ENGLAND THE
HERTFORDSHIRE SOCIETY - Portfolio Holder Environment and Regeneration

EAST OF ENGLAND LOCAL GOVERNMENT ASSOCIATION - The Leader of the
Council

EAST OF ENGLAND REGIONAL PLANNING - Portfolio Holder Environment and
Regeneration

HCC JOINT WASTE MANAGEMENT GROUP - Portfolio Holder Environment and
Regeneration

HERTFORDSHIRE INFRASTRUCTURE PLANNING AND POLICY GROUP -
Portfolio Holder Environment and Regeneration, Substitute (TBC)

HERTFORDSHIRE LOCAL AUTHORITIES LEADERS GROUP - The Leader of the
Council

HERTFORDSHIRE SUSTAINABILITY FORUM STEERING GROUP - Portfolio
Holder Environment and Regeneration

LOCAL GOVERNMENT ASSOCIATION - The Leader of the Council

RESPONSIBLE AUTHORITY GROUP (COMMUNITY SAFETY) - Portfolio Holder
Communities, Community Safety and Equalities

SOSTEVENAGE PARTNERSHIP - The Leader of the Council and Deputy Leader

STEVENAGE COMMUNITY SAFETY PARTNERSHIP - Portfolio Holder
Communities (including Safer Communities) and Equalities

AGE CONCERN STEVENAGE – Jeannette Thomas

BEDWELL COMMUNITY ASSOCIATION - Liz Harrington

CHELLS MANOR COMMUNITY ASSOCIATION - Andy McGuinness

CROSSROADS CARE - John Gardner

DOUGLAS DRIVE SENIOR CITIZENS ASSOCIATION – Maureen Mckay
HOME-START STEVENAGE - John Gardner
KADOMA LINK ASSOCIATION - Graham Snell and John Gardner
LIVING ROOM PROJECT - Jackie Hollywell
OLD STEVENAGE COMMUNITY ASSOCIATION – Lou Rossati
OVAL COMMUNITY ASSOCIATION - Lloyd Briscoe
PIN GREEN COMMUNITY ASSOCIATION - Jeannette Thomas
SHEPHALL COMMUNITY ASSOCIATION – Simon Speller
ST NICHOLAS COMMUNITY ASSOCIATION - Sandra Barr
STEVENAGE CITIZENS ADVICE BUREAU - Michael Downing
STEVENAGE COMMUNITY TRUST - Richard Henry and Maureen McKay
STEVENAGE CREDIT UNION LIMITED – Sharon Taylor
STEVENAGE FURNITURE RECYCLING SCHEME – Sarah Mead
STEVENAGE HAVEN - Rob Broom
STEVENAGE/AUTUN/INGELHEIM ASSOCIATION - Richard Henry and Simon Speller
STEVENAGE WORLD FORUM FOR ETHNIC COMMUNITIES - John Gardner
SYMONDS GREEN COMMUNITY ASSOCIATION – Jackie Hollywell
TIMEBRIDGE COMMUNITY ASSOCIATION – Tom Wren
TURN THE TIDE - Lizzy Kelly
EAST OF ENGLAND LGA IMPROVEMENT AND EFFICIENCY PANEL - Richard Henry
HCC HEALTH SCRUTINY COMMITTEE - Maureen McKay
LOCAL GOVERNMENT INFORMATION UNIT – Lou Rossati
LUTON AIRPORT CONSULTATIVE COMMITTEE - John Gardner

MAYOR

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STEVENAGE BOROUGH COUNCIL

COUNCIL MINUTES

Date: Wednesday, 21 July 2021

Time: 7.00pm

Place: Main Auditorium, Gordon Craig Theatre, Lytton Way, Stevenage

Present: Councillors: Sandra Barr (Mayor 2021/22), Margaret Notley (Deputy Mayor), Myla Arceno, Julie Ashley-Wren, Doug Bainbridge, Philip Bibby CC, Stephen Booth, Lloyd Briscoe, Rob Broom, Teresa Callaghan, Matt Creasey, Michael Downing, John Duncan, Alex Farquharson, John Gardner, Liz Harrington, Jody Hanafin, Richard Henry, Jackie Hollywell, Chris Howells, Wendy Kerby, Graham Lawrence, Nick Leech, Mrs Joan Lloyd, Andy McGuinness, Maureen McKay, Sarah Mead, Adam Mitchell CC, Robin Parker CC, Claire Parris, Loraine Rossati, Graham Snell, Simon Speller, Sharon Taylor OBE CC, Jeannette Thomas and Tom Wren.

Start / End Start Time: 7.00pm
Time: End Time: 7.11pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were submitted on behalf of Councillors Adrian Brown, Lizzy Kelly and Lin Martin-Haugh.

There were no declarations of interest.

2 HONORARY ALDERMAN

The meeting had been convened to consider a Motion to confer the title Honorary Alderman on Mr David Cullen.

Councillor Sharon Taylor in moving the motion paid tribute to David Cullen for his outstanding service to the town as a Councillor and that in his 36 years' service he had not only represented the residents of the Bedwell Ward, but had also championing Planning in the Town.

Councillor Mrs Joan Lloyd formally seconded the Motion and stated that she wholeheartedly agreed with the comments made by Councillor Taylor.

Councillor Phil Bibby CC, Leader of the Opposition and Councillor Robin Parker CC, Leader of the Liberal Democrat Group both spoke in favour of the motion.

It was moved, seconded and **RESOLVED** that in accordance with the provisions of Section 249 of the Local Government Act 1972, the Council confers the title of Honorary Alderman on Mr David Cullen who had rendered over 36 years' eminent

service as a Councillor representing the people of the Town, particularly in the Bedwell Ward and in championing Planning in the Town.

MAYOR

STEVENAGE BOROUGH COUNCIL

COUNCIL MINUTES

Date: Wednesday, 21 July 2021

Time: 7.15pm

Place: Main Auditorium, Gordon Craig Theatre, Lytton Way, Stevenage

Present: Councillors: Sandra Barr (Mayor 2021/22), Margaret Notley (Deputy Mayor), Myla Arceno, Julie Ashley-Wren, Doug Bainbridge, Philip Bibby CC, Stephen Booth, Lloyd Briscoe, Rob Broom, Adrian Brown, Teresa Callaghan, Matt Creasey, Michael Downing, John Duncan, Alex Farquharson, John Gardner, Jody Hanafin, Liz Harrington, Richard Henry, Jackie Hollywell, Chris Howells, Wendy Kerby, Graham Lawrence, Nick Leech, Mrs Joan Lloyd, Andy McGuinness, Maureen McKay, Sarah Mead, Adam Mitchell CC, Robin Parker CC, Claire Parris, Loraine Rossati, Graham Snell, Simon Speller, Sharon Taylor OBE CC, Jeannette Thomas and Tom Wren.

Start / End Start Time: 7.15pm
Time: End Time: 10.40pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were submitted on behalf of Councillors Lizzy Kelly and Lin Martin-Haugh.

There were no declarations of interest.

2 MAYOR'S COMMUNICATIONS

The Mayor announced that she has accepted an urgent motion for consideration at the meeting concerning the achievements of the England Football Team at the recent European Championships.

The Mayor drew Members' attention to the fact that the Minutes of the Annual Council meeting held on 26 May 2021 were not on the agenda for the meeting due to a member of staff falling ill and not being able to complete them. However, she advised that the Summary of Decisions for the Annual Council meeting was on the SBC website, and that the finalised Minutes would be presented for confirmation at the next scheduled Council meeting in October 2021.

The Mayor summarised the activities that she and her consort had been involved with since the Annual Council meeting, which included:

- Photo shoot for the town's time line mural;
- KFC community activists team Great Britain clean up;
- Attending the online Leslie Bedford Lecture 2021 (on all things aeronautical);

- The virtual Town Twinning Conference;
- Kadoma Link Garden Fete;
- Filming a message for the virtual Stevenage Day and attending the NHS, Social Care & Frontline Workers Day;
- Starting the Knebworth Park Half Marathon;
- Various school visits;
- The virtual unveiling of the underpass mural on Martins Way; and
- A visit to Leyden House (one of her Mayoral charities), a day centre for adults with learning disabilities;

The Mayor referred to the recent terrible weather in Belgium and Germany over the past couple of weeks and the associated tragic loss of lives and livelihoods. She announced that the Leader of the Council had been in contact with the Mayor of Ingelheim (Ralf Klaus), Stevenage's twin town in Germany, to enquire both if they had been affected and to offer them the Council's sincerest condolences to those that had. Fortunately, Ingelheim itself had not been directly affected by the bad weather, but its Mayor was very touched by the Council's concern for those affected.

The Mayor had the pleasure of presenting long service awards to Councillors Mrs Joan Lloyd (45 years' service) and Margaret Notley (25 years' service), and a number of Members spoke in tribute to both councillors.

3 MAIN DEBATE

There was no Main Debate.

4 PETITIONS AND DEPUTATIONS

There were no Petitions and Deputations.

5 QUESTIONS FROM THE YOUTH COUNCIL

There were no Questions from the Youth Council.

6 QUESTIONS FROM THE PUBLIC

The Council received one question from a member of the public relating to the Council's Climate Change agenda. The response to the question had been published in the supplementary agenda for the meeting.

The questioner (Mr Jim Borchers) was present in the meeting, and made the following introduction prior to him asking a supplementary question:

"I would welcome the opportunity to meet with you along with other members of the Citizens' Panel. My concern is that this all seems to be taking a long time.

One of the things that came out of the Citizens' Panel discussions was how hard it is for people who live in flats to do recycling; they also have issues with bicycle parking - these are particular things that the Council should be helping people to resolve. The Council has started to install bike hangars (I believe there is one), but there has

been little publicity about this.

The Council should be promoting all initiatives to support action on climate change, for example you can now recycle medicine blister packs in Superdrug, the Co-op has just started an any soft plastic recycling scheme nationwide and at the Oval in Stevenage, but the SBC recycling webpage has no information about this, and it advises that some recyclable items should be put in the refuse bin.

Crucially, the Council should be providing information about what can be done not just what the Council does. All decisions the Council makes should have Climate Change factored in, in particular this should apply to Planning decisions, but it should be one of the first paragraphs of any report.

Since I submitted my question, changes have been made to the climate change website. There is now a Citizens' Panel summary report on the website which has no publication date. In the next steps section the summary states: 'It is important that the Council now identifies what the next steps are for implementing the recommendations and that a formal response to the Panel is given.'

When will the full report be published and when will these actions be taken?"

The Portfolio Holder for Environment & Regeneration stated that he would request officers to provide a full written reply to the supplementary question. He was aware that some of the Citizens' Panel recommendations had been referred to the Hertfordshire Sustainability and Climate Change Committee for consideration. The Council was awaiting details of the Government's new Waste Strategy, which could impact significantly on recycling operations. Similarly, the Council was awaiting the Government's Environment Bill, which it was expected would require all Local Authorities to take into account Biodiversity implications in all its planning decisions. He was pleased to report that SBC had been one of the first local authorities to have adopted a Biodiversity Supplementary Planning Document (SPD).

7 LEADER OF THE COUNCIL'S UPDATE

The Leader of the Opposition, Councillor Phil Bibby, asked the following question:

"Could the Leader of the Council give an assurance that she is committed to a transformation policy aimed at delivering efficiencies as part of the Council's Covid recovery plans?"

The Leader of the Council confirmed that a report outlining proposals for an SBC transformation programme would be considered at the August meeting of the Executive. The Council had already approved emergency budgets in June and September 2020 due to a funding deficit caused by a lack of Government funding. She was fully committed to the development of a transformation programme, with the aim of protecting the delivery of Council services in spite of national Government cuts to Local Government funding.

The Leader of the Council advised that GlaxoSmithKline had recently revealed plans for the creation of one of Europe's largest life sciences parks on the

Catalyst/Catapult site adjacent to Junction 7 of the A1(M) in Stevenage. This would be an extraordinary opportunity for Stevenage, and it was hoped that 5,000 new jobs would be created over the next 10 years, together with multi-million pound investment in the science park.

The Council then received updates from relevant Executive Portfolio Holders on the following matters:

- Stevenage Economy Taskforce;
- Life Sciences Vision;
- Rough Sleeping Accommodation;
- Housing Awards;
- Resources & Waste Strategy for England;
- Regeneration progress;
- Queen's Canopies;
- Health Protection Board Covid Grants;
- Neighbourhood Management Strategic Board;
- A Future Vision for Leisure;
- Creative Recovery; and
- Equalities Commission.

The Leader of the Opposition asked the Portfolio Holder for Environment & Regeneration if he would be agreeable to a Combined Waste Authority for Hertfordshire?

The Portfolio Holder for Environment & Regeneration replied that he would not be supportive of such a proposal, and considered that waste and recycling collection was best provided as a public service at local Borough/District Council level.

8 UPDATE FROM SCRUTINY CHAIRS

The Chair of the Committee Select Committee reported that the Committee had recently met to determine its Work Programme for 2021/22, and that she was pleased that face-to-face meetings had resumed.

The Chair of the Environment & Economy Select Committee reported that the Committee had recently met on two occasions, and that its work on the economic impact of the Covid pandemic on the work of the Council would be completed shortly. The Committee had completed its work on a review of the Neighbourhood Centres, which he hoped would feed into the work of the newly established Co-operative Neighbourhood Teams. The next major project for the Committee would be to scrutinise the work that had been carried out in association with the Council's 2019 declaration of a Climate Change Emergency.

9 NOTICE OF MOTIONS

(i) Town & Country Planning

Councillor John Gardner moved and Councillor Sharon Taylor seconded a motion in

respect of Town & Country Planning. Following debate and upon being put to the vote, it was **RESOLVED** that:

“This Council believes that planning works best when the local community, councillors and developers work together to shape local areas and deliver the new homes that are necessary and therefore calls on the government to protect the right of communities to object to individual planning applications. We demand that the Secretary of State urgently re-thinks these ill-conceived planning reforms.

Council requires that our Executive Member for Environment and Regeneration write to the Secretary of State setting out our concerns about all local democratic input being stripped from the planning system.

Council also pledges to lobby the Government to reconsider the extension to the permitted development regime. Every local development should have the benefit of community input and for both objectors and supporters to be able to express their view to decision-makers in public through the democratic process.”

(ii) Electric Bus Link

Councillor Sharon Taylor moved and Councillor Lloyd Briscoe seconded a motion with regard to an Electric Bus Link. Following debate and upon being put to the vote, it was **RESOLVED** that:

“This Council asks that every effort now be made to carry out a feasibility study on this initiative complete with costings. This work should explore the possibility of delivering this service with partners, the highway authority (Hertfordshire County Council), the Local Enterprise Partnership, the Town Development Board and Hertfordshire Growth Board and explore all options for funding the project including use of grants, government initiatives, community infrastructure levy and section 106 funding and specific funds for sustainable transport initiatives.

That a report be brought before the Council’s Executive setting out the options as quickly as possible and no later than the first quarter of 2022.”

(iii) Supporting tougher action on pet thefts

The following motion was moved by Councillor Alex Farquharson and seconded by Councillor Jody Hanafin:

“That this Council notes:

- Hertfordshire Constabulary data shows a 54% increase in dog thefts in the county during 2019/20 compared to the previous year.
- Data for England and Wales shows an 11% increase in dog thefts nationally during 2020/21 compared to the previous year.
- There are currently discussions in central government and parliament about increasing penalties for pet theft, which could potentially include custodial sentences.

That this Council resolves:

- To encourage residents to ensure their pets, especially cats and dogs, are microchipped and that their microchip information is up to date. This is the best precaution to hinder the sale of stolen pets as well as identifying them once recovered by police.
- To request that the Chief Executive of the Council writes to the Home Secretary to express this Council's support for tougher pet theft penalties.
- To request that the Chief Executive of the Council writes to Stephen McPartland MP to thank him for signing a parliamentary amendment calling for tougher action on pet theft and to request that the MP continues pursuing this issue."

The following amendment to the motion was moved by Councillor Jackie Hollywell and seconded by Councillor Loraine Rossati:

'At the first bullet point beginning "Hertfordshire Constabulary data show[s]..." insert after the word "year" the words ", although Council notes that there have been no reported pet thefts in Stevenage."; and

Replace the final bullet point under "That this Council resolves:" with "To thank Stevenage Police for their proactive approach, as there have been no reported pet thefts in the Borough (as confirmed by Chief Inspector Simon Tabert). However, this Council recognises that media attention (including social media) has raised residents' concerns about the risks of pet theft, and we call on Hertfordshire's Police and Crime Commissioner to raise these concerns with the Chief Constable and to include measures to combat pet theft as part of his crime action plan."

Following debate, and upon being out to the debate, this amendment was carried.

Further debate ensued on the substantive motion, and following it being put to the vote, it was **RESOLVED:**

"That this Council notes:

- Hertfordshire Constabulary data shows a 54% increase in dog thefts in the county during 2019/20 compared to the previous year, although Council notes that there have been no reported pet thefts in Stevenage.
- Data for England and Wales shows an 11% increase in dog thefts nationally during 2020/21 compared to the previous year.
- There are currently discussions in central government and parliament about increasing penalties for pet theft, which could potentially include custodial sentences.

That this Council resolves:

- To encourage residents to ensure their pets, especially cats and dogs, are microchipped and that their microchip information is up to date. This is the best precaution to hinder the sale of stolen pets as well as identifying them once recovered by police.
- To request that the Chief Executive of the Council writes to the Home Secretary to express this Council's support for tougher pet theft penalties.

- To thank Stevenage Police for their proactive approach, as there have been no reported pet thefts in the Borough (as confirmed by Chief Inspector Simon Tabert). However, this Council recognises that media attention (including social media) has raised residents' concerns about the risks of pet theft, and we call on Hertfordshire's Police and Crime Commissioner to raise these concerns with the Chief Constable and to include measures to combat pet theft as part of his crime action plan."

(iv) Achievements of England Football Team at European Championships

Councillor Simon Speller moved and Councillor Richard Henry seconded a motion with regard to the achievements of the England Football Team at the recent European Championships. Following debate and upon being put to the vote, it was **RESOLVED** that:

"This Council wishes to express its grateful thanks and best wishes to the England Football Team, their manager Gareth Southgate and his staff for their performances in the recent Euro 2020 Football Tournament; and commends them for their conduct throughout.

They have lifted our spirits, and inspired and unified our country and communities; and we utterly condemn the abuse on social media directed at certain players immediately after the Final versus Italy."

10 QUESTIONS FROM MEMBERS TO COMMITTEE CHAIRS / PORTFOLIO HOLDERS

The Council received eight questions from Members to Committee Chairs/Portfolio Holders. The responses to the eight questions had been published in the supplementary agenda for the meeting.

(A) Question from Councillor Margaret Notley re: Leisure Management Contract

No supplementary question was asked.

(B) Question from Councillor Adam Mitchell re: paperless working

Supplementary question – "In view of the fact that the cost of printing committee agenda in 2020/21 was £39,000, and in the light of the Council having declared a Climate Change Emergency in 2019, does the Portfolio Holder find this excessive cost embarrassing and an inefficient use of tax payers money?"

The Portfolio Holder for Neighbourhoods & Co-operative Council replied that progress was being made to move towards a paperless way of working, with Members being encouraged to use the ModernGov app for accessing committee papers. This was part of the wider transformation exercise regarding improved digital access to meet Climate Change ambitions.

(C) Question from Councillor Nicholas Leech re: Electric Vehicle Charging Points

Supplementary question – “What is SBC doing to substantially increase the number of Electric Vehicle Charging (EVC) points in the town to increase Stevenage’s position in the County “League table” of numbers of EVCs?”

The Portfolio Holder for Economy, Enterprise & Transport replied that a recently held Local Government Association webinar on EVCs had identified a number of areas that needed to be addressed with the Government, including a requirement for the Government to clearly indicate the national rollout capacity; to provide national leadership on a preferred technical solution; and to provide sufficient capital and revenue resources. In the meantime, SBC would be working with Hertfordshire County Council to support the principles contained in their EVC Action Plan.

(D) Question from Councillor Wendy Kerby re: safety issues in relation to the major refurbishment of the Council’s flat blocks

No supplementary question was asked.

(E) Question from Councillor Graham Lawrence re: the building of new flats in the town

Supplementary question – “Will you reconsider the plans for flats, and build proper houses with gardens that people need and want to live in?”

The Portfolio Holder for Environment & Regeneration replied that it would be difficult to double-guess the look of the post-Covid world. When the Stevenage Local Plan was produced, the Planning Inspector had considered the numbers, type and mix of residential units proposed to be acceptable. He stated that GlaxoSmithKline had just announced expansion plans for the Catalyst/Catapult life sciences park, which it was estimated would create 5,000 new jobs, and he felt that the type and quality of accommodation to be provided by the SG1 development would be suitable and ideally located for those individuals who would be looking to start or continue a career in the life sciences sector.

(F) Question from Councillor Alex Farquharson re: the relationship between the Council and staff trade unions

Supplementary question – “Why is SBC content to not charge Trade Unions a fee for allowing trade union subscriptions to be deducted from employees’ salaries, when other Councils charge Trade Unions for this service?”

The Portfolio Holder for Resources replied that she would provide a written answer to the questioner regarding this matter.

(G) Question from Councillor Andy McGuinness re: maintenance of the town’s woodlands

Supplementary question – “Will be Tree and Woodland Strategy be backed up by appropriate funding?”

The Portfolio Holder for Environment & Regeneration replied that the condition of the Borough's woodlands had improved over recent years, assisted the work of the Herts & Middlesex Wildlife Trust. He undertook to keep Members informed of the further improvements being made, but it should be borne in mind that there were budget limitations. However, he undertook to keep trees and woodlands high on his agenda for his portfolio.

(H) Question from Councillor Graham Snell re: mobility travel between the new Bus Station and Train Station

Supplementary question – "What specific help would disabled people be given to access the Train Station from the new Bus Station?"

The Portfolio Holder for Economy, Enterprise & Transport replied that he would provide the questioner with a written answer to the supplementary question.

11 OFFICER REPORT - COMMUNITY SAFETY STRATEGY 2021 - 2024

The Council considered a report seeking approval of the proposed Community Safety Strategy 2021 – 2024.

It was moved by Councillor Jackie Hollywell, seconded by Councillor Sharon Taylor, and following debate and upon being put to the vote, it was

RESOLVED that the proposed final Community Safety Strategy 2021 – 2024, as attached at Appendix B to the report, be approved, noting its focus on the work of the SoSafe Partnership.

12 OFFICER REPORT - EMPLOYEE CODE OF CONDUCT

The Council considered a report seeking approval of a revised Employee Code of Conduct.

It was moved by Councillor Mrs Joan Lloyd, and seconded by Councillor Sharon Taylor, that the recommendations in the report be approved.

In response to a number of issues raised by a Member during the debate, Councillor Mrs Lloyd asked the Member concerned to send these in writing to her so that she could give consideration as to whether or not they could be incorporated into the Code of Conduct document.

Upon the motion being put to the vote, it was

RESOLVED:

1. That the revised Employee Code of Conduct, as attached at Appendix A to the report, be approved.
2. That the revised Employee Code of Conduct be adopted for immediate

implementation.

3. That the proposed measure that every employee must complete a declaration, confirming they have read the revised Employee Code of Conduct, be approved.

13 SCRUTINY ANNUAL REPORT 2020/21

The Council considered the Scrutiny Annual Report for 2020/21.

It was moved, seconded and **RESOLVED** that the work undertaken by the Overview & Scrutiny Committee and Select Committees during 2020/21, as set out in the report, be noted.

14 AUDIT COMMITTEE MINUTES

The Minutes of the meetings of the Audit Committee held on 3 February 2021, 24 March 2021 and 8 June 2021 were received and noted.

15 EXCLUSION OF PRESS AND PUBLIC

It was **RESOLVED**:

1. That under Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as described in Paragraphs 1 – 7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access to Information) (Variation) Order 2006.
2. That the reasons for the following report being in Part II were accepted, and that the exemption from disclosure of the information contained therein outweighs the public interest in disclosure.

16 REPORT ON URGENT PART II DECISION MADE BY THE EXECUTIVE ON 9 JUNE 2021 - DANESTRETE ROUNDABOUT SITE DISPOSAL

In accordance with Paragraph 12 of the Access to Information Rules contained in its Constitution, the Council considered a Part II report in respect of an Urgent Part II decision made by the Executive at its meeting held on 9 June 2021 with regard to the Danestrete Roundabout site disposal.

It was moved, seconded and **RESOLVED** that the Urgent Part II decision made by the Executive at its meeting held on 9 June 2021 regarding the Danestrete Roundabout site disposal, as set out in Paragraph 3.4 of the report, be noted.

MAYOR

Part 1 – Release to Press



Meeting Council
Portfolio Area Environment and Regeneration
Date 13 October 2021



TRANSFORMING OUR TOWN CENTRE PROGRAMME UPDATE AND TOWNS FUND DECISION MAKING

KEY DECISION

AUTHOR – CHRIS BARNES EXT. 2292

CONTRIBUTORS – ANNIE PIPER EXT. 2058 TOM PIKE EXT 2933

LEAD OFFICER – CHRIS BARNES EXT.2292

1 PURPOSE

1.1 Transformation of the Town Centre is a top priority for the Council and forms a key pillar of the Council's "Future Town Future Council" Corporate Plan. There is now an extensive programme of activity in place, utilising funding from multiple sources, delivering new homes, jobs, shops, restaurants and cafes, public spaces, and cultural facilities. The wide-ranging programme has benefits for all of the residents of the town. The Executive report at Appendix 1 provides a summary of the current programme, and a further briefing for all Members was provided on 30 September 2021 to give a comprehensive progress report. Council is asked to note the progress of the programme.

- 1.2 A significant part of the regeneration programme is the delivery of projects that are part-funded by Towns Fund. In 2020, the Stevenage Development Board was established, and developed a Town Investment Plan for submission to government. In March 2021, the submission was awarded up to £37.5m of funding. The Council is the Accountable Body for the fund, and is required to oversee and sign-off business cases for each of the nine projects that have been allocated funding. Officers have developed a proposed approach for the review and approval of relevant Business Cases. This is attached in the Executive report at Appendix 1 and a summary provided in this report. This approach has been considered by the Executive and the Overview and Scrutiny Committee, and is presented to Council for approval.
- 1.3 Members are invited to note the key requirements and obligations for the Council as Accountable Body and the steps to be taken review and approve business cases ahead of the Ministry of Housing, Communities and Local Government releasing project funding to the Accountable Body (the Council). Appendix 1 also notes that a number of the business cases are for projects to be developed and implemented by the Council, and sets out the anticipated future decision points for larger-scale projects within the Town Investment Plan.

2 RECOMMENDATIONS

That Council:

- 2.1 Note the progress of the regeneration programme.
- 2.2 Note the progress of Town's Fund programme to date, including the obligations of the Council as the Accountable Body for the Town's Fund.
- 2.3 Note and approve the creation of an Officer Panel to support the discharge the Council's obligations as Accountable Body.
- 2.4 Delegate the review and approval of Business Cases to the Executive.
- 2.5 Note that there will be future decision points for a number of Council-sponsored projects, in accordance with the Council's Constitution, following approval of the Towns Fund Business Cases and release of funding by MHCLG.
- 2.6 Note the inclusion of the £37.5 million within the Council's Capital Strategy, noting that this is aligned with the Head' of Terms agreement with MHCLG. Authorisation for Council match funding will be reserved until the relevant Business Case is approved.

3 BACKGROUND

Town Centre Transformation

- 3.1 The transformation of the town centre is the top priority for Stevenage residents, businesses, and for Stevenage Borough Council as highlighted within the Future Town Future Council (FTFC) Programme. An extensive regeneration programme to deliver the transformation has been underway since 2015. A summary of this programme of activity is included within Appendix 1, the report provided to Executive.

Town Deal programme

- 3.2 In September 2019 the Government invited 101 towns to develop proposals and bid for funding for a Town Deal, as part of the £3.6 billion Towns Fund. Stevenage was identified as one of the 101 eligible towns.
- 3.3 As part of the Towns Fund, each eligible town was required to put in place cross-organisational leadership via a Towns Fund Board, to ensure broad representation from businesses, skills and education providers, investors, community representation and cross-public sector support.
- 3.4 In Stevenage, this saw the formation of a new, independent Stevenage Development Board. Following a recruitment process managed by Hertfordshire County Council and approved by the Ministry for Housing, Communities and Local Government, an independent Chair was appointed (Adrian Hawkins OBE), and the new Development Board (the Board) was formed in March 2020, working to shape a Town Investment Plan to help develop proposals to provide local opportunity and reinvigorate the town.
- 3.5 This Town Investment Plan set out proposals to create an exemplar 21st Century New Town, maximising the opportunities within local economy (including capitalising on the Life Sciences opportunity) to meet the needs of local people, attracting visitors and investment and revitalising the town.
- 3.6 As part of the national Budget announcements in March 2021, funding was allocated to 45 Towns. Stevenage achieved the joint highest allocation in this funding round, with an award of £37.5m for its Town Investment Plan.
- 3.7 On 15 July 2021, the Ministry of Housing Communities and Local Government (MHCLG, since restyled as Levelling Up, Housing and Communities) provided Grant Confirmation, allocating funding for the Stevenage Investment Plan over a five year period – subject to approval of business cases by the Accountable Body (Stevenage Borough Council) and Government conditions.
- 3.8 In working on the next stage of detailed preparation, the Stevenage Development Board will work proactively to support high quality business cases that align with the Town Investment Plan.
- 3.9 This process also sets out a clear role for Stevenage Borough Council as the Accountable Body for the allocation of funding for Towns Fund projects, and

requires the Council to undertake assurance assessments, review and approval of business cases to draw down funding for projects within the Town Investment Plan.

- 3.10 To secure the allocated Towns Fund package, all business cases must be complete and signed-off by the Accountable Body, with the accompanying project summary sheets submitted to MHCLG by 24 March 2022.
- 3.11 As the Council will also be the lead delivery organisation for a number of projects, additional development of the business cases, detailed plans, planning applications (where relevant), will require further decision making in future years in accordance with the Council's Constitution.

Review and comments of the Executive (15 September)

- 3.12 The report at Appendix 1 was presented to the Council's Executive in September and approved, with one changed recommendation: *"To note that all Business Cases will be prepared for submission to the Ministry of Housing Communities & Local Government (MHCLG) by 24 March 2022. A report will be prepared for a meeting of Full Council confirming the approval of Business Cases for submission to the MHCLG with delegated authority to the Executive."*
- 3.13 Executive noted that this programme is based upon some challenging timescales and the Leader requested officers to identify some dates for additional Executive meetings to consider the Business Cases.
- 3.14 Members of the Executive posed a number of questions in relation to the capacity and resources needed to support and deliver this programme. Officers confirmed that external professional support had also been engaged. Other Council Teams (particularly Planning and Finance colleagues) would also be assisting in the process.
- 3.15 Officers confirmed that correspondence from the MHCLG indicated that successful Town Fund bidders should receive an upfront payment of 5% of the total Towns Fund award. For Stevenage this was estimated to be £1.875M, to assist with the development of Business Cases and the implementation of projects. This sum had yet to be received at the point of Executive, but has now been received.
- 3.16 Executive noted that the Stevenage Development Board would be required to endorse Business Cases before they were considered by the Executive. A Chair's Panel, comprising of officers, external experts (including the Development Board Theme Lead for each project) and Members, would be established to vet the draft Business Cases before submission to the Development Board and Executive. Officers also confirmed that the timing of any further planning approvals for projects would vary dependent on the size and complexity of each scheme. Some projects (such as the Marshgate Science Innovation Centre) already benefitted from having planning permission in place.

- 3.17 The Leader asked the Chief Executive to invite the Chairman of the Stevenage Development Board to future Executive meetings where Town Deal Business Cases were being considered, and to further enhance planned communications activities.

Review and comments of the Overview and Scrutiny Committee (22 September)

- 3.18 The report at Appendix 1 was considered by the Overview and Scrutiny Committee (22 September 2021).
- 3.19 Members raised a number of questions, firstly seeking confirmation around the geographic area covered by the Town Deal. Officers confirmed that the projects are concentrated in the town centre, but that there may be some areas of flexibility. Members also asked for confirmation regarding the status of the Stevenage Development Board, and how the Council is represented on this. Officers confirmed Member representation on the Board, the approval process used by MHCLG in respect of securing an independent Chair of the Board, and that a report confirming the steps to be taken to establish a Board had been previously reported to the Executive.
- 3.20 Members expressed interest in remaining engaged with projects, sharing ideas for meanwhile use projects, and on specific projects such as walking / cycling, and leisure. Officers confirmed every Business Case would be thoroughly scrutinised and considered by the Executive and Overview and Scrutiny Committee, and at later stages of the project development, full Council. In addition, it was noted that the Community Select Committee was looking closely at the New Town Heritage Centre, and significant preparation had been conducted on a business case for new and enhanced leisure facilities. Members sought information on other projects beyond the scope of this project, including the opportunities to redevelop locations such as the Oval and Marymead shops.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 Having secured an allocation of £37.5m funding, Stevenage Borough Council, Stevenage Development Board and local partners are required to work through comprehensive business case development and assurance processes to enable drawdown of funding.
- 4.2 These requirements are set out by MHCLG as part of their Stage 2 guidance of the Towns Fund. Stage 2 of the Town's Fund process focusses on the development of business cases for each of the projects, and is required to be complete before 24th March 2022.
- 4.3 This stage of activity is to ensure local partners work with government to demonstrate the feasibility, viability and value for money of their projects. This includes:
- Developing and submitting the Town Deal Summary Document

- Business Case development for all approved projects
- A full list of projects
- Detail of the processes used for business case assurance and approval followed for each project
- Confirmation of actions taken in response to any conditions applied in the agreed Heads of Terms between MHCLG and local partners
- A Delivery Plan (including details of the team, working arrangements and agreements with stakeholders)
- A Monitoring and Evaluation Plan
- Confirmation of funding arrangements and financial profiles for each project
- Undertaking Public Sector Equalities Duty analysis
- Approval from the Town Deal Board (the Stevenage Development Board) and Lead Council (Stevenage Borough Council).

4.4 Stevenage Borough Council and Stevenage Development Board are required to conduct project assurance for each individual project. MHCLG expect business cases to include:

- The evidence for the intervention using rigorous analysis of quality data and the application of best practice.
- An assessment of value for money, including showing how different types of projects will be compared and assessed.
- A clear economic rationale, justifying the use of public funds in addition to how a proposed project is expected to contribute to strategic objectives.
- Clearly defined inputs, activities, outputs and anticipated outcomes.
- Appropriate consideration of deliverability and risk along with appropriate mitigating action.

4.5 Each business case should be assured by the Accountable Body (in this case, Stevenage Borough Council), prior to submitting summary documents to MHCLG.

4.6 To support the assurance process, and ensure appropriate separation of interests when the Council is acting as Accountable Body, an Officer Panel ('Chair's Panel') consisting of senior Stevenage Borough Council and partner Officers (a Director, Section151 Officer, Monitoring Officer and potentially Hertfordshire LEP, Hertfordshire Growth Board, Hertfordshire County Council Officers) will be established to ensure business cases meet requirements before being recommended to the Development Board for approval. It is proposed that the following approval route is followed for the submission of business cases to MHCLG:

- Business case developed by Officers and Stevenage Development Board partners

- Review of business cases by a 'Chair's Panel' including key Council Officers to ensure strategic alignment, deliverability, value for money and the ability to implement the Town Investment Plan, as part of the assurance process
- Approval of the business case by Stevenage Development Board
- Business case to be approved by Stevenage Borough Council Executive Committee and considered by Overview and Scrutiny Committee, as the 'Accountable Body'
- Summary of the business case to be submitted to MHCLG to access funding.

4.7 Under the Council's Constitution, Executive has the authority to approve the business cases under £5 million fully external funding, or where the Stevenage Borough Council contribution is less than £500,000 and funding can be identified.

4.8 Some of the Towns Fund projects are above this threshold and will have decisions that require further Council approval at the appropriate point in time. Further information on this is provided in section 4 of Appendix 1.

4.9 Our proposed assurance plan is for each business case to be approved by the Executive prior to submission to MHCLG.

4.10 Where a major business case is seeking to utilise funding within the financial year, an updated version of the business case will be reported to Executive and Council as required.

5 IMPLICATIONS

Financial Implications

5.1 See Executive report at Appendix 1.

Legal Implications

5.2 See Executive report at Appendix 1.

Risk Implications

5.3 See Executive report at Appendix 1.

Policy Implications

5.4 See Executive report at Appendix 1.

Planning Implications

5.5 See Executive report at Appendix 1.

Environmental Implications

5.6 See Executive report at Appendix 1.

Climate Change Implications

5.7 See Executive report at Appendix 1.

Staffing and Accommodation Implications

5.8 See Executive report at Appendix 1.

Human Resources Implications

5.9 See Executive report at Appendix 1.

Equalities and Diversity Implications

5.10 See Executive report at Appendix 1.

APPENDICES

1 REPORT TO EXECUTIVE 15 SEPTEMBER: TRANSFORMING OUR TOWN CENTRE PROGRAMME UPDATE AND TOWNS FUND DECISION MAKING

Meeting Executive
Portfolio Area Regeneration
Date 15 September 2021



TRANSFORMING OUR TOWN CENTRE PROGRAMME UPDATE & TOWNS FUND DECISION MAKING

KEY DECISION

Author – Annie Piper Ext. 2058
Contributors – Chris Barnes Ext. 2292 Tom Pike Ext 2933
Lead Officer – Chris Barnes Ext.2292

1 PURPOSE

- 1.1 Transformation of the Town Centre is a top priority for the Council and forms a key pillar of the Council’s “Future Town Future Council” Corporate Plan. There is now an extensive programme of activity in place, utilising funding from multiple sources, delivering new homes, jobs, shops, restaurants and cafes, public spaces, and cultural facilities. The wide-ranging programme has benefits for all of the residents of the town, and this paper sets out key updates. Members are asked to note the key projects and milestones relating to the programme.
- 1.2 A significant part of the regeneration programme is the delivery of projects that are part-funded by Towns Fund. In 2020, the Stevenage Development Board was established, and developed a Town Investment Plan for submission to government. In March 2021, the submission was awarded up to £37.5m of funding. The Council, which is the Accountable Body for the fund, is required to oversee and sign-off business cases for each of the nine projects that have been allocated funding. This paper asks Members to note the key requirements and obligations for the Council as Accountable Body and the steps to be taken review and approve business cases ahead of the

Ministry of Housing, Communities and Local Government releasing project funding to the Accountable Body (the Council). The report also notes that a number of the business cases are for projects to be developed and implemented by the Council, and sets out the anticipated future decision points for larger-scale Council projects within the Town Investment Plan. Following consideration by the Executive and Overview and Scrutiny Committee, this report is intended to be presented at the next Full Council meeting.

2 RECOMMENDATIONS

That Executive:

- 2.1 Note the progress of the regeneration programme, including the Queensway North regeneration scheme, Town Square co-working & heritage project, and the construction of the new bus interchange.
- 2.2 Note the progress of Town's Fund programme to date, including the obligations of the Council as the Accountable Body for the Town's Fund.
- 2.3 Note and approve the creation of an Officer Panel (as set out in paragraph 4.12) to support the discharge the Council's obligations as Accountable Body and to review and approve business cases for full approval.
- 2.4 Note that this paper will be updated and presented to Full Council seeking delegated authority to Executive for the approval of the Business Cases to enable access to Town's Funding, which are to be submitted to the Ministry of Housing, Communities and Local Government (MHCLG).
- 2.5 Note that there will be future decision points for a number of Council-sponsored projects, in accordance with the Council's Constitution, following approval of the Towns Fund Business Cases and release of funding by MHCLG.
- 2.6 Notes the inclusion of the £37.5 million within the Council's Capital Strategy, noting that this is aligned with the Head' of Terms agreement with MHCLG for Town's Fund, and the funding profile attached to the Towns Fund grant confirmation letter. Authorisation for Council match funding will be reserved until the relevant Business Case is approved.

3 BACKGROUND

- 3.1 The transformation of the town centre is the top priority for Stevenage residents, businesses, and for Stevenage Borough Council as highlighted within the Future Town Future Council (FTFC) Programme. An extensive regeneration programme to deliver the transformation has been underway since circa. 2015, and key milestones are summarised below.

The journey so far

- 3.2 After setting a renewed focussed to deliver regeneration in Stevenage Town Centre, the Council worked closely with its partners including Hertfordshire County Council, Hertfordshire Chamber of Commerce and Industry, Hertfordshire LEP and Homes England to develop the Stevenage Central Framework (“the Framework”) which was approved by Executive on 24 July 2015.
- 3.3 The Framework sets out a clear vision and the scale of opportunity within a regenerated town centre that *‘Stevenage was, and should be again, a destination town centre with a combined retail, leisure and residential offer that will meet the needs of our population, and attract visitors well into the future. We need to recognise the huge changes that are underway in terms of retailing and what people are seeking in their leisure time. We also need to build on the traditional role our town centre has played in being a meeting place and central hub for our community’*. This vision has informed the development of planning policy, including the Local Plan, as well as the foundation for developing subsequent regeneration schemes.
- 3.4 In order to begin the delivery of the aspirations set out in the Framework, the Council prepared a project to act as a catalyst for regeneration – the SG1 project. Following extensive engagement with commercial advisers and developers, the SG1 regeneration scheme was planned with the aim to deliver two of the six Major Opportunity Areas identified within the Framework. The Council conducted an OJEU competitive dialogue procurement, which involved publishing the development opportunity openly, before shortlisting four bidders, who held a series of meetings with the Council over six months to develop their masterplan and vision, before making a final submission. At the conclusion of the process, Mace were appointed as the development partner for SG1.
- 3.5 The delivery of the SG1 regeneration project is well underway. The project is underpinned by a development agreement between Mace and Stevenage Borough Council. Extensive work has taken place to develop the SG1 scheme. This will cover two Major Opportunity Areas within the town centre, creating a new ‘Garden Square’ in the heart of the town centre, a new linear park at Southgate, a new ‘Arrival Square’ close to Swingate, new and improved community services and facilities through a new civic hub to include a library and health facility and over 1,800 new homes. The Council’s Planning and Development Committee considered a hybrid planning application in October 2020, resolving to grant permission. Preparation works are now underway, with agreements being finalised to complete enabling works and demolition of the Swingate House building and the former Social Services building both of which are anticipated to be demolished during 2020/2021. The Council’s Executive has also approved proposals from Officers to work with Mace to look for opportunities to accelerate the second phase of the SG1 programme, due to report later in the financial year.
- 3.6 Outside of the framework area, there have a number of further changes that have resulted in significant change and investment in to the town. Whilst the Major Opportunity Areas highlight parts of the town suited to significant

transformation (demolition and rebuild), areas outside of the MOA's are capable of delivering significant improvements whilst retaining parts of the historic core of the town. One example of this is in Queensway North, between Forum Square and Littlewoods Square, where developer Reef have delivered a significant mixed use scheme in partnership with the Council. This involved rebasing existing rents to encourage existing tenants to commit to the town centre, as well as delivering a gym, office space, 110 residential homes and refreshed retail spaces. The scheme delivers a proportion of affordable housing including units prioritised for key workers.

- 3.7 A number of other projects are now well established or complete. The Council has invested in public realm projects to improve the Forum, Littlewood Square, and Market Place. In addition to this, the Council has developed a visitor centre in the Town Square, to provide residents and interested stakeholders with a space to find out more about the regeneration plans and to share their views. In addition, a new "meanwhile use" (utilising spaces temporarily vacant or underutilised) project has enabled Junction 7 Creatives to utilise a space on the edge of the Town Square, to help bring through new cultural contributions to the town.
- 3.8 The Council, working with Hertfordshire Local Enterprise Partnership, has brought investment into the Town Square and the buildings to the north of the Town Square. This includes a high quality renovation of the public realm, reintegration of high quality heritage features, frontages, canopies and lease arrangements to have a stronger customer offer available in the Town Square. In addition to this, a new 'Co Space' facility opened on 3 September, providing high quality co-working space, meeting and exhibition space in the heart of the town and strengthening job opportunities and the local economy.
- 3.9 Progress is well underway to create a new, state of the art bus interchange for the town. A topping out ceremony took place in July 2021, hosted by Willmott Dixon, the construction partner developing the new facility. This new bus interchange benefits from new, high quality facilities for residents, including toilets, a café space, new waiting areas, as well as a high quality local environment. Creating this new facility also helps release land in the heart of the town, to enable the future 'Garden Square' to be brought forward.
- 3.10 The plans to revitalise the town centre are based upon creating a place that local people would choose to enjoy, to live, and to work. Stevenage benefits from being home to world-leading industries, from space and defence, to healthcare and life sciences. In recent times, there has been growing interest in businesses seeking to invest in Stevenage, to create jobs, opportunity and a thriving local economy. The strength of the offer in Stevenage has been pivotal in attracting a developer, investor, and cutting edge life science company to invest in a £65m life sciences facility, intended to be delivered in Marshgate within the town centre, helping to create a more diverse offer within the town.
- 3.11 Furthermore, the former Matalan site was purchased by Guinness Trust, a housing association, which has planning permission for 526 homes and the demolition works are now underway. This scheme creates a mix of private

and affordable homes within the town centre, and is designed to provide a landmark structure close to Stevenage rail station.

- 3.12 In total the capital investment from public sector funding has resulted in delivery, attracting and securing over £500 million of private investment for the town centre. It has become the journey or reimagining the perceptions of Stevenage is: A place of opportunity, innovation and evolving from its pioneering New Town roots.
- 3.13 This is a key time to capitalise on the growing momentum and interest for the town. With the country facing extraordinary pressures emerging from the Covid-19 pandemic, the transformation of Stevenage town centre is vital to the longer-term recovery of the town and local economy. This level of interest in the potential of Stevenage can also be seen with businesses. Airbus have opened a brand new main office facility in July 2021, to serve their well established space and defence production.
- 3.14 In respect of life sciences, the recent government Life Sciences Strategy highlighted the significant potential available, and importance to Stevenage. Funding from Government and the Hertfordshire Local Enterprise Partnership has contributed to the expansion of the life science sector in Stevenage and the wider region, with over £1.6bn investment raised by life sciences organisations based in Stevenage and making a significant contribution to the Stevenage being part of the third largest cell and gene cluster in the world.
- 3.15 In July 2021, GlaxoSmithKline indicated their intention to seek a development partner to expand the life sciences campus in Stevenage, creating a leading facility within Europe and opportunities for employment and supply chains.
- 3.16 Moving to the next stage of the future for Stevenage, there is an opportunity to continue to achieve, catalyse and deliver the aspirations of the policy and strategies that the Council and local partners have worked collaboratively together for the since 2015 and beyond.
- 3.17 The Council has worked closely with local partners in the public and provide sectors to show ambition and determination to help Stevenage achieve its full potential. Securing substantial funding from the Towns Fund provides funding and capacity to help achieve new jobs, a revitalised town centre, a broad and vibrant offer, and opportunities for local people.
- 3.18 The impact of Covid-19 has resulted in significant disruption and all sectors have felt the strain in 2020. Nationally this picture is reflected in the updated Grimsey Review 3 - Build Back Better (2020). It suggests that more than two thirds of people say their high street has declined within the last five years and 21% of people saying it no longer meets their needs. In particular Covid-19 has exacerbated problems for struggling high streets and town centres. The review reiterates the points from previous reports that towns must find a way to 'unlock the potential of their own unique places' to build strong town centres to act as community and cultural arenas, not purely a traditional retail focus. There remains a need to diversify uses of cities and town centres to ensure they have sustainable futures. A recent KMPG report describing the future of towns and cities post Covid-19 describes a need to focus on multi-

purpose locations combining amenities with healthcare, cultural and community offers.

- 3.19 The implementation of the Stevenage Town Investment Plan provides an opportunity to deliver interventions that will reinvigorate the town and support the Covid-19 recovery process.

Background to Town's Fund

- 3.20 In September 2019 the Government invited 101 towns to develop proposals and bid for funding for a Town Deal, as part of the £3.6 billion Towns Fund. Stevenage was identified as one of the 101 eligible towns.
- 3.21 As part of the Towns Fund, each eligible town was required to put in place cross-organisational leadership via a Towns Fund Board, to ensure broad representation from businesses, skills and education providers, investors, community representation and cross-public sector support.
- 3.22 In Stevenage, this saw the formation of a new, independent Stevenage Development Board. Following a recruitment process managed by Hertfordshire County Council and approved by the Ministry for Housing, Communities and Local Government, an independent Chair was appointed (Adrian Hawkins OBE), and the new Development Board (the Board) was formed in March 2020, working to shape a Town Investment Plan to help develop proposals to provide local opportunity and reinvigorate the town.
- 3.23 After extensive work and wide engagement by the Board, including working groups on Skills and Enterprise, Connectivity, Heritage and Culture, and Regeneration, the Town Investment Plan (TIP) was submitted in October 2020. This built on extensive engagement with local stakeholders, residents and businesses to help shape a plan to reinvigorate Stevenage to meet the aspirations of its people.
- 3.24 This plan set out proposals to create an exemplar 21st century New Town, maximising the opportunities within local economy (including capitalising on the Life Sciences opportunity) to meet the needs of local people, attracting visitors and investment and revitalising the town. The Towns Fund programme had set out an expectation that bids would be for up to £25m, largely capital funding, but with the potential for towns to bid for up to £50m if they could demonstrate exceptional circumstances and subject to a deeper review process to be conducted by Government officials. Stevenage Development Board set out a bid with 'exceptional circumstances, articulating a proposal for £50m funding to help address challenges and opportunities facing the town.



3.25 The Stevenage Investment Plan covers the aspiration for the town (long term) focussed on nine key projects. These projects were appraised and approved by the Board for their submission and none of the projects were removed at the approval stage. Ten projects were submitted as part of the Town Investment Plan:

- Delivering the Stevenage Science, Innovation and Technology Centre
- Developing the Stevenage Station Gateway
- Implementing a National New Towns Heritage Centre
- Improving the Gunnels Wood infrastructure
- Developing the Sports and Leisure Hub
- Implementing Digital infrastructure
- Creating the Stevenage Enterprise Centre
- Delivering improved Pedestrian and Cycling connectivity
- Developing Marshgate Biotech Office and Key Worker Housing
- Delivering the Garden Square

3.26 A copy of the Executive Summary of Town Investment Plan is attached as Appendix A, providing a short summary of the description of each project.

3.27 Full implementation of this Town Investment Plan is intended to achieve a range of positive outcomes for Stevenage, including; greater job opportunities, training for local people to access new STEM employment, improve leisure and health access, a stronger cultural and heritage offer, further regeneration of the town centre, improved public spaces, and investment into sustainable transport in the key employment area of the town. The Town Investment Plan is viewed by MHCLG as a single package, with overall outcomes and targets in place to demonstrate the deliverable results of the Investment Plan.

New jobs	765
New Homes	872
Commercial floorspace (m2)	35216
Upgraded road infrastructure (km)	3
Upgraded pedestrian/cycle links (km)	12
Shared workspace/facilities (m2)	111700
Brownfield land redeveloped (ha)	6
Visitors per annum to the facilities	250000
Leisure/cultural facilities (m2)	7000

Figure 1. Table of outputs from Towns Fund programme

Stevenage Development Board 2020-21: A year of accelerated change

- 3.28 Stevenage Borough Council, Stevenage Development Board and local partners have worked closely and swiftly to maximise the opportunities presented through the Towns Fund. From the creation of the new Board in March 2020, to the submission of the Town Investment Plan in October 2020, and the award of funding confirmed in March 2021, local partners have worked collectively to secure substantial funding allocations which can drive the transformation of the town.
- 3.29 As highlighted in the Stevenage Town Investment Plan, engagement with the community was an integral part of shaping the Stevenage Investment Plan for submission to central government for approval; this will continue to inform the development of projects to have the greatest impact for the local community. So far, over 2,000 people have contributed comments at a range of consultation events, in addition to over 4,000 people attending the visitor centre to find out more about Stevenage regeneration. The Council also developed a virtual version of the visitor centre on the Stevenage Even Better website during the pandemic; the website itself has attracted over 25,000 unique visits, reaching a wide audience.
- 3.30 Government officials undertook a comprehensive review of the Town Investment Plan and associated projects, including a challenge session with senior Officials in January 2021.
- 3.31 As part of the national Budget announcements in March 2021, funding was allocated to 45 Towns. Stevenage achieved the joint highest allocation in this funding round, with an award of £37.5m. In making this award, the Minister for Regional Growth and Local Government, indicated that this higher funding offer 'is in recognition of the case that Stevenage made for the national significance of the proposals to develop its life sciences sector' and that this presents 'an exciting opportunity to come together to drive long-term economic and productivity growth in Stevenage, particularly as we meet the challenges presented by Covid-19'.
- 3.32 The Ministry of Housing, Communities and Local Government (MHCLG) set out proposed Heads of Terms for the £37.5m award for the Town Investment Plan (see signed copy at Appendix B). As set out by the Towns Fund programme, the Council and Chair of Stevenage Development Board proposed a funding profile. On 15 July 2021, MHCLG provided Grant

Confirmation (see Appendix C), allocating funding over a five year period – subject to approval of business cases by the Accountable Body and MHCLG conditions. This was allocated as follows:

Project	Total (£)
Stevenage Enterprise Centre	4,000,000
Gunnels Wood Road Infrastructure Improvements	1,000,000
Station Gateway Enabling Works	6,500,000
Marshgate Biotech	1,750,000
Stevenage Innovation & Technology Centre	5,000,000
National New Towns Heritage Centre	2,000,000
Stevenage Sports & Leisure Hub	10,000,000
Cycling Connectivity and Arts & Heritage Trail	3,500,000
Town Centre Diversification & Garden Square	3,750,000
Total	37,500,000

- 3.33 In working on the next stage of detailed preparation, the Stevenage Development Board will work proactively to support high quality business cases that align with the Town Investment Plan.
- 3.34 This process also sets out a clear role for Stevenage Borough Council as the Accountable Body for the allocation of funding for Towns Fund projects, and requires the Council to undertake assurance assessments, review and approval of business cases to draw down funding for projects within the Town Investment Plan.
- 3.35 To secure the allocated Towns Fund package, all business cases must be complete and signed-off by the Accountable Body, with the accompanying project summary sheets submitted to MHCLG by 24 March 2022.
- 3.36 As the Council will also be the lead delivery organisation for a number of projects, additional development of the business cases, detailed plans, planning applications (where relevant), will require further decision making in future years in accordance with the Council's Constitution.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 This section of the report describes the requirements of next stages of the Towns Fund programme, including:
- the Council's duties as the Accountable Body
 - how this relates to our decision-making structures and arrangements, and how business cases will be reviewed

- a description of how this will work in the months ahead, and the further development work anticipated for larger Council projects that will have further review and decision points – such as development of leisure facilities.
- 4.2 It is recognised that the funding and range of projects included within Stevenage’s Town’s Fund programme means that it is one of the largest programmes within the nationwide Towns Fund programme, the Council needs a clear and achievable plan for producing and signing-off the business cases. The Council does have significant experience in developing complex business cases for approval and government review, such as through the Local Enterprise Partnership Growth Deal Funding, in addition to the strategic outline case submitted to government in the form of the Stevenage Town Investment Plan. Preparation work has been undertaken for many of the projects, to enable development of the business cases in a timely way.
- 4.3 This report recommends an approach to ensure a full and robust assurance method and the ability to both securing and drawing down substantial funding.

Implementing Stage 2 of the Town’s Fund Process – Business Case requirements

- 4.4 Having secured an allocation of £37.5m funding, Stevenage Borough Council, Stevenage Development Board and local partners are required to work through comprehensive business case development and assurance processes to enable drawdown of funding.
- 4.5 These requirements are set out by MHCLG as part of their Stage 2 guidance of the Towns Fund. Stage 2 of the Town’s Fund process focusses on the development of business cases for each of the projects, and is required to be complete before 24th March 2022.
- 4.6 This stage of activity is to ensure local partners work with government to demonstrate the feasibility, viability and value for money of their projects. This includes:
- developing and submitting the Town Deal Summary Document
 - Business Case development for all approved projects
 - A full list of projects
 - Detail of the processes used for business case assurance and approval followed for each project
 - Confirmation of actions taken in response to any conditions applied in the agreed Heads of Terms between MHCLG and local partners
 - A Delivery Plan (including details of the team, working arrangements and agreements with stakeholders)
 - A Monitoring and Evaluation Plan

- Confirmation of funding arrangements and financial profiles for each project
 - Undertaking Public Sector Equalities Duty analysis
 - Approval from the Town Deal Board and Lead Council
- 4.7 Stevenage Borough Council and Stevenage Development Board are required to conduct project assurance for each individual project.
- 4.8 Each business case is expected to meet agreed criteria. MHCLG expect business cases to include:
- The evidence for the intervention using rigorous analysis of quality data and the application of best practice.
 - An assessment of value for money, including showing how different types of projects will be compared and assessed.
 - A clear economic rationale, justifying the use of public funds in addition to how a proposed project is expected to contribute to strategic objectives.
 - Clearly defined inputs, activities, outputs and anticipated outcomes.
 - Appropriate consideration of deliverability and risk along with appropriate mitigating action.
 - Whilst there is no minimum value for money threshold set for Towns Fund projects, in order to follow best practice, all business cases must contain robust value for money assessments.
 - Business cases should address, in a proportionate manner, the five cases set out in the HM Treasury Green Book.
- 4.9 Each business case should be assured by the Accountable Body (in this case, Stevenage Borough Council), prior to submitting summary documents to MHCLG.

Developing and reviewing business cases

- 4.10 At this stage, the Town Investment Plan has been endorsed by MHCLG, the listed of projects and the high-level scope and outcomes of each project have been agreed, and the government-funding allocation for each project has been confirmed in writing. There is no guarantee at this stage that allocations could change across different projects, and business case development work will focus on maximising the impact of this funding.
- 4.11 Stevenage Development Board will continue to have a vital role through the development of business cases, with partners engaged in working groups to support the development and finalisation of business cases. The Board includes a wide range of key stakeholders, who will need to endorse the businesses cases and play a key role in engaging with the projects across a range of themes, including Culture, Skills, Sustainable Transport, and Town Centre Regeneration. This will ensure the experience and expertise across a range of sectors will be harnessed to support the development of robust and

deliverable business cases, for projects that will have a significant positive impact for the town.

4.12 To support the assurance process, and ensure appropriate separation of interests when the Council is acting as Accountable Body, an Officer Panel ('Chair's Panel') consisting of senior Stevenage Borough Council and partner Officers (a Director, Section151 Officer, Monitoring Officer and potentially Hertfordshire LEP, Hertfordshire Growth Board, Hertfordshire County Council Officers) will be established to ensure business cases meet requirements before being recommended to the Development Board for approval. It is proposed that the following approval route is followed for the submission of business cases to MHCLG:

- Business case developed by Officers and Stevenage Development Board partners
- Review of business cases by a 'Chair's Panel' including key Council Officers to ensure strategic alignment, deliverability, value for money and the ability to implement the Town Investment Plan, as part of the assurance process
- Approval of the business case by Stevenage Development Board
- Business case to be approved by Stevenage Borough Council Executive Committee as the 'Accountable Body'
- Summary of the business case to be submitted to MHCLG to access funding.

4.13 The months ahead present an intensive period of work to ensure that these business cases are developed and concluded, to secure and draw down funding.

4.14 As part of the development of business cases, further engagement will take place with key stakeholders to help inform detailed plan and maximise the impact for the local community. This will include utilising the physical and virtual Stevenage Visitor Centre to proactively engage with people and provide a genuine opportunity to shape the range of projects across the programme.

4.15 Towns within the Towns Fund programme were previously provided with a revenue allocation of £173,000 to prepare the Town Investment Plan and begin preparations for business cases. An additional £40,000 has been received to fast-track business case activities. Beyond this funding, programme costs will be capitalised and claimed against the projects to ensure that the programme can be appropriately resourced, including development of the business cases. In the short-term this was planned to be provided at risk by the Council, with the funding repaid when business cases are approved and further funding is received. However, MHCLG has written to towns to notify them that 5% of allocations will now be provided up-front to ensure towns can make sufficient progress. For Stevenage this would mean an allocation of £1.875m received, which Officers anticipate receiving in

September 2021. This money can only be utilised for the Towns Fund programme.

Future decision making

- 4.16 With a complex programme of delivery ahead, the approval of business cases is only the start of the long life cycle for the projects. There will be a number of decisions that the Council will have to take in the months and years ahead, with further decision points expected – such as consideration of planning applications by the Planning and Development Committee, procurement processes for key contractors, review and update of business cases at different stages of key projects.
- 4.17 The process set out in section 4.1. – 4.13 describes how Stevenage Development Board and the Accountable Body (Stevenage Borough Council) will develop, review and assure the business cases required to access government funding.
- 4.18 In addition to this, larger projects to be led and delivered by Stevenage Borough Council will also have later decision points through the Executive Committee, and in some cases, Full of Council, in accordance with the Council's Constitution.
- 4.19 The Stevenage Town Investment Plan includes a range of projects, some of which may require decisions such as use of land, some in relation to match funding (such as the new sport and leisure facility). It is anticipated that larger projects, such as the sport and leisure facility, will report to the relevant Committee at future decision points such as for approval of match funding, approval of contract specifications, areas such as land acquisition, or contract commencement.

Decision making arrangements for Council-led projects

- 4.20 It is anticipated that the review of business cases is scheduled for three meetings of the Executive later in the financial year, potentially requiring special meetings to be convened to ensure sufficient time for consideration and review. As Accountable Body, the Council is required to approve all business cases, including those that will be delivered/part-funded by the Council.
- 4.21 This report provides Executive and Council with a summary of all projects in the Town Investment Plan to ensure all Members are aware of this crucial programme, and to highlight which projects will return to the Executive or Council in the future.
- 4.22 Under the Council's Constitution, Executive has the authority to approve the business cases under £5 million fully external funding, or where the Stevenage Borough Council contribution is less than £500,000 and funding can be identified.

4.23 Some of the Towns Fund projects are above this threshold (as set out in 4.2.2) and will have decisions that require full Council approval at the appropriate point in time.

4.24 The proposed assurance and approval process in this report sets how the Council will approve projects:

Minor Project assurance: This relates to projects which are within the Executive delegations set out in 4.22 above.

Major project assurance and approval: This relates to the larger projects, which will report to Executive in 4.22 above, but are also likely to require future Council approval given the size and value of the projects.

4.25 The table immediately below sets out which projects fall within which assurance category:

Project	Category
Stevenage Enterprise Centre	Minor/Major dependant on size of any SBC match-funding in final business case
Gunnels Wood Road Infrastructure Improvements	Minor
Station Gateway Enabling Works	Major
Marshgate Biotech	Minor
Stevenage Innovation & Technology Centre	Minor
National New Towns Heritage Centre	Minor/Major dependant on size of match-funding
Stevenage Sports & Leisure Hub	Major
Cycling Connectivity and Arts & Heritage Trail	Minor
Town Centre Diversification & Garden Square	Minor

4.26 Our proposed assurance plan is for each business case to be approved by the Executive prior to submission to MHCLG.

- 4.27 Where a major business case is seeking to utilise funding within the financial year, an updated version of the business case will be reported to Executive and Council as required.
- 4.28 Where a major business case is not part of the fast-track programme and unlikely to spend capital this financial year, an updated full business case seeking funding will be reported to Council for approval at a later date; for most projects, this will likely be when further design work has been completed so that an accurate cost and programme is known.

5 IMPLICATIONS

- 5.1 There are a number of financial implications for the Council (Accountable Body). The scale of the programme is significant, and one of the largest allocations in the country, which is likely to bring higher levels of complexity and scrutiny.
- 5.2 The Council will be responsible for holding the grant funding in relation to this programme. The process for claiming funds is likely to be submitting quarterly claims in arrears, which means that the Council must cashflow the funding for short periods of time holding of the financial money for the projects.
- 5.3 Notwithstanding the advance funding of 5% committed by MHCLG, Members should acknowledge the risk that any capital money spent prior or post-business case approval carries a degree of risk; if the business case is never approved, or the project is not delivered, any spent costs are likely to fall back to the Council as a revenue pressure. This means that business cases should consider that risk when approved and how it can be mitigated.
- 5.4 Some of the Towns Fund projects require additional funding sources. Match-funding has been identified for a number of the projects, some may require Council funding and other third party sources. In relation to Council match-funding, individual Towns Fund projects need to consider other investment risk across the town centre with funding prioritised to contractual and council priorities first to limit overall exposure.
- 5.5 Further key decisions for the Council will be needed for the funding mechanisms for major projects as identified in section 4. Some of these projects, such as the leisure business case, will require approval of Council due to the level of investment required. It is recommended that this is triggered once more detailed design work has been completed, so that cost projections and programme timing are as accurate as possible, to provide Members with all of the information necessary to make any investment decision.
- 5.6 As stated within the town's Fund Guidance, all business cases must go through the Accountable Bodies processes for the business case submission. This will involve the use of independent finance appraisal where appropriate, with final sign-off of all financial elements of the business case under the jurisdiction of the Council's s151 Officer.

Legal Implications

- 5.7 The Council, as Accountable Body, will be the contracting body with MHCLG in relation to the Stevenage Towns Fund programme. Whilst final details of funding agreements have not yet been provided, it is envisaged that the Council will be responsible for overseeing and reporting defrayed expenditure, monitoring and evaluation, fund agreements, and all relevant legal aspects of the use of the funding, such as adherence to conditions
- 5.8 MHCLG has set a clear deadline in their July correspondence (Confirmation of Grant Funding Letter) of 24 March 2022 for all business cases to be approved and summary documents submitted. MHCLG reserves the right to “call-in” and review any individual business case. The consequence of failing to meet this deadline is likely to be the removal/withdrawal of funding.
- 5.9 Not all projects will be directly delivered by the Council. Some projects, such as Marshgate and the Sitech Centre, are likely to be delivered by partners. In such circumstances, a funding agreement between the Council as Accountable Body and any partner defraying expenditure must be but in place. Procurement advice should also be sought to ensure that public funds are used appropriately; this will be reviewed on a project by project basis where the Council is not directly defraying expenditure.
- 5.10 The approval process for business cases has been set out in section 4. Unless otherwise agreed at Executive or Council, it is envisaged that where required, authority to approve the business cases will be delegated from Council to Executive, to ensure the timely and consistent approval of business cases in accordance with the deadlines set out above. Approval of individual projects above Executive thresholds will still be required at a later stage once projects have been developed, at which point it is intended for the business case to be updated.
- 5.11 Individual business cases will be reviewed to provide legal input where required, including through the operation of the Chair’s Panel, to ensure appropriate decision-making.

Risk Implications

- 5.12 The key risks and mitigation can be summarised as follows:

Key Risks	Mitigation
Business cases and summary sheets are not signed-off/submitted in time and funding is lost	Programme and resources have been established with a dedicated programme manager and oversight from Assistant Director (Regeneration) and Strategic Director (TP) to ensure products are commissioned and programme is on track

Business cases are rejected by Accountable Body/Development Board	Early engagement with both organisations to ensure they are involved and have oversight of business case development, to ensure they are supportive of the direction of travel
Sign-off process and/or decision routes are challenged	Developed sign-off process and governance as set out in this paper in accordance with guidance and best practice
Money spent at risk not recovered and resulting in a general fund pressure if projects don't proceed	Careful diligence of spending in early stages of the projects; not progressing to business case stage unless we are confident the project is deliverable; review of risk in entirety across the programme
Funding not sufficiently secured by accountable body, including match-funding	Towns Fund spend profile to be reflected in the Council's capital strategy, with individual projects returning to Council for future sign-off when at a suitably advanced stage to give Members the full information necessary for final budgetary sign-off
Third-parties do not deliver to timeframe or budget, and/or don't follow relevant procurement guidelines	All projects being delivered by a third-party to have a funding agreement in place with the Accountable Body
Business cases called-in and potentially challenged by BEIS/MHCLG	Utilising business case template provided through the Town's Fund resource; representative from BEIS to attend Development Board meetings and have sight of business cases at an early stage.

Policy Implications

- 5.13 The acceleration of delivering regeneration within the town centre will help to deliver key objectives of the Council's Sustainable Transport strategy, Future "Town, Future Transport" (adopted 2019) and will also help to deliver on the Council's commitment to reducing carbon emissions as stated in the Climate Change Strategy (adopted 2020) through a well-designed and low energy Public Services Hub facility.
- 5.14 The consolidation of numerous public health facilities into one centralised facility, the public services hub, will ensure the Council and associated public sector partners provides a better service to its residents, in line with the contents of the Health and Wellbeing Strategy (adopted 2019).

Planning Implications

- 5.15 The Business Cases proposed thought the submission of the Town Investment Plan were submitted in accordance with Stevenage Borough Council Local Plan (adopted in 2019). The projects associated with the Town

Investment Plan, submitted in 2020 to central government, help to deliver key policies within the Local Plan.

- 5.16 This report primarily relates to the Local Plan's Town Centre policies which seek to promote the comprehensive and co-ordinated regeneration of the Stevenage Central area, as a series of Major Opportunity Areas which specify the development expected in each location.
- 5.17 There are number of projects that sit outside of this Town Centre space, notably Gunnels Wood Road infrastructure, Cycling and Pedestrian Heritage Trail. However, both of these projects do relate to other Local Plan policies relating to employment space and growth and Future Town Future Transport initiatives in alignment with Local Transport Plan 4, produced by Hertfordshire County Council.
- 5.18 Where required, if there is a Planning decisions required then this will be highlighted within the Business Cases and follow the appropriate planning process

Environmental Implications

- 5.19 A core value of embedded within the framework for appraising these projects is focussed on ensuring due consideration to Environment, and where possible support the reduction of impact of Regeneration on the Environment.
- 5.20 There is a significant focus on utilising brownfield sites and spaces to their maximum potential through the Stevenage Town Investment Plan, and a clear drive to focus on sustainable travel options, through both public and active transport initiatives.
- 5.21 Better land use planning is a key concept for mitigating emissions and allowing people to make the behavioural changes required to reduce their carbon footprints in the long run. New buildings will improve the environment, not detract from it.

Climate Change Implications

- 5.22 Climate Change remains a core focus within the Stevenage Town Investment Plan document. As one for the four key values to be embedded in to every project as they move from concept to more detail, it is anticipated that climate change benefits will need to be highlighted within this Business Case at this stage and then during the lifecycle of business case and project as it is updated a differing stages.
- 5.23 A number of the projects are directly linked to the reducing the impact on climate change i.e cycling and pedestrian trail. Others will seek to implement positive climate change benefits through their delivery.

Staffing and Accommodation Implications

- 5.24 Currently the only staffing implication would be the potential relocation of the Museum staff and accommodation for it's inclusion within the Hub. This concept is being developed as part of the business case stage, where further detail will emerge.

- 5.25 Some existing resources will need to be utilised to plan for how the Council wants to work most effectively from the hub; this can be delivered in tandem with the Council's transformation programme to maximise efficiency.

Equalities and Diversity Implications

- 5.26 Equality and Diversity Implications will be taken in to consideration for all of the project in their business cases. However, for completeness a programme EQIA has been produced and is attached to this report. This aims to cover the overview of what impact the totality of Town's Fund Programme will have as a collection of projects.

Service Delivery Implications

- 5.27 With such a variety of projects touching on multiple areas of the Council there will be implications for departments and services to deliver these initiatives over the course of the next 5 years. The Regeneration Team is working closely with strategic leadership to begin to prepare for mobilisation of these projects should they be successfully approved at Stevenage Development Board, and through the Council's processes. Below summarises a number of areas that will be more significantly impacted through this stage.
- 5.28 Museum could potentially be operating from a new location as an integrated offer within the Hub.
- 5.29 New Leisure Centre will be a new asset for the Leisure Team to procure an operator for and Estates to maintain/ manage.
- 5.30 Stevenage Direct Services- maintenance of new public realm areas as part of the new schemes.
- 5.31 Estates will gain a new asset interest through Enterprise Centre and other schemes.

BACKGROUND DOCUMENTS

- BD1 Stevenage Town Investment Plan (full submission)

APPENDICES

- A Investment Plan Executive Summary
- B Signed Heads of Terms
- C Town Deal grant confirmation

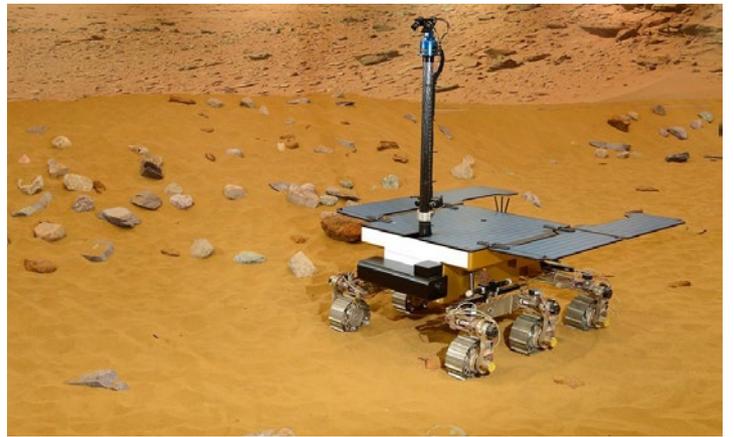
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Stevenage Town **Investment** Plan

November 2020

The Heart of a town lies in its people



Stevenage Development Board

An independent voice delivering for the people of Stevenage



Adrian Hawkins OBE
Chairman, Stevenage Development Board

“Our vision is ambitious, our plan is deliverable, and the message is simple: investing £50m in the future of Stevenage is an investment in the future of our country, in the future of our children, and will unleash over £600m of private investment to supercharge UK businesses, as we once again unify in a time of great national need, and set a new blueprint for innovation at the heart of a 21st Century New Town. You will hear about skills, culture, and town centre regeneration and how all will play their part in unlocking Stevenage’s potential and levelling-up opportunities for our residents.

I am a child of a New Town, literally. Born in Stevenage in the 1950s in my parents’ council house, I grew up, made friends and was educated within my home town. It provided the safe haven for me, my siblings and many other families to develop and progress throughout our lives, very similarly to how the town was envisaged; Stevenage as a place gave back directly to its people.

It is easy to underestimate the scale of challenge facing Stevenage; as a town located in ‘wealthy’ Hertfordshire, its pockets of deep deprivation often glossed over in high-level data; the focus on the opportunities ‘in’ Stevenage, not ‘for’ Stevenage. We face a profound fork in the road – the opportunity to

level-up a community that is being left behind, whilst simultaneously releasing the handbrake on growth for the UK’s fastest-growing science and technology sectors. That growth cannot be allowed to dissipate from Stevenage; we must harness the potential of our location and amazing businesses to grow a critical mass that drives the region’s economy, but to do so in a way which brings our local people with us rather than leaving them behind. Our £50m Towns Fund proposal will achieve just that, through a range of interventions including delivery of a skills & technology centre, provision for innovative commercial space, investment in the town’s key facilities and unlocking large-scale regeneration.”

Stevenage Development Board members

In March 2020, The Stevenage Development Board was established to oversee the development of a Town Deal for Stevenage. The Board’s role is to provide strategic leadership and to set out a Town Investment Plan with a clear vision, strategy and delivery proposals in place, which reflect the ambitions of, and deliver for, local people. The Board consists of key stakeholders from public sector organisations, private businesses, and not-for-profit organisations, to ensure a diverse range of views are represented.

Stevenage Development Board

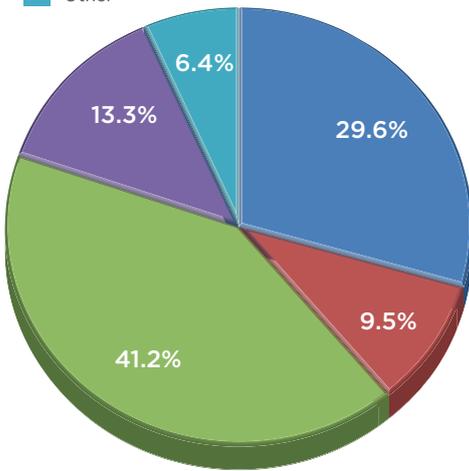


You said...We did. Engaging with the community

Engaging with all parts of the community, and using your views to shape the proposals, is a key focus of the Stevenage Town Investment Plan. We are delighted that so many people have got involved so far, and look forward to delivering projects alongside the community.

Visitor Centre and MyTown Feedback Topics - Present

- Accessibility & Transport
- Creating Great Spaces
- Vibrant Town Centre Offer
- Community & Aspiration
- Other



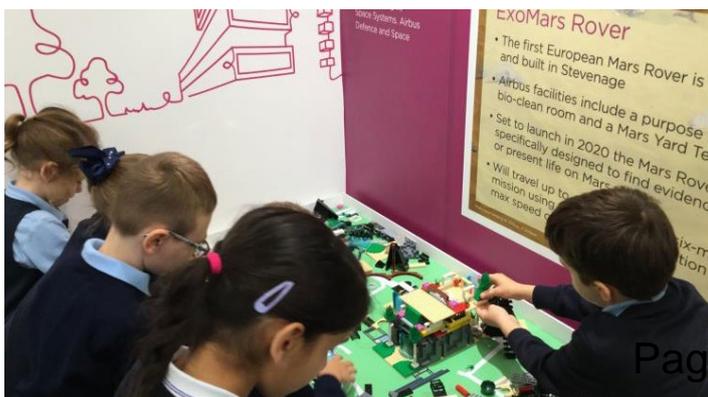
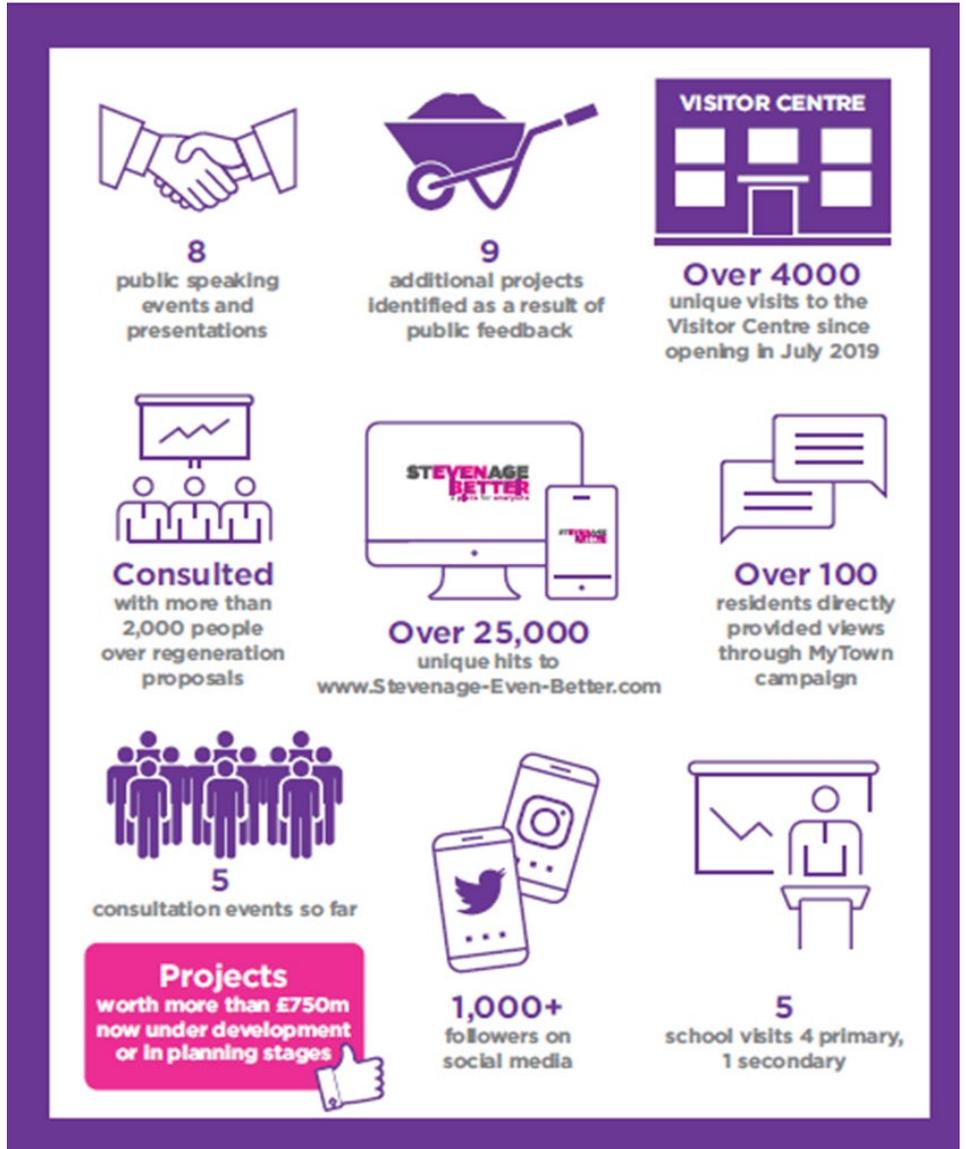
You said, we did...

your feedback has included comments such as ...

“Make more of the fact we are the UK’s first New Town”

“New and improved sports and leisure facilities”

“Upgraded roads and pedestrian paths”



A 21st Century New Town vision – the ‘STEM City’ of the future

As the UK’s first New Town, Stevenage was founded on innovation, with a pioneering approach that set a blueprint for building new communities across the UK and Europe. Our vision is to build on our New Town values and unlock growth in some of the UK’s cutting-edge sectors, in a way which promotes and delivers opportunities for local people.

The Future Vision for Stevenage



What does this mean for me?

Local Outcomes

- ✓ Diversifying the town’s retail offer
- ✓ Delivering new employment space
- ✓ Radically enhancing public realm
- ✓ Building an evening economy
- ✓ Creating footfall and activity boosting post-Covid recovery
- ✓ Unlocking infrastructure
- ✓ Enabling private sector investment
- ✓ Establishing a gateway for international business and visitors
- ✓ Securing new locations for high value business, innovation and incubation space
- ✓ Creating connections between jobs, skills and people
- ✓ Delivering critical mass at a key interface point between Bioscience cluster and town centre
- ✓ Providing for skills infrastructure
- ✓ Transforming Stevenage’s image
- ✓ Levelling-up skills and employment for local people
- ✓ Improved sustainability of transport network
- ✓ An arts and culture offer that is accessible and attractive
- ✓ Deliver clear pathways to employment for young people

Regional / National Outcomes

- ✓ **Stevenage** – the heart of the UK’s Bioscience and Life Science capabilities
- ✓ Designation by the DIT as a High Opportunity Area for Cell & Gene Therapy
- ✓ Identified by the Government as one of six Life Science Opportunity Zones (2019) and centre stage in the Government’s two Life Science Sector Deals (2018)
- ✓ **Stevenage** – responsible for 7% of the global Cell & Gene therapy market, 27% of Europe. Unique opportunity for Stevenage to grow its global market share further and benefit from projected growth of CAGR 30% by 2025, worth an estimated £750m p.a to Stevenage’s economy, and up to 5,000 jobs at a wide range of levels and access points.
- ✓ Unrivalled opportunity for the Towns Fund to support this strategic potential for UK plc
- ✓ Boost regional economic recovery from the impact of Covid-19.
- ✓ Restore and celebrate the county’s first New Town as a place of hope and aspiration.
- ✓ Deliver the Government’s clean growth and levelling up agendas.

Stevenage Town Investment Plan projects

1

Station Gateway

Much of the town's original New Town infrastructure has aged, leaving facilities that are no longer fit for purpose for the town's businesses and residents. The Gateway provides an opportunity to address this and to transform an area characterised by roads, surface level car parking and poor-quality buildings into a new thriving commercial and residential quarter for the town.



2

Stevenage Technology & Innovation Centre

New 4,000sqm State of the art Innovation & Technology Centre to be operated by North Hertfordshire College in partnership with key businesses to provide new training opportunities.



10

Digital Infrastructure - hyperfast broadband

Feasibility study to assess what is needed in terms of infrastructure investment for the Town Centre and Gunnels Wood Road employment area to help accelerate new digital technology provision.



9

Gunnels Wood Road Infrastructure improvements

HCC, SBC & Herts LEP are proposing investment into the existing transport infrastructure on Gunnels Wood Road employment area to address identified capacity constraints that could limit new employment development.



Stevenage Town Investment Plan projects

8

Cycling & Pedestrian Connectivity incl. Heritage Arts Trail

Stevenage already has very good cycling and pedestrian infrastructure, but parts have become fragmented and disconnected with redevelopment and with a lack of investment, parts are now considered unsafe.

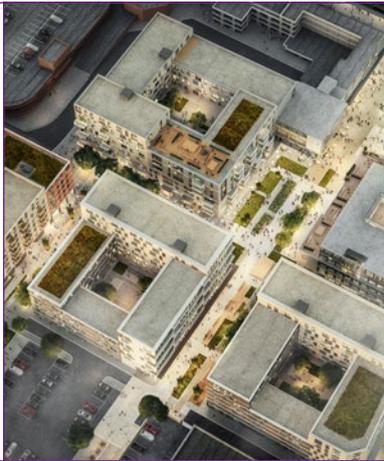
A five-phase strategy is proposed. Progress is already underway with the first phase as part of the delivery of the Town Centre SG1 redevelopment. This project aims to extend and build upon this momentum to deliver the next two phases, phases 2 and 3.



3 National New Towns Heritage Centre

New Heritage Centre celebrating Stevenage's contribution to the 20th century urban planning movement and new models of urban development.

To be incorporated into the new Civic Hub as part of SGI



4 Town Enterprise Centre

New Enterprise Centre in the heart of the town centre with space for labs, workshops, co-work/hot desks and meeting rooms through the use of digital creativity and technology to harness the strength of the existing life science, satellite and digital sectors.



5 Marshgate - Biotech Office & Key Worker Housing

A new mixed-use development on a key Town Centre site that will directly respond to the need for additional space (Office/ Tech Labs 76,437 sq.ft) to meet continued growth of Stevenage's specialist bioscience cluster, whilst at the same time also meeting the need for local key worker housing on the site (69 units). Delivery via SBC/Reef.



6 Sport & Leisure Hub at Town Centre Gardens

A new consolidated state of the art Sport and Leisure Hub adjacent to the main town centre green space. New sports hall, fitness gym, 25 metre pool, teaching pool, café, car park.

A new focal point for the town, encouraging greater levels of participation in sport, delivering improvements in health and well-being.



7 Garden Square Commercial & Leisure

The delivery of a new Garden Square with cafés and bars, independent enterprise, co-working premises, a high-quality boutique hotel and a new night time economy, with homes above ground floor space overlooking the square. The square will support a wide range of year round outdoor events and activities. The project will also adapt currently vacant shopping units into an open plan independent food court/ market.



“The plan is to expand, celebrate, and offer greater accessibility to Stevenage’s rich heritage, arts and culture. Stevenage will be celebrated as a cultural destination which will drive greater economic growth and well-being.”

Martha Lytton Cobbold

Managing Director

Lytton Enterprises Ltd./Knebworth Estates

“It’s been great to see a high level of engagement and commitment from educational institutions and employers in supporting Stevenage to open up opportunities for further learning and progression into skilled employment. I am delighted that Improving skills, boosting business and opening new educational pathways for young people is one of the main focuses of Stevenage’s ‘Town Investment Plan.’”

Kit Davies

Principal and CEO

North Herts College

“The Hertfordshire Chamber of Commerce fully support and endorse the Stevenage Town Investment Plan. It will help drive growth, entrepreneurship, and innovation plus inward investment and employment to Stevenage and the county”.

Briege Leahy - CEO Herts Chamber of Commerce

“I think the work on Stevenage is fascinating – such a diverse town with huge potential, whilst suffering some of the worst deprivation in the county. The way that pockets of innovation, creativity and wealth sit alongside poverty, lack of skills, teenage pregnancy, 3rd generation unemployment etc. has always been something I’ve been interested in. I went to school in Stevenage so saw first-hand what it was like for some of my friends and their families who were struggling. But I also saw how giving access to opportunities through education and employment could transform lives and break generational cycles”.

Anna Morrison CBE - Amazing Apprenticeships

“Government, developers and investors must be brave and be prepared to think differently and work together to create outcomes that benefit everyone. Unlocking growth in the UK and levelling up our towns is critical to our long-term success as a country. Our town centres can be enablers of this future growth, and the investment, design and development decisions made today will set the trajectory for a decade of recovery. I hope – and believe – that our plans to transform Stevenage will see a change in the way we deliver town centre regeneration across the country.”

Mark Reynolds

CEO Mace,

Developer for SG1 in Stevenage town centre

“Based on the GSK campus, Stevenage Bioscience Catalyst is also home to the Cell & Gene Therapy Catapult, LifeArc, Cytiva and over 40 growing technology companies which together have raised over £1.6bn since 2012. Of this, 70% of the funding is for Cell and Gene technologies placing it at the centre of the largest Cell and Gene cluster in Europe. It has been estimated that there is potential within the cluster for over 250,000 sq ft of private sector funded development delivering 2,100 direct jobs over 10 years. The clear vision, strategy and delivery proposals put forwards by Stevenage Development Board as part of the Town Investment Plan will play a pivotal role in making this happen”.

Sally Ann Forsyth OBE MPhil, PhD, CGMA

Chief Executive Officer

Stevenage Bioscience Catalyst.

“For The Wine Society, reliant on a local workforce, these are exciting proposals that will enable local people with aspirations, to develop their capabilities and take advantage of the opportunities in Stevenage across a diverse and rich range of businesses”.

Steve Finlan

Chief Executive

The Wine Society

Heads of Terms offer for Stevenage

Introduction

Stevenage was designated the UK's first new town, in 1946. It was founded on innovation, with a pioneering approach that set a blueprint for building new communities across the UK and Europe. It benefits from its key strategic location - it is at the heart of the Cambridge-Oxford-London 'golden triangle' and it has good road, rail and air connections. It has been identified as one of six Life Science Opportunity Zones by the Office for Life Sciences and as a High Potential Opportunity area by the Department for International Trade.

Nevertheless, Stevenage faces several challenges. Most significantly: ageing infrastructure and architecture, a town centre which is over reliant on retail, a lack of space for businesses to grow and a resident population that is in danger of being left behind in terms of skills and earnings.

Government will work with Stevenage Borough Council and its Town Deal Board to support the delivery of a Town Deal, with the goal of ensuring all Stevenage residents have a share in the town's success.

The commitment

This document lays out the Heads of Terms offer to Stevenage, under the Towns Fund. This is not a contractually binding document and the offer is subject to various conditions being met. The Heads of Terms will act as a Memorandum of Understanding for the future development and delivery of Stevenage's Town Investment Plan and project proposals. It sets out joint expectations as Stevenage enters the business case development phase.

Government will provide up to **a total of £37.5 million from the Towns Fund**, which will be used to build on its New Town values and unlock growth in some of the UK's cutting-edge sectors, in a way which promotes and delivers opportunities for local people.

Stevenage has proposed a range of projects that will contribute towards achieving this vision. These include:

- Delivering the Stevenage Technology & Innovation Centre
- Developing the Stevenage Station Gateway
- Implementing the National New Towns Heritage Centre
- Improving the Gunnels Wood infrastructure
- Developing the Sports and Leisure Hub
- Implementing Digital infrastructure
- Creating the Stevenage Enterprise Centre
- Delivering Pedestrian and Cycling connectivity
- Developing Marshgate Biotech Office and Key Worker Housing
- Delivering the Garden Square

Stevenage Borough Council will need to prioritise these projects within the funding envelope being offered. The higher funding offer has been made based on the case Stevenage made for the national significance of its life sciences ambitions, therefore priority should be given to projects that directly contribute to furthering this ambition. Funding for individual projects will be subject to successfully completing Phase 2 of the Towns Fund process. This includes detailed project development and business case assurance at local level.

Process, governance and assurance

Local partners will work with government to demonstrate the feasibility, viability and value for money of their projects by developing and submitting the Town Deal Summary Document,

including (as per the Further Guidance and Stage two guidance: business case development):

- A list of agreed projects
- Details of business case assurance processes followed for each project
- An update on actions taken in relation to the Heads of Terms key conditions and requirements
- A Delivery Plan (including details of the team, working arrangements and agreements with stakeholders)
- A Monitoring and Evaluation Plan
- Confirmation of funding arrangements and financial profiles for each project
- Undertaking Public Sector Equalities Duty analysis
- Approval from the Town Deal Board and Lead Council

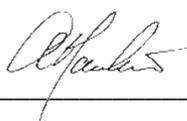
Stevenage should conduct project assurance in line with agreed routes for each individual project.

If the priority projects identified for funding do not progress, MHCLG cannot guarantee that funding can be assigned to alternative projects, or that if it is those will be to the same value. This may result in an overall reduction in the amount of funding received.

Within two months of accepting this offer, Stevenage should confirm in writing details of projects being taken forward and a plan for addressing key conditions relating to those projects and the overall Town Investment Plan. This should be sent to towns.fund@communities.gov.uk, copied to the town lead.

Stevenage must then complete business cases for the projects being taken forward and submit the Summary Document within 12 months of the deal being agreed. MHCLG will then provide the agreed funding up to the maximum amount of **£37.5m** for those projects, provided that all of the conditions are met.

Signed:



Chair of the Town Deal Board



Chief Executive of lead Council



MHCLG Secretary of State / Minister

20/04/21

Date



Ministry of Housing,
Communities &
Local Government

**Ministry of Housing, Communities &
Local Government**

Fry Building
2 Marsham Street
London
SW1P 4DF

Tel: 0303 444 0000

www.gov.uk/mhclg

Adrian Hawkins
Chair, Stevenage Town Deal Board

Matthew Partridge
Chief Executive, Stevenage Borough Council

15 July 2021

Dear Mr Hawkins and Mr Partridge,

Re: Stevenage Town Deal Grant

Thank you for confirming the projects you wish to take forward as part of Stevenage Town Deal.

Further to the Heads of Terms issued on 3 March 2021 and subject to completion of the conditions and satisfactory Summary Documents, Ministry of Housing, Communities and Local Government ('MHCLG') agrees to allocate funding up to **£37.5m** across financial years 2021/22 to 2025/26. Funding from 2022/23 onwards remains subject to the outcome of the Spending Review.

The indicative allocation for each year, based on the information you have provided to date, is set out in Annex A. The agreed funds will be issued annually as non-ringfenced grant payments under **Section 31 of the Local Government Act 2003**. It is for Section 151 officers to determine eligible project expenditure, but this must be within the total Town Deal award and must support the projects agreed by MHCLG.

MHCLG's requirements of the Town Deal Board and its accountable body:

- The accountable body must implement for each business case the project assurance process specified in the Heads of Terms. After that the accountable body must submit to MHCLG the [Summary Documents of the business cases](#). The accountable body need not submit Summary Documents for projects for which MHCLG has already requested a full business case. I encourage you to complete this process as quickly as possible, and my team stand by to support you alongside the Towns Fund Delivery Partner.
- MHCLG should be **notified in writing of the dates when you expect to submit summary documents**, either through CLGU Leads or directly to the Towns Fund inbox. This will ensure that summary document review by MHCLG can take place in a timely way and funding can be released, subject to the documents being approved. The Department should also be notified if these dates change at any point.

- Submit any planned changes to project spend, outputs or outcomes, cost benefit projection/value for money, or the monitoring and evaluation plan as a project adjustment request to the relevant Towns Fund lead. Note that if the proposal is to cancel or replace a given project, MHCLG cannot guarantee that equivalent funding will be assigned to alternative projects.
- Pay regard to responsibilities under the accountable body's **Public Sector Equality Duty** as set out in **Section 149 of the Equality Act 2010** when apportioning Town Deals funding.
- Comply with MHCLG's mandatory **monitoring and evaluation** requirements, signing up to a monitoring and evaluation plan including relevant indicators and targets for these indicators, and reporting twice a year on inputs, activities and outputs. This includes collecting accurate data and using the agreed metrics and methods as set out in our [M&E guidance](#) shared in April 2021. MHCLG reserves the right to quality assure data and conduct site verifications. Subsequent grant payments will be made after the annual reporting cycle has concluded.
- Adhere to the [Towns Fund Communication and Branding Guidance](#) issued in May 2021.

I would encourage you to start preparing your summary documents as soon as possible, taking advantage of the support on offer from your named lead and the Towns Fund Delivery Partner. The documents should be submitted by email to towns.fund@communities.gov.uk, no later than 24 March 2022.

I would like to thank you again and look forward to working with you to make your plans a reality.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'BEA', with a long horizontal stroke extending to the right.

Beatrice Andrews

Deputy Director - Funding Delivery, Cities and Local Growth Unit

Enc. Annex A Financial profiles

Annex A Financial profiles

Total budget	20/21(£)	21/22 (£)	22/23 (£)	23/24 (£)	24/25 (£)	25/26 (£)	Total (£)
	0	700,000	8,150,000	12,100,000	9,150,000	7,400,000	37,500,000

Project	Total (£)
Stevenage Enterprise Centre	4,000,000
Gunnels Wood Road Infrastructure Improvements	1,000,000
Station Gateway Enabling Works	6,500,000
Marshgate Biotech	1,750,000
Stevenage Innovation & Technology Centre	5,000,000
National New Towns Heritage Centre	2,000,000
Stevenage Sports & Leisure Hub	10,000,000
Cycling Connectivity and Arts & Heritage Trail	3,500,000
Town Centre Diversification & Garden Square	3,750,000
Total	37,500,000

RDEL/CDEL	20/21(£)	21/22 (£)	22/23 (£)	23/24 (£)	24/25 (£)	25/26 (£)	Total (£)
RDEL	0	50,000	50,000	0	0	0	100,000
CDEL	0	650,000	8,100,000	12,100,000	9,150,000	7,400,000	37,400,000

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Meeting: AUDIT COMMITTEE/ EXECUTIVE
/ COUNCIL

Agenda Item:

Portfolio Area: Resources

Date: 8 September / 15 September / 13
October



**ANNUAL TREASURY MANAGEMENT REVIEW OF 2020/21 INCLUDING
PRUDENTIAL CODE**

NON-KEY DECISION

Author	– Belinda White	Ext. 2515
Contributor	– Lee Busby	Ext. 2730
Lead Officer	– Clare Fletcher	Ext. 2933
Contact Officer	– Clare Fletcher	Ext. 2933

1 PURPOSE

1.1 To review the operation of the 2020/21 Treasury Management and Investment Strategy.

2 RECOMMENDATIONS

2.1 Audit Committee

That subject to any comments by the Audit Committee to the Executive, the 2020/21 Annual Treasury Management Review is recommended to Council for approval.

2.2 Executive

That subject to any comments made by the Executive, in addition to those made by the Audit Committee, the 2020/21 Annual Treasury Management Review is recommended to Council for approval.

2.3 Council

That subject to any comments from the Audit Committee and the Executive, the 2020/21 Annual Treasury Management Review be approved by Council.

2.4 The CFO recommends that the wording in Appendix C Table 1 Specified Investments Criteria be amended as set out in paragraph 4.2.6.5 in order to allow the use of the Enhanced Cash Funds included in Table 3 Treasury Limits.

3 BACKGROUND

3.1 Regulatory requirement

3.1.1 The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2020/21. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

3.1.2 During 2020/21 the minimum reporting requirements were that the Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 26/02/2020)
- a mid-year treasury update report (Council 16/12/2020)
- an annual review following the end of the year describing the activity compared to the strategy (this report).

3.1.3 The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.

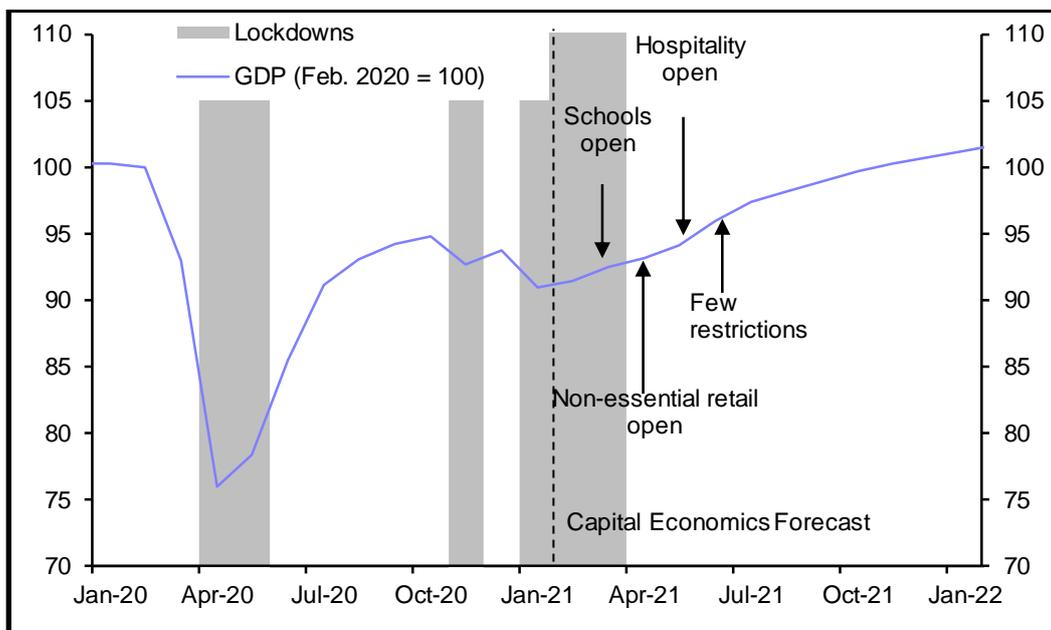
3.1.4 Officers confirm that they have complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit Committee and the Executive before they were reported to the Council.

3.2 The Economy and Interest rates in 2020/21 and current position

3.2.1 **Bank Rate.** Coronavirus and Brexit were both major factors impacting the UK economy in 2020/21. Having cut the Bank Rate to 0.10% in March 2020 in response to the coronavirus pandemic, the Monetary Policy Committee (MPC), embarked on a programme of Quantitative Easing (QE) (purchase of gilts so as to reduce borrowing costs throughout the economy by lowering gilt yields). The MPC then increased QE further in June and again in November to a total of £895bn. While Bank Rate remained unchanged for the rest of the year, financial markets were concerned that the MPC could cut Bank Rate to a negative rate; this was discounted at the February 2021 MPC meeting when it was established that commercial banks would be unable to implement negative rates for at least six months – by which time the economy was expected to be making a strong recovery and negative rates would no longer be needed.

3.2.2 **GDP.** The impact of coronavirus on UK GDP can be seen in the graph below. The first national lockdown in late March 2020 had a significant impact on an economy that was unprepared for such an eventuality. This caused an economic downturn that exceeded the one caused by the

financial crisis of 2008/09. A short second lockdown in November had a relatively small impact, and by the time of the third lockdown in January 2021, businesses and individuals had become more resilient in adapting to working in new ways. Despite it being a three month lockdown there was much less impact than during the first lockdown. The rollout of vaccines from November 2020, and the UK vaccine programme implementation, has given rise to expectations of a return to normality during the second half of 2021 and the resultant economic recovery.



3.2.3 Inflation. Average inflation targeting was the major change adopted by the Bank of England in terms of implementing its inflation target of 2%. The Bank's forward guidance policy statement in August included that "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably". This means that, even if inflation rises to 2% in a couple of years' time, no action is expected from the MPC to raise Bank Rate, until they can clearly see that inflation is going to be persistently above target if it does not raise Bank Rate. As such, no increase is expected before March 2024, possibly not for five years. Inflation has been well under 2% during 2020/21; it is expected to briefly peak at just over 2% towards the end of 2021, but this is forecast to be a short lived factor and therefore would not be a concern to the MPC.

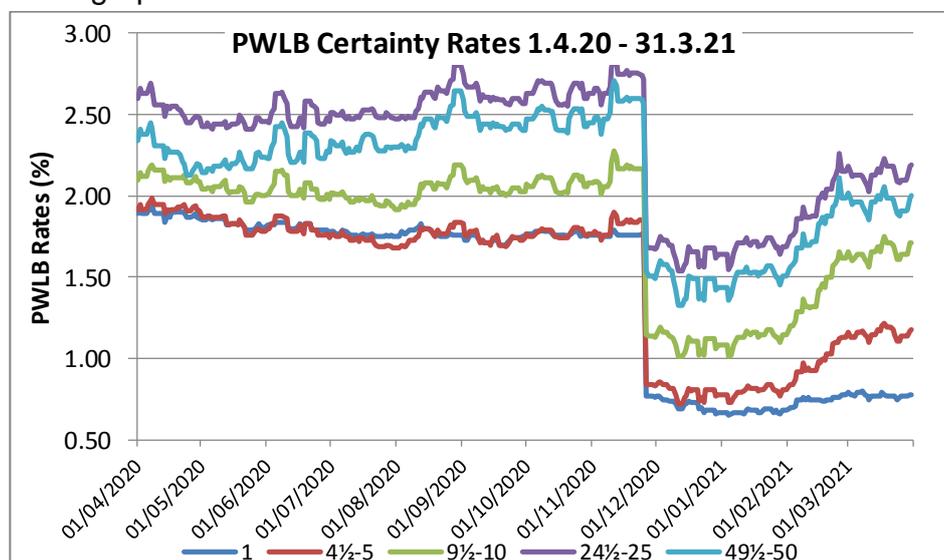
3.2.4 Covid support.

3.2.4.1 The Chancellor implemented repeated rounds of support to businesses via cheap loans and other measures, and protected jobs by paying for workers to be placed on furlough. Councils like Stevenage gave support to businesses affected by Covid. Stevenage gave £21Million in Business Rates Relief and £20Million Covid-related business grants during 2020/21.

3.2.4.2 This support was costly and the Government's budget deficit increased in 2020/21 and 2021/22 to date, with the Debt to GDP ratio now around 100%. The Budget on 3rd March 2021 increased fiscal support to the economy and employment during 2021 and 2022, followed by tax rises in the following three years to help to pay the cost for the pandemic. This aims to further strengthen the economic recovery from the pandemic and return government finances to a balanced budget on a current expenditure and income basis in 2025/26. This will stop the Debt to GDP ratio rising further.

3.2.5 **Brexit.** The UK left the European Union on 31 January 2020 and an exit deal was agreed between the UK and the EU just before the end of the transition period on 31 December 2020. The initial agreement with the EU only covered trade, so further work remains on the services sector where temporary equivalence has been granted in both directions between the UK and EU and needs to be formalised permanently. Trade agreements with some countries and trading blocs took effect from 1 January 2021. Other agreements are still under discussion with countries where trading agreements were in place before 1 January 2021, and the Government put in place a UK global tariff and is trading with other World Trade Organisation (WTO) members on WTO terms, while trade with eligible developing countries is taking place under the UK's Generalised Scheme of Preferences. Brexit is likely to lead to a long-term structural change in the UK economy, impacting areas such as trade, investment and immigration.

3.2.6 **PWLB borrowing rates** are based on gilt (UK Government bonds) yields through H.M. Treasury determining a specified margin to add to gilt yields. PWLB were fairly constant during 2020/21 until 26th November 2020. New investment guidance was issued by the Ministry of Housing, Communities and Local Government (MHCLG) on 26 November 2020 as a response to the consultation on the future lending terms of the PWLB. Along with the guidance was the reversal of the 1% rate rise instituted 19th October 2019 on General Fund borrowing. Borrowing in relation to HRAs had been granted an additional 1% certainty rate reduction during the period October 2019 to November 2020 to negate the 1% rise. Rates began to rise in the final quarter of the year, and the gap between the benchmark rates shown in the graph widened.



3.2.7 The target average borrowing rate in the HRA Business Plan (HRA BP) was 3.40% for 2020, rising to 3.70% in 2021 and 4.00% in 2022. New HRA borrowing of £4.010Million was taken externally in March 2020 at an average rate of 1.62% and in March 2021 a 20 year loan for £10Million was taken at 2.06%. The change in PWLB rates since the HRA BP was written can be seen in Table one. Despite volatility since the HRA BP was set, the current forecast rates remain lower than the original HRA BP forecasts of November 2020 and are in line with the current HRA budgets.

Table one: PWLB borrowing rates				
Rates* as at:	HRA BP	Mar-20	Mar-21	Aug-21
Years	Forecast Rate %	Actual Rate %	Actual Rate %	Forecast Rate %
5	1.63			1.12
10	1.95			1.45
15	2.28			1.69
17		1.60		1.75
20	2.46		2.06	1.80
25	2.52	1.72		1.82

* Rates include a 0.2% Certainty Rate reduction

3.2.8 There are alternatives to the PWLB for borrowing, for both the General Fund and the HRA, including the UK Municipal Bonds Agency. The UKMBA provides funding through three lending programmes. Current UKMBA trading levels in the market, inclusive of all fees, are lower than the PWLB Certainty rate at like maturities.

- Proportionally guaranteed, pooled loans of £1 million or more for maturities greater than one year.
- Standalone loans to a single local authority for £250 million or more for maturities greater than one year. These loans are outside of the proportional guarantee and are guaranteed solely by the borrower, who must obtain an external credit rating from one or more of the major credit rating agencies.
- Short term, pooled loans, outside of the proportional guarantee for maturities of less than one year.

4 TREASURY MANAGEMENT ACTIVITIES

4.1 OVERALL TREASURY POSITION AS AT 31 MARCH 2021

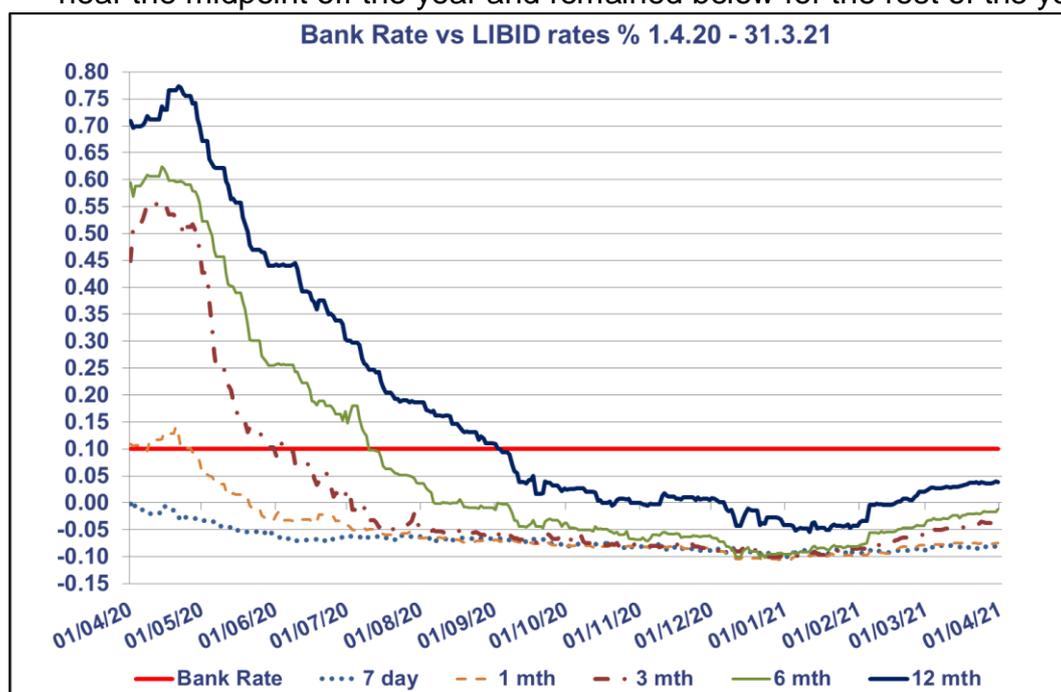
4.1.1 As at 31 March 2020 and 2021 the Council's treasury position was as follows:

Table two: Treasury Position						
	2019/20			2020/21		
	31 March 2020 Principal £'000s	Rate / Return %	Average Life (Yrs)	31 March 2020 Principal £'000s	Rate / Return %	Average Life (Yrs)
Total Borrowing	209,229	3.34	14.12	218,966	3.34	13.45
Capital Financing Requirement	244,027			266,962		
Over/(under) borrowing	(34,798)			(47,996)		
Investments Portfolio (see section 4.2.6)	54,072	0.98		69,700	0.65	

4.1.2 Investment balances increased year-on-year by £15.6 Million. The primary components of this were Covid grants to businesses and S31 Reliefs in advance, however Members should note that £8.5Million is due to be repaid to the Collection Fund relating to S31 reliefs in 2021/22. The balances include restricted use funds that can only be used to finance capital spend, money set aside as provisions and monies held on behalf of others including council tax and business rates provisions and advance payments (see paragraph 4.2.4.2).

4.1.3 During the year the average investment balance was £63.007 Million, earning interest of £406,682 and achieving an average interest rate of 0.65%. The comparable rate was -.083% (average 7-day LIBID rate). This compares with an original budget assumption of £491,520 investment interest based on average investment rate of 0.9%.

4.1.4 The following chart shows UK Bank Rate and LIBID (London Interbank Bid) rates in 2020/21. It can be seen that all LIBID rates fell below Bank Rate near the midpoint off the year and remained below for the rest of the year.



4.2 TREASURY MANAGEMENT STRATEGY 2020/21

4.2.1 The original 2020/21 Treasury Management strategy had projected Bank Rate of 0.75% at the start of the year, until the midpoint of 2020/21 when it was forecast to rise to 1.0% (and to 1.25% at the midpoint of 2021/22). The actual Bank Rate was 0.10% for the full financial year. The returns achievable on the Council's investments are currently modest based on the low Bank of England base rate and the risk appetite of the TM Strategy, which is compliant with the advice from the Council's treasury advisors, Link Asset Management.

4.2.2 The impact of the European Union (EU) Referendum decision to leave the EU and the implications of this for the UK economy were uncertain when the strategy was set and, as described in paragraph 3.2.5, the agreements following the UK's departure from the EU are still being developed, so further updates of the Strategy may be required.

4.2.3 The Council's Capital Expenditure and Financing 2020/21.

4.2.3.1 In 2020/21 the Council spent £44.361 Million on capital projects (General Fund and Housing Revenue Account). The capital programme was funded from a combination of existing capital resources and an increase in borrowing (General Fund £0.791 Million, HRA £20.858 Million). External loans of £10.0 Million were taken out for the HRA during 2020/21. Table three details capital expenditure and financing used in 2020/21.

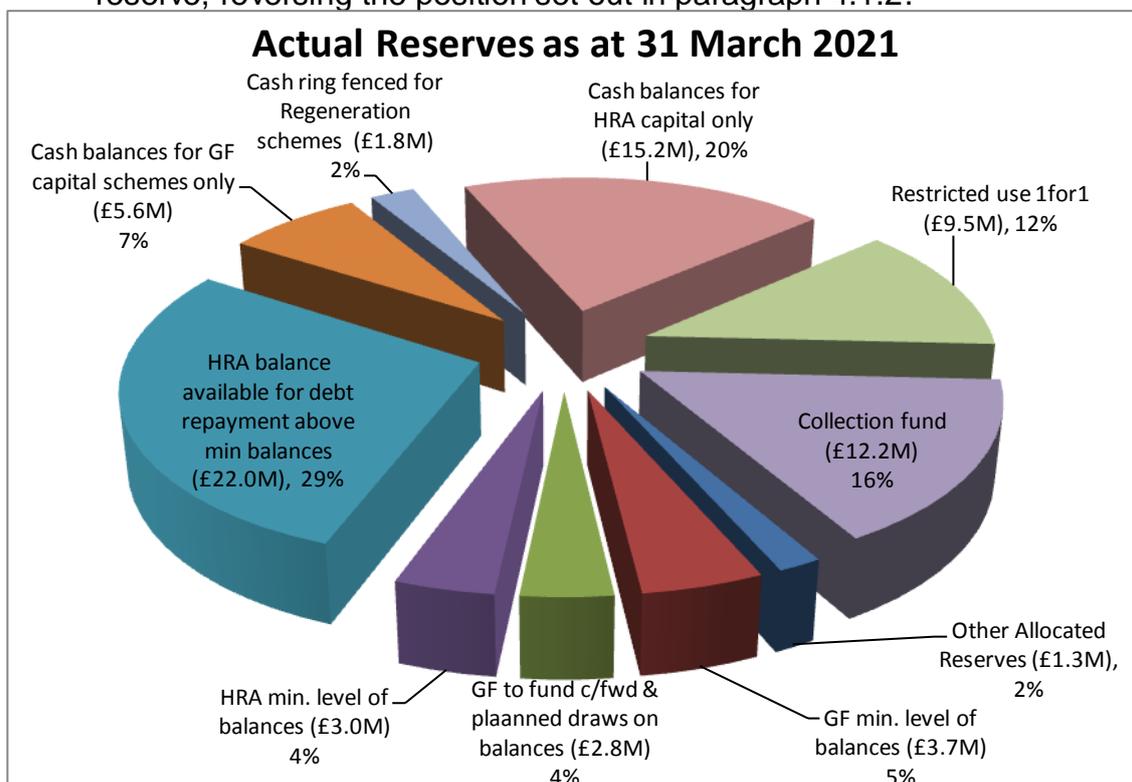
Table three : 2020/21 Capital Expenditure and Financing				
	2020/21	2020/21	2020/21	2020/21
	Original Estimate	Quarter 3 Working Budget	Actual	Variance Actual to Q3 Working Budget
	£'000	£'000	£'000	£'000
Capital Expenditure:				
General Fund Capital Expenditure	20,878	19,807	17,653	(2,154)
HRA Capital Expenditure	31,600	27,135	26,708	(427)
Total Capital Expenditure	52,478	46,942	44,361	(2,581)
Resources Available for Capital Expenditure:				
Capital Receipts	(10,111)	(9,320)	(9,343)	(23)
Capital Grants /Contributions	(16,095)	(12,589)	(10,687)	1,902
Capital Reserves	(283)	(246)	(116)	130
Revenue contributions	(367)	(354)	(237)	117
Major Repairs Reserve	(959)	(2,716)	(2,328)	388
Total Resources Available	(27,814)	(25,225)	(22,712)	2,514
Capital Expenditure Requiring Borrowing	24,664	21,717	21,649	(68)

4.2.3.2 The Treasury Management review of 2020/21 and Prudential Indicators have been updated to reflect changes to capital budgets which have been approved throughout the year. The actual capital expenditure for 2020/21 was reported to the Executive on 11 August 2021.

4.2.4 The Council’s overall need to borrow and Capital Financing Requirement

4.2.4.1 The Council’s underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR). It represents the amount of debt it needs to/has taken out to fund the capital programme (and includes both internal and external borrowing). The CFR is then reduced as debt repayments are made and Minimum Revenue Provisions (MRP – see also section 4.2.6) are made. A separate CFR is calculated for the General Fund and Housing Revenue Account and any transfers of assets (such as land or buildings) between the two accounts will impact on each fund’s CFR. The CFR will go up on the fund “receiving” the assets and go down (by the same amount) on the fund “giving” the asset.

4.2.4.2 Cash balances enable the Council to use internal borrowing in line with its Capital Strategy and Treasury Management Strategy. This position is kept under review taking into account future cash balances and forecast borrowing rates. The apportionment of General Fund and HRA cash balances on 31 March 2021 is shown in the following chart, but Members should note that these cash balances relate in part to the restricted use right to buy “one for one” receipts (£9.5Million) and balances relating to Council Tax and NNDR (£12.2Million), and that there is forecast drawing down of £9Million from the NNDR earmarked reserve and the S31 Grants NDR reserve, reversing the position set out in paragraph 4.1.2.



4.2.4.3 As at the 31 March 2021 the Council had total external borrowing of £218.966 Million. The debt repayment profile is shown in the following table:

Table four Maturity of Debt Portfolio for 2019/20 and 2020/21		
Time to maturity	31 March 2020 Actual £'000's	31 March 2021 Actual £'000's
Maturing within one year	263	263
1 year or more and less than 2 years	263	263
2 years or more and less than 5 years	263	500
5 years or more and less than 10 years	39,156	49,656
10 years or more	169,284	168,284
Total	209,229	218,966

4.2.4.4 The General Fund had external borrowing of £2.282 Million with the Public Works Loan Board (PWLB). The HRA had external borrowing of £216.684 Million all held with the PWLB, of which £21.773 Million relates to the Decent Homes programme, £7.763 Million from pre 2012, £4.010 Million taken out in 2019/20 and a new loan of £10.0 Million taken out in year. The remainder of £194.911 Million relates to self- finance the payment made to central government in 2012.

4.2.4.5 In addition to the PWLB borrowing, the General Fund also has loans from the Local Enterprise Partnership (LEP) in relation to regeneration activities. The schedule as at the 31 March 2021 is set out below. Discussions took place with the LEP regarding making these re-investible loans for further regeneration of the town, rather than needing to be repaid on the dates originally agreed. As indicated in the table, the current position is that only £209K of the £7.279 Million received to date has a fixed repayment deadline, of 31/03/22.

Table Five: LEP Loans					
Loan Received	Site Assembly	Land Assembly	SG1	Total	Repayment Date
2015/16	762,488			762,488	208,795 by 31/03/22
2018/19	416,306			416,306	
2019/20		4,108,709		4,108,709	
2020/21		1,491,291	500,000	1,991,291	
Total	1,178,794	5,600,000	500,000	7,278,794	

4.2.4.6 The Council's CFR is one of the key prudential indicators and is shown in the following table.

Table Six : Capital Financing Requirement 2019/20 and 2020/21			
CFR Calculation	31-Mar-20	31-Mar-21	Movement in Year
	(£'000)	(£'000)	(£'000)
Opening Balance	233,796	244,026	
Closing Capital Financing Requirement (General Fund)	32,287	34,204	1,917
Closing Capital Financing Requirement (Housing Revenue Account)	211,739	232,597	20,858
Closing Balance	244,026	266,801	
Increase/ (Decrease)	10,392	22,775	22,775

4.2.4.7 The CFR for the HRA has increased by the capital expenditure financed by borrowing as set out in paragraph 4.2.4.1.

- 4.2.4.8 The General Fund's CFR has increased by £1.917 Million, due to;
- borrowing requirement of +£792K
 - new LEP loans of +£1.991 Million
 - less Minimum Revenue Provision (MRP) (see section 4.2.5) of -£276K
 - loan repayments made in year totalling -£590K

4.2.5 **Minimum Revenue Provision (MRP)**

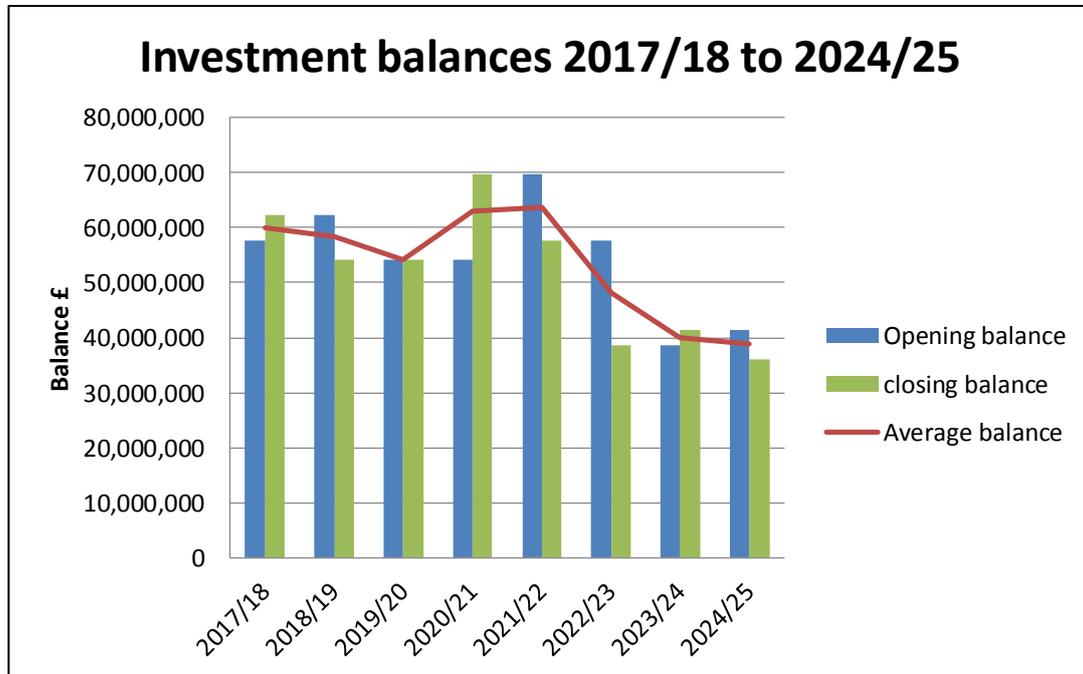
4.2.5.1 The Prudential Code, by which the Council has to make its borrowing decisions, requires the Council to demonstrate that borrowing is required and affordable. The MRP is a statutory requirement to ensure borrowing is affordable for the General Fund and does not apply to the HRA (the HRA affordability is determined in the HRA BP). The Council is required to make annual MRP based on its policy approved by Council as part of the Treasury Management Strategy. The calculation of MRP is based upon prior years' borrowing requirement (regardless of whether that borrowing was internal or external) and the life of the asset for which the borrowing was required.

- 4.2.5.2 The MRP charged to the General Fund in 2020/21 was £275,775, of which
- £35,119 is funded from investment property
 - £24,578 is funded by the Garage Improvements Programme
 - £157,621 is a net cost to the General Fund
 - £58,457 funded by principal loan repayments from Queensway*

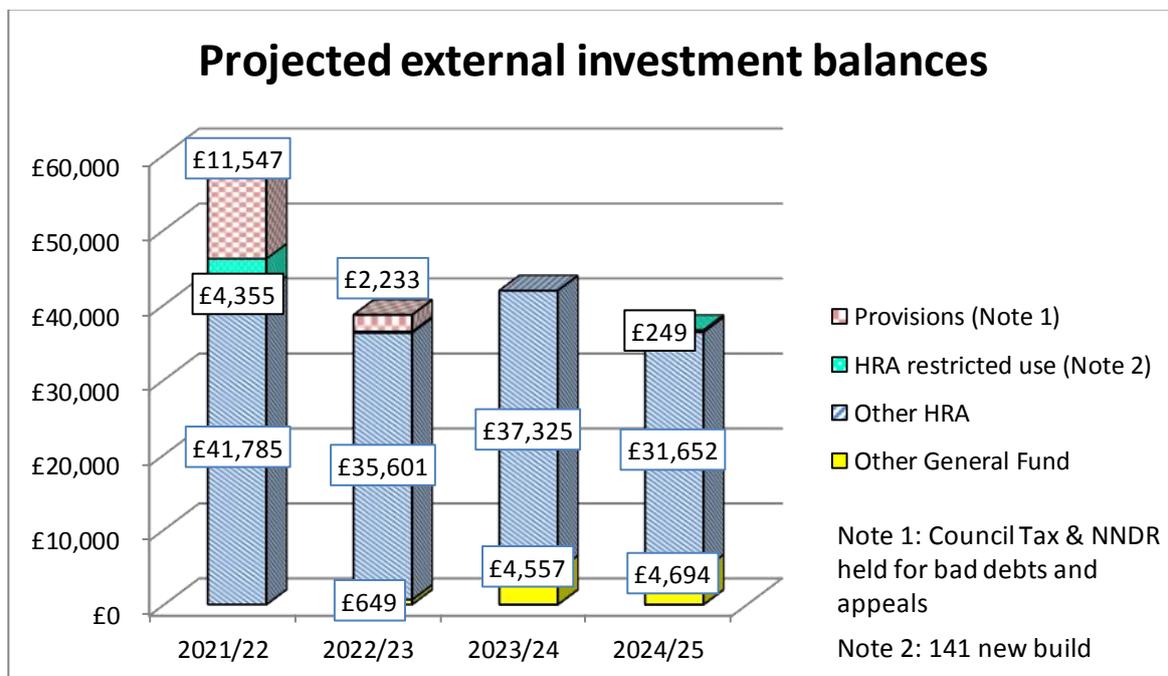
*this is included as an accounting technicality only, there is no MRP cost to SBC relating to this loan

4.2.6 **Cash Balances and Investment**

4.2.6.1 The restrictive use of a proportion of the cash balances set out in paragraph 4.2.4.2, plus the planned use of resources in line with the Council’s capital and revenue strategies, mean that these resources are not available for new expenditure. The following chart shows the historic level of balances and the projected position following the planned use to 2024/25.



4.2.6.2 The chart below shows the breakdown of the projected external investment balances.



4.2.6.3 In accordance with the Treasury Management Strategy approved by Council on 26 February 2020, the Council invests its surplus cash balances.

The policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data and counterparty limits dependant on level of cash balances held.

4.2.6.4 There were no breaches to this policy in 2020/21 with the investment activity during the year conforming to the approved strategy. The Council had no liquidity difficulties and no funds were placed with the Debt Management Office (DMO) during 2020/21, demonstrating that counterparty limits and availability for placing funds approved in the TM Strategy were working effectively. It is possible that surplus funds borrowed during 2021/22 will be placed in the DMO temporarily, if PWLB borrowing rates are advantageous and cash balances due to the timing of taking out new loans would breach other counterparty limits.

4.2.6.5 The Specified and Non-Specified Investment Criteria (Appendix C) are also being reviewed with regards to other options available but not currently being utilised. Although included in the Treasury Limits (table 3), the Specified Investments (table 1) needs to be amended to allow Money Market Funds that are instant access or with notice periods of up to one year. Enhanced Cash Funds allow access to better rate money but typically have a notice period of up to three days. The CFO deems this a low risk investment therefore the change to the criteria is recommended.

4.2.7 Other Prudential Indicators

4.2.7.1 The treasury management indicators for 2020/21 onwards have been updated based on the updated Capital Strategy approved by Council in February 2021 and subsequently updated in the 3rd quarter capital update reported to Executive in March 2021 and the 4th quarter (Outturn) capital update reported to Executive in August 2021.

4.2.7.2 The **net borrowing position** for the Council as at 31 March 2021 was **£149.266Million** (total external borrowings/loans of £218.966Million less total investments held of £69.700Million).

4.2.7.3 The **operational boundary** and **authorised limit** refers to the borrowing limits within which the treasury team operate. A temporary breach of the operational boundary is permissible for short term cash flow purposes however a breach of the authorised limit would require a report to Council. **There were no breaches of either limit in 2020/21.**

4.2.7.4 The **ratio of financing costs** to net revenue stream is equal to General Fund interest costs divided by the General Fund net revenue income from Council tax, Revenue Support Grant and retained business rates. The 2020/21 indicator is **4.27%**.

4.2.7.5 The full list of treasury prudential indicators is shown in Appendix A and has been updated for the 2020/21 outturn position and the revised 2021/22 capital programme.

4.3 OTHER ISSUES

4.3.1 Operational and Authorised Borrowing Limits

4.3.1.1 General Fund limits will be reviewed if necessary in the Mid-Year 2021/22 Treasury Management Strategy, due to go to Executive and Audit Committee in November 2021 and Council in December 2021.

4.3.1.2 HRA limits will be revisited as part of the HRA BP review to be reported to Executive in November 2021.

4.3.2 **Property Funds and Commercial Strategy.** As reported in the most recent Treasury Management Strategy, approved by Council in February 2021, Commercial investments (including investment properties), which are entered into primarily for gain by earning a positive net financial return are no longer permitted in the Capital Strategy, in order to access PWLB rates. Therefore this activity, and the borrowing requirement for it, are no longer included in the Prudential Indicators set out in Appendix A.

4.3.3 **UK Sovereign rating and investment criteria.** The UK sovereign rating could come under continued pressure from the impact of COVID and / or following the post-Brexit trade agreements agreed and their impact on the UK economy. The Council's investment criteria only use countries with a rating of AA- or above. Moody's UK Sovereign rating is Aa3 (AA-equivalent), the same as Fitch, while Standard & Poor's has it rated at AA. The UK rating remains exempt from the sovereign rating investment criteria so in this event if it were to result in the UK being downgraded below AA- it would not impact on the Council's ability to invest with UK institutions. Other investment criteria will be considered in this event to ensure security of funds for the Council.

4.3.4 **Queensway Properties LLP.** In December 2018 the Council entered into a 37 year agreement with Aviva to facilitate the regeneration of Queensway in the town centre. A separate legal entity, Queensway Properties LLP, was incorporated to manage the rental streams and costs associated with the scheme. The Council's treasury management team offered its services to the LLP to manage and invest its surplus cash flows through a service level agreement. No investment activities were undertaken on their behalf during 2020/21 (or at all to date).

5 IMPLICATIONS

5.1 Financial Implications

5.1.1 This report is of a financial nature and reviews the treasury management function for 2020/21. Any consequential financial impacts identified in the Capital strategy and Revenue budget monitoring reports have been incorporated into this report.

5.1.2 During the financial year Officers operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy

Statement and in compliance with the Council's Treasury Management Practices.

5.2 Legal Implications

- 5.2.1 Approval of the Prudential Code Indicators and the Treasury Management Strategy are intended to ensure that the Council complies with relevant legislation and best practice.
- 5.2.2 The changes to PWLB borrowing arrangements as per paragraph 4.3.2, prohibiting access to PWLB where Council's retain commercial investments within their Capital Strategy, have been addressed and these activities removed.

5.3 Risk Implications

- 5.3.1 The current policy of minimising external borrowing only remains financially viable while cash balances are high and the differentials between investment income and borrowing rates remain. Should these conditions change the Council may need to take borrowing at higher rates which would increase revenue costs.
- 5.3.2 There remains uncertainty on the long-term implications of exiting the EU on the UK economy and borrowing rates. Officers monitor interest rate forecasts to inform the timing of borrowing decisions.
- 5.3.3 The Council's Treasury Management Strategy is based on limits for counterparties to reduce risk of investing with only a small number of institutions.
- 5.3.4 The thresholds and time limits set for investments in the Strategy are based on the relative ratings of investment vehicles and counter parties. These are designed to take into account the relative risk of investments and also to preclude certain grades of investments and counterparties to prevent loss of income to the Council.

5.4 Equalities and Diversity Implications

- 5.4.1 This report is technical in nature and there are no implications associated with equalities and diversity within this report. In addition to remaining within agreed counterparty rules, the council retains the discretion not to invest in countries that meet the minimum rating but where there are concerns over human rights issues. Counterparty rules will also be overlaid by any other ethical considerations from time to time as appropriate.
- 5.4.2 The Treasury Management Policy does not have the potential to discriminate against people on grounds of age; disability; gender; ethnicity; sexual orientation; religion/belief; or by way of financial exclusion. As such a detailed Equality Impact Assessment has not been undertaken.

5.5 Climate Change Implications

- 5.5.1 The council's investment portfolio is sterling investments and not directly in companies. However the TM team continue to review the use of Money Market funds to ensure, where possible, money market funds that invest in environmentally sustainable companies are used. In this way the TM team aligns with the Councils ambition to attempt to be carbon neutral by 2030.

BACKGROUND PAPERS

- BD1 Treasury Management Strategy including Prudential Code Indicators 2020/21 (Council 26 February 2020)
- BD2 Mid-year Treasury update (Council 16 December 2020)

APPENDICES

- Appendix A Prudential Indicators
- Appendix B Investment and Borrowing Portfolio
- Appendix C Specified and Non-Specified Investment Criteria

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Appendix A		2020/21 Treasury Management Outturn								
Treasury Management Prudential Indicators										
	2020/21	2020/21	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25		
Capital Expenditure (Based on Capital Strategy Outturn 2020/21):	Original February 2020	Revised Mid year review 20-21	Revised Final Cap Feb 21 Exec	Actual	Revised Cap Outturn Aug 21 Exec					
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
General Fund	20,429	35,271	20,878	17,653	20,296	20,251	26,127	14,795		
HRA	50,384	34,057	31,600	26,708	58,263	57,209	37,186	28,818		
Total	70,813	69,328	52,478	44,361	78,559	77,460	63,314	43,613		
Ratio of financing costs to net revenue stream:	Original February 2020	Revised Mid year review 20-21	Revised Final Cap Feb 21 Exec	Actual	Revised Cap Outturn Aug 21 Exec					
	%	%	%	%	%	%	%	%	%	
General Fund Capital Expenditure	6.43%	8.17%	4.14%	4.27%	4.90%	5.38%	6.26%	6.91%		
HRA Capital Expenditure	18.68%	15.93%	15.84%	15.19%	16.79%	17.30%	17.52%	16.57%		
General Fund: Net revenue stream is the RSG, NNDR grant and Council Tax raised for the year.										
HRA: The net revenue stream is the total HRA income shown in the Council's accounts from received rents, service charges and other incomes. The ratio of financing costs to net revenue stream reflects the high level of debt as a result of self financing.										
Authorised Limit for external debt	Original February 2020	Revised Mid year review 20-21	Revised Final Cap Feb 21 Exec	Actual	Revised Cap Outturn Aug 21 Exec					
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Borrowing - General Fund	73,544	49,918	34,343	34,343	51,372	57,298	58,511	57,612		
Borrowing - Queensway residential		15,000	15,000	15,000	15,000	15,000	15,000	15,000		
Borrowing - HRA	247,627	245,474	245,474	245,474	270,144	285,784	297,764	297,764		
Total	321,171	310,392	294,817	294,817	336,515	358,082	371,275	370,376		
The authorised limit in that it is the level up to which the Council may borrow without getting further approval from Full Council. The Council may need to borrow short term for cash flow purposes, exceeding the operational boundary. The authorised limit allows for £8m headroom above the Operational Boundary (£2m General Fund and £6m HRA), which is in addition to our capital plans.										
Operational Boundary for external debt	Original February 2020	Revised Mid year review 20-21	Revised Final Cap Feb 21 Exec	Actual	Revised Cap Outturn Aug 21 Exec					
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Borrowing - General Fund	71,544	47,918	32,343	32,343	49,372	55,298	56,511	55,612		
Borrowing - Queensway residential		15,000	15,000	15,000	15,000	15,000	15,000	15,000		
Borrowing - HRA	241,627	239,474	239,474	239,474	264,144	279,784	291,764	291,764		
Total	313,171	302,392	286,817	286,817	328,515	350,082	363,275	362,376		
The operational boundary differs from the authorised limit in that it is the level up to which the Council expects to have to borrow. The Council may need to borrow short term for cash flow purposes, exceeding the operational boundary. The operational boundary allows for £7m headroom in addition to our capital plans (£5m General Fund and £2m HRA) plus the additional borrowing facility that may be drawn down by the Housing WOC.										
Gross & Net Debt	31/03/2021	31/03/2021	2020/21	31/03/2021	2021/22	2022/23	2023/24	2024/25		
	Original February 2020	Revised Mid year review 20-21	Revised Final Cap Feb 21 Exec	Actual	Revised Cap Outturn Aug 21 Exec					
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Gross External Debt - General Fund	20,752	17,353	2,525	2,282	13,201	19,570	23,351	23,351		
Gross External Debt - HRA	235,033	230,487	230,487	216,684	246,231	261,871	273,851	273,851		
Gross External Debt	255,785	247,840	233,012	218,966	259,432	281,441	297,203	297,203		
Less Investments	(47,240)	(60,629)	(62,399)	(69,700)	(59,121)	(40,078)	(42,885)	(41,199)		
Net Borrowing	208,545	187,211	170,613	149,266	200,311	241,363	254,318	256,004		
The Gross External Debt is the actual debt taken out by the Council plus any relevant long term liabilities. The Gross External Debt should not exceed the Operational										
The Net Borrowing is defined as gross external debt less investments. The net borrowing requirement may not, except in the short term, exceed the total capital financing requirement in the preceding year, plus the estimates of any additional financing.										
Capital Financing Requirement	31/03/2021	31/03/2021	31/03/2021	31/03/2021	2021/22	2022/23	2023/24	2024/25		
	Original February 2020	Revised Mid year review 20-21	Revised Final Cap Feb 21 Exec	Actual	Revised Cap Outturn Aug 21 Exec					
	£000	£000	£000	£000	£000	£000	£000	£000	£000	
Capital Financing Requirement GF	45,544	42,918	27,343	34,204	44,372	50,298	51,511	50,612		
Capital Financing Requirement HRA	239,627	237,474	237,474	232,597	262,144	277,784	289,764	289,764		
Total Capital Financing Requirement	285,171	280,392	264,817	266,801	306,515	328,082	341,275	340,376		
The Capital Financing Requirement (CFR) reflects the amount of money the Council would need to borrow to fund its capital programme. This is split between the Housing Revenue Account CFR (HRACFR) and the General Fund CFR (GFCFR).										

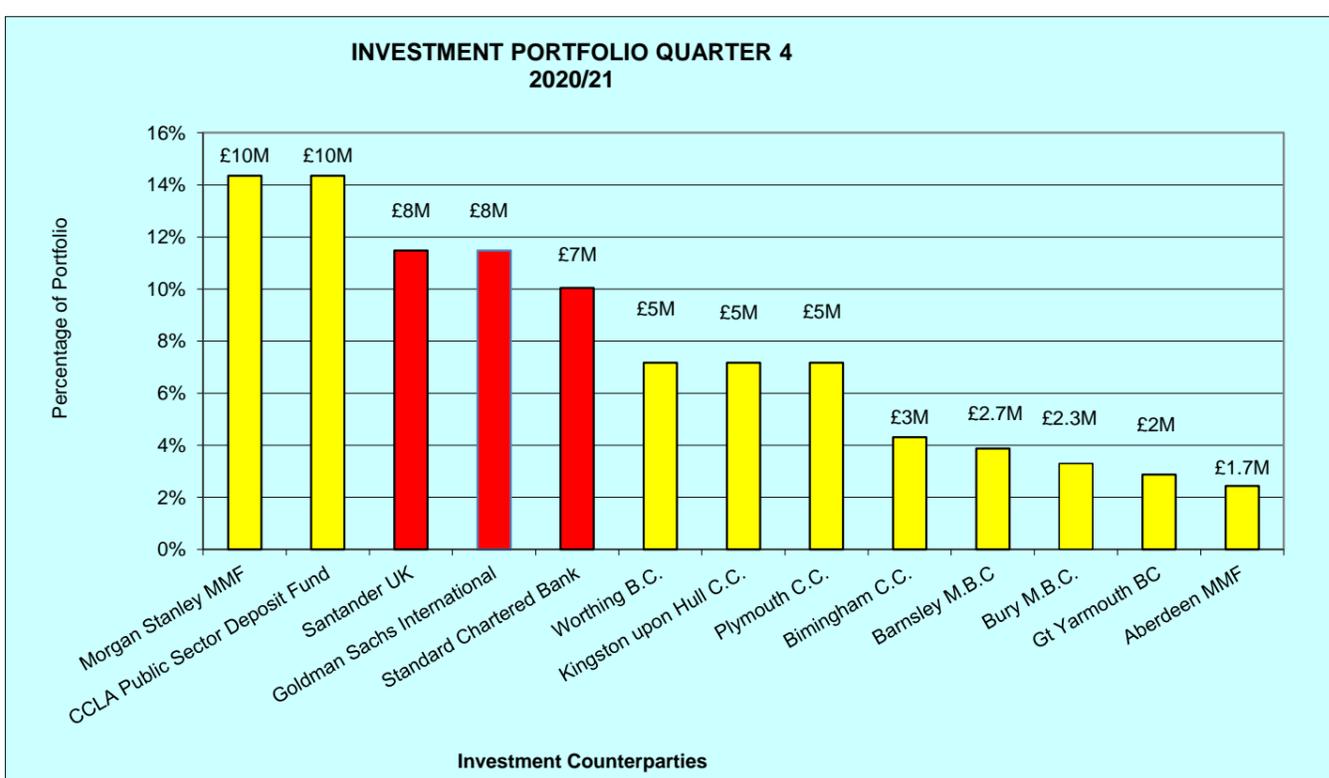
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INVESTMENT PORTFOLIO QUARTER 4 (31st March 2021)

Appendix A

Average interest rate - 2019/20	0.98%
Average interest rate - 2020/21	0.65%
Bank of England Bank Rate	0.10%

<u>Borrower</u>	<u>Nation</u>	<u>Sovereign Rating (Fitch)</u>	<u>Amount £'s</u>	<u>From</u>	<u>To</u>	<u>Rate %</u>
Money Market Funds (Instant Access)						
Morgan Stanley	UK	AA-	10,000,000			0.03
CCLA Public Sector Deposit Fund	UK	AA-	10,000,000			0.05
Aberdeen MMF	UK	AA-	1,700,000			0.01
95 Day Notice						
Standard Chartered Bank	UK	AA-	7,000,000			0.36
Fixed Term Deposit						
Birmingham C.C.	UK	AA-	3,000,000.00	15-Apr-20	14-Apr-21	1.15
Gt Yarmouth BC	UK	AA-	2,000,000.00	16-May-18	17-May-21	1.45
Santander UK	UK	AA-	8,000,000.00	31-Dec-20	30-Jun-21	0.30
Goldman Sachs International	UK	AA-	8,000,000.00	14-Jan-21	14-Jul-21	0.10
Barnsley M.B.C	UK	AA-	2,700,000.00	15-Sep-17	15-Sep-21	0.98
Kingston upon Hull C.C.	UK	AA-	5,000,000.00	28-Sep-20	27-Sep-21	0.32
Plymouth C.C.	UK	AA-	5,000,000.00	30-Nov-20	29-Nov-21	0.25
Worthing B.C.	UK	AA-	5,000,000.00	05-Dec-19	06-Dec-21	1.50
Bury M.B.C.	UK	AA-	2,300,000.00	18-May-20	18-Nov-24	2.00
			69,700,000			



LOAN PORTFOLIO QUARTER 4 (31st March 2021)

Decent Homes Borrowing

<u>Lender</u>	<u>Type</u>	<u>Rate %</u>	<u>Amount £'s</u>	<u>From</u>	<u>To</u>	<u>Life of Loan</u>
PWLB	Fixed Rate/Maturity	4.75	2,000,000	04/03/2010	04/03/2035	25 years
PWLB	Fixed Rate/Maturity	4.28	1,800,000	25/05/2010	25/05/2035	25 years
PWLB	Fixed Rate/Maturity	4.24	963,000	17/08/2010	17/08/2035	25 years
PWLB	Fixed Rate/Maturity	4.65	3,000,000	25/03/2010	25/09/2035	25 1/2 years
PWLB	Fixed Rate/Maturity	1.72	510,000	25/03/2020	25/03/2045	25 Years
PWLB	Fixed Rate/Maturity	1.60	3,500,000	25/03/2020	25/03/2037	17 years
PWLB	Fixed Rate/Maturity	2.06	10,000,000	30/03/2021	30/03/1941	20 years
			21,773,000			

Self Financing Borrowing

<u>Lender</u>	<u>Type</u>	<u>Rate %</u>	<u>Amount £'s</u>	<u>From</u>	<u>To</u>	<u>Life of Loan</u>
PWLB	Fixed Rate/Maturity	2.92	500,000	28/03/2012	28/03/2026	14 years
PWLB	Fixed Rate/Maturity	3.01	8,000,000	28/03/2012	28/03/2027	15 years
PWLB	Fixed Rate/Maturity	3.08	8,700,000	28/03/2012	28/03/2028	16 years
PWLB	Fixed Rate/Maturity	3.15	9,600,000	28/03/2012	28/03/2029	17 years
PWLB	Fixed Rate/Maturity	3.21	10,600,000	28/03/2012	28/03/2030	18 years
PWLB	Fixed Rate/Maturity	3.26	11,000,000	28/03/2012	28/03/2031	19 years
PWLB	Fixed Rate/Maturity	3.30	16,000,000	28/03/2012	28/03/2032	20 years
PWLB	Fixed Rate/Maturity	3.34	17,500,000	28/03/2012	28/03/2033	21 years
PWLB	Fixed Rate/Maturity	3.37	17,600,000	28/03/2012	28/03/2034	22 years
PWLB	Fixed Rate/Maturity	3.40	17,300,000	28/03/2012	28/03/2035	23 years
PWLB	Fixed Rate/Maturity	3.42	15,300,000	28/03/2012	28/03/2036	24 years
PWLB	Fixed Rate/Maturity	3.44	21,000,000	28/03/2012	28/03/2037	25 years
PWLB	Fixed Rate/Maturity	3.46	18,200,000	28/03/2012	28/03/2038	26 years
PWLB	Fixed Rate/Maturity	3.47	19,611,000	28/03/2012	28/03/2039	27 years
PWLB	Fixed Rate/Maturity	3.48	4,000,000	28/03/2012	28/03/2040	28 years
			194,911,000			

Prudential Borrowing

<u>Lender</u>	<u>Type</u>	<u>Rate %</u>	<u>Amount £'s</u>	<u>From</u>	<u>To</u>	<u>Life of Loan</u>
PWLB	Fixed Rate/EIP	2.37	526,316	19/08/2013	19/02/2022	9 1/2 years
PWLB	Fixed Rate	2.29	1,755,950	19/03/2018	19/03/2028	10 years
			2,282,266			

Total Borrowing

218,966,266

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Appendix C
Specified and Non-specified Investment Criteria
(including Treasury Limits and Procedures)

2020/21 Treasury Management Outturn

Table 1

Specified Investments are sterling denominated with maturities up to maximum of one year and must meet the following minimum high credit quality criteria:

Investment Counterparty	Investment Instrument	Minimum High Credit Quality Criteria	Investment Duration
Banks or Building Societies	Overnight Deposit	Fitch: Short Term F1 and Long Term A and Moody, Standard & Poor, equivalent where rated, the lowest rating used where different	Maximum duration as per Treasury Advisor's (Capita's) colour coded Credit List, and less than one year
	Notice Account	Part-nationalised or Nationalised UK banking institutions (subject to regular reviews of government share percentage).	
	Short Term Deposit		
Debt Management Office or UK Local Authority	Any deposit	No limit.	
Money Market Funds	Instant Access or with Notice	AAA rated	Instant Access or notice period up to one year

Table 2

Non-Specified Investment are sterling denominated with a maturity longer than one year but no longer than five years, and must meet the following criteria:

Investment Counterparty	Investment Instrument	Minimum High Credit Quality Criteria	Investment Duration
Banks or Building Societies	Any deposits with maturity up to a maximum of five years	Fitch: Short Term F1+ and Long Term AA- and Moody, Standard & Poor, equivalent where rated, the lowest rating used where different	Maximum duration suggested by Treasury Advisor's (Capita's) colour coded Credit List, and not in excess of five years
Debt Management Office or UK Local Authority		No Limit.	

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Table 3 **Treasury Limits**

Investment Instrument	Cash balances less than £30Million	Cash balances higher than £30Million
	Limits	Limits
Variable Rate Investments (Excluding Enhanced Cash Funds)	Maximum holding £30M	Maximum holding 100%
Counterparty limits (to encompass all forms of investment)	Maximum £5M	Maximum £10M
Instant Access Or Overnight Deposit	Maximum holding 100%	
Fixed Rate less than 12 month maturity	Maximum holding 100%	
Fixed Rate more than 12 months to maturity (includes all types of Fixed Rate Investments i.e. Certificates of Deposits)	Maximum £5M	Maximum £10M
Money Market Funds - Traditional Instant Assess (Counterparty Limit per Fund)	Maximum £5M per MMF	Maximum £10M per MMF
	No limit on total cash held	
Enhanced Cash Funds	Maximum £3M	
Certificates of Deposits	Maximum £5M	
Property Funds	Maximum of £3M - No durational limit. Use would be subject to consultation and approval	

Procedures of Applying the Criteria and Limits	
	Before the Treasury Team makes an investment, the Team will follow the follow procedure to ensure full compliance with the Specified and Non-Specified Criteria and Treasury Limits:
1	Check that the Counterparty is on the Counterparty List (also known as Current Counterparty Report for Stevenage) produced by Link Asset Services (LAS), specifically meeting the Council's Specified and Non-specified Minimum High Credit Quality Criteria in the above Table 1 & 2. If it is not on the list, the Treasury Team will not invest with them.
2	If the Counterparty is on the list, then the Treasury Team refers to the Credit List produced by LAS in colour coding, to determine the maximum investment duration suggested for the deposit, as per the column of Suggested Duration (CDS Adjusted with manual override).
3	Refer to the Treasury Limits in the above Table 3 to ensure the amount invested complies with the Treasury Limits.

STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

Date: Wednesday, 8 September 2021

Time: 6.00pm

Place: Council Chamber, Daneshill House, Danestrete, Stevenage

Present: Councillors: John Gardner (Vice-Chair in the Chair), Myla Arceno, Julie Ashley-Wren, Stephen Booth, Graham Lawrence, Nick Leech, Maureen McKay, Claire Parris and Loraine Rossati.
Mr Geoffrey Gibbs (Independent Co-opted Non-voting Member).

Start / End Time: Start Time: 6.00pm
End Time: 7.30pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence had been submitted by Councillor Teresa Callaghan (Chair).

There were no declarations of interest.

2 MINUTES - 8 JUNE 2021

It was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 8 June 2021 be approved as a correct record and signed by the Chair.

3 EXTERNAL AUDIT OF SBC ACCOUNTS 2019/20 - PROGRESS REPORT

Neil Harris from Ernest & Young (EY LLP) provided an update to Members on the External Audit of Accounts for 2019/2020, together with proposals for the External Audit of the 2020/21 Accounts.

Neil Harris advised that, whilst some progress had been made towards completing the audit of the 2019/20 SBC accounts, there were still some outstanding issues regarding the valuation of assets. The Strategic Director (CF) was currently in the process of finalising the "Going Concern" element, which was a new requirement to demonstrate that Councils would be stable financially until March 2023.

The Strategic Director (CF) commented that long-standing staff changes were continuing to impact on the valuation of assets area. The 2019/20 accounts would not be ready to present to the Audit/Statement of Accounts Committee meeting scheduled for 29 September 2021, as further consultation on the accounts would be required prior to final review.

In terms of the 2020/21 accounts, the Strategic Director (CF) stated that it was anticipated these would be finished in draft by the end of September 2021. EY LLP had confirmed that, provided this deadline was met, they would commence the audit

of those accounts in November 2021. EY LLP had also confirmed that the audit would be conducted by a fully-resourced team, although were mindful of the strain on the SBC Finance Team in view of the fact that November was an important month for Council budget setting.

Neil Harris explained that a capacity issue had been seen across many local government organisations and external auditors. Around 30 other 2019/20 local government audits carried out by EY LLP had not yet been concluded. EY LLP had made representations to various bodies, including the Ministry of Housing, Communities & Local Government and Public Sector Audit Appointments, seeking their views on what they considered to be an appropriate time of the year for public sector audits.

In response to a Member's question regarding audit capacity, Neil advised that this was a national problem across all Public Sector Audit suppliers, exacerbated by the increasing strain on Local Authority Finance Teams. However, the Ministry of Housing, Communities and Local Government (MHCLG) would be undertaking a national root and branch review of the issue.

In reply to a further question, the Strategic Director (CF) confirmed that the previous requirement had been for the unaudited accounts to be published by the end of May each year, to enable the external audit to take place thereafter (SBC had met this deadline up to 2020). The existing problems and delays regarding the 2019/20 accounts had been an unprecedented combination of staff turnover, a shortage of finance professionals and the impact of the Covid pandemic.

As there were still a number of outstanding queries on the 2019/20 accounts, together with the need to allow time for consultation and final review, it was confirmed that the Audit Committee/Statement of Accounts Committee meeting scheduled for 29 September 2021 would be cancelled.

It was **RESOLVED** that the verbal progress report on the external audit of the SBC accounts 2019/20 be noted.

4 SHARED ANTI-FRAUD SERVICE (SAFS) ANNUAL REPORT 2020/21

The Head of the Shared Anti-Fraud Service (SAFS) presented an annual report in respect of the Anti-Fraud Plan 2020/21.

The Head of SAFS advised that, with regard to the Covid-19 pandemic, SAFS had continued to provide support to the Council, both in tackling a significant increase in cybercrime activities and in relation to SBC's small grants schemes, which were at risk of fraud. All cybercrime activities had been reported to the National Fraud Centre, who would take action to take down the fraudulent websites.

With regard to the 2020/21 Anti-Fraud Plan/Annual Report, the Head of SAFS stated that all Key Performance Indicators (KPIs) for had been met, with the exception of the "Properties Recovered" target. This had been due to the Government decision to not evict tenants during the Covid lockdown.

The Head of SAFS commented that, although the level of reported fraud had declined during 2020/21, SAFS had issued fraud alerts to the Council on 31 occasions. 38 cases had been investigated and closed in the year, and 25 of those had been identified as fraud losses/savings totalling £195,000.

The Head of SAFS referred to the proactive work undertaken by SAFS during 2020/21, including fraud awareness training (e-learning) and a number of publicity campaigns carried out.

In response to a series of Member's questions, the Head of the Shared Anti-Fraud Service replied as follows:

- SAFS remote access to partner Council IT systems had improved;
- Members of the public, neighbours and Housing Officers were the major sources of SAFS being informed of empty or illegally sub-let Council properties, together with interrogation of relevant Council IT systems;
- The Key Performance Indicators for 2021/22 were similar to those for 2020/21 to allow for managing the workload within existing resources and to concentrate on good quality support and investigations, rather than trying to achieve unrealistic quantitative targets;
- In terms of whistleblowers, SAFS would only become involved should fraud be alleged by the whistleblower, and all non-fraud cases were the responsibility of the Strategic Director (CF); and
- It was confirmed that welfare fraud had remained stable throughout 2020/21; tenancy fraud had experienced some movement/fluctuation; and only one Covid-19 Support Grant application had been investigated for fraud.

In reply to a Member's request, the Head of the Shared Anti-Fraud Service undertook to provide that Member with a copy of an SBC Tenancy Agreement.

It was **RESOLVED**:

1. That the Council's work to combat fraud in 2020/21 be noted.
2. That the performance of the Shared Anti-Fraud Service (SAFS) in meeting its Key Performance Indicators in 2020/21 be noted.

5 SHARED ANTI-FRAUD SERVICE (SAFS) ANTI-FRAUD PLAN 2021/22 - PROGRESS

The Head of the Shared Anti-Fraud Service (SAFS) gave a verbal update regarding progress with delivery of the 2021/22 Anti-Fraud Plan.

The Head of SAFS stated that the 2021/22 Key Performance Indicators were on target. He advised that, as the end of August 2021, SAFS had received 44 fraud referrals and was currently handling 45 "live" cases, with an estimated fraud loss of £600,000. 29 cases had been closed in 2021/22 - £157,000 worth of fraud had been prevented and an estimated £55,000 of fraud losses were in the process of recovery. A prosecution was proceeding in respect of one fraudulent claim for Government Covid Grant financial assistance, and four Council properties had been

recovered due to breaches in tenancy agreements.

In relation to other matters, the Head of SAFS explained that anti-fraud training had been delivered to the Council's Housing and Environmental Health Teams; and that he would be submitting 4 documents (Revised Anti-Fraud and Corruption Strategy; Anti-Money Laundering Policy; Revised Whistleblowing Policy; and New Fraud Prosecution and Sanction Policy) to the November Audit Committee meeting for approval/endorsement.

In response to a Member's question, the Head of the Shared Anti-Fraud Service commented that it would be difficult to measure the level of fraud in Stevenage in comparison with other areas of the UK. The Strategic Director (CF) added that performance was related to the number of cases detected, but that this could not be quantified in relation to the total level of fraud (detected or undetected) in any given local authority area. She stated that there was a role for the Audit Committee to ensure that good governance and controls were in place when it received audit outcomes/recommendations from SIAS following audits of various service areas.

It was **RESOLVED** that the progress of Shared Anti-Fraud Service (SAFS) in respect of the Anti-Fraud Plan 2021/22 be noted.

6 SIAS INTERNAL AUDIT PLAN 2021/22 - PROGRESS REPORT

The SIAS Client Audit Manager presented a progress report with regard to the SIAS Internal Audit Plan 2021/22 (up to 20 August 2021).

The SIAS Client Audit Manager advised that, July 2021, audit reports had been issued in respect of Leasehold Properties 2020/21 (Satisfactory Assurance); Vehicle Workshop (Substantial Assurance); and North Road Development (Substantial Assurance). The table at Paragraph 2.3 of the report summarised the position with regard to the 21 audits proposed for 2021/22.

The SIAS Client Audit Manager referred to Paragraph 2.4 of the report, which set out the proposed changes to the audit programme, namely the deferral of the Council Housebuilding & Acquisitions Programme audit to 2022/23 and the addition of the Homes England Compliance audit.

The SIAS Client Audit Manager drew attention to the 4 High Priority Recommendations contained in the report, 3 of which had been implemented. He intended to report progress regarding the fourth Recommendation to the November meeting of the Committee.

It was **RESOLVED**:

1. That the SIAS Internal Audit Plan 2021/22 progress report be noted.
2. That the changes to the SIAS Internal Audit Plan 2021/22, as at 20 August 2021, be approved.
3. That the status of Critical and High Priority Recommendations be noted.

7 ANNUAL TREASURY MANAGEMENT STRATEGY - REVIEW OF 2020/21

The Strategic Director (CF) presented a report on the Annual Treasury Management Review of 2020/21, including the Prudential Code.

The Strategic Director began by pointing out two minor errors to the report, namely:

- Pie Chart at Paragraph 4.2.4.2 of the report – the figure for the Collection Fund should be “£12.2M) 16%”; and
- Table at Paragraph 4.2.6.1 of the report – should be headed “Investment balances 2017/18 to 2024/25”.

The Strategic Director (CF) advised that, in 2020/21, the Council’s investment balance were higher than normal, due to the temporary uplift caused by the Government’s Covid Support Grants. The Council’s average investment balance of £63M had earned £406,000 of interest, with an average interest rate of 0.65%. There had been Capital expenditure of £44.36M, some of which had been financed through borrowing. The Minimum Revenue Provision’s charge to the General Fund in 2020/21 was £275,775, as broken down in Paragraph 4.2.5.2 of the report.

The Strategic Director confirmed that a Member Training session on Treasury Management, primarily aimed at Executive and Audit Committee Members, but also open to all Members, had been arranged to take place on 14 October 2021.

In reply to Members’ questions, the Strategic Director (CF) explained the composition of “Other Allocated Reserves” set out in the pie chart at Paragraph 2.2.4.2 of the report; and confirmed that SBC investments were managed through external treasury management advisors, who would of course endeavour to seek the most advantageous interest rates possible on investments.

It was **RESOLVED** that, subject to any comments from the Executive, the 2020/21 Annual Treasury Management Review be recommended to Council for approval.

8 URGENT PART 1 BUSINESS

None.

9 EXCLUSION OF PUBLIC AND PRESS

It was **RESOLVED**:

1. That under Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as described in Paragraphs 1 - 7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access to information) (Variation) Order 2006.
2. That Members considered the reasons for the following reports being in Part II and determined that the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.

10 PART II MINUTES - AUDIT COMMITTEE - 8 JUNE 2021

It was **RESOLVED** that the Part II Minutes of the meeting of the Audit Committee held on 8 June 2021 be approved as a correct record and signed by the Chair.

11 STRATEGIC RISK REGISTER

The Committee received the Council's latest Strategic Risk Register.

The Corporate Performance & Improvement Officer updated the Committee on changes to key risks and answered Members' questions.

It was **RESOLVED**:

1. That the latest Strategic Risk Register (set out in Appendices A1 – A3 to the report) be noted.
2. That developments on risk management issues be noted.

12 URGENT PART II BUSINESS

None.

CHAIR