# Public Document Pack

Daneshill House
Danestrete
Stevenage
Hertfordshire

16 February 2022

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 Thursday, 24 February 2022 at 7.00pm and you are summoned to attend to transact the following business.

Yours faithfully

Matthew Partridge
Chief Executive

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## AGENDA

**1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

**2. MINUTES - 26 JANUARY 2022**

To approve as a correct record the Minutes of the meeting of the Council held on 26 January 2022.

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**3. FINAL GENERAL FUND AND COUNCIL TAX SETTING 2022/23 AND CAPITAL STRATEGY 2021/22 - 2025/26**

To approve the Council’s Final General Fund and Capital Budgets for 2022/23, projected 2021/22 General Fund and Capital Budgets, and final proposals for the 2022/23 Council Tax and Council Tax Support Scheme.

[Note: Approval of the Council Tax Resolution set out in Appendix F is subject to confirmation of the precept figures for Hertfordshire County Council, which won’t be available until after the County Council has met to determine this on 22 February 2022.]

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## 4. ANNUAL TREASURY MANAGEMENT STRATEGY INCLUDING PRUDENTIAL CODE INDICATORS 2022/23

To consider an Officer report that recommends the approval of the Treasury Management Strategy 2022/23, including the Prudential Code indicators.

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# STEVENAGE BOROUGH COUNCIL

## COUNCIL
## MINUTES

**Date: Wednesday, 26 January 2022**
**Time: 7.00pm**
**Place: Council Chamber, Daneshill House, Danestrete, Stevenage**

**Present:** Councillors: Sandra Barr (Mayor), Philip Bibby CC, Lloyd Briscoe, Teresa Callaghan, Graham Lawrence CC, Nick Leech, Mrs Joan Lloyd, Andy McGuinness, Maureen McKay, Lin Martin-Haugh, Adam Mitchell CC, Robin Parker CC, Claire Parris, Sharon Taylor OBE CC and Jeannette Thomas.

**Start / End Time:** Start Time: 7.00pm
End Time: 7.49pm

## 1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

The Mayor announced that in light of the current Covid situation, including the spread of the Omicron variant, the meeting was being held with reduced numbers of Councillors present.

Apologies for absence were submitted on behalf of Councillors Myla Arceno, Julie Ashley-Wren, Doug Bainbridge, Stephen Booth, Rob Broom, Adrian Brown, Matt Creasey, Michael Downing, John Duncan, Alex Farquharson, John Gardner, Jody Hanafin, Liz Harrington, Richard Henry, Jackie Hollywell, Chris Howells, Lizzy Kelly, Wendy Kerby, Sarah Mead, Margaret Notley, Loraine Rossati, Graham Snell, Simon Speller and Tom Wren.

There were no declarations of interest.

At this juncture, the Mayor paid tribute to the late former County Councillor Mona Warren and the recently deceased former Borough Councillor Carol Latif (a past SBC Mayor).

A number of further tributes to both former councillors were given by other Members and the Council stood to observe a minute’s silence.

## 2 MINUTES - 15 DECEMBER 2021

It was **RESOLVED** that, subject to the deletion of Councillor Stephen Booth from the list of those present at the meeting, the Minutes of the Council meeting held on 15 December 2021 be approved as a correct record and signed by the Mayor.

## 3 FINAL HOUSING REVENUE ACCOUNT (HRA) BUDGET SETTING AND RENT REPORT 2022/23

The Council considered a report seeking approval to the Housing Revenue Account (HRA) Budget and Rent Setting for 2022/23. The recommendations of the Executive, made at its meeting held on 19 January 2022, had been circulated to Members on a supplementary agenda.

The Executive's recommendations contained in the supplementary agenda, together with an amended Appendix A to the report contained in a second supplementary agenda, were moved and seconded.

In response to a Member's question asking if the contingencies figure in the report included ring-fenced amounts set aside for the identified risks of inflation costs and potentially higher interest rates, the Strategic Director (CF) advised that when the Council increased the amount of borrowing to enable investment into its housing stock, a sum of £3.4Million had been ring-fenced for interest rate changes. She added that the HRA Business Plan would be taking a significant proportion of that increased debt in the next few years when interest rates were expected to be low. It was currently forecasted that there would be no further borrowing until 2030/31. A much higher interest rate for these loans (which would all be fixed rate) had been built into the Business Plan.

Another Member asked the following questions on the report:

- Paragraph 3.3 – why does the hardship criteria not apply to SBC's HRA?;
- Are the HRA Service Charges set separately from the rent levels each year?;
- What effect will the higher rent arrears level due to the Covid-19 pandemic have on the HRA? And what is being done to address those anticipated arrears?;
- Could there be clarification of the sense/meaning of the final sentence in the bottom paragraph of the second page of Appendix B to the report (Page 28 of the Agenda Pack) with regard to re-letting of voids?; and
- Paragraph 3.2 - Could it be confirmed that the lower levels of inflation than expected in the HRA Business Plan for 2020/21 was a positive impact, and could the meaning of the third sentence regarding interest rates on borrowing and inflation be clarified?

The Strategic Director responded to these questions, and agreed to provide the questioner with a full written reply to each of them.

Upon the motion being put to the vote, it was **RESOLVED:**

1. That HRA rent on dwellings be increased, week commencing 4 April 2022, by 4.1% which is an average increase of £4.06 for social rents, £6.60 for affordable rents and £4.74 for Low Start Shared Ownership homes per week (based on a 52-week year). This has been calculated using the rent formula, CPI + 1% in line with the Government's rent policy, as set out in Paragraph 4.1.1 of the report.

2. That the 2022/23 HRA Budget, as set out in the amended Appendix A to the report, be approved.

3. That the 2022/23 growth options, as set out in Section 4.8 of the report, with supporting impact assessments in Appendix B, be approved. This includes new match funding for a Decarbonisation Grant application of £950,000.

4. That the 2022/23 Fees and Charges, as set out in Appendix C to the report, be approved.

5. That the 2022/23 service charges be approved.

6. That the minimum level of reserves for 2022/23, as shown in Appendix D to the report, be approved.

7. That the Rent Increase Equalities Impact Assessments set out in Appendix E to the report be noted.

8. That the contingency sum of £250,000 within which the Executive can approve supplementary estimates be approved for 2022/23 (unchanged from 2021/22).

9. That the comments from the Overview & Scrutiny Committee and Portfolio Holder Advisory Group, as set out in Paragraph 4.10 of the report, be noted.

## 4 RESOLUTION TO GRANT APPROVAL FOR COUNCILLOR ABSENCE AT COUNCIL MEETINGS - SECTION 85 LOCAL GOVERNMENT ACT 1972

The Council consider a report seeking approval, in accordance with section 85(1) of the Local Government Act 1972, for Councillor non-attendance at in- person meetings of the Council for reasons related to the ongoing Coronavirus pandemic.

It was **RESOLVED** that, in accordance with Section 85 of the Local Government Act 1972, non-attendance for any Councillor unable to attend meetings in person due to the ongoing impact of the Coronavirus pandemic be approved, the period of approval to commence from 15 December 2021 and will expire on 24 May 2022 (the day immediately before Annual Council).

## 5 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 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.

## 6 PART II MINUTES - 15 DECEMBER 2021

It was **RESOLVED** that the Part II Minutes of the Council meeting held on 15 December 2021 be approved as a correct record and signed by the Mayor.

**MAYOR**

Part 1 | Stevenage BOROUGH COUNCIL | Agenda item:

| | |
|---|---|
| **Meeting** | COUNCIL |
| **Portfolio Area** | RESOURCES |
| **Date** | 24 February 2022 |

**FINAL GENERAL FUND AND COUNCIL TAX SETTING 2022/23**

**KEY DECISION**

| | |
|---|---|
| **Authors** | Clare Fletcher \| 2933 |
| **Contributor** | Senior Leadership Team |
| **Lead Officers** | Clare Fletcher \| 2933 |
| **Contact Officer** | Clare Fletcher \| 2933 |

## 1 PURPOSE

1.1 To consider the Council's draft 2022/23 General Fund Budget, Council Tax Support Scheme and draft proposals for the 2022/23 Council Tax.

1.2 To consider the projected 2021/22 General Fund Budget

## 2 RECOMMENDATIONS

That Council be recommended to approve:

2.1 The 2021/22 revised net expenditure on the General Fund of £11,680,510 is approved.

2.2 Members note the inclusion of the 2022/23 Fees and Charges of £341,780 (Appendix B to this report) in the draft 2022/23 budget.

2.3 The draft General Fund Budget for 2022/23 of £11,151,760, with a contribution from balances of £1,055,629 and a Band D Council Tax of £225.57 (assuming a 2.26% increase).

2.4 The updated position on the General Fund Medium Term Financial Strategy (MTFS), summarised in section 4.13 be noted.

2.5 The minimum level of General Fund reserves of £3,471,038 in line with the 2022/23 risk assessment of balances, as shown at Appendix C to this report, is approved.

2.6 The contingency sum of £400,000 within which the Executive can approve supplementary estimates, be approved for 2022/23, (reflecting the level of balances available above the minimum amount).

2.7 The Making Your Money Count (MYMC) options as set out in section 4.2 and Appendix A, totalling £780,945 and £39,370 for the General Fund and HRA respectively for 2022/23 be approved.

2.8 The Growth options included in section 4.3 are approved for inclusion in the 2022/23 General Fund (£120,078) and HRA (£63,360) budgets.

2.9 That the General pressures set out in section 4.3 to this report be approved.

2.10 Members approve a further £300,000 to pump prime Transformation to be included in the Council's 2022/23 budget setting processes to enable to significantly contribute to the savings targets as set out in section 4.11.

2.11 Members approve the identification of a further £500,000 of MYMC options for the June 2022 MTFS report as set out in paragraph 4.11.4.

2.12 Members approve the use of the business rate gains only once realised and ring fence the use for firstly the financial resilience of the Council and if required to be transferred to the Income Equalisation Reserve and thereafter, they are used for Regeneration or Co-operative Neighbourhood one off spend.

2.13 That the 2022/23 Council Tax Support scheme is approved as set out in section 4.6 to this report.

2.14 That the comments from Overview and Scrutiny as set out in section 4.19 is noted.

2.15 That Members note the Equalities Impact Assessments appended to this report in Appendices D and E.

2.16 The work of the Leader's Financial Security Group (LFSG) in reviewing the efficiency, commercial and fees and charges as outlined in section 4.17 of the report is noted.

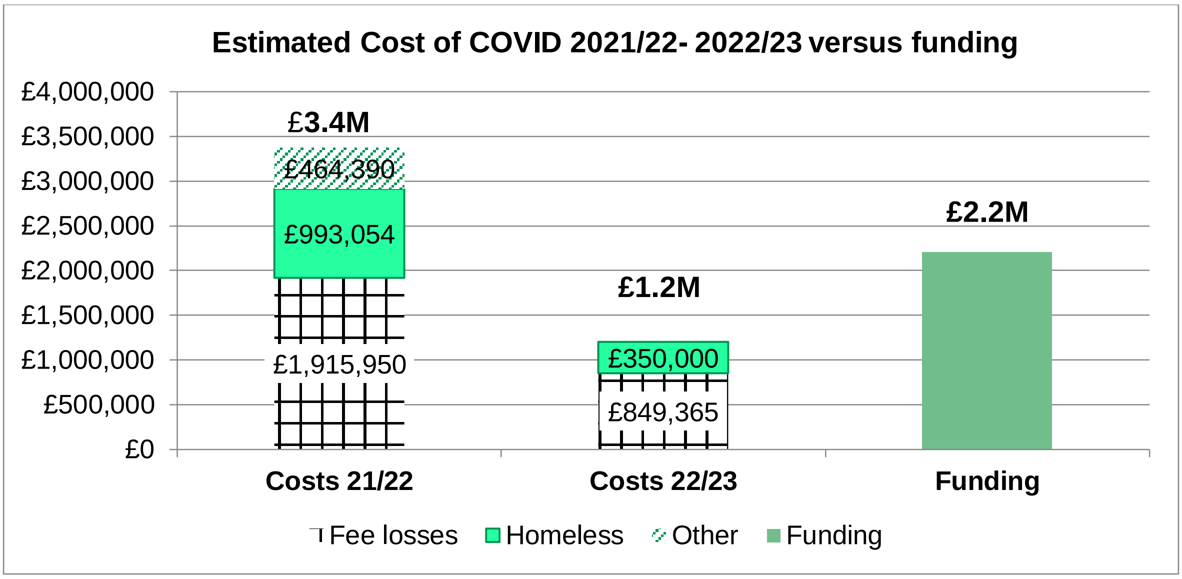
2.17 That key partners and other stakeholders are consulted and their views considered as part of the 2022/23 budget setting process.

2.18 That in accordance with the Council's Budget and Policy Framework Procedure Rules, the Council be recommended to continue with the current Co-operative Corporate Plan, subject to further review in Autumn 2023, (paragraph 4.18.5-4.18.7 refers).

## 3 BACKGROUND

3.1 This report is an update on the Council's Draft General Fund and Council Tax setting report 2022/23 presented to the January 2022 Executive. This report gives an update on the 2021/22 and 2022/23 budgets with regards to any further savings, growth or pressures. The General Fund Budget forms part of the Council's Budget and Policy Framework. Under Article 4 of the Constitution, the Budget includes: the allocation of financial resources to different services and projects; proposed contingency funds; setting the council tax; the council tax support scheme; decisions relating to the control of the Council's borrowing requirement; the control of its capital expenditure; and the setting of virement limits.

3.2 COVID pressures continue to be significant for the Council and a summary of the net cost of COVID as at January 2022 is summarised in the chart below.




3.3 The January 2022 Executive report summarised the provisional funding settlement for Stevenage which was £280,430 more than the value which was included in the latest MTFS to the December Executive. This was largely due to the inclusion of a further 2022/23 Lower Tier Grant and a one off Services Grant (see also section 4.1).

3.4 The Chancellor announced an additional £1.6Billion per annum (2022/23 to 2024/25) for local government as part of Spending Review 2021 (SR21). The majority of this amount has been included in the Core Spending Power figures. Based on the figures in the Core Spending Power amounts, there has been a national net increase in funding (excluding the multiplier adjustment and Adult Social Care reform funding) of £1.526Billion. A breakdown of this change is shown below and the impact for Stevenage detailed in section 4.1.

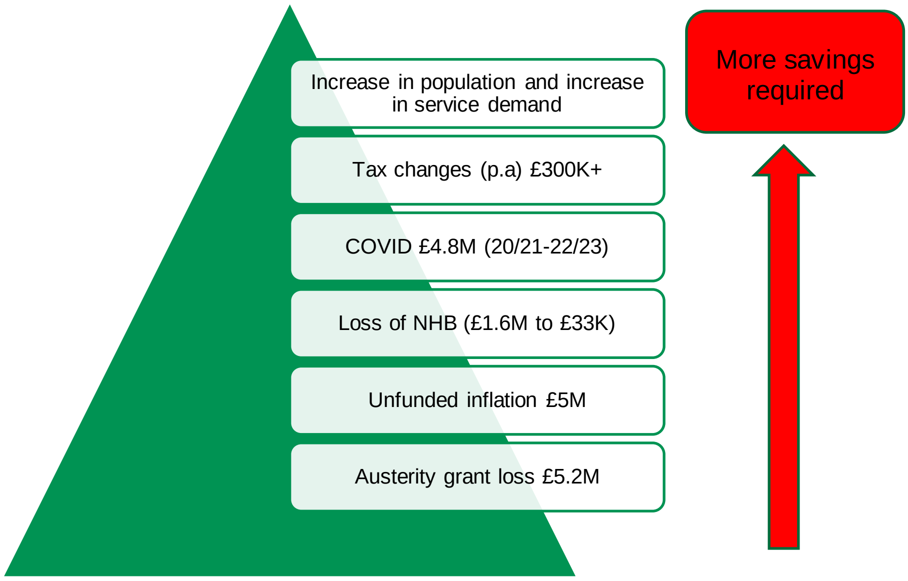
- + £822Million Services Grant – A new grant based on 2013/14 Settlement Funding Assessment (SFA) shares
- + £636Million – Increase to the Social Care Grant

- + £63Million – Inflationary increase to the Improved Better Care Fund
- + £72Million – Increased Revenue Support Grant (RSG) (based on CPI)
- (£68Million) – Reduction in New Homes Bonus Funding
- Council Tax increases for District Council's up to the greater of £5 on a Band D property or 2%.

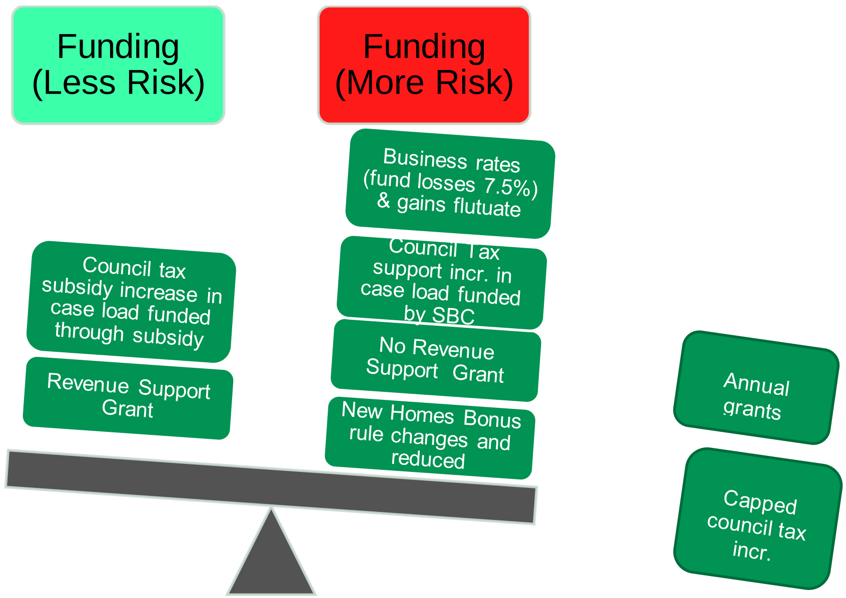
3.5 The Council must set a balanced budget each year (Local Government Finance Act 1992). The Council is required to estimate revenue expenditure and income for the forthcoming year from all sources, together with contributions from reserves, in order to determine a net budget requirement to be met by government grant and council tax.

3.6 The ability to set a balanced budget and retain services has become harder due to the financial impacts of government grant loss, government policy changes and COVID losses in recent years have resulted in the Council having to find cumulative savings of £11Million since 2010/11 through what is now the Making Your Money Count programme.

***Pyramid of Pressures for the General Fund***

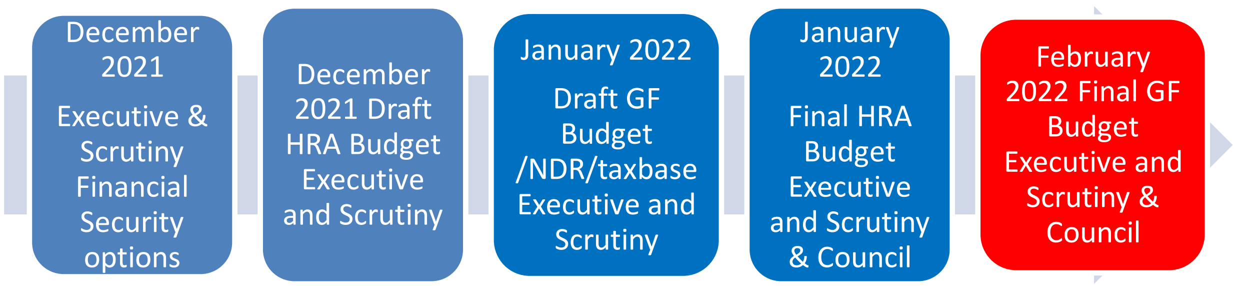



3.7 At the same time there has been a transition towards more inherent risks within local government funding, with fluctuations in caseloads and funding streams, together with annual grant funding for new burdens such as the Homeless Reduction Act, as illustrated below.




3.8 The February Draft budget highlighted additional net pressures of £212,900 for 2022/23, resulting in a net budget of £11,206,660, with a contribution from balances of £1,112,817 and a council tax increase of 2.26% for 2022/23.

3.9 The Budget and Policy Framework Procedure Rules in the Constitution, prescribe the Budget setting process, which includes a consultation period. The timeline for the implementation of this process is outlined below.




## 4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

### 4.1 Final Finance Settlement 2022/23

4.1.1 On 16 December 2021, the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC) released a written statement to Parliament on the provisional local government finance settlement 2022/23. The settlement is for one year only and is based on the Spending Review 2021 (SR21) funding levels.

4.1.2 A further year of lower tier services grant was given, with a total national value remaining unchanged at £111Million. Whilst the distribution methodology is the same as 2021/22 (mostly using 2013/14 SFA amounts, but partly providing a minimum funding guarantee so no authority has a reduction in CSP), individual authorities' allocations have changed, due to the minimum funding guarantee element, (Stevenage 2022/23 £117,682 provisional settlement 2022/23 £115,932 compared to 2021/22 £140,043).

4.1.3 A Services Grant (Nationally £822Million) was also announced. It appears as though this is to cover only one year, however the national total funding amount is expected to appear in each of the next two years settlements at a Core Spending Power (CSP) level. The methodology may change so the same level of funding is not guaranteed but this grant includes funding for the increased National Insurance Contributions (NIC's)burden and it might be reasonable to expect all authorities will receive some level of funding going forward, (Stevenage 2022/23 £177,337).

4.1.4 The council tax referendum limit will be 2% for local authorities, with social care authorities allowed an additional 1% for the social care precept. The provisional settlement confirmed that districts will be allowed to apply the higher of the referendum limit or £5 (2.26% for Stevenage Borough Council), and that social care authorities will be allowed to 'catch up' any of the 3% referendum limit from last year which was unused.

4.1.5 As announced in the 2021 Spending Review, the business rates multiplier has been frozen for 2022/23. Therefore, the three elements of the Business Rates Retention system (Baseline Need, NNDR Baseline and Tariff/Top Up amounts) remain unchanged, (except for pilots, where amounts have increased to reflect grants rolled in). The under-indexing multiplier grant has been increased (by £375Million), in order that local authorities do not lose what would have been the increase to the multiplier (Stevenage 2022/23 £262,915).

4.1.6 The New Homes Bonus (NHB) 2022/23 allocations have been announced at £554Million, a reduction of £68Million, (part of the £1,526Million as noted at 3.4) on 2021/22. There have been no changes to the scheme for 2022/23, with a single year's new allocation made alongside the outstanding legacy payment for 2019/20. There is no planned legacy payment for 2022/23 (as in 2020/21 and 2021/22), the Stevenage NHB allowance has increased as a result of additional affordable homes created in the Borough from the £8,400 estimated by £23,800 giving a total of £32,200.

4.1.7 Top Up/Tariff Adjustments (Negative RSG) – As in previous years, the government has decided to eliminate the negative RSG amounts, this would have been a cost of £27,146 to Stevenage Borough Council in 2022/23.

4.1.8 There was a change to the final settlement between provisional and final. Stevenage's settlement figures which is summarised below. Members should note the increase in under indexing is included in the revised business rate assumptions within this report.

**Table 1-Final Finance Settlement (2022/23)**

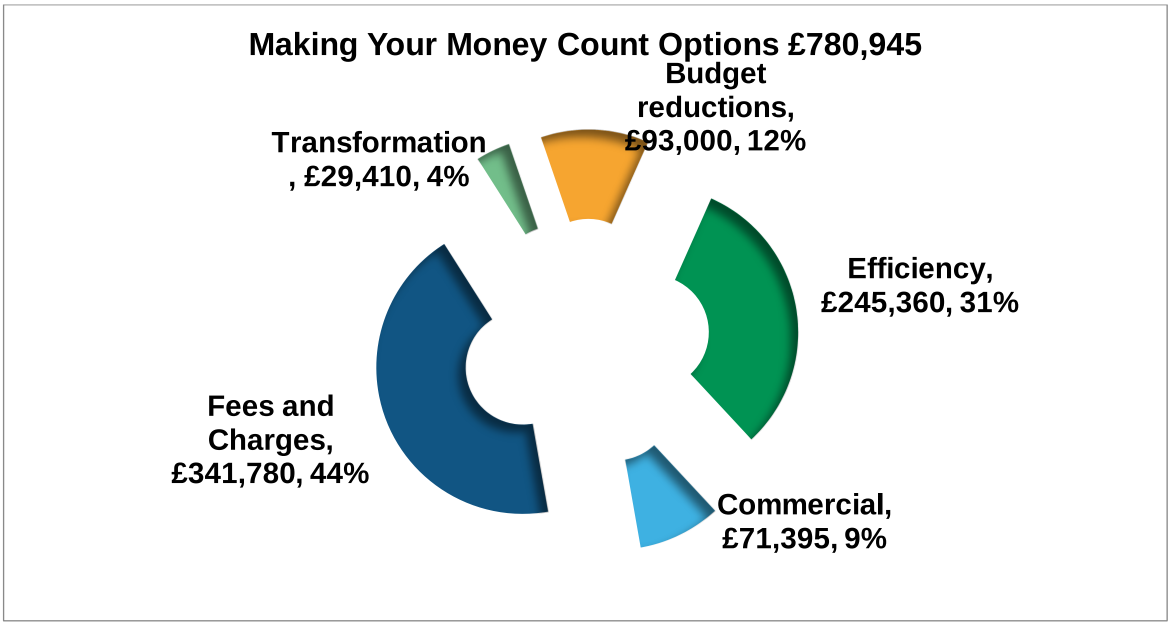
| | Provisional Settlement | Final Settlement | variance |
|---|---|---|---|
| Business Rates | £2,572,848 | £2,572,848 | £0 |
| Under indexing | £211,363 | £262,915 | £51,552 |
| Total Business Rates | **£2,784,211** | **£2,835,763** | **£51,552** |
| NHB (legacy payments) | £32,200 | £32,200 | £0 |

| Table 1-Final Finance Settlement (2022/23) | | | |
|---|---|---|---|
| | Provisional Settlement | Final Settlement | variance |
| Lower Tier services grant* | £115,392 | £117,682 | £2,290 |
| 2022-23 Services Grant | £177,337 | £177,337 | £0 |
| **Total** | **£3,109,140** | **£3,162,982** | **£53,842** |

**included in NDR1 calculations in February 2022 report*

### 4.2 The MYMC Options

4.2.1 The MYMC options approved at the January 2022 Executive for consideration by Overview and Scrutiny totalled £780,945 and remain unchanged from the January report. The Council's ability to deliver savings, particularly in the current climate is becoming ever more difficult and choices have to be made in weighing up increasing fees and charges versus reducing services, beyond any efficiency savings identified. The options summarised below highlight those which have been met through the Transformation, commercial and insourcing programmes with the remainder secured through budget reductions, (detailed in Appendix A and B to this report).




4.2.2 The 2022/23 budget options include some service reduction in order to meet the necessary level of savings required. The Executive Portfolio holders reviewed their areas of responsibility for discretionary spend in terms of:

- Level of spend
- Ability to deliver so one or two larger savings versus multiple small savings with the former being preferred.

4.2.3 Two options have been put forward for Executive approval to close the funding gap and ensure the Council's continued financial resilience. These options are summarised below and included in Appendix A.

| Table 2 2022/23 Funding the gap | | | | |
|---|---|---|---|---|
| **Service** | **Potential Staff Redundancy** | **Description** | **Service spend** | **General Fund** |
| Play Service | 2 | The proposal, subject to consultation, is to reduce the days the play centres are open in the school holidays by three days a week at each centre and for each day reduce by one hour. Pop up play and play outside of play centres would still be part of the offer, (full year saving £100K). | £514,150 | £75,000 |
| Funding for Co-operative Neighbourhoods | 0 | Seed funding was introduced from 2021/22, however CIL funding will be coming on stream in 2022/23 and it is proposed to use prior year under spends/ NDR gains once realised up to £60K to fund works | £18,000 | £18,000 |
| | **2** | | | **£93,000** |

4.2.4 The decision to recommend these options is to ensure that the General Fund has sufficient balances and the ability to meet the MTFS principle to contribute to balances by 2024/25 so maintaining financial resilience. In addition the Play option will also look to better utilise the buildings and remodel the service. Officers recommend play option one.

4.2.5 The impact of the options in terms of staffing reductions if all of the options are approved would result in an estimated three redundancies. These redundancies will be subject to consultation and remain an indicative number at present.

4.2.6 **Overview and Scrutiny** considered the options at the meeting held on the 25 January 2022 and the Committees comments are set out in section 4.19 to this report.

4.2.7 Fees and charges also are included in the overall MYMC savings package and were approved at the December 2021 Executive and reviewed by Overview and Scrutiny at their meeting of the 14 December 2021. Most will be implemented in January 2022 and are for note. In addition to the fee changes in Appendix B, the notice period for returning a garage has been amended from one week to a month to allow sufficient time and notice to inspect and re-let garages and is in line with normal practice.

4.2.8 The savings options in this report are all on-going to ensure they mitigate the increased costs identified in this report and any inability to deliver them in next or future years will require equivalent value replacement savings

4.2.9 The ability to deliver further savings remains a challenge for the vast majority of Councils including Stevenage for the reasons set out in paragraphs 3.6-3.7. The Council's MYMC plan beyond 2022/23 is use the following key work streams to help meet the target;

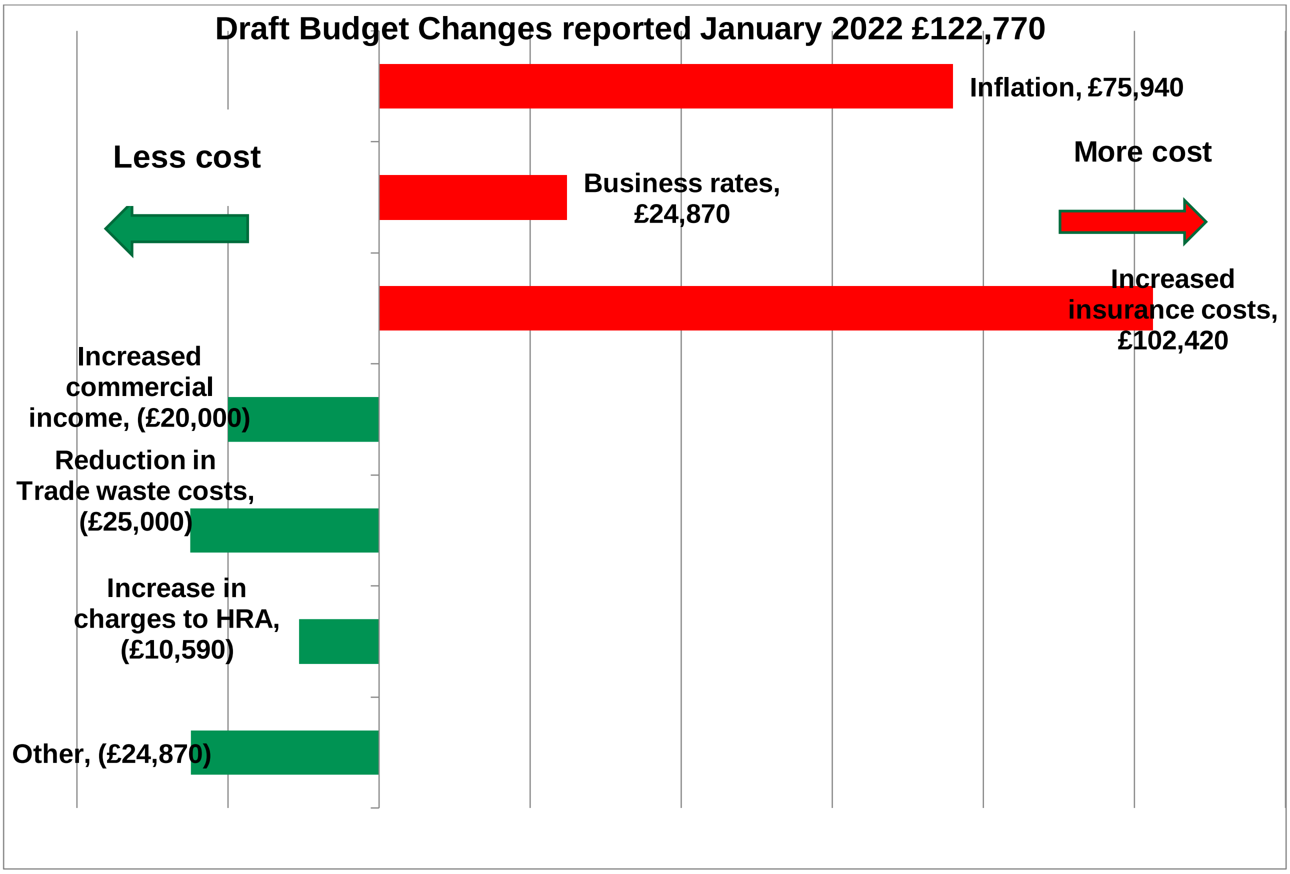
- Transformation of council activities with more on-line services.
- Insourcing and commercial options, through the Council's Co-operative and Commercial and Insourcing Strategy
- The potential expansion of the Revenue and Benefits shared service.
- The new leisure management procurement to commence April 2023.

These work streams are used alongside fees and charges and council tax increases with service rationalisation utilised only when necessary.

4.2.10 Members approved as part of the January Draft budget report the identification of a further £250,000 of savings to be included in the June 2022 MTFS report. The CFO considered this essential as a further financial resilience measure if the impact of COVID or other pressures worsen the Council's General Fund position. This has been revised as set out in paragraph 4.11.4.

**4.3 Growth and Pressure currently assumed in the General Fund 2022/23**

4.3.1 The 2022/23 December MYMC General Fund budget included growth pressures of £1.65Million, of which 73% were COVID related. In the January report additional £122,770 of net costs was reported as summarised below.

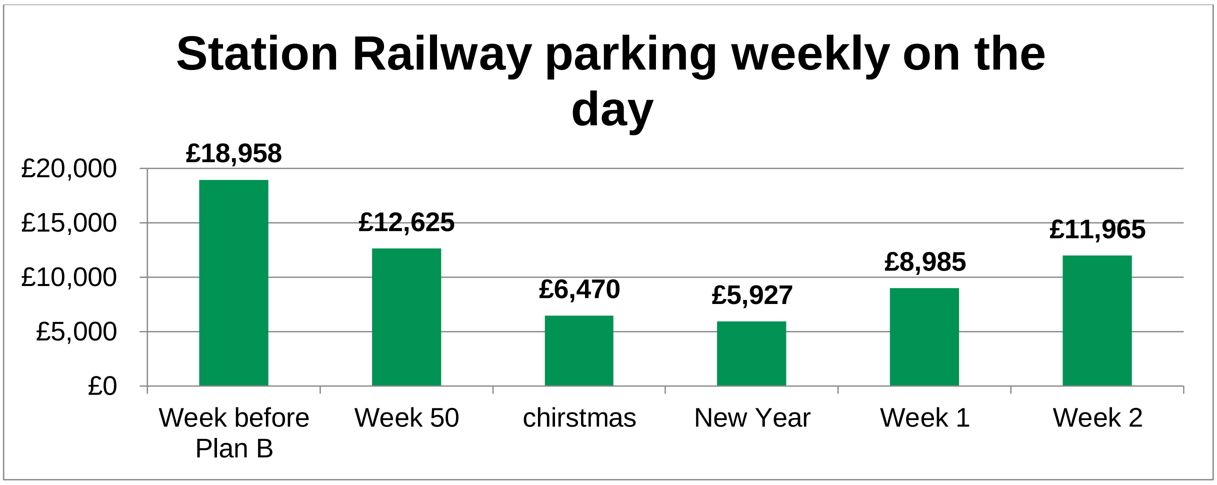


4.3.2 In addition to the costs above, a net reduction in spend of £21,580 (February 2022 Executive pressure of £33,320) have been included in the 2022/23 budget which are:

- February 2022 report: Confirmation of the additional increase for the Shared Revenue and Benefits service SLA 2022/23, £27,520.
- February 2022 report: Increase in standby payments for General Fund housing function £5,800.
- New: Increased investment interest (net of HRA share) £56,900 (due to the Bank of England base rate)
- New: Increased cost of borrowing £2,000 (due to the Bank of England base rate)

4.3.3 The impact of the Governments Plan B and work from home if you can directive (now ended), has impacted on the Council's car parking income and the current 2021/22 projection of a loss of £1.5Million could be higher than anticipated. Although the end of Plan B has been announced (27 January 2022) , it is a little early to predict if losses will be higher, however station railway parking has started to increase, as shown below.

4.3.4 If parking paid on the day increases from £34K per week (first two weeks of January) to £42K per week then further losses will be minimal. At week two (2022) the income was £37.5K. No further losses have been included in the 2021/22 budget and the position will be reassessed as part of the 3rd quarter monitoring report.




## 4.4 Growth Options

4.4.1 The draft budget included growth bids as set out below, these remain unchanged from the January report and include the further growth bid approved for inclusion in the budget at the December Executive. The bids below were welcomed at the December 2021 Overview and Scrutiny meeting.

| Table 3- Growth Proposal | Impact of Growth Proposal | £ General Fund | £ HRA | £ Capital |
|---|---|---|---|---|
| New Climate change officer post and continuation of time limited resources approved for 2020/21-2021/22. | To meet the Climate Change agenda and deadline of zero emissions by 2030, a dedicated post is required (plus the continuation of time limited resources) to drive the priority forward across the Council. | £45,000 | £45,000 | |
| two new Regeneration officers to meet the increase in programme (Towns Fund, Levelling up, increased Regeneration activity) | The Team are at a critical phase in the business cases; it will be very intensive between now and Christmas to get the first half through, and then efforts will be redoubled January-March to get the 3rd and 4th tranches through. The additional two posts will increase capacity to deliver. | £56,718 | £0 | £25,482 |
| Post to keep digital context for front line and back office staff | There is no post currently to keep the key central information (INTRANET) current, as a source of key data. This will allow up to date information to internal and external customers in a timely fashion. | £18,360 | £18,360 | £0 |
| | | **£120,078** | **£63,360** | **£25,482** |

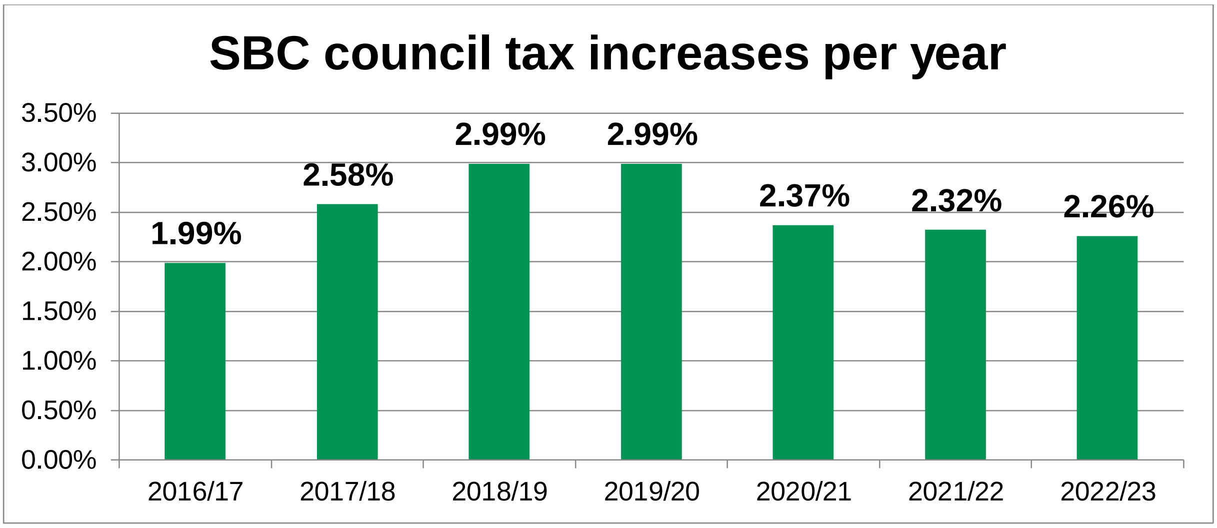
## 4.5 Council Tax

4.5.1 Part of the budget setting process includes consideration of council tax levels. The provisional settlement allows for a 2% or £5.00 on a Band D (2.26%), whichever is the greater, before a referendum on an amount above this is required. The provisional settlement consultation closed on the 13 January and the outcomes have not yet been published but the Draft Budget assumes the 2.26% increase.

4.5.2 The table below shows the increase per property band based on a 2.26% increase.

| Table 4-Council Tax increase modelled for Stevenage Precept 2022/23 | | | | |
|---|---|---|---|---|
| **Tax band** | **2021/22** | **2.26% increase** | **Total cost per year** | **Total cost per week** |
| A | £147.05 | £3.33 | £150.38 | £2.89 |
| B | £171.55 | £3.89 | £175.44 | £3.37 |
| C | £196.06 | £4.45 | £200.51 | £3.86 |
| D | £220.57 | £5.00 | £225.57 | £4.34 |
| E | £269.59 | £6.11 | £275.70 | £5.30 |
| F | £318.60 | £7.22 | £325.82 | £6.27 |
| G | £367.62 | £8.33 | £375.95 | £7.23 |
| H | £441.14 | £10.00 | £451.14 | £8.68 |

4.5.3 Increasing council tax by 2.26% versus 1.99% gives the Council an additional £17,098 per year, this is below inflation (CPI) and will be the lowest increase since 2016/17 as summarised below.




4.5.4 Council tax is a key funding resource and locally raised taxation has become more important to the General Fund for the reasons set out in paragraphs 3.6-3.7. As in previous years the council tax increase will not be agreed until the February Council meeting. Based on the increasing financial dependency the General Fund budget the CFO recommends a 2.26% increase, (compared to the inflation data for December which was 5.4%).

**4.6 Council Tax Support**

4.6.1 A local CTS scheme cannot be revised for at least one financial year. A Billing Authority (for example SBC) must consider whether to revise or replace its scheme with another on an annual basis.

4.6.2 Any revision to a scheme must be made by the Council by the 11 March, immediately preceding the financial year in which it is to take effect and will require consultation with those affected. Additionally consideration should be given to providing transitional protection where the support is to be reduced or removed.

4.6.3 The Council must, in the following order, consult with major precepting authorities (i.e. Hertfordshire County Council and Police and Crime Commissioner for Hertfordshire), publish a draft scheme in such manner as it thinks fit, and consult such other persons as it considers are likely to have an interest in the operation of the scheme. The CFO wrote to both precepting authorities regarding the proposal for 2022/23 and at the date of writing the report no response had been received from the PCC or HCC.

4.6.4 The current **working age** scheme requires those all maximum benefit only to pay 8.5% of their council tax bill for the year. This equated to £143.87 for a Band C council home in 2021/22 on the total bill (an additional 25% discount for a single person) or £2.77 per week.

4.6.5 Members approved a resolution, during the October 2021 Executive Council Tax Support report, to retain the existing scheme for 2022/23. Members are recommended to agree the existing scheme uprated to reflect benefit changes for 2022/23.

**4.7 Business Rates Income**

4.7.1 The December MTFS only included the 2022/23 base line funding for business rates, or the amount the government has assessed the Council needs under its funding needs formula. Any gains above this are not guaranteed and have fluctuated from year to year and cannot therefore fund on-going spend.

4.7.2 The CFO recommended in the December 2021 MYMC report that unrealised gains in the business rate reserve, and any new 2022/23 gains that are subsequently forecast, are only allocated for spend (one off in nature), once achieved at the year end, due to the level of balances and the volatility in business rates from year to year. Any gains available shall be reported to Members for spending options in a June report, with a recommended use for Regeneration or Co-operative Neighbourhood one off spend.

4.7.3 The completion of the NDR1 form, (issued by the government) determines the level of business rates collectable, level of reliefs due in 2022/23, together with the current business rate yield in January. This has been delegated to the CFO after consultation with the Resources Portfolio holder to approve.

4.7.4 The government has announced new 2022/23 business reliefs for the retail and hospitality sector. The government compensates Councils for loss of business rates for these type of new reliefs by giving Section 31 grants, as they supress the income yield and therefore the Council's share of business rates. Guidance received prior to Christmas shows there will be a limit of £110,000 business rate relief per business (not by premise). This means working out how much relief and therefore S31 grant is due is difficult to assess. Grants may be issued in April and businesses required to sign a declaration to determine whether if any other part of the business has claimed reliefs from other councils or subsidiaries.

4.7.5 The January 2022 draft budget report made an initial assessment before the system data could be run to complete the NNDR1. This has now been completed and a comparison of the January and the NDR1 submission are shown below. There has been an estimated £198,222 increase in projected gains.

| Table 5- Summary Business Rates | January estimate 2022/23 Budget | February Estimate | Variance |
|---|---:|---:|---:|
| Business Rates SBC share | (£16,393,516) | (£17,691,042) | £1,297,526 |
| S31 | (£2,579,722) | (£1,618,316) | (£961,405) |
| Total Business Rates income | **(£18,973,238)** | **(£19,309,358)** | **£336,121** |
| Tariff | £15,429,346 | £15,429,346 | £0 |
| Funding | (£3,543,892) | (£3,880,012) | £336,121 |
| Levy | £338,763 | £476,662.00 | (£137,899) |
| **Total Retained** | **(£3,205,129)** | **(£3,403,350)** | **(£198,222)** |

| Table 5- Summary Business Rates | January estimate 2022/23 Budget | February Estimate | Variance |
|---|---|---|---|
| Base line Funding | (£2,783,802) | (£2,783,802) | £0 |
| **Total Retained** | **(£421,327)** | **(£619,549)** | **(£198,222)** |

4.7.6 The NNDR 1 shows gains above the baseline level of £2.78Million, however this will be dependent on a number of factors including:

- There are still appeals outstanding from the 2010 list and no appeals have been yet been settled from the 2017 list. These appeals may be settled at sums which are higher than what has been set aside for.
- The Revenues Team have prioritised the distribution of grants to businesses and the ability to address arrears has been impacted by limited court time.
- Businesses have received business rate reliefs and a moratorium on eviction for rent arrears (up to the end of March 2022). In 2020/20-2021/22 as this support reduces, there could be a spike in debts and companies going into administration. The Revenues service has been and continues to work with businesses to manage their arrears.
- For note the 2020/21 gains were significantly impacted by COVID.

4.7.7 The 2021/22 business rates have also been revised (but are subject to the points in paragraph 4.7.6). In 2021/22 (like 2020/21), a significant repayment to the Collection Fund is projected because reliefs were announced (in March 2021), after the level of business rates had been approved for the year. The 2021/22 revised estimate is shown below and includes an increase in the net surplus of £67,731.This increase will be transferred to the NDR reserve until realised and an update will be provided at the June 2022 Executive.

| Table 6 -2021/22 Business Rates | January 2021/22 Projected | February 2021/22 Projected | Variance | Repay Collection Fund 2022/23 |
|---|---|---|---|---|
| Business Rates | (£15,114,209) | (£15,257,204) | (£142,995) | (£142,995) |
| Business Rates Tariff | £15,429,346 | £15,429,346 | £0 | |
| Levy | £412,640 | £474,069 | £61,430 | |
| S31 grants NNDR | (£3,886,781) | (£3,872,946) | £13,835 | |
| Total in year business rates | **(£3,159,004)** | **(£3,226,735)** | **(£67,731)** | **(£142,995)** |
| Repay 2020/21 NDR losses to collection Fund in 2022/23 | | | | £387,834 |
| **Total Repayment to the Collection Fund** | | | | **£244,839** |

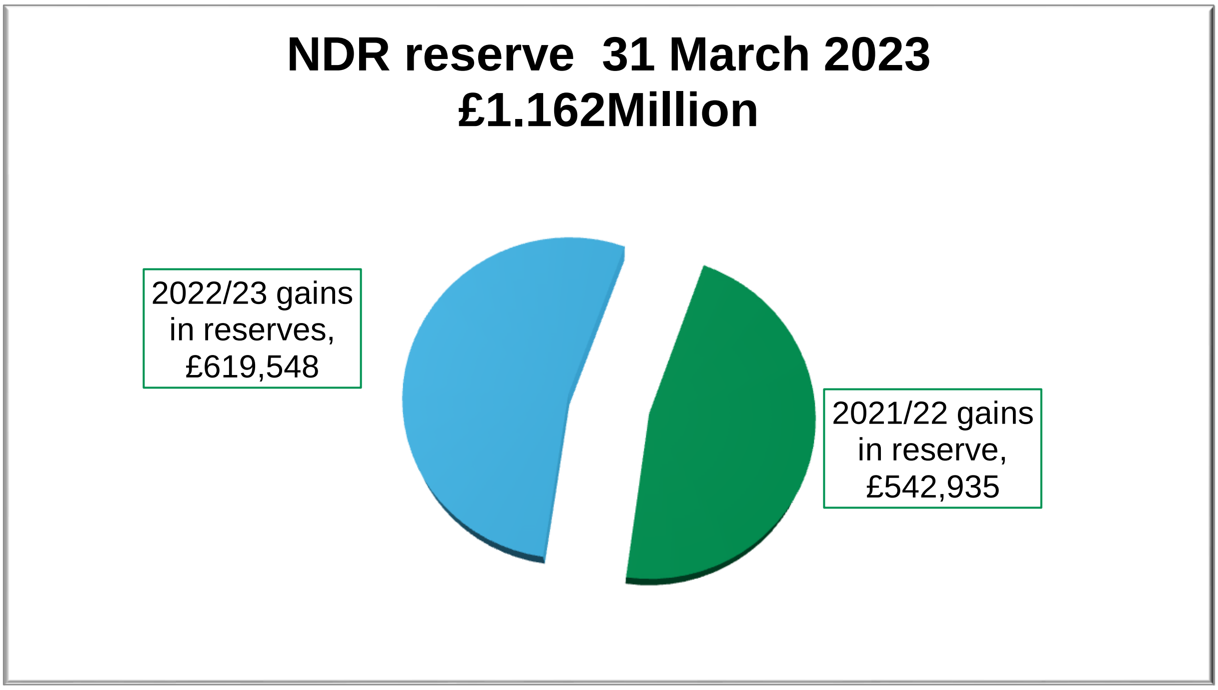
4.7.8 The 2021/22 estimates do not include any assumptions about the COVID Additional Grant Relief (CARF) of £2.6Million announced in December 2021, this is because the scheme has to be devised (in line with government guidelines) and there may be a difference between award and eligibility under the scheme and subsequent reliefs given. S31 grants would be given to compensate councils for the loss of business rate yield, but S31 Grants are paid in the year they fall due and business rates are paid based on the NNDR1 estimate. A consequence could be that assumed S31 grants may not be realised in 2022/23 if the business rate relief given was lower and therefore not reimbursed by the government in that year, leading to a deficit which would be recoverable in 2023/24. The impact of the CARF relief will be included in the 2021/22 year end government submission, (NNDR3).

4.7.9 Business rate gains in 2021/22 and 2022/23 have not been included in General Fund balances, with gains transferred to the NDR allocated reserve until realised due to the risks identified in paragraph 4.7.6. Furthermore under the proposed business rate re-set these gains could disappear, to align the business rate yield more in line with the baseline assessment.

4.7.10 The balance of the gains in the NDR allocated reserve, which are not planned to be returned to the General Fund or are uncommitted as at the 31 March 2023, total £1,162,483. The January 2022 Draft report stated,

*'The CFO recommends that the primary purpose (of any such gain) should be to ensure the continued financial resilience of the Council and if required to be transferred to the Income Equalisation Reserve and thereafter, they are used for Regeneration or Co-operative Neighbourhood one off spend'*.

4.7.11 The January 2022 Draft Budget report recommended that these gains are allocated for spend (one off in nature) once achieved at the year end; this is due to the level of balances and the volatility in business rates from year to year. A summary of the Business Rate balances are shown below.



4.7.12 Any gains available in respect of the 2021/22 gains of £542,171, shall be reported to Members with spending options in June 2022 report. The first call on this funding will be to improve the resilience of the General Fund if required.

### 4.8 2022/23 General Fund Net Expenditure

4.8.1 The 2021/22 projected and the 2022/23 final General Fund net expenditure is summarised below, including the changes from the December 2021 and January 2022 report.

| **Table 7 Summary of 2022/23 budget movements** | **On-going** | **£** | **On-going £** |
|---|---|---|---|
| Total Net budget reported December 2021 | | £10,427,020 | |
| New Homes Bonus increase in income | N | (£23,800) | |
| Reduction in 2022/23 savings options | Y | £12,000 | £12,000 |
| Draft budget changes | Y | £122,770 | £122,770 |
| Climate Change growth option (approved at December Executive) | Y | £45,000 | £45,000 |
| Transfer 2022/23 NDR gains to allocated reserve | N | £420,920 | |
| Other | Y | £310 | £310 |
| **Total budget movements January report** | | **£577,200** | **£180,080** |
| Increase in Revenue and Benefits contract | | £27,520 | £27,520 |
| Increase in standby payments for homeless staff | | £5,800 | £5,800 |
| Increase in NDR admin grant | | (£500) | (£500) |
| Transfer prior year balances from NDR reserve | | (£172,000) | |
| Transfer of increase in 2021/22 gains to allocated reserve (payable in 2022/23) | | £143,000 | |
| Transfer of increase in 2022/23 NDR gains to allocated reserves | | £198,620 | |
| Total Budget Movements February report | | **£202,440** | **£32,820** |
| Increased Investment income | Y | (£56,900) | (£2,540)* |
| Increased borrowing cost | Y | £2,000 | £2,000 |
| Total post February Executive changes | | **(£54,900)** | **(£540)** |
| **Updated General Fund 2022/23 net budget** | | **£11,151,760** | **£212,360** |

**balances are projected to reduce so 2022/23 investment income not projected to be maintained*

4.8.2 The 2022/23 net budget has increased by a further £212,360 compared to the December Making Your Money Account report, however this includes the in year net increase in transfer to NDR reserves of £169,620, with the increase in on-going pressures now totalling £212,360.

4.8.3 The January and February 2022 draft budget reports recommended an increased savings target for future years and that Transformation savings when identified should be taken in 2022/23 to improve the resilience of the General Fund budget.

## 4.9 2021/22 General Fund working budget

4.9.1 The 2021/22 Net General Fund Budget reduced by £75,270 at the February 2022 Executive, which related to the reduction in the transfer to reserves to business rates reserve to fund the increase in NDR levy and reduction in S31 grants in core resources (and as identified in Table 6 in this report). A summary is shown in the table below.

| Table 8 Summary of 2021/22 budget movements | On-going | £ | On-going £ |
|---|---|---|---|
| Quarter 2 working budget | | £11,697,780 | |
| Backdated Ridlin's Business rates (see also Table 4) | Y | £160,000 | £33,280 |
| Rental for space at Daneshill | N | (£105,000) | |
| Daneshill house (asbestos removal/new ways of working) | N | £46,000 | |
| COVID grants | | | |
| BEIS (4) administration costs for administering grants | N | (£73,000) | |
| Protect and vaccinate rough sleepers funding | N | (£185,160) | |
| COVID spend relating to grants | N | £215,160 | |
| **Total budget movements January report** | | **£58,000** | **£33,280** |
| Reduction in NDR transfer to reserves to fund increased levy and reduction in S31 grants | N | (£75,270) | |
| **Updated General Fund 2021/22 net budget** | | **£11,680,510** | |

## 4.10 Projected General Fund Balances

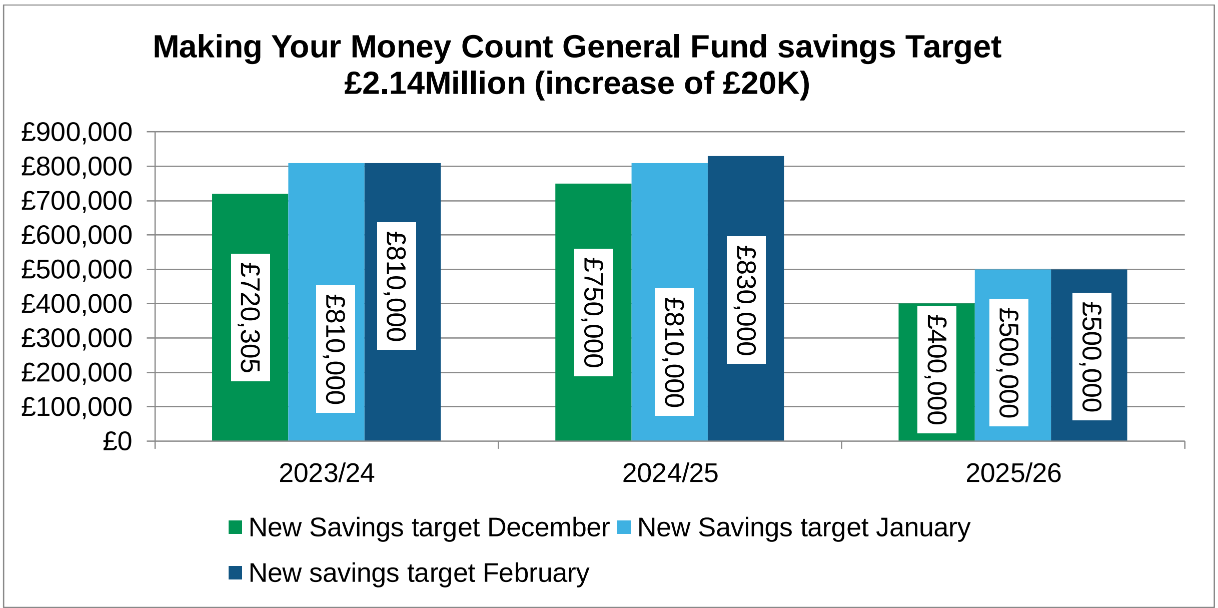
4.10.1 The projected General Fund balances and council tax requirement are below and summarised in Appendix H.

| General Fund Budget | 2021/22 Estimate | 2021/22 Projected | 2022/23 Estimate |
|---|---|---|---|
| Net Expenditure | £10,635,570 | £11,680,510 | £11,151,760 |
| (Use of)/ Contribution to Balances | (£326,066) | (£1,458,912) | (£1,055,629) |
| **Budget Requirement** | **£10,309,504** | **£10,221,598** | **£10,096,131** |
| Lower Tier Grant | (£140,043) | (£140,043) | (£117,682) |
| Council tax Support grant | (£118,859) | (£118,859) | |
| Service Grant | £0 | £0 | (£177,337) |
| Total grant support | **(£258,902)** | **(£258,902)** | **(£295,019)** |
| Business Rates net of tariff and levy | (£2,343,779) | (£2,282,349) | (£1,785,034) |
| S31 grants NNDR | (£815,229) | (£3,872,946) | (£1,618,316) |
| **Total in year business rates** | **(£3,159,008)** | **(£6,155,295)** | **(£3,403,350)** |
| (Return) /Contribution to Collection Fund (NDR) re 2021/22 | £0 | £0 | £2,928,560 |
| (Return) /Contribution to Collection Fund (NDR) re 2020/21 | £8,547,930 | £8,453,530 | £816,665 |

| General Fund Budget | 2021/22 Estimate | 2021/22 Projected | 2022/23 Estimate |
|---|---|---|---|
| (Return) /Contribution to Collection Fund (NDR) pre 2020/21 | (£821,128) | (£821,128) | £0 |
| Transfer from NNDR reserve | (£8,461,090) | (£5,282,497) | (£3,776,102) |
| Collection Fund Surplus (ctax) | (£40,152) | (£40,152) | (£50,090) |
| Council Tax Requirement | £6,117,154 | £6,117,154 | £6,316,795 |
| Council Tax Base<br>Council Tax Band D<br>Council Tax Band C | 27,734<br>£220.57<br>£196.07 | 27,734<br>£220.57<br>£196.07 | 28,004<br>£225.57<br>£200.51 |

### 4.11 Financial Security Targets Future Years

4.11.1 The Financial Security target for 2023/24-2025/26 was revised as a result of the further service pressures identified in the January report (section 4.3), however the increase in on-going costs reported in February 2022 and included in Table 7 has meant a small revision to the 2024/25 target as shown below, (an increase of £20K on the previous target). This will need to be reviewed at the next MTFS update to ensure firstly that there is a zero draw or a contribution to balances by 2024/25 and secondly to reflect any further impacts of COVID on the General Fund.




4.11.2 This savings target is based on the following pressures and funding assumptions being realised. An on-going continuation of parking and garage income losses as estimated for 2022/23 would increase required savings by circa £1Million, more than doubling the MYMC target for the year.

| Table 10-Rationale for Savings Target | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|---|
| **Pressures above the base budget:** | | | | |
| Homeless costs | £410,000 | £310,000 | £310,000 | £60,000 |

| Table 10-Rationale for Savings Target | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|---|
| Car Parking losses | £719,760 | £0 | £0 | £0 |
| Garage rental losses | £265,720 | £0 | £0 | £0 |
| Commercial rent bad debt provision | £129,601 | £120,000 | £120,000 | £120,000 |
| Contribution to income equalisation reserve | £150,000 | £100,000 | £0 | £0 |
| Total | **£1,675,081** | **£530,000** | **£430,000** | **£180,000** |
| **Funding increases:** | | | | |
| Additional grant funding in settlement | (£292,730) | (£120,000) | (£120,000) | £0 |
| **Net Pressures** | **£1,382,351** | **£410,000** | **£310,000** | **£180,000** |

4.11.3 Savings targets beyond 2022/23 are predicated on an improving position for both garage and car parking income and a reduction in homeless costs. There are other risks in addition to those shown above which are summarised below.

| Expenditure and Income | Table 11 – Risks to Financial Resilience | Risk (to increase cost) |
|---|---|---|
| **Inflation** | supply chains issues have led to scarcity of materials and HGV drivers, which impact on the cost of service delivery | high |
| | 2021/22 pay award rejected by the unions, 2022/23 pay inflation could increase with as a result of general inflation increases | high |
| | Projections for inflation of CPI at 4% will exacerbate inflationary pressures in the General Fund and HRA for pay, goods and services. | high |
| | The National insurance increase announced for social care will increase contractual commitments | high |
| **COVID** | The cost of COVID maybe on-going to the Council as a result of higher homeless costs and lower fees and charges | high |
| | The impact of COVID on the Council's leisure provider may lead to requests for further support above that given in 2020/21 | high |
| **Core funding** | The government has signalled a business rate reset in which current gains could be removed through a higher tariff applied to business rates retained | high |
| | The Fair Funding review could reduce the level of funding deemed by the government to be required by the Council | Medium |
| | Grant funding for new burdens is announced annually such as homeless or rough sleeper funding which makes recruitment and retention difficult on a permanent basis | high |

| Expenditure and Income | Table 11 – Risks to Financial Resilience | Risk (to increase cost) |
|---|---|---|
| | There is uncertainty around future years government funding with only a high level three year settlement figure announced in the budget | high |

4.11.4 Due to the level of risk outlined above and the assumptions that the Council's three main income streams garages, commercial rents and car parking will in the main achieve pre-2020/21 levels beyond 2022/23, the CFO now recommends that a higher level of savings are identified up to a value of £500K to be allow the Council flexibility over which options could and should be implemented if the General Fund financial resilience reduces and also to consider whether to commence efforts to meet the estimated 2023/24 MYMC target earlier. The Executive will be updated on possible options at the June 2022 Executive meeting.

4.11.5 The MYMC savings options going forward are anticipated to be driven through the Transformation and Commercial and Insourcing Strategy. But if sufficient savings or the timing of savings doesn't coincide with the required target, then the probability of further service reductions is likely as the Council's ability to deliver efficiency savings has diminished.

### 4.12 Risk Assessment of General Fund balances

4.12.1 The General Fund balances have been risk assessed for 2022/23 and the minimum level of balances required is £3,471,038, unchanged from the January report (£3,653,529, 2021/22)

4.12.2 The risk assessment of balances includes amounts for general overruns in expenditure and losses of income (1.5% of the gross value) and in addition for specific risks.

4.12.3 The impact of COVID on fees and increased costs is included in the risk assessment with an additional £1Million allocated, (£750K fees and £250K costs) in addition to that assumed within the budget.

### 4.13 General Fund Reserve Projections

4.13.1 General Fund balances are projected to be £3.6Million by 2025/26 which means a reduction of £2.8Million from balances held at 1 April 2021.

| Table 12 GF Balances £'000 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|---|---|
| **Revised Balances at 31 March each Year:** | (£6,401) | (£4,942) | (£3,829) | (£3,349) | (£3,349) |
| **use of balances** | £1,459 | £1,056 | £492 | (£9) | (£201) |
| **General fund Balance 1 March** | (£4,942) | (£3,886) | (£3,395) | (£3,404) | (£3,605) |

4.13.2 The 2022/23 projected year end balances are £3,886,329, (February 2022 report was £3,829,140) which is £425,291 above the risk assessed balances of £3,471,038. This is considered to be only a minimal cushion above the assessed level of reserves, however the risk assessed balances does include £1Million for COVID fee losses and additional costs. This further enforces the recommendation in paragraph 4.11.4 to identify £500K of further potential savings.

### 4.14 Contingency Sums

4.14.1 Members will recall that a Contingency Sum needs to be determined as part of the Budget and Policy Framework in order to avoid the need for all supplementary estimates to be considered by Council during the course of the year. This contingency sum constitutes an upper cumulative limit during the financial year within which the Executive can approve supplementary estimates, rather than part of the Council's Budget Requirement for the year. A sum of £400,000 is proposed for 2022/23 which remains unchanged from the current year, however due regard will need to be given to breaching minimum balances.

4.14.2 In addition to the delegations the Council is retendering to the leisure contract as identified in paragraph 4.2.9 will be awarding the new leisure contract. The estimate size and length of the contract means this will be an Executive decision.

### 4.15 Allocated Reserves

4.15.1 The allocated reserves as at 31 March 2023 are estimated to be £3.877Million, of which £1.16Million relates to unrealised 2021/22 and 2022/23 business rate gains. The allocated reserves are summarised in the following table.

**Table 13 Movements to/from Allocated Reserves £'000**

| Allocated Reserve | Balance as at 1 April 2021 | Anticipated transfer to/from reserves | Forecast balance as at 31 March 2022 | Anticipated transfer to/from reserves | Forecast balance as at 31 March 2023 |
|---|---|---|---|---|---|
| New Homes Bonus | (£469) | £230 | (£239) | £234 | (£5) |
| Transformation Reserve | (£330) | £0 | (£330) | £230 | (£100) |
| Business Rates Reserve | (£1,645) | £627 | (£1,017) | (£145) | (£1,162) |
| Business Rates Reserve S31 grants | (£9,059) | £5,282 | (£3,776) | £3,776 | £0 |
| Homeless and Rough Sleeper reserve | (£370) | £193 | (£176) | £0 | (£176) |
| Regeneration Assets | (£1,017) | £353 | (£664) | £40 | (£624) |
| Insurance Reserve | (£76) | £65 | (£11) | £0 | (£11) |
| Regeneration Fund (SG1) | (£746) | £206 | (£540) | £295 | (£245) |
| Town Centre | (£81) | £0 | (£81) | £0 | (£81) |
| Planning Delivery Grant | (£65) | £0 | (£65) | £0 | (£65) |
| Income equalisation reserve | (£8) | (£250) | (£258) | (£150) | (£408) |
| Total | **(£13,864)** | **£6,707** | **(£7,158)** | **£4,280** | **(£2,877)** |

4.15.2 The use of reserves does not take into account any use of the Income Equalisation reserve which may be required in 2022/23, particularly if fee income is impacted by COVID. The NDR reserves balances are based on the level of business rates as set out in section 4.7.

4.15.3 The SG1 Regeneration reserve balance is projected to total £245K by the 31 March 2023 and is likely to need additional funding from 2023/24 onwards and business rate gains could be utilised to do this.

**4.16 Chief Finance Officer's Commentary**

4.16.1 The Chief Finance Officer is the Council's principal financial advisor and has statutory responsibilities in relation to the administration of the Council's financial affairs (Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988). This commentary is given in light of these statutory responsibilities.

4.16.2 The Council has evolved its budget strategy to meet multiple challenges as set out in this report in paragraphs 3.6 -3.7. The financial strategy to deal with this is the 'Making Your Money Count' (MYMC) strand of the 'Future Town Future Council' programme.

4.16.3 Officers regularly update the MTFS to ensure that a clear financial position for the Council can be demonstrated over the next five years. This medium term view of the budget gives a mechanism by which future 'budget gaps' can be identified allowing for a measured rather than reactive approach to reducing net expenditure. The MYMC year round approach to identifying budget options means that work is on-going throughout the year to bridge the gap.

4.16.4 The Council has taken significant steps over recent years to balance its budget but as yet does not meet the principle aim of the MTFS to: 'achieve an on–going balanced budget until by 2024/25 by ensuring inflationary pressures are matched by increases in fees and income or reductions in expenditure'.

4.16.5 The impact of COVID has increased financial risk and an update to the June 2022 Executive is planned to give an early indication if further financial resilience measures are required in year. This has been a difficult budget to set, particularly when considering the need to increase fees and charges when the economy is still impacted by COVID versus reducing services and making savings. The financial resilience measures taken/for approval which increase the security of the Council's position, are:

- A June 2022 General Fund MTFS update to the Executive.
- A risk assessment of balances to ensure general reserves held take into account increased risk including an increase for further COVID losses.
- The establishment of an income equalisation reserve (£408,000 by 31 March 2023) which can be returned to the General Fund if fees and charges are lower than projected.

- Reduce the use of reliance on Revenue Contributions to Capital (RCCO) by identifying sites for disposal and using capital receipts rather than revenue (September 2020 MTFS report).
- Identification of a sufficient level of on-going MYMC options to ensure General Fund balances are above or at the minimum level required for 2022/23.
- Use of any business rate gains only when realised and ring fenced to maintain the financial resilience of the General Fund and thereafter FTFC priorities.
- A transformation programme to deliver savings from 2023/24 onwards.

4.16.5 There is a small contribution to balances projected in 2024/25, however there is a significant draw on balances through the MTFS period and a need to deliver savings throughout the MTFS timeframe.

4.16.6 The current projections of balances and the measures the Council has taken to date, and as set in this report, have meant the level of balances projected are sufficient to set the 2022/23 budget, if all options included in the report are approved. However the CFO considers that options totalling £500,000, as set out in paragraph 4.11.4, are brought forward in the June 2022 MTFS update report should the level of reserves subsequently be projected to be lower due to further COVID losses and/or other pressures, in order to improve financial resilience**.**

4.16.7 While delivering one of the most difficult budgets, the Council is also continuing with its ambitious programmes to transform the town centre and at the same time improve the housing market in Stevenage. Both these priorities may require further investment over time which potentially presents a risk to the budget position subject to the funding sources which are available. There is a ring fenced reserve for Regeneration and further estimates of resources have been included in the General Fund MTFS.

**4.17 Leaders Financial Security Group**

4.17.1 The LFSG chaired by the Portfolio Holder for Resources, on behalf of the Leader and with cross party representation, met on three occasions in October and November to consider the proposals for efficiencies, commercial and fees and charges. There was majority support by LFSG for the efficiency, commercial and fees and charges options. The comments from LFSG were outlined in the December 2021 MYMC report.

4.17.2 LFSG supported the higher fees and charges levels (option 3) (majority view) and as approved at the December 2022 Executive also recognising the need to balance fee increases versus service reductions.

4.17.3 LFSG also supported the MYMC options with the exception of the reduce options which were not finalised at the time the group met. However a majority supported a reduction to the cost of play (67%) when asked to rank five service areas where a saving (if the Council had to make a reduction to balance the budget) from a discretionary area of spend.

4.17.4 There were a number of questions and points made on savings options and fees and charges including:

- Advertising for car park season tickets is not widely known and needs to be better promoted.
- The group asked officers to review Corey's Mill parking to be better aligned with NHS pricing and requested a further option (option 3).
- The group asked if the stay period at Corey's Mill could be extended beyond the three hours and were advised a traffic control order would be required. A shorter parking period was required to ensure that there was parking available at the site, however the AD Planning & Regeneration sort to look at the possibility of extending the stay time to four hours during 2022/23.
- The free parking Saturdays were questioned as to their ability to increase footfall into the Town Centre and the AD Planning & Regeneration undertook to see if the monetary value of lost parking income could be better utilised to increase town centre footfall
- Members recommended that EV charging should be a chargeable service and should not be offered free on-street or in car parks, this would be a growing cost as the number of electric powered cars increases.
- The increase in pre-application fees was queried as to the level of increase in fees. Officers explained that a review by the Commercial Manager working with the service had revised charges based on recovering the staff costs to deliver the advice.
- LFSG supported the removal of discounts on parking (through the use of validators) for a number of hotels and other businesses in the town, but also suggested this should not be available for the leisure providers, this was not recommended as part of the officer proposal.
- Members asked for a list of payments to charities and organisations, which is being complied for review by LFSG (for contributions over £5K).
- One Member asked whether recycling was promoted enough and whether the Council was achieving income from the sale of recyclates. LFSG were advised that recyclate pricing had been supressed but had recovered during 2021/22, but was subject to significant price fluctuations.

**4.18 Consultation**

4.18.1 In October and November 2021, the Council undertook a survey among residents into how they perceive Stevenage Borough Council services and their local area. The information gathered from residents helps to provide insight on their priorities for the town, the extent to which the Council is perceived to provide value for money and how well services are meeting resident expectations. The full findings of the survey are still being analysed and service areas are beginning to develop actions where appropriate in response.

4.18.2 The full findings of the survey will be shared with the Executive and the Cooperative Neighbourhood Board meetings throughout February. This will enable all Councillors to understand perceptions and findings for the town as a whole, and specific priorities and challenges in local areas and help shape how the Council responds to the findings. Ahead of this, the outcomes from key questions on preferred ways for the Council to achieve financial resilience as a result of cuts to the funding it receives, and views on whether the council tax paid to Stevenage Borough Council provides value for money, are shared below given their direct relevance to the budget setting process.

4.18.3 The 2021/22 Residents survey shows that resident's preferences are firstly to reduce costs through more on line services. Moving services on line was ranked the highest (out of five options in 2021 and 2017) with 41% of those responding to the survey indicating that this was their preferred option; this ranking has increased from 2017 and supports proposals being developed via the Transformation programme as a method to reduce costs and improve customer satisfaction / response times.

| **Please tell us your order of preference for each of the following options by ordering them 1 to 5** | **2021 rank** | **2017 rank** | **1st** |
|---|---|---|---|
| Reduce time and money spent on paperwork by interacting with more residents and customers online | 1 | 1 | 41% |
| Increase income from fees and chargeable services, to keep the council's element of Council Tax as low as possible | 2 | 3 | 24% |
| Spend less by reducing or cutting the services that you tell us are not a priority | 3 | 2 | 16% |
| Make money by selling more of our services to residents and customers | 4 | 5 | 9% |
| Increase our element of Council Tax (for example from 51p per day to 55p per day) | 5 | 4 | 10% |

4.18.4 The 2021 residents' survey asked residents whether the council tax represented value for money and whilst those strongly disagreeing have increased (from 7% to 15%), overall 52% (up from 46% in 2017) agree it is value for money (as shown in the chart below).

| | **Responses** | **2021** | **2017** | **2015** | **2013** | **2011** |
|---|---|---|---|---|---|---|
| **To what extent do you agree or disagree that the Council Tax paid to Stevenage Borough Council provides good value for money?** | Strongly agree | 16% | 10% | 7% | 6% | 6% |
| | Tend to agree | 36% | 36% | 39% | 39% | 40% |
| | Neither | 18% | 30% | 30% | 35% | 33% |
| | Tend to disagree | 10% | 17% | 18% | 17% | 16% |
| | Strongly disagree | 15% | 7% | 6% | 5% | 5% |
| | Don't know (DNRO) | 4% | | | | |
| | **Summary: Agree** | **52%** | **46%** | **46%** | **45%** | **46%** |
| | **Summary: Disagree** | **26%** | **24%** | **24%** | **22%** | **21%** |

4.18.5 The General Fund MTFS has a set of principles used for financial purposes, one of which is to ensure that resources are aligned with the Council's Corporate Plan and Future Town Future Council (FTFC) priorities and that growth is limited to the Council's top priorities. The Corporate Plan is included in the Budget and Policy Framework and is therefore subject to Council approval.

4.18.6 The current FTFC Co-operative Corporate Plan was approved as a five year plan from 2016 to 2021 and extended for a further year at the February 2021 Council. During 2021 the FTFC priorities have been revised from the eight priorities to five.

4.18.7 Members and officers have continued to focus on responding to the COVID-19 pandemic. In accordance with the Council's Budget and Policy Framework Procedure Rules, the Council be recommended to continue the adoption of the current Co-operative Corporate Plan, subject to further review in Autumn 2023.

### 4.19 Feedback from Overview and Scrutiny Committee

4.19.1 Overview and Scrutiny considered the Draft General Budget at a meeting held on the 25 January 2022. The CFO reminded Members that the business rate gains above the baseline assessment by government would be held in an allocated reserve until they were realised at the end of each relevant year.

4.19.2 A Member of the committee commented on the difficulties of setting the budget in the economic climate for Local Authorities but welcomed the use of the one off business rate gains for the Council's priorities of Regeneration and Co-operative Neighbourhood working.

## 5 IMPLICATIONS

### 5.1 Financial Implications

5.1.1 The report deals with Council finances and as such all implications are contained in the main body of the report.

### 5.2 Legal Implications

5.2.1 The Council is required to set a balanced budget each year. The Local Government Finance Act 1992 requires the Council to estimate revenue expenditure and income for the forthcoming year from all sources, together with contributions from reserves, in order to determine a net budget requirement to be met by government grant and council tax.

### 5.3 Policy Implications

5.3.1 The report deals with Council policy and as such all implications are contained in the main body of the report.

### 5.4 Staffing and Accommodation Implications

5.4.1 The 2022/23 budget options include staff implications and these are summarised in paragraph 4.2.6. All the options are subject to consultation and the financial outcomes assumed may change as a result of that consultation taking place.

5.4.2 In compliance with SBC's Organisational Change Policy any proposals involving potential redundancies will be fully consulted on with the trade unions and affected staff for a minimum 30-day consultation period, and again may therefore change depending on the outcomes of the consultation process.

5.4.3 Officers will continue to work in an open and transparent way with the trade unions, and will provide them with the information required, in accordance with statutory requirements and best employment practice, as soon as this is available. The trades unions will be provided with all relevant information in accordance with the Council's legal obligations.

5.4.4 Wherever possible staff who find themselves in a redundancy situation will be redeployed to a suitable alternative post. If that redeployment results in the staff affected moving into a lower-graded, post pay protection will apply for a 12-month period.

**5.5 Equal Opportunities Implications**

5.5.1 In carrying out or changing its functions (including those relating to the provision of services and the employment of staff) the Council must comply with the Equality Act 2010 and in particular section 149 which is the Public Sector Equality Duty. The Council has a statutory obligation to comply with the requirements of The Act, demonstrating that as part of the decision-making process, due regard has been given to the need to:

- Remove discrimination, harassment, victimisation and any other conduct that its unlawful under this Act
- Promote equal opportunities between people who share a protected characteristic and those who do not
- Encourage good relations between people who share a protected characteristic and those who do not.

5.5.2 These duties are non-delegable and must be considered by Council when setting the Budget in February 2022.

5.5.3 To inform the decisions about the Budget 2022/23 officers have begun Equality Impact Assessments (EqIAs) for service-related savings proposals. These are currently in draft form, since they must consider appropriate evidence and the findings of consultation with various stakeholders to inform the decision by Council in February 2022. Where there is a potentially negative impact, officers will collect further information and identify actions to mitigate the impact as far as possible. These EqIAs are summarised and attached in **Appendix D** with further information on the process to date and planned activity. EqIAs for future years' savings will be presented alongside the draft Budget for the relevant year.

5.5.4 An overarching EqIA will also be developed once individual EqIAs are finalised for Council in February 2022. This will consider the collective impact of the Budget on people with protected characteristics.

5.5.5 As well as considering the impact on service delivery and equality, an EqIA concerning all strands of potential discrimination will be required by the Head of Paid Service on proposed redundancies and restructures per savings proposal and as a whole. It is proposed that this will be produced alongside the required restructure consultation documents as it is only at this stage that the actual impact on staff will start to be known. As the proposals will be delivered over a range of different timescales, the whole, i.e. combined EqIA, will be reviewed periodically with the Council's Strategic Leadership Team. All staff impacts are summarised at **Appendix E**.

5.5.6 The staff EQIA recognises that the options identified in Appendix A impact adversely on woman staff members.

### 5.6 Risk Implications

5.6.1 There are risk implications to setting a prudent General Fund budget if the Financial Security options identified in Appendix A are not achieved and crucially if future options are not found to meet the targets outlined in the report.

5.6.2 There are a number of risks that have been identified and these are set out in the report.

### 5.7 Climate Change Implications

5.7.1 The Council declared a climate change emergency at the June 2019 Council meeting with a resolution to work towards a target of achieving net zero emissions by 2030. The Transformation programme and the digital on-line agenda will contribute to reducing the Councils carbon footprint.

5.7.2 This report recommends a growth bid for a Climate Change post to support the Council's resolution to meet the 2030 date.

## 6.0 BACKGROUND DOCUMENTS

BD1 Draft General Fund Report January Executive 2022

BD2 General Fund Medium Term Financial Strategy (2021/22-2025/26)

BD3 Making Your Money Count Options December 2021 Executive

## 7.0 APPENDICES

Appendix A General Fund and HRA Budget Options 2022/23

Appendix B Fees and Charges 2022/23

Appendix C Risk Assessment of Balances 2022/23

Appendix D Equalities Impact Assessment overview

Appendix E Staff Equalities Impact Assessment

Appendix F Formal Council Tax resolution

Appendix G Robustness of Estimates

Appendix H Summary General Fund Budget

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**APPENDIX A**

| | General Fund £ | HRA |
|---|---|---|
| Efficiency | £245,360 | £6,700 |
| Commercial | £71,395 | £0 |
| Fees and Charges | £212,280 | |
| Extra Fees | £129,500 | |
| Transformation | £29,410 | £32,670 |
| Reduction options | £93,000 | 0 |
| **Total** | **£780,945** | **£39,370** |

**STEVENAGE BOROUGH COUNCIL**

**MAKING YOUR MONEY COUNT OPTIONS 2022/23**

| Ref No | Manager | Name of Service | Description of Savings Proposal | Implementation costs (any redundancy/ capital) | If staff affected indicate no. of staff | Budget 2021/22 | Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) . | Potential Timing (put the date you estimate it will be implemented, consider any consultation required) | £ General Fund Year 1 | £ HRA Year 1 |
|---|---|---|---|---|---|---|---|---|---|---|
| **2022/23 Efficiency Options** | | | | | | | | | | |
| F1 | Rob Gregory | CCTV | A reduction in Broadland Guarding Contract (40.45% Stevenage share) | £0 | 0 | £395,470 | Contract reduction re-negotiated with provider in 2021/22, the share shown is the SBC saving only, which excludes the partnership saving. Contract being re-tendered for 2022-25 | Immediate | 15,257 | 0 |
| F2 | Rob Gregory | CCTV | Reduction in CCTV and Parking Manager (40.45%) | £0 | 0 | £33,260 | Savings due to retirement of Group Manager- . CCTV will report to Community Safety Manager, Some core business development capacity to support commercial growth to be retained and linked to commercialisation work stream. | Immediate | 5,000 | 0 |
| F3 | Zayd Al-Jawad | Planning & Environment | Technical support staff changes | £0 | 0 | | Saving from technical Support staffing from 2022/23 onwards. | 2021/22 | 1,990 | 0 |
| F5 | Zayd Al-Jawad | Parking | Combining on and off street parking services | £0 | 0 | | Saving from Parking Mgr retiring, the net saving includes changes to two existing job roles | 1 September 2021 | 6,383 | 0 |
| F6 | L Walker | SDS Ops | Service Review | £0 | 0 | | Projected £157k saving - reduced by a market forces supplement for HGV driver roles given the national driver shortage etc. And the need for additional management support (1FTE) . Savings potential will reduce as staff progress through the scale points, but could be offset with churn of leavers and starters. | 2022/23 | 27,980 | 0 |
| F7 | L Walker | Herts Agency Agreement | Increased HCC contract price as negotiated in 2021/22 | £0 | 0 | | Agreement signed for 2021/22 but budget used to complete digital improvements at Cavendish in that year and for 2022/23 onwards a saving for the General Fund | 1st April 2022 | 104,000 | 0 |
| F8 | Clare Fletcher | Shared Revenue and Benefits Service | Reduction in outside officers/control and benefits based on churn and change to contracted hours | £0 | 0 | £1,944,270 | Reduction in staff costs through reducing headcount through natural change in hours and non-replacement of staff. This is deemed to be achievable by the Shared Service. | 1st April 2022 | 38,950 | 0 |
| FS15 | Lloyd Walker / Julia Hill | SDS | Cease provision of seasonal bedding displays to roundabouts / hammerheads | £0 | 0 | | Replace seasonal bedding schemes with sustainable planting - support Climate Change Strategy and biodiversity as implemented. | now implemented | 19,000 | 0 |
| FS7 | Rob Gregory | Corporate Policy and Business Support Team | Reduction of 1FTE- post currently vacant | £0 | 0 | £33,500 | Reduction in team by one post, which will also include the re-grading of an existing role. Will reduce some corporate capacity. | 1st April 2022 | 26,800 | 6,700 |
| **TOTAL** | | | | **£0** | **0** | **£2,406,500** | | | **£245,360** | **£6,700** |
| **2022/23 Commercial in-sourcing Strand** | | | | | | | | | | |
| C1 | N Capuano | Garages | Increase recharges from locks changes to achieve full cost recovery | £0 | 0 | | Recovery of costs from tenants for lock changes to ensure full recovery of costs. | Immediate | 6,880 | 0 |
| C8 | N Capuano | Garages | Cost recovery re freehold cleansing and weed spraying | £0 | 0 | | Recover costs from sold garage owners, will take some time to set up the service charge regime | 1 June 2022 | 14,085 | 0 |
| C9 | L Walker | Trade Waste | Reduce concession for schools and play groups to concessions policy of 25% | £0 | 0 | | Currently schools and play groups pay £13.75 versus £22.25 per standard lift, this equates to a 38.2% discount, this proposal is to remove discount, to a £18 price (market based) the saving is based on 80% remaining with the full price model. The exact increase in income is still to be confirmed (estimated January 2022). | 1 April 2022 | 30,430 | 0 |

**STEVENAGE BOROUGH COUNCIL**

**MAKING YOUR MONEY COUNT OPTIONS 2022/23**

| | General Fund £ | HRA |
|---|---|---|
| Efficiency | £245,360 | £6,700 |
| Commercial | £71,395 | £0 |
| Fees and Charges | £212,280 | |
| Extra Fees | £129,500 | |
| Transformation | £29,410 | £32,670 |
| Reduction options | £93,000 | 0 |
| **Total** | **£780,945** | **£39,370** |

| Ref No | Manager | Name of Service | Description of Savings Proposal | Implementation costs (any redundancy/ capital) | If staff affected indicate no. of staff | Budget 2021/22 | Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) . | Potential Timing (put the date you estimate it will be implemented, consider any consultation required) | £ General Fund Year 1 | £ HRA Year 1 |
|---|---|---|---|---|---|---|---|---|---|---|
| C10 | Zayd Al-Jawad | Car parking Concessions | Remove concession validators for hotel and bingo halls | £0 | 0 | | Currently validators are in place that discount parking charges for the hotel in the town centre and for Mecca bingo. The proposal based on the Councils financial position is to remove these concessions. (Number needs confirming notional amount included) This has been estimated to be between £20K-£37K saving based on actual usage. | 1 April 2022 | 20,000 | 0 |
| | | | | **£0** | **0** | **£0** | | | **£71,395** | **£0** |
| **2022/23 Transformation Options** | | | | | | | | | | |
| BG1 | Ruth Luscombe | CSC | Reduce CSC Opening hours | | 0 | £843,130 | Current Customer Services opening hours are 8:30-5:30 for face to face services and 8:00-6:00 for other channels (inc Telephone), Monday to Friday except bank holidays and other closures. This savings proposal is to reduce the opening hours by an hour at the end of the day, to 8:00-4:30 for face to face, and 8:00-5:00 for other channels. This would allow provision of the same service but reduce resourcing by 2FTE. This has been modelled using forecasting tools, and other changes in demand etc. may mean real performance would be different. | 1 April 2022 | 19,600 | 29,400 |
| BG2 | AD Finance & Estates | Facilities | Reduce FM support by 1 part time (staff costs shown in costs) | TBC | 1 | £0 | The hybrid working method has reduced post and other tasks and the Head of Estates considers the post could be removed | 1 April 2022 | 9,810 | 3,270 |
| | | | | **£0** | **1** | **£843,130** | | | **£29,410** | **£32,670** |
| **2022/23 Reduce Options** | | | | | | | | | | |
| BG6 | Rob Gregory | Neighbourhood Ward | Remove seed funding for Neighbourhood Wards | £0 | 0 | £18,000 | This was introduced in 2021/22 but has yet to be implemented due to 21/22 growth monies being on hold. Alternative funding could come from CIL or prior year underspends say up to a value of £36,000. | 1 April 2022 | 18,000 | 0 |
| BG3 | AD Communities and Neighbourhoods | Play | Reduce the direct costs of play from £514K by £100K over 2 years | TBC | 1 or 2 | £514,150 | The proposal subject to consultation is to reduce the days the play centres are open in the school holidays by three days a week at each centre and for each day reduce by one hour. Pop up play and play outside of play centres would still be part of the offer, (full year saving £100K). | 1 June 2022 | 75,000 | 0 |
| **TOTAL** | | | | **£0** | **1 or 2** | **£514,150** | | | **£93,000** | **£0** |
| | | | | | | | | | **£439,165** | **£39,370** |

Stevenage BOROUGH COUNCIL

Appendix B

**FEES AND CHARGES -RECOMMENDED**
**FEE INCREASES FOR 2022/23**

| Service | Fees and Charges for 2022/23 | 2021/22 Fees<br>2021/22 FEE | Option 1<br>2022/23 FEE | Increase £ | Income (Reduction) / Increase | Option 2<br>Alternative Parking Charges with budget implications | | Option 3<br>Alternative Parking Charges with budget implications | |
|---|---|---|---|---|---|---|---|---|---|
| **Car Parks** | | | | | | Alternative Fee | Total Income Increase (Option 2 Fee) | Alternative Fee | Total Income Increase (Option 3 Fee) |
| **New Town:** | **7am-7pm (6am-7pm at St Georges only) :** | | | | | | | | |
| **Short Stay** (The Forum, Westgate, St Georges) | Mon-Saturday up to 30 Mins (St Georges & Westgate only) | £0.50 | £0.50 | £0.00 | | £0.50 | | £0.50 | |
| | Mon-Saturday up to 1 hour | £1.80 | £1.80 | £0.00 | | £1.90 | £13,500 | £2.00 | £20,000 |
| | Mon-Saturday up to 2 hours | £2.60 | £2.70 | £0.10 | £4,800 | £2.70 | £4,800 | £3.00 | £5,500 |
| | Mon-Saturday up to 3 hours | £3.30 | £3.50 | £0.20 | £3,600 | £3.50 | £3,600 | £3.50 | £3,600 |
| | Mon-Saturday up to 5 Hours | £4.00 | £4.20 | £0.20 | £2,400 | £4.20 | £2,400 | £4.50 | £2,500 |
| | Sunday | £2.20 | £2.50 | £0.30 | £2,800 | £2.50 | £2,800 | £2.50 | £2,800 |
| | Night Parking 7pm to 7am | £2.00 | £2.00 | £0.00 | | £2.00 | | £2.00 | |
| **Total Short Stay** | | | | | **£13,600** | | **£27,100** | | **£34,400** |
| **Long stay** | Mon-Fri before 8.30am | £8.00 | £8.50 | £0.50 | £4,800 | £8.50 | £4,800 | £8.50 | £4,800 |
| | Mon-Fri 8.30am to 7pm | £5.00 | £5.20 | £0.20 | £4,800 | £5.20 | £4,800 | £5.50 | £5,000 |
| | Saturday 6am - 6pm | £5.00 | £5.20 | £0.20 | £1,800 | £5.20 | £1,800 | £5.50 | £2,000 |
| | Sunday | £2.20 | £2.50 | £0.30 | £2,400 | £2.50 | £2,400 | £2.50 | £2,400 |
| | Night Parking (7pm to 6am or 6pm - 6am) | £2.00 | £2.00 | £0.00 | | £2.00 | | £2.00 | |
| **Total Long Stay** | | | | | **£13,800** | | **£13,800** | | **£14,200** |
| Railways | Mon-Fri 4am to 4am | £9.00 | £9.30 | £0.30 | £8,800 | £9.50 | £13,600 | £9.50 | £13,600 |
| Railways | Saturday | £7.20 | £7.50 | £0.30 | £3,200 | £7.60 | £4,200 | £7.60 | £4,200 |
| Railways | Sunday | £6.80 | £7.00 | £0.20 | £2,700 | £7.20 | £4,450 | £7.20 | £4,450 |
| **Total Railways** | | | | | **£14,700** | | **£22,250** | | **£22,250** |
| Season Tickets | New Town (price per month) | £89.00 | £89.00 | £0.00 | £0 | £91.00 | £2,500 | £91.00 | £2,500 |
| | Blue Badge Holders (Season Ticket, **price per Annum**) | £44.00 | £48.00 | £4.00 | £500 | £50.00 | £500 | £50.00 | £500 |
| | Rail (price per month) | £160.00 | £160.00 | £0.00 | £0 | £165.00 | £600 | £165.00 | £600 |
| **Season Tickets SubTotal** | | | | | **£500** | | **£3,600** | | **£3,600** |
| **New Town GRAND TOTAL** | | | | | **£42,600** | | **£66,750** | | **£74,450** |
| **Old Town:** | | | | | | | | | |
| **Primett Rd North** | **Monday - Saturday 0600-1600 hours** | | | | | | | | |
| | up to one hour | £1.10 | £1.20 | £0.10 | £1,500 | | | £1.30 | £1,750.00 |
| | up to two hours | £1.50 | £1.60 | £0.10 | | | | £1.80 | |
| | up to three hours | £1.90 | £2.00 | £0.10 | | | | £2.40 | |
| | More than three hours | £5.00 | £5.00 | £0.00 | | | | £5.00 | |
| **Primett Rd South** | **Monday-Friday** | | | | | | | | |
| | 0600-1600hrs | £2.90 | £3.00 | £0.10 | | | | £3.00 | £1,750.00 |
| | 1600-0600hrs | £0.50 | £0.50 | £0.00 | | | | £0.50 | |
| | **Saturday 0600-1600:** | | | | | | | | |
| | up to one hour | £1.10 | £1.20 | £0.10 | £1,500 | | | £1.30 | |
| | up to two hours | £1.50 | £1.60 | £0.10 | | | | £1.80 | |
| | up to three hours | £1.90 | £2.00 | £0.10 | | | | £2.40 | |
| | More than three hours | £2.70 | £2.80 | £0.10 | | | | £3.00 | |
| | **Saturday 4pm-Monday 6am** | £0.50 | £0.50 | £0.00 | | | | £0.50 | |
| **Church Lane North** | **Mon-Sat 0600-1600hrs** | | | | | | | | |
| | up to one hour | £1.10 | £1.20 | £0.10 | £1,750 | | | £1.30 | £1,900.00 |
| | up to two hours | £1.50 | £1.60 | £0.10 | | | | £1.80 | |
| | up to three hours | £1.90 | £2.00 | £0.10 | | | | £2.40 | |
| | More than three hours | £2.70 | £2.80 | £0.10 | | | | £3.00 | |
| | **Saturday 4pm-Monday 6am** | free | free | | | | | | |
| **Season Tickets** | Old Town (price per month) | £46.00 | £50.00 | £4.00 | £2,000 | | | £50.00 | £2,000 |
| **Old Town GRAND TOTAL** | | | | | **£6,750** | | | | **£7,400** |
| **Car Parks:** | **Business Tokens/ Commercial Income** | various | various | | £4,000 | | £4,000 | | £4,000 |
| **Loss of income due to price increase** | | £0.10 | 9.75% | | -£6,000 | | -£8,000 | | -£10,000 |
| **TOTAL "All Off Street Car Parks"** | | | | | **£47,350** | | **£62,750** | | **£75,850** |
| **On Street Parking** | | | | | | | | | |
| **Town Centre** | up to 30 mins | £0.60 | £0.70 | £0.10 | | £0.70 | | £1.00 | |
| | Up to 1 Hour | £1.80 | £1.80 | £0.00 | | £1.90 | | £2.00 | |
| | Up to 2 Hours | £2.70 | £2.90 | £0.20 | | £2.90 | | £3.00 | |

**FEES AND CHARGES -RECOMMENDED FEE INCREASES FOR 2022/23**

| Service | Fees and Charges for 2022/23 | 2021/22 Fees<br>2021/22 FEE | Option 1<br>2022/23 FEE | Increase £ | Income (Reduction) / Increase | Option 2<br>Alternative Parking Charges with budget implications | | Option 3<br>Alternative Parking Charges with budget implications | |
|---|---|---|---|---|---|---|---|---|---|
| | Up to 3 Hours | £3.50 | £3.80 | £0.30 | £14,000 | £3.80 | £17,000 | £4.00 | £25,000 |
| | Up to 4 Hours | £4.50 | £5.00 | £0.50 | | £5.00 | | £5.00 | |
| | Up to 5 Hours | £6.00 | £11.00 | £5.00 | | £11.00 | | £11.00 | |
| | Over 5 hours | £10.00 | £11.00 | £1.00 | | £11.00 | | £11.00 | |
| Corey's Mill Lane | up to 1 hr £1.10<br>up to 2 hrs £1.70<br>up to 3 hrs (max stay) £2.20 | up to 1 hr £1.10<br>up to 2 hrs £1.70<br>up to 3 hrs (max stay) £2.20 | up to 1 hr £1.10<br>up to 2 hrs £1.70<br>up to 3 hrs (max stay) £2.20 | £0.00 | £0 | up to 1 hr £1.50<br>up to 2 hrs £2.00<br>up to 3 hrs (max stay) £3.00 | £50,000 | up to 1 hr £1.50<br>up to 2 hrs £2.50<br>up to 3 hrs (max stay) £4.00 | £90,000 |
| **On Street Parking Total** | | | | | **£14,000** | | **£67,000** | | **£115,000** |
| **Street Naming/Numbering** | | | | | | | | | |
| | First Dwelling Numbering | £105.00 | £109 | £4.00 | | | | | |
| | Next ten dwellings (per dwelling) | £56.00 | £58 | £2.00 | £400 | | £400 | | £400 |
| | Naming of new street | £212.00 | £220 | £8.00 | | | | | |
| Various Options, some examples shown here | Commercial numbering first unit | £278.00 | £288 | £10.00 | | | | | |
| | Commercial numbering further units | £139.00 | £145 | £6.00 | | | | | |
| **External Works (e.g. Other LAs)** | | | | | | | | | |
| | Engineering Services Manager | £63.10 | £66.25 | £3.15 | | | | | |
| | Principal Engineer | £58.30 | £61.25 | £2.95 | | | | | |
| | Traffic & Parking Enforcement Manager | £55.00 | £57.75 | £2.75 | £50 | | £50 | | £50 |
| Examples of Hourly Charge out rate for staff time (VAT to be added) | Engineer | £43.50 | £45.70 | £2.20 | | | | | |
| | Inspector | £41.20 | £43.25 | £2.05 | | | | | |
| **Town Centre Charges** | | | | | | | | | |
| | Hoarding/Scaffold Licence (per week/100m run) | £48.00 | £50 | £2.00 | | | | | |
| | Crane Licence | £2,187.00 | £2,250 | £63.00 | £480 | | £480 | | £480 |
| Street Hoarding Licences | Skip Licence (per fortnight) | £41.00 | £43 | £2.00 | | | | | |
| **On Street Parking** | | | | | | | | | |
| | H Bar Marking Application fee | £30.00 | £31.00 | £1.00 | | | | | |
| | H Bar Marking Fee | £85.00 | £88.00 | £3.00 | £160 | | £160 | | £160 |
| | Parking Bay Suspension (5 bays/wk) | £200.00 | £210.00 | £10.00 | | | | | |
| | Parking Bay Suspension (per additional bay) | £5.00 | £6.00 | £1.00 | | | | | |
| | First Permit | £56.00 | £56.00 | £0.00 | | | | | |
| | Second Permit | £82.00 | £82.00 | £0.00 | | | | | |
| | Third Permit | £108.00 | £108.00 | £0.00 | £0 | | | | |
| | Fourth Permit | £134.00 | £134.00 | £0.00 | | | | | |
| Parking Permits (e.g. Burymead) (selected example charges shown) | 20 visitor vouchers | £15.00 | £15.00 | £0.00 | | | £0 | | £0 |
| **Garages:** | Standard Garage (Category A) | £12.05 | £12.50 | £0.45 | | | | | |
| Prices shown are "NET" of VAT. Housing Tenants generally do not pay VAT but other customers do pay VAT, meaning the actual weekly increase for a Category A garage | Standard Garage (Category B) | £11.85 | £12.25 | £0.40 | | | | | |
| | Standard Garage (Category C) | £11.45 | £11.70 | £0.25 | | | | | |
| | Premium Sized Garages | £15.00 | £15.60 | £0.60 | | | | | |
| | Road Facing Garages | £13.70 | £14.25 | £0.55 | £103,300 | | | | |
| **Garages Total** | | | | | £103,300 | | £103,300 | | £103,300 |
| **Markets:** | **Indoor Market Rents** | various | various | | £6,980 | | | | |
| | **Other Market Fees** | £100 | £120 | | | | | | |

Appendix B

| Service | Fees and Charges for 2022/23 | 2021/22 Fees 2021/22 FEE | Option 1 2022/23 FEE | Increase £ | Income (Reduction) / Increase | Option 2 Alternative Parking Charges with budget implications | | Option 3 Alternative Parking Charges with budget implications | |
|---|---|---|---|---|---|---|---|---|---|
| **FEES AND CHARGES -RECOMMENDED FEE INCREASES FOR 2022/23** | | | | | | | | | |
| **Markets Total** | | | | | **£6,980** | | **£6,980** | | **£6,980** |
| **Bulky Waste:** | | | | | | | | | |
| | 3 Items | **£45.00** | **£48.00** | **£3.00** | | | | | |
| | 6 Items | **£75.00** | **£78.00** | **£3.00** | | | | | |
| | 7 Items | **n/a** | **£88.00** | **new** | | | | | |
| | 8 Items | **n/a** | **£97.00** | **new** | | | | | |
| | 9 Items | **n/a** | **£106.00** | **new** | | | | | |
| | 10 Items | **n/a** | **£115.00** | **new** | | | | | |
| | Cancellation Fee | **£11.00** | **£11.00** | **£0.00** | | | | | |
| **Bulky Waste Total** | | | | | **£2,700** | | **£2,700** | | **£2,700** |
| **Trade Refuse:** | Increase in fees to cover additional increase in disposal costs (example of pricing shown, 1100 litre bin) | **£22.25** | **£23.25** | **£1.00** | **£30,000** | | **£30,000** | | **£30,000** |
| **Skips:** | Increase in fees to cover additional increase in disposal costs (example of pricing shown 6yard skip) | **£294.00** | **£305.00** | **£11.00** | **£2,000** | | **£2,000** | | **£2,000** |
| **Increase disposal cost of waste for Trade, Clinical, Skips and Transfer Station:** | | | | | **-£18,000** | | **-£18,000** | | **-£18,000** |
| **Cemeteries:** | | **various** | | | £11,490 | | | | |
| **Cemeteries Total** | | | | | **£11,490** | | **£11,490** | | **£11,490** |
| **Parks and Open Spaces:** | | **various** | | | **£4,650** | | | | |
| **Parks and Open Spaces Total** | | | | | **£4,650** | | **£4,650** | | **£4,650** |
| **Allotments:** | **Price per M$^2$** per year | **£0.60** | **£0.77** | **£0.17** | | | | | |
| (NB for note a two year package was agreed as part of the 2021/22 budget options) | | | | | **£12,300** | | | | |
| | **100M$^2$ per year** | **£60.00** | **£77.00** | **£17.00** | | | | | |
| | **250M$^2$** per year | **£150.00** | **£192.50** | **£42.50** | | | | | |
| **Allotments Total** | | | | | **£12,300** | | **£12,300** | | **£12,300** |
| **Fishing** | Adult Day Ticket | **£8.20** | **£8.50** | **£0.30** | | | | | |
| | Junior Day Ticket | **£6.15** | **£6.35** | **£0.20** | | | | | |
| | Night Fishing | **£18.40** | **£19.00** | **£0.60** | | | | | |
| | ***Average of above*** | **£10.92** | **£11.28** | **£0.37** | **£200** | | | | |
| **Fishing Total** | | | | | **£200** | | **£200** | | **£200** |
| **Planning:** | **Major development** | | | | **£1,800** | | | | |
| | 100+ residential units, 6000+sqm of commercial /change of use or where the site is 3ha+ PER 100 units /6000sqm/3ha or part of. | **£3,800.00** | **£3,990** | **£190** | | | | | |
| | **Bespke hourly service for** '100+ residential units, 6000+sqm of commercial /change of use or where the site is 3ha+ PER 100 units /6000sqm/3ha or part of | **n/a** | **£192** | **new** | | | | | |

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**FEES AND CHARGES -RECOMMENDED FEE INCREASES FOR 2022/23**

| Service | Fees and Charges for 2022/23 | 2021/22 Fees<br>2021/22 FEE | Option 1<br>2022/23 FEE | Increase £ | Income (Reduction) / Increase | Option 2<br>Alternative Parking Charges with budget implications | | Option 3<br>Alternative Parking Charges with budget implications | |
|---|---|---|---|---|---|---|---|---|---|
| | 25-99 residential units, 2001-5999sqm of commercial /change of use or where the site is 1ha-3ha. | £3,800.00 | £3,990 | £190 | | | | | |
| | **Bespke hourly service for** 25-99 residential units, 2001-5999sqm of commercial /change of use or where the site is 1ha-3ha. | n/a | £192 | new | | | | | |
| | Development requiring an EIA if not within the above categories | £3,700.00 | £3,885 | £185 | | | | | |
| | **Bespoke hourly service for** Development requiring an EIA if not within the above categories | n/a | £185 | new | | | | | |
| | **Other Major Developments** | | | | | | | | |
| | Provision of 10-24 dwellings or where the site is between 0.5ha and 1ha. | £2,250.00 | £2,360 | £110 | | | | | |
| | **Bespoke hourly service for** Provision of 10-24 dwellings, 1001sqm to 2000sqm, or where the site is between 0.5ha and 1ha | n/a | £113 | new | | | | | |
| | Change of use or provision of 1001sqm - 2000sqm of commercial floor space or on a site with an area exceeding 1ha. | £2,250.00 | £2,360 | £110 | | | | | |
| | **Minor Development** | | | | | | | | |
| | Single dwelling/replacement dwelling | £225.00 | £236 | £11 | | | | | |
| | **Bespke hourly service for** Single dwelling/replacement dwelling | n/a | £68 | n/a | | | | | |
| | 2-5 dwellings | £445.00 | £467 | £22 | | | | | |
| | **Bespoke hourly service for** 2-5 dwellings | n/a | £68 | n/a | | | | | |
| | 6-9 dwellings | £1,150.00 | £1,205 | £55 | | | | | |
| | **Bespoke hourly service for** 6-9 dwellings | n/a | £68 | n/a | | | | | |
| | Change of use of buildings/new commercial buildings with a floor space between 0-500sqm or on a site with an area up to 0.5ha. | £225.00 | £236 | £11 | | | | | |
| | **Bespoke hourly service fo**r Change of use of buildings/new commercial buildings with a floor space between 0-500sqm or on a site with an area up to 0.5ha | n/a | £68 | n/a | | | | | |
| | Change of use of buildings/new commercial buildings with a floor space between 501sqm and 1000sqm or on a site with an area between 0.5ha and 1 ha | £740.00 | £777 | £37 | | | | | |
| | **Bespoke hourly service for** Change of use of buildings/new commercial buildings with a floor space between 501sqm and 1000sqm or on a site with an area between 0.5ha and 1 ha | n/a | £68 | n/a | | | | | |
| | **Householder** | | | | | | | | |
| | Domestic extensions, conservatories etc. and alterations to residential properties. (**WITH SITE VISITS**) | £80 | £225 | £145 | | | | | |

| FEES AND CHARGES -RECOMMENDED FEE INCREASES FOR 2022/23 | | 2021/22 Fees | Option 1 | | | Option 2 | | Option 3 | |
|---|---|---|---|---|---|---|---|---|---|
| Service | Fees and Charges for 2022/23 | 2021/22 FEE | 2022/23 FEE | Increase £ | Income (Reduction) / Increase | Alternative Parking Charges with budget implications | | Alternative Parking Charges with budget implications | |
| | Domestic extensions, conservatories etc. and alterations to residential properties. (**WITHOUT SITE VISITS**) | n/a | £175 | n/a | | | | | |
| | **Specialist Advice**<br>Works to listed buildings<br>Developments affecting a conservation area | £159.00 | £163 | £4.00 | | | | | |
| | **Advertisements**<br>Per Site | £80 | £188 | £108.00 | | | | | |
| | **Telecommunications**<br>Per Site | n/a | £376 | new | | | | | |
| | **Meeting with Assistant Director**<br>Cost per hour forthe assistant director to attend meetings | n/a | £271 | new | | | | | |
| **Planning Total** | | | | | £1,800 | | £1,800 | | £1,800 |
| **Hackney Carriages:** | | various | various | £0.00 | £0 | | £0 | | |
| **Env Health & Licensing:** | **Housing Act 2004** | | | | £360 | | £360 | | £360 |
| | Licence for Houses in Multiple Occupation (HMO) | £750 | £775 | £25.00 | | | | | |
| | Service of Housing Act Notices | £395 | £410 | £15.00 | | | | | |
| **Env Health & Licensing:** | **Food Premises** | various | | | £500 | | £500 | | £500 |
| | Destruction Certificate | £136 | £141.50 | £5.50 | | | | | |
| | Health Certificate | £111 | £115.00 | £4.00 | | | | | |
| **Env Health & Licensing:** | Licensing including: Acupuncture, street trading etc. | various | various | | £1,660 | | £1,660 | | £1,660 |
| **Local Land Charges** | Residential Property (Con 29) | £65.40 | £68.00 | £2.60 | | | | | |
| **All fees shown include VAT payable, except the fees including reference to LLC1, which are non-vatable** | Residential Property (LLC1) | £17.50 | £18.20 | £0.70 | | | | | |
| | Commercial Property and Areas of Land (Con 29) | £85.20 | £88.60 | £3.40 | | | | | |
| | Commercial Property and Areas of Land (LLC1) | £22.80 | £23.70 | £0.90 | | | | | |
| | Con29O Enquiry Q4 | £12.00 | £12.50 | £0.50 | | | | | |
| | Con29O Enquiry Q5-21 (each) | £6.00 | £6.25 | £0.25 | | | | | |
| | Con29O Enquiry Q22 | £24.00 | £24.95 | £0.95 | | | | | |
| | Additional Enquiry | £13.08 | £13.60 | £0.52 | £2,200 | | £2,200 | | £2,200 |
| **Housing General Fund:** | **Careline Alarm- private (Shortfall funded from General Fund)** | various | | | | | | | |
| | | | | | **£224,580** | | **£292,980** | | **£354,080** |
| | | Excluding Allotments saving already identified in 2021 | | | £212,280 | | £280,680 | | £341,780 |

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**APPENDIX C : RISK BASED ASSESSMENT OF THE LEVEL OF GENERAL FUND BALANCES 2021/22**

| **Potential Risk Area** | **Comments including any mitigation factors** | | |
|---|---|---|---|
| Income from areas within the base budget where the Council raises "Fees and Charges" | Potential risk that the budgeted level of income from activities where the Council is charging for services will not be achieved. This is anticipated largely to be as a result of the downturn in economy, but could also be as a result of poor weather, new competition and the impact of Covid-19. All "fees and charges" income is reviewed as part of the monthly/quarterly budget monitoring process. All budgets are profiled over the year based upon previous experience. | | |
| | | **Calculated Risk** | |
| **Specific Areas** | **Estimated Income** | **Likelihood Percentage** | **Balances Required** |
| Parking Income* (on street/off-street) | £4,344,690 | 2.0% | £86,894 |
| Development Control Income | £412,630 | 5.0% | £20,632 |
| Recycling Income | £639,960 | 2.5% | £15,999 |
| Garages | £3,440,570 | 1.0% | £34,406 |
| Trade Refuse & Skips | £1,068,340 | 2.5% | £26,709 |
| Indoor Market | £438,580 | 5.0% | £21,929 |
| Commercial Property Income | £3,584,240 | 5.0% | £179,212 |
| COVID losses arising from a loss of fees and charges in excess of budgeted for | | | £750,000 |
| **Total** | | | **£1,135,780** |

* The council has a parking account which identifies how parking fees are spent on parking and related costs

| **Potential Risk Area** | **Comments** | | |
|---|---|---|---|
| Demand Led Budgets | Potential risk that spending on parts of the budget where the Council has a legal duty to provide the service increases significantly (including as an impact of Covid-19). Individual budgets reviewed as part of the monthly budget monitoring process. All budgets are profiled over the year based upon previous experience and so any variances should show up during the year. | | |
| | | **Calculated Risk** | |
| **Specific Areas** | **Estimated Exposure** | **Likelihood Percentage** | **Balances Required** |
| Housing Benefit maximum risk based on not meeting threshold for Local Authority errors. | £180,000 | 40% | £72,000 |
| Loss of Business Rates yield | £2,572,439 | maximum loss (7.5%) | £192,933 |
| Lower S31 Grants than anticipated which means the NNDR yield would be higher but would not be returned to the General Fund until 2022/23. | £2,579,722 | 5% | £128,986 |
| Increase in bad debts as a economic changes impacting on charging for services | £152,000 | 100% | £152,000 |
| There is an increased cost of Bed and Breakfast as a result of higher homelessness (exposure based on impact of COVID) | £430,000 | 20% | £86,000 |
| risk of capital works requiring funding as a result of rephasing/deferring works in the Capital Strategy | £250,000 | 50% | £125,000 |
| Costs related to COVID in ICT, PPE and other related costs | £0 | | £250,000 |
| Housing Benefit overpayment net income reduces and results in a pressure on the General Fund | £492,480 | 10% | £49,248 |
| **Total** | | | **£1,056,167** |

| **Potential Risk Area** | **Comments including any mitigation factors** | | |
|---|---|---|---|
| Changes since budget was set | Potential risk that things change since the budget estimates were made and the estimates are then under budgeted for. | | |
| | | **Calculated Risk** | |
| **Specific Areas** | **Estimated Exposure** | **Likelihood Percentage** | **Balances Required** |
| Transitional Vacancy Rate 4.5% | £712,090 | 5.00% | £35,605 |
| Less staff time charged to capital than budgeted | £644,180 | 10.00% | £64,418 |
| REVISED: pay award is higher than budgeted for 0.25% | £20,145,870 | | £46,970 |
| Contractual inflation 1% increase | £9,254,742 | 1.00% | £37,318 |
| Utility and fuel inflation usage/costs increase | £1,113,370 | 4.50% | £50,102 |
| Borrowing costs will be higher than estimated on new borrowing in Capital Strategy | £64,136 | 1% increase in borrowing costs for the garage programme | £19,756 |
| **Total** | | | **£254,168** |

| **Potential Risk Area** | **Comments including any mitigation factors** | | |
|---|---|---|---|
| Other Risks | Potential risk that savings options will not be realised as a result of delay or unforeseen circumstances. | | |
| | | **Calculated Risk** | |
| **Specific Areas** | **Estimated Exposure** | **Likelihood Percentage** | **Balances Required** |
| Savings Options | £780,945 | 13.50% | £105,428 |
| **Total** | | | **£105,428** |

| **Potential Risk Area** | **Comments including any mitigation factors** | | |
|---|---|---|---|
| Estimated balances required for any over spend or under -recovery of expenditure and income | This calculation replaces the calculation based on Net Expenditure | | |
| | | **Calculated Risk** | |
| **Specific Areas** | **Estimated Exposure** | **Likelihood Percentage** | **Balances Required** |
| Gross Income (excludes specific income listed above) | £25,589,119 | 1.50% | £383,837 |
| Gross Expenditure (excludes specific expenditure listed above) | £35,710,647 | 1.50% | £535,660 |
| **Total** | | | **£919,496** |

| | |
|---|---|
| **Level of Balances Assumed in General Fund Based on risk** | **£3,471,038** |

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# FINANCIAL SECURITY: 2022/23 Appendix D
## Overall Equality Impact Assessment of proposals

**Equality at Stevenage Borough Council**

1. Stevenage Borough Council as a service provider, employer and community leader is committed to achieving equal opportunities for everyone. We want to deliver services that are fair, accessible and open to everyone who needs them.

2. Equality Impact Assessments (EqIAs) are an important part of the process in ensuring that our intention is translated into action. They help to ensure that decisions are made in a fair, transparent and accountable way, considering the needs and the rights of different people in the community.

3. Based on the protected characteristics under the Equality Act 2010, the Equality Impact Assessment considers the impact on the following groups when making decisions, updating policies and starting new projects:

    - Age
    - Disability
    - Gender reassignment
    - Marital status
    - Pregnancy and maternity
    - Race
    - Religion or belief
    - Sex
    - Sexual orientation.

4. Although non-statutory, the Council has chosen to adopt the Socio-Economic Duty and so decision-makers should use their discretion in considering the impact on people in terms of their social or economic background.

5. EqIAs also help the Council to demonstrate compliance with the requirements of the Public Sector Equality Duty (Section 149 of the Equality Act 2010). The Duty states that a public authority must, in the exercise of its functions, have due regard to the need to:

    - eliminate discrimination, harassment, victimisation and any other conduct that is unlawful under this Act
    - advance equality of opportunity between people who share a protected characteristic and those who do not
    - foster good relations between people who share a protected characteristic and those who do not

**Making Your Money Savings Count Proposals 2022/23**

6. Prior to their consideration at Executive in December 2021, all savings proposals were reviewed to determine any potential impact on Stevenage residents in terms of their protected characteristics under the Equality Act 2010. Some of these have no direct public impact and so have not been subject to any further EqIA.

7. Where a negative, positive or disproportionate impact is likely, Assistant Directors and other appropriate managers have drafted Equality Impact Assessments.

8. This year there are seven proposals that may potentially have a positive, negative or disproportionate impact. These are:

    1. Introducing an annual service charge for the cleansing, sweeping and weeding of garages.
    2. increase in Garage Fees & Charges
    3. Raising off street parking fees
    4. Change to on-street parking tariffs
    5. Removal of car parking validator discounts for commercial business customers and staff in the town centre
    6. Reducing the cost of the Play Service whilst continuing to provide free play opportunities across the town.
    7. Savings in the Customer Service Centre including shortening the opening hours for face to face appointments.

9. The potential impact of these proposals is summarised over the following pages and will inform the recommendations made at Executive and Council in January and February 2022. Action to further analyse or mitigate the impact on people with particular protected characteristics is identified where appropriate.

10. It should be noted that some of the proposals are at a very early stage, and it will only be possible to assess their potential impact once these proposals are further developed. It is therefore probable that further potential impacts will be identified, along with appropriate mitigations, over the coming weeks and months.

11. The following further activity will take place:

    - January – February 2022 - EqIAs further developed, considering further evidence as available
    - February 2022 - Consideration of all completed EqIAs at Council meeting, alongside the budget proposals
    - Ongoing review and update of EQIA’s and impact as proposals are further developed and implemented throughout 2022/23, including consultation and engagement as appropriate.

Appendix D

**Summary of potential impacts identified as a result of budget proposals**

| Protected characteristic | Summary potential impact(s) | Mitigating action(s) | Responsible officer |
|---|---|---|---|
| **Age** | Older people may be on lower/fixed incomes and therefore more vulnerable to socio-economic impacts. ONS data confirms that under 30s and over 65s have lower than average incomes, with ages in between having higher than average incomes, raising the possibility of more than inflationary price increases having a disproportionate effect on them.<br>Ref<br>1. Older people may be more likely to need to visit the hospital area, so any increases in charges for parking in that area could impact them more than other people.<br><br>2. Proposals to remove the car parking validator discounts for commercial business customers and staff in the town centre could impact on older people in particular. A high percentage of visitors to the leisure related commercial activity in particular may be elderly and some may be on pension credit. The increase in parking charges may have a negative impact on their finances. | 1. Fees in the vicinity of the hospital would remain significantly cheaper than those offered by the hospital car parks (and therefore clearly below the market rate). There are also good public transport links to the hospital for those able to use them.<br><br>2. Signposting to public transport options in and around the town centre, thus avoiding the need to drive in and pay to park.<br><br>It is believed that many people accessing these business already use the bus rather than drive, so the potential impact will be minimal.<br><br>Commercial operators have the option to retain the validator machine (for a monthly fee) so that the organisations can continue to offer discounted parking to their workers and customers if they wish. Staff at the Holiday Inn and Holiday Inn Express have the option to purchase car park season tickets, which offer a 10% discount on monthly season | 1. Assistant Director Planning and Regeneration<br><br>2. Assistant Director Planning and Regeneration |

| | | | |
|---|---|---|---|
| | 3. Older people may also be negatively impacted by increases in charges for garages. Whilst the increase up to a maximum of 60p a week in considered minimal, for those on pension credit this may make renting some garages unaffordable. | ticket rates.<br><br>3. The proposed increase is very low and it is hoped that this will not provide a barrier to existing and future rentals.<br><br>If the resident becomes unable to afford the current tier of garages, they will be able to bid on a lower tier, cheaper garage through Choice Based Lettings. Every effort will be made for them to be moved to a lower cost garage (if available). | 3. Assistant Director SDS |
| | 4. This also applies to the increased charges for garage freeholders to cover cleansing, sweeping and weeding of their garages. | 4. The increase is £11.40 per annum (22p per week) so the impact of this in isolation is considered minimal. However the cumulative impact of this and other increases will be considered on a case-by-case basis where people raise questions or concerns.<br><br>Monitoring of feedback from garage freeholders on the application of the charges, and levels of debt from garage freeholders, will be closely monitored in the lead up to and following implementation. | 4. Assistant Director SDS |
| | 5. Reduced opening hours in the Customer Service Centre at the end of the day would be more likely to impinge upon access for people of working age. While people in many jobs are able to make personal calls during their working day, some may be more restricted from doing this. | 5. Almost all services are now available online which enables customers to access them 24/7.<br><br>The use of appointments for face to face services means that customers can book a time that's good for them, and provides an opportunity for people who can't / prefer not to use online services to still access the support they need. | 5. Assistant Director Digital and Transformation |

| | | | |
|---|---|---|---|
| **Disability** | ONS data confirms the existence of a disability pay gap in the UK.<br><br>People with disabilities who do not have a Blue Badge allowing them to park for free may therefore be more vulnerable to socio-economic impacts (see below).<br><br>1. The price increase in charges for garages might impact people who are on disability allowance. Whilst the increase up to a maximum of 60p a week in considered minimal, for those on disability benefits this may make renting some garages unaffordable.<br><br>2. This also applies to the increased charges for garage freeholders to cover cleansing, sweeping and weeding of their garages. | 1. The proposed increase is very low and it is hoped that this will not provide a barrier to existing and future rentals.<br>If the resident becomes unable to afford the current tier of garages, they will be able to bid on a lower tier, cheaper garage through Choice Based Lettings. Every effort will be made for them to be moved to a lower cost garage (if available).<br><br>Garages will normally be allocated in date order from the waiting list; however the Council reserves the right to give priority to anyone who is registered disabled upon providing evidence of a blue badge. In exceptional circumstances a case will be reviewed and decided on its merits.<br><br>2. The fee will be collected through an online payment system and if necessary, can be subject to a flexible payment plans (up to a maximum of 2 payments to cover the debt).<br><br>The increase is £11.40 per annum (22p per week) so the impact of this in isolation is considered minimal. However the cumulative impact of this and other increases will be considered on a case-by-case basis where people raise questions or | 1. Assistant Director SDS<br><br>2. Assistant Director SDS |

| | | | |
|---|---|---|---|
| | 3. Disabled customers are more likely to use face to face services, so any reduced opening hours in the Customer Service Centre could impact them more. | concerns.<br><br>3. Almost all services are now available online which enables customers to access them 24/7.<br><br>The use of appointments for face to face services means that customers can book a time that's good for them, and provides an opportunity for people who can't / prefer not to use online services to still access the support they need | 3. Assistant Director Digital and Transformation |
| **Gender reassignment** | No differential impacts directly related to people having this characteristic have been identified as a result of these proposals. | | |
| **Marital status** | No differential impacts directly related to people having this characteristic have been identified as a result of these proposals. | | |
| **Pregnancy and maternity** | Pregnant women may be more likely to attend the hospital, and therefore disproportionately affected by any price rises in on-street parking there. | Fees in the vicinity of the hospital would remain significantly cheaper than those offered by the hospital car parks (and therefore clearly below the market rate). There are also good public transport links to the hospital for those able to use them. | Assistant Director Planning & Regulation |
| **Race** | ONS data confirms the existence of an ethnicity pay gap in the UK. People from ethnic minorities may therefore be more vulnerable to socio-economic impacts (see below). | | |
| **Religion or belief** | No differential impacts directly related to people having this characteristic have been identified as a result of these proposals. | | |
| **Sex** | ONS data confirms the existence of a gender pay gap in the UK. Women may therefore be more vulnerable to socio-economic impacts (see below). | | |

| | | | |
|---|---|---|---|
| **Sexual Orientation** | No differential impacts directly related to people having this characteristic have been identified as a result of these proposals. | | |
| **Socio-economic** | 1. Proposals to remove the car parking validator discounts for commercial business customers and staff in the town centre would impact staff and visitors who will have to pay the standard rates to park in town centre car parks. This may have a particular impact if these people are on low incomes.<br><br>It is believed that many people accessing these businesses already use the bus rather than drive, so the potential impact will be minimal.<br><br>2. The price increase in charges for garages might impact people who are on low incomes and in receipt of benefits. Whilst the increase up to a maximum of 60p a week in considered minimal, for those on pension credit this may make renting some garages unaffordable.<br><br>3. This also applies to the increased charges for garage freeholders to cover cleansing, sweeping and weeding of their garages. | 1. Customers attending in the evening when there is free parking in the on street bays as an alternative.<br><br>2. If the resident becomes unable to afford the current tier of garages, they will be able to bid on a lower tier, cheaper garage through Choice Based Lettings. Every effort will be made for them to be moved to a lower cost garage (if available).<br><br>Garages will normally be allocated in date order from the waiting list, however the Council reserves the right give priority to anyone who is registered disabled upon providing evidence of a blue badge. In exceptional circumstances a case will be reviewed and judged on its own merit.<br><br>3. The increase is £11.40 per annum (22p per week) so the impact of this in isolation is considered minimal. However the cumulative impact of this and other increases will be considered on a case-by-case basis where people raise questions or concerns. | 1. Assistant Director SDS<br><br>2. Assistant Director SDS<br><br>3. Assistant Director SDS |

| | | | |
|---|---|---|---|
| | | The fee will be collected through an online payment system and if necessary, can be subject to a flexible payment plans (up to a maximum of 2 payments to cover the debt). | |
| | 4. Any increase in fees is likely to impact most on those who are already at socio-economic disadvantage. This could mean that parking becomes unaffordable for some people if prices increase significantly. | 4. The town centre is well served by other modes of transport while fees in the vicinity of the hospital would remain significantly cheaper than those offered by the hospital car parks (and therefore clearly below the market rate).<br><br>This potential impact may be lessened as more than half of households in the bottom income quartile do not have a car. It is often the case that protected characteristics correlate with lower rates of car ownership. | 4. Assistant Director Planning & Regulation |
| | 5. Reduced opening hours in the Customer Service Centre at the end of the day would be more likely to impinge upon access for people of working age. While people in many jobs are able to make personal calls during their working day, some may be more restricted from doing this. | 5. Almost all services are now available online which enables customers to access them 24/7.<br><br>The use of appointments for face to face services means that customers can book a time that's good for them, and provides an opportunity for people who can't / prefer not to use online services to still access the support they need. | 5. Assistant Director Digital and Transformation |

# Brief Equality Impact Assessment

<table>
<tr><td>What is being assessed?</td><td>Introducing a service charge to garage freeholders of £12.14 per annum for the cleansing, sweeping and weeding of their garages, with effect from June 2022. This equates to 23p per week.</td><td rowspan="3">What are the key aims of it?</td><td rowspan="3" colspan="3">It costs the Council £20,240 per year to provide cleansing, sweeping and weeding services to 2,000 freehold garages. The Council have the ability to charge most freeholders for cleansing, weeding and sweeping under an obligation in the conveyancing documents. The aim is to fully recover these costs.<br><br>6,565 garages are available for rental from the Council and routine maintenance and cleansing are included in the weekly rent that leaseholders pay. This charge to freeholders ensures that everyone who utilises a garage pays their fair share for cleansing, sweeping and weeding services.</td></tr>
<tr><td>Who may be affected by it?</td><td>Garage freeholders (residents who have bought their garage from the Council in previous years)</td></tr>
<tr><td>Date of full EqIA on service area<br><br>(planned or completed)</td><td></td></tr>
<tr><td rowspan="2">Form completed by:</td><td rowspan="2">Nadia Capuano</td><td>Start date</td><td>June 2022</td><td>End date</td><td>June 2023</td></tr>
<tr><td colspan="2">Review date</td><td colspan="2">December 2022</td></tr>
</table>

| | | | |
|---|---|---|---|
| What data / information are you using to inform your assessment? | Garage Improvement Programme, Freeholder Fees Report | Have any information gaps been identified along the way? If so, please specify | |

| |
|---|
| Explain the **potential positive, negative or unequal impact** on the following characteristics and **how likely** this is: |

| | | | |
|---|---|---|---|
| Age | Unequal – Older garage freeholders if they are on means tested pension credit may find it more difficult to source the funds to pay for the £12.14 annual service fee. However since this is a small amount (22p per week), we expect very few residents from this demographic to be financially burdened by this. | Race | Unequal – Office for National Statistics data confirms the existence of an ethnicity pay gap in the UK. Garage freeholders from ethnic minorities may therefore be more vulnerable to socio-economic impacts. However since this is a small amount (23p per week), we expect very few residents from this demographic to be financially burdened by this. |
| Disability | N/A | Religion or belief | N/A |
| Gender reassignment | N/A | Sex | N/A |
| Marriage or civil partnership | N/A | Sexual orientation | N/A |
| Pregnancy & maternity | N/A | Socio-economic[1] | Unequal –Low income garage freeholders may find it more difficult to source the funds to pay for the £12.14 annual service fee. However since this is a small amount (23p per week), we expect very few residents from this demographic to be financially burdened by this. |
| Other | N/A | | |



[1]Although non-statutory, the council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.

| Where there is a likely **positive impact**, please explain how it will help to **fulfil our legislative duties** to: | | | | | |
|---|---|---|---|---|---|
| Remove discrimination & harassment | | Promote equal opportunities | The fee will be collected through an online payment system and if necessary, can be subject to a flexible payment plans (up to a maximum of 2 payments to cover the debt).<br><br>This charge to freeholders ensures that everyone who utilises a garage pays a fair share of the annual cost incurred by the council by bringing charges in line with those paid by garage tenants. | Encourage good relations | |

## What further work / activity is needed as a result of this assessment?

| Action | Responsible officer | How will this be delivered and monitored? | Deadline |
|---|---|---|---|
| Monitoring of feedback from garage freeholders on the application of the charges | Rebecca Millett | Monitored through feedback and data from Garage Services team | June 2022 |
| Monitoring of levels of debt from garage freeholders | Rebecca Millett | Monitored through feedback from Garages Services team | Ongoing following implementation in June 2022. |

**Approved by Assistant Director / Strategic Director: Steve Dupoy, Assistant Director SDS**

**Date: 20.12.21**

Appendix D

# Full Equality Impact Assessment

| | | | | | |
|---|---|---|---|---|---|
| **What is being assessed?** | The increase in Garage Fees & Charges for Financial Year 22-23 | | | | |
| Lead Assessor | Nadia Capuano | | | Assessment team | Nadia Capuano<br><br>Daud Latif |
| Start date | April 2022 | End date | March 2023 | | |
| When will the EqIA be reviewed? | | September 2022 | | | |



| | |
|---|---|
| Who may be affected by it? | Service users / residents |
| What are the key aims of it? | 1: To decrease the void rates of garages to ensure maximum number of residents can benefit from garage services<br><br>2: To combat inflationary pressures and increased service costs by ensuring that garage prices rise alongside inflation<br><br>3: To ensure revenue generation from garages, assisting the Council with its financial security challenges.<br><br>4: To apply a different percentage increase to different garage types (ranging from 2.18% to 4.01%) depending on the specification and demand to provide a wider range of options for residents. |

| | | | | | |
|---|---|---|---|---|---|
| What **positive measures** are in place (if any) to help **fulfil our legislative duties** to: | | | | | |
| Remove discrimination & harassment | With the launch of online Choice Based Lettings | Promote equal opportunities | Garage pricing is differentiated (i.e., low | Encourage good relations | |

| | | | | | |
|---|---|---|---|---|---|
| | (CBL), anticipated to go live in late 2021/early 2022, residents will be able to bid on garages that best suit their needs based on factors such as price, affordability, location and distance. | | demand garages cost less than premium garages). The proposed fees and charges increases allow for more differentiation and ensure that residents can choose a garage that suits their needs. | | |



| | |
|---|---|
| What sources of data / information are you using to inform your assessment? | Garages databases containing information on the status of all SBC garages, resident requirements and the garages waiting list. |

| | |
|---|---|
| In assessing the potential impact on people, are there any overall comments that you would like to make? | Garage Services are using a commercial model where low void, high demand areas will see a bigger increase in fees as residents have a high demand product. Conversely, high void, low demand garages will see a smaller increase in fees to help decrease the void rate. Garage tenants with the lowest fee increase will need to pay an additional 25p per week / £13 per year.<br><br>Garages renters with the highest fee increase will pay an additional 60p weekly / £31 per year. It is anticipated that this minimal fee increase will not adversely affect any garage current renters or deter future renters. |

| | |
|---|---|
| | Garage prices were benchmarked against other local offers as part of the fees and charges process. Looking at how the SBC proposals compare, the proposed garages pricing ranges from £11.75 to £15.60 and these fees sit directly in the middle of the benchmarked competitors; Luton and Dacorum, who are likely to raise their prices further as part of their reviews of fees and charges for 22/23. |

## Evidence and impact assessment

### Explain the potential impact and opportunities it could have for people in terms of the following characteristics, where applicable:

| **Age** | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | X | Unequal impact | X |
| Please evidence the data and information you used to support this assessment | The price increase might impact the elderly who are on pension credit and could affect young people on low incomes. Renting a garage is a discretionary service and tenants use them for parking their cars or for storage purposes. It is anticipated that elderly residents have the funds to pay the maximum 60p a week extra and that this amount will not be too much extra burden on their finances. If the resident becomes unable to afford the current tier of garages, they will be able to bid on a lower tier, cheaper garage through Choice Based Lettings. | | | | |
| What opportunities are there | With launch of Choice Based Lettings, potential garage tenants can bid for garages online. Prices and locations will | What do you still need to | Exact go-live date of the implementation of | | |

| | | | |
|---|---|---|---|
| to promote equality and inclusion? | be clearly displayed and applicants will be measured against set criteria to award the garage, in a similar way to the management of the current manual waiting list. | find out? Include in actions (last page) | the new online Choice Based Lettings system. |

## Disability

**e.g. physical impairment, mental ill health, learning difficulties, long-standing illness**

| | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | X | Unequal impact | X |

| | |
|---|---|
| Please evidence the data and information you used to support this assessment | The price increase might impact on people who are on disability allowance. Renting a garage is a discretionary service and tenants use them for parking their cars or for storage purposes. It is anticipated that disabled residents have the spare funds to pay the maximum 60p a week extra and that this amount will not be too much extra burden on their finances. If the resident becomes unable to afford the current tier of garages, they will be able to bid on a lower tier, cheaper garage through Choice Based Lettings. |

| | | | |
|---|---|---|---|
| What opportunities are there to promote equality and inclusion? | With launch of online Choice Based Lettings, potential garage tenants can bid for garages.<br><br>Garages will normally be allocated in date order from the waiting list; however the Council reserves the right to give priority to anyone who is registered disabled upon providing | What do you still need to find out? Include in actions (last page) | Exact go-live date of the implementation of the new online Choice Based Lettings system. |

| | | | |
|---|---|---|---|
| | evidence of a blue badge. In exceptional circumstances a case will be reviewed and decided on its merits. The overall decision will be undertaken by the Garages Manager. | | |



| **Gender reassignment** | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | | Unequal impact | |
| Please evidence the data and information you used to support this assessment | | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |

| **Marriage or civil partnership** | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | | Unequal impact | |
| Please evidence the data and information you used to support this assessment | | | | | |
| What opportunities are there to promote equality and | | What do you still need to find out? Include in actions | | | |

| | | | |
|---|---|---|---|
| inclusion? | | (last page) | |

| **Pregnancy & maternity** | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | | Unequal impact | |
| Please evidence the data and information you used to support this assessment | | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |

| **Race** | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | | Unequal impact | |
| Please evidence the data and information you used to support this assessment | | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |

Appendix D

| Religion or belief | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | | Unequal impact | |
| Please evidence the data and information you used to support this assessment | | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |



| Sex | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | | Unequal impact | |
| Please evidence the data and information you used to support this assessment | | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |

| **Sexual orientation**<br><br>**e.g. straight, lesbian / gay, bisexual** | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | | Unequal impact | |
| Please evidence the data and information you used to support this assessment | | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |



| **Socio-economic[2]**<br><br>**e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users,**<br><br>**social value in procurement** | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | X | Unequal impact | X |
| Please evidence the data and information you used to support this assessment | The price increase might impact residents with a socio-economic disadvantage who are in receipt of benefits. Renting a garage is a discretionary service and tenants use them for parking their cars or for storage purposes. It is anticipated that residents will have the funds to pay the maximum 60p a week extra, and that this amount is not expected to be a large burden on the finances. If the resident becomes unable to afford the current tier of garages, they will be able to bid on a lower tier, lower cost | | | | |

[2]Although non-statutory, the council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.

| | |
|---|---|
| | garage through Choice Based Lettings. |

| | | | |
|---|---|---|---|
| What opportunities are there to promote equality and inclusion? | With launch of online Choice Based Lettings, potential garage tenants can bid for garages.<br><br>Garages will normally be allocated in date order from the waiting list, however the Council reserves the right give priority to anyone who is registered disabled upon providing evidence of a blue badge. In exceptional circumstances a case will be reviewed and judged on its own merit. The overall decision will be undertaken by the Garages Manager. | What do you still need to find out? Include in actions (last page) | Exact go-live date of the implementation of the new online Choice Based Lettings system. |



## Other

**please feel free to consider the potential impact on people in any other contexts**

| | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | | Unequal impact | |

| | |
|---|---|
| Please evidence the data and information you used to support this assessment | |

| | | | |
|---|---|---|---|
| What opportunities are there to promote equality and | | What do you still need to find out? Include in actions | |

| | | | |
|---|---|---|---|
| inclusion? | | (last page) | |

## What are the findings of any consultation with:

| | | | |
|---|---|---|---|
| Staff? | Discussion with Garages & Commercial team regarding garages void rates and inflationary pressures led to the implementation of applying different percentage increase to different garage types (ranging from 2.18% to 4.01%) depending on the specification and demand. | Residents? | Not consulted with |
| Voluntary & community sector? | Not consulted with | Partners? | Not consulted with |
| Other stakeholders? | Not consulted with | | |



## Overall conclusion & future activity:

| | | |
|---|---|---|
| Explain the **overall findings** of the assessment and **reasons for outcome (please choose one)**: | | |
| 1. No inequality, inclusion issues or opportunities to further improve have been identified | | |
| Negative / unequal impact, barriers to inclusion or improvement opportunities identified | 2a. Adjustments made | |
| | 2b. Continue as planned | Some elderly, disabled & socio-economic disadvantaged residents might be negatively affected due to being charged an additional 25p to 60p per week for garages. Every effort will be made for them to be moved to a lower cost garage (if available). It is |

| | | |
|---|---|---|
| | | anticipated that the vast majority of garage tenants will be less affected. |
| | 2c. Stop and remove | |

Detail the **actions that are needed** as a result of this assessment and how they will help to **remove discrimination & harassment**, **promote equal opportunities** and / or **encourage good relations**:

| Action | Will this help to remove, promote and / or encourage? | Responsible officer | Deadline | How will this be embedded as business as usual? |
|---|---|---|---|---|
| The Garages Services team will continue to monitor termination levels, offer assistance to tenants looking for a cheaper garage and assist them with the CBL process | CBL will impartially assign garages to bidders based on waiting time whilst the Garages team will review exceptional cases, promoting equal opportunity. Garages team will also offer assistance when needed to encourage good relations. | Rebecca Millett | April 2022 | The Garage Services team already monitor termination levels and offer assistance to tenants looking for a cheaper garage |
| | | | | |

**Approved by Head of Service / Strategic Director:** **Steve Dupoy, Assistant Director SDS**

**Date: 20.12.21**

Appendix D

# Brief Equality Impact Assessment

## For a minor operational change / review / simple analysis

| | | | | | |
|---|---|---|---|---|---|
| What is being assessed? | **Raising off street parking fees** | What are the key aims of it? | To raise revenue for the council | | |
| Who may be affected by it? | All car park users | | | | |
| Date of full EqIA on service area (planned or completed) | 17/11/2021 | | | | |
| Form completed by: | Andrew Gough | Start date | 01/01//21 | End date | 01/01/22 |
| | | Review date | | 17/11/22 | |

| | | | |
|---|---|---|---|
| What data / information are you using to inform your assessment? | Sectoral knowledge, feedback on existing charges, feedback from past consultations, ONS data. | Have any information gaps been identified along the way? If so, please specify | The public's views on the equalities impacts of this are unknown at this time. Response to the implementation of the new charges will be closely monitored. |

Appendix D

| Explain the **potential positive, negative or unequal impact** on the following characteristics and **how likely** this is: | | | |
|---|---|---|---|
| Age | Older people may be on lower/fixed incomes and therefore more vulnerable to socio-economic impacts.<br><br>ONS data confirms that under 30s and over 65s have lower than average incomes, with ages in between having higher than average incomes, raising the possibility of price increases having a disproportionate effect on them. | Race | ONS data confirms the existence of an ethnicity pay gap in the UK. People from ethnic minorities may therefore be more vulnerable to socio-economic impacts.<br><br>Refer to "Socio-economic" below. |
| Disability | Disabled people are more likely to earn less than able bodied people, and will be impacted by the higher cost of season tickets for blue badge holders. However the rate still represents a 46% discount on the full price, mitigating the impact somewhat.<br><br>ONS data confirms the existence of a disability pay gap in the UK. People with disabilities who do not have a Blue Badge allowing them to park for free may therefore be more vulnerable to socio-economic impacts. | Religion or belief | No unequal impact identified |

| | | | |
|---|---|---|---|
| Gender reassignment | No unequal impact identified | Sex | ONS data confirms the existence of a gender pay gap in the UK. Women may therefore be more vulnerable to socio-economic impacts. |
| Marriage or civil partnership | No unequal impact identified | Sexual orientation | No unequal impact identified |
| Pregnancy & maternity | No unequal impact identified | Socio-economic[3] | Any increase in fees is likely to impact most on those who are already at socio-economic disadvantage. This could mean that parking becomes unaffordable for some people.<br><br>At the same time, the town centre is well served by other modes of transport while fees in the vicinity of the hospital would remain significantly cheaper than those offered by the hospital car parks (and therefore clearly below the market rate). This potential impact may be lessened as more than half of households in the bottom income quartile do not have a car. It is often the case that protected characteristics correlate with lower rates of car ownership. |
| Other | Increased parking charges may promote modal shift away from using cars, leading to improved | | |

[3]Although non-statutory, the council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.

| | | |
|---|---|---|
| | public health through reduced air pollution and increased physical activity. | |

| Where there is a likely **positive impact**, please explain how it will help to **fulfil our legislative duties** to: | | | | | |
|---|---|---|---|---|---|
| Remove discrimination & harassment | | Promote equal opportunities | | Encourage good relations | |



## What further work / activity is needed as a result of this assessment?

| Action | Responsible officer | How will this be delivered and monitored? | Deadline |
|---|---|---|---|
| Close monitoring of the response to, and impact of, the new charges | Philip Howard | Monitoring plan to be developed, linked to customer feedback | Sept 2022 |

**Approved by Head of Service / Strategic Director: Zayd Al-Jawad, Assistant Director Planning and Regulation**

**Date: 06.01.2022**

Please send this EqIA to equalities@stevenage.gov.uk

# Brief Equality Impact Assessment

## For a minor operational change / review / simple analysis

<table>
<tr><td>What is being assessed?</td><td>Change to on-street parking tariffs</td><td rowspan="3">What are the key aims of it?</td><td colspan="3" rowspan="3"></td></tr>
<tr><td>Who may be affected by it?</td><td>Any motorist</td></tr>
<tr><td>Date of full EqIA on service area<br>(planned or completed)</td><td>17/11/2021</td></tr>
<tr><td rowspan="2">Form completed by:</td><td rowspan="2">Phil Howard</td><td>Start date</td><td>01/01/2022</td><td>End date</td><td>01/01/2023</td></tr>
<tr><td colspan="2">Review date</td><td colspan="2">17/11/2022</td></tr>
</table>

| | | | |
|---|---|---|---|
| What data / information are you using to inform your assessment? | Sectoral knowledge, feedback on existing charges, feedback from past consultations, ONS data. | Have any information gaps been identified along the way? If so, please specify | The public's views on the equalities impacts of this are unknown at this time. Response to the implementation of the new charges will be closely monitored. |

| Explain the **potential positive, negative or unequal impact** on the following characteristics and **how likely** this is: | | | |
|---|---|---|---|
| Age | Older people may be on lower/fixed incomes and therefore more vulnerable to socio-economic impacts. They may also be more likely to need to visit the hospital area, where price rises are proposed.<br><br>ONS data confirms that under 30s and over 65s have lower than average incomes, with ages in between having higher than average incomes, raising the possibility of price increases having a disproportionate effect on them.<br><br>Refer to "Socio-economic" below. | Race | ONS data confirms the existence of an ethnicity pay gap in the UK. People from ethnic minorities may therefore be more vulnerable to socio-economic impacts.<br><br>Refer to "Socio-economic" below. |
| Disability | There is currently a shortage of dedicated blue badge parking both in the town centre and at the hospital. If increased parking charges discourage driving/parking by others, there will be increased parking availability for blue badge holders (who are not charged).<br><br>ONS data confirms the existence of | Religion or belief | No impacts identified. |

| | | | |
|---|---|---|---|
| | a disability pay gap in the UK. People with disabilities who do not have a Blue Badge allowing them to park for free may therefore be more vulnerable to socio-economic impacts.<br><br>Refer to “Socio-economic” below. | | |
| Gender reassignment | No impacts identified. | Sex | ONS data confirms the existence of a gender pay gap in the UK. Women may therefore be more vulnerable to socio-economic impacts. |
| Marriage or civil partnership | No impacts identified. | Sexual orientation | No impacts identified. |
| Pregnancy & maternity | Pregnant women may be more likely to attend the hospital, and therefore disproportionately affected by any price rises there.<br><br>Refer to “Socio-economic” to the right. | Socio-economic[4] | Any increase in fees is likely to impact those who are already at socio-economic disadvantage. This could mean that parking becomes unaffordable for some people.<br><br>At the same time, the town centre is well served by other modes of transport while fees in the vicinity of the hospital would remain significantly cheaper than those offered by the hospital car parks |

[4]Although non-statutory, the council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.

| | | | |
|---|---|---|---|
| | | | (and therefore clearly below the market rate).<br><br>Existing and proposed parking charges represent only a small cost compared to the overall expense of running a car, and the less well-off are more likely not to drive (more than half of households in the bottom income quartile do not have a car). |
| Other | Increased parking charges may promote modal shift away from using cars, leading to improved public health through reduced air pollution and increased physical activity. | | |

| Where there is a likely **positive impact**, please explain how it will help to **fulfil our legislative duties** to: | | | | | |
|---|---|---|---|---|---|
| Remove discrimination & harassment | | Promote equal opportunities | Increasing the availability and accessibility of parking for those people holding a blue badge helps to | Encourage good relations | |

| | | | | | |
|---|---|---|---|---|---|
| | | | provide equality of opportunity for disabled people who may not be able to travel except by car. | | |

## What further work / activity is needed as a result of this assessment?

| Action | Responsible officer | How will this be delivered and monitored? | Deadline |
|---|---|---|---|
| Close monitoring of the response to, and impact of, the new charges | Philip Howard | Monitoring plan to be developed, linked to customer feedback | Sept 2022 |

**Approved by Head of Service / Strategic Director: Zayd Al-Jawad, Assistant Director Planning and Regualtion**

**Date: 06.01.2022**

Please send this EqIA to equalities@stevenage.gov.uk

Appendix D

# Full Equality Impact Assessment

| **What is being assessed?** | Removal of car parking validator discounts for commercial business customers and staff in the town centre | | | | |
|---|---|---|---|---|---|
| Lead Assessor | Nadia Capuano | | | Assessment team | Nadia Capuano<br><br>Andy Gough |
| Start date | April 2022 | End date | Ongoing | | |
| When will the EqIA be reviewed? | | October 2022 | | | |



| | |
|---|---|
| Who may be affected by it? | Customers and staff using Mecca Bingo, Holiday Inn and Ibis Hotels. They have current informal arrangements with the Council that include a number of discounts or set rates of parking. These arrangements have not been reviewed since 2014. |
| What are the key aims of it? | To ensure parity for town centre businesses, staff and customers and ensure that public funds are not subsidising commercial enterprises. |

| What **positive measures** are in place (if any) to help **fulfil our legislative duties** to: | | | | | |
|---|---|---|---|---|---|
| Remove discrimination & harassment | | Promote equal opportunities | This proposal ensures a level playing field and means that visitors and workers in the town centre have access to the same rates for their | Encourage good relations | There will be the option to retain the validator machine (for a monthly fee) so that the organisations can continue to offer |

| | | | | | |
|---|---|---|---|---|---|
| | | | parking | | discounted parking to their workers and customers if they wish. Staff at the Holiday Inn and Holiday Inn Express have the option to purchase car park season tickets, which offer a 10% discount on monthly season ticket rates. |



| | |
|---|---|
| What sources of data / information are you using to inform your assessment? | Financial information on the extent to which the Council is subsidising private parking<br><br>Information on levels of demand around parking<br><br>Research on the promotion of parking rates by Mecca, IBIS and the Holiday Inn |
| | |
| In assessing the potential impact on people, are there any overall comments that you would like to make? | IBIS charge their customers a higher rate than that which is charged by the Council and therefore make a profit on the arrangement. |

## Evidence and impact assessment

**Explain the potential impact and opportunities it could have for people in terms of the following characteristics, where applicable:**



| **Age** | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | X | Unequal impact | |
| Please evidence the data and information you used to support this assessment | A high percentage of visitors to the leisure related commercial activity in particular may be elderly and some may be on pension credit. The increase in parking from between 50p-£1.30 (depending on the time of day that they are parking) may have a negative impact on their finances. | | | | |
| What opportunities are there to promote equality and inclusion? | Public transport options. | What do you still need to find out? Include in actions (last page) | | | |

| **Disability**<br><br>**e.g. physical impairment, mental ill health, learning difficulties, long-standing illness** | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | | Unequal impact | |
| Please evidence the data and information you used to support this assessment | | | | | |
| What opportunities are there to promote equality and | | What do you still need to find out? Include in actions | | | |

| | | | |
|---|---|---|---|
| inclusion? | | (last page) | |

| **Gender reassignment** | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | | Unequal impact | |
| Please evidence the data and information you used to support this assessment | | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |

| **Marriage or civil partnership** | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | | Unequal impact | |
| Please evidence the data and information you used to support this assessment | | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |

| Pregnancy & maternity | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | | Unequal impact | |
| Please evidence the data and information you used to support this assessment | | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |

| Race | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | | Unequal impact | |
| Please evidence the data and information you used to support this assessment | | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |

| Religion or belief | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | | Unequal impact | |

Appendix D

| | | | |
|---|---|---|---|
| Please evidence the data and information you used to support this assessment | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | |

| **Sex** | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | | Unequal impact | |
| Please evidence the data and information you used to support this assessment | | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |

| **Sexual orientation**<br><br>**e.g. straight, lesbian / gay, bisexual** | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | | Unequal impact | |
| Please evidence the data and information you used to support this assessment | | | | | |

| | | | |
|---|---|---|---|
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | |

## Socio-economic[5]

**e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users,**

**social value in procurement**

| | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | X | Unequal impact | |

| | |
|---|---|
| Please evidence the data and information you used to support this assessment | This change will not impact public transport users as it will affect the price of car parking and it is believed that many of the users arrive by bus. It will impact staff and visitors who will have to pay the standard rates to park in town centre car parks and this may have particular impact if these workers are on low incomes. This however is the same for all town centre workers. Many of the leisure Bingo Hall users attending in the evening when there is free parking in the on street bays as an alternative. |

| | | | |
|---|---|---|---|
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | |

## Other

[5]Although non-statutory, the council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.

| please feel free to consider the potential impact on people in any other contexts | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | | Unequal impact | |
| Please evidence the data and information you used to support this assessment | | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |



## What are the findings of any consultation with:

| | | | |
|---|---|---|---|
| Staff? | Parking staff confirmed the number of validations from these businesses which equated to £60k of subsidy in 2019/20 and is forecasted at £37.7k in 21/22. It is agreed that action is required to protect parking income and ensure parity for visitors and workers in Stevenage. | Residents? | Not consulted |
| Voluntary & community sector? | Not consulted | Partners? | Not consulted |
| Other stakeholders? | Letters will be issued to the affected businesses outlining the proposed changes and opening up the potential for dialogue. | | |

Appendix D

## Overall conclusion & future activity

<table>
<tr><td colspan="3">Explain the overall findings of the assessment and reasons for outcome (please choose one):</td></tr>
<tr><td colspan="2">1. No inequality, inclusion issues or opportunities to further improve have been identified</td><td></td></tr>
<tr><td rowspan="3">Negative / unequal impact, barriers to inclusion or improvement opportunities identified</td><td>2a. Adjustments made</td><td></td></tr>
<tr><td>2b. Continue as planned</td><td>Continue with approach and consider feedback from the affected businesses once communicated</td></tr>
<tr><td>2c. Stop and remove</td><td></td></tr>
</table>



<table>
<tr><td colspan="5">Detail the actions that are needed as a result of this assessment and how they will help to remove discrimination & harassment, promote equal opportunities and / or encourage good relations:</td></tr>
<tr><td>Action</td><td>Will this help to remove, promote and / or encourage?</td><td>Responsible officer</td><td>Deadline</td><td>How will this be embedded as business as usual?</td></tr>
<tr><td>1. Monitor the impact on businesses</td><td></td><td>Andy Gough</td><td>Ongoing</td><td></td></tr>
<tr><td>2. Monitor the impact on demand</td><td></td><td>Andy Gough</td><td>Ongoing</td><td></td></tr>
</table>

**Approved by Head of Service / Strategic Director:**  **Zayd AL-Jawad . Assistant Director Planning & Regulation**

**Date: 20/12/2021**

Appendix D

# Brief Equality Impact Assessment

| | | | | | |
|---|---|---|---|---|---|
| What is being assessed? | Potential Changes to the Play Service | What are the key aims of it? | Play centres are open in the school holidays reduced by three days a week at each centre and for each day reduce by one hour. Pop up play and play outside of play centres would still be part of the offer | | |
| Who may be affected by it? | Young people and families | | | | |
| Date of full EqIA on service area<br><br>(planned or completed) | Dec 2021 | | | | |
| Form completed by: | Geoff Caine | Start date | February 2022 | End date | Summer 2022 |
| | | Review date | | February 2022 | |

| | | | |
|---|---|---|---|
| What data / information are you using to inform your assessment? | Previous full year service attendance.<br><br>Annual revenue budget<br><br>Staffing resources and structure.<br><br>. | Have any information gaps been identified along the way? If so, please specify | Detailed information on the number of unique user's footfall has not been available as the "open door policy" in place prior to March 2020 resulted in very little data being collected. The Pandemic has inhibited the implementation of the new business model. The service re-opened in mid-July with some restrictions in place, the return of users has been slow therefore measurement of the performance of the service in non- |

| | | | |
|---|---|---|---|
| | | | restricted has not been viable. |

| Explain the **potential positive, negative or unequal impact** on the following characteristics and **how likely** this is: | | | |
|---|---|---|---|
| Age | **General (potential neutral impact)**<br><br>In general terms, the option will still provide a service albeit limited to the young people and families of Stevenage.<br><br>**Older People with caring responsibilities**<br><br>The council will still be providing a free service to young people and families within the town, this is a unique service that no other local authority provides in Hertfordshire<br><br>**Younger People (potential positive impact)**<br><br>The council will still be providing a free service to young people and families within the town, this is a unique service that no other local authority provides in Hertfordshire | Race | **Potential Positive Impact**<br><br>The introduction of a new and fit for purpose booking system will provide key user data, which will be able to identify the differing backgrounds of users. |
| Disability | **Potential Positive Impact**<br><br>The service has and will continue to provide services for disabled people. | Religion or belief | **Potential Positive Impact**<br><br>Previous service delivery has not analysed users religion or belief and because of the open door policy and lack of data capture. The new booking system would allow us to capture activity within faith groups the views of people |

| | | | |
|---|---|---|---|
| | | | of different religion or beliefs can be better captured. |
| Gender reassignment | **Potential Positive Impact**<br><br>There is the potential to undertake more focused engagement activity to capture the views of this protected characteristic group. | Sex | **Potential Neutral Impact**<br><br>The service will continue to be available for all children and families within the community. |
| Marriage or civil partnership | **Neutral Impact:**<br><br>Not applicable | Sexual orientation | **Potential Neutral Impact:**<br><br>The service will continue to be available for all children and families within the community. |
| Pregnancy & maternity | **Neutral Impact:**<br><br>The service actively encourages pregnant women and those on maternity to use the service that have children over 5 years old. | Socio-economic[6] | **Potential Negative Impact:**<br><br>The service will continue to be available for all children and families within the community. Some users may have difficulty in accessing services if the play centre local to them is not open. |
| Other | | | |



| Where there is a likely **positive impact**, please explain how it will help to **fulfil our legislative duties** to: | | | | | |
|---|---|---|---|---|---|
| Remove discrimination & harassment | The Play Service will continue to provide a safe environment that | Promote equal opportunities | The Play Service will continue to provide a safe environment that | Encourage good relations | The Play Service is located in the heart of the community and is |

[6]Although non-statutory, the council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.

| | | | | | |
|---|---|---|---|---|---|
| | proactively encourages equal opportunities. | | proactively encourages equal opportunities. | | a hub for community activity and wellbeing. |
| | | | | | |



## What further work / activity is needed as a result of this assessment?

| Action | Responsible officer | How will this be delivered and monitored? | Deadline |
|---|---|---|---|
| Agree what option for service reduction is to be implemented | Culture, Wellbeing & Leisure Services Manager | Culture, Wellbeing & Leisure Services Service Plan | February 2022 |
| Restructure service area | Culture, Wellbeing & Leisure Services Manager | Culture, Wellbeing & Leisure Services Service Plan | Summer 2022 |
| Define and implement new operational plans | Culture, Wellbeing & Leisure Services Manager | Culture, Wellbeing & Leisure Services Service Plan | Summer 2022 |
| Implement new booking system | Culture, Wellbeing & Leisure Services Manager | Culture, Wellbeing & Leisure Services Service Plan | Summer 2022 |

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**Approved by Assistant Director/ Strategic Director: Rob Gregory , Assistant Director Communities and Neighbourhoods**

**Date: 20.12.2021**

Appendix D

# Full Equality Impact Assessment

## For a policy, project, service or other decision that is new, changing or under review

<table>
<tr><td colspan="4">What is being assessed?</td><td colspan="2">Customer Services savings option</td></tr>
<tr><td colspan="4">Description</td><td colspan="2">Current Customer Services opening hours are 8:30-5:30 for face to face services and 8:00-6:00 for other channels (inc Telephone), Monday to Friday except bank holidays and other closures.<br><br>This savings proposal is to reduce the opening hours by an hour at the end of the day, to 8:30-4:30 for face to face, and 8:00-5:00 for other channels. This would allow us to provide the same service but reduce resourcing by 2FTE. This has been modelled using forecasting tools, and other changes in demand etc may mean real performance would be different.<br><br>The efficiency gain arises from being able to resource more evenly throughout the day due to shorter opening times.<br><br>No additional cost has yet been factored in for increasing the Out of Hours service opening time to cover the 5pm-6pm period.</td></tr>
<tr><td>Lead Assessor</td><td colspan="3">Greg Arends</td><td rowspan="3">Assessment team</td><td rowspan="3"></td></tr>
<tr><td>Start date</td><td>Not yet determined, potentially April 2022</td><td>End date</td><td>There would be no end date</td></tr>
<tr><td colspan="2">When will the EqIA be reviewed?</td><td colspan="2">No review anticipated</td></tr>
</table>

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| | |
|---|---|
| Who may be affected by it? | Members of the public using Customer Services face to face services |
| What are the key aims of it? | Reduced operational costs by reducing opening hours to Customer Services. |

| What **positive measures** are in place (if any) to help **fulfil our legislative duties** to: | | | | | |
|---|---|---|---|---|---|
| Remove discrimination & harassment | | Promote equal opportunities | Almost all services are now available online which enables customers to access them 24/7. The slight reduction in opening hours is mitigated by this.<br><br>The use of appointments for face to face services means that customers can book a time that's good for them. | Encourage good relations | |

| | |
|---|---|
| What sources of data / information are you using to inform your assessment? | |

| | |
|---|---|
| In assessing the potential impact on people, are there any overall comments that you would like to make? | The opening hours for access to other Herts districts have been researched. The current telephone opening hours are longer than for any other council. The proposed reduced opening hrs will mean Stevenage still offers the joint-most accessible service, with Three Rivers.<br><br>Broxbourne council appears to no longer offer a telephone service at all. |

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Current phone opening time – 10hrs

Proposed phone opening time – 9hrs

Face to face services are more difficult to assess as not all councils publish full details. 3 councils no longer offer face to face services at all, and only Hertsmere council appears to offer a comparable level of face-to-face service as Stevenage.

Therefore in considering the potential impact on people of the proposed changes, Stevenage will still be providing the widest access of any Hertfordshire district.

| Herts District | Telephone | Max telephone hrs open per day | Face to face |
| --- | --- | --- | --- |
| **Broxbourne** | No telephone access obviously available | 0hrs | Closed |
| **Dacorum** | 8:45am to 5:15pm Monday to Thursday, 8:45am to 4:45pm Friday | 8.5hrs | Appointment only services unclear, opening hours not stated |
| **East Herts** | 9am to 5pm, Monday to Friday | 8hrs | Herford 10am – 1pm, 2pm – 4pm Tuesday<br><br>Bishops Stortford 10am – 1pm, 2pm – 4pm Wednesday |
| **Hertsmere** | 9am – 5:15pm Monday to Thursday, 9am - 5pm Friday | 8.25hrs | 9am - 5.15pm Monday to Thursday, 9am - 5pm Friday<br><br>Appointment only |
| **North Herts** | 9am to 5pm, Monday to Friday | 8hrs | Appointment only for foreign pension signing and microfiche viewing in person, no other services.<br><br>Opening hours not stated |

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| Herts District | Telephone | Max telephone hrs open per day | Face to face |
|---|---|---|---|
| **St Albans** | 8:45am to 5:00pm Monday to Thursday, 8:45am to 4:30pm Friday | 8.25hrs | Closed |
| **Three Rivers** | 8:30am – 5:30pm Monday to Thursday, 8:30-5pm Friday | 9hrs | Closed |
| **Watford** | 8:45am to 5:15pm Monday to Thursday, 8:45am to 4:45pm Friday | 8.5hrs | 9am-3pm Monday and Friday, 11am-5pm Wednesday |
| **Welwyn Hatfield** | 9am – 5pm Monday-Thursday 9am -4:45pm Friday | 8hrs | Appointment only services unclear, opening hours not stated |

## Evidence and impact assessment

**Explain the potential impact and opportunities it could have for people in terms of the following characteristics, where applicable:**

| **Age** | | | | | |
|---|---|---|---|---|---|
| Positive impact | None identified | Negative impact | None identified | Unequal impact | ✓ |
| Please evidence the data and information you used to support this assessment | Reduced opening hours at the end of the day are more likely to impinge upon service access for people of working age. While people in many jobs are able to make personal calls during their working day, some may be more restricted from doing this. | | | | |
| What opportunities are there to promote equality and inclusion? | Almost all services are now available online which enables customers to access them 24/7. The slight reduction in opening hours is mitigated by this.<br><br>The use of appointments for face to face services means that customers can book a time that's good for them. This provides an opportunity for people who can't / prefer not to use online services to still access the support they need | | | What do you still need to find out? Include in actions (last page) | |

## Disability

**e.g. physical impairment, mental ill health, learning difficulties, long-standing illness**

| | | | | | |
|---|---|---|---|---|---|
| Positive impact | None identified | Negative impact | None identified | Unequal impact | ✓ |

| | |
|---|---|
| Please evidence the data and information you used to support this assessment | Its is not clear whether Disabled customers are more likely to use our face to face services, so the reduced opening hours could/may impact them . The reason for this is two-fold.<br><br>Firstly, there are a number of services that are often supported through face to face that disabled people are more likely to use or be eligible for; in particular benefits and housing lettings services.<br><br>Secondly, the nature of some disabilities means that some disabled customers are more likely to need the higher levels of support we can offer through the face-to-face service.<br><br>However, these factors do not apply equally to all types of disability. |

| | | | |
|---|---|---|---|
| What opportunities are there to promote equality and inclusion? | Almost all services are now available online which enables customers to access them 24/7. These services can be significantly better for people with certain disabilities (e.g. deafness), but can be harder for others to use (e.g. learning difficulties). Nevertheless it does provide an additional access channel for customers that can use it after opening hours are reduced.<br><br>The use of appointments for face to face services means that customers can book a time that's good for them. And provides an opportunity for people who can't / prefer not to use online services to still access the support they need | What do you still need to find out? Include in actions (last page) | |

## Gender reassignment

| | | | | | |
|---|---|---|---|---|---|
| Positive impact | None identified | Negative impact | None identified | Unequal impact | None identified |
| Please evidence the data and information you used to support this assessment | We have no data on our service users to indicate impacts on the basis of this characteristic, and there is no clear reason to believe it might happen. | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |

## Marriage or civil partnership

| | | | | | |
|---|---|---|---|---|---|
| Positive impact | None identified | Negative impact | None identified | Unequal impact | None identified |
| Please evidence the data and information you used to support this assessment | We have no data on our service users to indicate impacts on the basis of this characteristic, and there is no clear reason to believe it might happen. | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |

Appendix D



| Pregnancy & maternity | | | | | |
|---|---|---|---|---|---|
| Positive impact | None identified | Negative impact | None identified | Unequal impact | None identified |
| Please evidence the data and information you used to support this assessment | We have no data on our service users to indicate impacts on the basis of this characteristic, and there is no clear reason to believe it might happen. | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |

| Race | | | | | |
|---|---|---|---|---|---|
| Positive impact | None identified | Negative impact | None identified | Unequal impact | None identified |
| Please evidence the data and information you used to support this assessment | We have no data on our service users to indicate impacts on the basis of this characteristic, and there is no clear reason to believe it might happen. | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |

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| Religion or belief | | | | | |
|---|---|---|---|---|---|
| Positive impact | None identified | Negative impact | None identified | Unequal impact | None identified |
| Please evidence the data and information you used to support this assessment | We have no data on our service users to indicate impacts on the basis of this characteristic, and there is no clear reason to believe it might happen. | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |

| Sex | | | | | |
|---|---|---|---|---|---|
| Positive impact | None identified | Negative impact | None identified | Unequal impact | None identified |
| Please evidence the data and information you used to support this assessment | We have no data on our service users to indicate impacts on the basis of this characteristic, and there is no clear reason to believe it might happen. | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |

## Sexual orientation

**e.g. straight, lesbian / gay, bisexual**

| | | | | | |
|---|---|---|---|---|---|
| Positive impact | None identified | Negative impact | None identified | Unequal impact | None identified |
| Please evidence the data and information you used to support this assessment | We have no data on our service users to indicate impacts on the basis of this characteristic, and there is no clear reason to believe it might happen. | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |

## Socio-economic[7]

**e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users,**

**social value in procurement**

| | | | | | |
|---|---|---|---|---|---|
| Positive impact | None identified | Negative impact | None identified | Unequal impact | ✓ |
| Please evidence the data and | Reduced opening hours at the end of the day are more likely to impinge upon service access for people who are | | | | |

[7]Although non-statutory, the council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.

| | | | |
|---|---|---|---|
| information you used to support this assessment | working. While people in many jobs are able to make personal calls during their working day, some may be more restricted from doing this. | | |
| What opportunities are there to promote equality and inclusion? | Almost all services are now available online which enables customers to access them 24/7. The slight reduction in opening hours is mitigated by this.<br><br>This allows people to make arrangements around their working day (eg before / after work or during lunch for example). However, there is no provision evenings or weekends, so need to be mindful of this | What do you still need to find out? Include in actions (last page) | |

## Other

**please feel free to consider the potential impact on people in any other contexts**

| | | | | | |
|---|---|---|---|---|---|
| Positive impact | | Negative impact | | Unequal impact | |
| Please evidence the data and information you used to support this assessment | | | | | |
| What opportunities are there to promote equality and inclusion? | | What do you still need to find out? Include in actions (last page) | | | |

## What are the findings of any consultation with:

| | | | |
|---|---|---|---|
| Staff? | The CSC is working with departments to see how services can be adapted , (I.E. key drop off and collections ). | Residents? | The 2021 town wide residents survey asked residents to rank five approaches to savings money. The most popular option by far (62% selecting it as first or second choice) was to Reduce time and money spent on paperwork by interacting with more residents and customers online |
| Voluntary & community sector? | None carried out. | Partners? | None carried out. |
| Other stakeholders? | Feedback from visitors to the CSC has been that the appointment system means they know when they will be seen and generally welcomed. Emergency cases are seen on the day | | |



## Overall conclusion & future activity

| | | |
|---|---|---|
| Explain the **overall findings** of the assessment and **reasons for outcome (please choose one)**: | | |
| 1. No inequality, inclusion issues or opportunities to further improve have been identified | | |
| Negative / unequal impact, barriers to inclusion or improvement opportunities identified | 2a. Adjustments made | |
| | 2b. Continue as planned | Reduction in opening hours is likely to have an unequal impact for certain protected characteristics. However, the availability of 24/7 online services offers many alternative, and better, access.<br><br>Even with the proposed reductions, Stevenage will still offer the widest opening access to |

| | | |
|---|---|---|
| | | customers of all Hertfordshire districts. |
| | 2c. Stop and remove | |

Detail the **actions that are needed** as a result of this assessment and how they will help to **remove discrimination & harassment**, **promote equal opportunities** and / or **encourage good relations**:

| Action | Will this help to remove, promote and / or encourage? | Responsible officer | Deadline | How will this be embedded as business as usual? |
|---|---|---|---|---|
| Monitoring and review of changes following implementation, based on feedback from a variety of sources including customers? | | | | |
| | | | | |



**Approved by Assistant Director / Strategic Director: Ruth Luscombe**

**Date: 20.12.2021**

# Brief Equality Impact Assessment APPENDIX E
## For a minor operational change / review / simple analysis



| | | | | | |
|---|---|---|---|---|---|
| What is being assessed? | **Proposed Employee Related Savings for 2022/23** | What are the key aims of it? | To consider the potential impact of the proposed employee related savings for 2022/23 on all staff and particularly those under the protected characteristics. | | |
| Who may be affected by it? | Employees within the areas where savings have been identified | | | | |
| Date of full EqIA on service area (planned or completed) | A full EqIA will be undertaken for each saving individually as part of the relevant employee consultation process | | | | |
| Form completed by: | Kirsten Frew | Start date | | End date | |
| | | Review date | | | |

| | | | |
|---|---|---|---|
| What data / information are you using to inform your assessment? | Workforce Equalities Data as of September 2021 | Have any information gaps been identified along the way? If so, please specify | Currently no workforce information is held on socio-economic status of the Stevenage Borough Council workforce and therefore this cannot be assessed. |

| Explain the **potential positive, negative or unequal impact** on the following characteristics and **how likely** this is: | | | |
|---|---|---|---|
| Age | The age profile of those likely to be impacted by these savings is spread across the age ranges of 30-39, 40-49 | Race | All of the employees likely to be impacted by the savings have identified themselves as White British. |

| | | | |
|---|---|---|---|
| | and 50-59. As no employees in the age range of 16-20 or 20-29 are impacted by these savings, it is likely that the options will have a disproportionate effect on those above the age of 30. | | |
| Disability | 33.3% of the employees likely to be impacted by these savings have identified themselves as having a disability. | Religion or belief | 66.6% of the employees likely to be impacted by these savings have identified themselves as having Christian beliefs and 33.3% as having other religious beliefs. |
| Gender reassignment | Data for this protected characteristic is incomplete for the employees impacted by the proposed savings options. | Sex | The profile of the employees impacted by the proposed savings is 66.6% female and 33.3% male. The proposed savings are therefore likely to have disproportionate effect on more woman than men. |
| Marriage or civil partnership | 33.3% of those likely to be impacted by the saving proposals have identified themselves as married and 66.6% as single. | Sexual orientation | All employees impacted by the proposed savings have identified themselves as Heterosexual. |
| Pregnancy & maternity | No information is held on the pregnancy and maternity status of the employees | Socio-economic[1] | No information is held on the socio-economic status of the employees impacted by the |



[1]Although non-statutory, the council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.

| | | | |
|---|---|---|---|
| | impacted by the proposed savings. | | proposed savings. |
| Other | | | |

| Where there is a likely **positive impact**, please explain how it will help to **fulfil our legislative duties** to: | | | | | |
|---|---|---|---|---|---|
| Remove discrimination & harassment | Consider approach to address some of the unequal impacts | Promote equal opportunities | | Encourage good relations | Consult with staff and trade unions on the proposed savings. |

## What further work / activity is needed as a result of this assessment?

| Action | Responsible officer | How will this be delivered and monitored? | Deadline |
|---|---|---|---|
| A Full EqIA will be undertaken for each of the proposed savings that impacts upon employees as part of the wider consultation exercise on the proposed changes. | Individual ADs responsible for each proposed Saving | As part of the consultation process. | |
| | | | |

**Approved by Assistant Director / Strategic Director:**
**Date:**

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**APPENDIX F**

**STEVENAGE BOROUGH COUNCIL**

**Thursday 24 February 2022**

**FORMAL COUNCIL TAX RESOLUTION INCORPORATING PRECEPTS FROM HERTFORDSHIRE COUNTY COUNCIL AND THE HERTFORDSHIRE POLICE AND CRIME COMMISSIONER**

**COUNCIL TAX RESOLUTION**

**SETTING THE AMOUNT OF COUNCIL TAX FOR THE COUNCIL'S AREA**

1. That the following be approved:

   a. the revised working revenue estimates for the year 2021/22 amounting to £11,680,510 and the revenue estimates for 2022/23 amounting to £11,151,760;

   b. the contribution from balances totalling £1,458,912 in 2021/22;

   c. the contribution from balances totalling £1,055,629 in 2022/23.

2. That it be noted that at its meeting on 19 January 2022 the Executive calculated the amount of 28,003.7 Band D equivalent properties as its council tax base for the year 2022/23 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 31B of the Local Government Finance Act 1992 as amended by Section 74 of the Localism Act 2011.

3. That the following amounts be calculated by the Council for the year 2022/23 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by Section 74 of the Localism Act 2011:

| | | |
|---|---|---|
| a. | £82,635,061 | Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2)(a) to (f) of the Act, less the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d) |
| b. | £76,318,266 | Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act. |
| c. | £6,316,795 | Being the amount by which the aggregate at 3a above exceeds the aggregate at 3b above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. |
| d. | £225.57 | Being the amount at 3c divided by the amount at 2 above, calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its council tax for the year |

e. Valuation Bands

| | |
|---|---|
| A | £ 150.38 |
| B | £ 175.44 |
| C | £ 200.51 |
| D | £ 225.57 |
| E | £ 275.70 |
| F | £ 325.82 |
| G | £ 375.95 |
| H | £ 451.14 |

Being the amounts given by multiplying the amount at 3d. above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. a. That it be noted that for the year 2022/23 Hertfordshire County Council have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands

| | Basic Amount Of Council Tax | Adult Social Care Charge | 2022/23 Council Tax |
|---|---|---|---|
| A | £ 899.09 | £ 120.45 | £ 1,019.54 |
| B | £ 1,048.93 | £ 140.53 | £ 1,189.46 |
| C | £ 1,198.78 | £ 160.60 | £ 1,359.38 |
| D | £ 1,348.63 | £ 180.68 | £ 1,529.31 |
| E | £ 1,648.33 | £ 220.83 | £ 1,869.16 |
| F | £ 1,948.02 | £ 260.98 | £ 2,209.00 |
| G | £ 2,247.72 | £ 301.13 | £ 2,548.85 |
| H | £ 2,697.26 | £ 361.36 | £ 3,058.62 |

b. That it be noted that for the year 2022/23 Hertfordshire Police Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 and amended by Section 27 of the Police and Magistrates' Court Act 1994, for each of the categories of the dwellings shown below:

Valuation Bands

| | |
|---|---|
| A | £ 148.67 |
| B | £ 173.44 |
| C | £ 198.22 |
| D | £ 223.00 |
| E | £ 272.56 |
| F | £ 322.11 |
| G | £ 371.67 |
| H | £ 446.00 |

5. That, having calculated the aggregate in each case of the amounts at 3e. and 4a. and b. above, the Council in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts for council tax for the year 2022/23 for each of the categories of dwellings shown below:

Valuation Bands

| | |
|---|---|
| A | £1,318.59 |
| B | £1,538.34 |
| C | £1,758.11 |
| D | £1,977.88 |
| E | £2,417.42 |
| F | £2,856.93 |
| G | £3,296.47 |
| H | £3,955.76 |

6. To determine in accordance with Section 52ZB Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2022/23 is not excessive in accordance with principles approved by the Secretary of State under Section 52ZC having calculated the aggregate in each case of the amounts at 3e.

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**APPENDIX G**

**Statement of the Chief finance Officer**
**Robustness of Estimates and Adequacy of Reserves**

## 1 ROBUSTNESS OF ESTIMATES

The council process for producing the budget estimates involves responsible budget holders and finance officers reviewing and projecting the Base Budget. The Working Budget Estimates are determined against a background of ongoing quarterly budget monitoring for the current financial year and an evaluation of the outturn position and Budgets carried forward from the previous financial year. The 2022/23 Estimates are determined by evaluating and costing all known changes, including pay and price levels, legislative changes, demands for services and policy developments, together with an assumption about the on-going impact of COVID on the councils finances into 2022/23. The council has sufficient reserves to allow a contribution from balances in order to set a balanced budget for 2022/23 and the current Budget Process has rigorously reviewed current budgets to secure another year of necessary Making Your Money Count (MYMC) Savings, the level of which has been compounded by COVID pressures and higher inflationary pressures. As part of the 2022/23 Budget process the council has had to meet the challenge of historic Government Grant reductions, reducing New Homes Bonus, COVID, as well as absorbing inflationary and legislative changes within its Medium Term Financial Strategy. The overall budget process is co-ordinated by the Accountancy Section in liaison with the various Business Units and the council's Strategic Leadership Team. The Budget is recommended by the Executive, for approval by Council after it has been through the Scrutiny process required by the Council's Constitution. The process includes consideration of risks and uncertainties associated with projections of future pay, prices, interest rates and projected levels and timing of other potential liabilities. The challenge to the budget process is provided by both the Leader's Financial Security Group and the Scrutiny and Overview Committee.

The Council has needed to adapt to the on-going central grant reductions, the transfer of funding risk to local government with the localisation of business rates and welfare reforms. Financial monitoring arrangements provide the Executive with a quarterly update on the performance of the budget, with action plans where significant adverse variances have resulted. The Medium Term Financial Strategy is under constant review to ensure that a clear financial position for the council can be demonstrated for the next five years aided by the Council's MYMC priority. This is necessary as the significant cuts in public expenditure and funding from the government have been implemented and there is uncertainty beyond 2022/23 on the level of central support. The increase in frequency with which the MTFS will be reviewed for 2022/23 will increase with a report to the June 2022 Executive in advance of the usual September report. The CFO has identified that further MYMC savings options are required for 2023/24-2025/26 of £2.14Million to ensure a balanced General Fund budget. This target includes the impact of COVID plus an increase in inflationary and other pressures.

The Council's Financial Regulations require responsible budget holders to ensure that net expenditure does not exceed the total of their Service budgets. Where, despite the assessment of risks that forms part of the budget process, a budget comes under pressure during the course of the financial year, the council's budgetary framework and Financial Regulations lay down appropriate procedures. Where budget variations cannot be contained overall by the use of virements, these have been reported to Members as part of the quarterly budget monitoring process. In addition requests for supplementary estimates have to be submitted to the Executive or Full Council, as appropriate. Supplementary estimates are met from available balances and reserves, subject to the required level of minimum General Fund balances.

The Strategic Director (S151) considers that the Estimates and the processes used to produce them are sound and robust. A further update on the 2021/22 General Fund and HRA budgets will be presented to the March Executive, together with any on-going impacts.

## 2 ADEQUACY OF RESERVES

The Council's annual budgetary process and the assessment of the adequacy of Reserves are undertaken in the context of robust medium term financial forecasting. Whilst the Council currently has a level of Reserves above the minimum risk assessed level, the Council's Medium Term Financial Strategy acknowledges that the £3.1Million of these will be utilised in the medium term as a result of projected future under funding, COVID losses not refunded and inflation and growth pressures. This is based on the assumption that there will not be a fundamental change to the Council's core funding under any Government funding review, however the Council does not rely on Business Rate gains which under any 'reset' could see gains disappear and they are recommended for one off spend.

The Council has risk assessed the level of General Fund balances required, based on information from service managers and this was presented to Members as part of the January Draft General Fund Budget report, the level of reserves required for 2022/23 was £3,471,038 and remains unchanged.

Total available General Fund balances as at 1st April 2022 are estimated to be £4,519,958 (after 2021/22 contribution to balances from the General Fund of £1,458,912). Total General Fund balances as at 1st April 2023 are estimated to be £3,886,328 (after 2022/23 contribution from balances to the General Fund of £1,055,629 including estimated COVID related costs of £1,165,970). These levels of balances meet the minimum level of risk assessed balances that are needed to meet unforeseen expenditure arising in the year and expenses arising before income is received.

Total available HRA balances as at 1st April 2022 are estimated to be £26,571,503, (after contribution to balances in 2021/22 of £1,176,780). Total available HRA balances as at 1st April 2023 are estimated to be £28,527,703 (after contribution to balances in 2022/23 of £1,956,200).

It is estimated that the council will have General Fund £1,977,456 capital receipts and £3,550,000 regeneration ring fenced receipts and £336,000 Locality Review Receipts and £874,482 capital reserve as at 1st April 2022 and the Council has a need to borrow in 2022/23 of £24,087,512 including £15,640,000 for the HRA. This is in addition to the facility for the Wholly Owned Company (WOC) to draw down up to a maximum £15Million subject to Board and client shareholder approval. The current Strategy requires a £350,000 contribution of year end underspends  from the General Fund in 2022/23.

It is estimated that the council will have General Fund £1,524,176 capital receipts, £1,458,600 Locality Review Receipts ,£3,300,000 ring fenced Regeneration Receipts and £nil capital reserve as at 1st April 2023.

It is estimated that the Council will have HRA £101 capital receipts as at 1st April 2023, (£8,197,749 as at 1 April 2022) and £2,976,397 Major Repair Reserve balances as at 1st April 2023, £11,452,146 as at 1 April 2022). The HRA capital programme is based on the latest stock condition information.

In assessing the adequacy of the council's reserves, the robustness of its Budgetary Process and Systems of Internal Control, the assumptions and uncertainties discussed in the Budget report, and the levels of special provision have been considered.

In coming to a view on the adequacy of reserves, risks in the area of litigation, business continuity, civil emergency, failure of information systems, budgetary control and interest rate calculations have been considered in terms of the possible maximum financial impact and their probability of occurrence. Ongoing assessment of the financial risks to the council, its budget and Medium Term Financial Strategy, are embedded as part of the council's overall Corporate Risk Management processes. On this basis, the Strategic Director (S151) considers the level of general balances to be adequate for the 2022/23 financial year.

## 3 SPECIFIC RESERVES

As part of the budget preparation process, the current and projected levels of the Council's allocated reserves have been considered. Following this review, the Strategic Director (S151) confirms these reserves are £2,877,497 (General Fund) and £3,422,850 (HRA) as at 1 April 2023, (£7,157,820 (General Fund) and £3,422,850 (HRA) as at 1 April 2022) and continue to be required.

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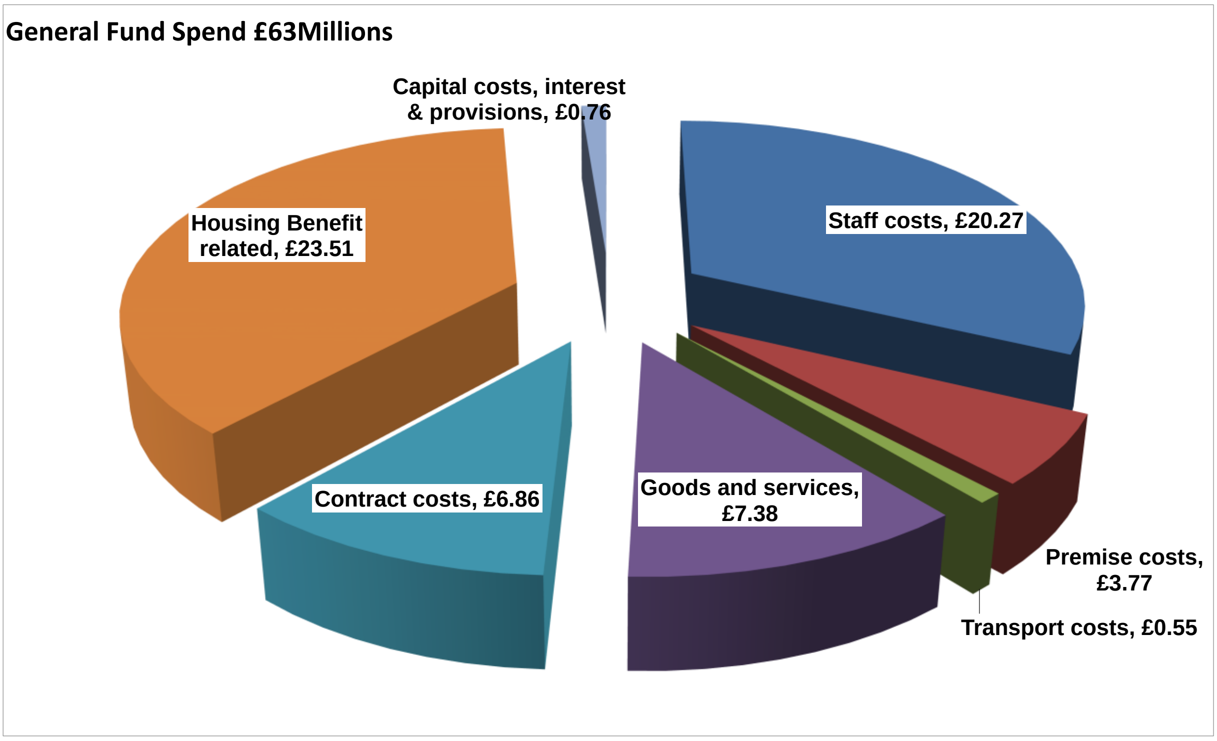
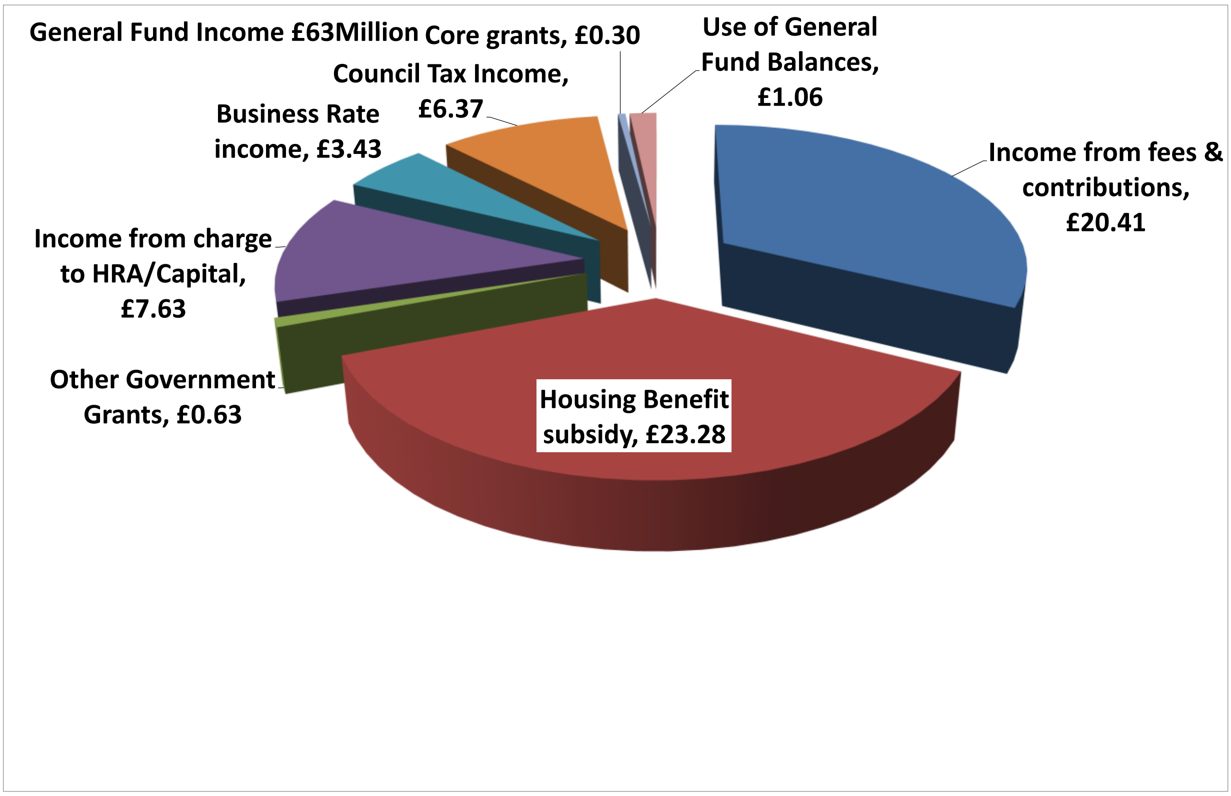
# General Fund, Appendix H

# Budget 2022/23

## General Fund Income & Expenditure 2022/23



# General Fund, Appendix H

Stevenage BOROUGH COUNCIL

## General Fund Summary

| | Actual 2020/21 £ | Original Budget 2021/22 £ | Working Budget 2021/22 £ | Original Budget 2022/23 £ |
|---|---|---|---|---|
| **Summary of Expenditure** | | | | |
| **Portfolio:** | | | | |
| **Community Services** | 105,395 | 4,161,710 | 4,164,060 | 4,330,970 |
| **Housing Services** | 3,101,942 | 2,658,140 | 2,928,790 | 2,541,860 |
| **Environmental Services** | 9,547,003 | 7,914,320 | 9,328,650 | 7,730,530 |
| **Local Community Budgets** | 106,588 | 60,500 | 60,500 | 60,500 |
| **Resources** | (2,582,620) | (4,193,350) | (5,326,810) | (3,392,030) |
| **Resources - Support** | 6,969 | 70,690 | 695,560 | (78,320) |
| **Trading Accounts - Direct Services *** | 445 | (36,440) | (170,240) | (41,750) |
| **Net General Fund Expenditure** | **10,285,721** | **10,635,570** | **11,680,510** | **11,151,760** |
| **Government Support - Retained Business Rates (NDR)** | (2,700,386) | (2,343,779) | (2,282,349) | (1,785,034) |
| **S31 Grants** | (9,332,101) | (815,229) | (3,872,946) | (1,618,316) |
| **Transfer to/from S31 reserve** | 9,350,954 | (8,461,090) | (5,282,497) | (3,776,102) |
| **Transfer to/from Collection Fund reserve 2021/22** | 380 | 7,726,802 | 7,632,402 | 3,745,225 |
| **Transfer to/from Collection Fund (Council Tax)** | (67,265) | (40,151) | (40,151) | (50,090) |
| **Taxation Income Guarantee** | (886,329) | | | |
| **Lower Tier COVID Grant** | 0 | (140,043) | (140,043) | (117,682) |
| **Council tax support COVID grant** | 0 | (118,859) | (118,859) | 0 |
| **Service Grant** | 0 | 0 | 0 | (177,337) |
| **District Precept** | (5,988,601) | (6,117,154) | (6,117,154) | (6,316,795) |
| **Use of General Fund Balances** | **662,373** | **326,067** | **1,458,912** | **1,055,629** |
| **General Fund Balance:** | | | | |
| **Balance 1 April** | (7,063,243) | (4,519,954) | (6,400,870) | (4,941,958) |
| **Use of Balances in Year** | 662,373 | 326,067 | 1,458,912 | 1,055,629 |
| **General Fund Balance 31 March** | **(6,400,870)** | **(4,193,887)** | **(4,941,958)** | **(3,886,328)** |
| **Allocated Revenue Reserves:** | | | | |
| **Balance 1 April** | (4,398,550) | (12,187,243) | (13,864,465) | (7,157,820) |
| **Use of Balances in Year** | (9,165,915) | 9,360,648 | 6,706,644 | 4,280,323 |
| **Allocated Revenue Reserves Balance 31 March** | **(13,564,465)** | **(2,826,595)** | **(7,157,820)** | **(2,877,497)** |
| **Total Revenue Reserves** | **(19,965,335)** | **(7,020,482)** | **(12,099,778)** | **(6,763,825)** |

| | | | | |
|---|---|---|---|---|
| **Council Tax Bands for 2021/22 2.32% Increase on Band D Property:** | | **2021/22** | | **2022/23** |
| **BAND A** | | 147.05 | | 150.38 |
| **BAND B** | | 171.56 | | 175.44 |
| **BAND C** | | 196.06 | | 200.51 |
| **BAND D** | | 220.57 | | 225.57 |
| **BAND E** | | 269.59 | | 275.70 |
| **BAND F** | | 318.60 | | 325.82 |
| **BAND G** | | 367.62 | | 375.95 |
| **BAND H** | | 441.14 | | 451.14 |

# General Fund, Appendix H

## Community Services

| | Actual 2020/21 £ | Original Budget 2021/22 £ | Working Budget 2021/22 £ | Original Budget 2022/23 £ |
|---|---|---|---|---|
| **Summary of Expenditure** | | | | |
| 7 **Children's Services** | (66) | 10 | 10 | 130 |
| 8 **Play** | 671,142 | 873,950 | 811,650 | 765,460 |
| 9 **Community Transport** | 123,343 | 42,150 | 71,290 | 0 |
| 10 **Sports & Recreational Facilities** | 332,947 | 1,089,300 | 1,018,800 | 1,133,980 |
| 11 **Sports Development** | 101,873 | 132,260 | 132,260 | 139,620 |
| 12 **Leisure Promotions** | (58,226) | 56,980 | 162,930 | 70,840 |
| 13 **Golf Course** | 250,655 | 226,030 | 216,530 | 221,120 |
| 14 **Community Services General** | 588,230 | 682,530 | 692,530 | 691,410 |
| 15 **Community Associations** | (2,963,708) | 149,100 | 149,100 | 165,220 |
| 16 **Community Safety** | 369,481 | 322,190 | 322,190 | 457,880 |
| 17 **Museums** | 313,506 | 289,940 | 289,500 | 355,690 |
| 18 **Community Funding** | 376,217 | 297,270 | 297,270 | 329,620 |
| **Total Cost of Portfolio** | **105,395** | **4,161,710** | **4,164,060** | **4,330,970** |

## Housing Services

| | Actual 2020/21 £ | Original Budget 2021/22 £ | Working Budget 2021/22 £ | Original Budget 2022/23 £ |
|---|---|---|---|---|
| **Summary of Expenditure** | | | | |
| 20 **Homelessness** | 1,012,755 | 1,086,760 | 1,268,750 | 932,730 |
| 21 **Housing Advice** | 231,514 | 231,780 | 247,240 | 231,540 |
| 22 **Registered Provider grants** | 1,275,161 | 0 | 0 | 0 |
| 23 **Wholly Owned Company** | 0 | 15,000 | 90,000 | 15,000 |
| 24 **Private Houses Rent Allowance** | 494,115 | 378,920 | 341,720 | 386,970 |
| 25 **Rent Rebates Administration** | (472,960) | 396,590 | 431,910 | 399,980 |
| 26 **Environmental Health - Health and Safety and Food Safety** | 561,358 | 549,090 | 549,170 | 575,640 |
| **Total Cost of Portfolio** | **3,101,942** | **2,658,140** | **2,928,790** | **2,541,860** |

# General Fund, Appendix H

## Environmental Services

| | Actual 2020/21 £ | Original Budget 2021/22 £ | Working Budget 2021/22 £ | Original Budget 2022/23 £ |
|---|---|---|---|---|
| **Summary of Expenditure** | | | | |
| 28 **Abandoned Vehicles** | 3,441 | 9,180 | 9,180 | 10,480 |
| 29 **Allotments (2020/21 actual includes £185,759 revaluation gains reversed out of the GF)** | (179,632) | 46,770 | 37,840 | 4,010 |
| 30 **Cemeteries** | 180,023 | 188,060 | 210,257 | 272,480 |
| 31 **Parks, Playing Fields & Open Spaces (2020/21 actual includes £867,193 net capital charges reversed out of the GF)** | 984,726 | 2,589,990 | 2,494,047 | 2,556,540 |
| 32 **Drainage** | 12,644 | 15,030 | 18,310 | 7,940 |
| 33 **Environmental Maintenance** | 1,675,224 | 2,070,750 | 2,063,141 | 1,860,080 |
| 34 **Local Highway Services** | 283,965 | 308,130 | 315,330 | 467,740 |
| 35 **Christmas Illuminations** | 30,470 | 31,080 | 34,670 | 29,760 |
| 36 **Recycled Waste** | 1,068,851 | 924,870 | 616,890 | 784,400 |
| 37 **Refuse Services** | 1,422,963 | 1,228,320 | 1,351,790 | 1,247,920 |
| 38 **Animal Control & Environmental Health Management** | 181,739 | 216,300 | 212,630 | 222,730 |
| 39 **Green Travel Plan** | 8,810 | 15,140 | 39,970 | 15,670 |
| 40 **Parking Facilities - Off Street** | 1,256,816 | (2,362,080) | (875,540) | (2,470,290) |
| 41 **On Street Parking Enforcement** | 316,113 | (105,390) | 36,170 | (145,570) |
| 42 **CCTV** | 240,927 | 237,440 | 237,440 | 227,080 |
| 43 **Planning Policy** | 979,082 | 1,070,110 | 1,124,640 | 1,139,250 |
| 44 **Town Centre Management** | 94,874 | 67,650 | 78,310 | 77,450 |
| 45 **Regeneration** | 1,049,959 | 1,365,720 | 1,172,870 | 1,308,280 |
| 46 **Development Control** | (92,044) | (31,420) | (15,140) | (15,180) |
| 47 **Building Control** | 28,673 | 38,480 | 38,480 | 38,480 |
| 48 **Engineers** | (316) | (2,390) | 6,545 | 940 |
| 49 **Property & Design** | 0 | 2,960 | 2,960 | 1,330 |
| 50 **Environmental Health** | (306) | (580) | 16,730 | 1,730 |
| 51 **DSO Admin & Management** | 0 | (9,800) | 101,130 | 87,280 |
| **Total Cost of Portfolio** | **9,547,003** | **7,914,320** | **9,328,650** | **7,730,530** |

Capital charges for revlauation and depreciation are notional charges only and are reversed out of the General Fund in the resources portfolio

## Local Community Budgets

| | Actual 2020/21 £ | Original Budget 2021/22 £ | Working Budget 2021/22 £ | Original Budget 2022/23 £ |
|---|---|---|---|---|
| **Summary of Expenditure** | | | | |
| 53 **Local Community Budgets** | 106,588 | 60,500 | 60,500 | 60,500 |
| **Total Cost of Portfolio** | **106,588** | **60,500** | **60,500** | **60,500** |

# General Fund, Appendix H

## Resources

| | Actual 2020/21 £ | Original Budget 2021/22 £ | Working Budget 2021/22 £ | Original Budget 2022/23 £ |
|---|---|---|---|---|
| **Summary of Expenditure** | | | | |
| 55 **Commercial Properties** | (1,083,948) | (2,135,160) | (2,360,160) | (2,026,040) |
| 56 **Garages** | (2,488,453) | (2,740,490) | (2,436,260) | (2,425,420) |
| 57 **Council Tax** | 1,100,652 | 535,310 | 533,800 | 531,420 |
| 58 **Non Domestic Rate (NDR)** | 36,049 | 109,660 | 9,660 | 108,740 |
| 59 **Elections** | 172,544 | 214,250 | 214,250 | 201,030 |
| 60 **Electoral Registration** | 100,162 | 133,710 | 133,710 | 116,060 |
| 61 **Indoor Market** | 14,033 | (69,390) | (5,770) | (33,910) |
| 62 **Hackney Carriages** | 41,390 | 2,480 | 24,260 | 9,910 |
| 63 **Local Licensing** | (28,238) | (13,500) | (18,970) | (15,680) |
| 64 **Local Land Charges** | 15,050 | 9,300 | 9,300 | 4,970 |
| 65 **Miscellaneous Services** | (1,750,547) | 2,217,390 | 87,290 | 1,453,160 |
| 66 **Corporate Projects** | 652,513 | 643,340 | 773,260 | 485,670 |
| 67 **Investment Income and Expenditure** | 14,203,061 | (86,400) | (92,430) | (143,300) |
| 68 **Movement on General Fund Balance (includes the reversal of depreciation and revaluation gains and losses which are reversed out under statute)** | (14,681,469) | (4,679,370) | (3,853,050) | (3,725,450) |
| 69 **Corporate & Democratic Core** | 1,114,580 | 1,665,520 | 1,654,300 | 2,066,810 |
| **Total Cost of Portfolio** | **(2,582,620)** | **(4,193,350)** | **(5,326,810)** | **(3,392,030)** |

# General Fund, Appendix H

## Resources - Support Services

| | Actual 2020/21 £ | Original Budget 2021/22 £ | Working Budget 2021/22 £ | Original Budget 2022/23 £ |
|---|---|---|---|---|
| **Summary of Expenditure** | | | | |
| 71 **Daneshill House** | 16,038 | 25,170 | (33,830) | 14,550 |
| 72 **Swingate House** | 13,687 | 22,640 | 22,640 | 19,550 |
| 73 **Facilities Management** | 167 | 39,330 | 39,330 | 3,260 |
| 74 **Corporate Management** | (2,675) | 2,130 | 2,130 | 1,710 |
| 75 **Democratic Services** | 0 | 3,350 | 3,350 | 270 |
| **76 Legal Services** | (19,629) | 590 | 590 | 0 |
| 77 **Chief Executives Unit, Policy & Communications** | 0 | (41,170) | 1,510 | (34,710) |
| 78 **ICT** | (151,172) | 59,500 | 553,290 | (15,460) |
| 79 **Human Resources & Organisational Development** | 134,547 | (16,280) | 23,120 | (26,120) |
| 80 **Financial Services** | 16,007 | (31,040) | 28,960 | (72,810) |
| 81 **Revenues, Benefits & Local Taxation** | (0) | 6,950 | 36,950 | 28,630 |
| 82 **Customer Services** | 0 | (480) | 17,520 | 2,810 |
| **Total Cost of Portfolio** | **6,969** | **70,690** | **695,560** | **(78,320)** |

# General Fund, Appendix H

## Stevenage Direct Services (SDS)

**Stevenage Direct Services (SDS) TJ***, TV110, DA***, DC***, DE***, DS***** | **Street Scene (Graffiti); Refuse (Trade Waste; Skips; Junks); Vehicle Repairs; CCTV Partnership**

**Service Description:**
Expenditure and income relating to Stevenage Direct Services (SDS). SDS covers Street Scene (Street Cleansing & Grounds Maintenance), Refuse Collection & Recycling, Maintenance and management of the Council's fleet of vehicles.

| 01 | Actual 2020/21 £ | Original Budget 2021/22 £ | Working Budget 2021/22 £ | Original Budget 2022/23 £ |
|---|---|---|---|---|
| **Expenditure** | | | | |
| **Employee Costs:** | | | | |
| Direct Employee Expenses | 802,261 | 843,160 | 758,010 | 838,940 |
| Indirect Employee Expenses | 6,302 | 3,450 | 15,080 | 8,050 |
| **Premises Related:** | | | | |
| Repairs & Maintenance Of Buildings | 33,828 | 22,060 | 22,060 | 78,040 |
| Grounds Maintenance | 72,955 | 63,110 | 63,110 | 63,110 |
| Energy Costs | 53,326 | 65,400 | 65,400 | 77,660 |
| Rents, Rates & Water Services | 152,922 | 152,990 | 152,990 | 152,980 |
| Fixtures & Fittings | 3,110 | 3,400 | 3,400 | 3,410 |
| Cleaning & Domestic Supplies | 526 | 1,010 | 1,310 | 1,010 |
| Apportionment Of Operational Buildings | 93,648 | 112,720 | 112,720 | 130,180 |
| Premises Insurance | 5,213 | 5,310 | 5,310 | 6,010 |
| **Transport Related:** | | | | |
| Fleet Vehicle Recharges | 148,219 | 127,040 | 130,140 | 136,370 |
| Hire Of Vehicles | 0 | 0 | 0 | 0 |
| Travelling Expenses | 2,134 | 2,640 | 2,640 | 2,640 |
| **Supplies & Services:** | | | | |
| Equipment, Tools & Materials | 350,918 | 326,990 | 328,490 | 329,820 |
| Catering | 1,975 | 1,800 | 1,800 | 1,800 |
| Clothing, Uniforms & Laundry | 5,923 | 2,770 | 4,710 | 2,770 |
| Printing, Stationery & General | 1,653 | 1,300 | 1,300 | 1,300 |
| Communications & Computing | 31,573 | 18,050 | 18,050 | 19,940 |
| Expenses & Allowances | 0 | 0 | 0 | 0 |
| Grants & Subscriptions | 7,598 | 6,430 | 6,430 | 6,430 |
| Miscellaneous Expenses | 6,831 | 5,520 | 4,890 | 12,890 |
| **Third Party Payments:** | | | | |
| Contract Services | 74,572 | 47,280 | 47,280 | 139,130 |
| Private Contractors | 424,852 | 422,390 | 422,390 | 394,950 |
| Consultancy & Agency Fees | 371,785 | 421,180 | 328,370 | 378,170 |
| **Recharges:** | | | | |
| Support Services | 272,237 | 261,780 | 261,780 | 280,560 |
| Environmental Services | 0 | 0 | 0 | 0 |
| Contract Services Recharge | 262,812 | 339,400 | 339,400 | 306,050 |
| **Capital Charges:** | | | | |
| Capital Charges | 66,964 | 74,620 | 74,620 | 74,620 |
| **Total Expenditure** | **3,254,137** | **3,331,800** | **3,171,680** | **3,446,830** |
| **Income:** | | | | |
| Other Contributions & Donations | (316,679) | (312,770) | (332,620) | (316,330) |
| Fees & Charges | (1,041,029) | (1,268,190) | (1,200,520) | (1,279,210) |
| Recharge Income | (1,895,984) | (1,787,280) | (1,808,780) | (1,893,040) |
| **Total Income** | **(3,253,692)** | **(3,368,240)** | **(3,341,920)** | **(3,488,580)** |
| **Net Cost of Service** | **445** | **(36,440)** | **(170,240)** | **(41,750)** |

**Service Details:**
Collection of refuse approximately 19,200 tonnes, 6,000 tonnes of mixed recycling and 6,300 tonnes of green waste that goes direct to composting. Collection of street cleansing approximately 2,440 tonnes (includes recycling of street sweepings).Cutting 4.7 million square metres of grassland and 40 miles of hedging, maintenance of 32,000 street trees and 150 hectares of woodland. Pruning of over 300,000 square metres of shrub beds, as well as maintaining bi-annual floral displays and baskets. Regular maintenance of the Town's two Cemeteries, Allotments, Fairland's Valley Park and play areas. Maintenance of nine parks, athletics track, stadium, park pavilions, 33 football pitches, one rugby pitch and three bowling greens.Maintenance, repair and management of the Council's vehicle fleet.

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Part I – Release to Press | Stevenage BOROUGH COUNCIL | **Agenda item:**

| | |
|---|---|
| **Meeting** | **EXECUTIVE/COUNCIL** |
| **Portfolio Area** | Resources |
| **Date** | **9 FEBRUARY/24 FEBRUARY 2022** |


**DRAFT CAPITAL STRATEGY 2021/22-2025/26**

KEY DECISION

| | |
|---|---|
| **Authors** | Belinda White x2515 |
| **Contributors** | Senior Leadership Team |
| **Lead Officers** | Clare Fletcher |
| **Contact Officer** | Clare Fletcher |

## 1. PURPOSE

1.1 The purpose of the report is to seek revisions to the 2021/22 General Fund and Housing Revenue Account Capital Programme and approve the final Capital Programme for 2022/23.

1.2 To provide Members with an update on the Council's Five Year Capital Strategy and the resources available to fund the Capital Strategy.

1.3 To provide Members with an update on the Council's investment strategy as required by the updated prudential code.

1.4 To set out the Council's approach to funding its key Future Town Future Council Cooperative Corporate Plan priorities.

## 2. RECOMMENDATIONS

That the following proposals be recommended to Council on 24 February 2022:

2.1 Final General Fund Capital Growth Bids for 2022/23 as detailed in Appendix A (and incorporated into Appendix C) to the report be approved.

2.2 The revisions to the 2021/22 General Fund budget as incorporated into Appendix C to the report be approved.

2.3 The Final 2022/23 General Fund Capital Programme as detailed in Appendix C to this report be approved, together with the recommended resourcing.

2.4 That the CFO brings a report forward during the 2022/23 financial year setting out the Council's key capital regeneration and community asset ambitions and key land and asset disposals, not currently in the capital strategy to determine a funding strategy to meet these Corporate priorities.

2.5 That the Final HRA budget requests for 2022/23 as detailed in Appendix B (and incorporated into Appendix D) to the report as approved at the 26 January Council be noted.

2.6 That the Final 2022/23 HRA Capital Programme as detailed in Appendix D to the report be approved.

2.7 That the updated forecast of resources 2022/23 as detailed in Appendix C (General Fund) and Appendix D (HRA) to the report be approved.

2.8 That the Council's investment strategy for non-treasury assets as detailed in Appendix E be approved for consideration by the Executive.

2.9 That the funding increase requested for the Bus Interchange scheme as set out in paragraph 4.1.2 be approved.

2.10 That the Executive be given delegated authority to approve all of the On Hold schemes, so that they can go ahead depending on the outcome of the work identified as set out in paragraph 4.3.1.

2.11 That the 2022/23 de-minimis expenditure limit, as set out in section 4.11 of the report, be approved.

2.12 That the 2022/23 contingency allowances respectively in paragraphs 4.12.1 and 4.12.2 of the report be approved.

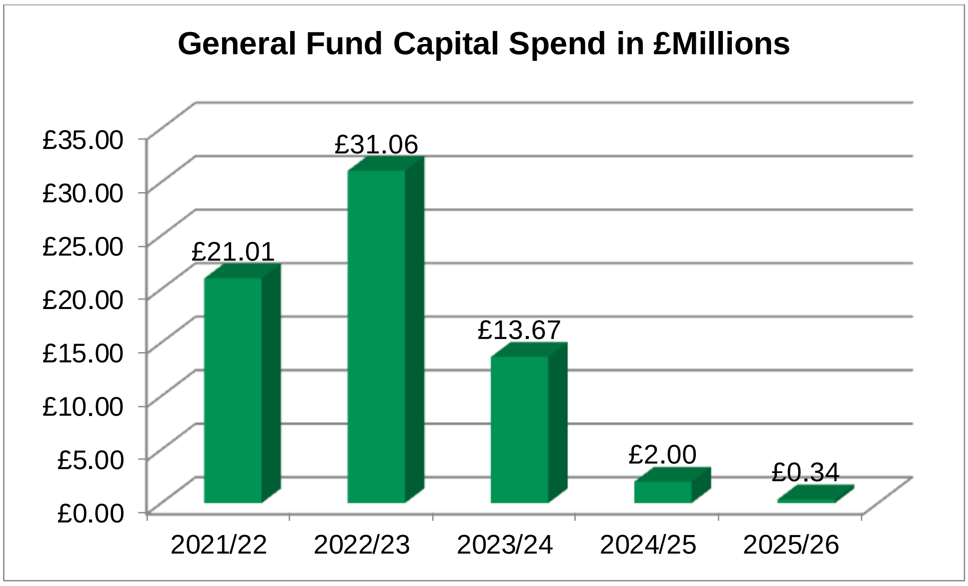
2.13 That the Executive delegation set out in paragraph 4.12.3 of the report, allowing Executive to approve increases to the capital programme for grant funded projects, be approved.

**3. BACKGROUND**

## 3.1 Introduction

3.1.1 This report is an update on the Council's Draft General Fund and HRA capital strategy 2021/22- 2025/26 presented to the January 2022 Executive meeting. This report updates Members on any changes to the capital programme previous presented for 2021/22- 2025/26 and the resourcing for both the General Fund and HRA programme.

3.1.2 The draft General Fund capital programme totalled £68.1Million and is summarised in the graph below.




3.1.3 The purpose of the Capital Strategy is to outline how the Council determines it's priorities for capital investment and how much it can afford to borrow as well as setting out any associated risks. The Leaders Financial Security Group have reviewed the capital bids for 2022/23 contained within the draft Capital Strategy and the results of that review are included in this report.

3.1.4 The framework the government uses to control how much councils can afford to spend on capital investment is known as the Prudential Framework. The objectives of the Prudential Code, which sets out how this framework is to be applied, are to ensure that local authorities' capital investment plans are:

- affordable, prudent and sustainable and that:
  - treasury management decisions are taken in accordance with good professional practice;
  - local strategic planning, asset management planning and proper option appraisal are supported.

3.1.5 The Government issued guidance on the disclosures required in the Capital Strategy from 1 April 2018 onwards which includes:

- an Investment Strategy;
- disclosure of other investments and their contribution to service delivery objectives and/or place making role;
- indicators that allow Members and the public to assess a local authority's total risk exposure as a result of investment decisions, including how these investments have been funded, rate of return and additional debt servicing costs taken on;
- the approach to assessing the risk of losses being made before entering and whilst holding an investment; and
- the steps taken to ensure that elected Members and Statutory officers have the appropriate skills and governance.

3.1.6 Some of these disclosures may be outlined in the Treasury Management Strategy instead of the Capital Strategy.

## 3.2 General Fund Investment Strategy

3.2.1 For a number of years capital spend has been prioritised due to the limited availability of capital receipts and the Council's ability to afford the revenue impact of borrowing costs. Accordingly the council applied a 'fix on fail' approach to assets with no significant asset improvements being included in the capital programme, with the exception of a few schemes which have been funded through New Homes Bonus i.e. play ground improvements, or where there has been a need to protect revenue income streams such as the garage improvement programme funded from a combination of borrowing, disposals and available capital resources.

3.2.2 The Asset Management Strategy approved by the Executive on the 11 July 2018 included a key action for the Council to undertake locality reviews of its current land and buildings. The locality reviews would seek to generate new opportunities for better use of existing buildings, to identify potential sites to release for sale along with land options for the Council's own home building programme. To date a number of land sites have been identified for disposal and those receipts included in the capital programme and so reducing the use of revenue contributions to capital. The remaining review of the Councils community assets is on-going.

3.2.3 Condition Surveys of the Councils assets was completed in 2019 and they were used to inform growth bids approved in this and previous Capital Strategies. It should be noted though that the surveys were focused on keeping existing sites operational rather than making improvements or future proofing them.

3.2.4 The Council plans to utilise New Homes Bonus (NHB) to fund the playground improvement programme along with some, other capital projects and the Capital Reserve as follows:

| Table 1: New Homes Bonus | 2021/22 | 2022/23 |
|---|---|---|
| Play & Bins (Capital) CNM | £342,000 | £65,027 |
| Electric Car Charging Points | £2,630 | |
| Town Centre Ramps Improvements | £350 | |
| Contribution to Capital Reserve | £250,000 | £177,588 |
| **Total Expenditure** | **£594,980** | **£242,615** |
| Balance in NHB reserve | £837,595 | £242,615 |
| In year Funding | | |
| Expenditure in year | £ 594,980 | £242,615 |
| **Balance remaining in NHB available** | **£242,615** | **£0** |

3.2.5 The Capital Strategy includes key priorities such as 'Transforming our Town' projects, Housing Development initiatives and IT investment (predominantly related to schemes identified through the joint ICT Partnership Strategy between East Herts District Council and Stevenage Borough Council).

3.2.6 Prudential Borrowing remains an option to fund capital schemes, but due to the additional revenue cost this has to the General Fund, any such proposals would require a business case to be completed to determine the benefit to the Council. Generally this approach would be used to fund income generating schemes which support the Making Your Money Count (MYMC) ambitions. The issue of affordability has been exacerbated in recent times by the impact of the coronavirus pandemic on the Council's finances and as set out in the General Fund report to this Executive.

3.2.7. The Council has previously approved land and asset disposals and an updated schedule of these (net of disposal fees) is set out in table two. In addition to these are a few key sites to be included in a report by the CFO, together with the Council's key regeneration ambitions during the 2022/23 financial year.

| **Table 2: 2020/21 Disposal Schedule (General Fund)** | | | |
|---|---|---|---|
| **Forecast receipts** | **January Draft** | **February Final revised** | **Variance** |
| | **£** | **£** | **£** |
| Total 21/22 Capital Receipts Estimate | (5,183,715) | (5,523,676) | **(339,961)** |
| Total 22/23 Capital Receipts Estimate | (5,736,816) | (5,455,560) | **281,256** |
| Total 23/24 Capital Receipts Estimate | (10,172,500) | (10,172,500) | **0** |
| Total 24/25 Capital Receipts Estimate | 0 | 0 | **0** |
| **Major Capital Receipts Programme** | **(21,093,031)** | **(21,151,736)** | **(58,705)** |

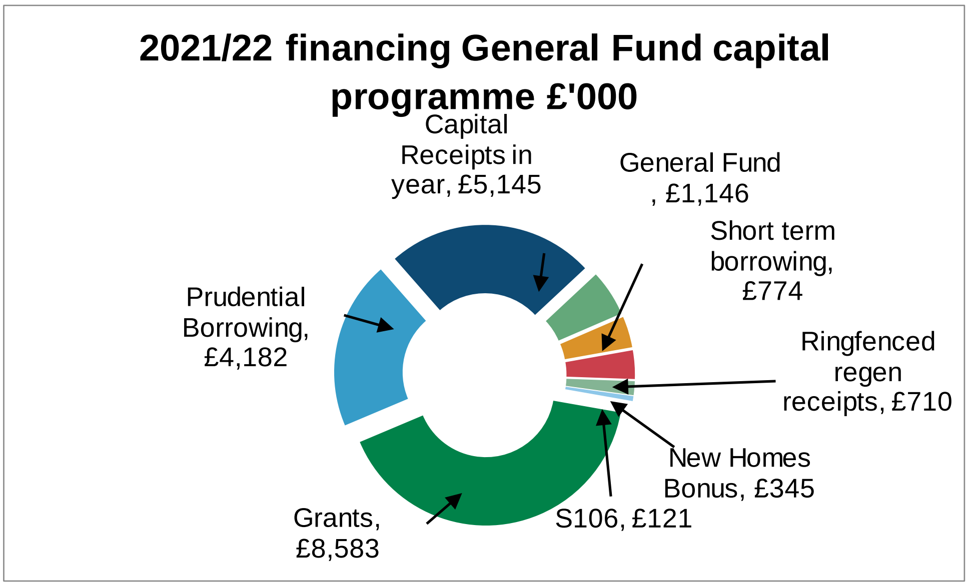
3.2.8 The receipts included in this report do not include SG1 receipts (other than receipts estimated to be due in 2022/23 which are ring fenced to fund the Public Sector Hub), other ring-fenced Regeneration receipts and Locality receipts.

3.2.9 The Capital Strategy includes the use of Section 106 (S106) monies that have been earmarked to support current and future capital schemes. The table below shows the current anticipated usage of these:

| **Table 3: S106 Update** | | | | |
|---|---|---|---|---|
| Available for financing | | 2021/22 Forecast use | Budgeted in Future Years | remaining |
| | **£'s** | **£'s** | **£'s** | **£'s** |
| Affordable Housing | 302,825 | 302,825 | 0 | 0 |
| Children's Play space | 14,986 | 14,986 | 0 | 0 |
| Outdoor Sports/Open Space Facilities | 18,957 | 18,957 | 0 | 0 |
| Community / Greenspace / Ecological Infrastructure | 70,338 | 70,338 | 0 | 0 |
| Parking / Transport | 118,550 | 0 | 0 | 123,760 |
| Gardening Club | 4,576 | 0 | 0 | 4,576 |
| Arboretum | 25,420 | 0 | 0 | 25,420 |

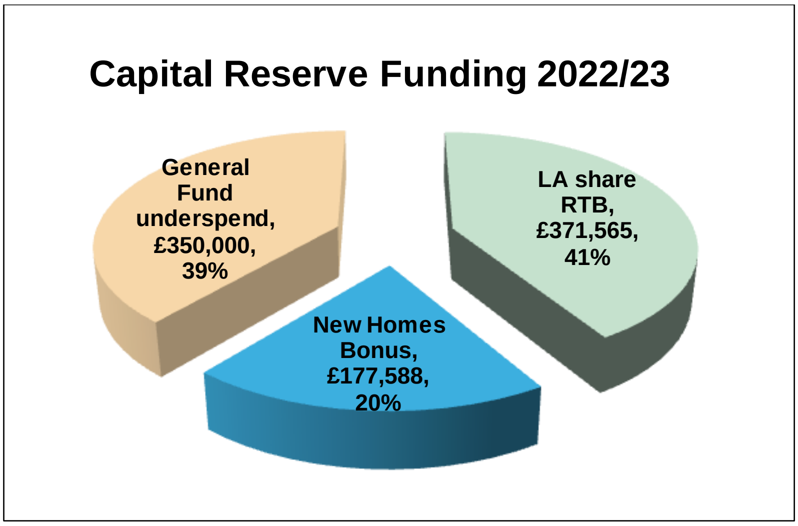
| Table 3: S106 Update | | | | |
|---|---|---|---|---|
| Available for financing | | 2021/22 Forecast use | Budgeted in Future Years | remaining |
| | £'s | £'s | £'s | £'s |
| Biodiversity Net Gain | 45,867 | 0 | 0 | 45,867 |
| Pedestrian Link | 35,000 | 0 | 0 | 35,000 |
| Household Surveys | 15,990 | 0 | 0 | 15,990 |
| Air Quality | 5,335 | | | 5,335 |
| **Total** | **657,842** | **407,105** | **0** | **255,947** |

3.2.10 The current capital programme (approved February 2021 and as subsequently amended through the quarterly monitoring and supplementary reports), is fully funded and shown in the following chart which reflects the Quarter one and two monitoring report to the October 2021 Executive. The Grants figure includes £3.7Million of LEP funding.




3.2.11 The level of General Fund resources available at the end of 2021/22 in the Quarter one and two report was £1.5Million (all from Capital Receipts) which increased to £4.8Million in 2022/23. However this position has been updated and is now as set out in paragraph 4.1.3 table four and reflects some slippage in programmes identified during the budget setting process.

3.2.12 The Capital Reserve has been a significant source of the programme funding in prior years. It includes a NHB contribution of £178K in 2022/23 along with a forecasted £350K from General Fund revenue underspends and £372K from the Local Authority Share of Right to Buy receipts, as shown in the following chart.




## 3.3 Housing Revenue Account (HRA) Investment Strategy

3.3.1 **Background**: The HRA capital programme was revised as part of the HRA Business Plan (BP) update to the December 2019 Executive. The 30 year HRA capital programme included £1.485Billion with additional borrowing.

3.3.2 The 2019/20 HRA BP included more borrowing than in the 2018 HRA BP, a more ambitious new build programme and an increase in capital works to existing homes. The new borrowing in the 2018 BP totalled £116.6Million, however the 2019 update included new borrowing of £322.2Million.

3.3.3 The additional capital expenditure that was approved as part of the HRA BP over the 30 years included £201Million of projected capital expenditure as well as revenue growth which funded planned maintenance, anticipated changes relating to the Hackett review and decent homes works.

3.3.4 The new build programme increased from £582Million to £645.6Million in the 2019 HRA BP, with 2,433 new build homes in total over the life of the Business Plan and an additional 175 units in the first 10 years of the programme.

3.3.5 Since then the programme has been increased including an increase of £11.3Million for the Kenilworth scheme procurement (reported to the Executive in January 2020), the updated figures for which were included in the Final Capital Strategy approved by the Executive and Council in February 2020. The net change to the approved budget for the period 2019/20 to 2024/25 was £10.2Million.

3.3.6 The 2022/23 growth for the HRA Capital Strategy was approved at the January 2022 Council as part of the 2022/23 Rent Setting and HRA budget report A refresh of the first 5 years of the HRA BP has recently been undertaken and a full review will take place in 2022.

## 3.4 Budget and Policy Framework

3.4.1 The process for approving capital budgets is set out in the Budget and Policy Framework in the Constitution. This includes a consultation period and the timescale required to implement this is outlined below:

| Date | Meeting | Report |
|---|---|---|
| Jan-22 | Executive | Draft 2021/22 General Fund and HRA Capital Strategy |
| | Overview and Scrutiny | Draft 2021/22 General Fund and HRA Capital Strategy |
| Feb-22 | Executive | Final 2021/22 General Fund and HRA Capital Strategy |
| | Overview and Scrutiny | Final 2021/22 General Fund and HRA Capital Strategy |
| | Council | Final 2021/22 General Fund and HRA Capital Strategy |

## 4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

### 4.1 Capital Programme – 2021/22-2022/23 General Fund

4.1.1 Due to the ongoing financial pressures arising from the COVID pandemic and the need to focus on improving General Fund resilience, the CFO recommended adopting the following approach to officers with regards to submitting Capital Bids for 2022/23:

- Review existing budgets in the Capital Strategy for completeness and to advise if circumstances have changed, and
- Only submit bids that are urgent or support the delivery of a top priority as funding is limited

A full review of the Strategy is planned to be carried out for 2023/24 onwards.

4.1.2 For 2021/22 £300K additional funding has been requested for the Bus Interchange scheme. This funding is required to complete works by mid-March 2022 and it will be funded by underspends from another project, town centre reserves/general receipts, and ring-fenced Regeneration Assets Reserve monies. The additional funding is required due to an expansion of the scope of the original scheme to include additional elements such as enhancement of the public realm connection between the Town Square and the Bus Interchange. This funding will also allow for an element of contingency to be retained, as the existing contingency has been utilised due to the impacts of carrying out construction during the Covid-19 pandemic. Any unspent monies will be returned to the ring-fenced Regeneration Assets Reserve.

4.1.3 A summary of the 2022/23 growth bids presented in the Draft Capital Strategy to January Executive is summarised in table four below, and is set out in full in Appendix A (Growth bids) and Appendix C (General Fund Capital Strategy).

| Table 4: Update following 2022/23 Capital Bids process | | | | | | |
|---|---|---|---|---|---|---|
| | 2021/22 £ | 2022/23 £ | 2023/24 £ | 2024/25 £ | 2025/26 £ | Total £ |
| SLIPPAGE | (2,107,310) | 2,107,310 | 0 | 0 | 0 | 0 |
| GROWTH BIDS | | 2,800,115 | 1,075,720 | 646,000 | 341,000 | 4,862,835 |
| **TOTAL** | **(2,107,310)** | **4,907,425** | **1,075,720** | **646,000** | **341,000** | **4,862,835** |

(reduction)/increase in forecast expenditure

## 4.2 Capital Bids Included in the Capital Programme

4.2.1 The capital growth bids received have been classified against a number of different categories. These bids totalled £4.863Million over the period 2022/23 - 2025/26, the profile of the expenditure is shown in the table below and detailed in Appendix A:

| Table 5: Update following 2021/22 Capital Bids process | | | | | | |
|---|---|---|---|---|---|---|
| | | 22/23 £ | 23/24 £ | 24/25 £ | 25/26 £ | Total £ |
| Priority 3 | Mandatory requirements (including Health & Safety) | 810,000 | 415,500 | 170,000 | 65,000 | 1,460,500 |
| Priority 4 | Schemes to maintain operational efficiency | 977,115 | 459,220 | 275,000 | 135,000 | 1,846,335 |
| Priority 8 | Schemes that further the Council's Corporate Plans | 223,000 | 201,000 | 201,000 | 141,000 | 766,000 |
| Priority 11 | New Burdens | 790,000 | 0 | 0 | 0 | 790,000 |
| **Total** | | **2,800,115** | **1,075,720** | **646,000** | **341,000** | **4,862,835** |

4.2.2 In the draft Capital strategy it was recommended that all the bids be agreed in principle by the Executive, subject to a review by Leaders Financial Security Group. This has been completed and the scoring and prioritisation is detailed in Appendix A.

4.2.3 The result is that based on the majority scoring ,LSFG recommend the removal of the following items from the draft capital programme:

| Table 6: Update to 2022/23 Bids following challenge process | | | | | |
|---|---|---|---|---|---|
| Scheme | Priority | 2022/2023 Growth Bid £ | Service | Average Score | Outcome |
| Provision for maintenance works at closed cemeteries | 3 | 50,000 | SDS | 0.2 | Not Supported |
| Water Tank and system, Shephalbury Bowls | 4 | 15,000 | SDS | 0.4 | Not Supported |
| SBC grants to businesses to reduce their carbon emissions | 8 | 8,000 | P&R | 0.4 | Not Supported |
| **TOTAL** | | **73,000** | | | |

It should be noted that although these bids were not supported by LFSG, the service could bid from the Deferred Works Reserve if the works become required.

4.2.4 The following items were also not recommended for the reasons outlined below. The Deferred Works Reserve has been increased by the sum of £535K, so that the schemes could go ahead if a health and safety need arises or the bid is subsequently supported.

| Table 7: Update to 2022/23 Bids following challenge process | | | | | |
|---|---|---|---|---|---|
| Scheme | Priority | 2022/2023 Growth Bid £ | Service | Outcome | LFSG Reason |
| Daneshill fire doors | 3 | 150,000 | F&E | On Hold | Not all doors may need replacing, Officers to confirm if this requires stairwell doors or all doors. Decision deferred pending the outcome |
| Bedwell Community Centre roof fascia replacement | 3 | 50,000 | F&E | On Hold | Survey results needed first, hold £ in the reserve |
| St Nicholas Pavilion reroofing | 4 | 150,000 | F&E | On Hold | defer until Locality review results and potential use of the building |
| St Nicholas Pavilion replace windows | 4 | 75,000 | F&E | On Hold | defer until Locality review results and potential use of the building |
| Chells Manor - boiler replacement and hot water works | 4 | 50,000 | F&E | On Hold | defer until Locality review results and potential use of the building |
| St Nicholas play centre roof | 4 | 30,000 | F&E | On Hold | defer until Locality review results and potential use of the building. Roof works anticipated to last longer than the life of the building |
| The Oval reroofing ('youth wing') | 4 | 30,000 | F&E | On Hold | The Oval is a Housing Development regeneration site included in the HRA Business Plan |
| **TOTAL** | | **535,000** | | | |

4.2.5 The growth bids submitted for future years, totalling £2.823Million for the period 2023/24 - 2025/26, are included in Appendix A and C but are indicative only. These should form part of the full review of the Strategy planned as per paragraph 4.1.1, at which time the capital receipts position will be reviewed again to consider the availability of capital resources.

## 4.3 Capital Contingency

4.3.1 As in previous years, it is recommended that a contingency allowance (the Deferred Works Reserve) should be included in the capital strategy in the event that any works become unavoidable during the financial year. This has been previously been included at the level of £200k per annum. However due to the bids that have been placed on hold as per paragraph 4.2.4 and set out in table seven, and other potential larger pieces of work for which there is currently insufficient information available as per paragraph 4.6.3, it is recommended that the Deferred Works Reserve for 2022/23 be increased as set out in the table below. This includes an amount to protect key income streams in 2022/23 for parking and garages

| Table 8: Deferred Works Reserve 2022/23 | |
|---|---|
| **Purpose** | **£** |
| General Deferred Works Reserve for urgent in-year requests | 200,000 |
| To fund 'On Hold' schemes depending on the outcome of the work identified | 535,000 |
| Potential larger areas of work such as Garages Asbestos and MSCP | 300,000 |
| **TOTAL** | **1,035,000** |

It is also recommended that Executive be given delegated authority to approve all of the On Hold schemes, so that they can go ahead depending on the outcome of the work identified. This would be in addition to the usual contingency allowance delegation of £250,000 to Executive.

## 4.4 Locality Review Update

4.4.1 A key recommendation from the June 2020 MTFS COVID recovery report was that a pipeline of land disposals be identified from Locality Reviews to help maintain the resilience of General Fund balances, by removing the revenue contribution to capital. There was also a need to generate additional capital receipts to help fund any shortfalls from the reduction or cessation of New Homes Bonus (NHB).

4.4.2 The Council's Estates Team has reviewed the sites identified and reported to the Locality Review Board, which has been meeting regularly and is sponsored by the Strategic Director (CFO). The Board includes officers from different business units who use or manage the Council's assets.

4.4.3 It was previously estimated that the potential sales should generate around £4.5Million in receipts, after taking into account disposal fees of approximately 4%. There have been a number of site issues but the Estates Team are progressing this work. The value of sites will be monitored to determine target value versus actual, however currently the overall value is estimated to be lower, which may impact on the General Fund in future years.

4.4.4 A schedule of the forecast receipts (net of disposal fees) and the timing of these is set out in table nine below:

| Table 9: Locality Review Site Disposals | |
|---|---|
| **Tranche** | **Estimated receipt** |
| Tranche 1 – Year 1 2021/22 | £336,000 |
| Tranche 2 – Year 2 2022/23 | £2,361,600 |
| Tranche 3 – Year 3 2023/24 | £960,000 |
| **Total Forecast Locality Review Receipts** | **£3,657,600** |

## 4.5 Towns Fund Update

4.5.1 The most recent report to Members relating to the Towns Fund were Item 5 ‘Towns Fund - Station Gateway report’ and Item 6 ‘New Station North MSCP report’ to Executive on 8 December 2021. Further reports are due to be taken to Special Executive meetings scheduled for 2 February 2022 and 4 March 2022 to consider business cases for other Towns Fund schemes. The profile shown below is indicative based on the content of the submission, which will be reviewed following the submission of all of the business cases. The profiling of the full £37.5Million at project level will be included in the Final Capital Strategy, once all business cases are completed.

**Table 10: Towns Fund profile (summary)**

| | 2021/22 £ | 2022/23 £ | 2023/24 £ | 2024/25 £ | 2025/26 £ | Total £ |
|---|---|---|---|---|---|---|
| Capital | 650,000 | 8,100,000 | 12,100,000 | 9,150,000 | 7,400,000 | 37,400,000 |
| Revenue | 50,000 | 50,000 | - | - | - | 100,000 |
| Total | 700,000 | 8,150,000 | 12,100,000 | 9,150,000 | 7,400,000 | 37,500,000 |

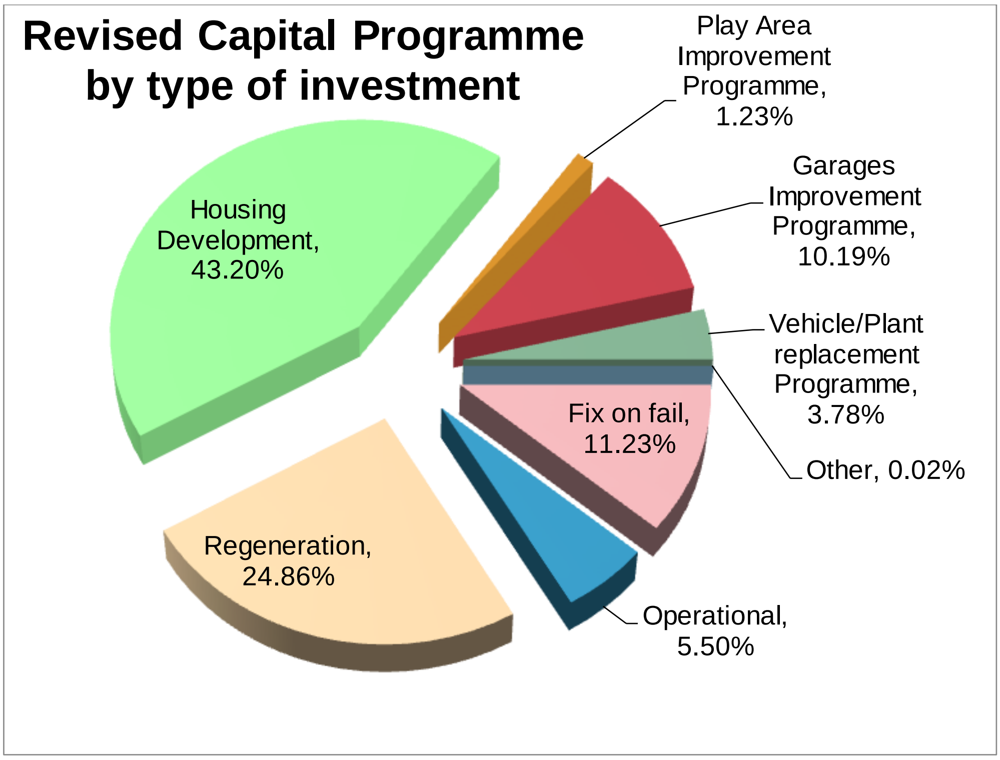
## 4.6 Summary Capital Programme 2021/22-2025/26

4.6.1 The revised Capital Strategy for 2021/22-2025/26 totals £68.0Million, including the approved 2022/23 and indicative future years growth bids totalling £3.991Million. This is summarised in table 11 below, and in detail in Appendix C.

**Table 11: Revised Capital Programme**

| | 2021/22 £000 | 2022/23 £000 | 2023/24 £000 | 2024/25 £000 | 2025/26 £000 | Total £000 |
|---|---|---|---|---|---|---|
| Stevenage Direct Services | 2,684 | 4,669 | 4,326 | 265 | 133 | 12,078 |
| Housing Development | 7,051 | 13,257 | 8,504 | 575 | 0 | 29,386 |
| Finance and Estates | 1,650 | 1,770 | 780 | 365 | 135 | 4,700 |
| IT & Digital | 399 | 674 | 104 | 104 | 0 | 1,282 |
| Regeneration | 8,279 | 8,100 | 0 | 0 | 0 | 16,379 |
| Communities and Neighbourhoods | 364 | 735 | 90 | 65 | 15 | 1,269 |
| Planning and Regulatory | 418 | 270 | 365 | 365 | 0 | 1,418 |
| Deferred Works Reserve | 83 | 1,035 | 200 | 200 | 0 | 1,518 |
| **TOTAL** | **20,929** | **30,510** | **14,369** | **1,939** | **283** | **68,030** |

4.6.2 The figures in Table eight have been converted into a pie chart below to outline the relative capital investment in these different areas and which shows the limited amount of added value in the current capital programme.




4.6.3 As set out in paragraph 4.3.1, the revised capital programme set out above and in Appendix C does not include a number of potential items that may require additional capital expenditure. Those for which some information is available are set out in the following table:

| Table 12: Risk of potential additional capital financing requirements | |
|---|---|
| **Purpose** | **£000** |
| Refurbishment needs for remedial works for garage impacted by asbestos | TBA |
| Funding for both the estate and fleet in order to help meet the Council's commitment to be carbon zero by 2030 | TBA |
| Digital interventions to support the transformation programme | TBA |
| Actions arising from the SOCITM review due to conclude in March 2022 and a refresh of the IT Strategy and which would be subject to business cases | TBA |
| Smaller 180 Litre residual bins for general household waste may need to be purchased, due to the potential for introducing weekly recycling as part of the roll out of separate food waste collections, if there is an increase recycling and reduction in residual waste. | 600 |
| The bid of £100K in 2022/23 for Ridlins Athletics represents the minimum work required to maintain operational integrity. There could be a requirement for major capital expenditure within the next three years of circa £900K depending on a long-term review of the site and facilities | 900 |
| **TOTAL** | **1,500** |

The programme will remain fix-on-fail too, leading to the potential need to incur expenditure on Council-owned buildings and other assets. Where additional capital expenditure is needed the information will be brought to Members for consideration in subsequent reports.

## 4.7 Capital Resources for the General Fund Capital Strategy

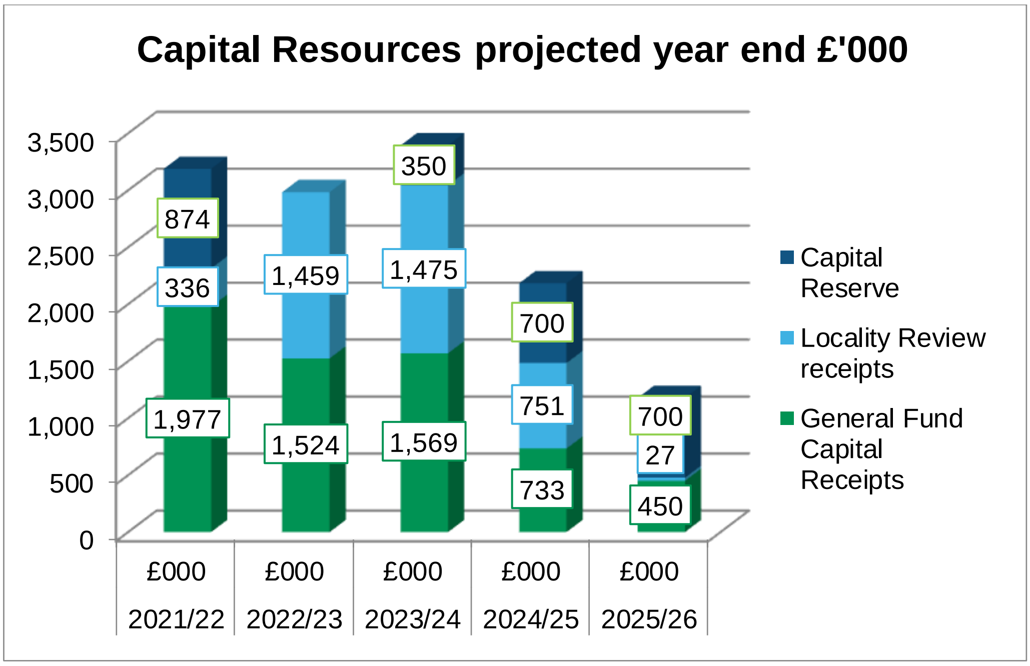
4.7.1 The projected resources used to fund the Capital Strategy totalling £68.0Million, including the approved 2022/23 and indicative future years growth bids totalling £3.991Million. This is summarised in table 13 below, and detailed in Appendix C.

**Table 13: Revised Capital Programme**

| | 21/22 £000 | 22/23 £000 | 23/24 £000 | 24/25 £000 | 25/26 £000 | Total £000 |
|---|---|---|---|---|---|---|
| Capital Receipts | 3,997 | 5,135 | 7,074 | 836 | 283 | 17,325 |
| Locality Review Receipts | 0 | 1,239 | 944 | 724 | 0 | 2,907 |
| Grants and other contributions | 4,908 | 4,746 | 3,916 | 0 | 0 | 13,570 |
| S106's | 121 | 0 | 0 | 0 | 0 | 121 |
| LEP | 3,674 | 0 | 0 | 0 | 0 | 3,674 |
| RCCO | 0 | 0 | 0 | 0 | 0 | 0 |
| Reserves | 280 | 0 | 0 | 0 | 0 | 280 |
| Ringfenced regeneration receipts | 710 | 1,050 | 0 | 0 | 0 | 1,760 |
| SG1 receipts | 800 | 5,000 | 0 | 0 | 0 | 5,800 |
| Capital Reserve (Housing Receipts) | 271 | 534 | 375 | 379 | 0 | 1,559 |
| Capital Reserve (Revenue Savings) | 866 | 1,240 | 0 | 0 | 0 | 2,106 |
| New Homes Bonus | 345 | 65 | 0 | 0 | 0 | 410 |
| Prudential Borrowing Approved | 4,182 | 8,448 | 2,060 | 0 | 0 | 14,689 |
| Short Term borrowing and funded from private sale | 774 | 3,054 | 0 | 0 | 0 | 3,828 |
| Funding Gap | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **20,929** | **30,510** | **14,369** | **1,939** | **283** | **68,030** |

4.7.2 The 2023/24 capital programme now includes the capital bid to fund food waste collection costs, that should be met from government new burdens funding. However no government announcements have been made thus far, which effectively reduces the capital receipts the council has available to spend. The relevant growth bids included in the revised capital strategy are £630K for 5 Food Collection Vehicles and £160K to meet the cost of the receptacles for the new rounds.

4.7.3 The use of capital receipts is dependent on delivery of the disposal sites to the market. The revised capital strategy leaves balances remaining at the end of the years as summarised in the chart below, which includes both General Capital Receipts and Locality Review Receipts as they are available for use in the Capital Programme. Ring-fenced Town Centre Transformation and SG1 receipts have been excluded.




4.7.4 The yearend level of capital receipts/capital reserve balances estimated to be required by the CFO is a minimum £800K-£1 Million (before any assumptions about unbudgeted revenue contributions to capital of £350K. Based on an assessment of the profile of sites in the disposal programme, (noting that there are a small number of high value sites) and considering:

- A delay in the disposal of individual sites
- Capital receipt values being less than currently forecast.
- The Locality Review Receipts are required for future years
- The Capital Reserve balance relies on unbudgeted revenue underspends,

The balance was forecast to be £842K at the end of 2022/23 in the draft capital strategy. Following the review by Leaders Financial Security Group, the balance is now forecast to be £1.459 excluding Locality receipts used in future years at the end of 2022/23. There is a £350K unbudgeted revenue underspend in 2022/23 built into the capital financing assumptions. If this does not arise the remaining balances would be £2.633Million. The CFO considers this to be a sufficient year-end balance

4.7.5 The other main risks to the capital programme are:

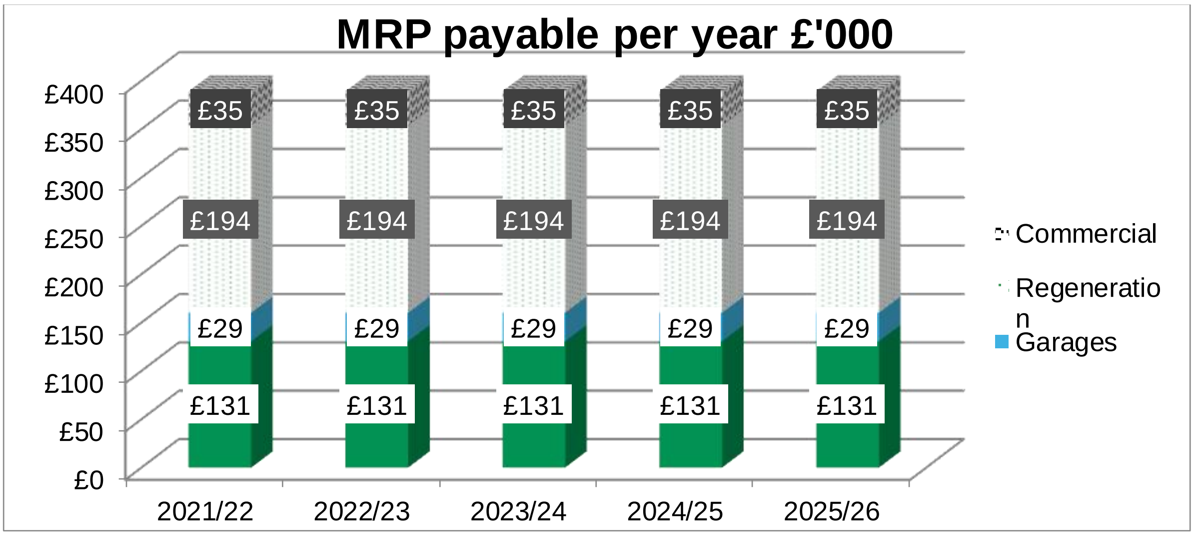
- Potential for scheme overspends
- Insufficient funding for new projects such as the wider town regeneration of assets including neighbourhoods, leisure centre and community assets or for emerging issues not currently in the capital programme
- Potential not to spend any remaining Local Enterprise Partnership (LEP) monies by the deadline and therefore some costs falling on the Council's resources
- Potential for delay in realising capital receipts – there are £7.8Million of land/asset sales to be achieved in 2022/23 as shown in tables two and six, however the Locality Review Receipts are required for later years

- The deferred works budget may not be sufficient to fund any schemes not currently funded in the Strategy due to the ongoing fix-on-fail approach.
- Potential for additional costs required for Major Regeneration schemes, therefore some costs may fall on the Council's resources
- Cost volatility and increased client risk in construction projects due to the impact of Covid-19, which has resulted in supply chain pressures and significant price increases across the construction sector

4.7.6 The officer Business Case Assurance Panel and the Stevenage Development Board also need to ensure that external funding is maximised to reduce risks to the Council's finances.

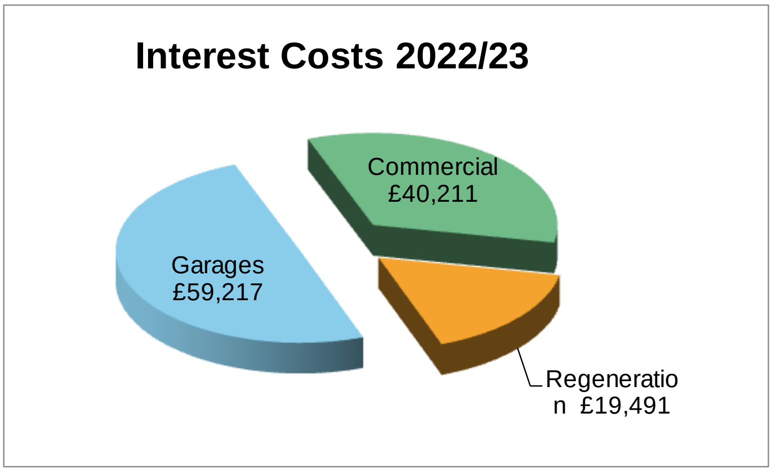
4.7.7 If there is a shortfall in funding borrowing can be considered to fund capital expenditure. In the recent past borrowing has been used when the costs of borrowing have been funded from receipts generated, e.g. commercial property purchases or the business case has determined that the borrowing costs are in the main, funded as was the case in relation to the garage investment programme.

4.7.8 The use of borrowing would place an on-going pressure on the General Fund and would require an increase in the level of Financial Security savings required in future years. The current level of Minimum Revenue Provision (MRP) paid in the General Fund is shown in the following chart.

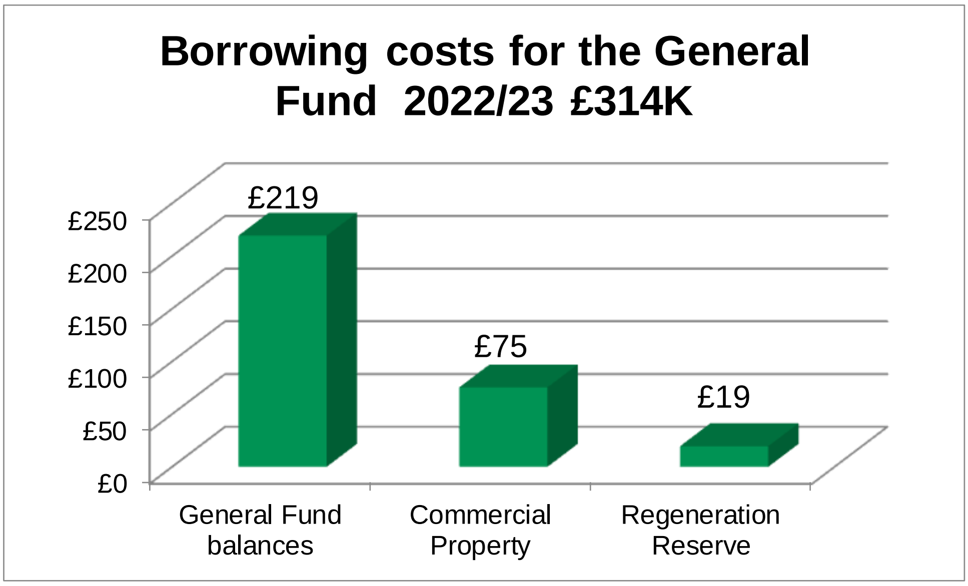



4.7.9 All of the commercial and regeneration property MRP (and interest) is funded from income generated from those assets, as would any borrowing costs relating to the Housing Wholly Owned Company when the company draws down borrowing from the Council. MRP is payable regardless of whether the borrowing is taken externally or whether internal investment balances are used.

4.7.10 The 2022/23 projected interest costs on borrowing is estimated to be £118,919 (2021/22 £123,750).




4.7.11 The total cost of borrowing in 2022/23 is £314K or an estimated 1% of gross General Fund expenditure. However the majority of this cost is met from within the income generated from assets as shown below.




4.7.12 Interest rates were 2.07% for a 25 year loan as at 5/1/2022 which would mean a cost per £million (based on assets with a 25 year life) of £60,700 (interest and MRP). An annual use of borrowing would represent an incremental increase in General Fund costs, which would need to be met from increasing the Making Your Money Count Target for the General Fund.

## 4.8 Other capital investments and Finance Lease

4.8.1 The Council purchased a number of properties in the town centre to enable it to meet its regeneration aims. These properties were purchased from a combination of borrowing, third party funding i.e. LEP and SBC resources. These properties have been purchased for regeneration purposes and therefore do not fall under the Property Investment Strategy. Prior to making these strategic acquisitions full risk assessments were undertaken to ensure the cost of carrying these assets in the short to medium term could be met by the Council. The Regeneration Asset allocated reserve has been setup specifically to cover these costs.

4.8.2 The Council undertook a long term finance lease for a mixed development scheme on Queensway in the town centre. This is a lease arrangement and falls outside the scope of capital investment. Prior to the decision to proceed being made a risk assessment was undertaken and presented to Members. Key Officers were given training on their roles and responsibilities for the new governance arrangements associated with the Limited Liability Partnership.

4.8.3 Links to the Council's Cooperative Commercial and Insourcing Strategy **-** The Council's investment in loans, shares and commercial property plays a part in the more commercial approach to the Council's activities, including its work with businesses and community partners. The Service and Commercial Investment Strategy at Appendix E sets out the investment activity and risk management processes which support this.

4.8.4 External legal, financial and commercial advice is procured to ensure the validity and viability of business cases presented to Members.

## 4.9 Capital Programme - Housing Revenue Account (2021/22-2025/26)

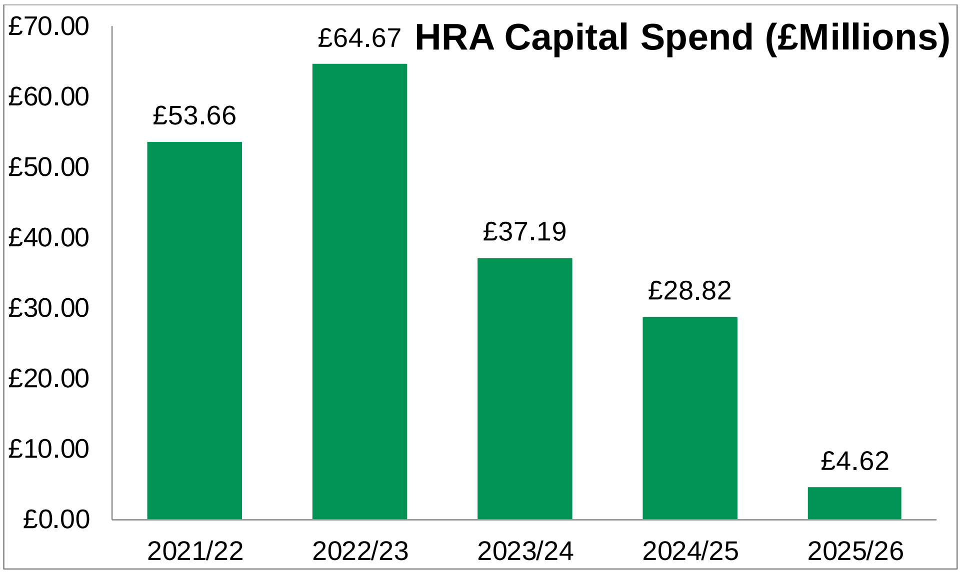
4.9.1 The HRA business plan identified an increase in borrowing and a reduction in revenue contributions to capital (see also section 3.3). Some of the borrowing identified has been taken externally, the remainder has utilised internal balances.

4.9.2 Alongside the General Fund exercise set out in paragraph 4.1.1, officers have also identified some slippage in the HRA capital programme of £202K from 2021/22 to 2022/23 and the January 2022 Council meeting approved growth totalling £2.850Million for decarbonisation in 2022/23. The Council has made a bid to the Government's Public Sector Decarbonisation Scheme, with a total value of £2.850Million if the bid is successful, with a third of the scheme funded by the Council to meet the grant requirements. As these works were not anticipated in the business plan, an additional revenue contribution to capital of £950K was approved at the January 2022 Council to secure the £1.9Million of grant. The Council has not been told whether the bid has been successful yet. This additional use of reserves will need to be re-balanced when the HRA Business Plan is reviewed in the summer, but will only be needed if the bid succeeds. The changes are set out in the table below.

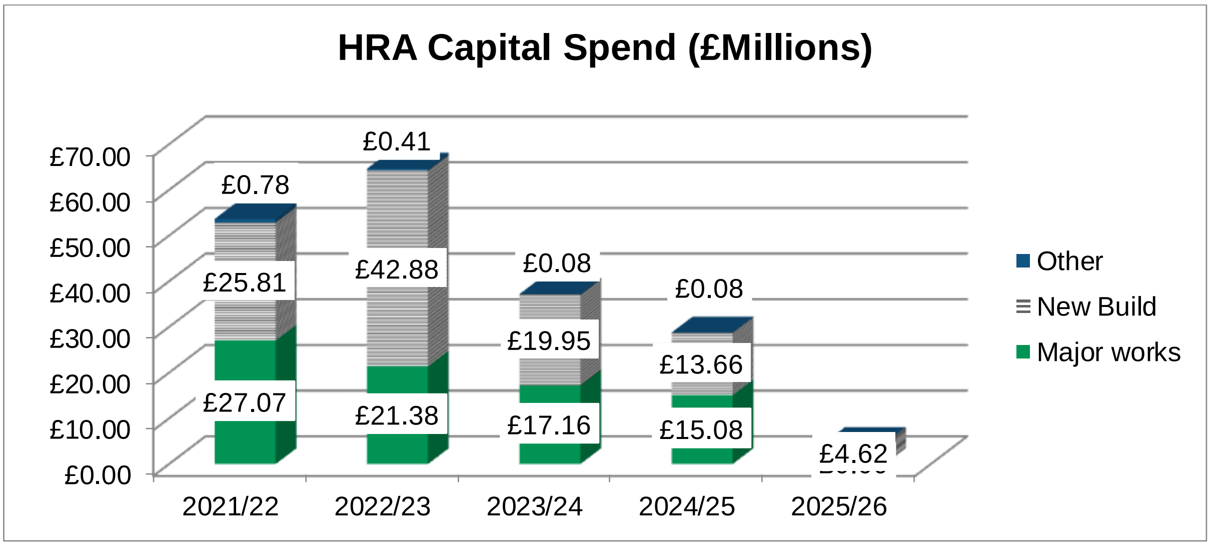
**Table 14: Update from the 2022/23 Capital Bids process**

| | 2021/2022 £ | 2022/2023 £ | 2023/2024 £ | 2024/2025 £ | 2025/2026 £ | Total £ |
|---|---|---|---|---|---|---|
| SLIPPAGE | (201,610) | 201,610 | 0 | 0 | 0 | 0 |
| GROWTH BIDS | 0 | 2,850,000 | 0 | 0 | 0 | 2,850,000 |
| **TOTAL** | **(201,610)** | **3,051,610** | **0** | **0** | **0** | **2,850,000** |

4.9.3 The revised draft capital strategy budget for 2021/22 - 25/26 totals £188.9Million is set out in Appendix D and summarised below.

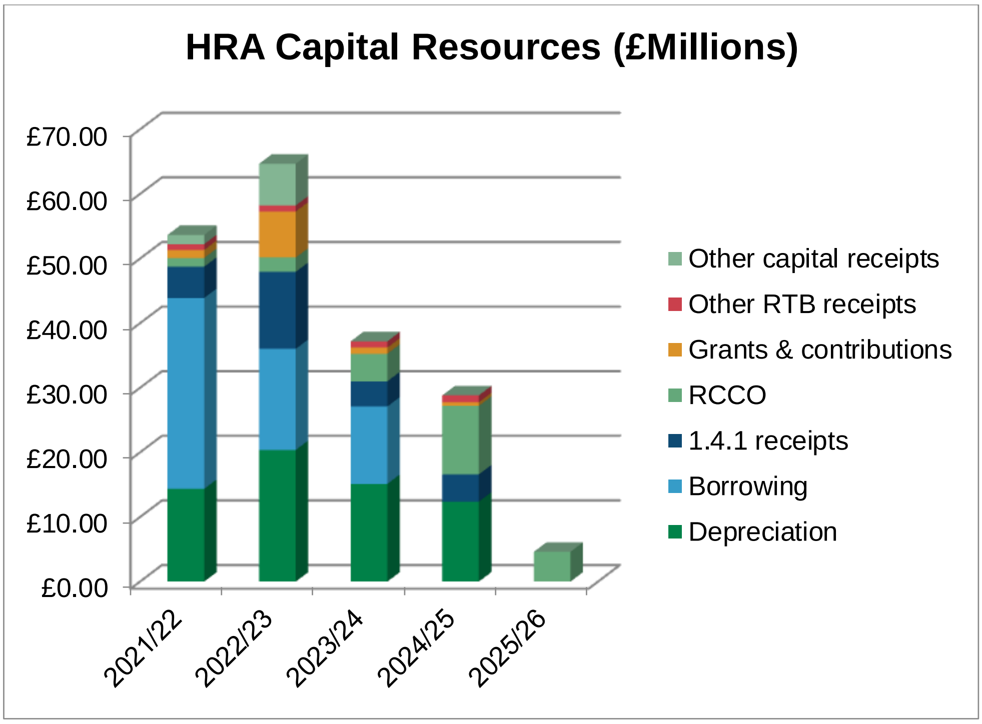



4.9.4 The split between major works, new build and other is shown in the following chart.




## 4.10 Capital Programme – HRA Resources (2021/22-2025/26)

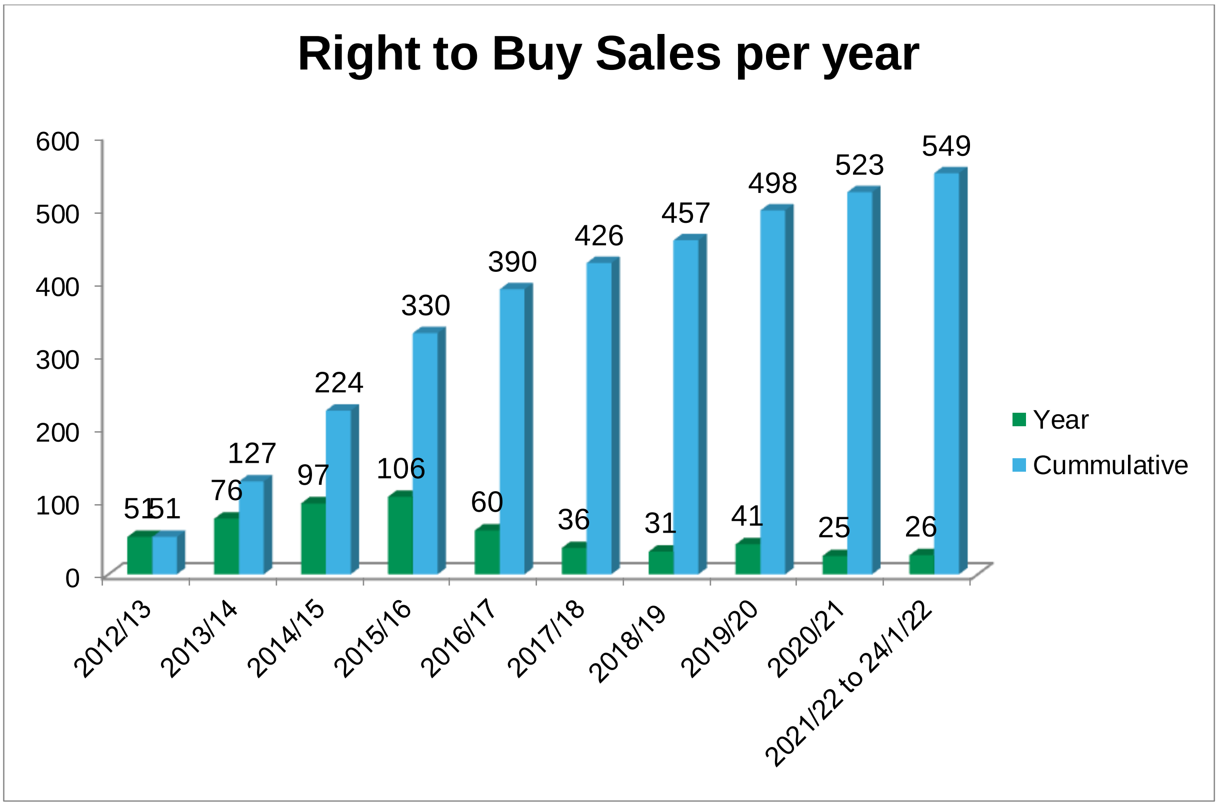
4.10.1 The resourcing of the current HRA capital programme funding is summarised in the following chart. The largest percentage is funded by the Major Repairs Reserve (MRR) via depreciation charges (33%) followed by borrowing (30%). Capital receipts from right to buy sales of council houses (New Build 1-4-1 receipts) forms 13% of total funding; however as Members are aware the 1.4.1 receipts have restricted use.




4.10.2 The closing HRA balances will form part of the 2022 HRA BP review as the HRA BP needs rebalancingn.

4.10.3 The HRA risk assessment of balances reflects the need to hold higher reserves to fund interest rate fluctuations and a Water Rates provision. £5.7Million has set been aside in allocated reserves for these purposes. The recent HRA MTFS set the minimum level of balances for the HRA as £2.985Million.

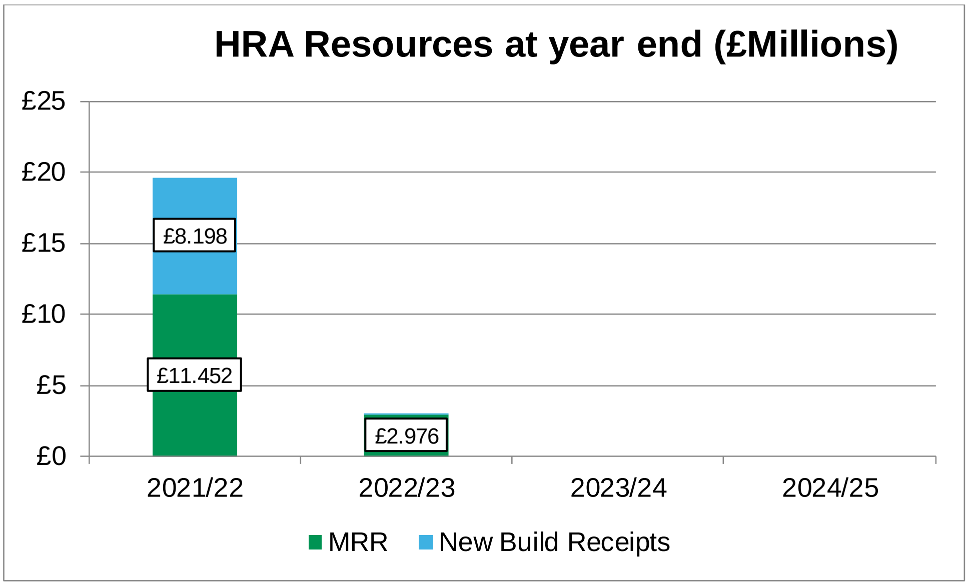
4.10.4 The HRA capital programme funding has been based on 35 Right To Buy (RTB) sales per year (2019/20 onwards) although it was reduced for 2020/21 due to a reduction in house sales following restrictions under the first period of lockdown during the coronavirus pandemic. RTB's have fluctuated since self-financing was introduced and in 2021/22 (up to 26/1/2022) there have been 26 RTB sales.




4.10.5 There has been one government policy change impacting upon the HRA since the last capital strategy was set. There is now a five year deadline to spend the one for one balance of the HRA Right to Buy receipts. If not spent the receipt must be returned to the government with interest (calculated at 4% above base rate). Under the new regulations, spending on open market acquisitions is now restricted. These restrictions will be phased in over the next four years and from 2024/25, will only permit 30% of these properties to be funded from receipts. However, the cap does not apply to the first 20 properties delivered in any one year. The phasing of RTB funded build schemes will be reviewed as part of the 2022 refresh off the HRA Business Plan.

4.10.6 The capital expenditure financed by borrowing for 2019/20 was £7.057Million, of which £4.010Million external borrowing was taken. There was further slippage of external borrowing in 2020/21, as external borrowing of £10.0Million was taken compared to financing of £20.857Million. None of the 38.594Million planned borrowing for 2021/22 has been taken externally to date but is still planned to be taken before the end of the financial year.

4.10.7 A variable element of the resources available at year end is the restricted use 1-4-1 receipts as shown in the following chart, the level of restricted 1.4.1 receipts has significantly reduced due to lower RTB's, a higher new build programme and a change to the 1.4.1 regulations. As set out in paragraph 4.10.5, the government changed the deadline by which these receipts needed to be spent or returned with interest. The following chart sets out the current forecast position.




4.10.8 Given the slippage identified and the level of unrestricted HRA resources available it is recommended that the budget increases are approved. The revised Capital Strategy for 2021/22-2024/25 including the slippage identified and the budget increases is set out in detail in Appendix B and Appendix D.

## 4.11 De Minimis Level for Capital Expenditure 2022/23

4.11.1 Accounting best practice recommends that the Council approves a de minimis level for capital expenditure, or a value below which the expenditure would not be treated as capital. This would mean that the expenditure would not be recorded on the asset register nor be funded from capital resources.

4.11.2 The limit set for 2022/23 remains unchanged at £5,000 in the Draft Capital Strategy; this applies to a scheme value rather than an individual transaction.

## 4.12 Contingency Allowance for 2022/23

4.12.1 The contingency allowance for 2021/22 is £250,000, the contingency proposed for 2022/23 remains at £250,000, for schemes requiring funding from existing capital resources. A limit of £250,000 is also set for schemes for each Fund that have new resources or match funded resources identified in addition to those contained within this report. This limit applies individually to both the General Fund and the HRA. This contingency sum constitutes an upper limit on both funds within which the Executive can approve supplementary estimates, rather than part of the Council's Budget Requirement for the year.

4.12.2 The contingency allowance for 2021/22 is £500,000 in relation to the use of restricted use or 1.4.1 receipts for registered providers to ensure that the Council achieves nominal rights and doesn't have to return 1.4.1 receipts to the government. This contingency allowance is a recommended to remain at the same level of £500,000 for 2022/23.

4.12.3 Separate to the contingency allowance in paragraph 4.11.1, is the delegation to Executive or Portfolio Lead/Leader of the Council to approve increases to the capital programme for grant funded projects, when external funding sources have been secured. Officers propose that this contingency allowance remains as £5,000,000 where a scheme is fully funded from 3rd party contribution/grant.

# 5 IMPLICATIONS

## 5.1 Financial Implications

5.1.1 This report is financial in nature and consequently financial implications are included in the above.

## 5.2 Legal Implications

5.2.1 None identified at this time

## 5.3 Equality and Diversity Implications

5.3.1 This report is of a technical nature reflecting the projected spend for the year for the General Fund capital programme. None of the budget changes reported will change any existing equalities and diversity policies and it is not expected that these budget changes will impact on any groups covered by statutory equalities duties.

5.3.2 Schemes contained within the capital programme will have an EQIA particularly those relating to housing schemes.

## 5.4 Risk Implications

5.4.1 The significant risks associated with the capital strategy are largely inherent within this report.

5.4.2 There is a risk that the value of land sales is not realised due to the impact of COVID on the confidence on the market or prices are lower than anticipated due to higher material costs as set out in paragraph 4.7.5 linked to BREXIT/COVID.

5.4.3 The 2021/22 year end level of available receipts is low in comparison to the size of the programme and is reliant on the delivery of key sales which could be impacted as set out above. Should this happen, in-year action may be required to hold expenditure or prudential borrowing may be required increasing the burden to the General Fund.

5.4.4 The Council manages this risk by reviewing and updating the Strategy quarterly, including resources where a sale is likely to complete. This will enable action to be taken where a receipt looks doubtful.

5.4.5 A significant risk exists that works deferred due to lack of funding become urgent in year, requiring completion on grounds of health and safety. A reasonable assessment has been made in the prioritisation process to try to keep this risk to a minimum, and these schemes are monitored by Assets and Capital Board.

5.4.6 The risk in achieving the level of qualifying HRA spend to fully utilise retained one for one receipts has been reduced (unlike in previous years) with the change to the one for one receipt rules as set out in this report.

## 5.5 Climate Change Implications

5.5.1 In their current form the Council's buildings do not currently support the climate change agenda in terms of energy efficiency or divestment of use of fossil fuels.

5.5.2 However, there is an opportunity through the local asset review programme to build in design principles to improved / future assets in terms of energy efficiency and sustainable energy sources. This should be a core principle of any future designs arising from the local asset reviews. There would be a further benefit of reduced energy costs.

5.5.3 The climate change agenda is far wider than the buildings the Council uses. For example the Council is also examining the vehicle fleet and consideration will be given to reducing its carbon impact.

**BACKGROUND DOCUMENTS**

BD1 Draft Capital Strategy (January 2022 Executive)

BD 2 Final Housing Revenue Account Rent Setting & Budget report 2022/23 (January 2022 Executive) – elsewhere on this agenda

BD 3 Medium Term Financial Strategy: Housing Revenue Account – Business Plan Review (including 1st and 2nd Quarter HRA Revenue Budget Monitoring 2021/22) (November 2021 Executive)

BD 4 HRA Business Plan 2020 update (December 2019 Executive)

**Appendices**

A - General Fund Capital Bids

B - HRA Capital Bids

C - General Fund Final Capital Strategy

D - HRA Final Capital Strategy

E - Service and Commercial Investment Strategy

**APPENDIX A - GENERAL FUND GROWTH BIDS**

Scoring:
not agreed 0
agreed 1

| Scheme | Priority | 2022/2023 Growth Bid £ | 2023/2024 Growth Bid £ | 2024/2025 Growth Bid £ | 2025/2026 Growth Bid £ | Reason for Request | Any other Relevant Information | Service | Average Score for 22/23 Growth Bid | OUTCOME |
|---|---|---|---|---|---|---|---|---|---|---|
| **Priority 3: Mandatory requirements (including Health & Safety)** | | | | | | | | | | |
| EPC remedial | 3 | 200,000 | | | | To comply with current regulations. Energy improvements to achieve an energy rating of E or better required to existing let commercial properties . | Cost estimates based on improvement works required to anticipated 15 properties at average cost £15K = £250K | F&E | 1.00 | APPROVED |
| Daneshill fire doors | 3 | 150,000 | | | | Estimated growth bid required to upgrade the fire doors as detailed in the Fire Risk Assessment. | Estimated bid based on original tender returns. Scope of works are being reviewed by the fire company to reassess the risk while taking into account the remaining life of the building. | F&E | Decision deferred pending the challenge on whether the doors really do need replacing | DEFERRED |
| Fire stopping works at SALC | 3 | 100,000 | | | | Recent fire risk assessment has identified the requirement to undertake these works, we need to undertake further investigations to ascertain exact cost of priority works | The cost is currently estimated for investigations are being undertaken | C&N | 1.00 | APPROVED |
| MSCP lighting upgrade - LED (phased) | 3 | 75,000 | 75,000 | 75,000 | | To ensure adequate lighting levels are maintained. High level replacements / maintenance. Legislation in Sept 2023 phasing out the sale of Flourescent lights. | High level replacements / maintenance | F&E | 1.00 | APPROVED May be better from a H&S perspective and more economical to do this all in one year |
| Provision for maintenance works at closed cemeteries | 3 | 50,000 | 50,000 | 50,000 | 50,000 | Works required at closed cemeteries i.e Paths, Walls etc. In the last two years works has been needed not previously budgeted | Insurance risk | SDS | 0.20 | NOT SUPPORTED |
| Cemeteries System | 3 | 50,000 | | | | Critical to operate service and legal requirements for record keeping | Old database not supported going forwards (365 / Windows 10) so need a new system. There are financing options available. | SDS | 1.00 | APPROVED |
| Bedwell Community Centre roof fascia replacement | 3 | 50,000 | | | | Replacement of rotten external stud wall above perimeter windows. - | Possible structural failure condensation identified as causing some problems only part of structure inspected so need to undertake detailed full survey in the new year to expose concealed structural timbers to confirm full scope of the works | F&E | Survey results first, hold £ in the reserve | DEFERRED |
| Bedwell Neighbourhood centre canopy repairs | 3 | 30,000 | 0 | 0 | 0 | Metal gutters and structure corroded with risk of pieces falling onto the public below. | Detailed survey to be carried out on structure to confirm full scope of the works | F&E | 1.00 | APPROVED |
| Replacement Camera programme | 3 | 25,000 | 35,000 | 40,000 | 10,000 | Cameras are at a high risk of failure, due to a lack of investment in a replacement programme this is for the end of life replacement for 18 cameras in 22/3, and 24 cameras in 23/24, and 26 cameras 24/25, plus 7 cameras 25/26. | | C&N | 0.60 | APPROVED |
| MSCP resurface worn stairwell floor | 3 | 20,000 | 40,000 | | | Health and safety slip hazard | Phased over 2 years £20K increase in capital programme for 2022/23 to complete the 2 higher use staircases and the remaining 2 in 2023/24 | F&E | 1.00 | APPROVED May be better from a H&S perspective and more economical to do this all in one year |
| Bedwell CC - Replace extract fans and electric heaters | 3 | 5,000 | | | | To ensure internal environment for occupation | Extract fans need repair or replacing to reduce condensation and ensure adequate ventilation. The heating system was repaired and replaced two years ago, the electric heaters are supplementary and can be repaired\replaced as required. | F&E | 0.80 | APPROVED |
| ASB team mobile camera | 3 | 5,000 | 5,000 | 5,000 | 5,000 | This is a mobile camera replacement programme as required to ensure we can place cameras I hotspots of ASB as they occur | As required by the SoSafe Community Safety action and agreed by RAG members. | C&N | 0.80 | APPROVED |
| BTC Essential works - Replace / upgrade doors, Lighting and control upgrade and replacement of lift in the new block | 3 | | 195,000 | | | Replacing end of life lighting with LED complying with regulations (fluorescents phased out). Existing doors in poor condition requiring replacement and some fire upgrades. Lift end of life and risk of disruption and failure causing access difficulties to all areas and non compliance. | All works identified during the 2018 condition survey by specialist M&E consultant. Subject to repair responsibilities and check with lift insurers recommendations report. | F&E | | |
| Chells manor - lightning upgrade | 3 | | 10,000 | | | To ensure compliant lighting levels rep[lacing with LED. Legislation in Sept 2023 phasing out the sale of Flourescent lights. | Fitting LED will improve energy efficiency and saving on electric costs. | F&E | | |
| Westin Road ABS Pump | 3 | 0 | 5,500 | 0 | 0 | To prevent site flooding | | SDS | | |
| **Mandatory requirements total** | | **760,000** | **415,500** | **170,000** | **65,000** | | | | | |
| **Priority 4: Schemes to maintain operational efficiency** | | | | | | | | | | |
| St Nicholas Pavilion reroofing | 4 | 150,000 | | | | Whilst the roof has shown no signs of leaking the flat roof is in very poor condition therefore there is a risk of water ingress causing damage to the fabric and structure leading to possible health and safety issues (Electrics) and disruption to the operations and possible closure of areas or the whole building. | There are currently no bookings until May 2023 , bookings are limited and there will not be a return on investments, whilst patchwork repairs may be viable this is dependant on the location of any leaks and if it is repairable the council needs to decide the future life of this facility. The asset team are looking to lease the facility, so it needs to be decided if the investment is viable on a financial lease return to SBC. | F&E | defer doing it and look at community centre review | DEFERRED |
| Lift replacement at SALC | 4 | 140,000 | 0 | 0 | 0 | As identified in 2019, the lift will need replacing during 2023, and a temporary lift solution may be required whilst works are being undertaken | | C&N | 0.80 | APPROVED |
| Ridlins Athletics | 4 | 100,000 | | 0 | 0 | Condition surveys have been completed for the building M&E plus athletics track and supporting facilities there will be a requirement for major capital spend within the next three years | The budget is to repair the floodlights and carry out essential H&S works and maintain operational integrity | C&N | 0.80 | APPROVED |
| Replacement bridge at Golf Centre & other bridge works | 4 | 90,000 | | | | A bridge collapsed this year due to erosion caused by flooding at the course, the bridge is in a key location and needs to be resolved to avoid injury to players, other bridges are at risk due to erosion and works will need to be undertaken to avoid further damage to bridges | Cost is a worse case estimate, we are hoping to reduce to 70k | C&N | 0.60 | APPROVED |
| St Nicholas Pavilion replace windows | 4 | 75,000 | | | | Windows end of life. Replacement to ensure security, ventilation and improved energy performance | The windows are made of soft wood and are rotting, if this was agreed the works would need to be completed in conjunction with the roof works as the windows are at high level. Given the dilapidations of this facility and the investment required the council needs to decide its future viability. | F&E | defer doing it and look at community centre review | DEFERRED |
| Chells Manor - boiler replacement and hot water works | 4 | 50,000 | | | | Risk of boiler failure - Building will not operate if boiler fails. Has been regular serviced high risk of failure end of life , | The boiler is currently working and serviced on a regular basis, further investigations are taking place to understand if parts are available should it fail. The boiler has reached the end of its economic life. The facility has been well used as a vaccination centre but the general usage of the facility is very low | F&E | defer doing it and look at community centre review | DEFERRED |
| Maxi Truck EL 4WD 48V 4WD articulated truck with a 1,000kg - 1,500kg load capacity | 4 | 35,000 | 0 | 0 | 0 | Had been budgeted for in 21/22 but the funding was reallocated to purchase a replacement mower which was required urgently | | SDS | 1.00 | APPROVED |
| Flat block waste management infrastructure | 4 | 30,000 | | | | Pilot project to deliver improvements for access, infrastructure, receptacles and signage to support increased recycling in flat blocks, and to enable future food waste collections | Linked to national Resources & Waste Strategy, and requirement to provide separate weekly food waste service to all residents in future. The pilot will inform a future capital bid for wider roll-out | SDS | 0.60 | APPROVED |
| Vehicle (Grounds) | 4 | 30,000 | 0 | 0 | 0 | Commercial skip development impacts on being able to service grounds after ceasing yellow huts | Only highlighting at this stage as potential to convert existing Housing vehicle if it can be transferred | SDS | 0.80 | APPROVED |
| Vehicle (Play) | 4 | 30,000 | 0 | 0 | 0 | Play Fitter - New duty on service review. Box Van | | SDS | 0.80 | APPROVED |
| St Nicholas play centre roof | 4 | 30,000 | 0 | 0 | 0 | Roof covering end of life. Reroofing required to ensure building operations are maintained. Risk of water ingress causing damage to the fabric and structure leading to possible health and safety issues (Electrics) and disruption to the operations and possible closure of areas or the whole building. | The building is of a modular type which is in poor condition and beyond its designed lifespan it is supported by metal struts which have twisted over time, whilst it is structurally sound the consequence is that the building is no longer true or square which has resulted in pools of water laying on the roof as there is no not any falls to drainage, and the roof surface is in poor condition. Whilst there is no evidence of leaking at this time there is a risk that the roof will fail although some patch repairs may be viable dependant on the source of the problem. What has not been costed is that the roof insulation would also likely need to be replaced | F&E | defer doing it and look at community centre review | DEFERRED |

**APPENDIX A - GENERAL FUND GROWTH BIDS**

Stevenage BOROUGH COUNCIL

| Scoring: | |
|---|---|
| not agreed | 0 |
| agreed | 1 |

| Scheme | Priority | 2022/2023 Growth Bid £ | 2023/2024 Growth Bid £ | 2024/2025 Growth Bid £ | 2025/2026 Growth Bid £ | Reason for Request | Any other Relevant Information | Service | Average Score for 22/23 Growth Bid | OUTCOME |
|---|---|---|---|---|---|---|---|---|---|---|
| **Priority 4: Schemes to maintain operational efficiency (Cont.)** | | | | | | | | | | |
| 8-10 The glebe roof replacement | 4 | 30,000 | 0 | 0 | 0 | Roof covering end of life and in very poor condition. Reroofing required to ensure building operations are maintained. High Risk of water ingress causing damage to the fabric and structure leading to possible health and safety issues (Electrics) and disruption to the operations and possible closure of areas or the whole building. | This facility is well used by the Living Room Charity, the modular building itself is in fair condition but the roof is in very poor condition and it is surprising that no leaks are apparent, patch repairs may be able to rectify any problems that do occur but this is dependent on the type of problem and its location. | F&E | 1.00 | APPROVED |
| MSCP / Indoor Market guttering | 4 | 30,000 | | | | Water ingress causing water damage to stall holders possessions and leading to possible closure. | Risk of compensation - loss of income | F&E | 1.00 | APPROVED |
| The Oval reroofing ('youth wing') | 4 | 30,000 | | | | Roof covering end of life. Reroofing required to ensure building operations are maintained. Risk of water ingress causing damage to the fabric and structure leading to possible health and safety issues (Electrics) and disruption to the operations and possible closure of areas or the whole building. Used as preschool, the rest of the roofs at the Oval have been done, if it leaks it can be patched repaired | The main roofs of the Oval have all been replaced, with the exception of this part of the building which is hired to and used by Barnardo's used as a family central, patchwork repairs can be undertaken depending on the location and nature of the problem. | F&E | defer doing it and look at community centre review | DEFERRED |
| Play Area Improvements | 4 | 25,515 | 0 | 0 | 0 | Inflation increase on 2017 figures | Relevant for 2022/2023. The budget has not increased in line with inflation so we will achieve less for the investment. | SDS | 1.00 | APPROVED |
| Rotary Gang Mowers | 4 | 25,000 | 0 | 0 | 0 | Meadow Grass - increased demand of meadow areas under bio-diversity agenda | Would have to outsource if do not buy | SDS | 1.00 | APPROVED |
| Wood Chippers | 4 | 25,000 | 25,000 | 0 | 0 | Replacement for end of life equipment - critical to role | They are approx. £25k each. Ideally we would want one in 22/23 and one 23/24. | SDS | 1.00 | APPROVED |
| Water Tank and system, Shephalbury Bowls | 4 | 15,000 | 0 | 0 | 0 | Failed system which means manual watering / cost | | SDS | 0.40 | NOT SUPPORTED |
| Replacement for Cemeteries Dump Truck | 4 | 15,000 | 0 | 0 | 0 | End of life vehicle | | SDS | 1.00 | APPROVED |
| ~~Douglas Drive day centre - replace electric wall heaters~~ | 4 | ~~10,000~~ | | | | ~~Heaters end of life and high risk of failing,~~ **~~Fix on fail approach could be adopted.~~** | ~~Use of Temporary heaters could be used if heating fails~~ | F&E | cost estimate now approx £2.5K so removed from the capital bids | REMOVED |
| Applied Sweeper LK18 HCF | 4 | 5,800 | 0 | 0 | 0 | top-up as existing budget too low | Current budget is for £58,200 | SDS | 1.00 | APPROVED |
| Applied sweeper green machine LK18 HCE | 4 | 5,800 | 0 | 0 | 0 | top-up as existing budget too low | Current budget is for £58,200 | SDS | 1.00 | APPROVED |
| Bedwell Community Centre reroofing | 4 | | 125,000 | | | Roof covering end of life. Reroofing required to ensure building operations are maintained. Risk of water ingress causing damage to the fabric and structure leading to possible health and safety issues (Electrics) and disruption to the operations and possible closure of areas or the whole building. | | F&E | | |
| Peartree pavilion - reroofing | 4 | | 100,000 | | | Risk of water ingress causing damage to the fabric and structure. Risk of flood causing areas of centre to close. | Worn pitched roof covering to the older part of the building – this is a metal sheet system made to look like traditional tiling –Survey Report recommends to renew the covering in 2021 2022 at an estimated cost £50k there is no evidence of any current leaks.<br>Very poor condition of Shower Area requiring total upgrade/refurbishment - at estimated cost then of £30k there is limited use of the showers | F&E | | |
| KGV reroofing and gutter replacement | 4 | | 75,000 | | | Roof covering end of life. Reroofing required to ensure building operations are maintained. Risk of water ingress causing damage to the fabric and structure leading to possible health and safety issues (Electrics) and disruption to the operations and possible closure of areas or the whole building. | There is no evidence of leaks in the roof and gutter, can take a fail and fix approach | F&E | | |
| St Nicholas Annex refurbish metal roof | 4 | | 60,000 | | | Extend life of asset (10-15 years) If refurbishment not carried out now full reroofing required in next couple of years Metal corrosion treatment | This is occupied by the Community Centre preschool, the metal of is unique and failure to treat with anti-corrosion treatment within the next two years will result in the roof being beyond repair and will therefore cost significantly more to replace | F&E | | |
| ~~Mobbsbury Way Neighbourhood Centre canopy reroofing~~ | 4 | | ~~30,000~~ | | | ~~Roof covering end of life. Risk of water leaks dripping on the public using the shops and causing long term deterioration of the structure. If left this could lead to collapse.~~ | ~~To keep the centres maintained and in good condition to encourages use by the public. Easier to retain and attract new lettings~~<br>~~Detailed survey to be carried out as part of the stock condition surveys~~ | F&E | no longer required so removed from the capital bids | REMOVED |
| Play Area Improvements | 4 | 0 | 24,220 | 0 | 0 | Inflation increase on 2017 figures | Relevant for 2023/24. The budget has not increased in line with inflation so we will achieve less for the investment. | SDS | | |
| KGV Pavilion Replace electric heating and lighting | 4 | | 20,000 | | | maintaining the operation of the building, working at the r | The system is adequate for this building at the moment and a fail and fix approach should be adopted. | F&E | | |
| BTC - Replace roof lights, gutters and fascia's to the old blo | 4 | | | 150,000 | | The rainwater goods, roof lights and fascia's are at the enc | All works identified during the 2018 condition survey by specialist M&E consultant. Subject to repair responsibilities | F&E | | |
| Timebridge - reroofing | 4 | | | 85,000 | | Roof covering end of life. Reroofing required to ensure bu | Building leased and is currently part of the community asset review | F&E | | |
| The Glebe Neighbourhood Centre canopy reroofing | 4 | | | 40,000 | | Roof covering end of life. Risk of water leaks dripping on the public using the shops and causing long term deterioration of the structure. If left this could lead to collapse. | To keep the centres maintained and in good condition to encourages use by the public. Easier to retain and attract new lettings<br>Detailed survey to be carried out as part of the stock condition surveys | F&E | | |
| St Nicholas CC reroofing | 4 | | | | 125,000 | Roof covering end of life. Reroofing required to ensure building operations are maintained. Risk of water ingress causing damage to the fabric and structure leading to possible health and safety issues (Electrics) and disruption to the operations and possible closure of areas or the whole building. | Included in the locality review | F&E | | |
| The Oval - replace heaters in Hall and dining room | 4 | | | | 10,000 | Risk of heaters failing - operations of building affected. | Life of building unknown | F&E | | |
| **Maintain operational efficiency total** | | **967,115** | **429,220** | **275,000** | **135,000** | | | | | |
| **Priority 8: Schemes that further the Council's Corporate Plans** | | | | | | | | | | |
| Shrub bed programme | 8 | 133,000 | 133,000 | 133,000 | 133,000 | Replacement / improvements to public realm | | SDS | 0.60 | APPROVED |
| Core ICT Equipment for Additional Staff | 8 | 70,000 | 0 | 0 | 0 | Roll-out of new ways of working | Only £30K for HRA share was approved for 22/23, not the General Fund as well. | IT | 1.00 | APPROVED |
| Review of Biodiversity Action Plan | 8 | 12,000 | 0 | 0 | 0 | Current plan (2017-2022) for review in 2022. | Intend to incorporate Biodiversity Net Gain proposals which will generate income (from developers) to support delivery of BAP. | SDS | 0.60 | APPROVED |
| SBC grants to businesses to reduce their carbon emissions | 8 | 8,000 | 8,000 | 8,000 | 8,000 | As per Oct Exec. Report. Grants to help local Stevenage businesses decrease this carbon emissions. | | P&R | 0.40 | NOT SUPPORTED |
| Cashless on street parking transition | 8 | 0 | 60,000 | 60,000 | 0 | Replace the current cash only on street parking machines with, cashless / and card only machines. | | P&R | | |
| **Council's Corporate Plans total** | | **223,000** | **201,000** | **201,000** | **141,000** | | | | | |
| **Priority 11: New Burdens** | | | | | | | | | | |
| Recepticles for new rounds etc | 11 | 0 | 630,000 | 0 | 0 | Possible 23/24 - new burden funding | Based on food only. If went for recycling option would be £700,000 but funding may be available for some of this | SDS | | |
| Food collection vehicles (x5) | 11 | 0 | 160,000 | 0 | 0 | Possible 23/24 - new burden funding | Need to use other resources to fund this until the new burden funding is received. Increased to reflect food only based on further work done on Round-Op | SDS | | |
| New Burdens total | | **0** | **790,000** | **0** | **0** | | | | | |
| **TOTAL GROWTH BIDS** | | **1,950,115** | **1,835,720** | **646,000** | **341,000** | | | | | |

**APPENDIX A - GENERAL FUND GROWTH BIDS**

| Scoring: | |
|---|---|
| not agreed | 0 |
| agreed | 1 |

| Scheme | Priority | 2022/2023 Growth Bid £ | 2023/2024 Growth Bid £ | 2024/2025 Growth Bid £ | 2025/2026 Growth Bid £ | Reason for Request | Any other Relevant Information | Service | Average Score for 22/23 Growth Bid | OUTCOME |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | |

| | |
|---|---|
| Priority 1 | Return on investments |
| Priority 2 | Income generating |
| Priority 3 | Mandatory requirements (including Health & Safety) |
| Priority 4 | Schemes to maintain operational efficiency |
| Priority 5 | Match funding schemes |
| Priority 6 | Financial efficiency |
| Priority 7 | Urgent works (that reduce the risk of litigation) |
| Priority 8 | Schemes that further the Council's Corporate Plans |
| Priority 9 | Schemes that reduce or mitigate risks included in the Corporate Risk Register |
| Priority 10 | Schemes that develop or improve partnership working |
| Priority 11 | New Burdens |

| Growth bid priority | | 2022/2023 | 2023/2024 | 2024/2025 | 2025/2026 | TOTAL |
|---|---|---|---|---|---|---|
| Priority 1 | Return on investments | 0 | 0 | 0 | 0 | 0 |
| Priority 2 | Income generating | 0 | 0 | 0 | 0 | 0 |
| Priority 3 | Mandatory requirements (inclu | 760,000 | 415,500 | 170,000 | 65,000 | 1,410,500 |
| Priority 4 | Schemes to maintain operation | 967,115 | 429,220 | 275,000 | 135,000 | 1,806,335 |
| Priority 5 | Match funding schemes | 0 | 0 | 0 | 0 | 0 |
| Priority 6 | Financial efficiency | 0 | 0 | 0 | 0 | 0 |
| Priority 7 | Urgent works (that reduce the r | 0 | 0 | 0 | 0 | 0 |
| Priority 8 | Schemes that further the Counc | 223,000 | 201,000 | 201,000 | 141,000 | 766,000 |
| Priority 9 | Schemes that reduce or mitigat | 0 | 0 | 0 | 0 | 0 |
| Priority 10 | Schemes that develop or impro | 0 | 0 | 0 | 0 | 0 |
| Priority 11 | New Burdens | 0 | 790,000 | 0 | 0 | 790,000 |
| **Total growth bids** | | **1,950,115** | **1,835,720** | **646,000** | **341,000** | **4,772,835** |
| | | 0 | 0 | 0 | 0 | |

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## APPENDIX B - HRA GROWTH BIDS

Stevenage BOROUGH COUNCIL

| Scheme | 2022/2023 Growth Bid £ | 2023/2024 Growth Bid £ | 2024/2025 Growth Bid £ | 2025/2026 Growth Bid £ | Reason for Request |
|---|---|---|---|---|---|
| **Capital Programme Excluding New Build** | | | | | |
| Decarbonisation | 2,550,000 | 0 | 0 | 0 | To be EPC C by 2030 |
| Decarbonisation | 300,000 | 0 | 0 | 0 | Net Zero, Scoping works, pilots (whole house inclduing heat sorce), PAS 2035 surveys, additional data collection and modelling. |
| **HRA Growth Bids** | 2,850,000 | 0 | 0 | 0 | |

Both growth items would be subject to funding from the Public Sector Decarbonisation Scheme, net cost to SBC £950K

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## APPENDIX C - GENERAL FUND CAPITAL STRATEGY

Stevenage BOROUGH COUNCIL

| Cost Centre | Scheme | 2021/2022 | | | | | | 2022/2023 | | | | | 2023/2024 | 2024/2025 | 2025/2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Working Budget £ | Actuals 26 September 2021 £ | January Draft Budget £ | Variance Working v Draft Budget £ | Febuary Final Revised Budget £ | Variance Draft v Final Budget £ | Working Budget £ | January Draft Budget £ | Variance Working v Draft Budget £ | Febuary Final Revised Budget £ | Variance Draft v Final Budget £ | Febuary Final Revised Budget £ | Febuary Final Revised Budget £ | Febuary Final Revised Budget £ |
| | **General Fund - Schemes** | | | | | | | | | | | | | | |
| | Stevenage Direct Services | 3,686,352 | 511,426 | 2,761,582 | (924,770) | 2,684,082 | (77,500) | 3,244,620 | 5,446,505 | 2,201,885 | 4,669,005 | (777,500) | 4,326,440 | 265,000 | 133,000 |
| confirmed | Housing Development | 7,051,059 | 372,546 | 7,051,059 | 0 | 7,051,059 | 0 | 13,256,607 | 13,256,607 | 0 | 13,256,607 | 0 | 8,503,718 | 574,900 | 0 |
| | Finance and Estates | 2,394,020 | 28,738 | 1,649,790 | (744,230) | 1,649,790 | 0 | 694,850 | 2,364,750 | 1,669,900 | 1,769,750 | (595,000) | 780,000 | 365,000 | 135,000 |
| | Digital & Transformation | 896,830 | 241,069 | 399,190 | (497,640) | 399,190 | 0 | 106,820 | 674,460 | 567,640 | 674,460 | 0 | 104,220 | 104,220 | 0 |
| | Regeneration | 7,779,480 | 4,356,006 | 8,279,480 | 500,000 | 8,279,480 | 0 | 2,474,000 | 8,100,000 | 5,626,000 | 8,100,000 | 0 | 0 | 0 | 0 |
| | Communities and Neighbourhoods | 364,440 | 8,288 | 364,440 | 0 | 364,440 | 0 | 275,000 | 735,000 | 460,000 | 735,000 | 0 | 90,000 | 65,000 | 15,000 |
| confirmed | Planning and Regulatory | 417,900 | 185,338 | 417,900 | 0 | 417,900 | 0 | 270,000 | 278,000 | 8,000 | 270,000 | (8,000) | 365,000 | 365,000 | 0 |
| | Deferred Works Reserve | 23,310 | 0 | 82,640 | 59,330 | 82,640 | 0 | 200,000 | 200,000 | 0 | 1,035,000 | 835,000 | 200,000 | 200,000 | 0 |
| | **Total Schemes** | **22,613,391** | **5,703,411** | **21,006,081** | **(1,607,310)** | **20,928,581** | **(77,500)** | **20,521,897** | **31,055,322** | **10,533,425** | **30,509,822** | **(545,500)** | **14,369,378** | **1,939,120** | **283,000** |
| | **General Fund -Resources** | | | | | | | | | | | | | | |
| BG902 | Capital Receipts | 5,733,408 | | 4,874,579 | (858,829) | 4,797,079 | (77,500) | 4,595,387 | 10,680,331 | 6,084,944 | 10,134,831 | (545,500) | 7,073,942 | 836,087 | 283,000 |
| | Locality Review receipts | 474,000 | | 0 | (474,000) | 0 | 0 | 765,000 | 1,239,000 | 474,000 | 1,239,000 | 0 | 944,000 | 724,000 | |
| BG461 | Grants and other contributions | 4,908,201 | | 4,908,201 | 0 | 4,908,201 | 0 | 4,746,012 | 4,746,012 | 0 | 4,746,012 | 0 | 3,916,192 | 0 | |
| BG860 | S106's | 121,332 | | 121,332 | 0 | 121,332 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| BG904 | LEP | 3,674,480 | | 3,674,480 | 0 | 3,674,480 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Reserves | 179,870 | | 279,870 | 100,000 | 279,870 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| BG905 | Ringfenced regeneration receipts | 210,000 | | 710,000 | 500,000 | 710,000 | 0 | | 1,050,000 | 1,050,000 | 1,050,000 | 0 | | | |
| BG903 | Capital Reserve (Housing Receipts) | 432,886 | | 270,772 | (162,114) | 270,772 | 0 | 371,565 | 533,679 | 162,114 | 533,679 | 0 | 375,280 | 379,033 | |
| BG916 | Capital Reserve (Revenue Savings) | 1,578,323 | | 865,955 | (712,368) | 865,955 | 0 | 527,588 | 1,239,956 | 712,367 | 1,239,956 | 0 | 0 | 0 | |
| BG920 | New Homes Bonus CNM | 344,980 | | 344,980 | 0 | 344,980 | 0 | 65,027 | 65,027 | 0 | 65,027 | 0 | 0 | 0 | |
| | Prudential Borrowing Approved | 4,181,901 | | 4,181,901 | 0 | 4,181,901 | 0 | 6,397,512 | 8,447,512 | 2,050,000 | 8,447,512 | 0 | 2,059,964 | 0 | |
| | Short Term borrowing and funded from private sale | 774,010 | | 774,010 | 0 | 774,010 | 0 | 3,053,806 | 3,053,806 | 0 | 3,053,806 | 0 | 0 | 0 | 0 |
| | Funding Gap | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | **Total Resources (General Fund)** | **22,613,391** | | **21,006,081** | **(1,607,310)** | **20,928,581** | **(77,500)** | **20,521,897** | **31,055,322** | **10,533,425** | **30,509,822** | **(545,500)** | **14,369,378** | **1,939,120** | **283,000** |
| | | | | **0** | **0** | | **0** | **0** | **0** | **0** | | **0** | **0** | **0** | **0** |

## APPENDIX C - GENERAL FUND CAPITAL STRATEGY

Stevenage BOROUGH COUNCIL

| Cost Centre | Scheme | 2021/2022 Working Budget £ | 2021/2022 Actuals 26 September 2021 £ | 2021/2022 January Draft Budget £ | 2021/2022 Variance Working v Draft Budget £ | 2021/2022 Febuary Final Revised Budget £ | 2021/2022 Variance Draft v Final Budget £ | 2022/2023 Working Budget £ | 2022/2023 January Draft Budget £ | 2022/2023 Variance Working v Draft Budget £ | 2022/2023 Febuary Final Revised Budget £ | 2022/2023 Variance Draft v Final Budget £ | 2023/2024 Febuary Final Revised Budget £ | 2024/2025 Febuary Final Revised Budget £ | 2025/2026 Febuary Final Revised Budget £ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BG902 | **General Funds Receipts** | | | | | | | | | | | | | | |
| | **Unallocated B/fwd** | (999,592) | | (999,592) | 0 | (999,592) | 0 | (1,468,727) | (1,559,995) | (91,269) | (1,977,456) | (417,461) | (1,524,176) | (1,568,928) | (732,841) |
| | In Year Receipts | (6,751,275) | | (5,183,715) | 1,567,560 | (5,523,676) | (339,961) | (7,456,296) | (5,736,816) | 1,719,480 | (5,455,560) | 281,256 | (10,172,500) | 0 | |
| | Used in Year | 5,733,408 | | 4,074,579 | (1,658,829) | 3,997,079 | (77,500) | 4,595,387 | 5,680,331 | 1,084,944 | 5,134,831 | (545,500) | 7,073,942 | 836,087 | 283,000 |
| | Ring Fenced Receipts Used to Repay ST Borrowing | 548,732 | | 548,732 | 0 | 548,732 | 0 | 774,010 | 774,010 | 0 | 774,010 | 0 | 3,053,806 | 0 | 0 |
| | **General Fund Receipts Unallocated C/fwd** | **(1,468,727)** | | **(1,559,995)** | **(91,269)** | **(1,977,456)** | **(417,461)** | **(3,555,626)** | **(842,471)** | **2,713,155** | **(1,524,176)** | **(681,705)** | **(1,568,928)** | **(732,841)** | **(449,841)** |
| BG911 | **Locality Review receipts** | | | | | | | | | | | | | | |
| | **Unallocated B/fwd** | | | | 0 | | 0 | (33,200) | (336,000) | (302,800) | (336,000) | 0 | (1,458,600) | (1,474,600) | (750,600) |
| | In Year Receipts | (507,200) | | (336,000) | 171,200 | (336,000) | 0 | (1,963,200) | (2,361,600) | (398,400) | (2,361,600) | 0 | (960,000) | 0 | 0 |
| | Used in Year | 474,000 | | 0 | (474,000) | 0 | 0 | 765,000 | 1,239,000 | 474,000 | 1,239,000 | 0 | 944,000 | 724,000 | 0 |
| | **Receipts Unallocated C/fwd** | **(33,200)** | | **(336,000)** | **(302,800)** | **(336,000)** | **0** | **(1,231,400)** | **(1,458,600)** | **(227,200)** | **(1,458,600)** | **0** | **(1,474,600)** | **(750,600)** | **(750,600)** |
| BG905 | **Ringfenced regeneration receipts** | | | | | | | | | | | | | | |
| | **Unallocated B/fwd** | | | | 0 | | | 0 | (4,350,000) | | (4,350,000) | 0 | (3,300,000) | (3,300,000) | (3,300,000) |
| | In Year Receipts | | | (5,060,000) | (5,060,000) | (5,060,000) | 0 | | | | | 0 | | | |
| | Used in Year | | | 710,000 | 710,000 | 710,000 | 0 | | 1,050,000 | | 1,050,000 | 0 | | | |
| | **Reserve Unallocated C/fwd** | **0** | | **(4,350,000)** | **(4,350,000)** | **(4,350,000)** | **0** | **0** | **(3,300,000)** | **(3,300,000)** | **(3,300,000)** | **0** | **(3,300,000)** | **(3,300,000)** | **(3,300,000)** |
| | **SG1 Receipts** | | | | | | | | | | | | | | |
| | **Unallocated B/fwd** | | | | 0 | | 0 | 0 | 800,000 | | 800,000 | 0 | 0 | 0 | 0 |
| | In Year Receipts | (900,000) | | | 900,000 | | 0 | (2,474,000) | (5,800,000) | | (5,800,000) | 0 | | | |
| | Used in Year | 900,000 | | 800,000 | (100,000) | 800,000 | 0 | 2,474,000 | 5,000,000 | | 5,000,000 | 0 | 0 | 0 | |
| | **Reserve Unallocated C/fwd** | **0** | | **800,000** | **800,000** | **800,000** | 0 | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| BG903 & BG916 | **Capital Reserve** | | | | | | | | | | | | | | |
| | **Unallocated B/fwd** | (1,393,323) | | (1,393,323) | 0 | (1,393,323) | 0 | 0 | (874,482) | (874,482) | (874,482) | 0 | 0 | (350,000) | (700,000) |
| | In Year Resource | (617,886) | | (617,886) | 0 | (617,886) | 0 | (899,153) | (899,153) | 0 | (899,153) | 0 | (725,280) | (729,033) | 0 |
| | Used in Year | 2,011,209 | | 1,136,727 | (874,482) | 1,136,727 | 0 | 899,153 | 1,773,635 | 874,481 | 1,773,635 | 0 | 375,280 | 379,033 | 0 |
| | **Capital Reserve Unallocated C/fwd** | **0** | | **(874,482)** | (874,482) | (874,482) | 0 | **1** | **0** | **(0)** | **0** | **0** | **(350,000)** | **(700,000)** | **(700,000)** |

Stevenage BOROUGH COUNCIL

## APPENDIX C - GENERAL FUND CAPITAL STRATEGY

| Cost Centre | Scheme | 2021/2022 Working Budget £ | 2021/2022 Actuals 26 September 2021 £ | 2021/2022 January Draft Budget £ | 2021/2022 Variance Working v Draft Budget £ | 2021/2022 Febuary Final Revised Budget £ | 2021/2022 Variance Draft v Final Budget £ | 2022/2023 Working Budget £ | 2022/2023 January Draft Budget £ | 2022/2023 Variance Working v Draft Budget £ | 2022/2023 Febuary Final Revised Budget £ | 2022/2023 Variance Draft v Final Budget £ | 2023/2024 Febuary Final Revised Budget £ | 2024/2025 Febuary Final Revised Budget £ | 2025/2026 Febuary Final Revised Budget £ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Stevenage Direct Services** | | | | | | | | | | | | | | |
| | **Parks & Open Spaces** | | | | | | | | | | | | | | |
| KC218 | Hertford Road Play Area (S106 Funded) | 25,000 | | 25,000 | 0 | 25,000 | 0 | | | 0 | | | | | |
| KE911 | Play Area Improvement Programme | 325,030 | 44,975 | **325,030** | 0 | 325,030 | 0 | 243,500 | **243,500** | 0 | 243,500 | 0 | 220,000 | | |
| GROWTH | Play Area Improvement Programme | | | | 0 | | | | 25,515 | 25,515 | 25,515 | 0 | 24,220 | | |
| KE097 | Litter bins | 103,000 | 9,363 | 103,000 | 0 | 103,000 | 0 | 83,000 | 83,000 | 0 | 83,000 | 0 | 10,000 | 4,000 | |
| KE329 | Play Areas Fixed Play | 40,810 | 22,741 | 40,810 | 0 | 40,810 | 0 | | | 0 | 0 | 0 | | | |
| KE494 | Green Space Access Infrastructure | 100,000 | 91,624 | 100,000 | 0 | 100,000 | 0 | 201,000 | 201,000 | 0 | 201,000 | 0 | 128,000 | 128,000 | |
| KE916 | Peartree skate park | 40,000 | | 40,000 | 0 | 40,000 | 0 | | | | 0 | 0 | | | |
| KE917 | Ridlins Athletics Facility | 30,000 | | 30,000 | 0 | 30,000 | 0 | | | | 0 | 0 | | | |
| | **Other** | | | | | | | | | | | | | | |
| KG002 | Garages | 2,400,870 | 317,989 | 1,500,000 | (900,870) | 1,500,000 | 0 | 2,265,720 | 3,166,590 | 900,870 | 3,166,590 | 0 | 2,265,720 | | |
| KS263 | Waste and Recycling System | 43,900 | | 20,000 | (23,900) | 20,000 | 0 | | 23,900 | 23,900 | 23,900 | 0 | | | |
| KE520 | Welfare improvements at out based hubs | 10,000 | | 10,000 | 0 | 10,000 | 0 | | | 0 | 0 | 0 | | | |
| KE914 | FVP Dam Works | 45,000 | | 45,000 | 0 | 45,000 | 0 | | | 0 | 0 | 0 | | | |
| KE915 | Waste receptacles | 40,000 | | 40,000 | 0 | 40,000 | 0 | | | 0 | 0 | 0 | | | |
| GROWTH | Flat block waste management infrastructure | | | | 0 | | | | 30,000 | 30,000 | 30,000 | 0 | | | |
| GROWTH | Water Tank and system, Shephalbury Bowls | | | | 0 | | | | 15,000 | 15,000 | 0 | (15,000) | | | |
| GROWTH | Shrub bed programme | | | | 0 | | | | 133,000 | 133,000 | 133,000 | 0 | 133,000 | 133,000 | 133,000 |
| GROWTH | Review of Biodiversity Action Plan | | | | 0 | | | | 12,000 | 12,000 | 12,000 | 0 | | | |
| GROWTH | Cemeteries System | | | | 0 | | | | 50,000 | 50,000 | 50,000 | 0 | | | |
| GROWTH | Provision for maintenance works at closed cemeteries | | | | 0 | | | | 50,000 | 50,000 | 0 | (50,000) | 0 | 0 | 0 |
| | **Vehicles,Plant,Equipment** | | | | | | | | | | | | | | |
| KE349 | Waste Receptacles | 0 | | 0 | 0 | 0 | 0 | | | | 0 | 0 | | | |
| KE497 | Trade Waste Containers | 40,000 | | 40,000 | 0 | 40,000 | 0 | 20,000 | 20,000 | 0 | 20,000 | 0 | 20,000 | | |
| Various | Vehicle/Plant replacement Programme - see Appendix C1 | 442,742 | 24,735 | 442,742 | 0 | 365,242 | (77,500) | 431,400 | 1,393,000 | 961,600 | 680,500 | (712,500) | 1,525,500 | 0 | |
| | **Total Stevenage Direct Services** | **3,686,352** | **511,426** | **2,761,582** | **(924,770)** | **2,684,082** | **(77,500)** | **3,244,620** | **5,446,505** | **2,201,885** | **4,669,005** | **(777,500)** | **4,326,440** | **265,000** | **133,000** |
| | **Housing Development Scheme (Joint GF/HRA)** | | | | | | | | | | | | | | |
| KG032 | Building Conversion into New Homes - Ditchmore Lane | 0 | (11,315) | 0 | 0 | 0 | 0 | | | 0 | 0 | 0 | | | |
| **Various** | **Housing Development Schemes (Joint GF/HRA)** | **3,836,912** | **383,861** | **3,836,912** | **0** | **3,836,912** | **0** | **8,874,818** | **8,874,818** | **0** | **8,874,818** | **0** | **8,334,474** | **574,900** | **0** |
| KG038 | Wholly Owned Housing Development Company (WOC)* | 3,214,147 | | 3,214,147 | 0 | 3,214,147 | 0 | 4,381,789 | 4,381,789 | 0 | 4,381,789 | 0 | 169,244 | 0 | 0 |
| | **Total Housing Development (including grants to Registered P** | **7,051,059** | **372,546** | **7,051,059** | **0** | **7,051,059** | **0** | **13,256,607** | **13,256,607** | **0** | **13,256,607** | **0** | **8,503,718** | **574,900** | **0** |

**the capital programme includes £7.765Million for the WOC as per the reports to Executive in January 2021 and Council in February 2021, however members have approved up to £15Million*

## APPENDIX C - GENERAL FUND CAPITAL STRATEGY

Stevenage BOROUGH COUNCIL

| Cost Centre | Scheme | 2021/2022 Working Budget £ | 2021/2022 Actuals 26 September 2021 £ | 2021/2022 January Draft Budget £ | 2021/2022 Variance Working v Draft Budget £ | 2021/2022 Febuary Final Revised Budget £ | 2021/2022 Variance Draft v Final Budget £ | 2022/2023 Working Budget £ | 2022/2023 January Draft Budget £ | 2022/2023 Variance Working v Draft Budget £ | 2022/2023 Febuary Final Revised Budget £ | 2022/2023 Variance Draft v Final Budget £ | 2023/2024 Febuary Final Revised Budget £ | 2024/2025 Febuary Final Revised Budget £ | 2025/2026 Febuary Final Revised Budget £ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Finance & Estates** | | | | | | | | | | | | | | |
| | **Estates** | | | | | | | | | | | | | | |
| KS278 | New Management Software | 75,000 | | 75,000 | 0 | 75,000 | 0 | | | 0 | 0 | 0 | | | |
| KR916 | Commercial Properties Refurbishment (MRC Programme) | 207,300 | | 207,300 | 0 | 207,300 | 0 | 231,850 | 231,850 | 0 | 231,850 | 0 | 0 | | |
| KR150 | Works to improve vacant premises prior to re-letting | 55,000 | | 55,000 | 0 | 55,000 | 0 | 15,000 | 15,000 | 0 | 15,000 | 0 | 15,000 | 15,000 | |
| KR155 | EPC Surveys | 60,000 | | 60,000 | 0 | 60,000 | 0 | 60,000 | 60,000 | 0 | 60,000 | 0 | | | |
| KR156 | EPC remedials | 20,000 | | 20,000 | 0 | 20,000 | 0 | | 250,000 | 250,000 | 200,000 | (50,000) | | | |
| KR157 | Building condition and Insurance valuation Survey | 75,000 | | 75,000 | 0 | 75,000 | 0 | 75,000 | 75,000 | 0 | 75,000 | 0 | | | |
| | **Play Centres** | | | | | | | | | | | | | | |
| ON HOLD | St Nicholas play centre roof | | | | 0 | | | | 30,000 | 30,000 | 0 | (30,000) | | | |
| | **Community Centres** | | | | | | | | | 0 | | | | | |
| KE902 | Community Centres General | 1,820 | | 1,820 | 0 | 1,820 | 0 | | | 0 | 0 | 0 | | | |
| KE471 | St Nicholas - Boiler and Hot Water Installation Upgrade | 0 | | 0 | 0 | 0 | 0 | | | 0 | 0 | 0 | | | |
| KE515 | St Nicholas Annexe - External Decorations | 0 | | 0 | 0 | 0 | 0 | | | 0 | 0 | 0 | | | |
| KE472 | The Oval - Replace Radiators | 0 | | 0 | 0 | 0 | 0 | | | 0 | 0 | 0 | | | |
| KE499 | The Oval - Replace Windows | 0 | | 0 | 0 | 0 | 0 | | | 0 | 0 | 0 | | | |
| KE484 | Springfield House - Boiler upgrade | 0 | | 0 | 0 | 0 | 0 | | | 0 | 0 | 0 | | | |
| KE488 | Springfield House - Boundary Wall | 0 | | 0 | 0 | 0 | 0 | | | 0 | 0 | 0 | | | |
| KE528 | Community Centres: 2019/20 Backlog H&S Works | 15,000 | | 15,000 | 0 | 15,000 | 0 | | | 0 | 0 | 0 | | | |
| KE529 | Community Centres Urgent and H&S Works | 41,350 | | 41,350 | 0 | 41,350 | 0 | 60,000 | 20,000 | (40,000) | 20,000 | 0 | | | |
| KR159 | St Nicholas POD removal | 15,000 | | 15,000 | 0 | 15,000 | 0 | | | 0 | 0 | 0 | | | |
| GROWTH | Bedwell CC - Replace extract fans and electric heaters | | | | 0 | | | | 5,000 | 5,000 | 5,000 | 0 | | | |
| ON HOLD | Bedwell Community Centre roof fascia replacement | | | | 0 | | | | 50,000 | 50,000 | 0 | (50,000) | | | |
| ON HOLD | Chells Manor - boiler replacement and hot water works | | | | 0 | | | | 50,000 | 50,000 | 0 | (50,000) | | | |
| GROWTH | Douglas Drive day centre - replace electric wall heaters | | | | 0 | | | | 10,000 | 10,000 | 0 | (10,000) | | | |
| GROWTH | Bedwell Community Centre reroofing | | | | 0 | | | | | 0 | 0 | 0 | 125,000 | | |
| GROWTH | Chells manor - lightning upgrade | | | | 0 | | | | | 0 | 0 | 0 | 10,000 | | |
| GROWTH | St Nicholas Annex refurbish metal roof | | | | 0 | | | | | 0 | 0 | 0 | 60,000 | | |
| GROWTH | Timebridge - reroofing | | | | 0 | | | | | 0 | 0 | 0 | | 85,000 | |
| GROWTH | St Nicholas CC reroofing | | | | 0 | | | | | 0 | 0 | 0 | | | 125,000 |
| | **Neighbourhood Centres** | | | | | | | | | | | 0 | | | |
| GROWTH | Bedwell Neighbourhood centre canopy repairs | | | | 0 | | | | 30,000 | 30,000 | 30,000 | 0 | | | |
| GROWTH | 8-10 The glebe roof replacement | | | | 0 | | | | 30,000 | 30,000 | 30,000 | 0 | | | |
| ON HOLD | The Oval reroofing ('youth wing') | | | | 0 | | | | 30,000 | 30,000 | 0 | (30,000) | | | |
| GROWTH | Mobbsbury Way Neighbourhood Centre canopy reroofing | | | | 0 | | | | | 0 | 0 | 0 | | | |
| GROWTH | The Glebe Neighbourhood Centre canopy reroofing | | | | 0 | | | | | 0 | 0 | 0 | | 40,000 | |
| GROWTH | The Oval - replace heaters in Hall and dining room | | | | 0 | | | | | 0 | 0 | 0 | | | 10,000 |

## APPENDIX C - GENERAL FUND CAPITAL STRATEGY

Stevenage BOROUGH COUNCIL

| Cost Centre | Scheme | 2021/2022 | | | | | | 2022/2023 | | | | | 2023/2024 | 2024/2025 | 2025/2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Working Budget £ | Actuals 26 September 2021 £ | January Draft Budget £ | Variance Working v Draft Budget £ | Febuary Final Revised Budget £ | Variance Draft v Final Budget £ | Working Budget £ | January Draft Budget £ | Variance Working v Draft Budget £ | Febuary Final Revised Budget £ | Variance Draft v Final Budget £ | Febuary Final Revised Budget £ | Febuary Final Revised Budget £ | Febuary Final Revised Budget £ |
| | **Estates cont.** | | | | | | | | | | | | | | |
| | **Park Pavilions** | | | | | | | | | | | 0 | | | |
| ON HOLD | St Nicholas Pavilion reroofing | | | | 0 | | | | 150,000 | 150,000 | 0 | (150,000) | | | |
| ON HOLD | St Nicholas Pavilion replace windows | | | | 0 | | | | 75,000 | 75,000 | 0 | (75,000) | | | |
| GROWTH | Peartree pavilion - reroofing | | | | 0 | | | | | 0 | 0 | 0 | 100,000 | | |
| GROWTH | KGV Pavilion Replace electric heating and lighting | | | | 0 | | | | | 0 | 0 | 0 | 20,000 | | |
| GROWTH | KGV reroofing and gutter replacement | | | | 0 | | | | | 0 | 0 | 0 | 75,000 | | |
| | **Depots** | | | | | | | | | | | 0 | | | |
| KE526 | Depots: Urgent and H&S Works | 339,900 | | 125,000 | (214,900) | 125,000 | 0 | | 374,900 | 374,900 | 374,900 | 0 | | | |
| KE527 | Depots: Planned Preventative Works (reroof) | 469,330 | 0 | 30,000 | (439,330) | 30,000 | 0 | 55,000 | 280,000 | 225,000 | 280,000 | 0 | | | |
| KE526 | Cavendish Road Fire protection works | 250,000 | | 125,000 | (125,000) | 125,000 | 0 | | 125,000 | 125,000 | 125,000 | 0 | | | |
| KR160 | Cavendish depot - IT server room - gas suppression air permeability prevention works | 20,000 | | 20,000 | 0 | 20,000 | 0 | | | 0 | 0 | 0 | | | |
| KR161 | Cavendish Depot IT/CCTV gas suppression works | 40,000 | | 40,000 | 0 | 40,000 | 0 | | | 0 | 0 | 0 | | | |
| | **Other** | | | | | | | | | | | | | | |
| Growth | MSCP: Urgent and H&S Works | 0 | | 0 | 0 | 0 | 0 | 20,000 | 20,000 | 0 | 20,000 | 0 | | | |
| KE536 | Multi Storey Car Park - Installation of emergency lighting | 50,000 | | 50,000 | 0 | 50,000 | 0 | | | 0 | 0 | 0 | | | |
| KR158 | Town Plaza | 35,000 | | 35,000 | 0 | 35,000 | 0 | | | 0 | 0 | 0 | | | |
| | Fairlands valley farmhouse roofing works | | | 35,000 | 35,000 | 35,000 | 0 | | | 0 | 0 | 0 | | | |
| GROWTH | MSCP lighting upgrade - LED (phased) | | | | 0 | | | | 75,000 | 75,000 | 75,000 | 0 | 75,000 | 75,000 | |
| GROWTH | MSCP resurface worn stairwell floor | | | | 0 | | | | 20,000 | 20,000 | 20,000 | 0 | 40,000 | | |
| GROWTH | MSCP / Indoor Market guttering | | | | 0 | | | | 30,000 | 30,000 | 30,000 | 0 | | | |
| | **Council Offices** | | | | | | 0 | | | | | | | | |
| KR900 | Council Offices | 0 | | 0 | 0 | 0 | 0 | | | | 0 | 0 | | | |
| KR141 | Corporate Buildings - Essential Health & Safety Electrical Work | 0 | | 0 | 0 | 0 | 0 | | | | 0 | 0 | | | |
| KR149 | Daneshill House - Test & Risk Assessment Remedial Works | 0 | | 0 | 0 | 0 | 0 | | | | 0 | 0 | | | |
| KR151 | Daneshill: 2019/20 Backlog Urgent and H&S Works | 0 | 4,883 | 0 | 0 | 0 | 0 | | | 0 | 0 | 0 | 65,000 | | |
| | Daneshill: Urgent and H&S Works | 58,190 | | 58,190 | 0 | 58,190 | 0 | | | 0 | 0 | 0 | | | |
| ON HOLD | Daneshill fire doors | | | | 0 | | | | 150,000 | 150,000 | 0 | (150,000) | | | |
| | **Operational Buildings** | | | | | | | | | | | | | | |
| KE503 | Indoor Market - Urgent Health & Safety Works | 0 | (1,047) | 0 | 0 | 0 | 0 | | | 0 | 0 | 0 | | | |
| KR152 | BTC 2019/20 Backlog H&S Works | 30,000 | | 30,000 | 0 | 30,000 | 0 | | | 0 | 0 | 0 | | | |
| KR153 | BTC Urgent and H&S Works | 80,300 | 17,302 | 80,300 | 0 | 80,300 | 0 | 6,000 | 6,000 | 0 | 6,000 | 0 | | | |
| KR154 | BTC Planned Preventative Works | 455,830 | 7,600 | 455,830 | 0 | 455,830 | 0 | 172,000 | 172,000 | 0 | 172,000 | 0 | 0 | 0 | |
| GROWTH | control upgrade and replacement of lift in the new block | | | | 0 | | | | | 0 | 0 | 0 | 195,000 | | |
| GROWTH | and workshops | | | | 0 | | | | | 0 | 0 | 0 | | 150,000 | |
| | **Total Finance & Estates** | **2,394,020** | **28,738** | **1,649,790** | **(744,230)** | **1,649,790** | **0** | **694,850** | **2,364,750** | **1,669,900** | **1,769,750** | **(595,000)** | **780,000** | **365,000** | **135,000** |

## APPENDIX C - GENERAL FUND CAPITAL STRATEGY

Stevenage BOROUGH COUNCIL

| Cost Centre | Scheme | 2021/2022 Working Budget £ | 2021/2022 Actuals 26 September 2021 £ | 2021/2022 January Draft Budget £ | 2021/2022 Variance Working v Draft Budget £ | 2021/2022 Febuary Final Revised Budget £ | 2021/2022 Variance Draft v Final Budget £ | 2022/2023 Working Budget £ | 2022/2023 January Draft Budget £ | 2022/2023 Variance Working v Draft Budget £ | 2022/2023 Febuary Final Revised Budget £ | 2022/2023 Variance Draft v Final Budget £ | 2023/2024 Febuary Final Revised Budget £ | 2024/2025 Febuary Final Revised Budget £ | 2025/2026 Febuary Final Revised Budget £ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Corporate Projects, Customer Services & Technology** | | | | | | | | | | | | | | |
| | **IT General** | | | | | | | | | | | | | | |
| KS268 | Infrastructure Investment | 743,140 | 238,439 | 341,630 | (401,510) | 341,630 | 0 | 104,220 | 505,730 | 401,510 | 505,730 | 0 | 104,220 | 104,220 | |
| KS318 | Core ICT Equipment for Additional Staff | 70,000 | | 0 | (70,000) | 0 | 0 | | 70,000 | 70,000 | 70,000 | 0 | | | |
| GROWTH | Core ICT Equipment for Additional Staff | | | | 0 | | | | 70,000 | 70,000 | 70,000 | 0 | | | |
| KS319 | 2012 Migration Servers | 26,130 | | 0 | (26,130) | 0 | 0 | | 26,130 | 26,130 | 26,130 | 0 | | | |
| | **Total IT General** | **839,270** | **238,439** | **341,630** | **(497,640)** | **341,630** | **0** | **104,220** | **671,860** | **567,640** | **671,860** | **0** | **104,220** | **104,220** | **0** |
| | **Connected to Our Customer (CTOC)** | | | | | | | | | | | | | | |
| KS271 | Corporate Website - Redesign | 4,420 | 131 | 4,420 | 0 | 4,420 | 0 | 2,600 | 2,600 | 0 | 2,600 | 0 | | | |
| KS274 | New CRM Technology | 53,140 | 2,500 | 53,140 | 0 | 53,140 | 0 | | | 0 | 0 | 0 | | | |
| | **Total CTOC** | **57,560** | **2,631** | **57,560** | **0** | **57,560** | **0** | **2,600** | **2,600** | **0** | **2,600** | **0** | **0** | **0** | **0** |
| | **Total Corporate Projects, Customer Services & Technology** | **896,830** | **241,069** | **399,190** | **(497,640)** | **399,190** | **0** | **106,820** | **674,460** | **567,640** | **674,460** | **0** | **104,220** | **104,220** | **0** |
| | **Regeneration** | | | | | | | | | | | | | | |
| KE384 | Town Centre Improvements Phase 2 incl Wayfinding signage | 0 | 11,997 | | 0 | 0 | 0 | | | 0 | 0 | 0 | | | |
| **Various** | **Land Assembly (GD1)** | **0** | | **800,000** | **800,000** | **800,000** | 0 | | **0** | 0 | **0** | 0 | | | |
| KE439 | Town Square Improvements (GD1) | 0 | | 0 | 0 | 0 | 0 | | | 0 | 0 | 0 | | | |
| KE466 | Bus Interchange (GD3) | 3,499,970 | 3,200,209 | 3,799,970 | 300,000 | 3,799,970 | 0 | | | 0 | 0 | 0 | | | |
| KE533 | Multi Storey Car Park (GD3) 'Sustainable Transport' | 172,630 | 68,846 | 172,630 | 0 | 172,630 | 0 | | | 0 | 0 | 0 | | | |
| KE535 | Town Fund Delivery - North Block fit-out | 1,121,880 | 1,073,426 | 1,021,880 | (100,000) | 1,021,880 | 0 | | | 0 | 0 | 0 | | | |
| KE506 | Public Sector Hub | 900,000 | | | (900,000) | 0 | 0 | 2,474,000 | 5,000,000 | 2,526,000 | 5,000,000 | 0 | | | |
| | Repay LEP Site Assembly loan | 210,000 | | 210,000 | 0 | 210,000 | 0 | | | 0 | 0 | 0 | | | |
| KE541 | Railway Station Multi-Storey Car Park | | | 400,000 | 400,000 | 400,000 | 0 | | 3,100,000 | 3,100,000 | 3,100,000 | 0 | | | |
| KE538 | Towns Fund | 1,875,000 | | 1,875,000 | | 1,875,000 | 0 | | | | 0 | 0 | | | |
| . | **Total Regeneration** | **7,779,480** | **4,356,006** | **8,279,480** | **500,000** | **8,279,480** | **0** | **2,474,000** | **8,100,000** | **5,626,000** | **8,100,000** | **0** | **0** | **0** | **0** |
| | **Community & Neighbourhoods** | | | | | | | | | | | | | | |
| KC900 | Arts and Leisure Centre - Pipework | 0 | 1,067 | 0 | 0 | 0 | 0 | | | 0 | 0 | 0 | | | |
| KC202 | Fairlands Valley Park - Aqua | 11,360 | | 11,360 | 0 | 11,360 | 0 | | | 0 | 0 | 0 | | | |
| KC224 | Leisure Stock Condition | 0 | | 0 | 0 | 0 | 0 | 20,000 | 20,000 | 0 | 20,000 | 0 | | | |
| KC230 | Pin Green Play Centre Equipment | 20,000 | 910 | 20,000 | 0 | 20,000 | 0 | | | 0 | 0 | 0 | | | |
| KE224 | CCTV - Replacement Cameras (Community mobile cameras) | 4,670 | 4,371 | 4,670 | 0 | 4,670 | 0 | 5,000 | 5,000 | 0 | 5,000 | 0 | 5,000 | 5,000 | |
| KE507 | Cycleways Installations (subject to £100k Arts Council grant bid) | 10,000 | | 10,000 | 0 | 10,000 | 0 | | | 0 | 0 | 0 | | | |
| KC232 | SALC and the Swim Centre Urgent and H&S Works | 241,460 | | 241,460 | 0 | 241,460 | 0 | 100,000 | 100,000 | 0 | 100,000 | 0 | 45,000 | | |
| KC231 | SALC, Swim Centre, and Fairlands Valley Sailing Centre | 19,950 | | 19,950 | 0 | 19,950 | 0 | | | 0 | 0 | 0 | | | |
| KC233 | Stevenage Arts & Leisure Water leak - Reroofing | 30,000 | 980 | 30,000 | 0 | 30,000 | 0 | | | 0 | 0 | 0 | | | |
| GROWTH | Stevenage Swimming Centre Pool circulation pumps | 0 | | 0 | 0 | 0 | 0 | | | 0 | 0 | 0 | | 15,000 | |
| GROWTH | Stevenage Swimming Centre Electrical distribution boards | 0 | | 0 | 0 | 0 | 0 | | | 0 | 0 | 0 | 0 | | |

Stevenage BOROUGH COUNCIL

## APPENDIX C - GENERAL FUND CAPITAL STRATEGY

| | | 2021/2022 | | | | | | 2022/2023 | | | | | 2023/2024 | 2024/2025 | 2025/2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cost Centre | Scheme | Working Budget £ | Actuals 26 September 2021 £ | January Draft Budget £ | Variance Working v Draft Budget £ | Febuary Final Revised Budget £ | Variance Draft v Final Budget £ | Working Budget £ | January Draft Budget £ | Variance Working v Draft Budget £ | Febuary Final Revised Budget £ | Variance Draft v Final Budget £ | Febuary Final Revised Budget £ | Febuary Final Revised Budget £ | Febuary Final Revised Budget £ |
| | **C&N cont.** | | | | | | | | | | | | | | |
| GROWTH | SLL Leisure management - end of contract capital provision | | | | | | 0 | 150,000 | 150,000 | 0 | 150,000 | 0 | | | |
| KC235 | Boat house as essential H&S works for dry rot | 27,000 | 961 | 27,000 | 0 | 27,000 | 0 | | | 0 | 0 | 0 | | | |
| GROWTH | Ridlins Athletics | | | | 0 | | | | 100,000 | 100,000 | 100,000 | 0 | | | |
| GROWTH | Fire stopping works at SALC | | | | 0 | | | | 100,000 | 100,000 | 100,000 | 0 | | | |
| GROWTH | Lift replacement at SALC | | | | 0 | | | | 140,000 | 140,000 | 140,000 | 0 | | | |
| GROWTH | Replacement bridge at Golf Centre & other bridge works | | | | 0 | | | | 90,000 | 90,000 | 90,000 | 0 | | | |
| GROWTH | Replacement Camera programme | | | | 0 | | | | 25,000 | 25,000 | 25,000 | 0 | 35,000 | 40,000 | 10,000 |
| GROWTH | ASB team mobile camera | | | | | | | | 5,000 | 5,000 | 5,000 | 0 | 5,000 | 5,000 | 5,000 |
| | **Total Community & Neighbourhoods** | **364,440** | **8,288** | **364,440** | **0** | **364,440** | **0** | **275,000** | **735,000** | **460,000** | **735,000** | **0** | **90,000** | **65,000** | **15,000** |
| | **Planning & Regulatory** | | | | | | | | | | | | | | |
| KE119 | Off Street Car Parks (Multi Storey Car Parks) | 278,560 | 171,820 | 278,560 | 0 | 278,560 | 0 | 215,000 | 215,000 | 0 | 215,000 | 0 | 250,000 | 250,000 | |
| KE530 | Car Park Equipment - Digitalisation | 20,000 | | 20,000 | 0 | 20,000 | 0 | | | 0 | 0 | 0 | | | |
| KE516 | Town Centre Ramps Improvements | 10,000 | 9,598 | 10,000 | 0 | 10,000 | 0 | | | 0 | 0 | 0 | | | |
| KE201 | Hard standings | 25,000 | 75 | 25,000 | 0 | 25,000 | 0 | 25,000 | 25,000 | 0 | 25,000 | 0 | 25,000 | 25,000 | |
| KE100 | Residential Parking | 23,160 | | 23,160 | 0 | 23,160 | 0 | | | 0 | 0 | 0 | | | |
| KE470 | Electric Car Charging Points | 2,630 | | 2,630 | 0 | 2,630 | 0 | | | 0 | 0 | 0 | | | |
| KE217 | Parking Restrictions | 17,550 | 2,317 | 17,550 | 0 | 17,550 | 0 | 15,000 | 15,000 | 0 | 15,000 | 0 | 15,000 | 15,000 | |
| KE444 | Coreys Mill Lane - Additional Parking Capacity | 26,000 | 1,529 | 26,000 | 0 | 26,000 | 0 | | | 0 | 0 | 0 | | | |
| KE531 | Workplace Travel Plan | 15,000 | | 15,000 | 0 | 15,000 | 0 | 15,000 | 15,000 | 0 | 15,000 | 0 | 15,000 | 15,000 | |
| GROWTH | SBC grants to businesses to reduce their carbon emissions | | | | 0 | | | | 8,000 | 8,000 | 0 | (8,000) | 0 | 0 | 0 |
| GROWTH | Cashless on street parking transition | 0 | | 0 | 0 | 0 | | | | 0 | 0 | 0 | 60,000 | 60,000 | |
| | | 0 | | | | 0 | | | | | | | | | |
| | **Total Planning & Regulatory** | **417,900** | **185,338** | **417,900** | **0** | 417,900 | **0** | **270,000** | **278,000** | **8,000** | **270,000** | **(8,000)** | **365,000** | **365,000** | **0** |
| KR911 | **Deferred Works Reserve** | **23,310** | | **82,640** | **59,330** | **82,640** | **0** | **200,000** | **200,000** | **0** | **1,035,000** | **835,000** | **200,000** | **200,000** | |

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# APPENDIX D - HOUSING CAPITAL STRATEGY

APPENDIX B

Stevenage BOROUGH COUNCIL

| | | 2021/2022 | | | | | | 2022/2023 | | | 2023/2024 | 2024/2025 | 2025/2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cost Centre | Scheme | Working Budget £ | Actual to 27 September 2021 £ | January Draft Budget £ | Variance Working v Draft Budget £ | Febuary Final Revised Budget £ | Variance Draft v Final Budget £ | January Draft Budget £ | Febuary Final Revised Budget £ | Variance Draft v Final Budget £ | Febuary Final Revised Budget £ | Febuary Final Revised Budget £ | Febuary Final Revised Budget £ |
| | **SUMMARY** | | | | | | | | | | | | |
| | Capital Programme Excluding New Build | 27,069,080 | 4,430,521 | 27,069,080 | | 27,069,080 | | 21,382,220 | 21,382,220 | | 17,155,630 | 15,082,650 | |
| | Special Projects & Equipment | 159,490 | (5,348) | 159,490 | | 159,490 | | 25,000 | 25,000 | | 25,000 | 25,000 | |
| | New Build (Housing Development) | 25,806,040 | 6,527,976 | 25,806,040 | | 25,806,040 | | 42,877,360 | 42,877,360 | | 19,954,250 | 13,659,140 | 4,615,470 |
| | Digital & Transformation | 822,510 | 50,389 | 620,900 | (201,610) | 620,900 | | 381,680 | 381,680 | | 51,330 | 51,330 | |
| | **TOTAL HRA CAPITAL PROGRAMME** | **53,857,120** | **11,003,538** | **53,655,510** | **(201,610)** | **53,655,510** | | **64,666,260** | **64,666,260** | | **37,186,210** | **28,818,120** | **4,615,470** |
| | | | | | | | | | | | | | |
| | **HRA USE OF RESOURCES** | | | | | | | | | | | | |
| BH930 | MRR (Self Financing Depreciation) | 8,237,760 | | 14,350,383 | 6,112,623 | 14,350,383 | | 20,376,168 | 20,376,168 | | 15,114,825 | 12,381,197 | |
| BH902 | Land Receipts | 1,433,500 | | 1,433,500 | | 1,433,500 | | 6,450,000 | 6,450,000 | | | | |
| BH902 | Unpooled Receipts | | | | | | | | | | | | |
| BH901 | New Build Receipts | 9,277,820 | | 4,833,462 | (4,444,358) | 4,833,462 | | 11,931,396 | 11,931,396 | | 3,902,093 | 4,216,786 | |
| BH903 | Debt Provision Receipts | 898,217 | | 898,217 | | 898,217 | | 936,391 | 936,391 | | 975,881 | 1,058,398 | |
| BH905 | Section 20 Contribution | | | | | | | 500,000 | 500,000 | | 955,094 | 567,636 | |
| | Borrowing | 29,547,303 | | 29,547,303 | | 29,547,303 | | 15,640,000 | 15,640,000 | | 11,980,000 | | |
| | S106 | | | 302,825 | 302,825 | 302,825 | | | | | | | |
| | Developer Contributions (Kenilworth) | 3,531,960 | | | (3,531,960) | | | 4,728,545 | 4,728,545 | | | | |
| | Revenue Contribution to Capital | | | 1,359,260 | 1,359,260 | 1,359,260 | | 2,203,760 | 2,203,760 | | 4,258,317 | 10,594,103 | 4,615,470 |
| | Buy Back Allowance | | | | | | | | | | | | |
| BH903 | Grant | 930,560 | | 930,560 | | 930,560 | | 1,900,000 | 1,900,000 | | | | |
| | | | | | | | | | | | | | |
| | **TOTAL HRA RESOURCES FOR CAPITAL** | **53,857,120** | | **53,655,510** | **(201,610)** | **53,655,510** | | **64,666,260** | **64,666,260** | | **37,186,210** | **28,818,120** | **4,615,470** |
| | | | | | 0 | | | | | | | | |
| | Major Repair Reserve Bought Forward (BH930) | (14,318,529) | | (14,318,529) | | (14,318,529) | | (11,452,146) | (11,452,146) | | (2,976,397) | (0) | |
| | Depreciation (increasing MRR) | (12,843,261) | | (11,484,000) | 1,359,260 | (11,484,000) | | (11,900,420) | (11,900,420) | | (12,138,428) | (12,381,197) | |
| | MRR Used (decreasing MRR) | 8,237,760 | | 14,350,383 | 6,112,623 | 14,350,383 | | 20,376,168 | 20,376,168 | | 15,114,825 | 12,381,197 | |
| | Major Repair Reserve Carried Forward | **(18,924,029)** | | **(11,452,146)** | **7,471,883** | **(11,452,146)** | | **(2,976,397)** | **(2,976,397)** | | **(0)** | **(0)** | |
| | | | | | | | | | | | | | |
| | Total RTB Receipts Bought Forward | (10,893,204) | | (10,893,204) | 0 | (10,893,204) | | (8,197,749) | (8,197,749) | | (101) | 1 | 0 |
| | Total RTB Receipts Received | (4,469,724) | | (4,469,724) | | (4,469,724) | | (11,120,139) | (11,120,139) | | (4,877,871) | (5,275,185) | |
| | Total RTB Receipts Used by HRA & General Fund (for RP) | 10,176,037 | | 7,165,179 | (3,010,858) | 7,165,179 | | 19,317,787 | 19,317,787 | | 4,877,974 | 5,275,184 | |
| | Total RTB Receipts Carried Forward | **(5,186,891)** | | **(8,197,749)** | **(3,010,858)** | **(8,197,749)** | | **(101)** | **(101)** | | **1** | **0** | **0** |

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# APPENDIX D - HOUSING CAPITAL STRATEGY

Stevenage BOROUGH COUNCIL

| Cost Centre | Scheme | 2021/2022 | | | | | | 2022/2023 | | | 2023/2024 | 2024/2025 | 2025/2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Working Budget £ | Actual to 27 September 2021 £ | January Draft Budget £ | Variance Working v Draft Budget £ | Febuary Final Revised Budget £ | Variance Draft v Final Budget £ | January Draft Budget £ | Febuary Final Revised Budget £ | Variance Draft v Final Budget £ | Febuary Final Revised Budget £ | Febuary Final Revised Budget £ | Febuary Final Revised Budget £ |
| | **CAPITAL PROGRAMME EXCL. NEW BUILD** | | | | | | | | | | | | |
| | **Planned Investment including Decent Homes** | | | | | | | | | | | | |
| KH157 | Decent Homes - Redecs | | 34 | | | | | | | | | | |
| Various | Decent Homes - Internal/External Works | 3,060,000 | 325,462 | 3,060,000 | | 3,060,000 | | 2,257,060 | 2,257,060 | | 5,450,000 | 6,750,000 | |
| Various | Decent Homes External Works | | | | | | | | | | | | |
| Various | Decent Homes - Roofing | | | | | | | | | | | | |
| Various | Decent Homes - Flat Blocks | 13,301,930 | 2,732,671 | 13,301,930 | | 13,301,930 | | 11,000,000 | 11,000,000 | | 6,600,000 | 2,000,000 | |
| KH205 | Communal Heating | 2,681,560 | 582,523 | 2,681,560 | | 2,681,560 | | | | | | | |
| KH092 | Lift Installation - Inspection & Remedial Works | 941,550 | 203,267 | 941,550 | | 941,550 | | 300,000 | 300,000 | | | | |
| KH287 | Temporary Lift Provision - Flat Blocks | | | | | | | | | | | | |
| KH291 | Sprinkler Systems - Flat Blocks | 2,628,410 | 27,379 | 2,628,410 | | 2,628,410 | | | | | | | |
| KH294 | High Rises - Preliminary Works | 46,590 | 533 | 46,590 | | 46,590 | | | | | | | |
| Future Year | High Rises - Improvement Works | | | | | | | 1,750,000 | 1,750,000 | | 1,750,000 | 1,750,000 | |
| Future Year | New Schemes to be created | | | | | | | | | | | 215,260 | |
| | **Health & Safety** | | | | | | | | | | | | |
| KH085 | Fire Safety | 444,090 | 33,573 | 444,090 | | 444,090 | | 85,000 | 85,000 | | 85,000 | 500,000 | |
| KH317 | Additional fire stopping works | | 9,778 | | | | | 877,070 | 877,070 | | 917,420 | 959,620 | |
| KH113 | Asbestos Management | 300,000 | 92,057 | 300,000 | | 300,000 | | 300,000 | 300,000 | | 300,000 | 300,000 | |
| KH114 | Subsidence | 101,290 | 26,883 | 101,290 | | 101,290 | | 100,000 | 100,000 | | 100,000 | 100,000 | |
| KH144 | Contingent Major Repairs | 399,670 | 67,005 | 399,670 | | 399,670 | | 340,000 | 340,000 | | 365,440 | 500,000 | |
| | **Estate & Communal Area** | | | | | | | | | | | | |
| KH223 | Asset Review - Challenging Assets | 856,780 | 81,348 | 856,780 | | 856,780 | | 857,770 | 857,770 | | 857,770 | 857,770 | |
| KH224 | Asset Review - Sheltered (non RED) | | 21,716 | | | | | | | | | | |
| | **Other HRA Schemes** | | | | | | | | | | | | |
| KH318 | Stock condition Surveys | 60,000 | 685 | 60,000 | | 60,000 | | 60,000 | 60,000 | | 60,000 | 80,000 | |
| KH174 | Energy Efficiency Pilot Projects | 1,397,210 | 25,343 | 1,397,210 | | 1,397,210 | | 20,000 | 20,000 | | 20,000 | 420,000 | |
| KH094 | Disabled Adaptations | 850,000 | 200,265 | 850,000 | | 850,000 | | 585,320 | 585,320 | | 650,000 | 650,000 | |
| GROWTH | Decarbonisation | | | | | | | 2,550,000 | 2,550,000 | | | | |
| GROWTH | Decarbonisation | | | | | | | 300,000 | 300,000 | | | | |
| | **TOTAL CAPITAL PROGRAMME EXCL. NEW BUILD** | **27,069,080** | **4,430,521** | **27,069,080** | | **27,069,080** | | **21,382,220** | **21,382,220** | | **17,155,630** | **15,082,650** | |
| | **SPECIAL PROJECTS & EQUIPMENT** | | | | | | | | | | | | |
| | **HRA Equipment** | | | | | | | | | | | | |
| KH015 | Capital Equipment (including Supported Housing Equip) | | (5,348) | | | | | | | | | | |
| GROWTH | Capital Equipment (including Supported Housing Equip) | 44,150 | | 44,150 | | 44,150 | | 25,000 | 25,000 | | 25,000 | 25,000 | |
| KH278 | Vans for RVS | 115,340 | | 115,340 | | 115,340 | | | | | | | |
| | **Sub Total Special Projects & Equipment** | **159,490** | **(5,348)** | **159,490** | | **159,490** | | **25,000** | **25,000** | | **25,000** | **25,000** | |

Stevenage BOROUGH COUNCIL

# APPENDIX D - HOUSING CAPITAL STRATEGY

| | | 2021/2022 | | | | | | 2022/2023 | | | 2023/2024 | 2024/2025 | 2025/2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Cost Centre | Scheme | Working Budget £ | Actual to 27 September 2021 £ | January Draft Budget £ | Variance Working v Draft Budget £ | Febuary Final Revised Budget £ | Variance Draft v Final Budget £ | January Draft Budget £ | Febuary Final Revised Budget £ | Variance Draft v Final Budget £ | Febuary Final Revised Budget £ | Febuary Final Revised Budget £ | Febuary Final Revised Budget £ |
| | **CAPITAL PROGRAMME NEW BUILD** | | | | | | | | | | | | |
| | New Build Programme - eligible for 1-4-1 | 23,194,550 | 4,755,132 | 23,194,550 | | 23,194,550 | | 30,730,990 | 30,730,990 | | 18,268,990 | 13,225,780 | 4,615,470 |
| | New Build Programme - ineligible | 2,611,490 | 1,772,843 | 2,611,490 | | 2,611,490 | | 12,146,370 | 12,146,370 | | 1,685,260 | 433,360 | |
| | Build for sale | | | | | | | | | | | | |
| | **TOTAL CAPITAL PROGRAMME NEW BUILD** | **25,806,040** | **6,527,976** | **25,806,040** | | **25,806,040** | | **42,877,360** | **42,877,360** | | **19,954,250** | **13,659,140** | **4,615,470** |
| | **INFORMATION TECHNOLOGY** | | | | | | | | | | | | |
| | **IT General (IT)** | | | | | | | | | | | | |
| KH268 | Infrastructure Investment | 327,010 | 2,598 | 168,270 | (158,740) | 168,270 | | 210,070 | 210,070 | | 51,330 | 51,330 | |
| KH315 | Core ICT Equipment for Additional Staff | 30,000 | | | (30,000) | | | 60,000 | 60,000 | | | | |
| KH316 | 2012 Migration Servers | 12,870 | | | (12,870) | | | 12,870 | 12,870 | | | | |
| | **Total General IT** | **369,880** | **2,598** | **168,270** | **(201,610)** | **168,270** | | **282,940** | **282,940** | | **51,330** | **51,330** | |
| | **HRA** | | | | | | | | | | | | |
| KH2[illegible]8 | ICT Programme (Business Plan) | 6,830 | 17,000 | 6,830 | | 6,830 | | | | | | | |
| GROWTH | ICT Programme (Business Plan) | 72,380 | | 72,380 | | 72,380 | | | | | | | |
| KH287 | Tablets | | (3,913) | | | | | | | | | | |
| | **Total Other HRA** | **79,210** | **13,087** | **79,210** | | **79,210** | | | | | | | |
| | **Connected To Our Customers (CTOC)** | | | | | | | | | | | | |
| KH271 | Corporate Website - Redesign | 2,280 | 68 | 2,280 | | 2,280 | | 1,330 | 1,330 | | | | |
| KH288 | New CRM Technology (Digital Platform) | 137,710 | 33,436 | 137,710 | | 137,710 | | 97,410 | 97,410 | | | | |
| | **Total CTOC** | **139,990** | **33,504** | **139,990** | | **139,990** | | **98,740** | **98,740** | | | | |
| | **Housing All Under One Roof programme (HAUOR)** | | | | | | | | | | | | |
| KH283 | Housing Improvements - Northgate online | 80,660 | 1,200 | 80,660 | | 80,660 | | | | | | | |
| GROWTH | Housing Improvements - Northgate online | 21,870 | | 21,870 | | 21,870 | | | | | | | |
| KH260 | On-Line Housing Application Form - RAPID KZ107 | 42,910 | | 42,910 | | 42,910 | | | | | | | |
| GROWTH | On-Line Housing Application Form - RAPID KZ107 | 9,090 | | 9,090 | | 9,090 | | | | | | | |
| KH286 | Housing Document Mgt System (Repairs end to end) | 46,460 | | 46,460 | | 46,460 | | | | | | | |
| GROWTH | Housing Document Mgt System (Repairs end to end) | 32,440 | | 32,440 | | 32,440 | | | | | | | |
| | **Total HAUOR** | **233,430** | **1,200** | **233,430** | | **233,430** | | | | | | | |
| | **TOTAL ICT INCLUDING DIGITAL AGENDA** | **822,510** | **50,389** | **620,900** | **-201,610** | **620,900** | | **381,680** | **381,680** | | **51,330** | **51,330** | |

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**APPENDIX E: Investment Strategy**

Compliance with the main requirements of the Government's Statutory Guidance on Local Authority Investments (MHCLG, 2018) is shown by cross reference in square brackets to the relevant paragraph of the Guidance.

**1. Scope and Purpose of Strategy**

1.1. "Investments" covers financial investments, including loans and shares, which have been made to support service and commercial objectives. Non-financial investments such as commercial property are included where the main objective is financial return [4]. The purchase of Essex House was an investment made with the objective of financial return, the other properties in the Council's asset register listed as Investment Buildings, such as Neighbourhood Centres and Workshops, fall outside of this strategy. Investments taken for treasury management reasons also fall outside of this strategy and are covered in the Treasury Management Strategy and Policy.

1.2. This strategy sets out the Council's approach to such investments, including their governance, addressing the Government Guidance on Local Authority Investments.

1.3. Investment values provided in this Appendix are the book values in the Council's accounts, unless otherwise stated.

**2. Objectives of the Strategy**

2.1. To use investments where appropriate and prudent to support the Council's Future Town Future Council (FTFC) aims, including regeneration of the town centre, housing delivery and co-operative neighbourhood management.

2.2. To ensure that investment decisions and management connects with the Council's Financial Security priority, to achieve financial stability for the council so that it maintains a prudent level of balances, while at the same time being able to deliver on the FTFC aims.

2.3. To review existing investments with a view to maximising the commercial return from them.

2.4. To manage risks in accordance with the Council's risk appetite and financial circumstances (including due diligence when making investment decisions).

2.5. To ensure that all commercial investments, actions and decisions are ethical in nature and have a positive impact on the community, delivering additional social value and contributing to community wealth building where possible.

## 3. The Existing Investment Portfolio

3.1. The Council's service and commercial investments are as follows

| Table One: Service and Commercial investments | | | |
|---|---|---|---|
| **Name** | **Value 31/03/20 £'000** | **Equity Share %** | **Reason for Investment** |
| Hertfordshire CCTV Ltd | £43 (of £118) | 37% | Service investment - Equity |
| Hertfordshire Building Control Ltd | Not available | 12.5% | Service investment - Equity |
| Hertfordshire Building Control Ltd | £107 | | Service investment – Long Term Loan |
| Queensway Properties (Stevenage) LLP | £1,491.5 [of £1.493] | 99.9% | Service investment - Equity<br>NB the 0.1% is owned by Marshgate PLC so by SBC but indirectly |
| Queensway Properties (Stevenage) LLP | £11,824 | | Service investment – Finance Lease |
| Queensway Properties (Stevenage) LLP | £6,274 | N/A | Service investment - Long Term Loan |
| Marshgate Ltd | £0 | 100% | Service investment - Equity |
| UK Municipal Bonds Agency | £10 | 0.14% | Service investment - Equity |
| Essex House | £1,756 | N/A | Commercial investment - Property |

3.2. The value of financial investments at 31 March 2021 was £91.2Million comprising service and commercial investments of £21.5Million (in Table one) and Treasury Investments of £69.7Million.

## 4. Investment Policy and Strategy 2021/22+

4.1. Joint working and joint delivery arrangements are key to the provision of Council services. Financial investments are likely to be an ongoing result of these delivery arrangements.

4.2. The Council recognises that all investments carry the risk of financial loss and an estimate of potential losses needs to be identified from the outset.

4.3. The Council will be particularly cautious where service investments are funded wholly or partly from borrowing. Debt "gearing" creates additional costs of interest and repayment. It creates a fixed liability and a fixed repayment obligation, whilst the investment's value and income are at risk.

4.4. There remains no scope for the Council to enter into any new, purely commercial, investments, following the change of the lending terms for the Public Works Loan Board (PWLB) in November 2020. The Council cannot have any scheme in the Capital Strategy where the investment is purely for financial gain, regardless of whether the transaction would notionally be financed from a source other than the PWLB, or the Council will not be eligible to borrow from the PWLB.

4.5. The Council's risk appetite in relation to new investments is low, including the need to balance the revenue budget and manage the level of debt financing costs. Any new investments will therefore be expected to:

- Show a compelling contribution to the Council's core objectives and planned service strategies, and must be prioritised within the Council's available resources.
- Evidence a low financial risk with a commensurate financial return, or if returns are below commercial levels, provide clear non-financial benefits to the Council which demonstrate strong value for money.
- Strike a prudent balance between security, liquidity and yield (whilst recognising that the delivery of strong service benefits may sometimes justify a higher financial risk) [29].

4.6. Any shortfall in budgeted net income from service and existing commercial investments will be managed through the Council's regular budget monitoring processes [44].

4.7. The arrangements for realising investments and managing liquidity risk will depend on the purpose and nature of the investment in each case. Where investments have been made to support service purposes and have been funded from cash resources, there is not a funding pressure to have an investment exit route in place. Where investments are funded by borrowing, the Council's MRP Policy sets out the arrangements to repay debt without resorting to a sale of the investments [42-43].

**5. Financial Investment Plans and Limits for 2021/22+**

5.1. The forecast changes to the existing investment portfolio are

- to invest in the new Housing Wholly Owned Company (WOC), following approval of the report by Executive in January 2021, which provided an update on planned activity. Loan agreements between the Council and Marshgate are currently being agreed (the new Housing WOC is an expansion of Marshgate PLC).
- financing for a further finance lease to Queensway LLP for the residential phase of development.

5.2. The main financial risk when investing in loans and equity is that the loan repayments are not made, and that the shares lose value or dividends are less than expected.

5.3. Investments may also carry liquidity risk, which is the risk that funds may be tied up in investments and not available if needed for other purposes. The Council's due diligence procedures for investments review liquidity risk, including how exit routes have been considered and the appropriate maximum period for investments to be committed [42].

## 6. Investment Indicators

6.1. The Key Performance Indicators approved by the Commercial & Investment Executive Committee following the convening in October 2020, the use of which is recommended by the Government Guidance [23]:

| **Table Two: Key Performance Indicators** | |
|---|---|
| **Reporting Category** | **Reporting Metric** |
| **Overarching Commercial Key Performance Indicators** | |
| KPI 1 - Increase in revenue from fees and charges | Percentage (%) |
| KPI 2 – Current partnerships for cost savings or income generation | Number (no.) |
| KPI 3 – Income generated or costs saved through commercial activities | Monetary (£) |
| KPI 4 – Additional savings from insourcing services/functions | Monetary (£) |
| KPI 5 - Commercial business cases on track to deliver business case (approved and live) | Number (no.) |
| KPI 6 - Social value generated through commercial activity | Narrative |
| KPI 7 - Staff trained in contract management | Number (no.) |
| KPI 8 - Staff reporting confidence in commercial decision making | Number (no.) |
| | |
| **Area specific Key Performance Indicators** | |
| KPI 9 -Income from car parking | Monetary (£) |
| KPI 10 - Income from small land sales | Monetary (£) |
| KPI 11 - Income from commercial property | Monetary (£) |
| KPI 12 - New commercial property lets | Number (no.) |
| KPI 13 - Return from commercial assets/yield from acquisitions and investments | Percentage (%) |
| KPI 14 - Occupied garages as a percentage of stock | Percentage (%) |
| KPI 15 - Garages refurbished due to the Garage Improvement Programme (GIP) | Number (no.) |
| KPI 16 - Indoor Market occupied units (excluding those hired at charitable rates) | Percentage (%) |
| KPI 17 - New businesses setting up in the Indoor Market | Number (no.) |
| KPI 18 - Level of footfall in the Indoor Market | Number (no.) |
| KPI 19 - Trade waste gains and losses | Monetary (£) |

## 7. Governance

7.1. The Commercial & Investment Executive Working Group has been formed to provide strategic leadership, to build a robust commercial culture and support the development of Co-operative Commercial and Insourcing programmes of work. The Working Group makes recommendations to the Executive and encourages the organisation to work commercially and efficiently, achieving value for money, and delivering the Co-operative Commercial and Insourcing Strategy.

7.2. The Working Group’s Terms of Reference are:
To advise and make recommendations to the Executive on the following:

1.0 New income streams and commercial business cases (including those that are key decisions).

2.0 Financial resources where necessary to progress commercial projects.

3.0 Individual Schemes within the Programme.

4.0 The development of new opportunities through establishing a risk appetite that stimulates the evaluation of new emerging markets and opportunities.

5.0 Documents relating to the Co-operative Commercial and Insourcing Strategy and regularly review the Strategy.

6.0 The delivery of approved business cases and all aspects of the Co-operative Commercial and Insourcing Strategy.

7.0 Strategic leadership to build a robust commercial culture.

8.0 Key performance indicators of all income generating functions.

9.0 Key commercial arrangements including contracts, contract and performance management processes and major service developments and track the progress of such developments.

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Part I – Release to Press

Stevenage BOROUGH COUNCIL

Agenda item: ##

**Meeting** Audit/ Executive/ Council

**Portfolio Area** Resources

**Date** 08 February/ 09 February/ 24 February 2022


ANNUAL TREASURY MANAGEMENT STRATEGY INCLUDING PRUDENTIAL CODE INDICATORS 2022/23

NON KEY DECISION

Author –Belinda White Ext 2430
Contributors – Lee Busby Ext.2933
Lead Officer – Clare Fletcher
Contact Officer – Clare Fletcher

## 1 PURPOSE

**1.1** To recommend to Council the approval of the Treasury Management Strategy 2022/23, including its Annual Investment Strategy, Prudential Indicators and Minimum Revenue Provision (MRP) policy following considerations from Audit and Executive committees.

## 2 RECOMMENDATIONS

It is recommended that:

**2.1** Subject to any comments from Audit Committee and Executive, the Treasury Management Strategy is recommended to Council for approval.

**2.2** Members approve the Prudential Indicators for 2022/23.

**2.3** Members approve the Minimum Revenue Provision (MRP) policy.

## 3 BACKGROUND

**3.1** The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

**3.2** The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

**3.3** The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

**3.4** CIPFA defines treasury management as:

*"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

**3.5** Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

**3.6 Reporting**

3.6.1 The Council is required to receive and approve (as a minimum) three main treasury reports each year. The annual treasury management strategy including the Prudential Indicators (this report) is forward looking, it is the first and most important of the three and includes:

- Treasury Management Strategy
- Investment Strategy
- Capital Plans and Prudential Indicators
- Minimum Revenue Provision (MRP) policy

3.6.2 The second is the mid-year treasury management report – this is primarily a progress report and will update members on the capital position, amending Prudential Indicators as necessary, and whether any policies require revision.

3.6.3 The third is the annual treasury report – this is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

3.6.4 Before being recommended to Council the reports are required to be adequately scrutinised, and this is undertaken by the Audit Committee and Executive.

## 3.7 Treasury Management Strategy for 2022/23

3.7.1 The strategy for 2022/23 covers two main areas:

Capital issues

i) the capital programme and the associated Prudential Indicators;

ii) the Minimum Revenue Provision (MRP) policy.

Treasury management issues

i) the current treasury position;

ii) treasury indicators which limit the treasury risk and activities of the Council;

iii) prospects for interest rates;

iv) the borrowing strategy;

v) policy on borrowing in advance of need;

vi) the investment strategy;

vii) creditworthiness policy; and

viii) the policy on use of external service providers.

These elements cover the requirements of: the Local Government Act 2003; the CIPFA Prudential Code; the Department for Levelling Up, Housing and Communities (DLUHC, formerly the MHCLG) MRP Guidance; the CIPFA Treasury Management Code; and DLUHC Investment Guidance.

3.7.2 The Council's Capital Strategy is reported separately from the Treasury Management Strategy. Non-treasury investments are reported through the former, ensuring the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

3.7.3 The contribution of Treasury Management to the Council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. Treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

3.7.4 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. The Monetary Policy Committee (MPC) raised the Bank of England base rate (Bank Rate) on 16 December 2021 to 0.25%, the first increase since it was cut to 0.10% on 19 March 2020 in response to the Coronavirus pandemic. In 2021/22 investment returns of 0.35% are forecast with a target of 0.58% for 2022/23.

3.7.5 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. However if the UK invokes article 16 of the Brexit deal over the dislocation in trading arrangements with Northern Ireland, this has the potential to result in a no-deal Brexit. Trade agreements are also still to be agreed with other countries. Brexit is likely to lead to a long-term structural change in the UK economy, impacting areas such as trade, investment and immigration. The HRA and General Fund capital strategies both have significant borrowing requirements over the next few years and officers continue to monitor movements in the borrowing rates.

## 4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 Legislative and other changes impacting on the Treasury management strategy

4.1.1 Revised Treasury Management and Prudential Codes were issued by CIPFA on 20 December 2021. CIPFA has stated that there will be a soft introduction of the codes with local authorities not being expected to have to change their current draft TMSS/AIS reports for 2022/23 unless they wish to do that. Full implementation will be required for 2023/24. The revised codes will have the following implications:

- a requirement for the Council to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement
- clarify what CIPFA expects a local authority to borrow for and what they do not view as appropriate. This will include the requirement to set a proportionate approach to commercial and service capital investment
- address ESG issues within the Capital Strategy
- require implementation of a policy to review commercial property, with a view to divest where appropriate
- create new Investment Practices to manage risks associated with non-treasury investment (similar to the current Treasury Management Practices)

- ensure that any long term treasury investment is supported by a business model

- a requirement to effectively manage liquidity and longer term cash flow requirements

- amendment to TMP1 to address ESG policy within the treasury management risk framework

- amendment to the knowledge and skills register for individuals involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each council

- a new requirement to clarify reporting requirements for service and commercial investment, (especially where supported by borrowing/leverage)

In addition, all investments and investment income must be attributed to one of the following three purposes:

**Treasury management**

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

**Service delivery**

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

**Commercial return**

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to a council's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

As this Treasury Management Strategy Statement and Annual Investment Strategy deals solely with treasury management investments, the categories of service delivery and commercial investments are dealt with as part of the Capital Strategy report. Members will be updated on how all the Code changes will impact our current approach and any changes required will be formally adopted within the 2023/24 TMSS report.

4.1.2 The Department for Levelling Up, Housing and Communities (DLUHC, formerly MHCLG) is proposing to tighten up regulations around local authorities financing capital expenditure on investments in commercial projects for yield and has already closed access to all PWLB borrowing if such schemes are included in an authority's capital programme, under the revised lending terms published in November 2020. The new CIPFA codes have also adopted a similar set of restrictions to discourage further capital expenditure on commercial investments for yield. However, this does not mean that local authorities may not currently have the legal powers to undertake such capital expenditure despite such guidance and regulation.

4.1.3 The DLUHC is also conducting a consultation on amending MRP rules for England. Details of the proposals are set out in paragraph 4.7.1.

4.1.4 Each Local Authority is asked to submit a high-level description of their capital spending and financing plans for the following three years, including their expected use of the PWLB. As part of this, the PWLB will ask the CFO to confirm that there is no intention to buy investment assets primarily for yield at any point in the next three years. This assessment is based on the CFO's professional interpretation of guidance issued alongside the PWLB lending terms. Local Authorities cannot have any scheme in the Capital Strategy where the investment is primarily for financial gain, regardless of whether the transaction would notionally be financed from a source other than the PWLB. If they have such a scheme then the Council will not be eligible to borrow from the PWLB meaning they will no longer be able to access borrowing at favourable rates.

**4.2 Comments from the Audit Committee and Executive**

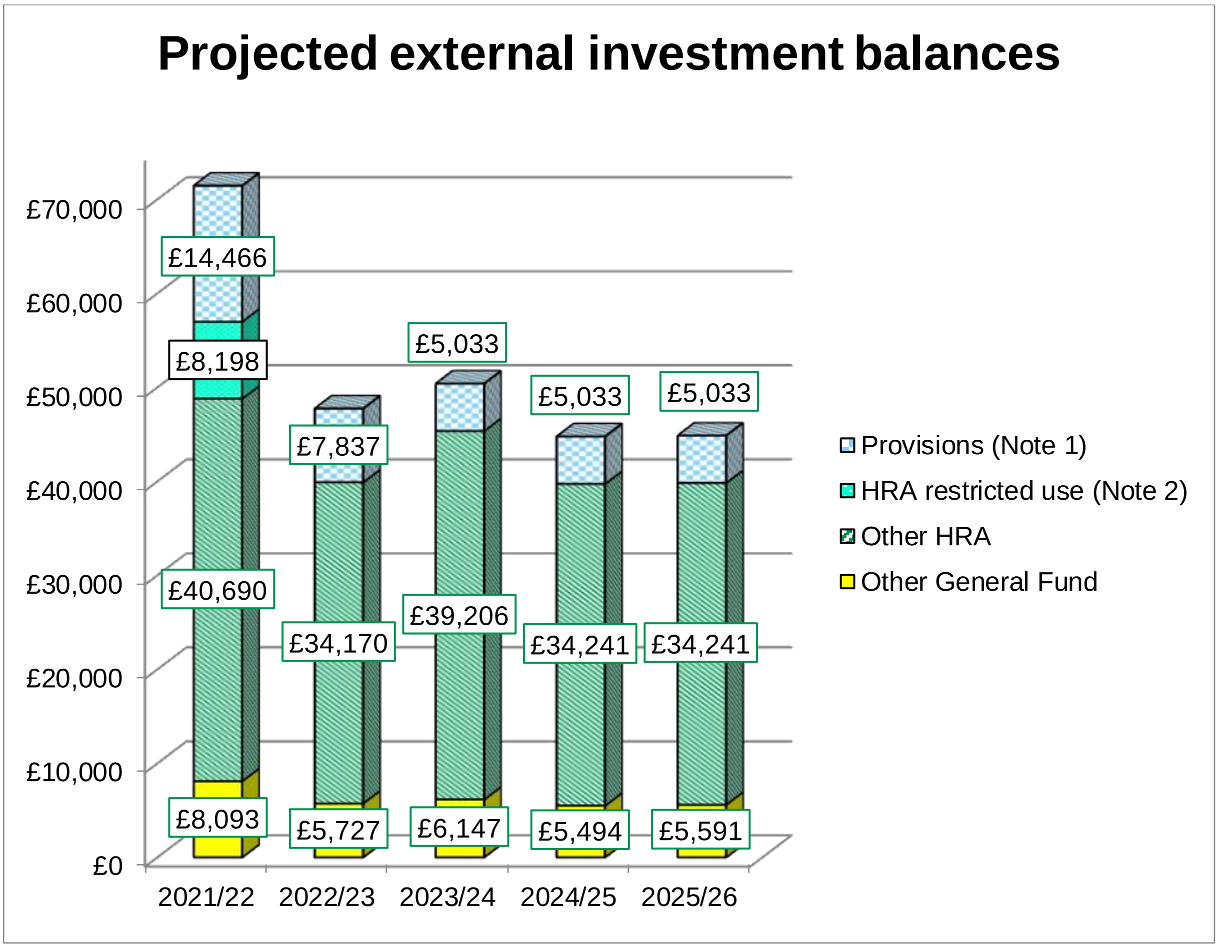
4.2.1 The report will be updated with any considerations from the Audit Committee meeting of 8 February and presentation at the Executive meeting of 9 February. The Council's cashflow will also been updated if needed in line with the latest General Fund Budget and Capital Strategy reports.

**4.3 Performance of Current Treasury Strategy**

4.3.1 For the financial year 2021/22 to 31 December 2021 returns on investments have averaged 0.34% and total interest earned was £201,159 contributing to General Fund and Housing Revenue Account revenue income.

4.3.2 Cash balances as at 31 December 2021 were £79.93Million and are forecast to be £71.4Million as at 31 March 2022. The Council's balances are made up of cash reserves e.g. HRA and General Fund balances, restricted use receipts e.g. right to buy one for one receipts and balances held for provisions such as business rate appeals. The cash balances figure available for investment of £71.4Million is less than the total forecast Reserves and Balances figure of £82.0Million because the HRA and the General Fund have used balances totalling £10.5Million in lieu of external borrowing due to low interest rates leading to a poor return on investments (see also paragraph 4.6.8).

4.3.3 In considering the Council's level of cash balances, Members should note that the General Fund MTFS and Capital Strategy have a planned use of resources over a minimum of 5 years and the HRA Business Plan (HRA BP) a planned use of resources over a 30 year period, which means, while not committed in the current year; they are required in future years. This means that the Council's cash for investment purposes of £71.4Million as at 31 March 2022 is going to be used for revenue and capital plans approved by Members. This impact on cash available to invest is shown in the chart below.

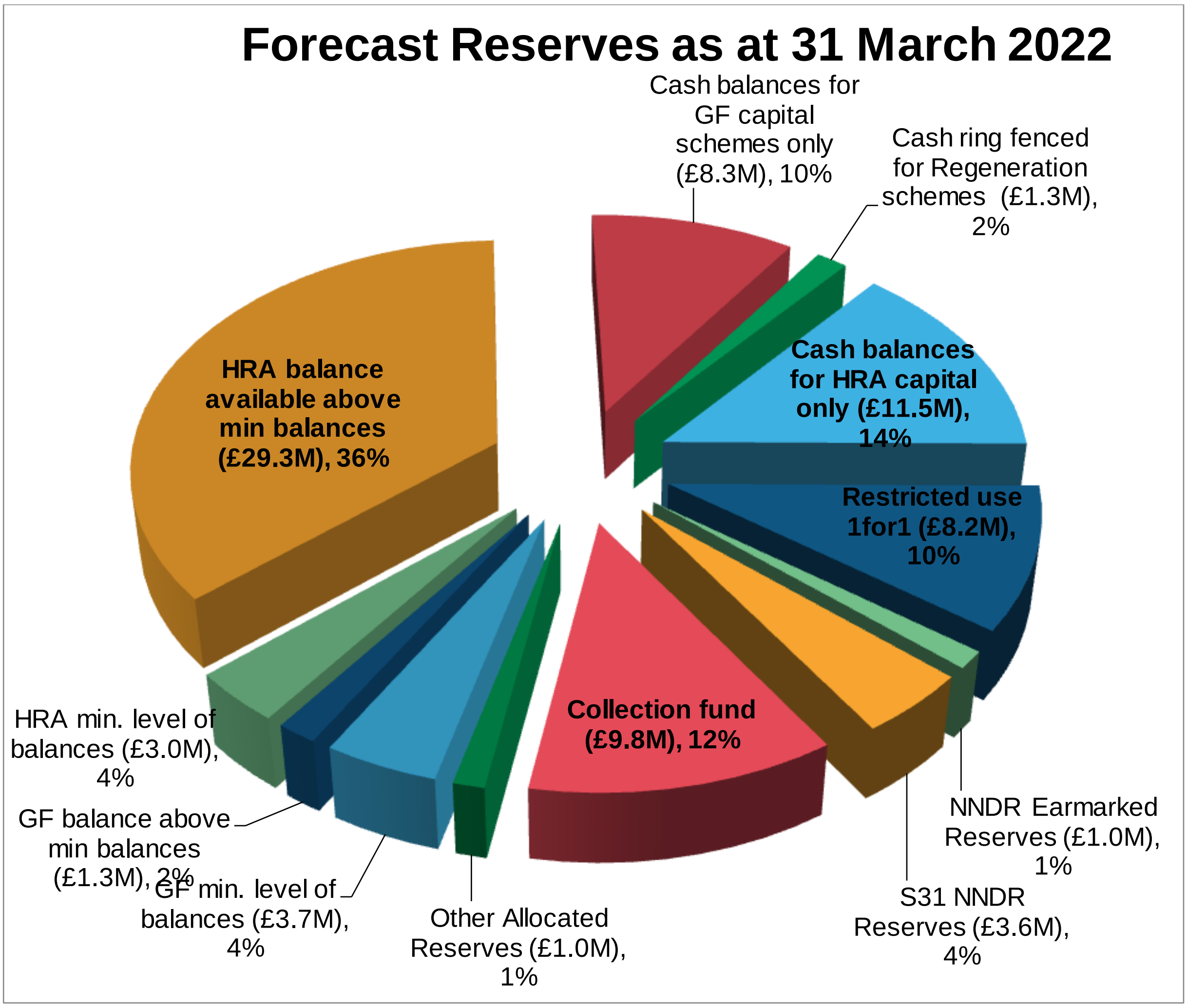



*Note 1: Council Tax & NNDR (Business Rates) held for bad debts and appeals*

*Note 2: Right to buy (RTB) new build receipts*

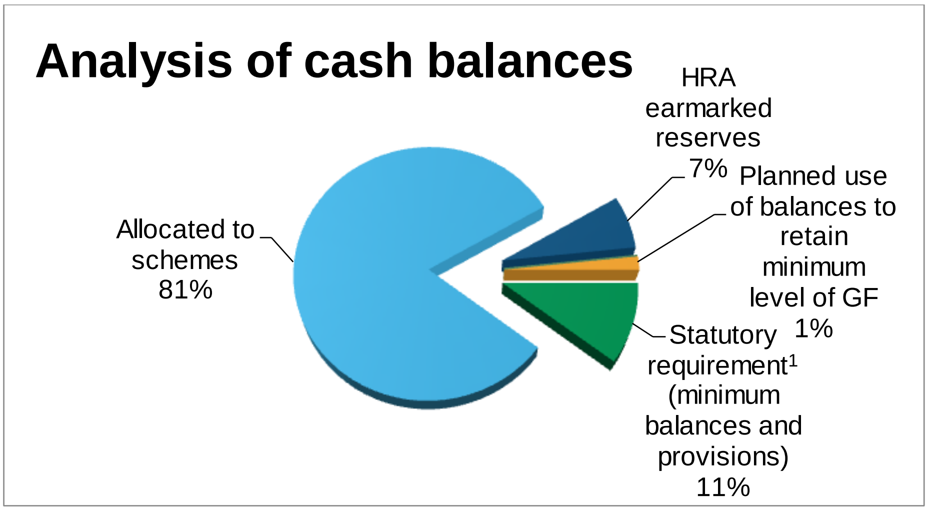
4.3.4 The balances projected to be held as at 31 March 2022 include balances invested that cannot be used to run services. These include balances related to restricted RTB receipts which in 2021/22 total £8.2Million. There are also balances held for future events such as business rate appeals yet to be realised and again these balances cannot be used to fund services.

4.3.5 The majority of balances are provisions for the repayment of HRA debt and other liabilities (35.8%) and to fund the Council's capital programme (34.1%, which includes 10.0% restricted RTB receipts for new builds). Despite these sums held for the capital programme, external borrowing is still required as detailed in the 2022/23 capital strategy report. The forecast balances are summarised in the following chart.




*Note 1: balances include internal borrowing of £10.5Million*
*Note 2: £9.8Million Collection Fund includes £3.1Million relating to Section 31 Business rates relief*

4.3.6 These cash balances can be further analysed between allocated, held for statutory requirements and held for third parties. This identifies that all cash balances have been allocated, so unless allocated reserves are no longer needed in the future, there are currently no cash resources available for new projects. In addition the capital strategy identifies the need for external borrowing and a number of capital schemes have not been approved due to the lack of funding resources.




*Note 1: Statutory requirement includes the £3.1m relating to Section 31 Business rates relief to be repaid in 2022/23*

4.3.7 The Council's current investment portfolio consists of "conventional" cash investments: deposits with banks and building societies, Money Market Funds and loans to other Local Authorities. Currently no investments have been made with any of the other approved instruments within the Specified and Non-specified Investment Criteria (see Appendix D).

4.3.8 There have been **no breaches** of treasury **counter party limits,** with the investment activity during the year conforming to the approved strategy. Any breach would be notified to the Chief Finance Officer. The Council has had no liquidity difficulties and no funds have been placed with the Debt Management Office (DMO) during 2021/22 to date, 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 and 2022/23 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.

## 4.4 Review of the Treasury Management Strategy and Proposed changes

4.4.1 During the last TM Strategy review, counterparty limits for short term investments (invested for up to one year) were increased from £8Million to £10Million when cash balances are higher than £30Million. This was in order to remain flexible in managing large increases in cash balances, predominantly due to Government grant funding to local authorities to help deal with the COVID crisis. This has worked well, and no further changes are proposed at this time.

## 4.5 Prudential Indicators

4.5.1 It is a requirement of the Local Government Act 2003 that Councils must 'have regard to the Prudential Code and set Prudential Indicators to ensure capital investment plans are affordable, prudent and sustainable'.

4.5.2 This Strategy's Prudential Indicators are included in Appendix C and are based on the Final Capital Strategy report to the Executive on 9 February 2022 to be approved at Council on 24 February 2022.

4.5.3 **The Operational boundary** is the limit beyond which external debt is not normally expected to exceed and is most cases will be similar to the Council's Capital Financing Requirement (CFR). The proposed limit for 2022/23 is £352.821Million. Officers recommend that the operational borrowing limit is revised to reflect:

- To accommodate uncertainty regarding the timing of significant land sales.
- To reflect the identified borrowing requirement in the capital strategy.
- To reflect the capital programme financing requirement includes capital receipts and the uncertainty of when these receipts may materialise.
- To reflect the valuation of the finance lease for the residential phase of the Queensway development in the town centre.
- The Housing Wholly Owned Company (WOC) Model (report to Council in February 2021) was for development schemes totalling £7.765 Million, and this was included in the Capital Strategy funded by borrowing. The WOC report requested a maximum investment of up to £15Million which is included in the borrowing limits.

| **Operational Boundary** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** |
|---|---|---|---|---|---|
| | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** |
| General Fund | 50,155 | 58,037 | 59,353 | 58,559 | 57,754 |
| Queensway residential | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| HRA | 264,144 | 279,784 | 291,764 | 291,764 | 291,764 |
| **TOTAL** | **329,299** | **352,821** | **366,117** | **365,322** | **364,518** |
| Previous Operational Boundary | 324,371 | 345,843 | 359,180 | 358,426 | |

4.5.4 The **Authorised limit** for external debt represents a control on the maximum level of borrowing. This represents the legal limit to which the Council's external debt cannot exceed. The proposed limit for 2022/23 is £360.821Million.

4.5.5 The Council is asked to approve the following authorised limit.

| **Authorised Limit for external debt** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** |
|---|---|---|---|---|---|
| | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** |
| General Fund Finance lease (accounted for as borrowing) | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |

| Authorised Limit for external debt | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| General Fund additional borrowing facility available to the Housing WOC Wholly Owned Company | 7,235 | 7,235 | 7,235 | 7,235 | 7,235 |
| General Fund Borrowing for capital expenditure | 44,920 | 52,802 | 54,118 | 53,324 | 52,519 |
| **Total Borrowing - General Fund** | 67,155 | 75,037 | 76,353 | 75,559 | 74,754 |
| Borrowing - HRA | 270,144 | 285,784 | 297,764 | 297,764 | 297,764 |
| **TOTAL** | 337,299 | 360,821 | 374,117 | 373,322 | 372,518 |
| **Previous Authorised Limit** | **332,371** | **353,843** | **367,180** | **366,426** | |

## 4.6 The Council's Borrowing Position

4.6.1 The Council had external debt of £218.835Million as at 31 December 2021 and is broken down as follows:

| Purpose of Loan | PWLB Loan £'000 |
|---|---|
| **General Fund Regeneration Assets** | **2,151** |
| **HRA** | |
| Decent Homes | 21,773 |
| Self Financing | 194,911 |
| **Total HRA Loans** | **216,684** |
| **Total Debt at 31st December 2021** | **218,835** |

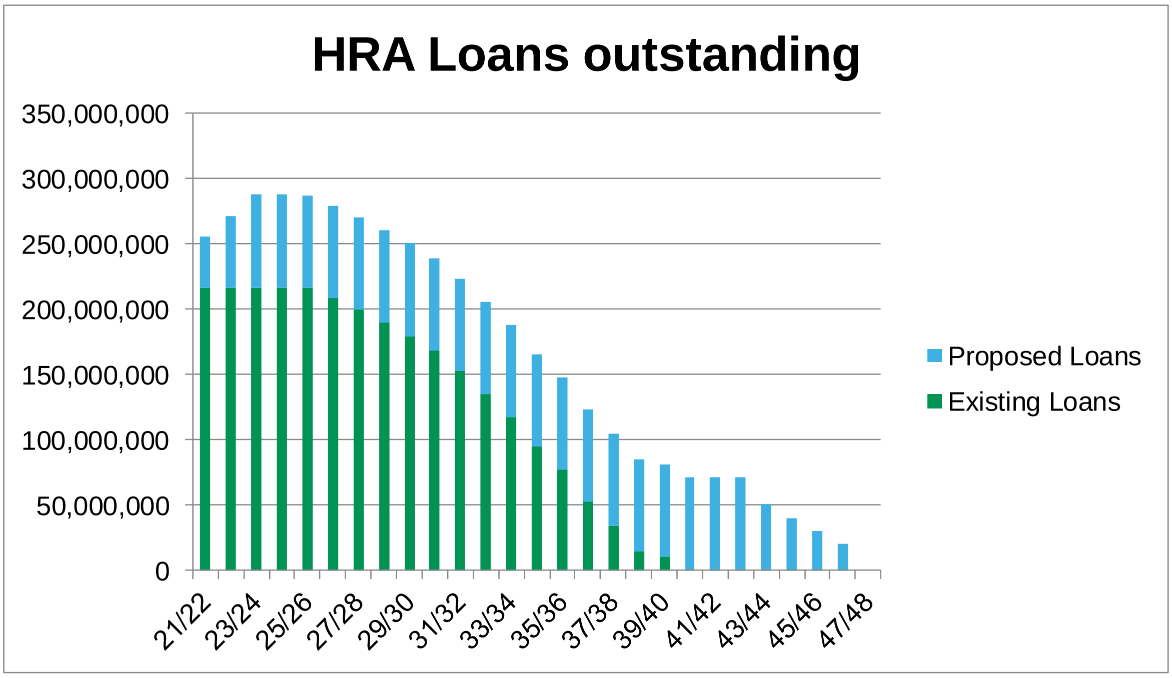
4.6.2 A proportion of the HRA borrowing included in the HRA Business Plan and used to finance the capital programme has not been taken externally to date. The capital expenditure financed by borrowing for 2019/20 was £7.057Million, of which £4.010Million external borrowing was taken. There was further slippage of external borrowing in 2020/21, as external borrowing of £10.0Million was taken compared to financing of £20.857Million. The borrowing of £9.047Million, to catch up on borrowing not taken in prior years. None of the £29.547Million planned borrowing for financing the 2021/22 HRA capital programme has been taken externally to date, but is still planned to be taken before the end of the financial year. This external borrowing has not been taken, partly due to slippage in the HRA Capital Programme and partly because internal reserves and balances have been used instead. The timing of taking external borrowing is dependent on the level of cash balances held and forecast borrowing rates.

4.6.3 The following table shows the forecast borrowing for the HRA, along with the total interest payable by the HRA over the next 5 years if all the borrowing in the current HRA capital programme is taken out externally.

| HRA Borrowing and Interest | | | |
|---|---|---|---|
| **Financial Year** | **Forecast New Borrowing** | **Total Borrowing** | **Interest Payable** |
| | **£'000** | **£'000** | **£'000** |
| 2021/22 | £38,594 | £255,278 | £7,261 |
| 2022/23 | £15,640 | £270,918 | £8,279 |
| 2023/24 | £16,837 | £287,756 | £8,650 |
| 2024/25 | £NIL | £287,756 | £8,650 |
| 2025/26 | £NIL | £287,256* | £8,649 |

*the first Self Financing loan maturity is £500K in 2025/26

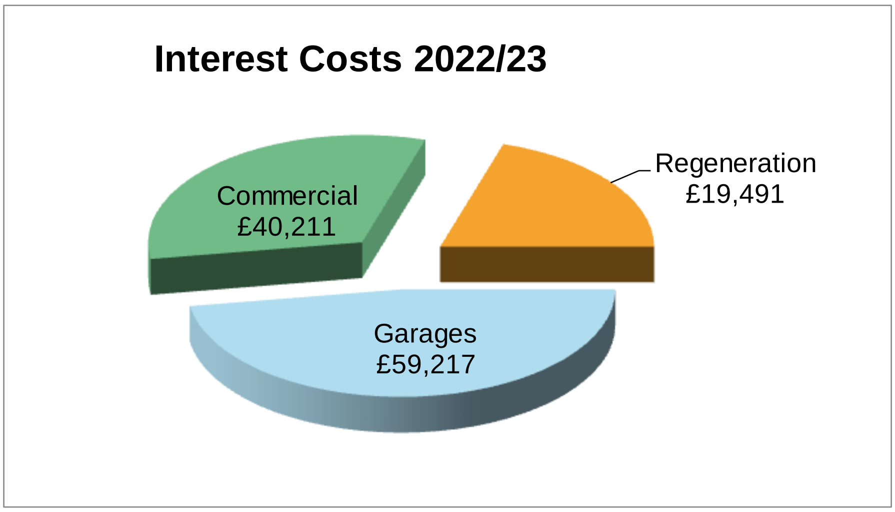
4.6.4 The following graph shows the loan outstanding over the life of the HRA BP. This shows that taking additional debt early in the life of the plan will lead to higher levels of loans over the 30 years. However, this will enable significantly needed investment in the existing stock and the ability to build and purchase new housing within the next 10 years. The maximum debt in the plan is now £288Million.




4.6.5 The 30 year business plan for the HRA budgets for debt repayments based on current and new borrowing (detailed above), taking into account assumptions on rent income, associated expenditure and estimates on interest rates. The HRA is balanced across the 30 years, with significant reserves in place to repay the self-financing debt.

4.6.6 In 2021/22 there has been a General Fund loan repayment of £131,579 in August 2021, and a further £131,579 is due to be repaid in February 2022. In addition approved prudential borrowing for the Garage strategy is due to be taken, the timing of which is dependent on when the expenditure is incurred. There is also planned borrowing for the Housing WOC in 2021/22 to 2023/24. The primary aim of the Housing WOC is for housing rather than yield so borrowing from the PWLB is still permitted as set out in paragraph 4.1.2. To optimise the cash benefits to the General Fund revenue account it may be beneficial to fund the investment from other capital receipts rather than borrowing. To that extent funding will be a treasury management decisions and Members are asked to note that the final financing arrangements for the Housing WOC investment will be considered by the S151 officer.

4.6.7 The majority of the interest payable on General Fund borrowing is funded by the assets associated with the expenditure. This includes the Town Square and Town Plaza Regeneration assets and the Commercial Property Essex House. The Housing WOC will pay interest on borrowing taken in relation to any loans made to the Housing WOC, as does Queensway Properties (Stevenage) LLP. The 2022/23 projected interest costs on borrowing is estimated to be £118,919 (2021/22 £107,243).




4.6.8 Cash and investment balances have been used in preference to external borrowing as the costs of internal debt (investment interest foregone at 0.34%) is lower than external borrowing (2.22% based on 25 year loan). It is the view of the Chief Financial Officer that this approach will continue to be considered while interest rates remain low.

**4.7 Minimum Revenue Provision**

4.7.1 DLUHC issued “Consultation on changes to the capital framework: Minimum Revenue Provision” on 30th November 2021 to last for 10 weeks until 8th February 2022. The paper primarily covers the concerns that the government has in respect of compliance with the duty to make a prudent revenue provision, which may result in an underpayment of MRP. The consultation document states that the DLUHC are not intending to change the statutory MRP guidance, but to clearly set out in legislation the practices that authorities should already be following. The scope of the consultation includes the statement that local authorities have flexibility in how they calculate MRP, providing it is ‘prudent’. DLUHC has worked with the sector, CIPFA and other stakeholders to identify problematic practices and is now proposing changes to regulations to make sure authority practices are consistent and fully compliant with the intent of the Framework. The proposed change to the regulation is set out below.

4.7.1.1 The government is proposing additional text to be added to the 2003 Regulations to make explicit that:

1. Capital receipts may not be used in place of the revenue charge. The intent is to prevent authorities avoiding, in whole or part, a prudent charge to revenue. It is not the intention to prevent authorities using capital receipts to reduce their overall debt position, which may have the effect of reducing the MRP made with respect to the remaining debt balance.

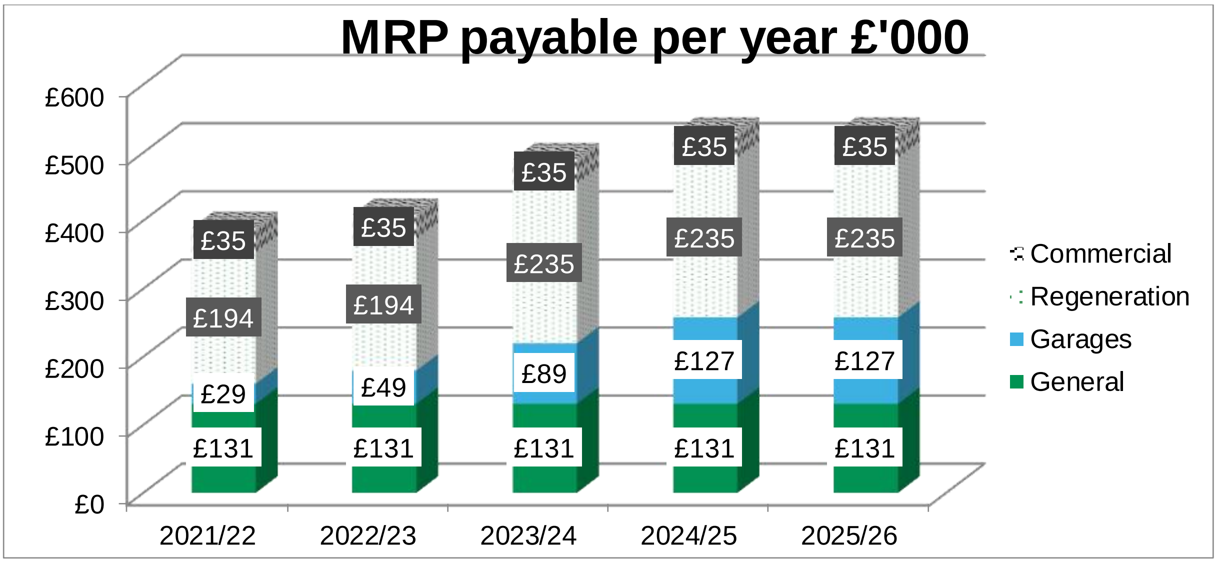
2. Prudent MRP must be determined with respect to the authority’s total capital financing requirement. The intent is to stop the intentional exclusion of debt from the MRP determination because it relates to an investment asset or capital loan. Authorities should still be able to charge MRP over the period in which their capital expenditure provides benefits and begin charging MRP in the year following capital expenditure, in accordance with proper accounting practices set out in the government’s statutory guidance on Minimum Revenue Provision.

4.7.1.2 These changes are not intended to have any impact on the Housing Revenue Account, or on treasury management activities that do not score as capital spend. The government wants authorities to still be able to exercise judgement in determining a prudent amount and does not want to move back to a prescriptive method.

4.7.1.3 Officers have been reviewing the potential impact the changes may make to the MRP charged to revenue and are taking this into account when making borrowing decisions. This is set out in Appendix B. In the meantime the MRP calculations set out below and in Appendix B are made on the current basis.

4.7.2 Where General Fund capital expenditure has been funded from borrowing, whether this be actual external borrowing or internal borrowing the Council is required to set aside a MRP. This amount is calculated based on the approved MRP policy (Appendix B) based on the life of the asset.

4.7.3 Borrowing decisions and subsequent MRP payments impact on the affordability of capital schemes. Current projections of MRP payments based on the updated policy are detailed in the following chart. This excludes the technical requirement to charge MRP on loans to other companies in the accounts, as these borrowing costs are recharged.




### 4.8 Future borrowing requirements

4.8.1 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded by taking loans out with PWLB. Instead the Council's reserves, balances and cash flow have been used (as set out in paragraphs 4.3.2 and 4.6.8). This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

4.8.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The Assistant Director (Finance and Estates) will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

4.8.3 It is the Council's intention not to borrow in advance of need. However, should this happen as part of the optimising treasury management position of the Council and minimising borrowing risks, the transaction will be accounted for in accordance with proper practices.

4.8.4 The Council's treasury advisors forecast four increases to the Bank Rate from the current rate of 0.25%, one in quarter 2 of 2022 to 0.50%, then quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00% and, finally, one in quarter 1 of 2025 to 1.25%. Base rate and borrowing rate forecasts are shown in the table below. However there is volatility and uncertainty, over the impact of Covid on the economy in particular, and rates are monitored regularly.

| Link Group Interest Rate View | 20.12.21 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Dec-21 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 |
| BANK RATE | 0.25 | 0.25 | 0.50 | 0.50 | 0.50 | 0.75 | 0.75 | 0.75 | 0.75 | 1.00 |
| 3 month ave earnings | 0.20 | 0.30 | 0.50 | 0.50 | 0.60 | 0.70 | 0.80 | 0.90 | 0.90 | 1.00 |
| 6 month ave earnings | 0.40 | 0.50 | 0.60 | 0.60 | 0.70 | 0.80 | 0.90 | 1.00 | 1.00 | 1.10 |
| 12 month ave earnings | 0.70 | 0.70 | 0.70 | 0.70 | 0.80 | 0.90 | 1.00 | 1.10 | 1.10 | 1.20 |
| 5 yr PWLB | 1.40 | 1.50 | 1.50 | 1.60 | 1.60 | 1.70 | 1.80 | 1.80 | 1.80 | 1.90 |
| 10 yr PWLB | 1.60 | 1.70 | 1.80 | 1.80 | 1.90 | 1.90 | 2.00 | 2.00 | 2.00 | 2.10 |
| 25 yr PWLB | 1.80 | 1.90 | 2.00 | 2.10 | 2.10 | 2.20 | 2.20 | 2.20 | 2.30 | 2.30 |
| 50 yr PWLB | 1.50 | 1.70 | 1.80 | 1.90 | 1.90 | 2.00 | 2.00 | 2.00 | 2.10 | 2.10 |

*Source: Link Asset Services 20 December 2021*

4.8.5 The Treasury's Certainty Rate for borrowing remains available and enables the Council to take PWLB loans at 20 basis points (0.2%) below the standard PWLB rate. The rates shown in the table above include that adjustment. The PWLB Certainty Rate margin remains set at gilts +80 basis points. There are also other potential sources of borrowing for Local Authorities, such as the Municipal Bond Agency, public listed bonds and forward starting private placements where a rate is agreed at the time they are entered into and the money drawdown at an agreed future date. The public listed bond issues and private placements can include those where proceeds of borrowing are used for a green or sustainable format (ESG principles).

4.8.6 The HRA BP existing loans have an average interest rate of 3.2% based on £216.684Million of borrowing. As set out in the table in paragraph 4.6.3, the current forecast includes allowance for new loans totalling £38,594,452 in 2021/22, £15,640,000 in 2022/23 and £16,837,066 in 2023/24. The decision when to take the new borrowing will be reviewed, weighing up the cost of carry and the prevailing borrowing rate. The interest payable in 2021/22 and 2022/23 is estimated to be £7,260,813 and £8,279,258 respectively.

4.8.7 The HRA BP continues to include borrowing based on affordability as identified in the BP action plan. This has resulted in lower levels of revenue contributions to capital than before the lifting of the HRA Debt Cap.

## 4.9 Investments

4.9.1 As set out in paragraph 4.1.1, Revised Treasury Management and Prudential Codes were issued by CIPFA on 20 December 2021, however CIPFA has stated that there will be a soft introduction of the codes with local authorities not being expected to have to change their current draft TMSS/AIS reports for 2022/23 unless they wish to do that. Full implementation will be required for 2023/24. The Council complies fully with CIPFA Treasury Management Code 2017 and will fully implement the 2021 Code from 2023/24. The Council also complies with guidance on self-financing and the investment guidance issued by DLUHC.

4.9.2 In managing the TM function other areas kept under review include:

- Training opportunities available to Members and officers (the most recent training for Members took place on 14th October 2021)

- That those charged with governance are also personally responsible for ensuring they have the necessary skills and training
- A full mid-year review of the TMS will be reported in 2022/23

4.9.3 The 2021/22 Strategy uses the credit worthiness service provided by Link Asset Services (formerly known as Capita Treasury Solutions) the Council's treasury advisors. This service uses a sophisticated modelling approach which utilises credit ratings from the three main credit rating agencies and is compliant with CIPFA code of practice.

4.9.4 While Link Asset Services may advise the Council, the responsibility for treasury management decisions remains with the Council at all times and officers do not place undue reliance on the external service advice.

4.9.5 The TM limits for 2022/23 (Appendix D) have been reviewed. No changes are considered necessary since that agreed as part of the Mid-Year Review of 2021/22 (the limit for each counterparty was increased for investments of up to one year including Money Market Funds, from £8Million to £10Million, when cash balances are higher than £30Million. If cash balances are less than £30Million the limit remained at £5Million per counterparty).

4.9.6 The latest list of "Approved Countries for Investment" is detailed in Appendix E. This lists the countries that the Council may invest with providing they meet the minimum credit rating of AA- . The Council retains the discretion not to invest in countries that meet the minimum rating but where there are concerns over human rights issues.

### 4.10 Non Treasury Investments

4.10.1 The CIPFA Prudential and Treasury Codes recommend that authorities' capital strategies should include a policy and risk management framework for all investments. The Codes identify three types of local authority investment:

- Treasury management investments, which are taken to manage cashflows and as part of the Council's debt and financing activity
- Commercial investments (including investment properties), which are taken mainly to earn a positive net financial return (previously purchased commercial investments only as Council's are no longer permitted to access PWLB rates if they invest in commercial investments primarily for gain.
- Service investments, which are taken mainly to support service outcomes

4.10.2 The Government issued revised investment guidance on 2 February 2018, which strengthens the management and reporting framework relating to commercial and service investments and further guidance on 26 November 2020 as a response to the consultation on the future lending terms of the PWLB. The 2022/23 Capital Strategy includes more details on the Councils non treasury investments.

### 4.11 Other Treasury issues

4.11.1 **UK Sovereign rating and investment criteria:** The UK sovereign rating is currently on the lowest acceptable level suggested for approved countries as set out in Appendix E. In October 2020, Moody's downgraded the rating to Aa3 (AA- equivalent), the same as Fitch, while Standard & Poor's has it rated at AA. The UK sovereign rating could come under pressure from the impact of COVID and / or following the UK's exit from the EU. The Council's investment criteria only use countries with a rating of AA- or above. The UK rating will be 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.

4.11.2 **Queensway Properties (Stevenage) 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 (Stevenage) 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, however to date no investment activities have been undertaken on their behalf.

4.11.3 **Queensway Properties (Stevenage) LLP 2nd phase:** the first phase of the head lease was recognised on the Council's balance sheet and the operational borrowing limit was increased to reflect the valuation. When the second phase of residential properties becomes available to let the Council's lease payments will increase to reflect this. As such the balance sheet valuation of the finance lease will increase and the operational and authorised borrowing limits for the General Fund have been increased accordingly. This has been reflected in the TM indicators.

4.11.4 **Housing WOC:** as set out in paragraphs 4.5.3 and 4.6.6, the Housing Wholly Owned Company (WOC) report seeks approval for up to £15Million of investment from the Council, which would be in the form of a mix of equity funding and loans. The proof of concept included in the Housing WOC Model is for development schemes totalling £7.765 Million, and the Council's funding of this investment has been included in the Final Capital Strategy as all funded by borrowing. As individual schemes are agreed the Capital Strategy will be updated. £7.235 Million, the balance of the £15Million potential investment in the Housing WOC is included in the borrowing limits. However as set out in paragraph 4.6.6, it may be beneficial to fund the Council's investment from other capital receipts rather than borrowing.

4.11.5 **IFRS16 – Leasing:** As reported previously, some currently off balance sheet leased assets may need to be brought onto the balance sheet under IFRS 16, however in December 2020 the CIPFA LASAAC Local Authority Accounting Code Board announced the deferral of the implementation of IFRS 16 Leases in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) until the 2022/23 financial year.

## 5. IMPLICATIONS

### 5.1 Financial Implications

5.1.1 This report is of a financial nature and reviews the treasury management function for 2021/22 to date. Any consequential financial impacts of the Strategy will be incorporated into the Capital Strategy updates and subsequent quarterly budget monitoring reports.

5.1.2 During the financial year to date officers have 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 Indicators are intended to ensure that the Council complies with relevant legislation and best practice.

5.2.2 There have been no changes to PWLB borrowing arrangements since the last Treasury report however there is ongoing consultation on changes to the MRP rules for England. Officers will ensure that any changes are reflected in treasury operations and reporting requirements.

### 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 impact of exiting the EU on 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 counterparties. 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**

5.5.1 The council's investment portfolio is sterling investments and not directly in companies. However the treasury management team will 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 will align with the Councils ambition to attempt to be carbon neutral by 2030.

**Background documents**

BD1 Annual Treasury management Review of 2020/21 (13 October 2021 Council)

BD2 2021/22 Mid-Year Treasury Management Review (15 December 2021 Council)

BD3 Final Capital Strategy 2021/22 – 2025/26 (Executive 9 February 2022 and Council 24 February 2022)

Appendices

A Treasury Management Strategy

B Minimum Revenue Provision Policy

C Prudential Indicators

D Specified and Non-Specified Investment Criteria

E Approved Countries for investment

**Appendix A Treasury Management Strategy 2022/23**

**Treasury Management Policy Statement**

1.1 The Council defines its treasury management activities as: "*The management of the authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks*".

1.2 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.

1.3 The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

1.4 As set out in the Treasury Management Strategy 2022/23, this Strategy has been prepared in accordance with the CIPFA Treasury Management Code 2017. The Council complies fully with CIPFA Treasury Management Code 2017 and will fully implement the 2021 Code from 2023/24. The Code requires the Council to approve the Treasury Management Strategy annually and to produce a mid-year report. In addition, Members in both Executive and Scrutiny functions receive monitoring reports and regular reviews. The aim of these reporting arrangements is to ensure that those with ultimate responsibility for the treasury management function appreciate fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

1.5 The Act requires the Council to set out its Treasury Management Strategy for borrowing and to prepare an Annual Investment Strategy to set out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

**2. Annual Investment Strategy**

2.1 The Council is required to prepare an Annual Investment Strategy. The Department for Levelling Up, Housing and Communities (DLUHC, formerly the MHCLG) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

The Council's investment policy has regard to the following:

- Department for Levelling Up, Housing and Communities (DLUHC) Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return).

2.2 The guidance from the DLUHC and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

a. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

b. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as **"credit default swaps"** and overlay that information on top of the credit ratings.

c. **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

d. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in appendix D under the categories of 'specified' and 'non-specified' investments.

- **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
- **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

The Council has determined that it will limit the maximum total exposure to non-specified investments as detailed in Appendix D.

e. **Lending limits and Transaction Limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in Appendix D and will consider investments longer than 365 days

f. This authority has engaged **external consultants**, Link Asset Services, to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

g. All investments will be denominated in **sterling**.

h. The Council only invests in counterparties with a high credit quality in the UK or other countries meeting minimum AA- sovereign rating. The Council understands that changes have taken place to the ratings agencies and that their new methodologies mean that sovereign ratings are now of lesser importance in the assessment process. However, the Council continues to specify a minimum sovereign rating as the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution (see Appendix E).

i. As a result of the change in accounting standards for 2018/19 under IFRS 9, this authority considered the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. No changes were deemed to be required to the use of existing approved investment instruments. (The DLUHC) enacted a statutory over-ride from 1.4.18 for a five-year period until 31.3.23 following the introduction of IFRS 9 over the requirement for any unrealised capital gains or losses on marketable pooled funds to be chargeable in year. This has the effect of allowing any unrealised capital gains or losses arising from qualifying investments to be held on the balance sheet until 31.3.23: this was intended to allow councils to initiate an orderly withdrawal of funds if required.).

2.3 The borrowing of monies purely to invest or on-lend in order to make a return is unlawful and this Council will not engage in such activities.

## 3 Creditworthiness policy

3.1 The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. Based on this this main principle, the Council will ensure that:

- It maintains a policy covering the categories of financial instruments it will invest in, maximum investment duration, criteria for choosing counterparties with adequate security, and monitoring their security.

- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's Prudential indicators of the maximum principal sums invested in excess of 364 days.

3.2 The Assistant Director (Finance and Estates) will maintain a counterparty list in compliance with the criteria in the Strategy for Specified and Non-Specified Investment and will revise the criteria and submit them to Council for approval as necessary.

3.3 In determining the credit quality, the Council uses the Fitch credit ratings, together with Moody and Standard & Poor's equivalent where rated. Not all counterparties are rated by all three agencies and the Council will use available ratings.

3.4 The Council also applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap (CDS) spreads. A CDS is a contract used to insure the holder of a bond against default by the issuer. A CDS can act as an indicator of default risk and provide an early warning of likely changes in credit ratings;

- Sovereign ratings to select counterparties from only the most creditworthy countries.

Link Asset Services modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments.

3.5 Credit ratings will be monitored whenever an investment is to be made, using the most recent information. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

3.6 Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data including information on government support for banks and the credit ratings of that government support.

3.7 The Council receives updates from Link on future changes to Money Market Funds (MMF) that might affect the liquidity or risk of the fund. The Council is likely to change its approach to the use of MMF should liquidity or risk be adversely affected.

3.8 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.

To date the borrowing rates available were lower than those offered for comparable loans available from the Public Works Loans Board (PWLB) at the time of issuance. The Council may make use of this alternative source of borrowing as and when appropriate.

3.9 **In-house funds.** Investments will be made with reference to the core balance and cash flow requirements, anticipated capital financing requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank of England base rate (Bank Rate) is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

## 4 Country limits

4.1 The Council has determined that it will only use approved counterparties from UK or selected countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). This is part of the criteria used to produce the Council's Counterparty List.

## 5 Current Investments and Interest Rate Forecast

5.1 At the 31 December 2021 the Council had £79.93Million on deposit with various financial institutions.

5.2 **Interest Rate Forecast** - The Bank of England base rate is 0.25% as at 13 January 2022. Link forecast that Bank Rate will increase over the next few years.

| Link Group Interest Rate View | 20.12.21 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Dec-21 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 |
| BANK RATE | 0.25 | 0.25 | 0.50 | 0.50 | 0.50 | 0.75 | 0.75 | 0.75 | 0.75 | 1.00 |
| 3 month ave earnings | 0.20 | 0.30 | 0.50 | 0.50 | 0.60 | 0.70 | 0.80 | 0.90 | 0.90 | 1.00 |
| 6 month ave earnings | 0.40 | 0.50 | 0.60 | 0.60 | 0.70 | 0.80 | 0.90 | 1.00 | 1.00 | 1.10 |
| 12 month ave earnings | 0.70 | 0.70 | 0.70 | 0.70 | 0.80 | 0.90 | 1.00 | 1.10 | 1.10 | 1.20 |
| 5 yr PWLB | 1.40 | 1.50 | 1.50 | 1.60 | 1.60 | 1.70 | 1.80 | 1.80 | 1.80 | 1.90 |
| 10 yr PWLB | 1.60 | 1.70 | 1.80 | 1.80 | 1.90 | 1.90 | 2.00 | 2.00 | 2.00 | 2.10 |
| 25 yr PWLB | 1.80 | 1.90 | 2.00 | 2.10 | 2.10 | 2.20 | 2.20 | 2.20 | 2.30 | 2.30 |
| 50 yr PWLB | 1.50 | 1.70 | 1.80 | 1.90 | 1.90 | 2.00 | 2.00 | 2.00 | 2.10 | 2.10 |

*Source: Link Asset Services 20 December 2021*

5.3 **Investment returns expectations.**

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. However if the UK invokes article 16 of the Brexit deal over the dislocation in trading arrangements with Northern Ireland, this has the potential to result in a no-deal Brexit. Trade agreements are also still to be agreed with other countries. Brexit is likely to lead to a long-term structural change in the UK economy, impacting areas such as trade, investment and immigration.

Bank of England base rate is a significant factor for investment yields, and as can be seen in the table above there is an expectation that it will increase from the current rate of 0.25%, in quarter 2 of 2022 to 0.50%, then quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00% and, finally, in quarter 1 of 2025 to 1.25%. The Council has forecast investment returns of 0.35% in 2021/22 and is budgeting for returns of 0.58% in 2022/23 based on the average earnings seen in the table above.

## 6 Borrowing Strategy and Policy on Borrowing in Advance of Need

6.1 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

6.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The Assistant Director (Finance and Estates) will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

6.3 The Operational Boundary and Authorised Borrowing Limits must be approved as part of the Prudential Code Indicators before the start of each financial year. The revised 2021/22 limits and proposed limits for 2022/23 are:

| | 2021/22 | 2022/23 |
|---|---|---|
| | £000 | £000 |
| Operational Boundary | 329,299 | 352,821 |
| Authorised Limit | 337,299 | 360,821 |

6.4 Based on the capital programme 2022/23 (February 2022 Update) resourcing projections, the Council has the following borrowing requirements in 2022/23:

- General Fund £8,447,512 (£2,015,723 in relation to the 10 year plan for the garages estates approved by Council on 20 July 2016, £4,381,789 in relation to the wholly owned housing development company and £2,050,000 towards the costs of the Railway Station Multi-Storey Car Park).
- HRA £15,640,000 (£18,011,767 on work to existing housing stock and £11,535,536 on housing development).

6.5 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

6.6 In determining whether borrowing will be undertaken in advance of need the Council will;

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
- consider the merits and demerits of alternative forms of funding
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

6.7 Borrowing may be taken to facilitate investment in regeneration and/or economic improvements for the town. This may include investment in special purpose vehicles owned by the Council to facilitate regeneration aspirations. Any such investments will be presented to Members.

## 7 End of year investment report

7.1 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Outturn Report.

## 8 Policy on the use of external service providers

8.1 In October 2021, the Council reappointed Link Asset Services as its treasury management advisors on a three year contract. The new contract commenced on 26 October 2021.

8.2 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

8.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

## 9 Scheme of Delegation and Role of Section 151 officer

9.1 **The Council** has the role of:

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual strategy.
- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers and agreeing terms of appointment

9.2 **The Audit Committee** has the role of reviewing the policy and procedures and making recommendations to Council.

9.3 **The Section 151 Officer** has the role of:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers.

- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to Members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following (covered in Annual Capital Strategy Report).

In addition, high value and/or urgent payments can be made by CHAPS by the Treasury Team, however as these can have a material impact on cash flows on the day, authorisation for this type of payment must be obtained from the S151 or deputy S151 Officer.

9.4 Reporting arrangement to the Council and the Audit Committee is as below:

| Area of Responsibility | Council Committee | Frequency |
|---|---|---|
| Treasury Management Policy Statement (revised) | Council | Initial adoption in 2010 |
| Treasury Management Strategy / Annual Investment Strategy / Minimum Revenue Provision (MRP) policy | Council | Annually before the start of the year |
| Treasury Management Strategy / Annual Investment Strategy / MRP policy – mid-year report | Council | Annually before the end of the year |
| Treasury Management Strategy / Annual Investment Strategy / MRP policy – updates or revisions at other times | Council | As required. |

| Area of Responsibility | Council Committee | Frequency |
|---|---|---|
| Annual Treasury Outturn Report | Council | Annually by 30th November |
| Scrutiny of Treasury Management Strategy | Audit Committee | Annually before the start of the year |
| Scrutiny of Treasury Management performance | Audit Committee | Quarterly (General Fund updates) |

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**Appendix B** (February 2022 Update)

**Minimum Revenue Provision Policy**

## Minimum Revenue Provision Policy Statement 2022/23

From 2013/14, the council has not had a fully funded capital programme, and although there has not been a need to borrow in full externally, due to the use of investment balances, it is necessary to make adequate provision for the repayment of debt in the form of Minimum Revenue Provision, including in 2021/22 for the unfunded element of 2011/12 to 2014/15 expenditure. The **preferred method for existing underlying borrowing is Option 3 (Asset Life Method**) whereby the MRP will be spread over the useful life of the asset. Useful life is dependent on the type of asset and was reviewed in 2019/20. Following that review asset lives now ranges from 7 years (ICT equipment) to 50 years (Investment properties, regeneration sites and carparks for example).

In applying the new asset lives historic MRP had been overpaid and in accordance with current MHCLG MRP Guidance can be reclaimed in future years. The council has a policy to ring fence costs and income associated with regeneration assets and as such has shown these MRP changes separately, see table below. The overpayment of £1,057,660.39 results in no MRP needing to be charged to the accounts for the regeneration assets until 2025/26, when a partial charge will be required, utilising the remainder of the overpayment balance.

| **voluntary MRP made** | |
|---|---|
| | **Regeneration** |
| 2012/13 | £46,929.65 |
| 2013/14 | £140,788.95 |
| 2014/15 | £163,165.30 |
| 2015/16 | £141,355.30 |
| 2016/17 | £141,355.30 |
| 2017/18 | £141,355.30 |
| 2018/19 | £141,355.30 |
| 2019/20 | £141,355.30 |
| **cumulative total** | **£1,057,660.39** |

| **Use of overpayment** | |
|---|---|
| | **Regeneration** |
| 2020/21 | £193,703.12 |
| 2021/22 | £193,703.12 |
| 2022/23 | £193,703.12 |
| 2023/24 | £193,703.12 |
| 2024/25 | £193,703.12 |
| 2026/26 | £89,144.79 |
| | |
| | |
| **cumulative total** | **£1,057,660.39** |

The Council approved a **Property Investment** Strategy – an investment of £15Million in property funded from prudential borrowing. As having Investments for Yield in the capital strategy are no longer permitted, only the MRP payable of £35,119 per year on the investment made of £1,755,950 which will be payable. This was calculated under **Option 3 (Asset Life Method) and the annuity method,** which links the MRP to the flow of benefits from the properties.

The forecast annual MRP for 2022/23 is £408,312 based on the capital expenditure in the draft 2021/22 Financial Accounts, with the lower figure of £214,609 needing to be charged to the 2022/23 Financial Accounts taking into account the overpayment on the regeneration assets. The forecast annual MRP for 2023/24 is £489,626 with £295,923 to be charged to the 2023/24 Financial Accounts.

Finance lease payments due as part of the Queensway regeneration project are also applied as MRP, funded from the payments received in the year, as will any MRP due on borrowing taken in relation to the Housing Wholly Owned Company.

## Additional Information

**1. What is a Minimum Revenue Provision (MRP)?**

The Minimum Revenue Provision is a charge that Councils which are not debt free are required to make in their accounts for the repayment of debt (as measured by the underlying need to borrow, rather than actual debt). The underlying debt is needed to finance the capital programme. Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It is therefore prudent to charge an amount for the repayment of debt over the life of the asset or some similar proxy figure, allowing borrowing to be matched to asset life. Setting aside an amount for the repayment of debt in this manner would then allow for future borrowing to be taken out to finance the asset when it needs replacing at no incremental cost. The manner of spreading these costs is through an annual Minimum Revenue Provision, which was previously determined under Regulation, and is now determined by Guidance.

**2. Statutory duty**

Statutory Instrument 2008 no. 414 s4 lays down that:

“A local authority shall determine for the current financial year an amount of minimum revenue provision that it considers to be prudent.”

The above is a substitution for the previous requirement to comply with regulation 28 in S.I. 2003 no. 3146 (as amended).

There is no requirement to charge MRP where the Capital Financing Requirement (CFR) is nil or negative at the end of the preceding financial year.

The share of Housing Revenue Account CFR is not subject to an MRP charge.

**3. Government Guidance**

Along with the above duty, the Government issued guidance which came into force on 31st March 2008 which requires that a Statement on the Council’s policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which the provision will relate.

The Council is legally obliged to “have regard” to the guidance, which is intended to enable a more flexible approach to assessing the amount of annual provision than was required under the previous statutory requirements. The guidance offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. The requirement to ‘have regard’ to the guidance therefore means that:

Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.

It is the responsibility of each authority to decide upon the most appropriate method of making a prudent provision, after having had regard to the guidance.

The four recommended options are thus:

**Option 1: Regulatory Method**

Under the previous MRP regulations, MRP was set at a uniform rate of 4% of the adjusted CFR (i.e. adjusted for “Adjustment A”) on a reducing balance method (which in effect meant that MRP charges would stretch into infinity).

This historic approach must continue for all capital expenditure incurred in years before the start of this new approach. It may also be used for new capital expenditure up to the amount which is deemed to be supported through the Supported Capital Expenditure (SCE) annual allocation.

**Option 2: Capital Financing Requirement Method**
This is a variation on option 1 which is based upon a charge of 4% of the aggregate CFR without any adjustment for Adjustment A, or certain other factors which were brought into account under the previous statutory MRP calculation. The CFR is the measure of an authority’s outstanding debt liability as depicted by their balance sheet.

This is not applicable to the Council as it is for existing non supported debt

**Option 3: Asset Life Method.**
This method may be applied to most new capital expenditure, including where desired that which may alternatively continue to be treated under options 1 or 2.

Under this option, it is intended that MRP should be spread over the estimated useful life of either an asset created, or other purpose of the expenditure. There are two useful advantages of this option:
-Longer life assets e.g. freehold land can be charged over a longer period than would arise under options 1 and 2.
-No MRP charges need to be made until the financial year after that in which an item of capital expenditure is fully incurred and, in the case of a new asset, comes into service use (this is often referred to as being an ‘MRP holiday’). This is not available under options 1 and 2.

There are two methods of calculating charges under option 3:
-equal instalment method – equal annual instalments,
-annuity method – annual payments gradually increase during the life of the asset.

**This is the preferred method as it allows costs to be spread equally over the life of the asset.**

**Option 4: Depreciation Method**
Under this option, MRP charges are to be linked to the useful life of each type of asset using the standard accounting rules for depreciation (but with some exceptions) i.e. this is a more complex approach than option 3.

The same conditions apply regarding the date of completion of the new expenditure as apply under option 3.

This method is not favoured by the Council as if the asset is subject to a downturn in value, then that amount would have to be written off in that year, in addition to the annual charge.

**4. Date of implementation**
The previous statutory MRP requirements ceased to have effect after the 2006/07 financial year. Transitional arrangements included within the guidance no longer apply for the MRP charge for 2009/10 onwards. Therefore, options 1 and 2 should only be used for Supported Capital Expenditure (SCE). The CLG document remains as

guidance and authorities may consider alternative individual MRP approaches, as long as they are consistent with the statutory duty to make a prudent revenue provision.

**Current Consultation**

As set out in the report, the Department for Levelling Up, Housing and Communities (DLUHC, formerly MHCLG) issued "Consultation on changes to the capital framework: Minimum Revenue Provision" on 30th November 2021 to last for 10 weeks until 8th February 2022. The government is proposing additional text to be added to the 2003 Regulations to make explicit that:

1. Capital receipts may not be used in place of the revenue charge. The intent is to prevent authorities avoiding, in whole or part, a prudent charge to revenue. It is not the intention to prevent authorities using capital receipts to reduce their overall debt position, which may have the effect of reducing the MRP made with respect to the remaining debt balance.

2. Prudent MRP must be determined with respect to the authority's total capital financing requirement. The intent is to stop the intentional exclusion of debt from the MRP determination because it relates to an investment asset or capital loan. Authorities should still be able to charge MRP over the period in which their capital expenditure provides benefits and begin charging MRP in the year following capital expenditure, in accordance with proper accounting practices set out in the government's statutory guidance on Minimum Revenue Provision.

These changes are not intended to have any impact on the Housing Revenue Account, or on treasury management activities that do not score as capital spend. The government wants authorities to still be able to exercise judgement in determining a prudent amount and does not want to move back to a prescriptive method.

Officers have been reviewing the potential impact the changes may make to the MRP charged to revenue and are taking this into account when making borrowing decisions. Point 2 above is already complied with, MRP is charged on any capital expenditure which relates to an investment asset or capital loan. The impact may arise from Point 1 in that the way capital receipts are applied as part of available capital financing may change.

## Appendix C

**2022/23 Treasury Management Strategy**

### Treasury Management Prudential Indicators

| Capital Expenditure (Based on Final Capital Strategy February 2022): | 2021/22 Original February 2021 | 2021/22 Revised Final Cap Feb 22 Exec | 2022/23 Original February 2021 | 2022/23 Revised Final Cap Feb 22 Exec | 2023/24 Original February 2021 | 2023/24 Revised Final Cap Feb 22 Exec | 2024/25 Original February 2021 | 2024/25 Revised Final Cap Feb 22 Exec | 2025/26 Revised Final Cap Feb 22 Exec |
|---|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| General Fund | 17,400 | 20,929 | 20,145 | 30,510 | 26,137 | 14,369 | 14,795 | 1,939 | 283 |
| HRA | 52,488 | 53,656 | 56,858 | 64,666 | 37,256 | 37,186 | 28,748 | 28,818 | 4,615 |
| **Total** | **69,887** | **74,584** | **77,004** | **95,176** | **63,393** | **51,556** | **43,543** | **30,757** | **4,898** |

| Ratio of financing costs to net revenue stream: | 2021/22 Original February 2021 | 2021/22 Revised Final Cap Feb 22 Exec | 2022/23 Original February 2021 | 2022/23 Revised Final Cap Feb 22 Exec | 2023/24 Original February 2021 | 2023/24 Revised Final Cap Feb 22 Exec | 2024/25 Original February 2021 | 2024/25 Revised Final Cap Feb 22 Exec | 2025/26 Revised Final Cap Feb 22 Exec |
|---|---|---|---|---|---|---|---|---|---|
| | % | % | % | % | % | % | % | % | % |
| General Fund Capital Expenditure | 4.78% | 5.27% | 5.28% | 5.52% | 6.12% | 6.17% | 6.73% | 6.59% | 6.42% |
| HRA Capital Expenditure | 16.82% | 15.71% | 17.09% | 17.18% | 17.08% | 17.36% | 16.16% | 16.44% | 15.19% |

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

| Authorised Limit for external debt | 2021/22 Original February 2021 | 2021/22 Revised Final Cap Feb 22 Exec | 2022/23 Original February 2021 | 2022/23 Revised Final Cap Feb 22 Exec | 2023/24 Original February 2021 | 2023/24 Revised Final Cap Feb 22 Exec | 2024/25 Original February 2021 | 2024/25 Revised Final Cap Feb 22 Exec | 2025/26 Revised Final Cap Feb 22 Exec |
|---|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Borrowing - General Fund | 45,294 | 52,155 | 51,126 | 60,037 | 52,484 | 61,353 | 51,730 | 60,559 | 59,754 |
| Borrowing - Queensway residential | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Borrowing - HRA | 272,076 | 270,144 | 287,716 | 285,784 | 299,696 | 297,764 | 299,696 | 297,764 | 297,764 |
| **Total** | **332,371** | **337,299** | **353,843** | **360,821** | **367,180** | **374,117** | **366,426** | **373,322** | **372,518** |

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 | 2021/22 Original February 2021 | 2021/22 Revised Final Cap Feb 22 Exec | 2022/23 Original February 2021 | 2022/23 Revised Final Cap Feb 22 Exec | 2023/24 Original February 2021 | 2023/24 Revised Final Cap Feb 22 Exec | 2024/25 Original February 2021 | 2024/25 Revised Final Cap Feb 22 Exec | 2025/26 Revised Final Cap Feb 22 Exec |
|---|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Borrowing - General Fund | 43,294 | 50,155 | 49,126 | 58,037 | 50,484 | 59,353 | 49,730 | 58,559 | 57,754 |
| Borrowing - Queensway residential | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Borrowing - HRA | 266,076 | 264,144 | 281,716 | 279,784 | 293,696 | 291,764 | 293,696 | 291,764 | 291,764 |
| **Total** | **324,371** | **329,299** | **345,843** | **352,821** | **359,180** | **366,117** | **358,426** | **365,322** | **364,518** |

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

| Gross & Net Debt | 2021/22 Original February 2021 | 2021/22 Revised Final Cap Feb 22 Exec | 2022/23 Original February 2021 | 2022/23 Revised Final Cap Feb 22 Exec | 2023/24 Original February 2021 | 2023/24 Revised Final Cap Feb 22 Exec | 2024/25 Original February 2021 | 2024/25 Revised Final Cap Feb 22 Exec | 2025/26 Revised Final Cap Feb 22 Exec |
|---|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Gross External Debt - General Fund | 6,444 | 6,201 | 12,710 | 14,385 | 14,770 | 16,445 | 14,770 | 16,445 | 16,445 |
| Gross External Debt - HRA | 257,089 | 255,278 | 272,729 | 270,918 | 284,709 | 287,756 | 284,709 | 287,756 | 288,256 |
| **Gross External Debt** | **263,533** | **261,479** | **285,439** | **285,304** | **299,479** | **304,201** | **299,479** | **304,201** | **304,701** |
| Less Investments | (58,969) | (71,447) | (49,005) | (47,735) | (47,604) | (50,386) | (42,297) | (44,767) | (44,864) |
| **Net Borrowing** | **204,564** | **190,032** | **236,434** | **237,569** | **251,875** | **253,815** | **257,181** | **259,433** | **259,836** |

The Gross External Debt is the actual debt taken out by the Council plus any relevant long term liabilities.
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

| Capital Financing Requirement | 44651 Original February 2021 | 2021/22 Revised Final Cap Feb 22 Exec | 2022/23 Original February 2021 | 2022/23 Revised Final Cap Feb 22 Exec | 2023/24 Original February 2021 | 2023/24 Revised Final Cap Feb 22 Exec | 2024/25 Original February 2021 | 2024/25 Revised Final Cap Feb 22 Exec | 2025/26 Revised Final Cap Feb 22 Exec |
|---|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Capital Financing Requirement GF | 31,060 | 37,920 | 36,892 | 45,802 | 38,249 | 47,118 | 37,495 | 46,324 | 45,519 |
| Capital Financing Requirement HRA | 264,076 | 262,144 | 279,716 | 277,784 | 291,696 | 289,764 | 291,696 | 289,764 | 289,764 |
| **Total Capital Financing Requirement** | 295,136 | **300,064** | **316,608** | **323,586** | **329,945** | **336,882** | **329,191** | **336,088** | **335,283** |

The Capital Financing Requirement (CFR) reflects the amount of money the Council would need to borrow to fund it's capital programme. This is split between the Housing Revenue Account CFR (HRACFR) and the General Fund CFR (GFCFR).

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

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<br>and<br>Moody, Standard & Poor, equivalent where rated, the lowest rating used where different<br>OR<br>Part-nationalised or Nationalised UK banking institutions<br>(subject to regular reviews of government share percentage). | Maximum duration as per Treasury Advisor's (Capita's) colour coded Credit List, and less than one year |
| | Notice Account | | |
| | 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-<br>and<br>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<br>Limits | Cash balances higher that £30Million<br>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 | |
| Certifcates 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. |

# APPENDIX E: Approved Countries (with Approved counterparties) for Investments (January 2022)

*Based on lowest available rating*

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- United Arab Emirates
- France

AA-

- Belgium
- Qatar

**The UK is exempt from the sovereign rating criteria as recommended by Link Asset Services. The UK sovereign rating is currently AA-.**

**The above list includes the possible countries the Council may invest with. Not all of these countries are used or will be used in treasury management investments**

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