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EXECUTIVE

7 FEBRUARY 2024

SUPPLEMENTARY AGENDA

PART I

5. FINAL GENERAL FUND AND COUNCIL TAX SETTING 2024/25

To consider the Council's proposed 2024/25 General Fund Budget, Council Tax Support Scheme and proposals for the 2024/25 Council Tax for onward recommendation to Council.

Report attached – Pages 3 - 84

Supplementary Agenda Published 2 February 2024

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Part 1



Agenda item:

EXECUTIVE/COUNCIL

Meeting

Portfolio Area RESOURCES AND TRANSFORMATION

Date 7 February 2024 / 21 February 2024



DRAFT GENERAL FUND AND COUNCIL TAX SETTING 2024/25

KEY DECISION

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1 PURPOSE

1.1 To consider the Council's draft 2024/25 General Fund Budget, Council Tax Support Scheme and draft proposals for the 2024/25 Council Tax.

1.2 To consider the projected 2023/24 General Fund Budget.

2 RECOMMENDATIONS

That the following proposals be recommended to Council on 21 February 2024

2.1 The 2023/24 revised net expenditure on the General Fund of **£13,571,480** is approved as set out in paragraph 4.10.1.

2.2 The draft General Fund Budget for 2024/25 of **£12,762,310** with no contribution from balances and a Band D Council Tax of £239.26, (assuming a 2.99% Council Tax increase) and as summarised in Appendix G.

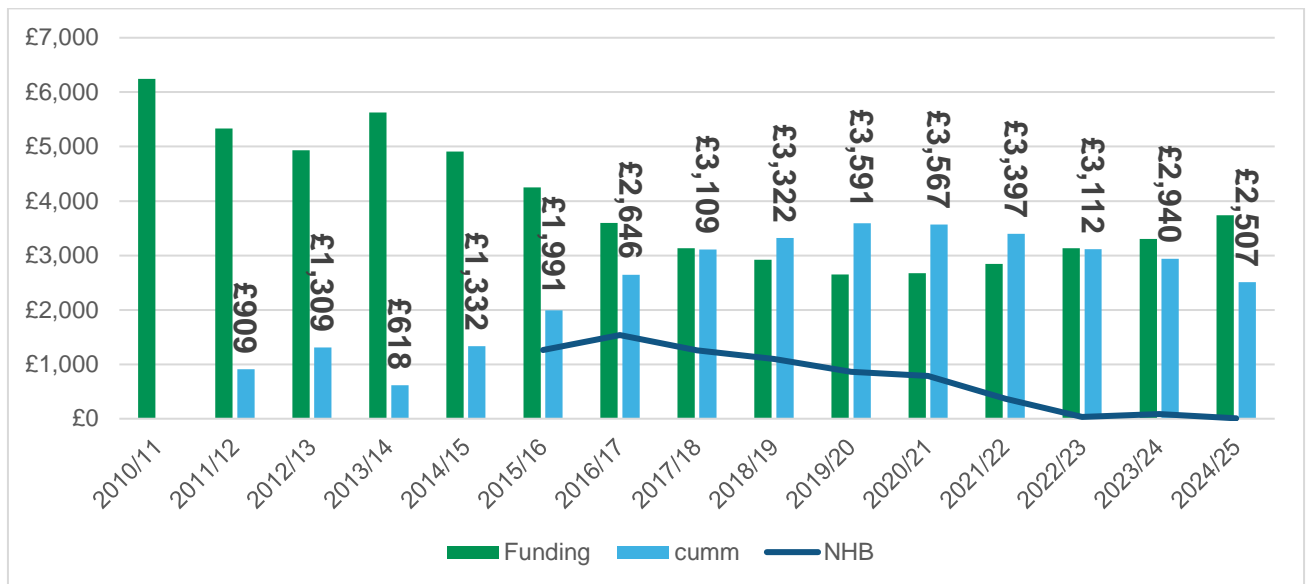
2.3 The updated position on the General Fund Medium Term Financial Strategy (MTFS) as summarised in section 4.12 be noted.

- 2.4 The minimum level of General Fund reserves of **£3,537,794**, which is in line with the 2024/25 risk assessment of balances, as shown at Appendix C to this report, is approved.
- 2.5 The contingency sum of **£400,000** within which the Executive can approve supplementary estimates, be approved for 2024/25, (reflecting the level of balances available above the minimum amount).
- 2.6 The 2024/25 Balancing the Budget options as set out in section 4.7 and Appendix A, totalling **£1,223,852** and **£95,063** for the General Fund and HRA respectively, be approved.
- 2.7 That events options as set out in paragraph 4.7.4 are approved for 2024/25.
- 2.8 The Growth options included in section 4.8 are approved for inclusion in the 2024/25 General Fund (**£167,120**) and HRA (£47,265) budgets.
- 2.9 That the pressures identified in sections 4.2 and 4.9 to this report are noted.
- 2.10 Approval is granted to use of £200K of Business Rates in the base budget and that any gains secured above that sum are only used once realised and are ring fenced to maintain the Council's financial resilience.
- 2.11 Members note the use of the 'pooling gains' of **£220,000** as set out in paragraph 4.4.9.
- 2.12 That the comments from Overview and Scrutiny Committee set out in section 4.16 are noted.
- 2.13 That Members note the Equalities Impact Assessment appended to this report (Appendix D).
- 2.14 That key partners and other stakeholders are consulted and their views considered as part of the 2024/25 budget setting process.

3. BACKGROUND

- 3.1 This report is an update on the Council's Draft General Fund and Council Tax setting report 2024/25 which was presented to the January 2024 Executive. This report sets out the 2024/25 draft General Fund Budget including Balancing the Budget (BTB) options, growth bids and 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 As set out in previous budget reports, the 2024/25 budget setting process is set in the context against the backdrop of Government grant cuts which total £5.3Million since 2010 which have required the Council to find cumulative savings of £14Million when inflationary costs are also taken into consideration. COVID affected the Council's finances during 2020/21-2021/22 (an estimated £4Million cost) as has the cost of living crisis due to higher inflation (estimated £1.7Million inflationary pressures for 2023/24). The chart below shows that the Council's funding is still £2.5Million lower than it was in 2020/11. The CFO does

not recommend using grant stream such as New Homes Bonus (NHB) or for that matter business rate gains in their entirety to support core spending. The chart below shows how NHB have reduced from over £1Million to £7K in 2024/25.



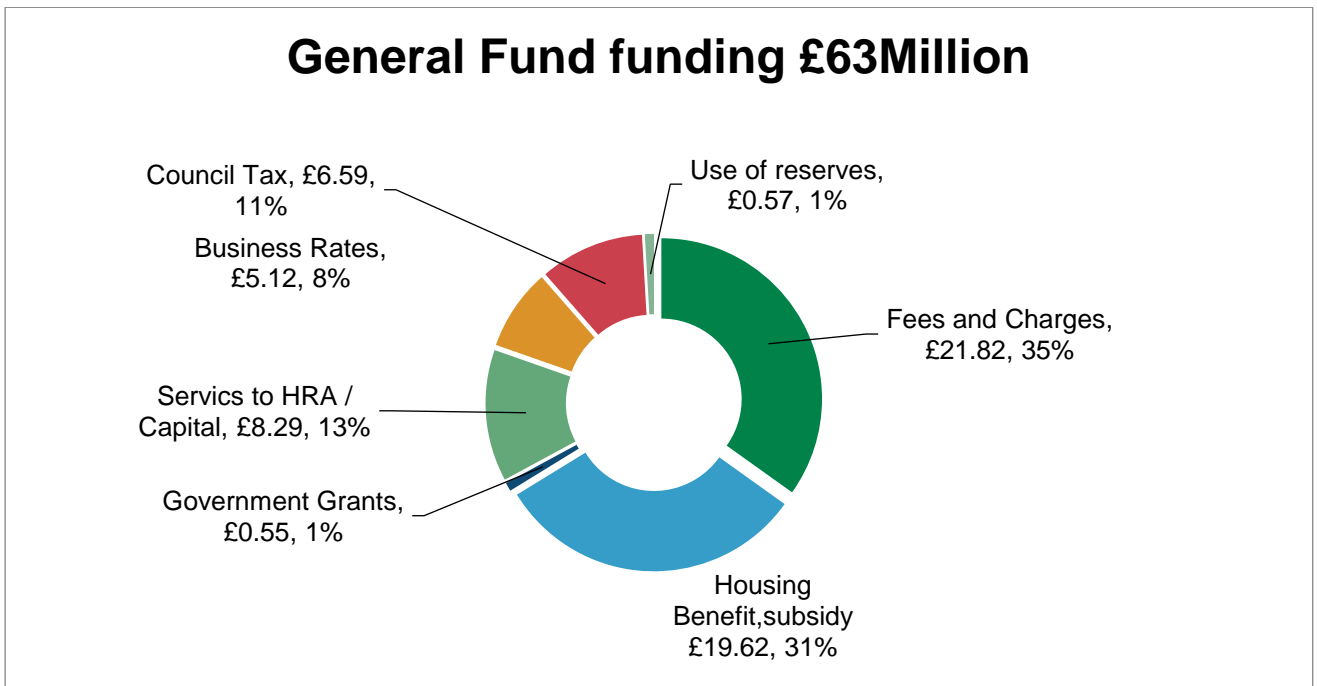
3.3 Members will have seen a number of local government journal and national press articles which highlight concerns concerning the local government funding model. The Government has commenced an inquiry on financial distress in local authorities. This follows a number of Councils issuing a section 114 notice because they can no longer set a balanced budget for the year. The Local Government Association (LGA), District Council Network (DCN) and the County Council’s Network (CCN) amongst other organisations have all warned that more Section 114 notices are likely unless the local government funding model is revised to reflect the pressures councils are facing across a range of services.

3.4 A survey by the District Councils’ Network (DCN), published 24 October 2023 revealed that 52% of respondents do not expect to be able to balance their budget in 2024/25 without needing to draw on reserves, with a further 24% unsure of their positions. The DCN predicted that authorities face a total budget deficit of £550m in 2023/24 and £610m in 2024/25. The DCN stated that Councils also anticipate making savings amounting to 9% of their budgets which are likely to affect service provision. Elizabeth Dennis, the DCN’s finance spokesperson, said: “Unless we receive a realistic financial settlement and the financial freedoms to ensure we can raise extra money to undertake

our work, councils are left only with an impossible choice of which services to cut back. “Any further scaling back of district council services would be disastrous.”

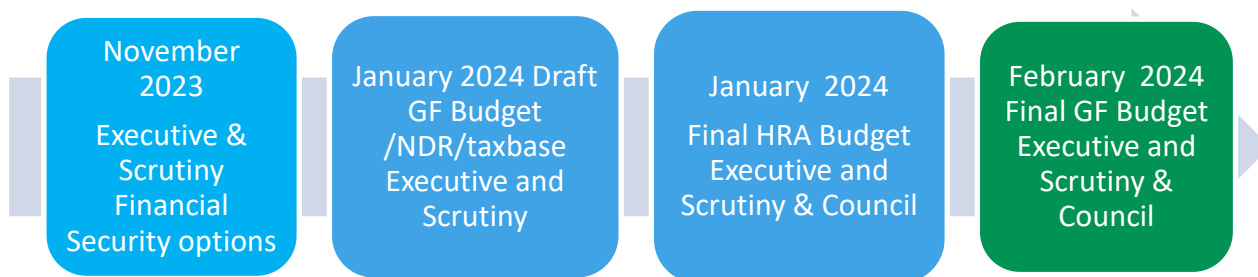
3.5 The January 2024 Executive budget report set out the provisional finance funding settlement which totalled £3.746Million and was £149K more than the amount assumed in the MTFS. At the time of writing this report the final financial settlement had not been published.

3.6 The original 2023/24 SBC General Fund net budget of £12.46Million (gross £63Million) is funded as set out below.



3.8 Due to the significant level of savings required in recent years this Council along with many others has adopted a one year budget setting process rather than taking a three year savings view. Whilst the Council does not currently have a three year savings plan identified, the Medium Term Financial Strategy gives the projected funding needs over a longer period and is reviewed annually. The Balancing the Budget priority has a number of workstreams and Members will note that for 2024/25, the Transformation and the Co-operative Commercial Insourcing Strategy have contributed significantly for the 2024/25 ‘Balancing the Budget’ savings target. Accordingly, no service cuts are proposed for next year. However, with a forecasted on-going need to make £1Million savings per year, work to look at initiatives / options for 2025/26 and beyond will commence early in the next financial year.

3.9 The Budget and Policy Framework Procedure Rules in the Constitution, prescribe the Budget setting process, which includes a consultation period. The timescale required to implement this process is outlined below.



4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 Stevenage Borough Finance Settlement 2024/25

4.1.1 On 18 December 2023, 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 2024/25. The settlement is for one year (for the 6th year running) and is based on the Spending Review 2023 (SR23) funding levels. The National Core Spending Power (CSP) figures show an increase of 6.5% for 2024/25, however this includes assumptions about increases in council tax, which increases core spending power by 3.5% nationally. On the 24 January 2024 the government announced an increase in funding including uprating the 3% income guarantee to 4%, £500m additional Social care funding and a further £15m for the Rural Delivery Grant. However the announcement preceded the publication of the final settlement and the revised numbers are based on indicative and may change once confirmed. A summary of the final and provisional settlement figures are shown below.

National Provisional Funding Settlement	2023-24 £Million	2024-25 Prov. £Million	Var. £Million	% change of total incr.	2024-25 Final £Million	Var £Million	% change of total incr.
Settlement Funding Assessment	£15,671	£16,563	£892		£16,563	£892	
Under-indexing the business rates multiplier	£2,205	£2,581	£376		£2,581	£376	
Council Tax Requirement exc. parish precepts	£33,984	£36,062	£2,078	3.5%	£36,062	£2,078	3.5%
New Homes Bonus	£291	£291	£0		£291	£0	
Services Grant	£483	£77	(£406)		£77	(£406)	
Funding Guarantee	£133	£197	£64		£262	£129	
Drainage Boards	£0	£0	£0		£3	£3	

National Provisional Funding Settlement	2023-24 £Million	2024-25 Prov. £Million	Var. £Million	% change of total incr.	2024-25 Final £Million	Var £Million	% change of total incr.
Rural Services Delivery Grant	£95	£95	£0		£110	£15	
Improved Better Care Fund	£2,140	£2,140	(£0)		£2,640	£500	
Social Care Grant	£3,852	£4,544	£692		£4,544	£692	
ASC Mkt Sustainability and Improvement Fund	£562	£1,050	£488		£1,050	£488	
Adult Social Care Discharge Fund	£300	£500	£200		£500	£200	
Grants rolled in	£480	£0	(£480)		£0	(£480)	
Core Spending Power	£60,196	£64,100	£3,904	6.5%	£64,683	£4,487	7.5%

4.1.2 The council tax referendum limit will be 3% or £5 on a Band D, whichever is the greater for local authorities, with social care authorities allowed to collect an additional 2% social care precept. There were exceptions to the referendum limits for a few Councils with Woking at 10% and Slough / Thurrock 8%. This remains unchanged from the Provisional settlement.

4.1.3 For 2024/25 the small business multiplier (SBRR) in England will be frozen for a fourth consecutive year at 49.9p, which applies to businesses with a rateable value of less than £51,000, while the standard multiplier (for all other businesses) will be uprated by September CPI (6.7%) to 54.6p. The under-indexing of the SBRR means the Council will collect less NNDR but the government has committed to funding these policy changes by giving Council's S31 grants to compensate for the reduction in income collected, unchanged from the provisional settlement.

4.1.4 The Stevenage New Homes Bonus (NHB) allowance for 2024/25 is £7,290 (2023/24 £86,736), unchanged from the provisional settlement.

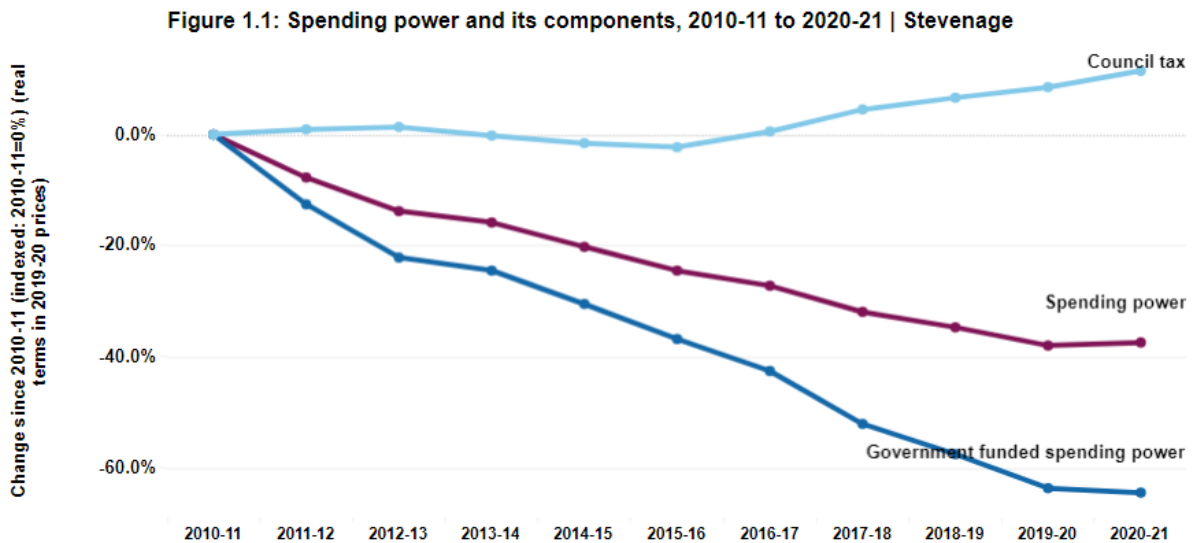
4.1.5 Top Up/Tariff Adjustments (Negative Revenue Support Grant RSG) – As in previous years, the government has not included any negative RSG in the final settlement. As part of previous funding deals Councils were due to have their funding reduced by negative RSG which essential cuts the amount of monies retained by business rates as paying RSG had actually ceased by 2019/20. This would result in a cost of £27,146 to SBC in 2024/25 before any inflation indexing.

4.1.6 A summary of the indicative final 2024/25 settlement versus the September MTFs assumptions is shown in the table below which includes an additional £100K over and above the £147K reported in January. The final settlement increased the funding guarantee by 1% increase. The provisional settlement was better than originally modelled partly because the government used a four

year historic average increase to estimate council tax bases for the CSP and that estimate was £50K lower than Stevenage’s 2024/25 approved taxbase.







	September MTFS	Provisional Settlement	Final Settlement
Business Rates	(£2,847,507)	(£2,812,960)	(£2,812,960)
Under indexing	(£482,000)	(£509,446)	(£509,446)
Total Business Rates	(£3,329,507)	(£3,322,406)	(£3,322,406)
Revenue Support Grant	(£108,120)	(£108,811)	(£108,811)
New Homes Bonus (NHB)	(£10,000)	(£7,290)	(£7,290)
Services Grant	(£100,000)	(£16,371)	(£16,371)
3%/4% guarantee	(£51,728)	(£291,982)	(£392,330)
Total	(£3,599,355)	(£3,746,860)	(£3,847,208)
Increase to MTFS		(£147,505)	(£247,853)

4.1.7 While the 2024/25 CSP increase is now 7.5%, The National Audit Office (NAO) have published data that shows Stevenage’s Core Spending Power (CSP) **has reduced by 64.5% in real terms** (2019/20 prices) when comparing 2010/11 to 2020/21).



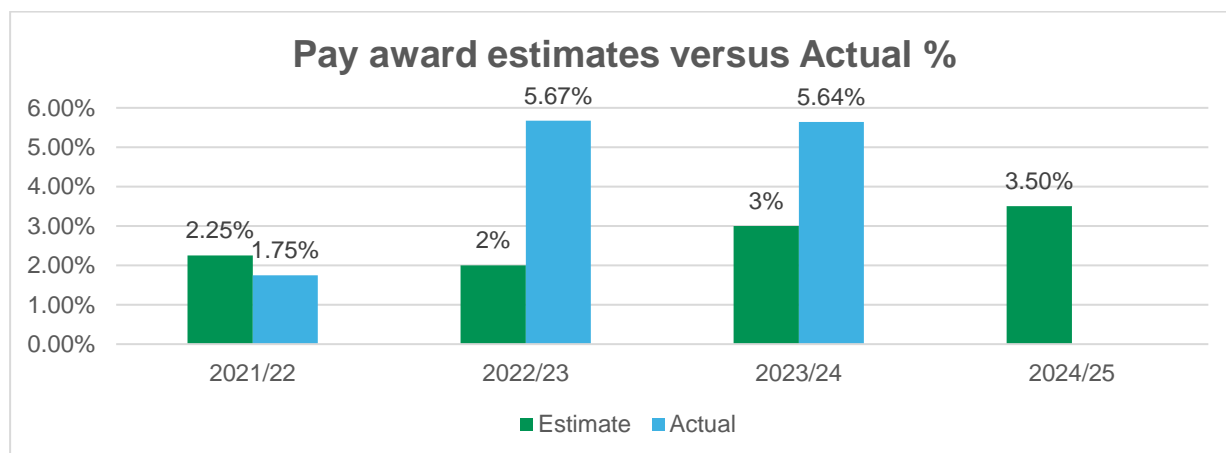
4.2 Pressures and Gains currently assumed in the General Fund 2024/25

4.2.1 The General Fund budget assumptions for 2024/25 now include growth pressures of £2.15Million (January Draft Budget £2.36Million) as set out below and are included in section 4.9 to this report.

Pressures	2024/25 MTFS	2024/25 Budget	+/-	Comments
ICT review	£104,000	£104,000		Following review by Society for Innovation Technology and Modernisation on the right size of the ICT operation to deliver on both Councils priorities, the MTFS assumes an increase in budget of £104K in 2024/25 (part year implementation).
ICT Licences, software and hardware costs	£205,000	£184,260		Following a root and branch review of hardware and software costs and licences, however the cost in 2024/25 has reduced as some of the costs are for a proportion of the year only.
Reduction in rental income from Daneshill house	£0	£65,260		Reduction in rental income (9 months) as tenant serves notice
Car Park income losses	£300,000	£300,000		Although income is improving year on year, it is still not achieving income levels pre-COVID. Latest MTFS shows a projected pressure in 2024/25 of £300K.
Garage income losses	£85,000	£85,000		2024/25 Income will continue to be impacted because of the asbestos issue in the garages, although the introduction of on-line garage lettings has enabled the Council to reduce the losses more quickly than previously anticipated.
Inflation pressures	£1,636,332	£1,425,531		This is based on the latest projections for utilities and a 3.5% pay award. The figure shown is gross of costs charged to the HRA.
Local Plan costs	£100,000	£100,000		There is a need to complete number of studies for the next Local Plan update.
Net cost of Housing Benefit	£10,000	(£12,490)		Although the level of housing subsidy admin grant has reduced the net loss on subsidy versus payments has reduced as more benefit is 100% recoverable
Increase in Audit fees	£0	£66,700		Notification by the PSAA of higher audit fees for 2023/24 onwards
Increase in Bank Charges	£0	£13,340		Higher cost of processing the Council's income and expenditure

Pressures	2024/25 MTFS	2024/25 Budget	+/-	Comments
Changes to recharges	(£172,332)	(£235,364)	↓	Changes to recharges as reported in the January Draft Budget report to the HRA and Capital
Reduction in ICT reserve trf to General Fund	£100,000	£85,550	↑	Part of the reserve was required in 2023/24 and the remaining balance has been transferred to the General Fund in 2024/25
Minor budget changes		(£34,100)	↓	Minor budget changes reported to in the January Draft Budget report
Total Pressures identified	£2,368,000	£2,147,687	↓	
		(£220,313)		

4.2.2 The General Fund BTB savings target accounts for the impact of higher inflationary pressures than experienced in previous years. The current MTFS targets may need to be increased again beyond 2024/25 if, for instance, pay inflation remains at the levels seen in 2022/23 and 2023/24. The pay awards since 2022/23 have been significantly above MTFS estimates as the National Joint Council (NJC) offer has sought to address the higher announced increases to the living wage. The table below shows the estimate versus actual since 2021/22.



4.2.3 Utility costs are projected to reduce from the peak projected for 2023/24 and have been modelled to be lower for this and next year. The current year's costs have reduced as highlighted in the table below. However, this remains an estimate and utility prices may still fluctuate based on economic and market conditions which drove the initial spike in costs.

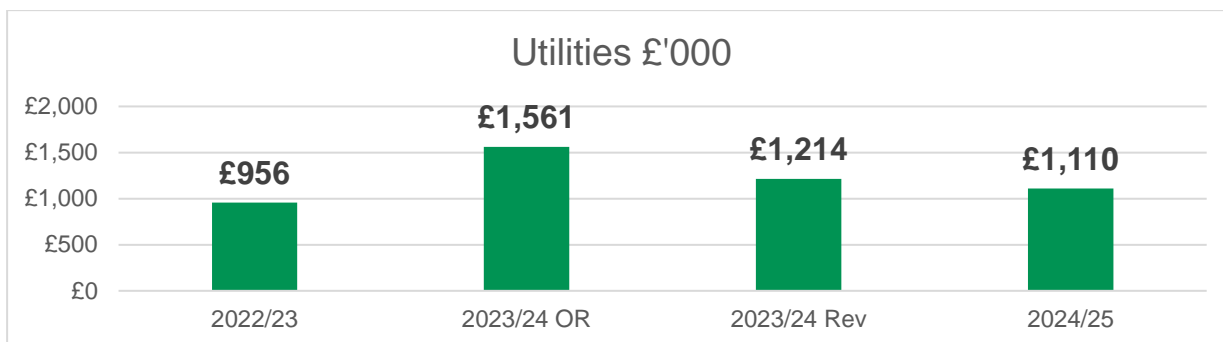


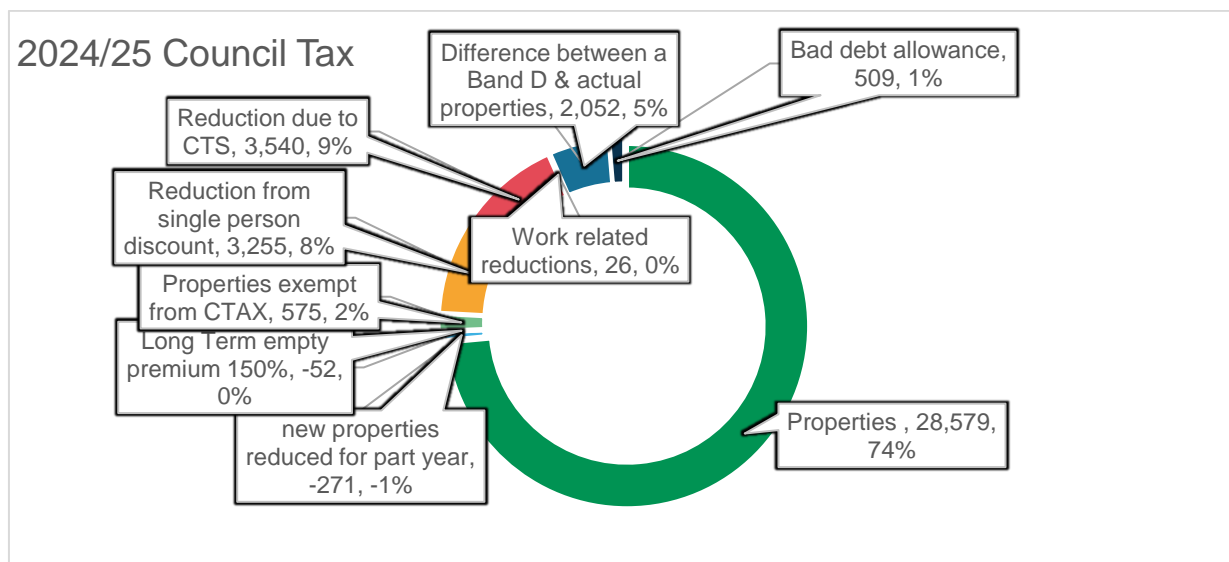
Chart updated since January report for 2023/24 revised estimate

4.2.4 As noted in paragraph 4.2.1 Car Parking income is still below pre-pandemic levels and a reduction of £300K has been estimated for 2024/25. It should also be noted that commuter parking income has also been adversely impacted by train strikes during 2023/24, however the current year projected £600K loss has improve by £80K see para 4.10.2.

4.3 Council Tax and Council Tax Support

4.3.1 The December 2023 Executive Council Tax base report showed an increase in the tax base of 1.51% compared to 2023/24. This includes an increase of 2% in the CTS caseload, (compared to the October 2023 caseload) and also known new housing numbers.

4.3.2 The impact of discounts and reliefs on the gross tax base or number of properties in Stevenage is summarised in the chart below.



4.3.3 The November 2023 Executive BTB report recommended that Members approve an increase of 2.99% for the Stevenage Borough Council share of the council tax which equates to £198,514 new income in addition to the increase in the taxbase (reported to the December 2023 Executive), which adds a further £99,039. Under the 2024/25 referendum regulations, the County Council (HCC) can increase council tax by 3% and, as noted previously, a further 2% for the Social Care precept and the Police and Crime

Commissioner (PCC) can increase their share of council tax by up to £13 on a Band D. This remains unchanged from the January report.

- 4.3.4 Members should note that SBC only retains a relatively small part of the overall Council Tax raised each year. A Band C property, (which is the biggest proportion of properties in Stevenage) shares of council tax for a band C property are shown below.

Authority	2022/23	2023/24	Cost per week	Increase	Share 2022/23	Share 2023/24
Hertfordshire County Council	£1,359.38	£1,427.23	£27.45	4.99%	77.33%	77.35%
Stevenage Borough Council	£200.51	£206.50	£3.97	2.99%	11.40%	11.19%
Police Crime Commissioner	£198.22	£211.56	£4.07	6.73%	11.27%	11.46%
Total	£1,758.11	£1,845.29	£35.49	4.96%	100.00%	100.00%

- 4.3.5 An estimate of the 2.99% increase in council tax for Stevenage Borough Council is summarised in the table below.

Council Tax increase modelled for Stevenage Precept 2024/25				
Council Tax band	2023/24	2.99% increase	Total cost per year	Total cost per week
A	£154.87	£4.63	£159.50	£3.07
B	£180.69	£5.40	£186.09	£3.58
C	£206.50	£6.17	£212.67	£4.09
D	£232.31	£6.95	£239.26	£4.60
E	£283.93	£8.48	£292.41	£5.62
F	£335.56	£10.03	£345.59	£6.65
G	£387.18	£11.57	£398.75	£7.67
H	£464.62	£13.89	£478.51	£9.20

Council Tax Support

- 4.3.6 A local CTS scheme cannot be revised for at least one financial year. Billing Authorities (such as SBC) must consider whether to revise or replace their scheme with another on an annual basis.
- 4.3.7 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.

- 4.3.8 The Council must, in the following order, consult with major precepting authorities, (i.e. Hertfordshire County Council and Police and Crime Commissioner (PCC) 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. Both precepting authorities have been written to regarding the proposal for 2024/25.
- 4.3.9 The current **working age** scheme requires those on maximum benefits only to pay 8.5% of their council tax bill for the year. This equated to £156.85 for a Band C council home in 2023/24 on the total bill (with an additional 25% discount for a single person) or £3.02 per week.
- 4.3.10 Members approved a resolution, within the 20 September 2023 Executive Council Tax Support report, to retain the existing scheme for 2024/25. Members are asked to approve the existing scheme updated to reflect benefit changes for 2024/25.

4.4 Business Rates Income

- 4.4.1 The financial information setting out the revision to the 2023/24 forecast business rates and the estimate due for 2024/25 is set out in the NDR1 form which must be agreed by 31 January and was delegated to the CFO to complete.
- 4.4.2 The 2023/24 projections have been revised and show the actual SBC share of business rates has increased by £397K to a total £897K. This is due to a number of factors:
- Although the gross yield of business rates has reduced due to a number of prior year adjustments as the 2017 appeals have been finalised, these are funded from the appeals provision.
 - There has also been a reduction in the level of appeals provision set aside for 2023/24. However, appeals can take a number of years to be concluded and the revised provision is based on the level of appeals which is now outstanding, together with an assumption for the 2023 list which may increase as the 2023 valuation changes are implemented (2023/24). This saw resulted in Stevenage rateable values increasing by £20Million which equates to an 18.9% increase in the gross yield before transitional relief or other mandatory or discretionary reliefs.
 - The provision for bad debt has been reduced based on current arrears. Collection has been helped in part by some of the on-going reliefs that are still in place for business rates.

	NDR 1 2023/24 £	Projection 2023/24 £	Var to NDR 1 £	Var SBC £
Gross Yield	(62,596,456)	(60,742,059)	1,854,397	741,759
Reliefs (mandatory/ discretionary)	5,203,826	4,658,426	(545,400)	(218,160)

	NNDR 1 2023/24 £	Projection 2023/24 £	Var to NNDR 1 £	Var SBC £
S31	2,694,269	2,367,808	(326,461)	(130,584)
Bad Debt	500,000	103,416	(396,584)	(158,634)
Cost of Collection	107,645	107,645	0	0
Appeals	2,672,000	1,092,953	(1,579,047)	(631,619)
Total	(51,418,716)	(52,411,810)	(993,094)	(397,238)

- 4.4.3 The impact of the increase in business rates retained is spread across two financial years, because any changes to the levy and S31 grants are implemented in the year they relate too but amounts due from the Collection Fund are paid based on the original estimate and variations are returned to the General Fund in the following year. The General Fund estimates have been updated to transfer £172.5K to the NNDR reserve in 2023/24 and the business rate gains of £397K have been transferred to the NNDR reserve in 2024/25. The increase in 2023/24 is because of the one off tariff adjustment for indexing assumed in 2023/24 notified as part of the settlement. The changes to 2023/24 business rates are set out below.

	Compare 2023/24 Original v Projected			Changes required based on projection	
	NNDR 1 2023/24 £	Projection 2023/24 £	Var to NNDR 1 £	2023/24	2024/25
Net yield	(51,418,716)	(52,411,810)	(993,094)		
Stevenage share of yield	(20,567,486)	(20,964,724)	(397,238)	0	(397,238)
Tariff	18,797,044	18,797,044	0		
Tariff adjustment	0	(555,758)	(555,758)	(555,758)	
Share net of tariff	(1,770,443)	(2,723,438)	(952,996)	(555,758)	(397,238)
S31 grant payable*	(2,233,191)	(2,323,817)	(90,626)	(90,626)	
Baseline Funding Level	(2,668,705)	(2,668,705)	0		
Gains before levy applied	(1,334,928)	(2,378,550)			
Gains applicable for levy	(760,893)	(1,708,632)		0	
Levy due 50%	380,447	854,316	473,869	473,869	
			0	0	
Retained Business Rates	(3,623,187)	(4,192,940)	(569,752)	(172,515)	(397,238)
Variance				(172,515)	(397,238)

- 4.4.4 The 2024/25 estimates for business rates have also been calculated at £54.8Million, the yield has increased due to the reduction in transition to the higher business rates from the 2023 revaluation (£3.4Million) and the growth in anticipated new premises (£1.5Million) and the increase in the standard rate of NNDR (6.7%). However due to this projected increase in income both the appeals and bad debt provision have been increased to reflect the likelihood of more appeals as a result of the 2023 rating list and a higher level of arrears.

Business Rates Due	2023/24 Projected	NNDR 1 2024/25 £
Gross Yield*	(60,742,059)	(68,493,940)
Reliefs (mandatory/ discretionary)	4,658,426	6,347,779
transitional Relief given	4,908,354	1,548,927
S31 reliefs	2,367,808	2,789,803
Transitional Relief repaid to Council	(4,908,354)	(1,548,927)
Bad Debt	103,416	750,000
Cost of Collection	107,645	107,499
Renewable Energy	0	1,518
Appeals provision	1,092,953	3,700,000
Total	(52,411,810)	(54,797,341)

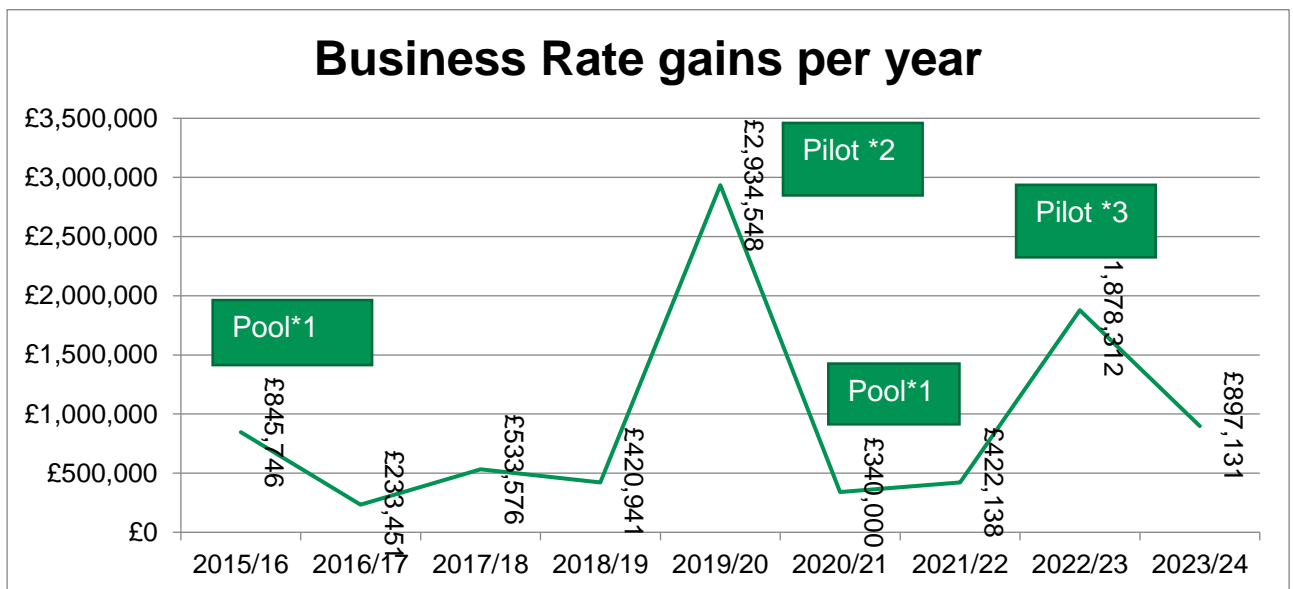
*includes a reduction in transitional relief of £3.4Million and an increase in the standard rate of NDR of 6.7%

- 4.4.5 The amount due to the General Fund is summarised in the table below versus the draft budget assumptions. This shows an estimated increase in NDR income of £1.08Million, driven by the increase in the 2023 rating list. Members should note that these gains are yet to be realised (as is the increase in 2023/24). Accordingly, they have been transferred to the Business Rates allocated Reserve until they are realised.

Stevenage Share	NNDR 1 2024/25 £
Stevenage share (40%)	(21,918,936)
Tariff	19,227,311
Share net of tariff	(2,691,625)
S31 grant payable	(2,526,046)
Baseline Funding Level	(2,812,960)
Gains before levy applied	(2,404,711)
Gains applicable for levy	(1,622,536)
Levy that would be due	811,268
Retained rates	(4,406,403)
Draft Budget:	
Baseline Funding Level	(2,812,960)
Allowance for under-indexing	(509,446)
Total Draft Budget	(3,322,406)
Increase above the Draft Budget	(1,083,997)

- 4.4.6 The NDR estimates have been incorporated into the February 2024 budget estimates and the additional gains have been transferred to the Business Rates Reserve to support the General Fund's financial resilience as these gains cannot be relied on and fluctuate between years. Crucially:

- There are likely to be further appeals due to the 2023 list increasing the rateable value in Stevenage for example ten of the largest business rated hereditaments received an increase of £1.8Million after transitional. The Council itself is appealing a number of valuations.
- The gains are only estimated and still have to be realised, if the gains are spent in advance of realisation, any reduction in estimated gains would have to be repaid to the Collection Fund in the following years
- When any fair funding review is implemented and any reset of business rates, this will see those gains disappear, (by increasing the tariff payable by SBC).
- Gains fluctuate between years and are identified usually in January of the preceding financial year. Using all gains to support core services could result in large funding gaps from year to year requiring the pursuit of in year savings and the risk of not setting a balanced budget.
- The CFO has identified a number of risks that can be mitigated by holding the balances in a reserve as set out in para. 4.12.3-4.12.4.



**1 Pool- SBC has only been chosen to be in the Hertfordshire pool twice which benefits those in the pool as they pay a lower levy*

**2 Pilot-the government allowed 75% of NNDR to be retained in Hertfordshire this was not continued*

**3 2022/23 was the last year of the 2017 rating list and the appeals provision was reduced increasing gains in that year*

4.4.7 As can be shown above there are significant gain fluctuations between years which can also be impacted by regulation changes. The MTFs and draft General Fund budget only includes the 2024/25 baseline funding for business rates, or the amount the government has assessed the Council needs under its funding formula, plus an assumption of £200K gains per year for the period 2024/25-2027/28.

4.4.8 Any NDR gains above the baseline have been used previously to fund time limited growth, implementation costs for invest to save options and

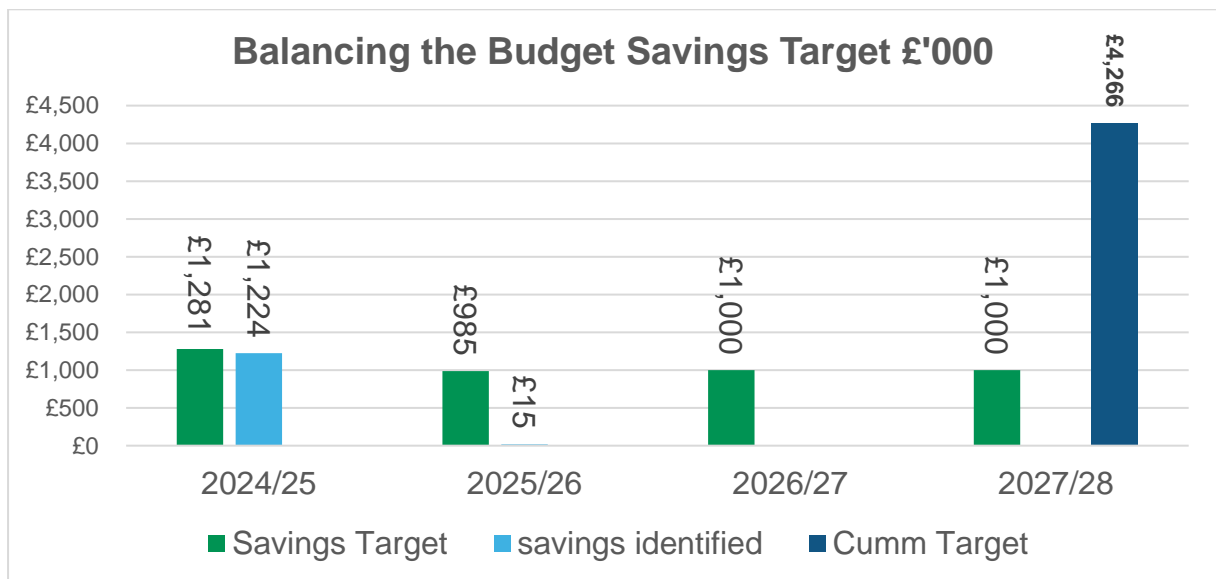
regeneration objectives. The rules governing NDR accounting mean any estimated gains are taken in year and any difference between the actual and the estimate are taken from or, in the case of losses refunded to, the Collection Fund in future years. In the September 2023 MTFS the CFO recommended that due to the level of gains being achieved that a prudent level is assumed of £200K per year with any above this transferred to the NDR reserve to improve the resilience of the General Fund.

4.4.9 In addition to the business rates income identified above Stevenage is also due to receive £220K in 2023/24 from the Hertfordshire ‘pool’. When a ‘pooling arrangement’ is formed between a number of Districts and the County, an amount of money is top sliced for growth bids, with a bigger share going to those Hertfordshire Councils not in the ‘pool’ that year. The County Council ‘hold’ the funds and this has built up over a couple of years. The Executive in January 2024 approved the following bids which are to meet the criteria ‘to deliver economic development’

- Project 1- Plot A Swingate SG1 Regeneration scheme. £150K**
 The money will support the Council’s costs to set up a JV to help activate the first SG1 plot which will generate 261 homes on the former Swingate office site £150K (legals/commercials/tax advice)
- Project 2- Support to Businesses for climate change initiatives £70K**
 To provide micro grants to SME’s to support them to decarbonise and grow in Stevenage, the scheme would be run through SBC Economic Development Team and SME’s would need to bid for the funding

4.5 The Balancing the Budget Savings Target to Find

4.5.1 The September MTFS report set out the General Fund’s savings target over the next four years (£4.27Million) with £1.23Million being required in 2024/25. The January 2023 Executive identified BTB savings of £1.223Million for consideration and this remains unchanged from that report.



4.5.2 The level of savings identified is lower than the original targeted amount, however other cost pressures have reduced along with higher than anticipated government funding for 2024/25. The Balancing the Budget savings target will be kept under constant review due to points highlighted in section three of this report.

4.5.3 The level of reserves required and therefore the level of savings is based on a risk assessment. Some of the more significant risks which could materialise and increase the need for further savings are summarised in the table below.

Expenditure and Income	Impacted by	Risk (to increase cost)
Inflation	Although price increases around utilities and fuel have fallen, there is still huge volatility in the market with the continual war in Ukraine.	medium
	The MTFS assumes a 3.5% pay award for 2024/25, a continuation of higher inflation may drive much higher pay negotiation outcomes (see also para 4.2.2)	high
	Projections for inflation will continue to exacerbate inflationary pressures in the General Fund and HRA for pay, goods and services, although month on month inflation increase has fallen, the base still includes the higher increases at circa 10%. (August CPI 6.2%, October CPI 4.6%, December 4%)	high
Demand for services	There may be an increase for support services such as homeless and advice and this puts further pressure on the Council's budgets	medium
Fees and Charges	The continual impact of 'Cost of Living Crisis' may impact the Council's fees and charges income which is required to support the funding of services.	medium
Core funding	The government has not signalled any new funding for the Public Sector and the MTFS includes a 'status quo' for grant funding, there is a risk that funding could be reduced will be removed. The IFS have estimated that, based on reasonable assumptions about what may be needed for the NHS and schools and existing commitments on defence, overseas aid and childcare, funding for other services in England may need to be cut by an average of over 3% per year in real-terms.	high
	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
	There is uncertainty around future years government funding.	high

4.6 The 2024/25 Balancing the Budget Options process for the General Fund

4.6.1 In recognising the scale of the savings required, the Council's Senior Leadership Team (SLT), agreed with the Executive Portfolio holders that a star chamber process would be undertaken looking at:

- New surplus income streams.
- Opportunities for grant funding.
- Opportunities to secure for full cost recovery concerning services provided for third parties.
- The potential to reduce / cease discretionary services highlighting related consequences.
- Opportunities to reduce service frequencies / standards e.g. from gold standard to bronze (whilst ensuring that statutory services continue to be provided).
- a review of cross cutting areas such as training, post etc.

4.6.2 This work was carried out during September and October 2023 and culminated in the options contained within this report. As noted previously due the identification of Commercial / Insourcing and Transformation opportunities has negated the need for service reductions being proposed for 2024/25 with the exception to changes to football pitches.

4.6.3 Looking forward beyond 2024/25 the CFO is working on a three year savings strategy, rather than the current one year view to help inform what level of savings can be delivered in a particular year. This will look at the workstreams set out in para. 4.7.1 to determine whether those work programmes meet the level of savings required or whether the Senior Leadership Team in consultation with Members need to take additional measures to ensure the financial resilience of the Council.

4.7 Balancing the Budget Savings 2024/25

4.7.1 The Council's Officers and Executive Members have been able to recommend a savings package for 2024/25 which maintains service provision. The sum value of options recommended for approval is summarised in the chart below and totals £1.223Million (Appendix A). These options remain unchanged from the January 2024 Draft Budget report.



4.7.2 Part of the Transformation workstream reported to the September 2023 Executive resulted in one post being deleted for which redundancy costs of £40,000 will be incurred of which 50% will be charged to the General Fund in 2023/24. There are no redundancies projected for the 2024/25 savings package as the other 2024/25 Transformational options will be achieved through staff turnover or vacant posts.

4.7.3 The Council's Transformation programme is the key strand of the BTB corporate priority through which the Council can seek to maintain as much of its service offer as possible. This approach is deemed to be preferable to seeking year on year service cuts to meet the shortfall between funding and spend although it is highly likely that an element of year-on-year savings will still be required as part of a blended budget setting approach.

4.7.4 As part of the 2023/24 budget setting process (at the January 2023 Executive) Members approved the removal of the fireworks saving option (£18,000) and the Town Twinning savings option (£14,000) for one year and funded them from the allocated Business rates gain reserve. The January 2024 Draft budget report recommended following a review of all events in the Town the following alternative options to the removal of the fireworks and Town Twinning:

- Removal of free parking for town centre events
- Members attending Town Twinning paying for their transport and reducing the event to three days through holding business meetings remotely. This will result in accommodation and travel savings
- Reduction in Mayoral budgets (historic underspends)
- Reduction in the spend for 'celebrities' for Christmas light switch on events
- Cease filming of Pride of Stevenage awards
- Reduce costs of events through smarter working e.g. digital marketing

4.7.5 It is recommended that the options identified above are approved and the Fireworks and Town Twinning events are re-instated in the budget.

4.8 Growth Options

4.8.1 The growth bids for 2024/25 remain unchanged from the Draft January budget report and are summarised below.

Recommended Growth	2024/25 GF	2024/25 HRA	Comments
Payroll Apprentice	£15,410	£7,590	Development of the inhouse resource will result in reduction in reliance on third party contractor.
Graduate / Trainee Planner	£35,300	£0	To enable the service to continue its performance around bringing new revenue into the Council and to support the Council in growing its own staff.
Switch from diesel fuel to HVO for the Council fleet	£66,000	£9,000	This will support the Council ambition to lower its greenhouses gas emissions until the opportunity arises to an alternative power source for the fleet, reducing emissions by up to 90% or 795 tonnes per year implementation 1 October 2024. This would equate to £132K for 2025/26 (see Appendix E)
Street Scene digital operation solution	£15,000	£0	A digital system to manage and deliver the street and grounds maintenance service through improve scheduling, easier adjustment of frequencies of operation and real time job progress and could lead to future savings.
Woodlands Team -HRA post	£0	£30,675	Bid approved in part for one HRA post to review trees on HRA land
Growth on-going	£131,710	£47,265	
Green Space Development Officer- 2024/25 only	£35,410		Included for one year until review of allotments completed, funded from General Fund balances
Growth 2024/25 only	£35,410	£0	
Total Growth	£167,120	£47,265	

4.8.2 As part of the review of growth by SLT and the Executive , it is recommended that:

- The introduction of a 2nd Green Spaces Development Officer at a cost of £35,410 should continue for a further year to allow for a review of the allotment service processes and procedures to be undertaken and that the 2024/25 cost is funded from reserves.

- There is a need to review trees on HRA land and that one post should be approved to focus on the HRA trees at a cost of £30,675.

4.9 Changes to the 2024/25 General Fund budget versus the September MTFS

4.9.1 The General Fund budget is now projected to be £12.762Million with no draw on balances), versus the September General Fund projection of £11.373Million (and a draw on balances of £310K), the variances to the MTFS are summarised below and includes the pressure detailed in section 4.2.

Changes to the 2024/25 Budget				
Expenditure and income	January Report	February Report	Total	Comments
September MTFS			£11,373,517	
Inflation:				
Increased pay inflation	£78,101	£6,990		Para 4.9.3 refers
Increased contractual inflation	£80,919	(£32,380)		Para 4.9.3 refers
Reduction in Member allowances		(£8,270)		Para.4.9.3 refers
Reduction in utility inflation	(£339,963)	£0	(£214,603)	Para. 4.2.3 & 4.9.3 refers
Pressures:				
External Audit Fees	£66,670			Para 4.9.4 refers
Bank Charges	£13,330			Para 4.9.4 refers
Reduction in cost of ICT software	(£20,740)			Para 4.9.4 refers
Reduction in net cost of Housing Benefit		(£22,490)		Para.4.9.4 refers
Reduction in rental income		£116,720		Para.4.9.4 refers
Reduction in New Homes Bonus (NHB)	£2,710		£156,200	Para.4.1.6 refers
Charges to Other Funds:				
Recharges to the HRA	(£341,113)	(£31,400)		Para 4.9.5 refers
Recharges to Capital	£202,990	£0	(£169,523)	Para 4.9.6 refers
Growth Options:				
Growth recommended for approval	£87,771	£0	£87,771	This includes one off growth funded for a year (see para. 4.8.1)
Balancing the Budget Savings Options:				
Options recommended for approval	£6,048	£0		The September MTFS target was £1.23M
2023/24 options	£36,000	£0	£42,048	Para 4.9.7 refers

Changes to the 2024/25 Budget				
Expenditure and income	January Report	February Report	Total	Comments
Use of Reserves:				
Income guarantee reserve	£150,000	£0		Para 4.9.8 refers
Transfer of ICT reserve to GF	£14,450	£0		Para 4.9.8 refers
Transfer to NNDR Reserve		£1,356,550	£1,521,000	Para 4.9.8 & Para 4.4.2 refers
Other:	£16,400	(£50,500)	(£34,100)	Small budget variances
	£53,573	£1,335,219	£1,388,793	
Revised General Fund budget			£12,762,310	

4.9.2 The difference between the September MTFS and the draft budget is £1.39Million, but this does include an additional transfer of business rate gains to the allocated reserve of £1.357Million, (see also section 4 and para's 4.12.3 -4.12.4) other explanations are given below.

4.9.3 Inflationary pressures are estimated to be £214K lower (January report £181K lower) than the September 2023 high level estimate as a result of:

- The total salary cost is now estimated to be £85K higher which represents 0.33% of the 2024/25 salary estimate based on the current salary establishment.
- Higher contractual inflation including an increase in business rates of £39K as result of the impact of transitional increases and final adjustments to shared services for ICT and Procurement.
- Reduction in utility prices as set out in paragraph 4.2.3.
- Reduction in Member allowances as a result of the independent pay review reported to Council in January 2024, the net reduction also allows for an increase in the amount of carers allowance that can be claimed.

4.9.4 Since the 2023 MTFS was reported a number of additional new pressures have arisen these include:

- External Audit Fees- the Council has been advised by the Public Sector Audit Appointments (PSAA) that from 2023/24 the scale fees for external audits have increased from £86K to £186K (General Fund and HRA share). Members will be aware the external audit sector has faced significant issues in terms of backlogs. Members should also note that the scale fees reduced when the Audit Commission was abolished by circa 50%.
- There has been an increase in bank transaction charges over the last couple of years as a result of an increase in card transactions and costs, totalling £20K of which £6K is recharged to the HRA.
- The ICT software and hardware pressure identified in the September 2023 MTFS of £205K has reduced by £20.7K as some of this increase starts part way through 2024/25 and the reduction has been re-profiled into 2025/26

- The overall cost of Housing Benefit has reduced as a result of the projected reduction in the housing benefit caseload and the lower modelled spend on Bed and Breakfast as not all of this benefit given can be reclaimed through the Department of Work and Pensions (New).
- Reduction in rental income at Daneshill House, one of the Council's tenants has served notice and the costs relate to nine months in 2024/25. The Council will seek to relet the space, however the budget is based on the offices remaining void for next year (New).

4.9.5 Recharges to the HRA have increased due to a number of factors which include:

- HRA share of increased External Audit fees - £33K
- HRA share of increased bank charges £6K
- HRA share of Daneshill rental income loss £51K (New)
- HRA growth for management of HRA trees (see also para 4.8.2)
- A number of cost drivers are based on headcount (ICT, HR & payroll, employee insurance etc) and the number of HRA staff as a proportion of the overall head count has increased from 33% to 38% and this has increased the HRA's share of support costs.

4.9.6 Officer time charged to capital (TA) is now projected to be £202K lower (£302K to £100K) in 2024/25 due to the switch from capital to more revenue projects such as the garages and commercial stock. While this has now been recognised in the General Fund for next year, Members should also be aware that a review of the structure of the property team is currently underway and any changes that impact on the General Fund further (favourable or adverse) will be reported back to Members as part of the quarterly monitoring reports.

4.9.7 One of the 2023/24 savings option was a commercial let for Shephalbury depot (estimated at £100K for 2024/25). The structure of the rental agreed means the income is lower in the first two years than the savings option approved, but exceeds the target thereafter and this has been built into the revised MTFs.

4.9.8 The 2024/25 budget assumed a number of allocated reserve movements:

- A Contribution of £150K from the income equalisation reserve, to support General Fund balances in recognition of the current parking losses estimated. However due to the revised draw on balances for next year and the level of increase in fees and charges for 2024/25, plus the risk around fees in the current economic climate, the CFO recommends not returning these monies to the General Fund. This means the income equalisation balance for 2024/25 remains unchanged at £750K which represents 3% of the Council's fees and charges budgets. This reserve can be drawn down on should fees and charges fall below the budgeted amount in year.
- A Contribution of £100K was assumed from the ICT reserve for 2024/25, however some of the reserve was required in year and the amount available to be transferred back to the General Fund is £14K lower.
- A Contribution of £397K to the NNDR reserve to transfer the 2023/24 additional gains as set out in para 4.4.2 and £959K of yet unrealised 2024/25 business rate gains.

4.9.9 Excluding the £1.356Million transfer to the business rate reserve the 2024/25 General Fund net expenditure is £32K higher than the September 2023 MTFS, in addition core resources have also increased which has mitigated the increase in expenditure and reduced the draw on balances this is because:

- Government funding is higher (see para 4.1.6), this now includes the anticipated impact of the increase to a 4% guarantee scheme (from 3%), however the final settlement is still to be announced and therefore this is still estimated.
- The projected surplus for Council tax relating to this and prior years is higher by £132K (January report £128K)
- The Council tax base increase approved at the December Executive was a 1.51% increase versus a 1% in the September MTFS (£35K)
- The increase in net budget is driven largely by the increase in transfer to the business rates allocated reserve for unrealised gains from 2023/24 and 2024/25.

Comparison of September and Draft Budget			
	September MTFS	Draft Budget	Variance
Net Budget	£11,374	£12,762	£1,389
Core Resources:			
Government funding *1	(£3,589)	(£3,840)	(£251)
Business gains assumed *2	(£200)	(£1,084)	(£884)
Council Tax	(£6,803)	(£6,838)	(£35)
Council tax surplus	(£30)	(£162)	(£132)
Business Rate (surplus/deficit)	(£441)	(£838)	(£397)
Total Core Resources	(£11,063)	(£12,762)	(£1,699)
Draw on balances	£310	£0	(£310)

**1-NHB shown in net expenditure *2-additional gains transferred to allocated reserve in net expenditure*

4.9.10 There could be a further reduction in the Council's contract costs when the utility prices for the Leisure contract are purchased prior to the commencement of the 2024/25 financial year. The Council benefits/bears the cost of price fluctuations less/in excess of the contract price after the first 5% variation. If utility prices reduce this can be used to help support the 2025/26 BTB savings target.

4.10 2023/24 Budget changes

4.10.1 The 2023/24 General Fund budget is projected to increase by £298,520 the explanations are set out below.

Changes to the 2023/24 Budget		
Expenditure and income	2023/24	Comments
General Fund working budget	£13,272,960	Approved January Executive 2024
Hertfordshire Pooling gains	£220,000	The income reported in January is now shown in core resources.
Reduction in car park income losses	(£80,000)	Para 4.10.2
Reduction in income from the Business Technology Centre (BTC)	£38,880	Para 4.10.2
Further reduction in utility costs	(£45,550)	Para 4.10.3
HRA share of utility savings	£26,980	Para 4.10.3
Transfer to NNDR reserve	£172,510	See para. 4.4.3
Reduction of planned spend from reserves	(£277,310)	See para 4.10.4
Reduction in draw down of reserves	£243,010	See para 4.10.4
Total Changes	£298,520	
Revised General Fund budget	£13,571,480	

4.10.2 A review of the current year's budget has a net increase in projected income for 2023/24 which relates to:

- The 2023/24 budget had a £600K loss of parking income compared to pre-covid levels, in year commuter income has been impacted by train strikes however the current projection is a net £520K loss in income. The 2024/25 budget reduces these losses further to £300K for next year.
- The BTC has a number of voids combined with increased costs, the Council is current in dialogue with Wenta that run the BTC on the Council's behalf about future budget projections.

4.10.3 A review of utility costs for 2023/24 project a further reduction of £45.5K in 2023/24 based on current usage and pricing, (no impact expected in 2024/25). However, part of the saving relates to the HRA as their share of office space.

4.10.4 There has been a reduction in the spend and use of reserves of £ 243K as set out below (see also para. 4.12.5).

- Additional homeless grant funding in year has reduced the need to use the allocated reserve £236K
- Additional projected Town Square income has reduced the need to use the allocated reserve, offset by higher utility costs £65.4K
- Projected spend on Transformation requires an additional £58.9K from the allocated reserve.

4.11 Level of Balances required for General Fund and projected balances

4.11.1 The September 2023 MTFS assumed that the minimum level of balances required would be £3.5Million. A full assessment has been carried out and

detailed in Appendix C and, accordingly, the minimum level of balances now totals £3,537,794. However, this will need to be kept under review based on the risks set out in this report.

4.11.2 The projected General Fund balances and council tax requirement are set out below and show a £0 contribution from balances for 2024/25.

General Fund Budget	2023/24 Estimate	2023/24 Projected	2024/25 Estimate
Net Expenditure	£12,463,780	£13,571,480	£12,762,310
(Use of)/ Contribution to Balances	(£572,268)	(£1,236,426)	(£)
Budget Requirement	£11,891,512	£12,335,054	£12,762,310
Revenue Support Grant	(£102,052)	(£102,052)	(£108,811)
Service Grant	(£104,041)	(£104,041)	(£16,371)
3%/4% guarantee grant	(£78,399)	(£78,399)	(£392,330)
Total grant support	(£284,492)	(£284,492)	(£517,512)
Business Rates net of tariff and levy	(£1,338,970)	(£1,471,885)	(£1,880,358)
S31 grants NNDR	(£2,233,191)	(£2,323,817)	(£2,526,046)
Total in year business rates	(£3,572,161)	(£3,795,702)	(£4,406,404)
Hertfordshire Pooling gains	£0	(£220,000)	£0
(Return) /Contribution to Collection Fund (NDR) re 2020/21, 2021/22, 2022/23 & 2023/24	(£1,448,201)	(£1,448,201)	(£838,057)
Collection Fund Surplus (ctax)	(£46,290)	(£46,290)	(£162,408)
Council Tax Requirement	£6,540,369	£6,540,369	£6,837,929
Council Tax Base	28,153	28,153	28,579
Council Tax Band D	£232.31	£232.31	£239.26
Council Tax Band C	£206.50	£206.50	£212.68

4.12 Medium Term Financial Strategy General Fund Summary

4.12.1 The MTFS modelling has been updated to reflect the contents of this report and is summarised below.

General Fund balances £'000	2023/24	2024/25	2025/26	2026/27	2027/28
Opening Balance	(£5,954)	(£4,717)	(£4,717)	(£4,079)	(£3,786)
In Year	£1,236	£0	£638	£293	(£93)
Closing Balance	(£4,717)	(£4,717)	(£4,079)	(£3,786)	(£3,879)
Minimum balances	(£3,547)	(£3,537)	(£3,500)	(£3,500)	(£3,500)
Closing Balance versus minimum level	(£1,170)	(£1,180)	(£579)	(£286)	(£379)

()=more balances than the minimum level

4.12.2 The financial year 2025/26 shows a significant increase in the draw on balances compared to 2024/25, however Members should be aware that the 2025/26 projections:

- Makes no assumption about the 3% income guarantee grant or service grant which if continued into 2025/26 would be circa £300K reducing the draw on balances to £366K
- Does not include any council tax collection Fund surplus which has averaged £86K over the period 2022/23-2024/25, however no assumptions have been included until a gain is realised.
- A similar level of net inflationary pressures to that in 2024/25 (£1.024Million versus £1.015Million), however for 2026/27 this is modelled to reduce to £776K, which is reflected in the reduction in the draw on balances for that and future years.
- An amount from the business rate gains reserve could be returned to the General Fund to reduce the draw on balances in year to allow balances maintained as savings are realised in the MTFs.

4.12.3 The risks to setting a balanced budget going forward are that:

- The funding assumptions included in the SRR23 show a decrease for unprotected services, such as some of those provided by District and Borough Councils, going forward.
- There is a need to make on-going annual savings for the reasons set out in sections three and five to this report.
- The General Fund Capital Strategy has a future funding shortfall and capital spend has been on a 'fix on fail' strategy with spend in 2024/25 rationalised and there is a risk that revenue contributions from the General Fund may be required for unforeseen spend.
- Pay and contractual inflation are projected to fall in the medium term, should this not happen the level of savings required for the General Fund will be significant, a 5% increase rather than the 3.5% budgeted could result in an additional £319K inflation pressure and a £1Million draw on balances in 2025/26.
- Parking Income projected to reach pre-pandemic levels by 2025/26 may not recover (2023/24 gap £520K, 2024/25 gap £300K), increasing the draw on balances and need for increased savings.
- The Council's regeneration ambitions may require additional resources to supplement costs of the on-going work programme together with the need to ensure the Town Square reserve has sufficient funding to meet the borrowing obligations and the holding costs in the next few years to allow SG1 to progress
- Business rate gains will be lost in the medium term as Council funding is reviewed (fair funding review).

4.12.4 Taking into account the risks identified above and in addition to the risk assessment of balances to support the General Fund's financial resilience, there are two allocated reserves available which are summarised below. The CFO recommends they are retained at the projected levels in case they are needed to support the General Fund in year. This means that:

- The Business rates gain reserve can support the General Fund in increasing balances for instance in 2025/26 where there is an estimated £638K draw on

balances despite a £1Million Balancing The Budget target. The CFO recommends that gains above the £200K are transferred to the reserve to allow the risks identified in para. 4.12.3 to be mitigated and protect the General Fund from unachievable savings targets.

- They can be used to supplement the General Fund balance where there is a time delay in the delivery of Transformation options avoiding the need to make cuts to services.
- If inflation remains high or government funding reduces or remains static the reserves can be used to ensure General Fund balances remain at the risk assessed levels

Reserves £'000	2023/24	Use	Closing 2023/24	Use	Closing 2024/25	Use	Closing 2025/26
General Fund	(£5,954)	£1,236	(£4,717)	£0	(£4,717)	£638	(£4,079)
Income equalisation Reserve	(£458)	(£300)	(£758)	£0	(£758)	£0	(£758)
Gains (NNDR)	(£656)	(£1,722)	(£2,378)	(£1,526)	(£3,904)	£185	(£3,720)
Total Available to support the GF	(£7,067)	(£786)	(£7,853)	(£1,526)	(£9,380)	£823	(£8,557)
% of net original budget	57%		63%		73%		76%

4.12.5 The General Fund reserves allocated for specific purposes are summarised below.

Reserves £'000	Opening 2023/24	Use	Closing 2023/24	Use	Closing 2024/25
NHB reserve	(£253)	£0	(£253)	£243	(£10)
Transformation Reserve	(£714)	£113	(£601)	£449	(£152)
Homeless reserve	(£429)	£98	(£330)	£150	(£180)
Planning Delivery	(£165)	£90	(£75)	£60	(£15)
Queensway Car Park monies	(£79)	(£43)	(£122)	(£43)	(£165)
Town square reserve	(£1,059)	(£2)	(£1,061)	(£145)	(£1,206)
Regeneration Reserve	(£264)	(£35)	(£299)	£100	(£199)
Insurance reserve	(£78)	£16	(£62)	£0	(£62)
ICT reserve	(£327)	£241	(£86)	£86	(£0)
Town centre	(£12)	£12	(£0)	£0	(£0)
Leisure	(£150)	£10	(£140)	£140	£0
Future Councils reserve	(£750)	£375	(£375)	£375	£0
Stevenage works	(£53)	£0	(£53)	£0	(£53)
Asylum seekers reserve	(£50)	£0	(£50)	£50	£0
Commercial Property repair reserve	(£41)	£0	(£41)	£0	(£41)
Revenue Reserves for specific purpose	(£4,423)	£876	(£3,547)	£1,464	(£2,083)

4.12.6 There is a planned use of £876K and £1.46Million in 2023/24 and 2024/25 respectively. The reserves are used for as follows:

1. NHB reserve was created to hold NHB allocations so that the General Fund did not become reliant on the funding. This reserve has reduced from its peak of £1.6Million to £7.4K in 2024/25.
2. Transformation Reserve is used to hold the monies set out for the Council's Transformation programme including improving the Council's digital offer and streamlining processes to give better outcome for residents. The profiled spend has been updated since the January draft report.
3. These are ringfenced government Homeless grants which are used to support the Council's homeless function including additional staff resources.
4. Planning Delivery is required to support the surveys for the Local Plan and is used over and above the General Fund allocation in 2024/25 of £100K.
5. Queensway Car Park Monies - this is the income from the Queensway Limited Liability Partnership (LLP) for parking income. This money has been ringfenced to support the fit out of future commercially tenancies on Queensway North.
6. Town Square Reserve - the monies are held to support the running costs of assets acquired for regeneration purposes.
7. The Regeneration reserve is used to fund one off additional costs incurred by the Regeneration Team to support the teams projects including professional and legal advice.
8. The Insurance reserve is used to support adhoc preventative works to reduce potential future claims where no core budget is in place.
9. The Future Councils Reserve is used to ringfence the £750K of funding received by the government, part of which is being spent in the current year for digital improvements and cyber security. The Council was one of only eight Councils to successfully bid for funding.
10. Stevenage Works is a job and training hub / partnership which comprises SBC, North Herts College and Job Centre Plus. The funding in the reserve has yet to be forecast and an update will be included in the March report.
11. These are ringfenced Asylum grants which are used to support the Council's homeless function including the provision of additional staff resources. The funding in the reserve has yet to be forecast and an update will be included in the February 2023 Executive report.
12. The Commercial Property Reserve is a reactive pot which can be used to support works to the commercial estate if expenditure is above the in-year budget allocation.

4.12.7 There are a number of reserves where the monies are all spent by 31 March 2024 and these include;

13. ICT Reserve - this was used to absorb pressures in year, however a review of software and infrastructure pressures has been undertaken the results of which are included in the General Budget on-going for 2024/25 and the balance on the reserve has been returned to the General Fund to underwrite some of those costs in 2024/25
14. The Town Centre reserve was set up from monies transferred to the Council when the Council took back the Town Centre Management

function and has been used to support events in the Town Centre. A review of events has been undertaken as set out in this report.

15. The Leisure Reserve was set up to support the retendering and delivery of the new leisure management contract and the remaining balance has been used to support capital improvements to the Council's leisure assets included in the Draft Capital Strategy to this January 2024 Executive.

4.13 Chief Finance Officer's Commentary

4.13.1 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.

4.13.2 The Council has evolved its budget strategy to meet multiple challenges as set out in this report and the financial strategy to deal with this is the 'Balancing the Budget' strand of 'Future Town Future Council'.

4.13.3 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. Work is ongoing throughout the year to seek to bridge the Balancing the Budget funding gap.

4.13.4 The Council has taken significant steps over recent years to balance its budget and the current projections show that the on-going balanced budget will be achieved by 2027/28 ensuring inflationary pressures are matched by increases in fees and income or reductions in expenditure. However, this relies on a significant savings target being achieved (see section 4.5) and inflation reducing in the medium term and government funding in line with that projected in the MTFS.

4.13.5 The impact of COVID and the Cost of Living crises have increased financial risk to Councils with resultant increases in inflation and lower fees and charges. The Council has however taken a number of financial resilience measures taken/for approval which increase the security of the Council's position, are:

- A risk assessment of balances to ensure general reserves held take the increased risk from recessionary pressures into account.
- The income equalisation reserve (£758K by 31 March 2024) 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). However, the Capital Strategy report to the October 2023 Executive set out a number of steps that needed to be taken and in the interim RCCO may need to be used to fund any capital resourcing gap.

- Identification of a sufficient level of on-going Balancing the Budget options to ensure the General Fund is above or at the minimum level of balances.
- Use of any business rate gains only when realised above the £200K identified and ring fenced to maintain the financial resilience of the General Fund and thereafter FTFC priorities. The projected balance as at 31 March 2025 projected to be £3.9Million
- A transformation programme to deliver savings for both the General Fund and HRA.
- A Commercial and Insourcing Strategy to look for opportunities to increase the Council's income from new commercial options, ensuring fees and charges are set based on the cost of services and any insourcing opportunities.

4.13.6 The current projections of balances and the measures the Council has taken to date as set in this report mean that the level of balances projected are sufficient to set the 2024/25 budget.

4.13.7 While delivering this budget, the Council is also continuing to deliver its ambitious programmes to redevelop and regenerate the town centre and to provide more social, affordable and aspirational homes. Whilst both programmes offer great opportunities for the town and local residents they also carry the risk of potentially needing more resources. There is a ring-fenced reserve for Regeneration and further estimates of resources have been included in the General Fund MTFS.

4.14 Contingency Sums

4.14.1 Executive Members will recall that a Contingency Sum needs to be determined by the Council as part of the Budget and Policy Framework in order to avoid the need for Council to consider all supplementary estimates 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 forming part of the Council's Budget Requirement for the year. A sum of £400,000 is proposed for 2024/25, this remains unchanged from the current year, however, as always, due regard will need to be given to breaching minimum balances.

4.15 Consultation

Council Financial Security Group (CFSG) (25 October 2023)

4.15.1 CFSG was presented with savings and growth options for consideration for 2024/25 balancing the budget. No voting was carried out for saving options, however, the group did consider the nine growth options (as detailed at Appendix A) and scored them by "do not support" 0 point, "support but low priority" 1 point and "support with high priority" 3 points. The table below shows the results.

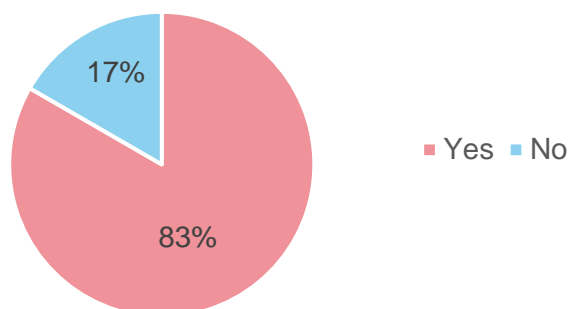
Growth bids received for 2024/25	Score	Recommended as per paragraph 4.6
Payroll Apprentice*	12	Yes
Graduate Planner*	12	Yes
Change remit of Planning Manager posts x 2	6	No
Improvement to finance ledger system	10	No – looking to fund through alternative sources
2nd Green Spaces Development Officer**	7	One year
Switch from diesel fuel to HVO*	9	Yes
Additional street scene manager	9	No
Creation of woodland team	10	1 post in HRA
Street scene digital operation solution*	6	Yes – a catalyst for further savings

Corporate Plan – six-week consultation starting 23 October

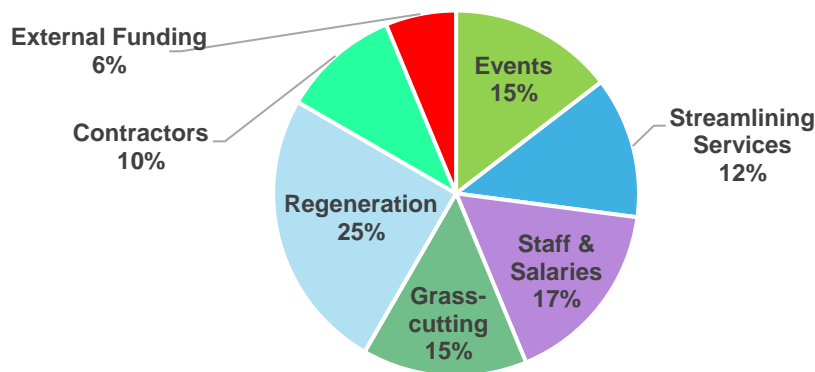
4.15.2 The Councils final draft Corporate Plan is also on the agenda for today's Executive meeting. As part of the process to co-produce the Corporate Plan consultation was undertaken to include ascertaining if respondents:

- Agree that Balancing the Budget should be a priority so that the Council can remain financially resilient and continue to deliver key services as set out in the Corporate Plan?
- If no, is the alternative is to reduce services and provide less?
- If yes, what should the Council stop doing to generate £1.23Million savings?

4.15.3 83% of respondents to the consultation agreed that Balancing the Budget should be a priority:



4.15.4 All survey respondents were asked for financial savings suggestions. The responses can be categorised into seven themes:



- Regeneration work would attract new businesses to the area which would increase business rate revenue and car parking income (25%). – *The Council has opened a new Multi Storey car park and is working with partners to bring new business into the town, also improving the business rates collected and retained by the Council.*
- Reduce Staff and Councillor salaries (17%). – *The Council’s Member allowances are reviewed and agreed by an Independent Remuneration Panel and staff pay is governed by the collective pay agreements as agreed with the unions.*
- The Council should consider selective grass-cutting allowing green spaces to grow wilder (within safe reasons) and reduce maintenance costs for grass cutting etc. (15%) – *The Council has already implemented this as a measure with an associated cost reduction.*
- Streamlining services (12%) – *The Council has a transformation programme which aims to streamline processes and reduce costs.*
- Reduce use of Contractors (10%) – *The Council has a Commercial and Insourcing Strategy which includes reviewing contracts to see if they can be brought back in-house at the point of re-tendering.*
- Reducing or cancelling events such as the November Fireworks Display, or those held on the Event Island and the Stevenage Museum. (15%)- *The Council has reviewed the cost of events to reduce their associated cost as set out in para. 4.78-4.7.9*
- Seeking external funding to plug the financial gap (6%). *The Council has actively sort external funding and has received circa £80Million of revenue and capital funding over the last few years.*

Resident Survey (2021)

4.15.3 The 2021/22 survey highlighted that resident’s number one cost reduction preference is for the Council to provide more online services. The ranking of this option increased since 2017 which supports the Transformation programme as a method to reduce costs, improve efficiency / productivity and customer service.

Please tell us your order of preference for each of the following options by ordering them 1 to 5	2021 rank	2017 rank	1 st
Reduce time and money spent on paperwork by interacting with more residents and customers online	1	1	41%

Please tell us your order of preference for each of the following options by ordering them 1 to 5	2021 rank	2017 rank	1st
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%

4.15.4 The 2021 residents' survey asked residents whether the council tax represented value for money. While strongly disagree has increased (from 7% to 15%), overall 52% (up from 46% in 2017) agree it represents 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%

4.16 Overview and Scrutiny Comments

4.16.1 Overview and Scrutiny Committee met on the 23 January 2024 to consider the draft budget proposals and the following comments were made:

- A Member thanked the finance team for a comprehensive report.
- A Member asked about the saving for booking celebrities and was advised it was a few thousand pounds, it was included as a savings option but it had bought footfall into the town. The Member suggested the Mayor would be a good local celebrity
- A Member asked about the consultation option around increasing council tax- said this was illustrative about the increase in the residents survey (51P to 55P), the CFO replied this was illustrative but pointed the Committee to the increase for a Band C in the report which is proposed at £6.17 per year and that the Council was received the smallest share of the council tax raised and that increase for SBC was capped at 2.99% for 2024/25
- A Member congratulated the growth bid for HVO fuel and also said important to keep the supply chain under review.

- A Member asked whether all the bids discussed at CFSG were in the report and the Member was advised this was shown at para. 4.15.1 of the report.

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.
- 5.1.2 Savings options are required to follow the Budget and Policy Framework as set out in Paragraph 3.1.10. Fees and charges require a report to the Executive and were included in the Commercial and Insourcing Strategy to the October 2023 Executive.

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 2024/25 budget options include the redundancy of one member of staff, following a consultation period. All other staff options will be achieved through staff turnover.
- 5.4.2 In compliance with SBC's Organisational Change Policy any proposals that involve 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 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 2024.

5.5.3 To inform the decisions about the Budget 2024/25 officers have begun Equality Impact Assessments (EqIAs) and an overarching EQIA for the budget has been produced to inform the decision taken by Council in February 2024. This EqIA is summarised and attached in **Appendix D** with further information on the process to date and planned activity.

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. In 2023/24 the Council approved an additional officer post to support its efforts meet its climate change goals. Included in the 2024/25 options is a growth bid to convert the Council's fleet from diesel to use hydrogenated vegetable oil (HVO) in order to reduce the Councils carbon emissions. The business case setting out the carbon reductions is appended to this report (Appendix E).

BACKGROUND DOCUMENTS

BD1 General Fund Medium Term Financial Strategy (2023/24-2027/28) September 2023 Executive

BD2 Commercial and Insourcing Strategy October 2023 Executive (including fees and charges)

BD2 Balancing the Budget November 2023 Executive

BD3 Draft General Fund and Council Tax setting report January Executive 2024

APPENDICES

Appendix A General Fund and HRA Budget Options

Appendix B General Fund Growth Options

Appendix C Risk Assessment of Balances

Appendix D Equalities Impact Assessment

Appendix E Business Case for HVO fuel

Appendix F Council Tax resolution

Appendix G Draft General Fund Budget

Appendix H Robustness of Estimates

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Appendix A Balancing the Budget Savings 2024/25

Option	Description	Saving	GF	HRA	Redundancies FTE	Implementation costs	Approved Y/N	date
Savings Identified in Quarterly Monitoring Reports:								
Additional Commercial rental income	This includes commercial rents from the new shops at the Kenilworth Development	£221,300	£215,000	£6,300			Y	July & September 2023 Executive
HCC Maintenance Verge 2023/24 & 2024/25	Review of contract costs for provision of service to Herts County Council	£63,632	£63,632				Y	September 2023 Executive & November 2023 Balancing the Budget Report
Homeless B&B costs	Reduction in B&B costs due to more Council accommodation provided	£100,000	£100,000				Y	September 2023 Executive
Reduction in leisure contract costs	Reduction in the budgeted provision required for the new leisure contract	£145,490	£145,490				Y	September 2023 Executive
Animal Control Contract	Re-procurement of contract	£18,660	£18,660				Y	September 2023 Executive
	Total	£549,082	£542,782	£6,300	0			
Transformation Options:								
Move the CSC to the Atrium, change opening hours and introduce on-line service options	This option has been achieved by reducing head count in the CSC through turnover (4 FTE) , reducing opening hours by 1 hour per day and providing digital options for services, this has meant more of the cost of the CSC now relates to housing services and increases the cost to the HRA.	£146,956	£200,601	(£53,645)	0		Y	September 2023 Executive
Align Management responsibilities to the Transformation Model	Appoint Head of Specialist Advice and Support and new AD for Housing and Communities. This combines two existing AD posts (both vacant) and combines two manager roles related to Specialist Advice.	£194,789	£67,890	£104,899	1	£40,000	Y	September 2023 Executive
Cease having two payroll runs (Councillor & Officer)	Merge the Councillor payroll run with the Officer payroll and reduce admin and support costs required. The estimated change for Members is likely to happen for the February payroll.	£5,000	£3,350	£1,650			Y	November Executive Balancing the Budget report
Reduce floor space occupied in Daneshill House	In line with hybrid working this option reduces the floors used in the building and delivers projected utility savings	£15,000	£11,250	£3,750			Y	September 2023 Executive
Closer working for Member & Executive support	This option is to have a joined up working arrangement between the two teams and reduce by one FTE	£41,705	£27,525	£14,180	0		Y	November Executive Balancing the Budget report
Solar Panels fitted to refuse and recycling lorries	This is projected to save 11,000 litres of fuel	£11,000	£11,000	£0			Y	Capital bid approved February 2023 Council
Reduce costs of administering Book of Remembrance	A 2023/24 growth bid was approved to digitise the book alliviating the need for officers to physically turn the page 365 days of the year	£4,865	£4,865	£0			Y	Capital bid approved February 2023 Council
Reduced running cost of Multi Storey car parks	Implementation of new barrier system has reduced running costs	£5,000	£5,000	£17,930			Y	November Executive Balancing the Budget report
	Total	£424,315	£331,482	£88,763	1	£40,000		
Fees and Charges Options:								
General Fund fee increases	Fee increases for General Fund services including garages, car parks, engineers, planning were included in the Commercial & Insourcing Strategy.	£396,587	£396,587	£0			Y	October 2023 Executive
Statutory increase in Planning Fees	Government legislation passed in December to increase planning fees which are set by statute	£117,881	£117,881	£0			Y	November 2023 Executive Balancing the Budget report

Appendix A Balancing the Budget Savings 2024/25

Option	Description	Saving	GF	HRA	Redundancies FTE	Implementation costs	Approved Y/N	date
Engineers fee increases	Increases in Engineer fees for licences etc for developments	£14,000	£14,000	£0			Y	November 2023 Executive Balancing the Budget report
Planning fees	to encourage applicants to apply via the portal for planning direct applications and to recover the costs associated with enquiries	£1,500	£1,500	£0			Y	November 2023 Executive Balancing the Budget report
General Fund income budgets rebased	There are some income budgets that have been reviewed as part of the fee review for 2024/25 and these include trade waste and indoor market	(£ 207,194)	(£ 207,194)	£0			Y	November 2023 Executive Balancing the Budget report
Additional income from Filming	The existing budget of £10K has been increased for 2024/25	£2,000	£2,000	£0			Y	November 2023 Executive Balancing the Budget report
Additional income Advertising	Additional advertising has been secured and the budget increased from 2024/25	£7,800	£7,800	£0			Y	November 2023 Executive Balancing the Budget report
New income from parcel lockers rental	New income stream generated by the Commercial Team	£2,400	£2,400	£0			Y	November 2023 Executive Balancing the Budget report
	Total	£334,974	£334,974	£0	0	£0		
Other:								
Re-basing Training budgets	A review of historical spend versus training budgets have identified opportunity to reduce budget by 10% across all services – protecting safeguarding and health & safety training. With emphasis to maximise the usage of the Apprenticeship Levy	£9,000	£9,000	£0			Y	November 2023 Executive Balancing the Budget report
Reduction in the offer for Football Teams to reduce costs	Providing goal nets and corner flags (+ goal posts for 5v5/7v7) for football teams with no markings and no changing rooms which have limited usage there would not be a need to staff the games, saving money on overtime at weekends	£5,614	£5,614	£0			Y	November 2023 Executive Balancing the Budget report
	Grand Total	£1,322,985	£1,223,852	£95,063	1	£40,000		

Appendix B Balancing the Budget Growth 2024/25

Option	Description	Growth	GF	HRA	Approved Y/N date	
Growth Bids approved						
Payroll Apprentice	Development of in house resource in order to reduce reliance on third party contractor.	£23,000	£15,410	£7,590	Y	November 2023 report
New Graduate Planner / Trainee	To enable the service to continue its performance around bringing new revenue into the Council and to support the Council in growing its own staff.	£35,295	£35,295		Y	November 2023 Report
Switch from Diesel to Hot Vegetable Oil (HVO) fuel	This will support the Council ambition to lower its greenhouses gas emissions until the opportunity arises to an alternative power source for the fleet, reducing emissions by up to 90% or 795 tonnes per year implementation 1 October 2024. This would equate to £132K for 2025/26	£75,000	£66,000	£9,000	Y	November 2023 Report
Street Scene digital operation solution	A digital system to manage and deliver the street and grounds maintenance service through improve scheduling, easier adjustment of frequencies of operation and real time job progress and could lead to future savings.	£15,000	£15,000		Y	November 2023 Report
	Total	£148,295	£131,705	£16,590		
Growth Bids approved for one year:						
Permanent post for 2nd Green Spaces Development Officer - currently filled via secondment	Should continue for a further year to allow for a review of the allotment service processes and procedures to be undertaken and that the 2024/25 cost is funded from reserves	£35,414	£35,414	£0	Y	November 2023 Report
	Total	£35,414	£35,414	£0	Y	
Growth Bids approved in Part:						
Creation of a team dedicated to woodland and new tree management	This team would also be responsible for tree planting and aftercare, such as formative pruning. This would support the council targets to increase the tree canopy coverage and carbon neutral ambitions. Currently this work is supported by the arboriculture team, taking them away from proactive scheduled work on the Town's street trees.	£92,025	£0	£30,675	Part	November 2023 Report for HRA role
	Total	£92,025	£0	£30,675		
Not Approved:						
Finance Ledger Improvements	To continue to improve the efficiency of the General Ledger system	£5,000	£3,350	£1,650	N	Look to fund from transformation budgets
Creation of an additional Street Scene Manager, dedicated to Cleansing	Improve operational efficiency of the service, better management of sickness and agency staff	£31,433	£31,433	£0	N	Implement option around digital operation solution, due to financial constraints not approved
	Total	£36,433	£34,783	£1,650		
	Grand Total	£312,167	£201,902	£48,915		

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APPENDIX C : RISK BASED ASSESSMENT OF THE LEVEL OF GENERAL FUND BALANCES 2024/25

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 and cost of living crisis, but could also be as a result of poor weather, new competition. 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)	£5,284,620	4.0%	£211,385
Development Control Income	£557,050	4.0%	£22,282
Recycling Income	£749,960	4.0%	£29,998
Garages	£3,943,380	1.0%	£39,434
Trade Refuse & Skips	£904,690	3.0%	£27,141
Indoor Market	£386,600	10.0%	£38,660
Commercial Property Income	£3,766,990	5.0%	£188,350
Cost of Living losses arising from a lower fees and charges in excess of budgeted for			£500,000
Total			£1,057,249

* 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. 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	£3,322,406	maximum loss (7.5%)	£249,180
Lower S31 Grants than anticipated which means the NNDR yield would be higher but would not be returned to the General Fund until 2024/25.	£815,229	5%	£40,761
Increase in bad debts as a economic changes impacting on charging for services	£152,000	100%	£152,000
Bed and Breakfast budget been reduced based on current trends. However, there's a risk that demand could increase.	£79,810	75%	£59,258
risk of capital works requiring funding as a result of rephasing/deferring works in the Capital Strategy	£250,000	100%	£250,000
Housing Benefit overpayment net income reduces and results in a pressure on the General Fund	£492,480	10%	£49,248
Total			£872,447

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%	£816,320	5.00%	£40,816
Less staff time charged to capital than budgeted	£483,500	5.00%	£24,175
REVISED: pay award is higher than budgeted for 1.5%	£23,592,593		£340,000
Contractual inflation 1% increase	£10,924,464	1.00%	£41,696
Utility and fuel inflation usage/costs increase	£1,525,854	10.00%	£152,585
Borrowing costs will be higher than estimated on new borrowing in Capital Strategy	£204,624	1% increase in borrowing costs for the garage programme	£12,584
Total			£611,857

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	£1,223,851	10.00%	£122,385
Total			£122,385

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)	£32,776,595	1.50%	£491,649
Gross Expenditure (excludes specific expenditure listed above)	£25,480,484	1.50%	£382,207
Total			£873,856

Level of Balances Assumed in General Fund Based on risk

£3,537,794

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BALANCING THE BUDGET (BTB) 2024/25 – Appendix D

Overall Equality Impact Assessment (EqIA) of BTB Savings Proposals

Equality at Stevenage Borough Council

1. Stevenage Borough Council is committed to promoting equality, diversity and inclusion across its services, workforce and local community. To demonstrate its commitment to the identification and mitigation of discrimination and inequality, the Council will complete and publish Equality Impact Assessments (EqIA) when there is a new or revised policy, procedure, function, or where there is a withdrawal of service. For more information about the Council's commitment to advancing equalities please refer to the Equality, Diversity & Inclusion Policy (2022-26).
2. We want to deliver services that are fair, accessible and open to everyone who needs them. 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. Council's elected members and officers are required to consider the impact of their decisions on people who are less fortunate because of their social/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

Balancing the Budget Proposals 2024/25

6. Prior to their consideration at Executive in December 2023, 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 new change in policy, procedure, function, service or withdrawal of service is proposed, Assistant Directors and other appropriate managers have drafted EqIAs.
8. This year there are six new proposals that may potentially have a positive, negative or disproportionate impact. These are:
 1. Moving the Customer Service Centre (CSC) to the Atrium
 2. Digitisation of the Book of Remembrance
 3. Football Teams will no longer be provided with equipment such as goalposts
 4. New barrier system in Multi Storey Car Parks (MSCP)
 5. Increased fees and charges (General Fund) to include Planning, Indoor Market, Garages, Car Parks, Cemeteries, Parks
 6. Increased Rents and service charges (Housing Revenue Account)
9. The potential impact of these proposals is summarised over the following pages and will inform the recommendations made at Executive in January 2023. Action to further analyse or mitigate the impact on people with particular protected characteristics is identified where appropriate. Please note the
10. It should be noted that EqIA's are working documents and new equality impacts may be identified throughout the planning and implementation stages of the revised policy, procedure, function, service. To ensure that these changes are captured, EqIAs will be updated, and appropriate mitigations considered accordingly.
11. The following further activity will take place:
 - January 2024 - Consideration of this document at Executive meeting, alongside the budget proposals
 - Ongoing review and update of EQIA's and impact as proposals are further developed and implemented throughout 2024/25, including consultation and engagement as appropriate.

Summary of Potential Impacts Identified as a Result of Budget Proposals Appendix D

Key (Summary Potential Impacts Column)

1. Moving the Customer Service Centre (CSC) to the Atrium
2. Digitisation of the Book of Remembrance
3. Football Teams will no longer be provided with equipment such as goalposts
4. New barrier system in Multi Storey Car Parks (MSCP)
5. Increased fees and charges (General Fund) to include Planning, Indoor Market, Garages, Car Parks, Cemeteries, Parks
6. Rents and service charges (Housing Revenue Account)

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)	Responsible officer
Age	<p>15.2% of Stevenage residents were over 65 at the time of the 2021 census, compared to significantly higher rates in Hertfordshire (17%) and England (18.3%).</p> <p>Stevenage hosts a slightly younger resident population</p>	<p>1. Since the pandemic the number of people visiting customer services 'in person' has fallen from on average 78 customers a day in Q1 2019 to 7 in Q1 2023, a 90% reduction in the daily average 'in person' visits. The existing space is now oversized for the number of visitors and customers coming into the centre. Another costly and confusing issue for the customer is that there are two entrances to Daneshill House. The relocation of the CSC to the Atrium will ensure that there is one accessible point of entry for service users. To accommodate this and ensure savings, the number of hours open has been reduced, from an</p>	<p>1. The relocation of CSC will ensure a more workable space to meet customers and expedite customer queries. The reduction in hours will be mitigated by improvements to the appointment booking system, which will allow service users to book appointments at times that are convenient to them. Under the Digital First approach, residents will be encouraged to book appointments online, but there will still be an option to call and drop-in where this is not possible.</p>	<p>1. Assistant Director – Transformation</p>

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)	Responsible officer
	<p>than Hertfordshire and England, with residents aged 15 to 64 years making up 64.6% of Stevenage's population, compared to 63.9% and 63% in Hertfordshire and England, respectively.</p> <p>Office of National Statistic (ONS) data¹ confirms that under 30s and over 60s have lower than average incomes, with ages in between having higher than average incomes.</p>	<p>8am opening to a 9am opening. This may have an impact on all age ranges.</p> <p>2. The older generation of residents may be more likely impacted by the digitisation of the Remembrance book. People who do not have access to a computer or smart phone, may not be able to request or view their entry.</p> <p>3. Residents of all ages may be impacted by the Council reducing the amount of football supplies they provide to teams.</p> <p>5 & 6. Older and younger people may be on lower/fixed incomes and therefore more vulnerable to socio-economic impacts. This raises the possibility that raising rents, fees and</p>	<p>2. The existing physical books will still be displayed, but all new entries (from go-live date) will be digital only. If the demand is evident, there is potential for a digital screen to be displayed to enable in-person visits and digital entries can be made with assistance from the CSC if needed.</p> <p>3. The Council will offer clubs the option to purchase nets and goalposts that the council own for a small fee. To encourage clubs to purchase their own equipment, Football pitch hire will also be available at a reduced rate.</p> <p>5 & 6. See socio-economic impacts section below.</p>	<p>2. Assistant Director – Stevenage Direct Services</p> <p>3. Assistant Director – Stevenage Direct Services</p> <p>5&6. See socio-economic impacts section below.</p>

¹ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2023>

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)	Responsible officer
		charges will have a disproportionate effect on them.		
Disability	<p>According to the 2021 Census, 17.2% of Stevenage residents had a disability covered under the Equality Act that limited their day-to-day activities, which is a 1.5% increase from the 2011 census.</p> <p>The Office for National Statistics (ONS) show that disabled workers earn on average £1.93 per hour less than non-disabled</p>	<p>1. The CSC relocating to the atrium may have an impact on people with disabilities through the opening hours changing from 8am to 9am.</p> <p>2. Residents who have a disability may be more likely impacted by the digitisation of the Remembrance book due to potential online accessibility requirements.</p>	<p>1. Alternative options will remain available for those who require support in person or over the phone. The addition of new ways to access services online is likely to have positive impacts for those with some types of disability. For example, this includes signposting residents to complete a general enquiry form instead of waiting in a phone queue for an average of 10 minutes. The use of sign language and in-person written communication is also on offer to support people from the deaf community visiting the CSC.</p> <p>2. The Council is compliant with Web Content Accessibility Guidelines (WCAG) so that content is accessible to all. These guidelines have recently been updated and the Council will be reviewing all external and internal systems in 2024/25.</p>	<p>1. Assistant Director – Transformation</p> <p>2. Assistant Director – ICT</p>

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)	Responsible officer
	<p>employees (a gap of over £3,500 per year based on a 35-hour week). The disability pay gap – the difference between median pay for disabled employees and non-disabled employees – was 13.8% in 2021.</p> <p>In July 2023, there were 4,252 Personal Independent Payment (PIP) claimants in Stevenage, 1,853 of which were male and 2,401 were female. This is 21% increase in claimants from March 2022 when there were 3,528</p>	<p>4. The new Barrier System in the Multi-Storey Car Park will use licence plate registration to calculate how long a car has been in the car park. User will be required to input their registration number when making payment.</p> <p>5 & 6. The disability pay gap means that disabled people may be more vulnerable to socio-economic impacts and are more likely to be impacted by the increase in rents,</p>	<p>Whilst accessibility issues may arise for people with disabilities due to the digitisation of the remembrance book, those wanting to make an entry can request assistance via the CSC. Further, people who may have mobility disabilities can view their entry without having to make the journey to the cemetery.</p> <p>4. Guidance on using the system will be displayed within the car-park. Staff will also be available on site to advise. Disabled blue badge holders will continue to park free of charge and without time limit in any on-street pay and display parking bay in Stevenage Town Centre whilst displaying a valid disabled person's blue badge.</p> <p>5 & 6. See socio-economic impacts section below.</p>	<p>2. Assistant Director – Stevenage Direct Services</p> <p>4. Assistant Director – Planning & Regulation</p> <p>5&6. See socio-economic impacts section below.</p>

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)	Responsible officer
	total PIP claimants in Stevenage.	fees and charges. Refer to "Socio-economic" below.		
Gender reassignment	0.49% of residents have a different gender identity to the sex registered at birth, which is similar to averages of 0.41% in Hertfordshire and 0.44% in England.	No differential impacts directly related to people having this characteristic have been identified as a result of these proposals.		
Marital status	Less residents are in married, civil or partnership arrangements in 2021 (46.4%) compared with 2011 (49.4%).	No differential impacts directly related to people having this characteristic have been identified as a result of these proposals.		
Pregnancy and maternity	The total fertility rate (TFR) in Stevenage is 1.8 children per woman in 2021, which is an increase from 1.7	No differential impacts directly related to people having this characteristic have been identified as a result of these proposals.		

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)	Responsible officer
	in 2020 and a higher rate than the TFR for England (1.62).			
Race	<p>The percentage of Stevenage residents who identify with an ethnic minority has increased from 16.9% in 2011 to 17.2% in the 2021 Census.</p> <p>In 2022, Office of National Statistics (ONS) figures showed that Black, African, Caribbean or Black British employees earned less (£13.53) median gross hourly pay than White employees (£14.35), which has been</p>	5&6. 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 such as the increase in off-streets parking charges. Refer to “Socio-economic” below.	5&6. See socio-economic impacts section below.	5&6. See socio-economic impacts section below.

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)	Responsible officer
	consistent since 2012.			
Religion or belief	44.9% of Stevenage residents identify with no specified religion, which is significantly higher than Hertfordshire and England levels (36.6% and 33.7%).	No differential impacts directly related to people having this characteristic have been identified as a result of these proposals.		
Sex	The number of women who participate in any kind of sport or physical activity in England is slowly and steadily increasing in recent years. As of 2021, approximately 17.5 million women participate at least twice a month at any intensity or duration a slight decrease from	3. The Council is keen to encourage women into sport and the need to purchase equipment may negatively impact women's uptake of the sport. 5&6. ONS data confirms the existence of a gender pay gap in the UK. Women may therefore be more vulnerable to socio-economic impacts and are more likely to be impacted by the increase in off-streets parking charges (see socio-economic section below).	3. The Council will offer the option to purchase nets and goal posts that the council own for a small fee. To encourage clubs to purchase their own equipment, Football pitch hire will also be available at a reduced rate. 5&6. See socio-economic impacts section below.	3. Assistant Director – Stevenage Direct Services 5&6. See socio-economic impacts section below.

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)	Responsible officer
	<p>17.78 million women in 2020 (www.statista.com).</p> <p>In 2021, the UK's gender pay gap rose from 14.9% to 15.4% (Office for National Statistics, ONS, 2021). This means that, on average, women earn just over 15% less than men per hour.</p>			
Sexual Orientation	2.7% of residents identify with LGBTQ+ sexual orientations, which is higher than Hertfordshire's average of 2.3% but lower than the national average of 3.17% in England.	No differential impacts directly related to people having this characteristic have been identified as a result of these proposals.		
Socio-economic	According to the 2019 English Index	3. The Council reducing the amount of football equipment they provide to	3. The Council will offer the option to purchase nets and goal posts that the	3. AD -Stevenage Direct Services)

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)	Responsible officer
	<p>of Multiple Deprivation, Stevenage continues to be the most deprived authority in Hertfordshire. Of this, Bedwell is the most deprived ward in Town.</p> <p>In 2023, there are 26.83% of garage licence holders that are Council Tenants that potentially are in receipt some sort of benefits payment.</p> <p>As of 2023, 41.95% of current garage licence holders are documented as being Age 60 or above and could be on lower incomes.</p>	<p>teams will result in teams and players having to provide their own, which may cause financial difficulties depending on their socio-economic status.</p> <p>5. Any introduction of parking charges is likely to impact most on those who are already at socio-economic disadvantage. This could mean that parking becomes unaffordable for some people. However, existing 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).</p> <p>The price increase on garages might impact residents with a socio-economic disadvantage who are in receipt of benefits. Specifically, some elderly, disabled & socio-economic disadvantaged residents might be negatively affected due to being charged a maximum additional 95p per week for garages.</p>	<p>council own for a small fee. To encourage clubs to purchase their own equipment, Football pitch hire will also be available at a reduced rate.</p> <p>5. Stevenage Town Centre is well served by other modes of transport to offer alternatives for those who are already at socio-economic disadvantage. Future feedback on this will be closely monitored including throughout the upcoming formal parking public consultation.</p> <p>Holding a garage license is a discretionary service and licensees use them for parking their cars or for storage purposes. If the licensee becomes unable to afford the current tier of garages, they will be able to bid on a lower tier, lower cost garage through Digital Lettings.</p>	<p>5. Culture, Wellbeing & Leisure Services Manager</p> <p>5. Assistant Director – Finance</p>

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)	Responsible officer
	<p>In May 2023, 6,163 households were in receipt of Universal Credit in Stevenage, a 2% decrease from 6283 households in March 2022.</p> <p>In July 2023, there were 4,252 Personal Independent Payment (PIP) claimants in Stevenage, 1,853 of which were male and 2,401 were female. This is 21% increase in claimants from March 2022 when there were 3,528 total PIP claimants in Stevenage.</p>	<p>The increase in Direct Application Planning Fee might impact residents with a socio-economic disadvantage.</p> <p>There has been a slight increase on some charges associated with park and sports facilities (St Nicholas Pavilion; Ridlins Athletics; sporting events) that may have a negative impact. These price increases will be spread across a number all groups minimising the cost to individuals. These services are already subsidised by the council.</p> <p>Some plot holders may have to give up their allotment if they can no longer afford it due to their socio-economic status.</p> <p>Some fees for burial services have increased that may have a negative impact.</p>	<p>Fee increases and charges are reviewed annually by the Council to ensure that the cost of providing the service is met. Examples of where the council has discretion to increase fees and charges include (but are not limited to): Cemeteries; Fishing; Allotments; Env Health inspection; Planning; Bulky Waste.</p> <p>To help mitigate the increase in Planning Fees, the Council does offer a free enquiry service to ensure a person is provided the advice they need prior to making an application.</p> <p>For those that qualify, a funeral grant can be applied for to help with the cost of a burial.</p> <p>To help mitigate any negative impacts on residents the Council is able to offer concessions to those who are eligible. Eligibility is dependent on the service but typically will include residents in receipt of a means tested benefit. Please see the Council's</p>	

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)	Responsible officer
	<p>In March 2023, the number of Council Tax Support recipients of working age (non-pensioners) was 3,154, which has slightly decreased from 3,366 in March 2022.</p> <p>The impact of the 2024/25 rent increase and service charges is 269 homes or 2.7% receive a rent and service charge increase less than £6 per week; 7,266 homes or 90% of households will receive a weekly rent and service charge increase of less than £10 per week (based on 52 weeks).</p>	<p>6. Rents will be increased by 7.6% from 1 April 2024. This has been calculated in accordance with the current Rent Standard issued by the Government that increases rents by September CPI inflation +1% and the Council's Rent and Service Charge Policy.</p> <p>Service charges are not subject to a 7.6% rent increase but are based on cost recovery or actual cost. So for 2024/25, service charge costs will increase with inflationary pressures and changes in usage.</p>	<p>Concessionary Policy for further information on the Council's approach to setting concessions.</p> <p>6. To help mitigate any negative impacts on residents the Council will continue to offer financial assistance through multiple support schemes and activities, including:</p> <p>Rent increase information will be published on the Council website early February 2024 to start preparing tenants.</p> <p>The rent notification letter (to be sent out at the end of February 2024) will offer tenants the opportunity to discuss any queries they have with staff. It will explain why the rent has increased and also explain any increase in service charges. Where a property has a number of service charges they will be fully explained, with a summary of how the weekly charge has increased overall.</p> <p>Where support charges are also included (mainly but not exclusively for sheltered and flexi care schemes)</p>	<p>6. Assistant Director - Finance</p>

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)	Responsible officer
			<p>separate notifications will be sent out to these residents to ensure it is clearly set out how each element of the weekly charge is made up.</p> <p>To ensure that this is explained as clearly as possible there will be a FAQ sheet and details on the website and hard copies available for those who need them.</p> <p>The policy states that the Council will have regard to the Local Housing Allowance when setting affordable rents. If affordable rents are set at this level, Housing Benefit/ Universal Credit housing cost will cover the rent in full for those tenants who are entitled to the maximum amount of housing benefit. Setting at the Local Housing Allowance will also benefit tenants who are, for example on a low wage or zero hour contracts and where partial housing benefit can be paid.</p> <p>For those moving into Affordable Rent (AR) properties a comprehensive affordability assessment is carried out</p>	

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)	Responsible officer
			<p>prior to offer to ensure that the tenancy is sustainable.</p> <p>The implementation of the policy in respect of Affordable Rent will be kept under review by the Housing Development Executive Committee and should adverse impacts be identified this will inform future decision making in this regard.</p> <p>Support provision for this group has been increased as part of an Income Recovery Action plan and it has been extended for a further 2 years to ensure that they can pay through sustainable arrangements to maintain payments towards rent and service charges and have access to required support.</p> <p>Additional staffing resources have been secured to continue work to target and support Universal Credit cases to maximise income collection and minimise the level of arrears for this group of tenants.</p> <p>The Council will make links to support and guidance clear on all of its communication platforms.</p>	

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)	Responsible officer
			<p>The Council will prepare staff to respond effectively and empathetically with tenants, this includes referral to the Council Tax Reduction Scheme. Residents who are eligible to apply include those who have:</p> <ul style="list-style-type: none"> • low income or claiming benefits (including Universal Credit) • have dependent children • ill or disabled • caring for someone • State Pension age • bereaved • pregnant or have recently had a baby • less than £16,000 in savings • savings are over £16,000, but this money was from a compensation payment or a Prisoner of War payment or you are on Pension Credit Guarantee. <p>The scheme will be communicated to residents through customer-facing support services, as well as through existing information, advice and guidance provided by partners such as Citizens Advice. The Council will also publicise the scheme through its website and social media channels.</p>	

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)	Responsible officer
Other				

5. Replacing cash payment with contactless payment will decrease the Council's annual costs. Also, this change will reduce crime in the area (no break-in attempts as P&D machines will not hold cash). Contactless payments are more convenient than needing to have the correct coins for the required length of stay. This new payment method will appear on bank statements providing users ability to reclaim parking fee from their employer. Following this upgrade, these parking machines will be connected to a new back-office monitoring system enabling any faults to be quickly identified / resolved and allowing payment queries to be investigated.

Mitigating actions:

- Free parking for disabled blue badge holders already implemented. Cash payment option retained in at least one Council town centre car park. Contact number for assistance to be displayed on all on-street parking machines to help those unable to pay via bank card or by phone. Future public consultation to determine if further adjustments are needed.
- Discussion with the 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 1.95% to 10%) depending on the specification and demand. Every effort will be made for residents to be moved to a lower cost garage (if available) if required.
- Discussion with the Commercial Manager to undertake a benchmarking exercise of SBC pre-application fees against the fees which are charged by authorities across Hertfordshire. Council does also provide a free enquiry service for general householder proposals so will not have to pay for certain levels of advice.
- Awareness raising of concessions available to those on means tested benefits. Raise awareness of concessions available to those on means tested benefits. Undertake satisfaction survey with allotment plot holders.
- Notice will be given in plenty of time to market traders, with support provided to ensure they can continue managing their stalls (i.e., amended payment plans, downsizing if needed, etc).

Appendices – Linked EqlAs

[Add link to all referenced individual EqlAs and copy them across in the adjacent pages]

1. CSC Relocation EqlA *(need updated copy following critical friend comments)*
2. Fees & Charges (General Fund) EqlAs *(need updated copies following critical friend comments)*
 - Parking
 - Garages
 - Planning
 - Allotments
 - SDS (Cemeteries, Parks & Trade Waste)
 - Indoor Market
3. Rents & Service Charges (HRA) *(need updated copies following critical friend comments)*

Appendix E - Climate Change – Decarbonising Stevenage Borough Council Fuel

Hydrotreated Vegetable Oil (HVO) Business Case

Stevenage Borough Council.

Created by	Richard Baldock / Fabian Oyarzun
Job title	Procurement and Compliance Manager / Head of Climate Action
Contact	07936 360 945
Date	19.12.2023

1. Summary

- 1.1 HVO is an effective way to lower the Council's GHG emissions until the Council transitions to a definite zero emissions energy source for the fleet, reducing the fleet-related net emissions by up to 90% or 751 tCO_{2e} per year.
- 1.2 There would be an increased cost of circa £156,115.99 to the fleet fuel bill at the current price but significant environmental benefits at the local and global level.
- 1.3 Switching to HVO would help to demonstrate progress in addressing the climate crisis and directing efforts towards the council's climate targets.
- 1.4 There are no additional infrastructure changes required and no modifications to the vehicles' engines are needed.

2. Background

- 2.1 As part of Stevenage's target to be net zero by 2030, the Council has set a target to decarbonise the fleet before 2030.
- 2.2 The fleet accounted for circa 23% of Scope 1 and 2 emissions of the Council when we developed the baseline, based on 2018 data.
- 2.3 Currently the Council operates a mixed fleet of vehicles consisting of large goods vehicles, vans, tractors, mowers, road sweepers, plant, and small utility vehicles.
- 2.4 Almost all the fleet currently runs on white diesel fuel. The Council now has two electric vans. The first electric van was delivered on the 23/8/23 and the second on 5/12/23.
- 2.5 White diesel is a petroleum fuel created by distilling crude oil. It is commonly referred to as simply diesel and is used for transport in the UK.
- 2.6 As part of the Councils Climate Change Strategy, we have developed a pathway to decarbonise the fleet. This pathway includes the switch from diesel to an ultra-low carbon biofuel, as soon as possible, and using BEVs as the preferred replacement option for cars and small vans (from 2025 onwards) and light-duty (from 2027), and ZEVs (BEVs or hydrogen FCEVs) for HGVs (from 2027).

- 2.7 Diesel (B7) is a type of diesel that contains up to 7% biodiesel, which is a renewable fuel derived from oilseed rape, sugar beet, and wheat.
- 2.8 In the year 01.12.22 – 30.11.23 the Council used 332,161.70 litres of diesel (B7) in the fleet. Each litre of diesel combusted produces 2.512 kgCO_{2e}, therefore the fleet produced 834.39 tCO_{2e} in that year.
- 2.9 Changing to HVO can reduce the net GHG emissions from the fleet by up to 90%, a potential saving of 750.95 tCO_{2e} per year.

3. Hydrotreated Vegetable Oil (HVO)

- 3.1 HVO, also known as HVO Biodiesel, is a synthetic, second-generation paraffinic fuel, a biofuel produced from vegetable oil waste through hydrocracking or hydrogenation.
- 3.2 Hydrotreating is the process of reacting the feedstock with hydrogen in order to remove atoms other than carbon and hydrogen, particularly oxygen atoms.
- 3.3 As a result, HVO has a longer shelf life than regular biodiesel, which is produced through an esterification process using methanol, which fails to remove oxygen increasing the risk of oxidation. Eventually this can cause contamination and thus regular biodiesel must be closely monitored to check if still usable.
- 3.4 HVO is produced to conform to EN15940 & ASTM D975 standards for paraffinic & diesel fuels, and the EU Fuel Quality Directive (FQD) 2009/30/EC Annex 2.
- 3.5 HVO can be used as a direct, drop-in replacement for white diesel. It can be stored in the same fuel tank and be used in the same way as diesel, without modifications.
- 3.6 All of SBC's fleet vehicles except for two older vehicles (which are due to be replaced) have the OEM approvals for HVO use.
- 3.7 HVO fuel offers improved combustion, further reducing emissions such as NO_x, MP, unburnt HC, and CO.
- 3.8 If HVO supply ever became an issue the Council fleet can just switch back to diesel.
- 3.9 Vegetable oils used in HVO production may include rapeseed oil, sunflower oil, canola oil, soybean oil, corn oil, palm oil, waste cooking oil, and tall oil.
- 3.10 Therefore, HVO needs to be sourced from suppliers that can demonstrate their supply chains are sustainable, particularly, not using palm oil as this can contribute to deforestation and climate change.
- 3.11 The fuel origin can be verified to check that the source is low carbon when considering the whole supply chain (e.g., ISCC standard). This can be a requirement during our procurement process.

4. Costs Comparison: HVO and White Diesel

- 4.1 The Council used 332,161.70 litres of white diesel between 01.12.2022 and 30.11.23.
- 4.2 The base price of diesel and HVO on the framework that the Council use are the same; however, the supplier margin for white diesel is 3p per litre while for HVO is 50p per litre – more expensive due to increased supply chain costs.

- 4.3 This is 47p per litre more than diesel which equates to £156,115.70 above the amount SBC currently pays per year. The price of white diesel as of 22.11.23 was £1.11638 per litre.
- 4.4 Averaged over a year (the price fluctuates) the cost was approximately £386,569.78 on white diesel. A move to HVO would increase the councils fuel bill to £542,685.77.
- 4.5 This extra amount will decrease over the years, based on the above-mentioned pathway for decarbonising the fleet.
- 4.6 This extra bill expenditure could allow the council to save 750.95 tCO_{2e} per year. This means that the abatement cost of carbon through this alternative is 207.89 £/tCO_{2e}.

5. HVO Switch

- 5.1 The Cavendish Road depot has two diesel fuel tanks: one is 25,000 litres the other is 5,000 litres.
- 5.2 All the vehicles and machinery have a fuel tag to use the pumps and they are allocated to a pump to use.
- 5.3 We have worked out the practicalities of a partial switch (50%) to HVO. This will mean one tank having HVO and the other diesel.
- 5.4 Currently we have diesel delivery every 2-3 weeks that fills up both tanks. It usually takes 2-3 days from ordering fuel to getting the delivery.
- 5.5 Due to the size of the tanks and our fleet operation patterns, a partial switch would require an important increase in filling up and fuel deliveries, increasing the risk of running out of diesel and having to conduct manual changing of tags.
- 5.6 Trialling HVO in 50% of the fleet will be hard to manage and risks our fuel resilience. We are therefore recommending a 100% switch to HVO.

6. HVO Switch Costs Allocation

- 6.1 The costs have been broken down to the combined fleet, then SDS fleet and non-SDS fleet as SDS are funded from the general fund (GF) and non SDS from the HRA fund.
- 6.2 The diesel price is based on the invoiced price from November 2023 (£1.1638 per litre excluding VAT). HVO is 47p per litre higher due to the supplier margin. The base price is broadly similar.
- 6.3 If the Council switched to HVO at 100% on the 1st December 2024, the extra cost for December, January, February and March would be: £52,038.64, split £46,584.36 general fund and £5,454.28 HRA fund (excluding VAT).
- 6.4 As part of the 2024/25 Budget setting process for the General Fund and HRA, Members approved a total of £75k growth (66k General Fund and 9k HRA) to allow for a switch to HVO from the 1st of October 2024. This document sets out the benefit of switching fuel as the Council is committed to Net Zero by 2030.

7. Reasons for using HVO and benefits

- 7.1 HVO is a FAME-free, fossil-free, sulphur-free, renewable, biodegradable, and non-toxic fuel that is produced from sustainable sources.
- 7.2 It is an effective way to lower up to 90% of the fleet net GHG emissions, achieving a potential saving of 751 tCO_{2e} per year, demonstrating a step towards 'net zero', and leading others by example.
- 7.3 It is a flexible drop-in replacement for diesel and can be used without engine modifications or new infrastructure requirements (no other costs involved).
- 7.4 Mature technology, tested out by large companies (low technological risk), and approved by numerous OEMs.
- 7.5 This interim approach will create time to allow for the development of alternative energy sources and technologies, to help the council plan the finances and ensure the council makes the best investment decisions to get the fleet to zero carbon in due course.
- 7.6 It will also help the council's resilience if there were fuel supply chain issues, with the ability to switch products.
- 7.7 The new fuel contract procurement has got the option to switch to HVO written into the specification. This is due to be in place in March 2024.
- 7.8 HVO can reduce maintenance costs due to the cleaner burning with better engine performance. It reduces particulate build-up, engine wear, and ageing of engine oils.
- 7.9 The unsaturation and contaminants removed during HVO production result in better storage stability and a longer shelf-life of up to 10 years compared to 1 year for diesel (relevant for back-up generators).
- 7.10 HVO leads to exhaust emissions benefits, with substantial reductions in NO_x, PM, CO, and HC, improving air quality.
- 7.11 Year-round performance, including exceptional cold-weather performance. It can be used down to -42°C. Its low cloud point reduces likelihood of waxing in low temperatures. Additionally, it has a high flash point.

8. Drawbacks of using HVO

- 8.1 HVO has a greater supplier margin than diesel, resulting in an increased fuel bill for SBC.
- 8.2 The reduction of NO_x and MP emissions varies with the type and size of engine; however, it is certain that Euro 6 engines reduce PMs by as much as 99% and NO_x by 45%. By 2026 we should only have 5 vehicles in our fleet that are not Euro 6 standard.
- 8.3 As the demand increases the price could also, introducing some risks due to price fluctuations. However, this is not so different from what currently takes place with diesel.
- 8.4 To guarantee that net GHG emissions are reduced by up to 90%, there is a need to monitor the life-cycle emissions across the HVO supply chain, information that must be certified. The Council should also aim to avoid unintended consequences across the HVO supply chain, particularly when using palm oil or feedstock linked to deforestation.
- 8.5 There might be shortages in the supply chain if the demand greatly increases.

Glossary

B7	Diesel type blended with 7% of renewable biodiesel.
BEV	Battery Electric Vehicle.
CO	Carbon Monoxide.
CO₂	Carbon Dioxide.
CO_{2e}	Carbon Dioxide Equivalent.
EN15940	A paraffinic diesel fuel specification that governs a new generation of cleaner transport fuel for use in road vehicles.
EU	European Union.
Euro 6	An engine emission standard introduced by the EU in September 2015.
EV	Electric Vehicle.
FAME	Fatty Acid Methyl Ester.
FCEV	Fuel Cell Electric Vehicles.
FQD	Fuel Quality Directive.
GF	General Fund.
GHG	Greenhouse Gases.
HC	Hydrocarbon, an organic compound consisting of hydrogen and carbon.
HRA	Housing Revenue Account.
Hydrocracking	The process that breaks big molecules into smaller ones using hydrogen.
Hydrogenation	The process of adding hydrogen to molecules.
HGV	Heavy Good Vehicle.
HVO	Hydrotreated Vegetable Oil.
ISCC	International Sustainability & Carbon Certification.
Net Zero	The net total of your GHG emissions is zero.
NO₂	Nitrogen Dioxide, a type of NO _x .
NO_x	Nitrogen Oxides.
OEM	Original Equipment Manufacturer.
Palm Oil	Vegetable oil that is widely used but linked to deforestation.
Particulates	Soot and particles as a result of combustion.
PM	Particulate Matter.
Scope 1	Direct emissions caused by operating the assets the Council owns or control, e.g., burning gas and fuels.
Scope 2	Indirect emissions caused by the production of energy that the Council buy, e.g., electricity generation.
Shelf Life	The length of time that the product can be stored before degrading.
White Diesel	Taxed diesel for road going vehicles.
ZEV	Zero Emissions Vehicle.

STEVENAGE BOROUGH COUNCIL

Wednesday 7 February 2024

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 2023/24 amounting to £13,571,480 and the revenue estimates for 2024/25 amounting to £12,762,310;
 - b. the contribution to balances totalling £1,236,426 in 2023/24;
 - c. the contribution from balances totalling nil in 2024/25.

2. That it be noted that at its meeting on 13 December 2023 the Executive calculated the amount of 28,579.4 Band D equivalent properties as its council tax base for the year 2024/25 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 2024/25 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. £87,862,489 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. £81,024,560 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. £6,837,929 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. £239.26 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	£ 159.51
B	£ 186.09

C	£ 212.68
D	£ 239.26
E	£ 292.43
F	£ 345.60
G	£ 398.77
H	£ 478.52

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 2024/25 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	2024/25 Council Tax
A	£	£	£
B	£	£	£
C	£	£	£
D	£	£	£
E	£	£	£
F	£	£	£
G	£	£	£
H	£	£	£

- b. That it be noted that for the year 2024/25 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	£
B	£
C	£
D	£
E	£
F	£
G	£
H	£

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 2024/25 for each of the categories of dwellings shown below:

Valuation Bands

A	£
B	£
C	£
D	£
E	£
F	£
G	£
H	£

6. To determine in accordance with Section 52ZB Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2024/25 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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General Fund Summary

Figures are inclusive of internal recharges	Working Budget 2023/24 £	Gross Expenditure 2024/25 £	Gross Income* 2024/25 £	Net Original Budget 2024/25 £
Summary of Expenditure				
Portfolio:				
Community Services	3,639,410	5,012,220	(1,316,200)	3,696,020
Housing Services	2,929,910	26,252,460	(23,414,880)	2,837,580
Environmental Services	9,743,050	23,124,110	(13,693,310)	9,430,800
Local Community Budgets	60,500	60,500	0	60,500
Resources	(3,221,850)	13,292,120	(16,764,090)	(3,471,970)
Resources - Support	203,110	23,336,770	(23,176,410)	160,360
Trading Accounts - Direct Services Organisation (DSO)	217,350	3,859,190	(3,810,170)	49,020
Net General Fund Expenditure	13,571,480	94,937,370	(82,175,060)	12,762,310
Government Support - Retained Business Rates (NDR)	(1,471,885)	20,038,579	(21,918,937)	(1,880,358)
S31 Grants	(2,323,817)		(2,526,046)	(2,526,046)
Transfer to/from Collection Fund reserve	(1,448,201)		(838,057)	(838,057)
Hertfordshire Pooling gains	(220,000)			0
Transfer to/from Collection Fund (Council Tax)	(46,290)		(162,408)	(162,408)
Revenue Support Grant	(102,052)		(108,811)	(108,811)
Service Grant	(104,041)		(16,371)	(16,371)
3% / 4% guarantee increase in core spending	(78,399)		(392,330)	(392,330)
District Precept	(6,540,369)		(6,837,929)	(6,837,929)
Use of General Fund Balances	1,236,426	114,975,949	(114,975,949)	0
General Fund Balance:				
Balance 1 April	(5,953,648)			(4,717,221)
Use of Balances in Year	1,236,427			0
General Fund Balance 31 March	(4,717,221)	0	0	(4,717,221)
Allocated Revenue Reserves:				
Balance 1 April	(5,536,446)			(6,682,988)
Use of Balances in Year	(1,146,542)	1,652,307	(1,714,263)	(61,956)
Allocated Revenue Reserves Balance 31 March	(6,682,988)	1,652,307	(1,714,263)	(6,744,944)
Total Revenue Reserves	(11,400,209)	1,652,307	(1,714,263)	(11,462,165)
Council Tax Bands for 2024/25	2023/24			2024/25
2.99% Increase on Band D Property:				
BAND A	154.87			159.51
BAND B	180.69			186.09
BAND C	206.50			212.68
BAND D	232.31			239.26
BAND E	283.93			292.43
BAND F	335.56			345.60
BAND G	387.18			398.77
BAND H	464.62			478.52

Community Services

Figures are inclusive of internal recharges	Working Budget 2023/24 £	Gross Expenditure 2024/25 £	Gross Income* 2024/25 £	Net Original Budget 2024/25 £
Summary of Expenditure				
7 Children's Services	(13,850)	91,820	(85,170)	6,650
8 Play	67,190	0	0	0
10 Sports & Recreational Facilities	1,099,040	1,162,760	0	1,162,760
11 Sports Development	106,700	122,920	(11,540)	111,380
12 Leisure Promotions	278,270	979,370	(704,750)	274,620
13 Golf Course	(27,520)	16,810	0	16,810
14 Community Services General	699,520	897,890	(185,100)	712,790
15 Community Associations	322,320	342,680	0	342,680
16 Community Safety	369,030	674,110	(322,960)	351,150
17 Museums	346,890	368,580	(6,680)	361,900
18 Community Funding	391,820	355,280	0	355,280
Total Cost of Portfolio	3,639,410	5,012,220	(1,316,200)	3,696,020

Housing Services

Figures are inclusive of internal recharges	Working Budget 2023/24 £	Gross Expenditure 2024/25 £	Gross Income* 2024/25 £	Net Original Budget 2024/25 £
Summary of Expenditure				
20 Homelessness	1,101,750	2,233,840	(950,520)	1,283,320
21 Housing Advice	260,770	487,290	(212,040)	275,250
23 Wholly Owned Company	34,510	124,830	(306,520)	(181,690)
24 Private Houses Rent Allowance	776,400	9,637,640	(9,265,980)	371,660
25 Rent Rebates Administration	109,550	13,110,120	(12,642,020)	468,100
26 Environmental Health - Health and Safety and Food Safety	646,930	658,740	(37,800)	620,940
Total Cost of Portfolio	2,929,910	26,252,460	(23,414,880)	2,837,580

Environmental Services

*Figures are inclusive of internal recharges

	Working Budget 2023/24 £	Gross Expenditure* 2024/25 £	Gross Income* 2024/25 £	Net Original Budget 2024/25 £
Summary of Expenditure				
28 Abandoned Vehicles	11,740	13,870	(1,000)	12,870
29 Allotments	3,700	81,090	(83,800)	(2,710)
30 Cemeteries	341,465	631,160	(281,130)	350,030
31 Parks, Playing Fields & Open Spaces	2,772,560	4,240,990	(1,590,440)	2,650,550
32 Drainage	7,940	8,160	0	8,160
33 Environmental Maintenance	1,683,995	2,771,860	(1,164,620)	1,607,240
35 Local Highway Services	553,140	532,570	(12,850)	519,720
36 Christmas Illuminations	28,230	27,060	0	27,060
37 Recycled Waste	1,235,660	2,107,790	(749,960)	1,357,830
38 Refuse Services	1,606,690	1,548,070	(48,750)	1,499,320
39 Animal Control & Environmental Health Management	208,480	238,140	(54,890)	183,250
40 Green Travel Plan	12,700	12,890	0	12,890
41 Parking Facilities - Off Street	(1,890,640)	2,051,270	(4,276,130)	(2,224,860)
42 On Street Parking Enforcement	(97,040)	806,600	(1,008,960)	(202,360)
43 CCTV	248,050	262,670	0	262,670
44 Planning Policy	1,591,310	1,645,180	(126,960)	1,518,220
46 Regeneration	1,569,560	1,986,540	(299,410)	1,687,130
47 Development Control	16,820	490,570	(557,050)	(66,480)
48 Building Control	38,480	43,800	(4,280)	39,520
49 Engineers	(125,160)	509,240	(511,370)	(2,130)
50 Property & Design	30,460	748,130	(545,100)	203,030
51 Environmental Health	82,900	988,620	(997,700)	(9,080)
52 DSO Admin & Management	(187,990)	1,377,840	(1,378,910)	(1,070)
Total Cost of Portfolio	9,743,050	23,124,110	(13,693,310)	9,430,800

Local Community Budgets

*Figures are inclusive of internal recharges

	Working Budget 2023/24 £	Gross Expenditure* 2024/25 £	Gross Income* 2024/25 £	Net Original Budget 2024/25 £
Summary of Expenditure				
54 Local Community Budgets	60,500	60,500	0	60,500
Total Cost of Portfolio	60,500	60,500	0	60,500

Resources

Figures are inclusive of internal recharges	Working Budget 2023/24 £	Gross Expenditure 2024/25 £	Gross Income* 2024/25 £	Net Original Budget 2024/25 £
Summary of Expenditure				
56 Commercial Properties	(1,433,220)	2,937,010	(4,946,270)	(2,009,260)
57 Garages	(2,237,970)	1,296,020	(3,943,380)	(2,647,360)
58 Council Tax	691,260	962,150	(268,750)	693,400
59 Non Domestic Rate (NDR)	125,890	236,180	(116,230)	119,950
60 Elections	238,510	219,450	0	219,450
61 Electoral Registration	118,630	132,960	(1,500)	131,460
62 Indoor Market	161,110	505,130	(386,600)	118,530
63 Hackney Carriages	0	115,200	(137,290)	(22,090)
64 Local Licensing	(6,250)	118,300	(93,560)	24,740
65 Local Land Charges	5,360	76,340	(77,280)	(940)
66 Miscellaneous Services (including Transformation)	796,430	885,630	(280,000)	605,630
67 Corporate Projects	(120,740)	33,220	0	33,220
68 Investment Income and Expenditure	(1,950,200)	482,980	(1,256,680)	(773,700)
69 Movement on General Fund Balance	(1,833,060)	1,679,820	(3,903,070)	(2,223,250)
70 Corporate & Democratic Core	2,222,400	3,611,730	(1,353,480)	2,258,250
Total Cost of Portfolio	(3,221,850)	13,292,120	(16,764,090)	(3,471,970)

Resources - Support Services

Figures are inclusive of internal recharges	Working Budget 2023/24 £	Gross Expenditure 2024/25 £	Gross Income* 2024/25 £	Net Original Budget 2024/25 £
Summary of Expenditure				
72 Daneshill House	(193,860)	1,545,900	(1,465,230)	80,670
74 Facilities Management	(110,660)	1,095,140	(1,117,440)	(22,300)
75 Corporate Management	910	889,010	(894,070)	(5,060)
76 Democratic Services	54,810	1,396,100	(1,409,330)	(13,230)
77 Legal Services	2,920	505,800	(511,890)	(6,090)
78 Chief Executives Unit, Policy & Communications	(24,850)	983,850	(987,640)	(3,790)
79 ICT	(252,850)	7,219,050	(7,216,610)	2,440
80 Human Resources & Organisational Development	147,910	1,340,220	(1,296,660)	43,560
81 Financial Services	542,080	4,634,720	(4,659,250)	(24,530)
82 Revenues, Benefits & Local Taxation	64,130	2,190,250	(2,067,730)	122,520
83 Customer Services	(27,430)	1,536,730	(1,550,560)	(13,830)
Total Cost of Portfolio	203,110	23,336,770	(23,176,410)	160,360

Figures are inclusive of internal recharges	Working Budget 2023/24 £	Gross Expenditure 2024/25 £	Gross Income* 2024/25 £	Net Original Budget 2024/25 £
Expenditure				
Employee Costs:				
Direct Employee Expenses	921,410	899,320	0	899,320
Indirect Employee Expenses	13,110	7,920	0	7,920
Premises Related:				
Repairs & Maintenance Of Buildings	113,850	86,040	0	86,040
Grounds Maintenance	63,110	63,110	0	63,110
Energy Costs	138,500	134,420	0	134,420
Rents, Rates & Water Services	197,520	221,720	0	221,720
Fixtures & Fittings	2,070	3,410	0	3,410
Cleaning & Domestic Supplies	1,010	1,010	0	1,010
Apportionment Of Operational Buildings	163,740	138,610	0	138,610
Premises Insurance	7,050	5,180	0	5,180
Transport Related:				
Fleet Vehicle Recharges	231,290	208,500	0	208,500
Travelling Expenses	1,760	1,800	0	1,800
Supplies & Services:				
Equipment, Tools & Materials	334,130	347,730	0	347,730
Catering	1,800	1,800	0	1,800
Clothing, Uniforms & Laundry	2,770	2,770	0	2,770
Printing, Stationery & General	1,300	1,300	0	1,300
Communications & Computing	33,070	18,840	0	18,840
Grants & Subscriptions	6,430	6,430	0	6,430
Miscellaneous Expenses	13,960	10,100	0	10,100
Third Party Payments:				
Contract Services	193,430	18,120	0	18,120
Private Contractors	427,610	444,710	0	444,710
Consultancy & Agency Fees	391,260	402,350	0	402,350
Recharges:				
Support Services	316,360	461,500	0	461,500
Contract Services Recharge	402,050	297,980	0	297,980
Capital Charges:				
Capital Charges	85,420	74,520	0	74,520
Transfer to/from Reserves:				
Transfer to/ (from) Allocated Reserves	0	0	0	0
Total Expenditure	4,064,010	3,859,190	0	3,859,190
Income:				
Other Contributions & Donations	(325,370)	0	(328,000)	(328,000)
Fees & Charges	(1,181,820)	0	(1,212,320)	(1,212,320)
Recharge Income	(2,339,470)	0	(2,269,850)	(2,269,850)
Total Income	(3,846,660)	0	(3,810,170)	(3,810,170)
Net Cost of Service	217,350	3,859,190	(3,810,170)	49,020

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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 2024/25 Estimates are determined by evaluating and costing all known changes, including pay and price levels, legislative changes, demands for services and policy developments, projecting inflation has become much more difficult with the Cost of Living crisis. The Council has sufficient reserves to allow a contribution from balances in order to set a balanced budget for 2024/25 and the current Budget Process has rigorously reviewed current budgets to secure another year of necessary Balancing the Budget (BTB) Savings, the level of which has been compounded by higher inflationary pressures. As part of the 2024/25 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 latterly higher inflation 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 the Scrutiny and Overview Committee.

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 BTB priority. This is necessary as the significant cuts in public expenditure and funding from the government have been implemented and there is uncertainty beyond 2025/26 on the level of central support. The CFO has identified that further new BTB savings options are required for 2025/26-2027/28 of £3.085Million to ensure a balanced General Fund budget. This target reflects the impact of COVID on fees and charges and homeless costs plus an increase in inflationary and other pressures as a result of the current cost of Living crisis.

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 2023/24 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 levels of Reserves above the minimum risk assessed level, the Council's Medium Term Financial Strategy acknowledges that the £2.2Million of these will be utilised in the medium term as a result of projected future under funding, 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 only uses £200K of business rates gains in anyone year as 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 2024/25 was £3,537,794 and remains unchanged.

It is estimated that the Council will have General Fund £329,962 capital receipts and £761,635 regeneration ring fenced receipts and £nil capital reserves as at 1st April 2025 and the Council has a need to borrow in 2024/25 £18.269M including £7.506M for the HRA.

Total available General Fund balances as at 1st April 2024 are estimated to be £4,717,222 (after 2023/24 contribution from balances from the General Fund of £1,236,426). Total General Fund balances as at 1st April 2025 are estimated to be £4,717,222 (after 2024/25 contribution from balances to the General Fund of nil). 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.

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 2024/25 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 £6,682,988 for the General Fund as at 1 April 2024 and £6,744,944 as at 1 April 2025 and continue to be required.

4. STATEMENT OF ACCOUNTS

At the time of publishing this report the Council's last set of published and audited accounts were for the financial year 2019/20 and officers are finalising with the council's auditors EY the 2020/21 accounts.

Supported by the Financial Reporting Council, The Department for Levelling Up Housing and Communities (DLUHC) intend to consult soon on proposals to set a backstop date of 30 September 2024 for Local Authorities to publish their audited financial accounts for all

financial years up to and including 2022/23. This approach is anticipated to enable Local Authorities and auditors to focus on the most recent year of accounts as quickly as possible.

The National Audit Office will also be consulting in tandem on potential changes to the Code of Audit Practice to support this approach. Subject to the outcome of these consultations, we intend to bring forward legislation to implement the backstop proposals.

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