

# Public Document Pack



## EXECUTIVE

Date: Tuesday, 12 December 2017

Time: 2.00 pm,

Location: Shimkent Room - Daneshill House, Danestrete

Contact: Jackie Cansick - 01438-242216

Members: Councillors: S Taylor OBE CC (Chair), J Gardner (Vice-Chair), R Henry, J Hollywell, R Raynor, S Speller, S Taylor and J Thomas

---

## AGENDA

### PART 1

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

2. **MINUTES - EXECUTIVE - 28 NOVEMBER 2017**

To approve as a correct record the Minutes of the meeting of the Executive held on 28 November 2017 for signature by the Chair.

Minutes attached

3. **MINUTES OF OVERVIEW & SCRUTINY COMMITTEE AND SELECT COMMITTEES**

To note the following Minutes of the Overview & Scrutiny Committee and Select Committees –

A. Overview & Scrutiny Committee – 13 November 2017

B. Environment & Economy Select Committee (draft) – 22 November 2016

Minutes attached

4. **COUNCIL TAX SUPPORT SCHEME**

To consider a report that sets out proposals for a Council Tax Support scheme for 2018/19.

Report & Appendix attached

5. **CONFIRMATION OF ARTICLE 4 DIRECTIONS TO REQUIRE CHANGES OF USE FROM B1A (OFFICE) TO C3 (RESIDENTIAL) TO GAIN PLANNING PERMISSION**

To consider a report on the outcome of the public consultation on the making of

Article 4 Directions removing permitted development rights for office to residential conversions and that seeks approval to confirm the Article 4 Directions.

Report & Appendices attached

**6. CONFIRMATION OF ARTICLE 4 DIRECTION TO REQUIRE CHANGES OF USE FROM B1C (LIGHT INDUSTRIAL) TO C3 (RESIDENTIAL) TO GAIN PLANNING PERMISSION**

To consider a report on the outcome of the public consultation on the making of an Article 4 Direction removing permitted development rights for light industrial to residential conversions and that seeks approval to confirm the Article 4 Direction.

Report & Appendices attached

**7. DRAFT HRA RENT SETTING AND BUDGET REPORT**

To consider a report that sets out the draft proposals on the HRA budgets and rent setting for 2018/19, to be considered by Council on 30 January 2018.

Report & Appendix attached

**8. CORPORATE PERFORMANCE FOR QUARTER TWO 2017/18**

To consider a report that highlights the Council's performance across key priorities and themes for quarter two 2017/18.

Report & Appendices attached

**9. URGENT PART 1 BUSINESS**

To consider any Part 1 business accepted by the Chair as urgent.

**10. EXCLUSION OF PUBLIC AND PRESS**

To consider the following motions –

1. That under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as described in paragraphs 1 – 7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access to Information) (Variation) Order 2006.

2. That Members consider the reasons for the following reports being in Part II and determine whether or not maintaining the exemption from disclosure of the information contained therein outweighs the public interest in disclosure.

**11. PART II MINUTES - EXECUTIVE - 28 NOVEMBER 2017**

To approve as a correct record the Part II section of the Minutes of the meeting of the Executive held on 28 November 2017.

Minutes attached for Members.

## **12. URGENT PART II BUSINESS**

To consider any Part II business accepted by the Chair as urgent.

**NOTE: Links to Part 1 Background Documents are shown on the last page of the individual report, where this is not the case they may be viewed by using the following link to agendas for Executive meetings and then opening the agenda for Tuesday, 12 December 2017 – <http://www.stevenage.gov.uk/have-your-say/council-meetings/161153/>**

Agenda Published 4 December 2017

This page is intentionally left blank

## STEVENAGE BOROUGH COUNCIL

### EXECUTIVE MINUTES

**Date:** Tuesday, 28 November 2017

**Time:** 12 noon

**Place:** Shimkent Room - Daneshill House, Danestrete

**Present:** Councillors: S Taylor OBE CC (Chair), J Gardner, R Henry, Mrs J Lloyd, R Raynor, S Speller and J Thomas

**Start and End Time:** Start Time: 12 noon  
End Time: 1.46 pm

#### 1. **APOLOGIES FOR ABSENCE AND DECLARATION OF INTERESTS**

Apologies for absence were received on behalf of Councillor J Hollywell.

There were no declarations of interest received from Members.

#### 2. **MINUTES – 7 NOVEMBER 2017**

It was **RESOLVED** that the Minutes of the meeting of the Executive, held on 7 November 2017, are approved as a correct record to be signed by the Chair.

#### 3. **MINUTES OF OVERVIEW AND SCRUTINY COMMITTEE AND SELECT COMMITTEES**

It was **RESOLVED** that the following Minutes of the meetings of the Select Committees are noted:

A. Community Select Committee – 1 November 2017

C. Environment and Economy Select Committee – 7 November 2017

#### 4. **2017/18 MID-YEAR TREASURY MANAGEMENT REVIEW**

The Executive considered a report, which updated Members on the Treasury Management activities in 2017/18 and reviewed the effectiveness of the 2017/18 Treasury Management and Investment Strategy, including the 2017/18 prudential and treasury indicators.

It was reported that, at its meeting held on 8 November 2017, the Audit Committee had made no comment or changes to the recommendations.

It was **RESOLVED** that, subject to any comments from the Executive and the Audit Committee, it be **RECOMMENDED** to **COUNCIL**:

1. That the 2017/18 Treasury Management Mid-Year review, be approved; and
2. That the latest approved Countries for investments, as detailed in Appendix D to the report, be approved.

*Reason for Decision: As contained in the report.*

*Other options considered: As contained in the report.*

## 5. INTRODUCTION OF PERMIT PARKING AREAS IN STEVENAGE

The Executive considered a report, which set out the proposals for the introduction of a Permit Parking Area in Burymead, the impact of doing so and to recommend the Council's approaches to similar proposals in future.

Members were of the view that with the introduction of this scheme, it was important that communications with residents made it clear that resources were limited and it was unlikely that the Council could respond quickly to other requests for Controlled Parking Zones (CPZs) elsewhere in the Town.

It was also considered appropriate that should the consultation on this scheme provide a positive response, when the CPZ was introduced, there should be a period of a month where warnings were given out rather than penalty notices.

It was **RESOLVED**:

1. That a Permit Parking Area in Burymead be publicised for statutory consultation forthwith and that if no objections were received in response to that consultation, the draft scheme be implemented as proposed;
2. That if objections were received in response to that statutory consultation, the decision on whether to proceed be taken by the Portfolio Holder in consultation with the Ward Councillors;
3. That following any future investigations into permit parking in other areas, permit parking be publicised for statutory consultation where, within a logical geographic unit, when surveyed by the Council, a clear majority of not less than 60% of responses had been in favour of the introduction of permit parking controls, and indicated that they were willing to pay the necessary permit costs for the scheme to break even; and
4. That following such future investigations, if objections were received in response to the statutory consultation, the decision on whether to proceed be taken by the Portfolio Holder, in consultation with the Ward Councillors, unless otherwise agreed in the meantime by the Executive.

*Reason for Decision: As contained in the report.*

*Other options considered: As contained in the report.*

## 6. 2ND QUARTER MONITORING CAPITAL PROGRAMME REPORT – GENERAL FUND AND HOUSING REVENUE ACCOUNT

The Executive considered a report, which updated Members on the Council's 2017/18 and 2018/19 Capital Programme and sought approval for the revisions to the General Fund and Housing Revenue Account Capital Programme.

With regard to the public realm improvements in the Town Centre (paragraph 4.1.10 to the report referred), Members were concerned that the work in the Town Square did not get delayed and should be undertaken as soon as possible rather than awaiting the SG1 scheme, which would require the submission of a planning application etc. once the preferred developer was appointed in January 2018.

It was **RESOLVED**:

1. That the 2017/18 General Fund Capital Programme net decrease in expenditure, of

£546,450, as summarised in paragraph 4.1.1 to the report, be approved;

2. That the virement to the Deferred Works Budget of £32,800, as detailed in paragraphs 4.1.7 and 4.1.8 to the report, be approved;
3. That the 2017/18 Housing Revenue Account Capital Programme net decrease in expenditure of £30,330, as summarised in paragraph 4.2.1 to the report, be approved; and
4. That the 2018/19 General Fund increase in capital expenditure of £488,210 (slippage from 2017/18), as summarised in table one to the report, be approved.

*Reason for Decision: As contained in the report.*

*Other options considered: As contained in the report.*

## 7. **URGENT PART 1 BUSINESS**

None

## 8. **EXCLUSION OF PRESS AND PUBLIC**

It was **RESOLVED**:

1. That, under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as described in paragraphs 1 to 7 of Part 1 of Schedule 12A of the Act, as amended by SI 2006 No. 88; and
2. That having considered the reasons for the following items being in Part II, it be determined that maintaining the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.

## 9. **BUSINESS REVIEWS GROWTH FUNDING**

The Executive considered a Part II report, which sought its approval for funding required to support the implementation of the Business Unit Reviews that would create the corporate capacity to meet the current and future anticipated customer need and to deliver the Council's ambitious Future Town, Future Council Programme.

It was **RESOLVED** that the recommendations within the report, be approved.

*Reason for Decision: As contained in the report.*

*Other options considered: As contained in the report.*

## 10. **FINANCIAL SECURITY OPTIONS AND OVERARCHING CAPITAL STRATEGY**

The Executive considered a Part II report, which updated Members on the financial security work stream; the General Fund and HRA balances as a result of proposed fee income and on the approach to capital funding for 2018/19. The report also proposed a range of General Fund and HRA revenue budget options to be incorporated into the 2018/19 to 2019/20 budget process and General Fund Medium-Term Financial Strategy (MTFS) and HRA Business Plan and fees and charges increases to the 2018/19 General Fund and HRA 2018/19.

It was **RESOLVED** that the recommendations within the report, be approved.

*Reason for Decision: As contained in the report.*  
*Other options considered: As contained in the report.*

11.

### **TECHNOLOGY SHARED SERVICE IMPROVEMENT PLAN**

The Executive considered a Part II report, which set out proposals for the broad direction of the Technology Shared Service (TSS), and a three-phased approach to improving the service over the next 18 months. Members were advised that the first phase would focus on improving IT resilience and security and the recruitment of a permanent service manager to bring stability and contribute to the longer-term direction. The report also set out the longer-term areas of focus to improve the service and how it would support the Council's digital and efficiency agendas.

Members were reminded that as the Council had a shared service, this was also being considered by East Herts Council and would be jointly funded, subject to both parties agreeing to the Plan.

It was **RESOLVED** that the recommendations within the report, as amended, be approved.

*Reason for Decision: As contained in the report.*  
*Other options considered: As contained in the report.*

12.

### **URGENT PART II BUSINESS**

None

**CHAIR**



## STEVENAGE BOROUGH COUNCIL

### OVERVIEW AND SCRUTINY COMMITTEE MINUTES

Date: Monday, 13 November 2017

Time: 6.00 pm

Place: Shimkent Room - Daneshill House, Danestrete

**Present:** Councillors: Lin Martin-Haugh (Chair), Jim Brown, Howard Burrell, Michael Downing, Alex Farquharson, Michelle Gardner, Liz Harrington, John Lloyd, Sarah Mead, Adam Mitchell CC and Robin Parker CC

**Start / End Time:** Start Time: 6.00 pm  
End Time: 6.50 pm

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

Apologies for absence were received from Councillors Bibby CC and Saunders.

There were no declarations of interest.

#### 2 **MINUTES**

It was **RESOLVED** that the Minutes of the meeting of the Overview and Scrutiny Committee held on held on 25 September 2017 are approved as a correct record and signed by the Chair.

#### 3 **STEVENAGE BOROUGH LOCAL PLAN: PRE-ADOPTION DRAFT**

The Strategic Director (TP) advised that this report would be withdrawn from the agenda following a direction from the Secretary of State for Communities and Local Government.

The Committee was advised that the Secretary of State had received a request to intervene in the Stevenage Local Plan from Stephen McPartland MP for Stevenage which raised a number of issues including Plan policies and supporting text covering the regeneration of Stevenage train station and town centre.

#### 4 **PART 1 DECISIONS OF THE EXECUTIVE**

This report had not been circulated to Members five clear days before the meeting nor had it been made available for public inspection. The Chair determined however that given the short time left before the end of the call-in period on 17 November 2017, it could be considered on this occasion.

#### **Minutes of the Overview and Select Committees**

Officers advised that gas safety checks were carried out on a property once a tenant

had moved in as it was necessary for a live gas account to be in place before the checks were made.

### **Stevenage Borough Local Plan – Pre-Adoption Draft**

Report withdrawn

### **Town Centre Regeneration – SG1 Close of Competitive Dialogue**

Strategic Director (TP) introduced the report. The Committee was pleased to note the progress with the four remaining bidders being close to submitting final submissions. The evaluation of these submissions would be brought back to Committee in January 2018.

In response to a question regarding the retail market, Members were advised that the SG1 phase of the regeneration would include food and drink offer and smaller retail outlets rather than the larger ‘out of town’ retailers. Members agreed the importance of developing a 24 hour economy for the town.

Members were reassured that the financial and ethical checks on the remaining four bidders had been undertaken by both the Council’s financial teams and the Property Agents with detailed financial strategies being submitted. Officers were confident that all four bidders were in a strong position to be able to deliver the SG1 scheme.

Officers advised that the details in the equalities implications and the environmental implications particularly in relation to the cycling network links would be included in the further guidance to bidders and within the Masterplanning details. All planning applications submitted would be subject to the usual equalities and environmental tests.

Officers advised that once a preferred bidder had been announced, a briefing for all Members of the Council would be arranged. There would also be a co-ordinated communications programme designed to ensure the public are made aware of the scheme.

It was **RESOLVED** that the following Part 1 decisions taken by the Executive at its meeting on 7 November 2017 be noted:

- **Stevenage Borough Local Plan – Pre-Adoption Draft**
- **Town Centre Regeneration – SG1 Close of Competitive Dialogue**

5 **URGENT PART 1 DECISIONS AUTHORISED BY THE CHAIR OF OVERVIEW AND SCRUTINY COMMITTEE**

None.

6 **URGENT PART 1 BUSINESS**

None.

7 **EXCLUSION OF PRESS AND PUBLIC**

It was **RESOLVED**:

1. That under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as described in paragraphs 1-7 of Part 1 of Schedule 12A of the Act, as amended by SI 2006 No. 88.
2. That having considered the reasons for the following items being in Part II it be determined that maintaining the exemption from disclosure of the information contained therein outweighs the public interest in disclosure.

8 **PART II DECISIONS OF THE EXECUTIVE**

This report had not been circulated to Members five clear days before the meeting. The Chair determined however that given the short time left before the end of the call-in period on 17 November 2017, it could be considered on this occasion.

**Part II Minutes – Executive – 19 September 2017**

It was **RESOLVED** that the minutes are noted.

9 **URGENT PART II BUSINESS**

**CHAIR**

This page is intentionally left blank

**STEVENAGE BOROUGH COUNCIL**  
**ENVIRONMENT & ECONOMY SELECT COMMITTEE**  
**MINUTES**

**Date:** Wednesday, 22 November 2017

**Place:** Shimkent Room - Daneshill House, Danestrete, Stevenage SG1 1HN

**Present:** Councillors: M Downing (Chair), M Hurst (Vice Chair), J Brown, L Harrington, J Lloyd and A McGuinness.

**Also In Attendance:** Councillor R Raynor as Portfolio Holder for Economy, Enterprise and Transport  
Alderman D Kissane and 4 representatives from Bus User Group Stevenage (BUGS)  
D Heckles – Arriva Bus Company  
D Brookes and J Howes – CentreBus Limited  
M Lale, G Bridgen and J Wing – Hertfordshire County Council (HCC)  
T Pike, Z Al-Jawad and R Woodisse – Stevenage Borough Council (SBC)

**Start / End Time:** Start Time: 6.00 pm  
End Time: 7.55 pm

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

Apologies for absence were received on behalf of Councillors D Bainbridge, R Boom and L Chester.

Councillor M Downing declared a personal interest in Item 3 as the Chairman of BUGS and informed the Committee that on this occasion he would not be speaking on behalf of that organisation.

**2 MINUTES - 7 NOVEMBER 2017**

It was **RESOLVED** that the Minutes of the meeting of the Environment & Economy Select Committee held on 7 November 2017, are approved as a correct record to be signed by the Chair.

**3 STEVENAGE BUS SERVICE DISCUSSION ITEM**

The Chair welcomed the representatives from BUGS, Arriva, CentreBus, HCC and SBC Officers to the meeting.

The Chair, Councillor M Downing, then declared a personal interest as the Chairman of BUGS and informed the Committee that on this occasion he would not be speaking on behalf of that organisation.

The Chair then invited the representatives from BUGS to address the meeting.

The following observations regarding the Bus Service were made by BUGS:

- Buses were occasionally dirty, both internally and externally, especially during the winter months when passengers had reported difficulty in seeing out of the windows.
- Examples were given of when buses did not stop at the railway station at peak periods when parked cars and other vehicles accessing the station forced buses into the centre lane of Lytton Way.
- Examples were also given of when buses departed late from the bus station despite appearing to be available for service. It was commented that some drivers would often not move their vehicles to the bus stop until the scheduled departure time.
- Congestion delays were frequently caused by problems on the A1, school run traffic and delivery vehicles blocking narrow roads.
- Disruption was caused by road closures for the Charter Fair and the temporary relocation of bus stops, sometimes to inappropriate places. It was also observed that some drivers did not follow the published diversion routes.
- Bus shelters were frequently in a poor state of repair and dirty, with repairs often taking many months to complete.
- The pedestrian gate at the bus station was repeatedly left open creating a potential health and safety hazard allowing people to stray into the operational area of the station.

BUGS also made a number of suggestions to alleviate problem of delays caused by congestion including:

- The bus companies could equip buses with radios to allow contact with drivers in the event of delays and thus re-route to less congested areas whilst maintaining the service.
- Local authorities could:
  - Impose parking restrictions in narrower streets and introduce more effective enforcement of those restrictions
  - Create one-way streets to improve traffic flows
  - Build park and ride sites at the approaches to the town
  - Ban use of private cars within the wider area of the town
  - Implement a congestion charge for through traffic.

In reply Members, representatives from the bus companies and officers made the following comments:

The difficulty of keeping vehicles clean in winter was acknowledged. Arriva advised the Committee that a new vehicle washing facility had been installed and both operators advised that their vehicles were cleaned overnight. However neither companies' vehicles were scheduled to return to their depots during operational hours this making further cleaning once on route impossible. To address the issue

of internal cleanliness it was hoped that drivers would undertake checks to remove litter if possible during the day.

It was noted that failure to stop at the Railway Station was often due to other vehicles blocking access to the bus stops, a problem observed at certain other stops within the town. The SBC Officer agreed to discuss with HCC colleagues the specific traffic orders required to alleviate this issue.

With regard to late departures from the bus station the Committee was advised that all departures were monitored and the data collected indicated that the departures were within the time window allowed by the Traffic Commissioner. However any driver observed to be departing late without good reason on a regular basis would be spoken to.

In respect of congestion the Committee was advised that Arriva was investigating the provision of radios in its buses and that extensive parking reviews had been carried out in certain areas of the town and would be extended into other areas as resource permitted. Only two instances of route blockages had been notified to the Council in the previous twenty four months and both BUGS and the bus operators were invited to inform the SBC Engineering Services Manager of any further issues so that the necessary corrective and enforcement actions could be taken. The other suggestions made by BUGS were unlikely to be considered due to practical considerations.

With regard to the Charter Fair, after the 2016 event a Bus Liaison Officer with specific responsibility for managing special events had been appointed at HCC. This had led to an improved event in 2017 and ongoing liaison with the bus companies continued. It was confirmed that it would be possible, as requested, to close roads a day earlier to allow for the Fair to set up.

In response to Member comments that the Fair had moved from its original location the Committee was advised that it was for HCC's Network Management Team to authorise the location of Fair rides on the highway and that they would have the power to direct the Fair to move south if they felt it was in the interest of maintaining the safe flow of traffic and bus access around the gyratory. In addition the bus companies acknowledged the need for improved communication with drivers to ensure that route changes were adhered to.

The Committee was advised that cleaning and maintenance of bus shelters was the joint responsibility of local authorities, advertisers and the original provider of the shelter dependant on the corrective actions needed.

With regard to the digital displays at bus shelters the Committee was advised that the displays were a mixture of timetables and real time information dependant on what was provided by the bus operators. Arriva advised the Committee that it was the intention to provide 100% real time information for display as soon as possible.

The problem of securing the gate at the bus station was acknowledged. A number of solutions had been tried but none had proved to be effective. The Engineering Services Manager invited suggestions to address the issue.

In reply to a question concerning the provision of reserve drivers and vehicles to prevent service cancellations the Committee was advised that reserves were available however on some days it was possible that, in exceptional circumstances, demand for these reserves could exceed supply.

At the conclusion of the discussion the Chair thanked all present for their contributions and requested that a copy of the summary and minutes be forwarded to all interested parties.

It was **RESOLVED** that the issues and comments raised during the discussion are noted and that a full set of the agreed minutes be sent to all participants once available.

#### 4 **DRAFT REPORT AND RECOMMENDATIONS OF THE INDOOR MARKET REVIEW**

This item had not been circulated five clear days before the meeting nor had it been made available for public inspection during that time. The Chair determined however that given that the recommendations in the report had already been published the report be considered to allow for final amendments to the recommendations to be made and the finalised recommendations be published to all interested parties.

The Scrutiny Officer presented the report and advised the Committee that once the recommendations had been agreed a final report would be prepared for the Committee in the New Year after which the recommendations would be forwarded to the relevant Portfolio Holder and Strategic Director for comment. A response to those recommendations should then be made within two months.

The Committee was advised that market traders expressed appreciation of the Council's management of the market, supported the need for appropriate management and expressed concerns over potential external arrangements. The Committee agreed that long term recommendation 3 be retained in the report as a contingency option.

In reply to a question concerning pedestrian safety and access to the market, the Strategic Director undertook to determine whether it would be possible to introduce restricted access times for deliveries to be made to the market. A suggestion that a rising bollard be installed was not supported due to practical considerations and the number of properties and businesses serviced by the access road.

In reply to an enquiry regarding incentive vouchers for bus users to use the market the Garages and Market Manager undertook to raise the issue initially with the MTA and then with bus companies to see if it was a viable proposition.

It was **RESOLVED** that the recommendations in the report are agreed.

#### 5 **URGENT PART 1 BUSINESS**



None

6 **EXCLUSION OF PRESS AND PUBLIC**

Not needed

7 **URGENT PART II BUSINESS**

None

**CHAIR**

This page is intentionally left blank

---

**Meeting:** EXECUTIVE

Portfolio Area: RESOURCES

**Date:** 12 December 2017

## **COUNCIL TAX SUPPORT SCHEME**

Authors – Su Tarran 01279 502076  
Contributor – Clare Fletcher Ext. 2933  
Lead Officers – Su Tarran 01279 502076

### **1. PURPOSE**

1.1 To propose a Council Tax Support scheme for 2018/19.

### **2. RECOMMENDATIONS**

2.1 That the impact of welfare reforms on the CTS scheme be noted (section 4.4 of the report refers).

2.2 That the options considered as part of changes in the scheme be noted (section 4.6 of the report refers).

2.3 That the work of the Members of Overview and Scrutiny in reviewing the scheme be noted.

2.4 That the timescale recommended by the Members of Overview and Scrutiny in reviewing the scheme for 2019/20 be noted (paragraph 4.1.15 of the report refers).

2.5 That Council be recommended to approve the 2018/19 CTS Scheme proposed within this report (based on a 8.5% liability).

### **3. BACKGROUND**

3.1 The Government made provision within the Local Government Finance Act 2012 to replace the national Council Tax Benefit (CTB) scheme from 1st April 2013 with localised schemes for CTS devised by individual local authorities (LAs).

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

3.4 Any revision to a scheme must be made by the Council by the 31 January, 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.

- 3.5 The Council must, in the following order, consult with major precepting authorities (i.e. Hertfordshire County Council and Police and Crime Commissioner for Hertfordshire), publish a draft scheme in such manner as it thinks fit, and consult such other persons as it considers are likely to have an interest in the operation of the scheme. Both organisations have indicated their support of the proposed scheme for 2018/19.
- 3.6 Each year a report is brought to Members to determine whether any changes should be made to the current scheme as outlined above and if so to start consultation during the summer.

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

##### **4.1 Review in 2016/17**

- 4.1.1 Last year both the Overview & Scrutiny Committee and the Executive considered a number of possible changes to the Council Tax Support scheme (CTS) and concluded that these would make the scheme more complex and increase the risk of non-payment.
- 4.1.2 The following report details each of the areas that are relevant to a consideration of changes to the CTS, and intends to demonstrate that a recommendation to keep the scheme the same for 2018/19 should be made.
- 4.1.3 At a policy development meeting of the Overview and Scrutiny Members on the 5 September 2017, Members reviewed the areas considered for the 2017/18 scheme and agreed to recommend no change to the existing scheme for 2018/19.
- 4.1.4 Members asked for an early consideration of option for the 2019/20 scheme in March 2018, to give time for any consultation required on proposals.

##### **4.2. Tax base**

- 4.2.1 The tax base is an estimate of the number of properties on which a council tax charge can be levied in the financial year. In simple terms it is a sum of all the residential properties in the borough, less those which qualify for exemptions and discounts, (including council tax support), plus those new properties which will be chargeable during the coming year. Consideration then has to be given to how much of the tax base will be paid.
- 4.2.2 The tax base for 2016/17 was set at 25,888.5 Band D equivalent properties based on a 97.7% collection rate. This reflected assumptions about the number of each of the discounts and exemptions that would be granted during the year, as well as the inclusion of forecasted new properties. A major

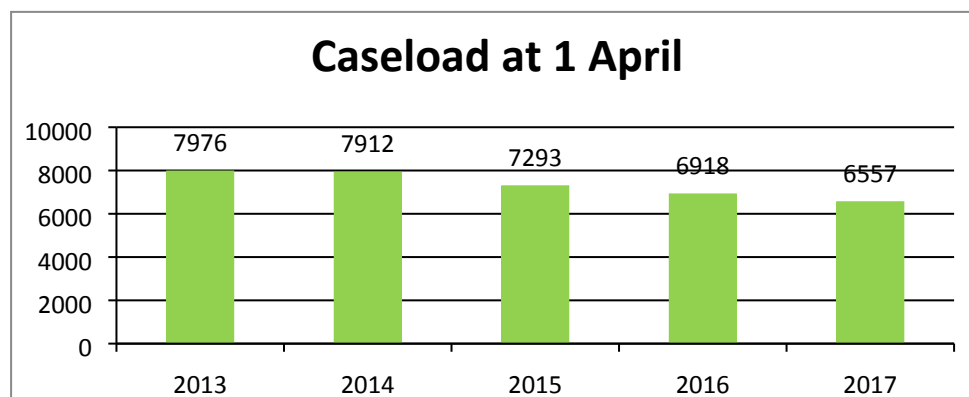
component of the tax base is the cost of the council tax support scheme, which reduces the collectable income in the same way as the other discounts and exemptions.

4.2.3 At 31 March 2017 the tax base was 823.99 Band D equivalents higher than the original estimate for 2016/17. Of which 293 Band D equivalents related to lower than estimated spend on CTS, (the remainder reflecting changes in other discounts, and new properties coming in to rating more quickly than estimated). The tax base for 2017/18 has been set assuming the spend on CTS to be the equivalent of 3865 band D properties or a cost of £6,169,095. At 1.11.2017 the cost is lower at £5,905,993 or 3,700 band D equivalents, (165 Band D equivalents lower), If this trend continues the lower level of spend will generate a surplus on the Collection Fund at year end. This is summarised in the table below.

	Estimated cost of CTS	Band D	Number of Band D equivalents
2017/18 tax base	£6,169,095	£1,596.35	3,865
01/11/2017	£5,905,993	£1,596.35	3,700
(Less than)/more than 2017/18 tax base	(£263,102)		(165)

4.2.4 Since the introduction of CTS in April 2013 it has become more difficult to project the tax base on which to levy council tax on. Estimates of the number and values of claims have to be made, which is then calculated as a reduction to the number of properties chargeable for council tax (less discounts). This is exacerbated when planned for Government policies are delayed or amended after the tax base is determined. Examples include proposed changes to tax credits, and the introduction of the new lower benefit cap. The CTS scheme can be a volatile and distorting factor in the tax base calculation. The Table below shows the reduction in the caseload.

### Reducing caseloads



The caseload number at 1.11.17 is 6,492

4.2.6 Setting the tax base is an estimate calculated and approved at the January Executive, the value of precepts levied is £42 Million plus and some variations are likely to occur. In considering any changes to the CTS discount to be awarded, an allowance is made for the estimated impact of any government welfare reforms based on the current caseload levels.

### 4.3 Arrears

4.3.1 The tax base collection rate recognises that not all of the estimated total liability will be collectable. This could be as a result of changes in the number and value of discounts granted, but mostly despite robust recovery processes not everybody will pay promptly.

4.3.2 The table below demonstrates the arrears position at 31 March 2017 for each council tax bill year. The CTS column shows that part of the total arrears (pre and post CTS introduction) relates to customers who have been in receipt of CTS for any period since April 2013. Consequently the CTS column includes arrears accumulated before or after an entitlement to CTS.

**Council Tax arrears at 31.3.2017 are detailed below by year.**

Year	All Customers	CTS customers
	Arrears at 31.3.17	arrears at 31.3.17
2001/02	£ 777.83	
2002/03	£ 2,389.77	£ 163.34
2003/04	£ 5,555.51	£ 339.40
2004/05	£ 14,322.89	£ 1,363.01
2005/06	£ 26,372.65	£ 2,360.73
2006/07	£ 32,433.09	£ 2,586.96
2007/08	£ 52,191.18	£ 3,780.55
2008/09	£ 78,928.11	£ 10,562.40
2009/10	£ 105,134.25	£ 18,882.64
2010/11	£ 129,710.59	£ 32,320.55
2011/12	£ 163,901.74	£ 49,727.42
2012/13	£ 221,903.29	£ 62,866.78
2013/14	£ 327,153.90	£ 123,695.91
2014/15	£ 471,041.52	£ 187,725.74
2015/16	£ 658,574.99	£ 229,784.91
2016/17	£ 1,550,591.62	£ 403,675.62
Totals at 31.3.2017	£ <b>3,840,982.93</b>	£ <b>1,129,835.96</b>

Totals at 31.3.16	£ 3,936,737.13	£ 1,154,054.15
-------------------	----------------	----------------

4.3.3 Considering just those customers who have at any time been in receipt of CTS, the following table shows the value split between elderly and working age customers, (elderly claimants have entitlement to Council Tax support assessed on 100% of the net liability). Net liability refers to the liability after reductions for single person discount etc.

#### Split of arrears between Working Age and Elderly

	Working age	Elderly	Total
2002/03	£ 158.89	£ 4.45	£ 163.34
2003/04	£ 339.40		£ 339.40
2004/05	£ 1,363.01		£ 1,363.01
2005/06	£ 2,360.73		£ 2,360.73
2006/07	£ 2,586.96		£ 2,586.96
2007/08	£ 3,776.89	£ 3.66	£ 3,780.55
2008/09	£ 9,037.12	£ 1,525.28	£ 10,562.40
2009/10	£ 17,213.40	£ 1,669.24	£ 18,882.64
2010/11	£ 30,371.52	£ 1,949.03	£ 32,320.55
2011/12	£ 46,727.14	£ 3,000.28	£ 49,727.42
2012/13	£ 60,831.79	£ 2,034.99	£ 62,866.78
2013/14	£ 119,529.86	£ 4,166.05	£ 123,695.91
2014/15	£ 183,333.50	£ 4,392.24	£ 187,725.74
2015/16	£ 224,939.16	£ 4,845.75	£ 229,784.91
2016/17	£ 387,759.32	£ 15,916.30	£ 403,675.62
<b>Totals</b>	<b>£ 1,090,328.69</b>	<b>£ 39,507.27</b>	<b>£ 1,129,835.96</b>

4.3.4 The change in arrears outstanding for working age residents who have at some time been in receipt of CTS is shown below. A small amount of the debt will have been written off.

#### Change in arrears for Working Age customers

Liability outstanding from	WA CTS - outstanding liability at 31.3.15	WA CTS - outstanding liability at 31.3.16	WA CTS - outstanding liability at 31.3.17
2013/14	£272,947.80	£171,160.75	£ 119,529.86
2014/15	£481,756.77	£284,141.11	£ 183,333.50
2015/16		£430,393.45	£ 224,939.16
2016/17			£ 387,759.32
<b>Totals</b>	<b>£754,704.57</b>	<b>£885,695.31</b>	<b>£915,561.84</b>

4.3.5 This means that whilst recovery is being achieved on these outstanding balances, there is an increasing level of arrears to be collected from customers who have at some time received CTS.

- 4.3.6 At 31 March 2016 there were 657 working age CTS households where the outstanding liability is equal to or greater than their initial net liability for 2015/16, indicating they had not paid their liability and/or had incurred additional costs of recovery. However at 31 March 2017 this had fallen to 445 households.
- 4.3.7 CTS customers are most likely to have also been affected by other welfare reforms:
- 702 homes are currently (as at 1 April 2017) subject to the spare room subsidy restriction in the Housing Benefit (HB) regulations.
  - 475 of these are working age CTS claimants as well.
  - 61 of these households (12.8%) had CTS arrears equal to or greater than their liability for Council Tax in 2016/17. This means that they had not paid anything towards their Council Tax liability and or had costs added for failing to pay.
- 4.3.8 Based on the level of estimated arrears as a result of CTS the tax base only assumes that 70% of the in-year liability of working age CTS customers will be paid, compared to 98% of other council tax.
- 4.3.9 In 2016/17 The overall collection rate for Working Age customers in receipt of CTS at 31.3.17 was 76.5%. The collection rate for those working age customers who only had to pay 8.5% of their liability was 73.69%. The overall in year collection rate for all tax payers was 96.6%.
- 4.3.10 Officers will review the deduction of 30% for non payment of CTS for 18/19 based on current trends and the number of cases not having paid any council tax.

#### 4.4 Wider welfare reforms

- 4.4.1 The welfare reform agenda is constantly changing, with planned for changes being modified and reviewed, and this is why it is so difficult to predict the level of CTS spend (see also section 4.3). Some of the recent changes have included;
- From April 16 changes to Housing Benefit have been introduced to reduce entitlement for new claims (removal of the family premium) and for the period claims can be backdated. An example is given below.
- BEFORE: A couple with one child living in a band D property, with a net weekly income of £274.90, would qualify for £11.65 per week CTS when getting the family premium.*
- AFTER: The same family would only qualify for £8.16 per week CTS when assessed without the family premium. A difference of £3.00 per week.*
- The new lower Benefit CAP went live in November 2016, and has further reduced the income of families who claim benefit.



- Customers moving on to Universal Credit are experiencing a different form of entitlement with the added challenge of responsibility of paying their own rent. Rent arrears are increasing.
- Local Housing Allowance rates are frozen – so rent increases in the private sector may not be eligible for additional help through Housing Benefit/universal credit.
- HB working age allowances are frozen, so in real terms these entitlements are falling against other cost of living increases in income.
- April 2017 – new claimants to HB and UC's allowances are limited to 2 children (exceptions do apply).

4.4.2 The impact of these reforms and others is likely to reduce the income of residents affected by them and accordingly put increased pressure on their ability to pay any Council Tax liability. This will lead to increased costs of recovery for both the resident and the Council.

4.4.3 In considering changes to the CTS scheme the impact of other welfare reforms and therefore the ability to collect any increases in CTS liability needs to be taken into account.

#### 4.5 CTS scheme income & expenditure

4.5.1 The current scheme is assessed on 91.5% of maximum liability. For all working age customers this means that they have to pay at least 8.5% of their liability. This is demonstrated below.

##### Annual value of 8.5% of liability by band

8.5% per year	2013/14/ 2014/15	2015/16	2016/17	2017/18
<b>Band A</b>	£82.46	£83.72	£86.54	£ 90.46
<b>Band B</b>	£96.20	£97.67	£100.96	£ 105.54
<b>Band C</b>	£109.95	£111.63	£115.38	£ 120.61
<b>Band D</b>	£123.69	£125.58	£129.81	£ 135.69
<b>Band E</b>	£151.18	£153.49	£158.65	£ 165.84
<b>Band F</b>	£178.66	£181.40	£187.50	£ 196.00
<b>Band G</b>	£206.15	£209.30	£216.34	£ 226.15
<b>Band H</b>	£247.38	£251.16	£259.61	£ 271.38

## Weekly value of 8.5% of liability by band

8.5% per week	2013/14/ 2014/15	2015/16	2016/17	£	2017/18
<b>Band A</b>	£1.59	£1.61	£1.66	£	1.74
<b>Band B</b>	£1.85	£1.88	£1.94	£	2.03
<b>Band C</b>	£2.11	£2.15	£2.22	£	2.32
<b>Band D</b>	£2.38	£2.42	£2.50	£	2.61
<b>Band E</b>	£2.91	£2.95	£3.05	£	3.19
<b>Band F</b>	£3.44	£3.49	£3.61	£	3.77
<b>Band G</b>	£3.96	£4.03	£4.16	£	4.35
<b>Band H</b>	£4.76	£4.83	£4.99	£	5.22

4.5.2 Before the introduction of CTS the case load applying for council tax benefit was increasing. The caseload has since stabilised and begun to reduce and estimates versus actual costs of discount granted is shown below.

## Estimate and Actual spend on CTS

Year	Estimated cost of CTS scheme	Actual cost of CTS scheme	Value of variance	SBC share	Total Collection fund surplus
<b>2013/14</b>	£7,002,424	£6,605,773	£396,650	£51,406	£111,748
<b>2014/15</b>	£6,892,704	£6,137,922	£754,782	£97,819	£176,710
<b>2015/16</b>	£6,700,958	£5,755,876	£945,082	£120,592	£203,468
<b>2016/17</b>	£6,236,794	£5,683,162	£553,632	£70,157	£179,403
<b>2017/18</b>	£6,169,174				

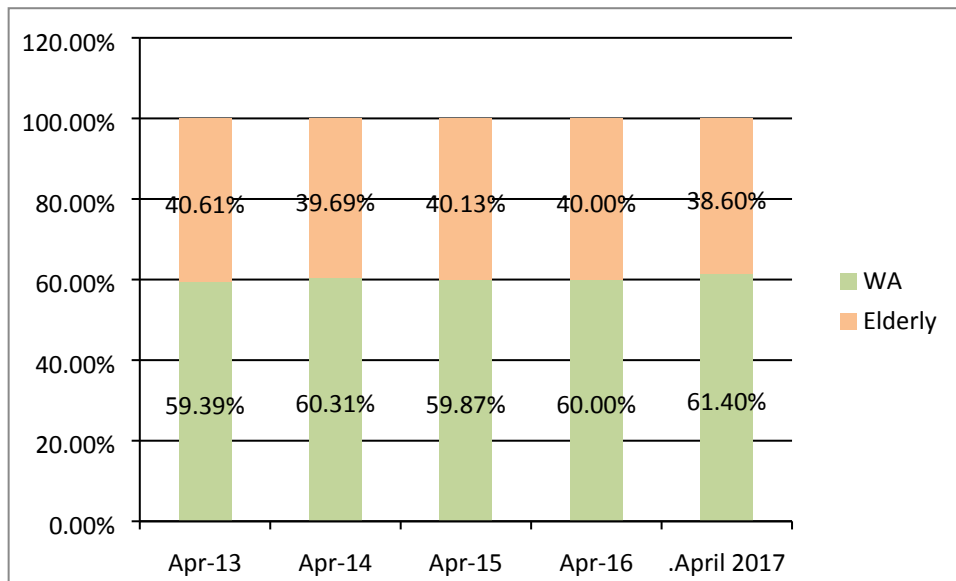
4.5.3 Putting these variances into context, they represent between 6% -14 % of actual spend. The 2017/18 scheme is estimated to cost £6.17 million, which is an increase of £486k over the actual costs for 2016/17, but reflects an increase of 4.53% in the council tax in Stevenage (total all preceptors) between 2016/17 and 2017/18.

4.5.4 Calculating the total scheme cost, i.e. the cost of the CTS scheme versus the CTS grant given by the government is now impossible, as the grant has been subsumed within total RSG and NDR figures. RSG has been cut over the past few years and will be totally removed from 2019/20 for Stevenage Borough Council. Members need to be mindful of the councils overall financial budgetary position in the context of requiring General Fund savings of £1.464Million and that central government funding has reduced from over £6Million to an estimated £2.5Million by 2019/20.

4.5.5 The amount of CTS discount awarded could increase if there was an increase in the proportion of Elderly customers. The scheme for Elderly claimants (of state pension age) is still controlled by central government through prescribed regulations. It is important therefore to be conscious of the movement in each caseload.

4.5.6 The proportion has changed marginally over time with 40.61% of claims in April 2013 being for Elderly customers, and at 1 April 2017 only 38.6% from this group. The reduction may be attributed to the raising retirement age.

**Caseload movement and split between working age and elderly**



4.5.7 The proportion of Elderly claimants is monitored during the year and is a consideration when calculating the value of CTS discount for the year.

**4.6 Options considered to amend the Council Tax Support scheme in 2017/18 and 2018/19.**

4.6.1 A number of options were considered in detail and rejected last year. All revisions would affect working age customers only and would require consultation with all taxpayers.

In brief the following areas were considered and rejected.

Area considered	Explanation
<b>Re align the schemes</b>	Changing the Council Tax support scheme to match reductions in entitlement built into the Housing Benefit scheme
<b>Changing the level of “minimum</b>	Consideration was given to the

<b>payment” for all working age customers</b>	impact of increasing the minimum % paid from 8.5% to 10%\15%\20% and 25%, as well as reducing the amount paid to 5%.
<b>Introducing a band cap</b>	This would limit the amount that the Council would pay to a value of a lower property band, for example Band C
<b>Introducing a minimum amount that the council would fund</b>	For example the minimum award would be £5 per week, if you qualified for less, you would not be granted the relief.
<b>Changes around discretions for Disability, Children and other Dependents</b>	Introducing or amending the existing weighting of awards in favour of these groups
<b>Non dependents</b>	Increasing the amount of benefit lost when there is a non-dependant resident in the home.
<b>Capital Limits – reduce the level of Capital that excludes from entitlement.</b>	Claimants with capital (savings/property etc) in excess of £16,000 are ineligible for Council Tax Support.
<b>Other adjustments</b>	There are a number of other component elements of the scheme that could be adjusted including income tapers, income disregards etc.

#### **4.7 Other factors to consider;**

- 4.7.1 All the above changes carry the same risk to bad debt provisions, potential recovery costs and costs of administration. The more complex the scheme, the more difficult it is to comply with and customers’ levels of understanding could be compromised
- 4.7.2 The CTS should comply with the Government’s key principles of protecting Pensioner claimants from changes, supporting work incentives, and has is drafted with regard to appropriate consideration to vulnerable groups. The manner in which this is achieved in relation to the DCLG policy Statement of Intent is set out below.

4.7.3 **Armed Forces Covenant** – The Covenant sets out the relationship between the Nation, the State and the Armed Forces and recognises that the whole nation has a moral obligation to members of the Armed Forces and their families, and it establishes how they should expect to be treated. It exists to redress the disadvantages that the Armed Forces community faces in comparison to other citizens, and to recognise sacrifices made. In some cases this will require special consideration, especially for those who have given the most such as the injured and the bereaved.

In consideration of the above the recommended scheme reaffirms that in addition to war widow's, war widower's and war disablement pensions, guaranteed income payments (including survivor's guaranteed income payments under the Armed Forces Compensation Scheme) be disregarded in full for working age claimants thus ensuring that receipt of these incomes does not impact upon their Council Tax Support entitlement.

It is also important to note that under Government regulations for pensionable age claimants, which will apply to all LAs, only £10 per week can be disregarded from the receipt of the above pensions. SBC currently exercises its discretion within the current legislation whereby these pensions are disregarded in full, and there is no proposal to change this.

4.7.4 **Child Poverty Act 2010** - The principles enshrined within the recommended CTS Scheme should support the objectives of reducing and mitigating the effects of child poverty through the following means:

- a) Child Benefit be completely disregarded as a claimant's income thus ensuring that their entitlement to CTS is unaffected by the receipt of this income.
- b) Premiums and allowances shall be used to determine a claimant's basic living needs, with amounts being determined for each child and young person resident in the claimant's household.
- c) The provision of disregards for child care costs will be applied within the scheme, up to a maximum prescribed level.

4.7.5 **Incentivising Work** – There is no proposal to change the provision of extended payments for the first four weeks after a claimant commences work, where they meet certain prescribed requirements through the recommended scheme.

4.7.6 **Equalities Implications** - The Equality Act 2010 S149 sets out the public sector equality duty which requires the Council, when exercising its functions (including those as an employer) to have 'due regard' to the need to eliminate discrimination (both direct and indirect discrimination), harassment and victimization and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic.

4.7.7 If the scheme is amended in anyway an EQIA will be completed to consider the impact on any of the protected characteristics. At the same time, the

Council must also pay regard to any countervailing factors, which it is proper and reasonable for them to consider. Budgetary pressures faced by the Council form part of the analysis shown in the equality impact assessment.

4.7.8 Councils have introduced differing schemes across the County depending on the demographic of the CTS claimants, the financial position of the council and its political views. This is shown in the table below

**Table 10: What other councils are doing – (these are subject to change)**

Local authority	Scheme
<b>Watford</b>	Default national scheme ie <ul style="list-style-type: none"> <li><input type="checkbox"/> No band capping</li> <li>• Maximum benefit is 100% of liability</li> <li>• Second adult rebate retained</li> </ul>
<b>St Albans</b>	Default national scheme i.e <ul style="list-style-type: none"> <li>• Maximum benefit is 100% of liability</li> </ul>
<b>Welwyn/Hatfield</b>	<ul style="list-style-type: none"> <li>• Maximum benefit is 75% of liability</li> <li>• 100% to protected groups               <ul style="list-style-type: none"> <li><input type="checkbox"/> Disability premium</li> <li><input type="checkbox"/> Enhanced disability premium</li> <li><input type="checkbox"/> Severe disability premium</li> <li><input type="checkbox"/> Disabled child premium</li> <li><input type="checkbox"/> Child under 5</li> <li><input type="checkbox"/> ESA support group</li> <li><input type="checkbox"/> DLA/PIP</li> <li><input type="checkbox"/> War widow/ers</li> </ul> </li> </ul> <p>Removal of Second Adult Rebate for working Age</p> <p>Removal of Family Premium</p> <p>Backdating limited to 1 Month</p>
<b>North Herts</b>	<ul style="list-style-type: none"> <li>• Maximum benefit is 75% of liability</li> <li>• 100% to protected groups               <ul style="list-style-type: none"> <li><input type="checkbox"/> Disability premium</li> <li><input type="checkbox"/> Enhanced disability premium</li> <li><input type="checkbox"/> ESA support component</li> <li><input type="checkbox"/> Disabled child premium</li> </ul> </li> <li><input type="checkbox"/> Earnings disregard increased to £7.50 (single); £15</li> </ul>

Local authority	Scheme
	(couple); £30 (disabled/carer/auxiliary occupation); £37.50 (lone parent)
<b>Dacorum</b>	<ul style="list-style-type: none"> <li>• Restriction of liability to Band D</li> <li>• Protected groups <ul style="list-style-type: none"> <li><input type="checkbox"/> Disabled child premium</li> <li><input type="checkbox"/> Disability premium or underlying DP for those with limited capability for work</li> <li><input type="checkbox"/> ESA work related activity group</li> <li><input type="checkbox"/> ESA support group</li> <li><input type="checkbox"/> Child under 5</li> <li><input type="checkbox"/> War widow/ers or war disablement pension</li> </ul> </li> <li>• Maximum benefit is 75% of liability <ul style="list-style-type: none"> <li><input type="checkbox"/> 100% to protected groups as above</li> </ul> </li> <li>• Non dependant deductions modified</li> <li>• Second adult rebate - those over pension credit age only</li> <li>• Backdating - 3 months for pensioners and 1 month for everyone else</li> </ul>
<b>Three Rivers</b>	<ul style="list-style-type: none"> <li>• Restriction of liability to Band D</li> <li>• Capital limit reduced to £8,000</li> <li>• Non dependant deductions increased</li> <li>• Second adult rebate – those over pension credit age only</li> </ul>
<b>Hertsmere</b>	<ul style="list-style-type: none"> <li>• Restriction of liability to Band D*</li> <li>• Protected groups <ul style="list-style-type: none"> <li><input type="checkbox"/> Claimant, partner or child gets DLA, AA or PIP</li> <li><input type="checkbox"/> ESA support group</li> <li><input type="checkbox"/> Lone parent with child under 5</li> </ul> </li> <li>May align scheme to HB rules from 2018/19</li> <li>• Maximum benefit is 80% of liability*</li> </ul>

Local authority	Scheme
	<ul style="list-style-type: none"> <li><input type="checkbox"/> 100% of liability to protected groups as above</li> <li>• Non dependant deductions modified <ul style="list-style-type: none"> <li><input type="checkbox"/> Protection from non dependant charges to groups as above</li> </ul> </li> </ul> <p>*ie liability is actually restricted to 80% of Band D or 80% of actual liability (whichever is lower) except for protected groups</p>
<b>Stevenage</b>	<ul style="list-style-type: none"> <li>• Maximum benefit is 91.5% of liability</li> </ul>
<b>East Herts</b>	<ul style="list-style-type: none"> <li>• Maximum benefit is 91.5% of liability</li> </ul>
<b>Broxbourne</b>	<ul style="list-style-type: none"> <li>• Restriction of liability to Band E</li> <li>• Protected groups – claimant, partner, child <ul style="list-style-type: none"> <li><input type="checkbox"/> Disability premium</li> <li><input type="checkbox"/> Enhanced disability premium</li> <li><input type="checkbox"/> Severe disability premium</li> <li><input type="checkbox"/> DLA/PIP</li> <li><input type="checkbox"/> ESA support component</li> <li><input type="checkbox"/> Incapacity benefit long term rate</li> <li><input type="checkbox"/> War disablement pension</li> <li><input type="checkbox"/> War widow/ers</li> </ul> </li> <li>• Maximum benefit is 80% liability</li> <li>• 100% of liability to protected groups as above</li> <li>• Income taper increased from 20-25%</li> <li>• Protected groups as above</li> <li>• Non dependant deductions modified</li> <li>• Earnings disregard increased to £10.00 (single); £15 (couple); £25 (disabled/carer/auxiliary occupation); £30.00 (lone parent)</li> <li>• Back to work 'run on ' increased from 4-6 weeks</li> <li>• Backdating replaced by automatic 3 month start date prior to claim if satisfies rules in that period.</li> </ul>

4.7.9 At Stevenage Members have previously agreed no additional protection for individual groups, other than that required in law (pensionable aged claimants) is still valid. An example below demonstrates how the scheme differentiates.



**Table 11: Example of scheme differentiation**

Couple, with two children – one of which is entitled to Disability living allowance, with a weekly income of £496.70, made up of earnings and disability benefits, would qualify for £21.19 per week CTS if living in a band D property. The same household without a disability with the same income, would not qualify for any help. This is because the scheme disregards more of the income as well as using higher applicable amounts for the disabled household.

	<b>Disabled</b>	<b>Not disabled</b>
<b>Income</b>		
<b>Earnings</b>	379.20	462.3
<b>DLA @ high rate</b>	83.10	
<b>Child benefit</b>	34.4	34.4
<b>Gross Income</b>	<b>496.7</b>	<b>496.7</b>
<i>Income disregarded</i>	<i>141.7</i>	<i>59.4</i>
<b>Net income used in assessment</b>	327.00	437.3
<i>Applicable Amounts</i>	<i>334.2</i>	<i>224.35</i>
<b>Income in excess of applicable amounts</b>	28.00	212.95
<b>Council Tax liability</b>	<b>29.28</b>	<b>29.28</b>
<b>91.5% of liability</b>	<b>26.79</b>	<b>26.79</b>
<b>taper</b>	<b>5.60</b>	<b>42.59</b>
<b>Weekly entitlement</b>	<b>21.19</b>	<b>0</b>

## 5 IMPLICATIONS

### 5.1 Financial Implications

5.1.1 As detailed in the report.

### 5.2 Legal Implications

5.2.1 As detailed in the report

### **5.3 Equalities and Diversity Implications**

5.3.1 An Equality Impact Assessment will be undertaken if there are proposals to amend the Council Tax support scheme.

### **5.4 Risk Implications**

5.4.1 As detailed in the report

### **5.5 Policy Implications**

5.5.1 As detailed in the report

## **BACKGROUND PAPERS**

None

## **APPENDICES**

Appendix A - Glossary

## **Appendix A GLOSSARY**

IS	Income support
JSA (IB)	Job seekers allowance (Income based)
UC	Universal Credit
PC	Pension credit
GC	Guaranteed credit
SC	Savings credit
ESA (IR)	Employment support allowance (Income related)

This page is intentionally left blank

---

**Meeting:** EXECUTIVE **Agenda Item:**

Portfolio Area: Environment and Regeneration

**Date:** 12 DECEMBER 2017

## **CONFIRMATION OF ARTICLE 4 DIRECTIONS TO REQUIRE CHANGES OF USE FROM B1A (OFFICE) TO C3 (RESIDENTIAL) TO GAIN PLANNING PERMISSION**

### **KEY DECISION**

Authors – Caroline Danby Ext. 2823  
Lead Officer – Zayd Al-Jawad Ext. 2257  
Contact Officer – Caroline Danby Ext. 2823

#### **1. PURPOSE**

- 1.1 To inform Members of the outcome of the public consultation on the making of Article 4 Directions removing permitted development rights for office to residential conversions.
- 1.2 To seek approval to confirm the Article 4 Directions.

#### **2. RECOMMENDATIONS**

- 2.1 That the results of the public consultation as shown at Appendix 1 to this report be noted.
- 2.2 That the Article 4 Directions as shown at Appendix 2 to this report be confirmed.

#### **3. BACKGROUND**

- 3.1 Permitted development rights allow some forms of development, and changes of use, to be undertaken without the need for planning permission. These rights were originally set out in the Town and Country Planning (General Permitted Development) Order 1995.
- 3.2 In 2013, temporary Permitted Development rights were introduced for changes of use from B1a (office) to C3 (residential). This allows for existing offices to be changed into residential use without the need for planning permission.
- 3.3 The Borough applied for, and was successful in achieving an exemption to these new Permitted Development rights for offices within Gunnels Wood.

- 3.4 The Town and Country Planning (General Permitted Development) (England) (Amendment) Order 2016, which came into force on 6 April 2016, makes permanent these Permitted Development rights. It also provides notice that all exemptions previously granted will be revoked in May 2019, leaving offices in Gunnels Wood open to conversion without the control of local planning policies.
- 3.5 This has the potential to lead to a significant loss of employment land for the Borough.
- 3.6 In response to this, a report was approved by the Executive in May 2017, which authorised public consultation on the making of two Article 4 Directions relating to changes of use from B1(a) (Offices) to C3 (Residential) within Gunnels Wood and Pin Green Employment Areas.
- 3.7 The Directions would remove permitted development rights and require planning permission to be sought for changes of use from offices to residential use within both Gunnels Wood and Pin Green Employment Areas. This would allow for local policies, which seek to protect exiting employment uses, to be taken into account.
- The first Direction applies to those areas that are not included in the Council's exemption currently – particularly Pin Green, but also the remainder of Gunnels Wood.
  - The second Direction applies to those areas that are currently exempt, in Gunnels Wood.
- 3.8 Consultation has been undertaken on the making of these Directions. The next stage is for the Council to decide whether or not to confirm the Article 4 Directions, taking into account the consultation responses received.

**4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

**Recommendation 2.1:**

That Members note the results of the public consultation (attached at Appendix 1).

- 4.1 Consultation began on the proposed Article 4 Direction on 15 June 2017. It ran for 4 weeks, until 13 July 2017.
- 4.2 Adverts were placed in the local media, the draft Directions and maps were placed on the Council website, and hard copies were made available at the Council offices and the town's libraries. Site notices were also displayed at two locations within the Employment Areas. Copies of the Directions, maps and notices were also sent to the Secretary of State and Hertfordshire County Council, as required by the statutory regulations.

- 4.3 In addition to this, letters were sent to the owners and occupiers of all businesses within the Gunnels Wood and Pin Green Employment Areas to notify them of the Directions.
- 4.4 A total of 23 responses were received during the consultation period. Of these, around 77% supported the introduction of an Article 4 Direction for this purpose and around 23% people objected. A summary of all consultation responses received is available in Appendix 1.
- 4.5 The main objections raised to the Article 4 Directions were as follows:

<b>Objection raised</b>	<b>Officer response to objection</b>
Justification/evidence has not been provided	The Report taken to 24 May Executive, to approve consultation on the making of these Article 4 Directions, contained clear and comprehensive justification for the implementation of Article 4 Directions for Gunnels Wood and Pin Green, for B1a to C3 changes of use. The Directions apply to the employment areas of Gunnels Wood and Pin Green. These areas have been specifically selected, as they are the designated Employment Areas protected within the emerging Local Plan.
No careful or reasoned site selection process, just a blanket area	
No evidence that any shortage in employment land in Stevenage is or will be caused by these PD rights	Up-to-date evidence used to inform the Local Plan sets out the requirements for employment land over the plan period (to 2031). The Local Plan cannot identify sufficient sites to meet these needs. As such, the Borough Council is relying on neighbouring authorities to provide additional employment land to meet the needs of Stevenage. Any further loss of employment land within the Borough will exacerbate this shortfall. Changes of use from B1a to C3 residential will create a loss of employment land if allowed to go ahead.
Council may be liable for compensation	A 12 month advance notice period has been provided to ensure that the impact of any financial challenge is mitigated.

<p>The Directions could result in vacant and redundant buildings/areas, which cannot be a preferable solution when there is a housing crisis and Green Belt is being developed.</p>	<p>There is up-to-date evidence to demonstrate that Stevenage has a shortage of employment land. Many local commercial property agents have raised concerns about the lack of available sites for new businesses to take up. Housing must be supported by job opportunities in order to create a sustainable and economically successful town.</p>
<p>The Directions should not be introduced where small units have limited commercial appeal.</p>	
<p>Residential development would be limited to areas that are unable to meet business requirements</p>	<p>Without the Article 4 Directions, the Council would have no control over where residential development was permitted. It would not be limited to small or unsuccessful units; the right to change properties from office to residential use would be open to all businesses, including the most successful within the town.</p>
<p>Unfair to impose restriction on the few remaining small businesses at Pin Green</p>	<p>Whilst some permitted development rights have been implemented resulting in residential uses on the edge of Pin Green. It remains to be a thriving Employment Area.</p>
<p>Widely accepted there is an undersupply of housing in Stevenage. These Directions will exacerbate the situation</p>	<p>The emerging Local Plan already identifies sufficient sites to meet the Borough's housing needs within the plan period, in sites it considers are suitable and sustainable for residential.</p>
<p>Anything that breaks down the post-war grid of zoning should be encouraged</p>	<p>Gunnels Wood and Pin Green are successful employment areas, separated from other uses as part of the original masterplan for Stevenage. Allowing residential uses into these areas is something many businesses have strongly objected to in the past. The amenity of residents of any new homes would likely be affected by issues of noise, lighting, HGV access and adverse visual impacts arising from employment uses. Complaints could lead to tighter environmental or operational controls for businesses, thus making the Employment Areas less attractive for existing and new occupiers, potentially resulting in businesses vacating the area.</p>



- 4.6 Generally there was a high level of support amongst the business community for the Directions. A letter of support was also received from the Hertfordshire LEP, attached as Appendix 3.

**Recommendation 2.2:**

That the Article 4 Directions (attached at Appendix 2) be confirmed

- 4.7 If confirmed, the Article 4 Direction relating to sites not currently covered by the exemption, would come into effect on 15 June 2018. The second Article 4 Direction, covering those areas that are currently exempt, would come into effect on 30 May 2019 (once the exemption is removed).
- 4.8 This would be a minimum of 12 months after the initial notification of the Directions was publicised and would avoid any potential for compensation claims against the council, as it allows sufficient time for landowners and occupiers to become aware of the changes and implement any plans to change the use of properties in advance of the Direction coming into effect.
- 4.9 If the Article 4 Directions are confirmed, a local press advert and notices in at least two locations in the Employment Areas and on the Council's website (for a period of at least 6 weeks) will be required. Confirmation of the Direction will also be passed to both the Secretary of State and Hertfordshire County Council, and letters will be sent to the owners and occupiers of all properties within Gunnels Wood and Pin Green.
- 4.10 Taking into account the positive consultation responses received, Members are recommended to confirm the Article 4 Directions.

## **5 IMPLICATIONS**

### **5.1 Financial Implications**

- 5.1.1 The principle cost will be staff time processing the planning applications, which will be un-chargeable. The expected number can be met within existing resources within Planning.

### **5.2 Legal Implications**

- 5.2.1 Once adopted the Article 4 Directions will remove the permitted development rights in relation to changes of use from Use Class B1(a) to Use Class C3 (as defined in the Town and Country Planning [Use Classes] Order 1987, as amended).

### **5.3 Equalities and Diversity Implications**

- 5.3.1 An Equality Impact Assessment was completed prior to consultation on the Article 4 Direction. An update has been carried out following the consultation process (Background document to this report – BD3). This identified an overall neutral impact.

### **5.4 Risk Implications**

- 5.4.1 A risk log will be managed by Planning Officers, but the inherent risk is not doing anything and allowing employment uses to be lost. The Planning Officers will ensure that risks are identified, mitigated and where possible managed appropriately in line with the Council's Risk management processes.

### **5.5 Planning Implications**

- 5.5.1 Once adopted the Article 4 Directions will remove the permitted development rights in relation to changes of use from Use Class B1(a) to Use Class C3 (as defined in the Town and Country Planning [Use Classes] Order 1987, as amended). Instead, planning permission will be required for these changes of use. Local Planning policies will be used to assess any resulting planning applications.

## **BACKGROUND PAPERS**

[BD1 – Stevenage Borough Local Plan 2011-2031: Publication draft](#)

[BD2 – Stevenage Employment Technical Paper: Update, December 2016](#)

BD3 – Equalities Impact Assessment

## **APPENDICES**

**Appendix 1:** Summary of consultation responses received

**Appendix 2:** Article 4 Directions

**Appendix 3:** Letter of support from Hertfordshire LEP

Responses to B1(a) to C3 Article 4 Direction: Exempt areas

Title	First name	Surname	Business Name	Object	Support	Summary of response
Ms	Jacqueline	Young	(landowner)		Y	* Support proposal to protect the existing employment uses within Gunnels Wood and Pin Green
Mr	Peter	Young	(landowner)		Y	* Support proposal to protect the existing employment uses within Gunnels Wood and Pin Green
Mr	Edward	Coles	(landowner)		Y	* Agree with view that change to allow residential should not be agreed for industrial areas
Mrs	Gillian	Coles	(landowner)		Y	* Agree with view that change to allow residential should not be agreed for industrial areas
Ms	Julie	Matthews	Alchemy Metals		Y	* Would negatively affect the unique mix and concentration of technology, advanced manufacturing, pharmaceuticals and aerospace companies in Gunnels Wood * Would be disastrous for the long-term success, stability and growth of the local economy
Mr	Brian	Major	B.I.G. Enterprises Ltd		Y	* Firmly support retention of industrial use in industrial areas
Mr	Mark	Peters	Blythewood Plant Hire Ltd		Y	* Good that Direction seeks to protect existing employment areas in Stevenage
Mrs	Christine	Hogg	CAMS Fire & Security PLC		Y	* Loss of employment will increase out-commuting * Safety concerns around pedestrians and cyclists behaving without due care and attention for an industrial area/commercial traffic, particularly children * Will increase traffic * Inadequate space for residential parking * Changes in road layout, speed restrictions and access routes would make it difficult for commercial vehicles to navigate safely * Requirement for Council to reimburse businesses for lost revenue, business property valuations and insurance costs if Direction is not successful
Mr	Neville	Watts	Compass Property Management		Y	* Land was purchased as commercial investment, would seek compensation from council if Direction is not passed
Mr	Roger	Dixon	Dixons Dispatch Ltd		Y	* An industrial area should mean what it says: an area set aside for industrial use and for people to work * Would cause conflict between residents and businesses and create healthy and safety concerns

Mr	Mike	Gurney	Dyno Developments		Y	<ul style="list-style-type: none"> <li>* Stevenage has been designed with separate industrial, commercial and residential areas</li> <li>* Company is B2 industrial use making noise and vibration - to mix residential would cause business to stop trading and force company to leave</li> <li>* Where are people supposed to work if we lose industrial to residential?</li> </ul>
Ms	Sarah	Hewitt	Freelove Group Ltd		Y	<ul style="list-style-type: none"> <li>* Full support for Directions</li> <li>* Pin Green and Gunnels Wood are important to the success of the town and local economy</li> <li>* Mixing residential and commercial is detrimental to the occupiers of the commercial properties due to complaints</li> </ul>
Ms	Catherine	Pegna	GV Health Ltd		Y	<ul style="list-style-type: none"> <li>* 100% support for the protection of commercial property</li> <li>* Excellent for security of businesses in the area</li> <li>* Relying on the availability of more commercial space in the future as business grows</li> <li>* Pin Green and Gunnels Wood are strong healthy commercial areas with high employment</li> </ul>
Ms	Juanita	Carr	JMJ Precision Sheet Metal Ltd		Y	<ul style="list-style-type: none"> <li>* Object to changing industrial area into residential area</li> <li>* Would not dream of permitting business development in residential area so why allow residential in industrial</li> </ul>
Mr	Duncan	Grocott	Serviceline		Y	<ul style="list-style-type: none"> <li>* Support the Directions</li> <li>* Long term certainty over location is essential to growth and investment in the future</li> <li>* The Directions will promote and enable investment, benefiting the local economy</li> </ul>
Ms	Michaela	Stephens-Smith	TAG Catering Equipment		Y	<ul style="list-style-type: none"> <li>* Allowing residential will change the structure of the area</li> </ul>
Mr	Stephen	Goodman	Willian Design Ltd		Y	<ul style="list-style-type: none"> <li>* Support Direction</li> </ul>
Mr	Mike	Ashworth	AJS 22 Ltd. (landowner)	Y		<ul style="list-style-type: none"> <li>* Justification/evidence has not been provided</li> <li>* No evidence that any shortage in employment land in Stevenage is or will be caused by PD rights</li> <li>* Direction could result in vacant and redundant buildings/areas, which cannot be a preferable solution when there is a housing crisis and Green Belt is being developed</li> <li>* Pressure for residential development in industrial areas is likely to be limited; residential market is</li> </ul>
Mr	Nic	Gonnermann	Gotec Trading Ltd	Y		<ul style="list-style-type: none"> <li>* Unfair to impose restriction on the few remaining small businesses at Pin Green</li> <li>* Development of the site to enable relocation is an option they wish to retain</li> </ul>

Mr	Mark	Winton	Questchart Ltd. (landowner)	Y		* Agree with sentiment of the Directions in principle - commercial parks/industrial estates are unsuitable for residential use * However, Norton Road is a sustainable residential location. The Directions should not be introduced where small units have limited commercial appeal.
Mr	Richard	Moore	TTL Chiltern Property Ltd. (landowner)	Y		* No clear evidence to support the Directions * Direction should only be applied in exceptional circumstances * Widely accepted there is an undersupply of housing in Stevenage. These Directions will exacerbate the situation *No careful or reasoned site selection process, just a blanket area
Mr	Hugh	Madgin		Y		* Anything that breaks down the postwar grid of zoning should be encouraged
Mr	Richard	Carr	TFL		No comments made	
Ms	Natasha	Brennan	Environment Agency		No comments made	

<b>Objections:</b>	5	23%
<b>Support:</b>	17	77%
<b>TOTAL</b>	<b>22</b>	<b>100%</b>



Responses to B1(a) to C3 Article 4 Direction: Non-Exempt areas

Title	First name	Surname	Business Name	Object	Support	Summary of response
Ms	Jacqueline	Young	(landowner)		Y	* Support proposal to protect the existing employment uses within Gunnels Wood and Pin Green
Mr	Peter	Young	(landowner)		Y	* Support proposal to protect the existing employment uses within Gunnels Wood and Pin Green
Mr	Edward	Coles	(landowner)		Y	* Agree with view that change to allow residential should not be agreed for industrial areas
Mrs	Gillian	Coles	(landowner)		Y	* Agree with view that change to allow residential should not be agreed for industrial areas
Ms	Julie	Matthews	Alchemy Metals		Y	* Would negatively affect the unique mix and concentration of technology, advanced manufacturing, pharmaceuticals and aerospace companies in Gunnels Wood * Would be disastrous for the long-term success, stability and growth of the local economy
Mr	Brian	Major	B.I.G. Enterprises Ltd		Y	* Firmly support retention of industrial use in industrial areas
Mr	Mark	Peters	Blythewood Plant Hire Ltd		Y	* Good that Direction seeks to protect existing employment areas in Stevenage
Mrs	Christine	Hogg	CAMS Fire & Security PLC		Y	* Loss of employment will increase out-commuting * Safety concerns around pedestrians and cyclists behaving without due care and attention for an industrial area/commercial traffic, particularly children * Will increase traffic * Inadequate space for residential parking * Changes in road layout, speed restrictions and access routes would make it difficult for commercial vehicles to navigate safely * Requirement for Council to reimburse businesses for lost revenue, business property valuations and insurance costs if Direction is not successful
Mr	Neville	Watts	Compass Property Management		Y	* Land was purchased as commercial investment, would seek compensation from council if Direction is not passed
Mr	Roger	Dixon	Dixons Dispatch Ltd		Y	* An industrial area should mean what it says: an area set aside for industrial use and for people to work * Would cause conflict between residents and businesses and create healthy and safety concerns
Mr	Mike	Gurney	Dyno Developments		Y	* Stevenage has been designed with separate industrial, commercial and residential areas * Company is B2 industrial use making noise and vibration - to mix residential would cause business to stop trading and force company to leave * Where are people supposed to work if we lose industrial to residential?

Ms	Sarah	Hewitt	Freelove Group Ltd		Y	<ul style="list-style-type: none"> <li>* Full support for Directions</li> <li>* Pin Green and Gunnels Wood are important to the success of the town and local economy</li> <li>* Mixing residential and commercial is detrimental to the occupiers of the commercial properties due to complaints</li> </ul>
Ms	Catherine	Pegna	GV Health Ltd		Y	<ul style="list-style-type: none"> <li>* 100% support for the protection of commercial property</li> <li>* Excellent for security of businesses in the area</li> <li>* Relying on the availability of more commercial space in the future as business grows</li> <li>* Pin Green and Gunnels Wood are strong healthy commercial areas with high employment</li> </ul>
Mrs	Kate	Harwood	Hertfordshire Gardens Trust		Y	<ul style="list-style-type: none"> <li>* Support</li> </ul>
Ms	Juanita	Carr	JMJ Precision Sheet Metal Ltd		Y	<ul style="list-style-type: none"> <li>* Object to changing industrial area into residential area</li> <li>* Would not dream of permitting business development in residential area so why allow residential in industrial</li> </ul>
Mr	Duncan	Grocott	Serviceline		Y	<ul style="list-style-type: none"> <li>* Support the Directions</li> <li>* Long term certainty over location is essential to growth and investment in the future</li> <li>* The Directions will promote and enable investment, benefiting the local economy</li> </ul>
Ms	Michaela	Stephens-Smith	TAG Catering Equipment		Y	<ul style="list-style-type: none"> <li>* Allowing residential will change the structure of the area</li> </ul>
Mr	Stephen	Goodman	Willian Design Ltd		Y	<ul style="list-style-type: none"> <li>* Support Direction</li> </ul>
Mr	Mike	Ashworth	AJS 22 Ltd. (landowner)	Y		<ul style="list-style-type: none"> <li>* Justification/evidence has not been provided</li> <li>* No evidence that any shortage in employment land in Stevenage is or will be caused by PD rights</li> <li>* Direction could result in vacant and redundant buildings/areas, which cannot be a preferable solution when there is a housing crisis and Green Belt is being developed</li> <li>* Pressure for residential development in industrial areas is likely to be limited; residential market is unlikely to be able to attract residents to such areas</li> <li>* Residential development would be limited to areas that are unable to meet business requirements</li> <li>* Council may be liable for compensation</li> </ul>
Mrs	Caroline	Alexandrou	Giles Junior School	Y		<ul style="list-style-type: none"> <li>* Good idea to turn office areas into dwellings as the school will be expanding in Sept 2017</li> </ul>
Mr	Nic	Gonnermann	Gotec Trading Ltd	Y		<ul style="list-style-type: none"> <li>* Unfair to impose restriction on the few remaining small businesses at Pin Green</li> <li>* Development of the site to enable relocation is an option they wish to retain</li> </ul>



Mr	Mark	Winton	Questchart Ltd. (landowner)	Y		* Agree with sentiment of the Directions in principle - commercial parks/industrial estates are unsuitable for residential use * However, Norton Road is a sustainable residential location. The Directions should not be introduced where small units have limited commercial appeal.
Mr	Richard	Moore	TTL Chiltern Property Ltd. (landowner)	Y		* No clear evidence to support the Directions * Direction should only be applied in exceptional circumstances * Widely accepted there is an undersupply of housing in Stevenage. These Directions will exacerbate the situation *No careful or reasoned site selection process, just a blanket area
Mr	Richard	Carr	TFL	No comments		
Ms	Natasha	Brennan	Environment Agency	No comments		

<b>Objections:</b>	5	22%
<b>Support:</b>	18	78%
<b>TOTAL</b>	<b>23</b>	<b>100%</b>

This page is intentionally left blank

**Stevenage Borough Council**

**Town and Country Planning (General Permitted Development) (England) Order 2015**

**Direction made under Article 4(1) to which Schedule 3 applies**

**WHEREAS** Stevenage Borough Council ("the Council") being the appropriate local planning authority within the meaning of article 4(5) of the Town and Country Planning (General Permitted Development) (England) Order 2015 ("the Order") is satisfied that it is expedient that development of the description set out in the First Schedule of this Direction should not be carried out on land described in the Second Schedule of this Direction unless planning permission is granted by the local planning authority on an application made under Part III of the Town and Country Planning Act 1990 (as amended).

**NOW THEREFORE** the Council in pursuance of the power conferred on it by Article 4(1) of the Order hereby directs that permitted development granted by Article 3 of the Order shall not apply to development specified in the First Schedule of this Direction on the land described in the Second Schedule of this Direction.

**FIRST SCHEDULE**

Development comprising the change of use of a building from a use falling within Class B1a (offices) of the Schedule to the Town and Country Planning (Use Classes) Order 1987 (as amended), to a use falling within Class C3 (dwellinghouses) of that Schedule, being development comprised within Class O of Part 3 (Changes of Use) of Schedule 2 of the Order and not being development comprised within any other Class.

**SECOND SCHEDULE**

This Direction shall apply only to the land shaded in red, as defined by the attached map.

The Article 4 Direction will come into effect on 30 May 2019.

Article 4 Directi  
2015: Change o

Made under the Common seal of Stevenage Borough Council on the 12<sup>TH</sup> Day of JUNE.....  
2017. The Common Seal of the Council was affixed to this Direction in the presence of:

Prabjit - Singh



22.7.09

Confirmed under the Common seal of Stevenage Borough Council on the ..... Day of  
..... 20.... . The Common Seal of the Council was affixed to this Direction in the  
presence of:

.....

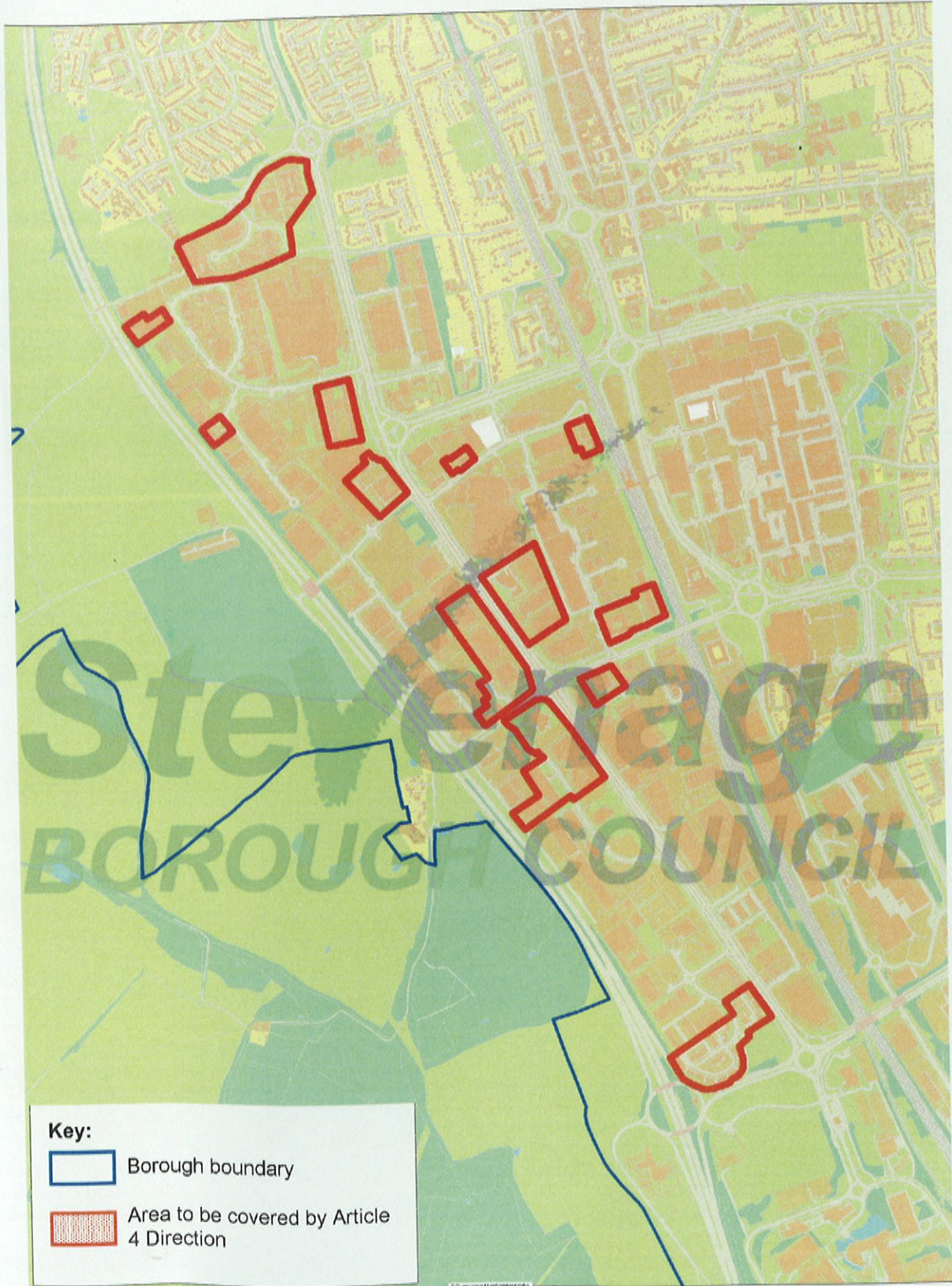


22.7.09

Key:



Article 4 Direction of the Town and Country Planning (General Permitted Development) Order 2015: Change of use from B1a (offices) to C3 (dwellinghouses)



**Stevenage Borough Council**

**Town and Country Planning (General Permitted Development) (England) Order 2015**

**Direction made under Article 4(1) to which Schedule 3 applies**

**WHEREAS** Stevenage Borough Council ("the Council") being the appropriate local planning authority within the meaning of article 4(5) of the Town and Country Planning (General Permitted Development) (England) Order 2015 ("the Order") is satisfied that it is expedient that development of the description set out in the First Schedule of this Direction should not be carried out on land described in the Second Schedule of this Direction unless planning permission is granted by the local planning authority on an application made under Part III of the Town and Country Planning Act 1990 (as amended).

**NOW THEREFORE** the Council in pursuance of the power conferred on it by Article 4(1) of the Order hereby directs that permitted development granted by Article 3 of the Order shall not apply to development specified in the First Schedule of this Direction on the land described in the Second Schedule of this Direction.

**FIRST SCHEDULE**

Development comprising the change of use of a building from a use falling within Class B1a (offices) of the Schedule to the Town and Country Planning (Use Classes) Order 1987 (as amended), to a use falling within Class C3 (dwellinghouses) of that Schedule, being development comprised within Class O of Part 3 (Changes of Use) of Schedule 2 of the Order and not being development comprised within any other Class.

**SECOND SCHEDULE**

This Direction shall apply only to the land shaded in red, as defined by the attached map.

The Article 4 Direction will come into effect on 15 June 2018.

Made under the Common seal of Stevenage Borough Council on the 12<sup>TH</sup> Day of JUNE  
2017. The Common Seal of the Council was affixed to this Direction in the presence of:

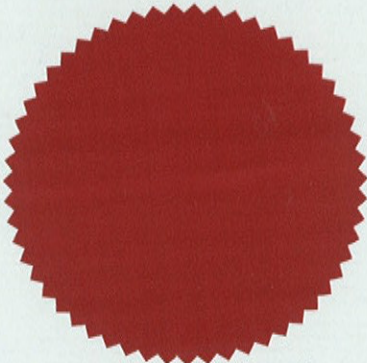
*Prabhjit - Singh*



22.7.09

Confirmed under the Common seal of Stevenage Borough Council on the ..... Day of  
..... 20.... . The Common Seal of the Council was affixed to this Direction in the  
presence of:

.....

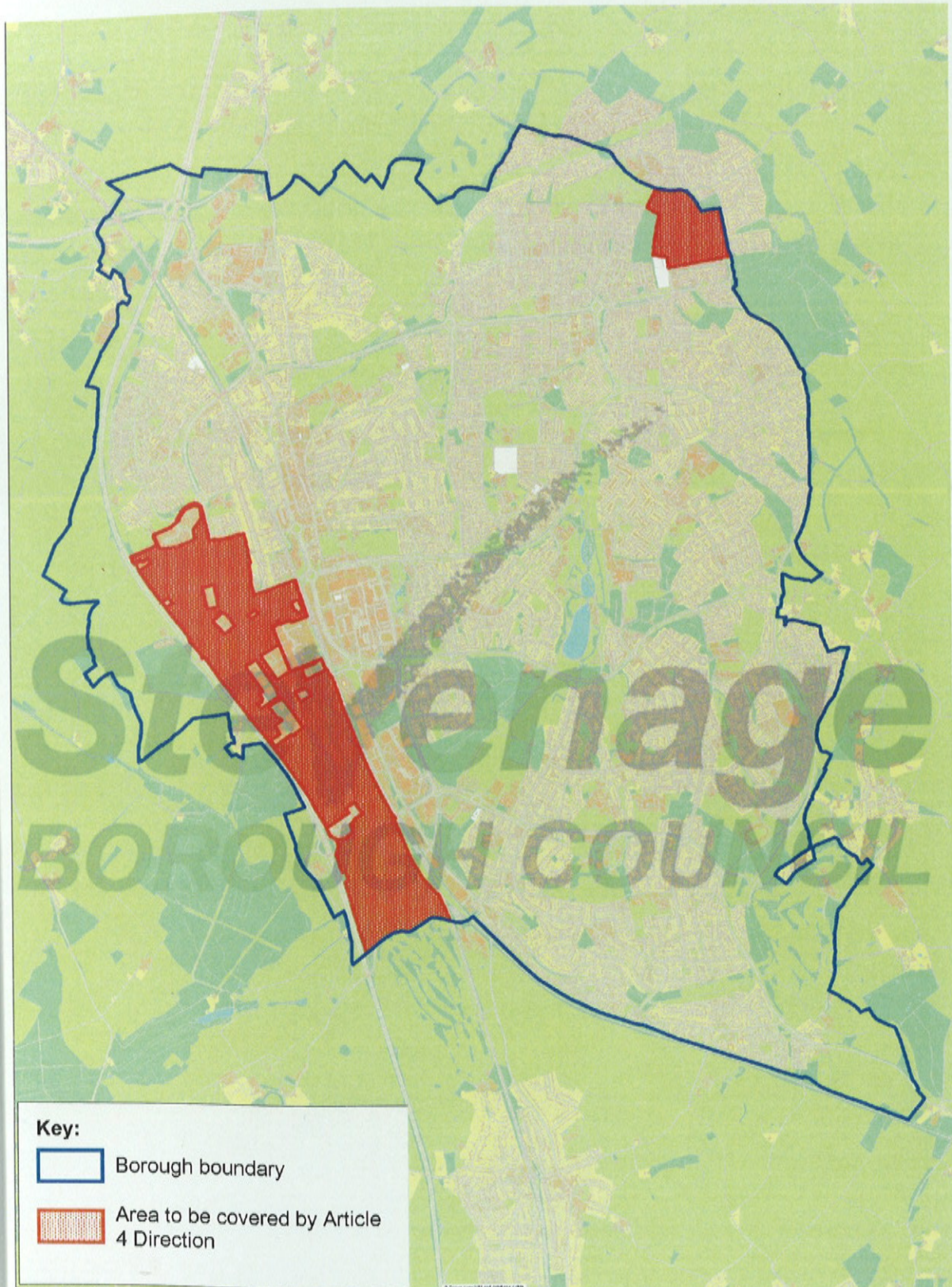


22.7.09

Article 4 Direction  
2015: Change of



Article 4 Direction of the Town and Country Planning (General Permitted Development) Order 2015: Change of use from B1a (offices) to C3 (dwellinghouses)





Mena Caldbeck

Planning and Regulation  
Stevenage Borough Council,  
Daneshill House,  
Danestrete,  
Stevenage SG1 1HN

Dear Mena,

Thank you for your recent request seeking LEP support for Article 4 Directions – to remove permitted development rights (PDR) at Gunnels Wood Road and Pin Green for both office and industrial use.

We wrote to district authorities in Feb 2013 saying that the issue of permitted development rights was a matter for the Local Planning Authorities, who have a better knowledge of the role of their employment areas in their local economies and who should have the final say on whether to exclude areas from residential development or not.

However, at the time we made a special case to the Secretary of State, Eric Pickles to ensure that the Gunnels Wood industrial area should be exempt from PDR. We understand that the exemption is due to expire in 2019. Since the LEPs policy on exemption rights has not changed since our original letter in February 2013, we would strongly support Stevenage Borough Council's defence of employment land in the area. The LEP will be examining its policy going forward but we are happy to support the borough's case to retain employment land given recent developments in the county where the loss of employment space is being raised by both public and private sectors as a serious cause for concern.

Yours sincerely



Paul Witcombe

Enterprise and Innovation Manager

Hertfordshire Local Enterprise Partnership



This page is intentionally left blank

---

**Meeting:** EXECUTIVE **Agenda Item:**

Portfolio Area: Environment & Regeneration

**Date:** 12 DECEMBER 2017

## **CONFIRMATION OF ARTICLE 4 DIRECTION TO REQUIRE CHANGES OF USE FROM B1C (LIGHT INDUSTRIAL) TO C3 (RESIDENTIAL) TO GAIN PLANNING PERMISSION**

### **KEY DECISION**

Author – Caroline Danby Ext. 2823

Lead Officer – Zayd Al-Jawad Ext. 2257

Contact Officer – Caroline Danby Ext. 2823

### **1. PURPOSE**

- 1.1 To inform Members of the outcome of the public consultation on the making of an Article 4 Direction removing permitted development rights for light industrial to residential conversions.
- 1.2 To seek approval to confirm the Article 4 Direction.

### **2. RECOMMENDATIONS**

- 2.1 That the results of the public consultation as shown at Appendix 1 be noted.
- 2.2 That the Article 4 Direction as shown at Appendix 2 be confirmed.

### **3. BACKGROUND**

- 3.1 Permitted development rights allow some forms of development, and changes of use, to be undertaken without the need for planning permission. These rights were originally set out in the Town and Country Planning (General Permitted Development) Order 1995.
- 3.2 Updated legislation relating to permitted development rights came into force on 6 April 2016 in the form of The Town and Country Planning (General Permitted Development) (England) (Amendment) Order 2016. Amongst other things, this introduces new permitted development rights for the change of use from light industrial (B1c) to residential use (C3). This particular right came into force on 1 October 2017.
- 3.3 This allows for light industrial uses to be changed into residential use without the need for planning permission. It has the potential to lead to a significant loss of employment land for the Borough.

- 3.4 In response to this, a report was approved by the Executive in May 2017, which authorised public consultation on the making of an Article 4 Direction relating to changes of use from B1(c) (light industrial) to C3 (Residential) within Gunnels Wood and Pin Green Employment Areas.
- 3.5 The Direction would remove permitted development rights and require planning permission to be sought for changes of use from light industrial to residential use within both Gunnels Wood and Pin Green Employment Areas. This would allow for local policies, which seek to protect exiting employment uses, to be taken into account.
- 3.6 Consultation has been undertaken on the making of this Direction. The next stage is for the Council to decide whether or not to confirm the Article 4 Directions, taking into account the consultation responses received.

**4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

**Recommendation 2.1:**

That Members note the results of the public consultation (attached at Appendix 1).

- 4.1 Consultation began on the proposed Article 4 Direction on 15 June 2017. It ran for 4 weeks, until 13 July 2017.
- 4.2 Adverts were placed in the local media, the draft Directions and maps were placed on the Council website, and hard copies were made available at the Council offices and the town's libraries. Site notices were displayed at two locations within the Employment Areas. Copies of the Directions, maps and notices were also sent to the Secretary of State and Hertfordshire County Council, as required by the statutory regulations.
- 4.3 In addition to this, letters were sent to the owners and occupiers of all businesses within the Gunnels Wood and Pin Green Employment Areas to notify them of the Directions.
- 4.4 A total of 20 responses were received during the consultation period. Of these, around 85% supported the introduction of an Article 4 Direction for this purpose and around 15% people objected. A summary of all consultation responses received is available in Appendix 1.
- 4.5 The main objections raised to the Article 4 Directions were as follows:

<b>Objection raised</b>	<b>Officer response to objection</b>
Justification/evidence has not been provided	The Report taken to 24 May Executive, to approve consultation on the making of these Article 4 Directions, contained clear and comprehensive justification for the implementation of Article 4 Directions for Gunnels Wood and Pin Green, for B1c to C3 changes of use.
No evidence that any shortage in employment land in Stevenage is or will be caused by these PD rights	Up-to-date evidence used to inform the Local Plan sets out the requirements for employment land over the plan period (to 2031). The Local Plan cannot identify sufficient sites to meet these needs. As such, the Borough Council is relying on neighbouring authorities to provide additional employment land to meet the needs of Stevenage. Any further loss of employment land within the Borough will exacerbate this shortfall. Changes of use from B1c to C3 residential will create a loss of employment land if allowed to go ahead.
Council may be liable for compensation	A 12 month advance notice period has been provided to ensure that the impact of any financial challenge is mitigated.
The Directions could result in vacant and redundant buildings/areas, which cannot be a preferable solution when there is a housing crisis and Green Belt is being developed.	There is up-to-date evidence to demonstrate that Stevenage has a shortage of employment land. Many local commercial property agents have raised concerns about the lack of available sites for new businesses to take up. Housing must be supported by job opportunities in order to create a sustainable and economically successful town.
The Directions should not be introduced where small units have limited commercial appeal.	
Residential development would be limited to areas that are unable to meet business requirements	Without the Article 4 Directions, the Council would have no control over where residential development was permitted. It would not be limited to small or unsuccessful units; the right to change properties from light industrial to residential use would be open to all businesses, including the most successful within the town.
Unfair to impose restriction	Whilst some permitted development rights

on the few remaining small businesses at Pin Green	have been implemented resulting in residential uses on the edge of Pin Green. It remains to be a thriving Employment Area.
--	--

- 4.6 Generally there was a high level of support amongst the business community for the Directions. A letter of support was also received from the Hertfordshire LEP, attached as Appendix 3.

**Recommendation 2.2:**

That the Article 4 Directions (attached at Appendix 2) be confirmed

- 4.7 If confirmed, the Article 4 Direction would come into effect on 15 June 2018.
- 4.8 This would be 12 months after the initial notification of the Direction was publicised and would avoid any potential for compensation claims against the council, as it allows sufficient time for landowners and occupiers to become aware of the changes and implement any plans to change the use of properties in advance of the Direction coming into effect.
- 4.9 If the Article 4 Direction is confirmed, a local press advert and notices in at least two locations in the Employment Areas and on the Council's website (for a period of at least 6 weeks) will be required. Confirmation of the Direction will also be passed to both the Secretary of State and Hertfordshire County Council, and letters will be sent to the owners and occupiers of all properties within Gunnels Wood and Pin Green.
- 4.10 Taking into account the positive consultation responses received, Members are recommended to confirm the Article 4 Direction.

## **5 IMPLICATIONS**

### **5.1 Financial Implications**

- 5.1.1 The principle cost will be staff time processing the planning applications, which will be un-chargeable. The expected number can be met within existing resources within Planning.

### **5.2 Legal Implications**

- 5.2.1 Once adopted the Article 4 Direction will remove the permitted development rights in relation to changes of use from Use Class B1(c) to Use Class C3 (as defined in the Town and Country Planning [Use Classes] Order 1987, as amended).

### **5.3 Equalities and Diversity Implications**

- 5.3.1 An Equality Impact Assessment was completed prior to consultation on the Article 4 Direction. An update has been carried out following the consultation process (Background document to this report – BD3). This identified an overall neutral impact.

### **5.4 Risk Implications**

- 5.4.1 A risk log will be managed by Planning Officers, but the inherent risk is not doing anything and allowing employment uses to be lost. The Planning Officers will ensure that risks are identified, mitigated and where possible managed appropriately in line with the Council's Risk management processes.

### **5.5 Planning Implications**

- 5.5.1 Once adopted the Article 4 Directions will remove the permitted development rights in relation to changes of use from Use Class B1(c) to Use Class C3 (as defined in the Town and Country Planning [Use Classes] Order 1987, as amended). Instead, planning permission will be required for these changes of use. Local Planning policies will be used to assess any resulting planning applications.

## **BACKGROUND PAPERS**

[BD1 – Stevenage Borough Local Plan 2011-2031: Publication draft](#)

[BD2 – Stevenage Employment Technical Paper: Update, December 2016](#)

BD3 – Equalities Impact Assessment

## **APPENDICES**

**Appendix 1:** Summary of consultation responses received

**Appendix 2:** Article 4 Direction

**Appendix 3:** Letter of support from Hertfordshire LEP

This page is intentionally left blank



Responses to B1(c) to C3 Article 4 Direction

Title	First name	Surname	Business Name	Object	Support	Summary of response
Ms	Catherine	Pegna			Y	<ul style="list-style-type: none"> <li>* 100% for the protection of commercial property</li> <li>* Excellent for security of businesses in the area</li> <li>* Relying on the availability of more commercial space in the future as business grows</li> <li>* Pin Green and Gunnels Wood are strong healthy commercial areas with high employment</li> </ul>
Ms	Jacqueline	Young			Y	<ul style="list-style-type: none"> <li>* Support proposal to protect the existing employment uses within Gunnels Wood and Pin Green</li> </ul>
Ms	Julie	Matthews	Alchemy Metals		Y	<ul style="list-style-type: none"> <li>* Negatively affect the unique mix and concentration of technology, advanced manufacturing, pharmaceuticals and aerospace companies in Gunnels Wood</li> <li>* Would be disastrous for the long-term success, stability and growth of the local economy</li> </ul>
Mr	Mike	Gurney	Dyno Developments		Y	<ul style="list-style-type: none"> <li>* Stevenage has been designed with separate industrial, commercial and residential areas</li> <li>* Company is B2 industrial use making noise and vibration - to mix residential would cause business to stop trading and force company to leave</li> <li>* Where are people supposed to work if we convert industrial to residential</li> </ul>
Mr	Peter Young				Y	<ul style="list-style-type: none"> <li>* Support proposal to protect the existing employment uses within Gunnels Wood and Pin Green</li> </ul>
Mr	Stephen	Goodman	William Design Ltd		Y	<ul style="list-style-type: none"> <li>* Support Direction</li> </ul>
Ms	Michaela	Stephens-Smith	TAG Catering Equipment		Y	<ul style="list-style-type: none"> <li>* Change the structure of the area</li> </ul>
Mr	Neville	Watts	Compass Property Management		Y	<ul style="list-style-type: none"> <li>* Land was purchased as commercial investment, would seek compensation from council if Direction is not passed</li> </ul>
Ms	Juanita	Carr	JMJ Precision Sheet Metal Ltd		Y	<ul style="list-style-type: none"> <li>* Object to changing industrial area into residential area</li> <li>* Would not dream of permitting business development in residential area so why allow residential in industrial</li> </ul>
Mrs	Christine	Hogg	CAMS Fire & Security PLC		Y	<ul style="list-style-type: none"> <li>* Increase commuting due to less jobs</li> <li>* Consider the ratio of business rate income against domestic rate income</li> <li>* Increase in pedestrians and cyclists behave without due care and attention for an industrial area</li> <li>* Increase in traffic</li> <li>* Concerns for when a child is run over by a commercial vehicle</li> <li>* Inadequate space available for residential parking</li> <li>* Changes in road layout, speed restrictions and access routes make it difficult for commercial vehicles to navigate safely</li> <li>* Requirement for Council to reimburse businesses for lost revenue, business property valuations and insurance costs if Direction is not successful</li> </ul>
Mr	Brian	Major	B.I.G. Enterprises Ltd		Y	<ul style="list-style-type: none"> <li>* Firmly support retention of industrial use in industrial areas</li> </ul>

Mr	Duncan	Grocott	Serviceline		Y	* Support the Directions * Uncertainty of site and land redevelopment impacts on long-term growth and investment plans
Mr	Edward	Coles			Y	* Agree with view that change to allow residential should not be agreed for industrial areas
Mrs	Gillian	Coles			Y	* Agree with view that change to allow residential should not be agreed for industrial areas
Ms	Sarah	Hewitt	Freelove Group Ltd		Y	* Full support of Direction * Pin Green and Gunnels Wood are important to the success of the town and local economy * Mixing residential and commercial is detrimental to the occupiers of the commercial properties due to complaints
Mr	Mark	Peters	Blythewood Plant Hire Ltd		Y	* Good that Direction seeks to protect existing employment areas in Stevenage
Mr	Roger	Dixon	Dixons Dispatch Ltd		Y	* An industrial should mean what it says: an area set aside for industrial use and for people to work * Would cause conflict between residents and businesses and create H&S concerns
Mr	Mark	Winton		Y		* Agrees with sentiment of the Directions * Main principle underpinning PD rights is to convert underutilised space to residential * Should not be introduced where small units have limited commercial appeal
Mr	Mike	Ashworth	WYG	Y		* Justification has not been clearly evidenced * No evidence that any shortage in employment land in Stevenage is caused by PD rights * Vacant and underused buildings can not be a preferable solution when there is a housing crisis * Direction could leave parts of the industrial areas vacant and redundant which would appear illogical and unjustified * Pressure for residential development in industrial areas is likely to be limited; residential market is unlikely to be able to attract residents to such areas * Residential development would be limited to areas that are unable to meet business requirements * Council may be subject to costs
Mr	Nic	Gonnermann	Gotec Trading Ltd	Y		* Unfair to impose restriction on the few remaining small businesses at Pin Green * Development of the site to enable relocation is an option they wish to retain
Mr	Richard	Carr	TFL		No comments	
Ms	Natasha	Brennan	Environment Agency		No comments	

<b>Objections:</b>	3	15%
<b>Support:</b>	17	85%
<b>TOTAL</b>	<b>20</b>	<b>100%</b>

**Stevenage Borough Council**

**Town and Country Planning (General Permitted Development) (England) Order 2015**

**Direction made under Article 4(1) to which Schedule 3 applies**

**WHEREAS** Stevenage Borough Council ("the Council") being the appropriate local planning authority within the meaning of article 4(5) of the Town and Country Planning (General Permitted Development) (England) Order 2015 ("the Order") is satisfied that it is expedient that development of the description set out in the First Schedule of this Direction should not be carried out on land described in the Second Schedule of this Direction unless planning permission is granted by the local planning authority on an application made under Part III of the Town and Country Planning Act 1990 (as amended).

**NOW THEREFORE** the Council in pursuance of the power conferred on it by Article 4(1) of the Order hereby directs that permitted development granted by Article 3 of the Order shall not apply to development specified in the First Schedule of this Direction on the land described in the Second Schedule of this Direction.

**FIRST SCHEDULE**

Development comprising the change of use of a building from a use falling within Class B1c (light industrial) of the Schedule to the Town and Country Planning (Use Classes) Order 1987 (as amended), to a use falling within Class C3 (dwellinghouses) of that Schedule, being development comprised within Class PA of Part 3 (Changes of Use) of Schedule 2 of the Order and not being development comprised within any other Class.

**SECOND SCHEDULE**

This Direction shall apply only to the land shaded in red, as defined by the attached map.

The Article 4 Direction will come into effect on 15 June 2018.

Made under the Common seal of Stevenage Borough Council on the 12<sup>TH</sup> Day of JUNE.....  
2017. The Common Seal of the Council was affixed to this Direction in the presence of:

Prabirjit - Singh



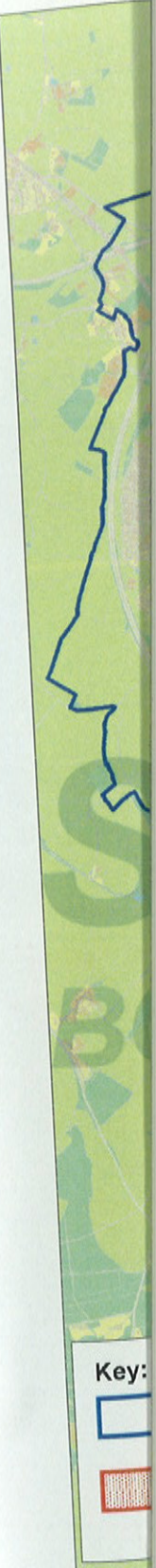
22.7.09

Confirmed under the Common seal of Stevenage Borough Council on the ..... Day of  
..... 20.... . The Common Seal of the Council was affixed to this Direction in the  
presence of: .....

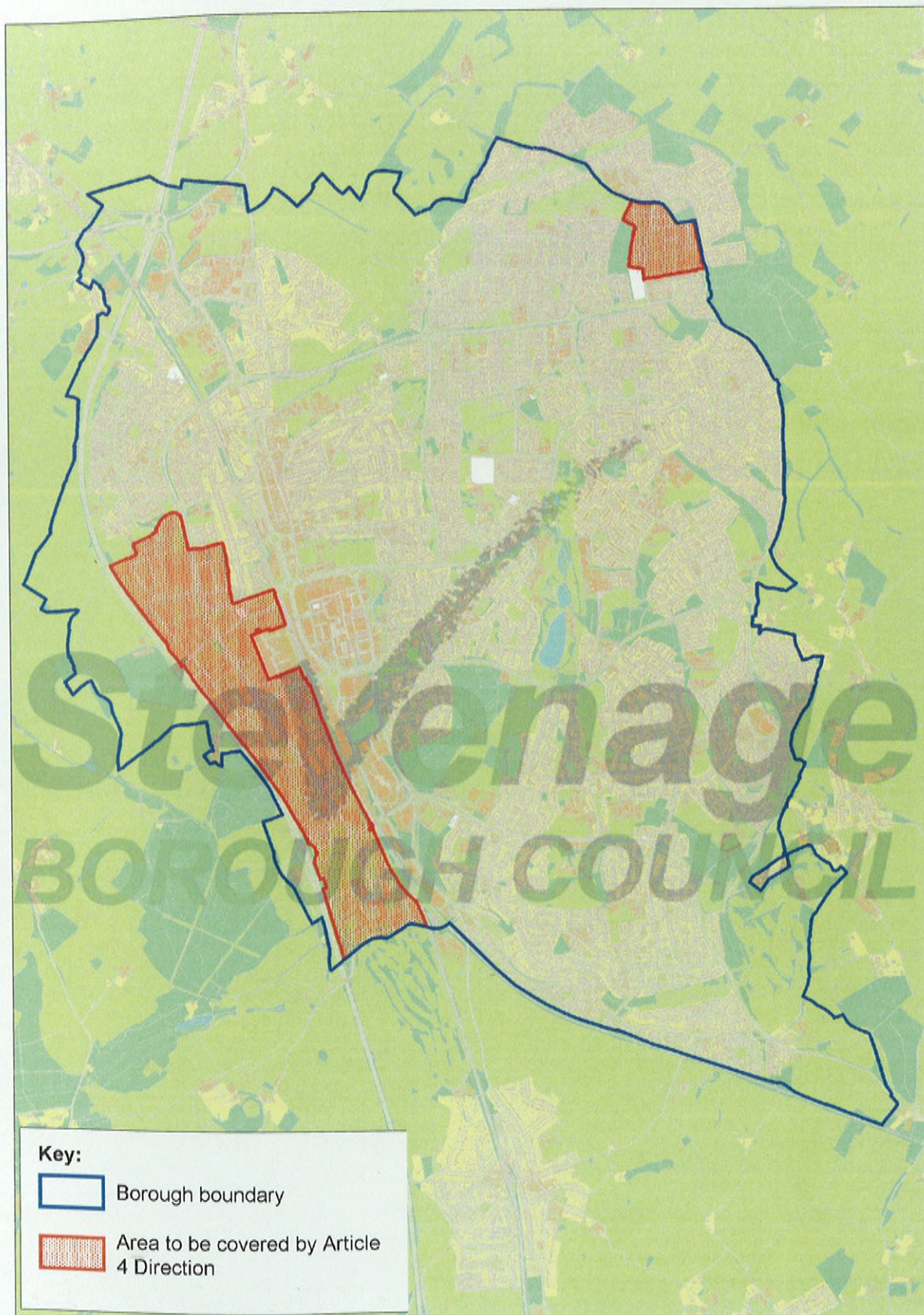


22.7.09

Article 4 Direct  
2015: Change c



Article 4 Direction of the Town and Country Planning (General Permitted Development) Order 2015: Change of use from Class B1c (light industrial) to Class C3 (dwellinghouses)



This page is intentionally left blank

Mena Caldbeck

Planning and Regulation  
Stevenage Borough Council,  
Daneshill House,  
Danestrete,  
Stevenage SG1 1HN

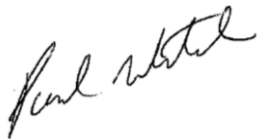
Dear Mena,

Thank you for your recent request seeking LEP support for Article 4 Directions – to remove permitted development rights (PDR) at Gunnels Wood Road and Pin Green for both office and industrial use.

We wrote to district authorities in Feb 2013 saying that the issue of permitted development rights was a matter for the Local Planning Authorities, who have a better knowledge of the role of their employment areas in their local economies and who should have the final say on whether to exclude areas from residential development or not.

However, at the time we made a special case to the Secretary of State, Eric Pickles to ensure that the Gunnels Wood industrial area should be exempt from PDR. We understand that the exemption is due to expire in 2019. Since the LEPs policy on exemption rights has not changed since our original letter in February 2013, we would strongly support Stevenage Borough Council's defence of employment land in the area. The LEP will be examining its policy going forward but we are happy to support the borough's case to retain employment land given recent developments in the county where the loss of employment space is being raised by both public and private sectors as a serious cause for concern.

Yours sincerely



Paul Witcombe

Enterprise and Innovation Manager

Hertfordshire Local Enterprise Partnership



This page is intentionally left blank



**Meeting** EXECUTIVE  
**Portfolio Area** Resources/Housing  
**Date** 12 DECEMBER 2017



## DRAFT HRA RENT SETTING AND BUDGET REPORT

### KEY DECISION

Authors: Clare Fletcher ext. 2933  
Katrina Shirley ext. 2018  
Lead Officers: Clare Fletcher ext. 2933  
Contact Officer: Clare Fletcher ext. 2933

### 1. PURPOSE

- 1.1 To update Members on the draft proposals on the HRA budgets and rent setting for 2018/19, to be considered by Council on 30 January 2018.
- 1.2 To propose the HRA rents for 2018/19.
- 1.3 To propose the HRA service charges for 2018/19.
- 1.4 To update Members on the 2017/18 and 2018/19 HRA budget, incorporating the Financial Security options, growth bids and fees and charges included in the November Financial Security report, together with any revised income and expenditure assumptions identified since that report.

### 2. RECOMMENDATIONS

- 2.1 That HRA dwelling rents not subject to the 1% rent reduction (currently Low Start Shared Ownership LSSOs) be increased, week commencing 2 April 2018 by 4% i.e. £4.37 per week which has been calculated using the existing rent formula, CPI +1% in line with the Rent and Service Charge Policy approved at the January 2017 Council.
- 2.2 That it be noted that HRA dwelling rents, (other than those outlined in 2.1) are subject to the 1% rent reduction from week commencing 2 April 2018 or

£0.96 and £1.62 per week for social and affordable rents respectively, as outlined in the Government's Welfare Reform and Work Act 2016.

- 2.3 That the draft 2018/19 HRA budget be approved, as set out in Appendix A. This may be subject to change as a result of consultation and the finalisation of recharges from the General Fund.
- 2.4 That the final HRA rent setting budget for 2018/19 be presented to the Executive on the 23 January 2018 and then Council on 30 January 2018.
- 2.5 That key partners and other stakeholders be consulted and views fed back into the 2018/19 budget setting process.

### **3. BACKGROUND**

- 3.1 In November 2017, the Executive approved a revised HRA Business Plan which was an update on earlier versions approved in 2016 and 2014. Since the initial 2014 Business Plan update, the projections have undergone a number of reiterations, mainly due to the significantly negative financial impact on the HRA of the four year 1% rent reduction and other government legislation in the Welfare Reform and Work Act 2016 and the Housing and Planning Act 2016. Members will be aware that the single biggest financial impact on the HRA was the four year rent reduction with an estimated £225Million loss of income over a 30 year period. 2018/19 represents year three of the four year rent reduction.
- 3.2 The Government has indicated that after 2019/20 rent increases will be based on the formula CPI+1%. If this policy had been in force for 2018/19 this would have equated to a 4% rent increase rather than the 1% rent reduction for social and affordable rents for the coming year.
- 3.3 In terms of other Government legislation the financial landscape still looks uncertain for housing. Firstly, the introduction of Higher Value Asset levy on councils was deferred in 2017/18 and as of yet no decision has been announced on its introduction for 2018/19. However, the 2017 Autumn statement confirmed that the government will proceed with a £200 million large scale regional pilot of the Right to Buy for housing association tenants in the Midlands. The Autumn budget costs, include a £85m sum for this pilot in 2019/20, but the accompanying policy costings document doesn't explain how this has been arrived at. The HRA business plan to the September Executive had assumed a cost of £732K to the HRA in 2018/19 and for the 30 year business plan a total cost of £29Million.
- 3.4 Secondly the end of lifetime tenancies, replaced with a two to five year fixed term (with some exceptions). The DCLG had indicated it was ready to consult prior to General Election but this hasn't materialised since then and there has been no decision on an implementation date. Both of these Government initiatives require the approval of regulations by Parliament.
- 3.5 In summary the current regulations in force require the Council to set a 1% rent reduction for social and affordable rents, the exception being low start shared ownership (LSSOs). There are 90 LSSO properties which equate to 85 full house equivalents. Any service charges can be charged at cost and sit outside the rent reduction regulations.

- 3.6 The total number of HRA homes in management at the 30 September 2017 is summarised in the table below. The average rents for 2018/19 are based on this housing stock, however any right to buys or new schemes subsequent to the 30 September may change the average rent per property type.

<b>Stock Numbers at 30/9/2017</b>	<b>Social</b>	<b>Affordable</b>	<b>Sheltered</b>	<b>LSSO</b>	<b>Homeless</b>	<b>Total</b>
Number of Properties at 30/9/2017	6,857	10	863	85	130	7,945

- 3.7 The HRA Business Plan presented to the September Executive has been adjusted for the Financial Security Options and Fees and Charges approved at the November Executive. A summary of the assumptions for the budget are shown in the table below.

<b>Financial Assumptions included in the HRA BP and November FS report</b>	<b>2017/18</b>	<b>2018/19</b>
<b>Rent &amp; Service Charge Increases</b>	1% rent reduction for general stock and 1%+CPI (3%) for LSSO's and relets to formula rent	
<b>New Build</b>	50% Affordable 50% Social	
<b>Right-to-Buys</b>	42	50
<b>Bad debt rates</b>	0.60%	0.60%
<b>2018/19 Financial Security options</b>	0	(£225,959)
<b>2018/19 Growth bids</b>	£154,751	£365,092
<b>New Build - Number of Units (HRA BP)</b>	56	37
<b>Repayment of Debt</b>	3,741,000	0
<b>New loans</b>	3,500,000	
<b>Capital Deficit in the Business Plan</b>	0	0

- 3.8 The Budget and Policy Framework Procedure Rules in the Constitution, prescribe the Budget setting process, which includes a minimum consultation period of three weeks. Under Article 4 of the Constitution, the Budget also includes: the allocation of financial resources to different services and projects; proposed contingency funds; setting the rents; decisions relating to the control of the Council's borrowing requirement; the control of its capital expenditure; and the setting of virement limits. The timescale required to implement this process is outlined overleaf.

Date	Meeting	Report
Dec-17	Executive	Draft HRA 2018/19 Budget (incorporating Financial Security Options)
	Overview and Scrutiny	Draft HRA 2018/19 Budget (incorporating Financial Security Options)
Jan-18	Executive	Final HRA 2018/19
	Overview and Scrutiny	Final HRA 2018/19 Budget
	Council	Final HRA 2018/19

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

##### 4.1 Rents

4.1.1 The continuing impact of the 1% rent reduction on an average rent is illustrated in the table below. Over the four year period a CPI+1% increase is estimated to be a 10.78% increase in average rents, compared to a 3.94% loss of a 1% rent reduction for four years. This gives an overall difference between the two rents of 14.73% and an estimated rent loss per year by year four of £5.9Million and in total £12.6Million. The impact over a 30 year business plan has been estimated at £225Million.

Impact of 1% rent reduction (starting rent £98.59)	2016/17	2017/18	2018/19	2019/20	Incr.(decr.) 4 years £	Incr./(decr.) 4 years
<b>Rent based on CPI+1%</b>	£99.48	£101.47	£105.53	£109.22		
<b>Increase per year</b>	£0.89	£1.99	£4.06	£3.69	£10.63	10.78%
<b>Rent with 1% rent reduction</b>	£97.60	£96.62	£95.66	£94.70		
<b>Decrease per year</b>	(£0.99)	(£0.98)	(£0.97)	(£0.96)	(£3.88)	(3.94%)
<b>Overall loss per average property</b>	£1.88	£4.84	£9.87	£14.52	£31.11	<b>(14.73%)</b>
<b>Rent loss in £'000</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>Incr.(decr) 4 years £</b>	
<b>Estimated rent loss per year £'000</b>	£771	£1,960	£3,975	£5,940	£12,647	

4.1.2 The legislation governing the rent reduction states that it should be based on a tenant's rent in the 12 months prior to the first relevant year. The starting point should be the rent on 8 July 2015 – the date on which the intention to legislate regarding rent reductions was announced. The link to rent on 8 July 2015 was

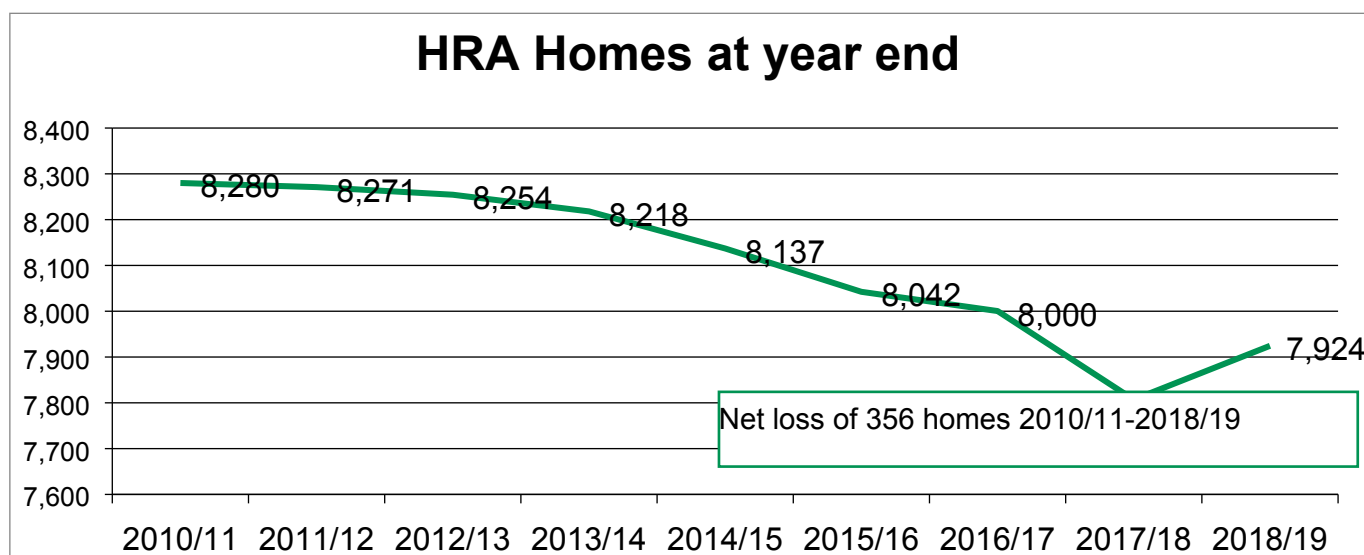
an anti-avoidance provision. There are a few exceptions to that including where no tenancy existed (new properties etc.), however in accordance with the Act it ensures that rents for tenancies beginning after the 8 July 2015 will track down in parallel with those of established tenancies.

4.1.3 The exceptions to the 1% rent reduction for Stevenage Borough Council, is Low Start Shared Ownership properties (LSSOs). The Council has 90 LSSO properties and owns 85 full house equivalents. This report recommends that these rents are set in line with the rent policy CPI+1% or a 4% increase for 2018/19, (2017/18 increase 2%).

4.1.4 The proposed average rents for 2018/19 are set out in the table below, there are currently 10 affordable rented properties (ranging from 4 bedroom-2 bedroom houses and flats).

Average Rents 2018/19	LSSO	Incr./ (decr.) %	social	Increase/ (decrease) %	Affordable *	Incr./ (decr.) %
Average Rent 2017/18	£109.18		£96.71		£161.83	
Add rent impact 2018/19	£4.37	4.00%	(£0.96)	(1.00%)	(£1.62)	(1.00%)
<b>Total 52 week Rent 2018/19</b>	<b>£113.55</b>		<b>£95.75</b>		<b>£160.21</b>	

4.1.5 The net rental income decrease for 2018/19 is estimated to be £570,000, which includes the impacts of the rent reduction and estimated right to buys, offset by estimated new properties. The total number of properties in management is estimated to have reduced by 356 homes between 2010/11 and 2018/19, the 2017/18 numbers have been temporarily impacted by sheltered properties out of management ready for scheme redevelopment.



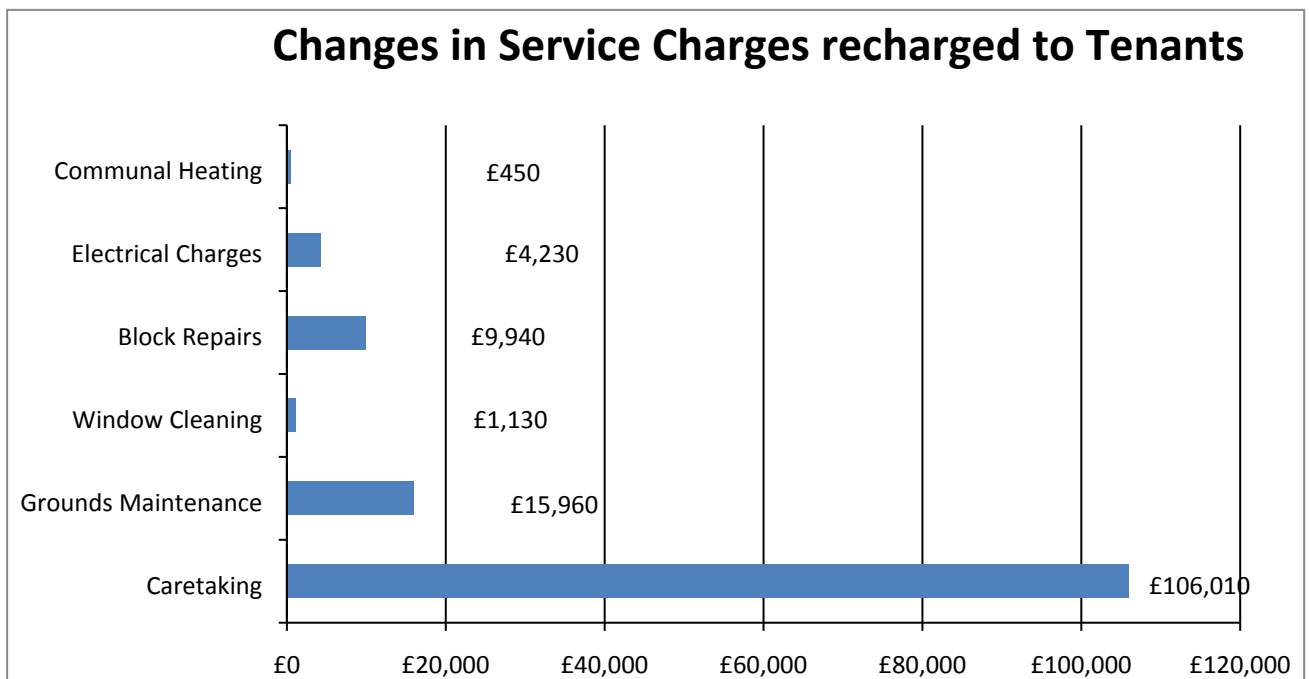
## 4.2 Service Charges

4.2.1 Service charges are calculated for each block individually for 2,925 properties, (2017/18 2,885) or 37% of current SBC tenanted properties. A review of service charges was trailed in the 2017/18 HRA rent setting report, however

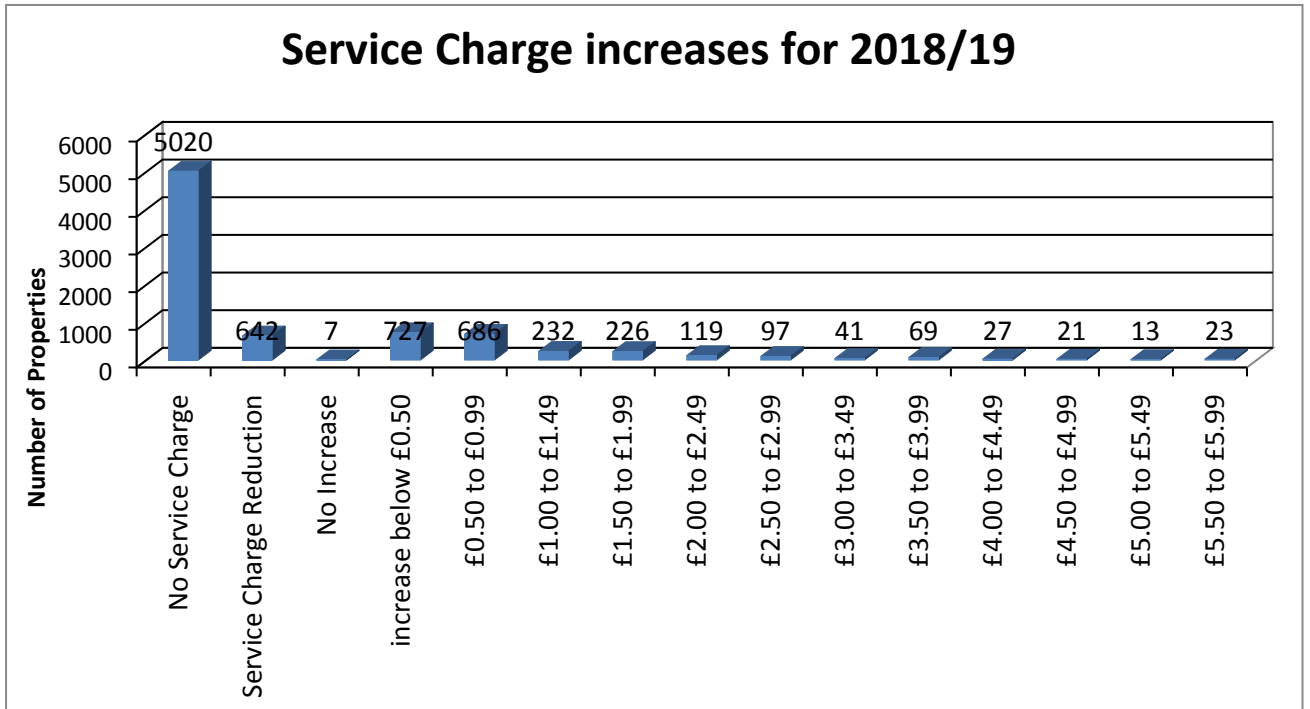
the review was not concluded in time for the 2018/19 rent setting and still requires tenant and Member consultation. Service charges currently provided, (eligible for housing benefit) are shown below.

Service Charges:
Caretaking
Grounds maintenance
Window cleaning
Block repairs (including pest control)
Electrical charges
Communal heating

4.2.2 Service charges are not subject to the 1% rent reduction regulations, but are based on cost recovery. For 2018/19, service charge costs will increase with inflationary pressures and changes in usage. For 2018/19 caretaking costs have increased by £106,010. The reason for the increase is because historically reactive work undertaken by the caretakers has not been charged to tenants and leaseholders, meaning that only 58% of caretaking costs have been recovered. Including the reactive work (not on the normal schedule for removal of debris etc.) in chargeable time means that 84% compared to 58% of productive hours are estimated to be paid for in 2018/19.



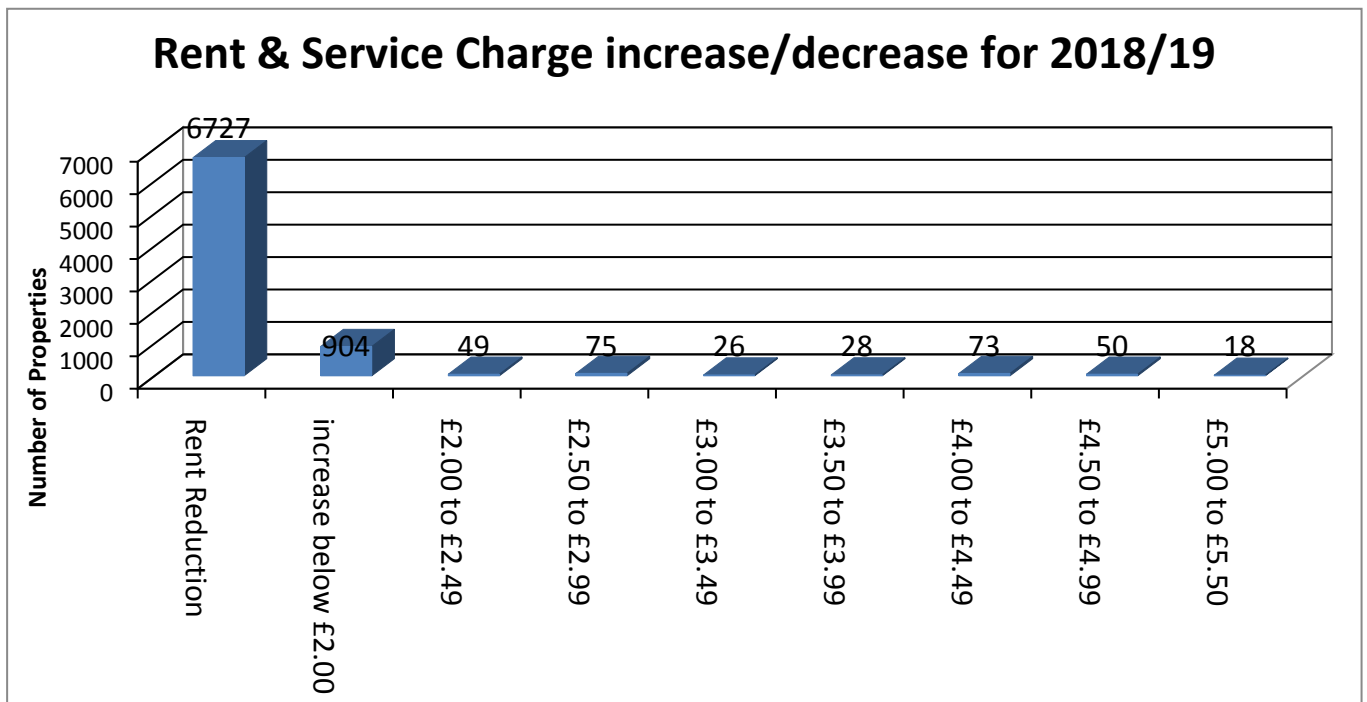
4.2.3 The spread of service charge increases for all tenants in 2018/19 is shown in the chart below. The impact of the increase in service charges (including caretaking), means 1,376 homes will receive a service charge increase of less than £0.50, but 23 properties have an increase of between £5.00-£5.99 per week, 642 properties with a service charge reduction and 7 properties will have no increase.



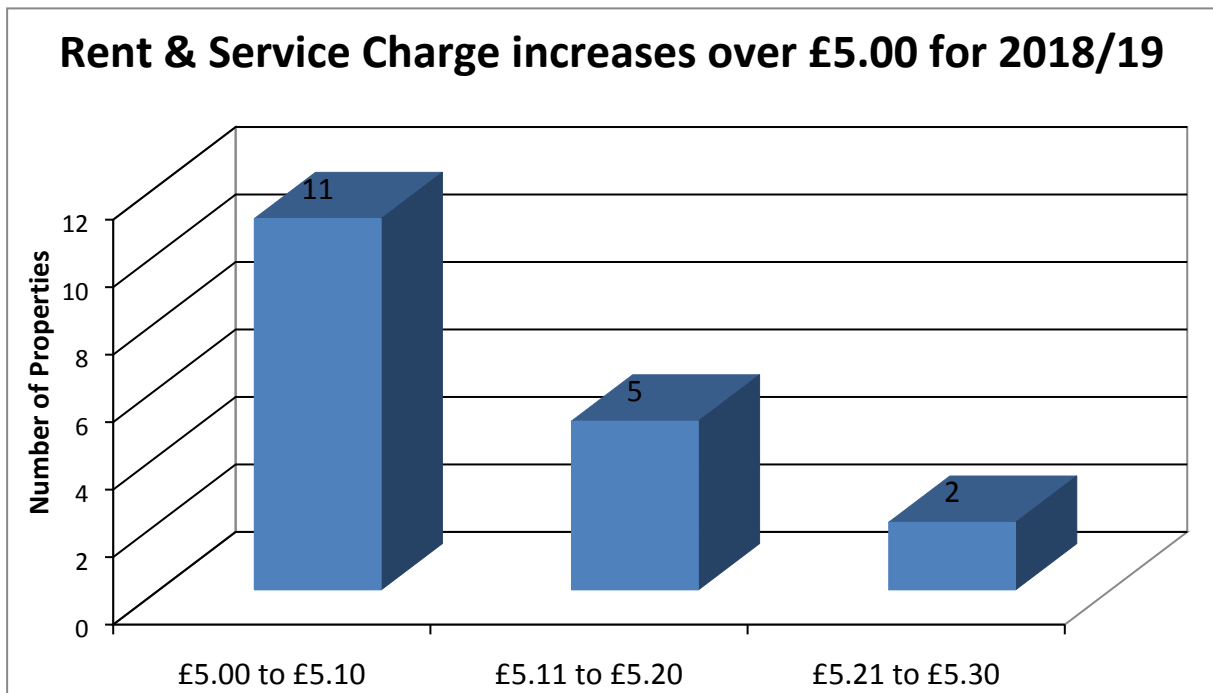
*\*includes LSSO in total not reduced for the share owned by the tenant*

#### 4.3 Rents and Service Charges

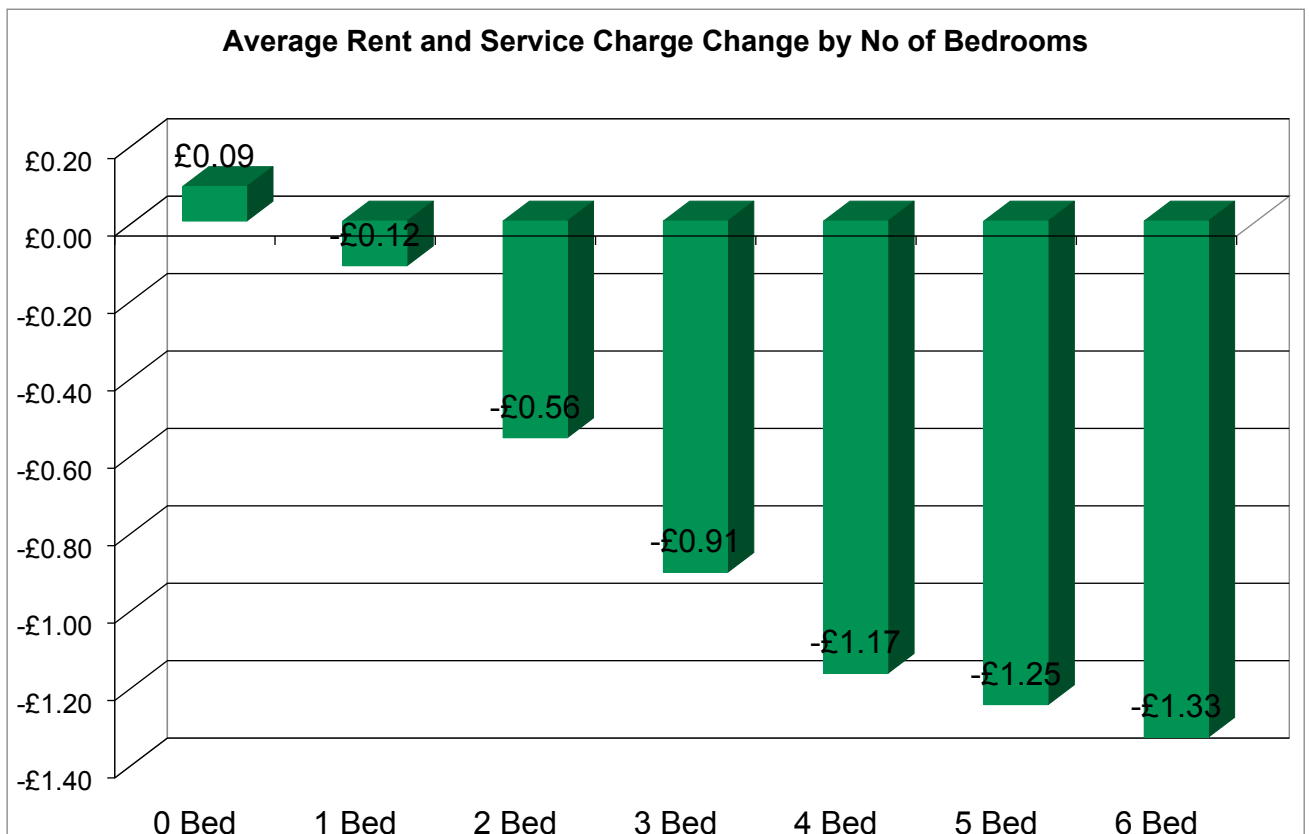
4.3.1 There are 6,727 or 84.6% of council tenants compared to 91.6% in 2017/18 receiving a rent and service charge reduction. The spread of the 2018/19 rent and service charge changes are summarised in the chart below.



4.3.2 There are 18 properties with an increase in excess of £5.00 with two properties estimated to have an increase of between £5.21 and £5.30. A summary of these properties is shown in the chart below.



4.3.3 The average rent and service charge increase/(decrease) by bedroom size has also been calculated and summarised in the chart below.





4.3.4 The comparison between HRA property rents and private sector rents for one to four bedroom properties is shown in the chart below. A three bedroom private sector rental property costs an additional 138%, (2017/18,147%) more per week than a SBC council home and 38% more than the affordable let properties,(2017/18 44%).

	SBC Social Rent	SBC Affordable Rent	Median Private Rent	Local Housing Allowance (LHA)	Median % v SBC Social	Median % v SBC Affordable
1 Bed Property	£81.57	£119.92	£184.00	£126.03	126%	53%
2 Bed Property	£95.07	£153.38	£219.00	£155.37	130%	43%
3 Bed Property	£106.25	£182.75	£253.00	£192.05	138%	38%
4 Bed Property	£117.19	£225.82	£299.00	£245.96	155%	32%

Private rent Data from Home track housing intelligence system re Oct-16 to Nov-17 (Updated Nov 2017)  
SBC rents are 2018/19 and the private rents are 2017/18 rents

4.3.5 **The Local Housing Allowance (LHA)** shown in the table above is the maximum amount of housing benefit payable by property size for private rented properties.

#### 4.4 Supported Housing Income and Expenditure

4.4.1 Included in the approved 2014, 2016 and 2017 HRA Business Plan approved by was an assumption that £100,000 of Supported Housing charges would be recovered either from lower costs or higher charges in the period 2016/17-2018/19.

4.4.2 The business plan was trying to address the removal of supporting people grant, (paid via the County Council), of which £386,000 had been removed by 2015/16. Furthermore the cost of the service in 2015/16 was a net charge to the HRA of some £656,000, so even with grant funding the cost of the service was not met. This has meant that the cost of this service (apart from some self-funders) is being met from the HRA which with the current financial constraints is not sustainable.

4.4.3 Since 2015/16 a number of income increases have been introduced together with service cost reductions which lowered the cost of the service by £149,790 in 2017/18, (fee increases accounted for £22,250). In 2018/19 further options have been considered (subject to consultation) and included in the November Executive report.

#### 4.5 Borrowing

4.5.1 The HRA business plan's existing loans are an average interest rate of 3.40% based £206.174Million of borrowing. The current business plan makes allowance for new loans totalling £3,500,000 in 2017/18, together with debt repayments in this year of £3,741,000. The decision when to take the new

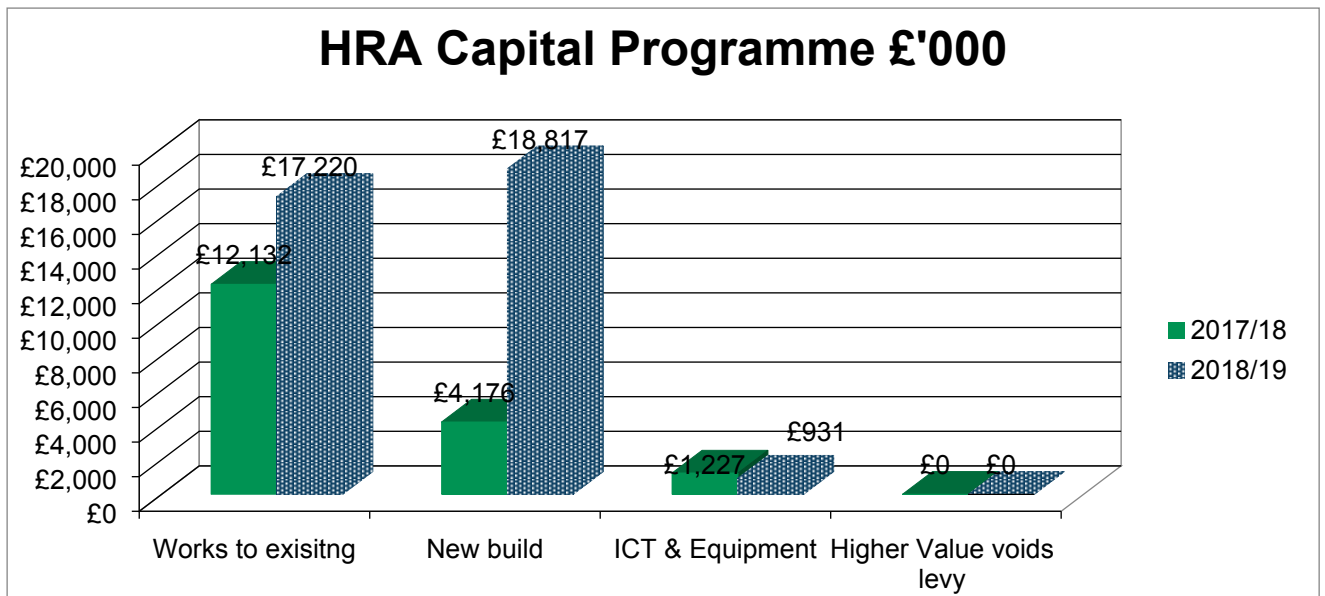
borrowing will be reviewed, weighing up the cost of carry and the prevailing PWLB rates. The interest payable in 2017/18 and 2018/19 is estimated to be £7,017,260 and £6,960,140.

#### 4.6 Contributions to Capital Expenditure

4.6.1 A large part of the capital programme is funded from HRA revenue resources, however in 2017/18 there was only a small revenue contribution to capital (RCCO) of £60,230 in the HRA. The contribution increases considerably in 2018/19 due to the size of the capital programme and is £7,540,240 for 2018/19. The 2018/19 capital programme is £36,967,750 compared to the 2017/18 capital programme of £17,535,250, an additional £19,432,500 of works. This includes the Major Repairs contract on flat blocks.

4.6.2 The 2018/19 capital programme does not include any higher value voids levy, (estimated to be £732,000 in 2018/19). This has currently been excluded as the Autumn statement published in November confirmed the government will be proceeding with a large scale regional pilot of the Right to Buy for housing association tenants in the Midlands and the likelihood is that this will inform future government policy and will delay its wholesale introduction. If the charge is introduced in 2018/19 then the programme will need to be revised increasing resources required for the programme.

4.6.3 The 2018/19 budgeted depreciation allowance to be transferred to the Major Repairs Reserve (MRR) to fund the capital programme is £11,792,190, (no change to the November MTFs). A summary of the 2017/18-2018/19 capital programme is shown in the chart below

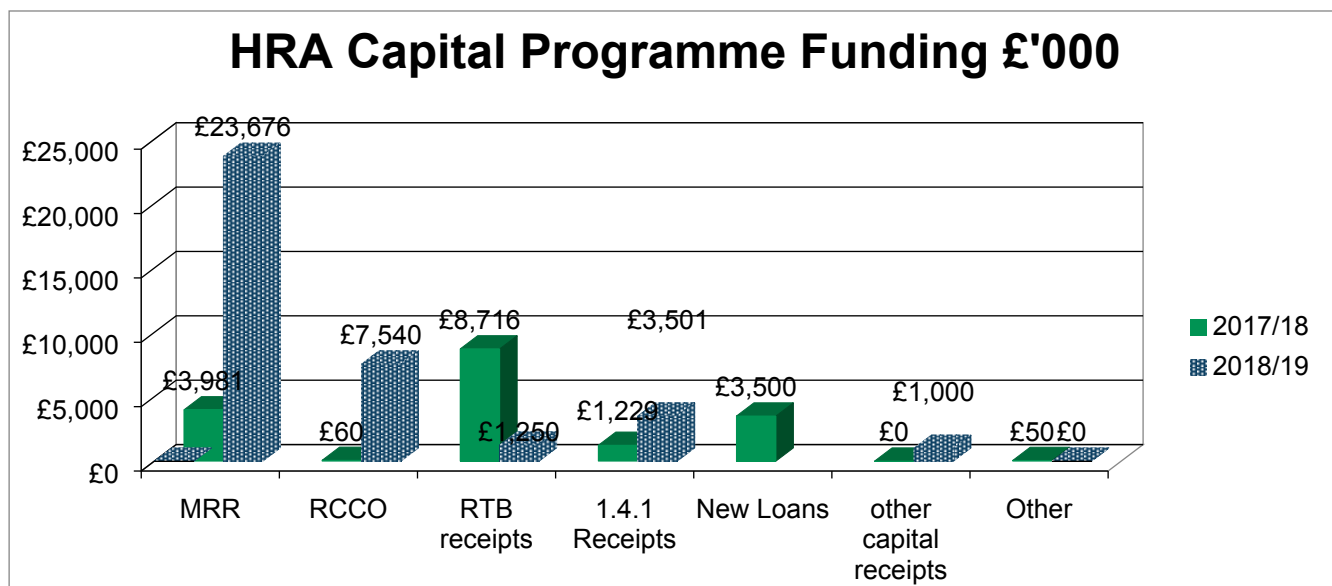


4.6.4 The increase in the size of the capital programme in 2018/19 compared to the 2017/18 programme, (as outlined in paragraph 4.6.1), is mainly funded from increased use of the Major Repairs Reserve (effectively depreciation balances from the HRA) and RCCO.

4.6.5 The 2018/19 draft HRA capital programme funding has changed from the HRA November MTFS update due to:

- Reduction in S20 receipts (£358,000) the BP had assumed the receipts would part fund the programme, however these have now been estimated for 2019/20 to allow for eligible works to be completed and invoices raised - **Reduces resources available in 2018/19 (increases resources in 2019/20)**
- Removal of the higher value voids levy from the 2018/19 capital programme (£732,000) - **Increases resources available in 2018/19**
- Reduction in estimated salaries charge to capital £42,000 (Increases resources available in 2018/19)
- Increase in New Build programme £30,000 - **Reduces resources available in 2018/19 (but increases use of 1.4.1 receipts).**
- Increase in debt provision receipts projected for 2018/19 £67,000- **Increases resources available in 2018/19**

4.6.6 The capital programme funding for 2017/18 and the draft HRA capital programme 2018/19 is summarised in the chart below



4.6.7 The current HRA Business Plan does not assume borrowing above the government imposed borrowing cap (£217.685Million). The 2017 Autumn Statement announced the Government will be lifting borrowing caps for councils in areas of high affordability pressure. Local authorities will be able to bid for increases in their caps from 2019/20, up to a total of £1 billion by the end of 2021/22. However, the rules on how Authorities can do this have yet to be published but the Government has notified councils that it intends to set out detailed arrangements shortly. The Government anticipates that the additional borrowing could help local authorities to build replacement homes sold under the right to buy, or be used alongside Affordable Homes Programme grant. These measures in the Budget and the reforms announced in the Housing

White Paper by the government reflect their desire to raise housing supply to 300,000 per year by the mid 2020s.

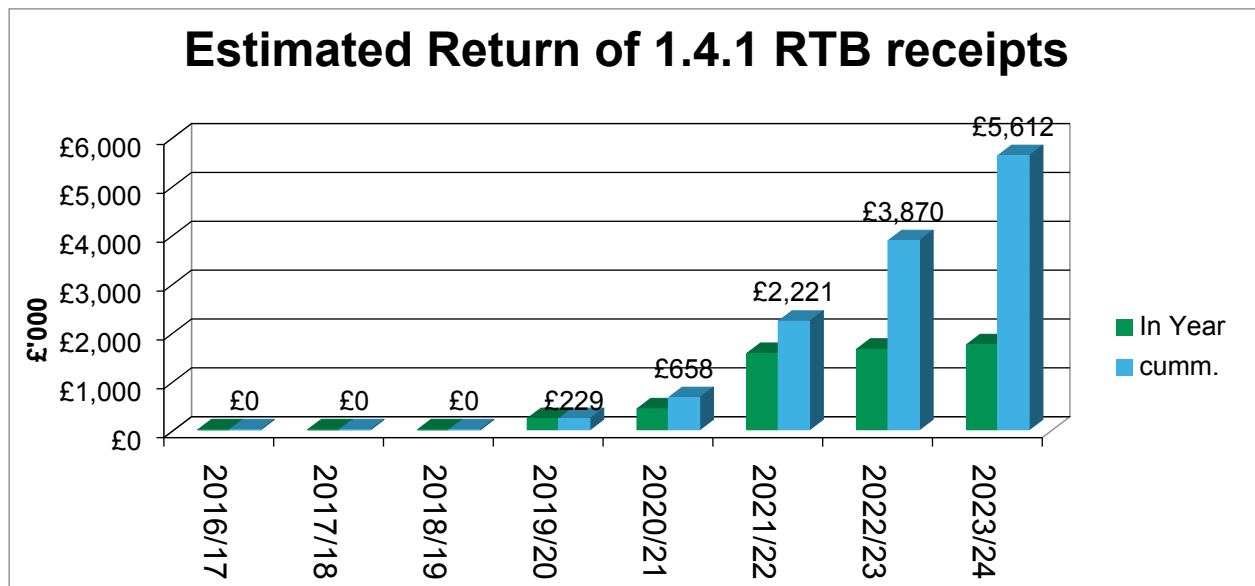
#### 4.7 Use of One for One Receipts

4.7.1 The new build programme was introduced in 2012/13 alongside HRA self-financing. The revised November 2014 HRA Business Plan projected 1,900 properties over a 30 year period with 559 properties to be built/acquired in the first ten years, spending an estimated £416Million. The 2017 Business Plan increased funding to £453Million with an estimated 1,986 new council homes and 88 replacement properties.

4.7.2 Despite having an ambitious new build programme, the value of 1.4.1 receipts has continued to increase as house prices and the number of RTB's have risen. However to date only £3.9Million of receipts have been returned to the Government to avoid the punitive interest rate penalties (4% above the bank of England base rate).

4.7.3 Based on the current capital programme and estimated 1.4.1 receipts, no receipts need to be returned in 2017/18 and 2018/19. However these projections are very much dependent on the level of sales and profiling of capital expenditure, the sales for the current year are estimated to be 42 which is lower than the 50 sales originally budgeted for.

4.7.4 The chart below identifies that there will be some 2016/17 receipts which may need to be returned in 2019/20, future years projections are based on estimated sale receipts. Officers will keep this under review to minimise the cost to the HRA.



#### 4.8 Draft Budget Proposals

4.8.1 The Draft HRA budget is estimated to be a net expenditure of £2,618,690, which is a reduction of £355,359 over that reported in the Financial Security report to the November Executive. The reasons for the changes are summarised in the table overleaf.

<b>Summary of 2018/19 budget movements</b>		
November MTFs (28 November 2017 Executive)		<b>£2,974,049</b>
<b>Increases in Income/Reductions in Expenditure:</b>		
Additional Rental Income	(£6,310)	
Other fees and charges- caretaking	(£106,010)	
Other fees and charges	(£15,220)	
Revenue contribution to capital	(£440,500)	
Interest receivable	(£20,120)	<b>(£588,160)</b>
<b>Increases in Expenditure:</b>		
Additional employer pension costs	£72,560	
Net increase in recharges between HRA and GF	£136,410	
other minor changes	£23,831	<b>£232,801</b>
<b>Total Changes:</b>		<b>(£355,359)</b>
<b>Draft HRA 2018-19 budget</b>		<b>£2,618,690</b>

- 4.8.2 The largest increase in fees and charges relates to the increase in caretaking staff charged as part of service charge recovery, this is outlined in paragraph 4.2.2 above.
- 4.8.3 Revenue Contribution to Capital or RCCO has reduced by £440,500, this is a result of the removal of the HVV levy from the 2018/19 draft HRA capital programme and the other movements in the capital programme and funding as outlined in paragraph 4.6.5.
- 4.8.4 Interest on HRA balances has increased over that estimated based on a 0.7% investment rate achieved and is calculated based on average projected HRA balances for 2018/19.
- 4.8.5 There has been an increase in the employer pension costs as the number of HRA employees in the pension scheme has increased, compared to that previously estimated. All new employees are automatically enrolled in the pension scheme and must opt out if they want to leave the scheme. The current pension contribution for 2018/19 is 18.5% of gross pay including overtime and other pay elements.
- 4.8.6 There has been an increase in net recharges from the General Fund to the HRA of £136,410 over that budgeted. The total net recharges to the HRA are £5,259,040 for 2018/19 and the increase represents 2.59% of the overall budget. Recharges have been updated to reflect the new Assistant Directors responsibilities but are still being reviewed and may change between the draft and final HRA budget.
- 4.8.7 The 2018/19 HRA projected budget is now net expenditure of £2,618,690, the summary of balances is shown in the table below. All HRA balances in excess of the minimum balances held for assessed risks in year, are required to fund the HRA 30 year capital programme. The 2018/19 minimum balances is based on the amount contained within the HRA business plan.

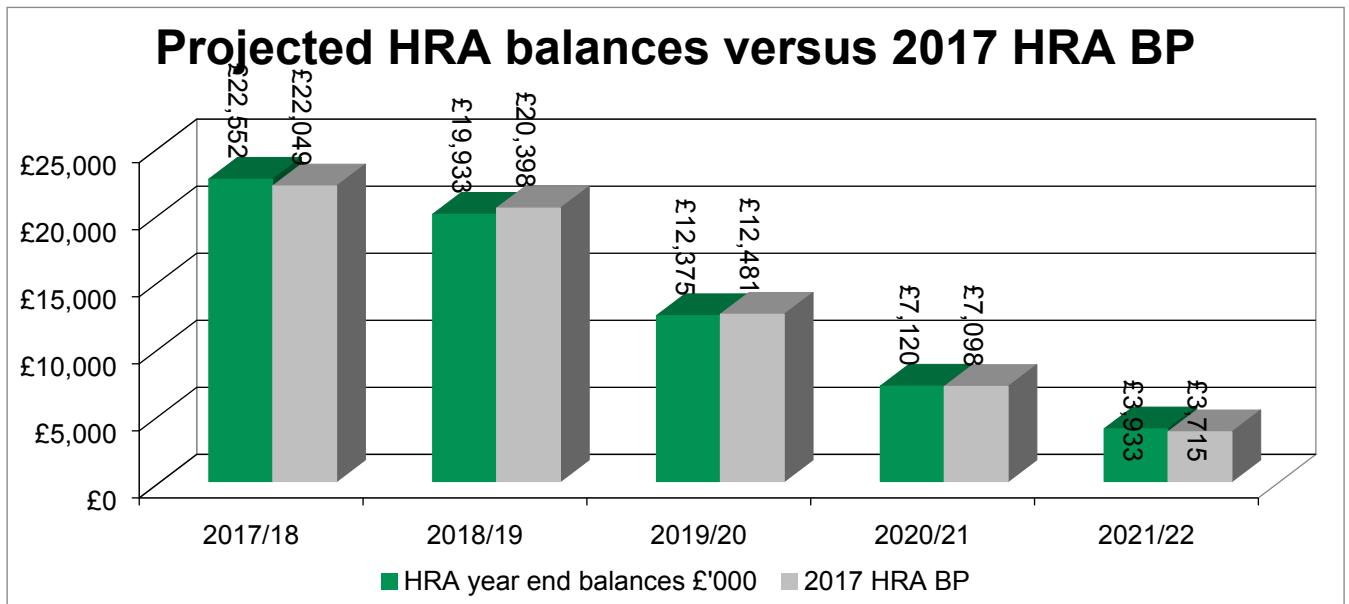
HRA Balances:	2017/18 £	2018/19* £
HRA Balance 1 April	(£19,749,571)	(£22,551,825)
Use of balances in Year	(£2,802,253)	£2,618,690
HRA Balance 31 March	(£22,551,825)	(£19,933,135)
Minimum Balances	(£1,947,740)	(£2,074,000)

\* subject to confirmation at the January Executive

4.8.8 The Assistant Director (Finance and Estates) will be risk assessing the level of balances required in 2018/19 for the HRA. This will be included in the final HRA budget report to the January Executive and Council.

4.8.9 The HRA projected year-end balances as at 31 March 2019 are now projected to be £19,933,135. However balances reduce in the next few years and Members will be aware that there is currently a deficit in future years in the business plan.

4.8.10 The 2017/18 and 2018/19 HRA balances seem relatively high, however Members should remember that the Business Plan showed a significant reduction in HRA reserves over the next few years and for a number of years minimum balances are held within the business plan, together with a deficit of £27Million over the 30 year plan. The reduction in HRA balances is shown in the table below and there is a significant use of HRA reserves of £18.619Million between the period 2017/18 and 2021/22. The business plan does assume this level of reduction.



4.8.11 The 2021/22 HRA projected balance is £218K higher than the 2017 Business Plan, however this is because £732K of HVV has been removed in 2018/19 and in addition higher service charges (mainly from caretaking) have absorbed the impact of some of the growth approved at the November Executive. Members will be aware that there was a £27Million deficit in the 2017 HRA business plan and an annual savings target. Furthermore with

balances circa £3Million, there is much less ability to absorb the impact of unplanned expenditure or loss of income.

#### **4.9 Consultation**

- 4.9.1 The Housing Management Board (HMB) acts as an advisory body to the Executive for council housing-related matters, including participation in the HRA budget-setting process and the development of the HRA Business Plan. HMB currently includes one leaseholder and five tenant representatives in addition to Member and officer representation. Its terms of reference allow for up to ten customer representatives in total.
- 4.9.2 HMB reviewed the draft revised Rent and Service Charge Policy at their meeting on 27 October 2016 and broadly supported proposed revisions at that time. No further changes to the policy have been made since then.
- 4.9.3 Proposals for a revised HRA Business Plan were agreed by the Executive at their meeting in November 2016. These proposals included investment plans to support commitments relating to new build, existing housing assets and service improvements and also a series of savings assumptions. The proposals were developed with input from HMB via a number of working groups and presentation sessions.
- 4.9.4 HMB received a presentation on the revised HRA Medium Term Financial Strategy (MTFS) and refreshed HRA Business Plan assumptions (including savings targets) in August 2017. Their comments were reported within the HRA MTFS Executive report in September 2017.
- 4.9.5 The draft HRA budget and rent setting proposals contained in this report are scheduled to be presented to HMB at their meeting on 3 January 2018 and their comments will be fed back to the Executive prior to the final budget report being recommended to the Council.
- 4.9.6 Targeted consultation will be carried out with staff, customers and stakeholders directly affected by the financial security options agreed by the Executive in November 2017. All tenants will be notified of changes to their rent and service charges in February/March 2018.
- 4.9.7 In addition as referred to in paragraph 4.2.1, there are plans to review service charges ahead of implementing a new and more transparent service charge model in 2019/20. This review will include consideration of both service charges and support charges and will involve consultation with tenants and leaseholders.

#### **4.10 Leaders Financial Security Group**

- 4.10.1 The LSFG chaired by the portfolio holder for Resources on behalf of the Leader and with cross party representation has been meeting frequently since August 2016. The group has;
- Reviewed the HRA assumptions regarding the 2018/19 onwards saving target
  - Review of the HRA MTFS assumptions
  - Review of the HRA 2018/19 Financial Security package
  - Reviewed the HRA 2018/19 Fees and charges

4.10.2 The LSFG considered the options above and scored the Financial Security options, growth and fees and charges for inclusion in the draft HRA budget.

## **5. IMPLICATIONS**

### **4.3 Financial Implications**

5.1.1 Financial implications are included in the body of the report

### **4.4 Legal Implications**

4.4.2 Legal implications are included in the body of the report

### **5.3 Staffing Implications**

5.3.1 The unions are being consulted on the options approved at the November Executive on the 6 December 2017. Human Resources staff are co-ordinating centrally the implementation of any staff related savings. However there are no compulsory redundancies within the options for the HRA

### **5.4 Risk Implications**

5.4.1 There is considerable risk in setting HRA spend as there have been so many government policy changes concerning rent and welfare reforms, making medium to long term planning difficult. Between 2014/15-2016/17 there were three different rent policies which when compared to the 2014 HRA business plan showed a loss of income of some £253Million, (this includes updated assumptions about rent increases, inflation and RTB's). The government has indicated that beyond 2019/20 rent increases will be based on CPI+1%, however policy could change.

5.4.2 There are still significant risks to the HRA with the future impact of HVV levy, the draft HRA budget has removed the cost in 2018/19 based on the government's plan to extend pilots. However there is a risk it could still be introduced in 2018/19 and future years. The impact over the remaining 28 years of the 30 year business plan is estimated to be £29Million, however without the publication of the regulations the impact could be much more adverse.

5.4.3 There is the impact of Universal Credit (UC) and other welfare reforms on tenants, currently 54% or £20Million of benefit is paid to the HRA from the benefits system rather than to tenants and experience has shown that for other local authorities, arrears have increased significantly with the roll out of UC.

5.4.4 There is a potential adverse financial impact on the HRA as a result of high inflationary pressures, when rents are suppressed. If inflation rises above that assumed in the business plan, as a result of for example BREXIT, further reductions in spend may need to be made. In addition there already is a £27Million deficit in capital funding over the 30 year programme.



- 5.4.5 Since 2012/13 the RTB discount has increased from £34,000 to £78,600 in 2017/18. Reducing the cost of purchase for a property has a double negative effect on the HRA, not only does it lose the rental supporting the capital programme it also cannot afford to replace the property with the resulting receipt.
- 5.4.6 As a result of the number of risks outlined above the authority has not borrowed up to the debt cap. The head room of £9Million which will be reviewed annually allows for land to be transferred into the HRA to meet its house building ambitions and also to address any shortfalls in funding identified as a result of the risks mentioned above. The Council now has the opportunity to bid to increase the level of debt it can have through measures announced in the Autumn Statement in November 2017, however the Council has to demonstrate that it is an area of high demand and the additional debt has to be affordable to the HRA. If SBC chooses to bid and is successful, funding would not be available until 2019.
- 5.4.7 The level of growth approved in the Financial Security report to the November Executive would not be financial sustainable year on year, furthermore the HRA has an annual Financial Security target to achieve, which for 2019/20 is £365,000.
- 5.4.8 The financial impact of any health and safety recommendations as a result of the Grenfell fire and subsequent new regulations is still to be fully understood and funded. The capital cost could be in excess of £2Million subject to decisions being taken regarding specific works and there would be on-going some revenue implications.

## **5.5 Equalities and Diversity 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 Act replaced three previous equality legislations – the Race Relations Act (section 71), the Sex Discrimination Act (section 76A) and the Disability Discrimination Act (section 49A). 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 needs described in the legislation. These duties are non-delegable and must be considered by Council when setting the budget in January 2018.
- 5.5.2 To inform the decisions about the Budget 2018/19 officers have undertaken Brief Equality Impact Assessments (EqIAs) for service-related budget savings proposals. Where there is a potentially negative impact, officers have identified further action needed to inform a final decision and to mitigate the impact where this is possible. These EqIA were included in the November Report and will be appended to the final HRA Budget report together with an EQIA for the rent and service charges increase for the January Executive.

## **BACKGROUND DOCUMENTS**

BD1 Housing Revenue Account Medium Term Financial Strategy (2017/18-2021/22) - September Executive

[http://www.stevenage.gov.uk/content/committees/182083/182087/182091/Executive-19-September\\_2107-Item5.pdf](http://www.stevenage.gov.uk/content/committees/182083/182087/182091/Executive-19-September_2107-Item5.pdf)

## **APPENDICES**

Appendix A - Draft HRA Summary



## HOUSING REVENUE ACCOUNT SUMMARY

	ACTUAL 2016/17 £	ORIGINAL 2017/18 £	WORKING BUDGET 2017/18 £	ORIGINAL 2018/19 £
<b>SUMMARY OF EXPENDITURE</b>				
SUPERVISION AND MANAGEMENT	7,955,522	8,840,250	9,213,640	9,552,400
SPECIAL SERVICES	4,227,289	4,328,230	4,354,890	4,624,330
RENT, RATES, TAXES AND OTHER CHARGES	383,894	490,410	420,410	390,600
REPAIRS AND MAINTENANCE <sup>(1)</sup>	6,252,321	5,843,860	6,033,200	6,319,180
CORPORATE AND DEMOCRATIC COSTS	291,450	294,500	294,500	344,280
CONTRIBUTION TO THE BAD DEBT PROVISION	228,603	255,270	255,270	255,270
<b>TOTAL EXPENDITURE</b>	<b>19,339,079</b>	<b>20,052,520</b>	<b>20,571,910</b>	<b>21,486,060</b>
<b>SUMMARY OF INCOME</b>				
RENTAL INCOME:				
DWELLING RENTS	(40,372,415)	(40,133,920)	(39,909,180)	(39,583,530)
NON DWELLING RENTS	(101,402)	(132,880)	(139,620)	(123,920)
	(40,473,817)	(40,266,800)	(40,048,800)	(39,707,450)
CHARGES FOR SERVICES & FACILITIES - TENANTS	(1,777,574)	(1,745,510)	(1,715,750)	(1,957,250)
LEASEHOLDER SERVICE CHARGES	(829,991)	(821,640)	(868,620)	(911,730)
CONTRIBUTIONS TOWARDS EXPENDITURE	(284,801)	(301,670)	(308,010)	(304,260)
REIMBURSEMENT OF COSTS	(372,362)	(105,840)	(105,840)	(358,010)
RECHARGE INCOME (GF & CAPITAL)	(1,380,538)	(1,587,060)	(1,585,780)	(1,646,880)
<b>TOTAL INCOME</b>	<b>(45,119,082)</b>	<b>(44,828,520)</b>	<b>(44,632,800)</b>	<b>(44,885,580)</b>
DEPRECIATION	11,172,248	11,356,970	11,356,970	11,792,190
IMPAIRMENT/LOSS ON REVALUATION	0	0	0	0
INTEREST PAYABLE	7,027,701	7,017,260	7,017,260	6,960,140
INTEREST RECEIVABLE	(310,742)	(240,400)	(289,490)	(274,360)
<b>NET (SURPLUS)/DEFICIT FOR YEAR</b>	<b>(7,890,796)</b>	<b>(6,642,170)</b>	<b>(5,976,150)</b>	<b>(4,921,550)</b>
APPROPRIATIONS:				
REVENUE CONTRIBUTION TO CAPITAL OUTLAY	5,068,620	110,230	110,230	7,540,240
SELF FINANCING CONTRIBUTION TO PROVISION	27,689	3,741,000	3,741,000	0
TRANSFER TO/(FROM) RESERVE	0	0	0	0
IMPAIRMENT/LOSS ON REVALUATION	0	0	0	0
<b>HOUSING REVENUE ACCOUNT BALANCE</b>				
NET EXPENDITURE/(INCOME) FOR YEAR	(2,794,487)	(2,790,940)	(2,124,920)	2,618,690
BALANCE B/FWD 1 APRIL	(16,955,084)	(19,749,571)	(19,749,571)	(21,874,491)
<b>HRA BALANCE C/FWD 31 MARCH</b>	<b>(19,749,571)</b>	<b>(22,540,511)</b>	<b>(21,874,491)</b>	<b>(19,255,801)</b>
	0	0	0	0

**SERVICE DETAILS:**

In 2012/13 the HRA became a self financing account and the housing subsidy system ceased. This change allows all future revenues to be available to be spent locally with the exception of the pooled element of Right to Buy sales.

<sup>(1)</sup> Repairs and maintenance costs only. Supervision and management is included in the Supervision and Management line.

This page is intentionally left blank

**Meeting:** EXECUTIVE

**Agenda Item:**

Portfolio Area: All

**Date:** 12 DECEMBER 2017

## CORPORATE PERFORMANCE FOR QUARTER TWO 2017/18

Author – Elaine Wright Ext. 2192

Contributors – Richard Protheroe/Charlie Smith/Chloe Norton Ext. 2938/2457/2501, All Assistant Directors

Lead Officer – Scott Crudginton. Ext 2185

Contact Officer – Richard Protheroe Ext. 2938

### 1. PURPOSE

- 1.1. To highlight the Council's performance across key priorities and themes for quarter two 2017/18.

### 2. RECOMMENDATIONS

- 2.1. That the delivery of priorities which form the Future Town, Future Council Programme and performance of the Council across the key themes during quarter two 2017/18 together with latest achievements be noted.
- 2.2. That learning from phase one of the Repairs and Voids improvement programme be incorporated into the second phase of the programme to ensure the function operates successfully in the future (outlined in paragraphs 3.102 to 3.114 of the report).
- 2.3. That plans to increase the availability, skills and knowledge of Customer Service Advisers to improve performance in the Customer Service Centre be endorsed (outlined in paragraphs 3.116 to 3.123 of the report).

### 3. BACKGROUND

- 3.1. Members approved the new Cooperative Corporate Plan in December 2016. It reflects the Council's continuing focus on cooperative working and outlines the key outcomes and priorities for the town over the next five years through the Future Town, Future Council (FTFC) Programme as seen in Figure 1.



- 3.2. The FTFC Programme consists of nine programmes with five external programmes focussed on improving the quality of life for Stevenage residents through building houses, regenerating the town centre, improving housing services and how local people feel about their neighbourhoods. Four internal programmes aim to build strong foundations within the Council through improving processes and skills, and making sure the Council is fit for the future. This will aid delivery of the externally focused programmes.
- 3.3. During 2016/17, a senior management review was completed that will, at a strategic level, drive the development of a more sustainable, customer orientated and commercial operating model. The model is focussed upon delivering the right services, to the right standards, at the right time for the town's residents and businesses, using the most cost/resource effective delivery models.
- 3.4. The senior management review resulted in the reorganisation of Business Units across three key delivery themes; Customer, Place, and Transformation and Support.
- 3.5. In addition to monitoring progress on the delivery of the FTFC Programme, performance across these themes is monitored to highlight achievements and identify any areas for improvement. This recognises the critical role all Assistant Directors play in the delivery of the Future Town, Future Council Programme, either as a lead on one or more of the nine FTFC programmes or as an enabler, delivering services across the three themes in support.
- 3.6. A complete set of performance measures across all themes (FTFC programme, and the customer, place, and transformation and support themes) is attached as Appendix One and an overview of results is provided at paragraph 3.7.

#### **Future Town, Future Council programme progress update**

- 3.7. The FTFC Programme has been reviewed during the first half of 2017/18 to ensure governance arrangements remain effective as programmes move from planning to delivery during 2017/18. Completion of the review will also ensure that the focus and scope of programmes continues to deliver the Council's priorities. The focus and scope of the FTFC programmes is outlined in Appendix Two.
- 3.8. The FTFC programme continues to perform well and is on track against delivery of the agreed outcomes. This is reflected in performance measure results aligned to FTFC delivery. Eleven measures were reported on for April to September 2017 (quarter 2) with just two measures not achieving target:
  - HDD1b: New Build spend against budget for schemes in contract – paragraph 3.21 refers
  - FS4: Percentage of HRA savings identified to meet three year target – paragraph 3.60 refers

## **Stevenage Centre Town Centre Regeneration Programme**

### **3.9. Programme Outcomes**

- A new vibrant town centre delivered through a phased regeneration programme.
- Two major regeneration schemes to advance – one completed by 2020/21 and one to begin 2019/20.

3.10. During 2017/18 the programme focus is:

- Securing a development partner for the first phase of the town centre regeneration.
- Beginning development and progressing more detailed plans for a public sector hub in the town.
- Completing public realm improvements within the town centre.

### **3.11. Programme Delivery Update**

3.12. The competitive dialogue stage of procurement for the first phase of the Town Centre Regeneration Scheme took place during quarter two. The remaining dialogue sessions will continue and the invitation to submit final tenders will be issued. Final tenders are expected to be received in December 2017.

3.13. A positive reaction was received from external stakeholders to communication on the plans for the first phase of regeneration for the Town Centre.

3.14. Public realm improvements to The Forum and Littlewoods Square were completed in September. The development of the selected designs for planned public realm improvements to Market Place has continued. Engagement with local businesses is taking place to cover the timeframe, benefits and finished look of the planned enhancements.

3.15. Stevenage was represented at a large property event in London for the first time as an individual town. Both Members and officers attended the event to promote the town and its ambitions.

3.16. Plans for the relocation of Council teams currently based in Swingate House are progressing. Engagement with teams affected is taking place setting out the plans for the area and identifying accommodation requirements.

3.17. Residents are being kept informed through drop-in sessions, articles in the Stevenage Central magazine and information campaigns using the Stevenage Central branding.

## **Housing Development Programme**

### **3.18. Programme Outcomes**

- Increased number of affordable houses in Stevenage.
- Improve access to the housing market in Stevenage for greater number of residents.

3.19. During 2017/18 the programme focus is:

- Delivering 43 homes across a range of planned schemes.
- Setting up a Council owned Housing Development Company to provide a variety of housing types across the town and consideration of a joint venture to bring further housing development forward.

### **3.20. Programme Delivery Update**

- 3.21. The Vincent Court Scheme was completed with all properties made available for letting and the majority of tenants moved in. Outstanding payments at the end of quarter two relating to additional works on the Scheme meant that the anticipated budget profile was not achieved. Payment is anticipated in quarter three. (HDD1b: New Build spend against budget for schemes in contract, April to September 2017 target 95%, achieved 82.7%)
- 3.22. The Twin Foxes Scheme is progressing well. The contractor sponsored a competition with local schools to create artwork to decorate the hoarding. In September, two local schools took part in an unveiling of the children's artwork and were thrilled to see their work displayed on the hoarding.
- 3.23. A scheme with a registered housing provider to access units using Right to Buy 1:1 receipts agreed with Executive (July) is progressing with housing developers on site. Completion of this scheme will provide the Council with access to 38 properties for social rent.
- 3.24. The March Hare Scheme planning application has been submitted for consideration by the Planning and Development Committee (December).
- 3.25. Preliminary studies continue regarding the Kenilworth Road Scheme. A design workshop between architects and Council officers took place in July. Council officers have carried out meetings with the Ward Councillors and residents of Asquith Court and Walpole Court to answer queries and offer reassurance.

### **Excellent Council Homes for Life Programme (Housing – All Under One Roof).**

### **3.26. Programme Outcomes**

- Transforming the housing service (Housing – All under one roof).

- 3.27. The Council's aim is to provide high quality, efficient and effective housing services and it has committed through this programme to transform its housing services to better meet the needs of its customers. At a Housing Away Day in July, staff voted to name the housing transformation programme, 'Housing – All Under One Roof'. This will replace 'Excellent Council Homes for Life' as the title of the programme.

### **3.28. Programme Delivery Update**

- 3.29. The Assistant Director for Housing and Investment has completed the consultation stage of the 4<sup>th</sup> Tier Management Team restructure. A Housing Operations Manager – Managing Homes has been appointed. Recruitment to the posts of the Housing



Operations Manager – Providing Homes and the Housing Operations Manager – Investing in Homes and Properties is in progress.

- 3.30. A Senior Systems Administrator was appointed. This role is crucial to ensuring that business requirements and the systems development required to deliver a housing service which is fit for the future also align to the Council's Connected to our Customers programme.
- 3.31. The current housing management IT system is being enhanced with the addition of a Housing Advice module. This will improve housing advice case management and the service customers receive.
- 3.32. Staff engagement is taking place with the first staff newsletter published October 2017.
- 3.33. Residents were provided with an opportunity to give feedback on the housing services currently provided by the Council and areas for improvement through the 'Big Knock'. The aim is to incorporate residents' feedback into future phases of the programme.

### **Co-operative and Neighbourhood Management Programme**

#### **3.34. Programme Outcomes**

- Public spaces are more attractive, better cared for by the Council and residents, and help to give people pride in the place they live.
- Residents feel that they can work with the Council and other organisations to help meet the needs of the local area.
- The Community centres are efficiently run, well-managed and most importantly, meet local needs.
- Staff better understand the town's communities and through doing so are more able to deliver the change that is required.

3.35. During 2017/18 the programme focus is:

- Delivery of £800k of investment (including Green Space signage, public realm work, nine play areas, litterbins and hardstanding) into Pin Green, Shephall, St Nicholas and Martins Wood.
- Encouraging partner agencies to work in partnership with the Council to help improve public spaces and other local assets and engage with communities.
- Undertaking a Resident Survey to determine future neighbourhood priorities.
- Reviewing the effectiveness and usage of Community Centres.
- Engaging with partners and communities on the next phase of the planned physical improvement works in the wards of St Nicholas and Martins Wood.

#### **3.36. Programme Delivery Update**

3.37. Neighbourhood improvements in Shephall and Pin Green are progressing well:

- All litterbins have been replaced in Shephall and replacement is progressing in Pin Green

- Improvements to four play areas have been completed in Pin Green and Shephall.
- Replacement of signage in both Pin Green and Shephall green spaces is expected to be completed by December 2017.
- Paving and Public realm enhancements are being completed in Pin Green.

3.38. The focus of the programme is now moving to St Nicholas and Martins Wood. This will involve partner, ward member and resident engagement, together with an assessment of the resource required and available to deliver improvements. The aim is to set out a range of cooperative, community-led projects in the two wards commencing April 2018.

3.39. Residents and staff are being kept informed following the launch of the 'Our Neighbourhood' webpage.

### **Connected to our Customers Programme**

#### **3.40. Programme Outcomes**

- Use of self-service is encouraged, so more time can be spent with customers that need extra help.
- Increased customer satisfaction for residents interacting with key services.
- Online customer data will be protected, better used to provide useful insight, and the technology reliable.
- The Council uses technology to meet its ambitions and make its workforce more modern, efficient and responsive to customer needs.
- A simple and clearer website with more self-service choices.

3.41. During 2017/18 the programme focus is:

- Delivering a Technology Improvement Plan to support a range of new digital applications and services.
- Recruiting digital specialists to drive the programme.
- Achieving quick wins to expand the customer self-serve offer through use of digital technologies, including new online Council Tax and Business rate services.
- A number of supporting projects relating to Public Sector Network and General Data Protection Regulation requirements to provide the Council with a resilient platform to establish a new range of digital applications and services.
- Completing the telephony upgrade across the Technology Shared Service to improve resilience and reduce costs.
- Working towards the development of a new website and intranet.

#### **3.42. Programme Delivery Update**

3.43. A Technology Shared Service Improvement Plan developed for the Council (and its shared service partner) was considered and approved by the Executive in November 2017. The plan seeks improvements across four broad themes: resilience, security,

best practice service management, and developing forward strategy to ensure that services are delivered that meet customer needs and are fit for the future including enabling the technology and system changes required by the Council's Business Unit Reviews (and their equivalent programmes at East Herts Council) and delivering the 'Connected to our Customers' programme, including a first rate website and online offer which is mobile enabled.

- 3.44. In September, the Council's Public Services Network accreditation was renewed for a further 12 months. This accreditation is required to be able to share data with Central Government computer systems for services such as Elections and Benefits.
- 3.45. In partnership with East Hertfordshire Council, work has started on a replacement staff Intranet, which is considered a high priority improvement action.
- 3.46. To strengthen arrangements to meet the General Data Protection Regulation, Information Asset Owners have been assigned in Business Units. Information Asset Owners will work with the Information and Records Governance Manager to embed best practice records management across the Council.

### **Partner of Choice Programme**

#### **3.47. Programme Outcomes**

- Develop new and existing shared services with our preferred partners to improve resilience, create efficiencies and establish income opportunities.
- Develop reputation as a professional partner to work with.

3.48. During 2017/18 the programme focus is:

- Finalising the legal shared services arrangements.
- Setting out further potential shared service options.

#### **3.49. Programme Delivery Update**

3.50. An approach to developing shared services opportunities was agreed by the Strategic Leadership Team in July. Informal engagement work has commenced at a senior management level with the Council's partner authorities, to understand whether there is a common view on further development opportunities. The outcome of these discussions will guide the future focus of the programme and associated resource requirements.

### **Performing at our Peak Programme**

#### **3.51. Programme Outcomes**

- The provision of high quality performance management software tools.
- Streamlined governance structures that ensure effective and timely decision making.
- A strong performance culture is embedded across the organisation.

3.52. During 2017/18 the programme focus is:

- Continuing to build dashboards at a business unit level and ensuring service managers have the right skills to use the tool robustly to analyse information and make informed decisions that result in improved services for our customers.
- The introduction of a new devolved governance and performance framework, including a new scheme of delegation, to help improve decision making and accountability at a business unit level.

### 3.53. Programme Delivery Update

- 3.54. The Council's Strategic Leadership Team now have access to the performance and governance system (InPhase). This system provides access to data and information that form strategic insight. InPhase is providing a clearer picture of performance to senior management to help inform faster action planning and decision making. In addition, access is provided across all of the Assistant Director briefing books to provide corporate wide transparency of performance and governance information.
- 3.55. Steps are being taken to capture service data that will provide more up-to-date information to inform decisions.
- 3.56. The Council has carried out a review of internal Council meetings and groups and begun a process to streamline and simplify governance arrangements.

## Financial Security Programme

### 3.57. Programme Outcomes

- As set out in Figure 2: Financial Security Workstreams.

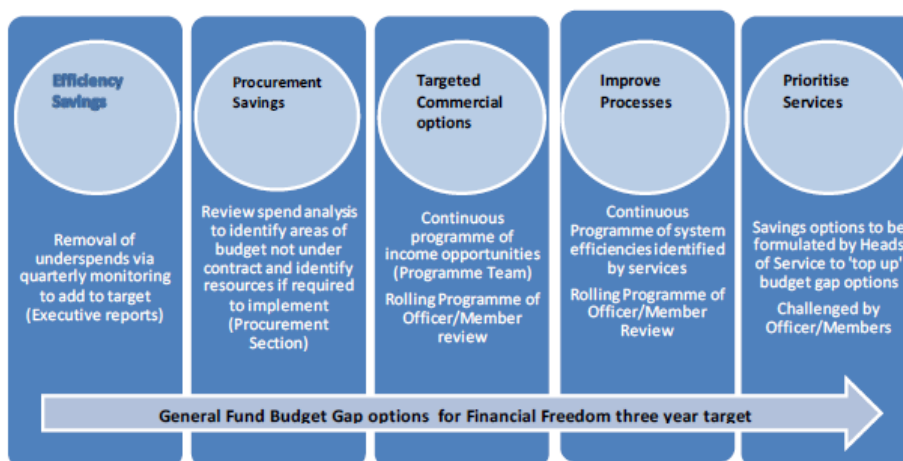


Figure 2: Financial Security Workstreams

3.58. During 2017/18 the programme focus is:

- Generating significant savings from the leisure contract.
- Finalise savings of approximately £40k per annum through a move to digital post.
- Prioritise services to generate further savings and ensure a balanced budget.

### **3.59. Programme Delivery Update**

- 3.60. The HRA savings target for 2018/19 was achieved and options just exceeding the target of £225,959 were included in the Financial Security report to the November Executive. There remains a further £577,750 of savings to find for the period 2019/20- 2020/21.
- FS4: Percentage of HRA savings identified to meet the three year target (April to September target 2017 54%, achieved 34.2%).
- 3.61. Current projects are aimed at improving efficiency and processes to deliver savings, rather than lowering the cost base by reducing services and are progressing well. Some of these projects apply to working in partnership with East Herts Council and are to the benefit of both Councils.

### **Employer of Choice Programme**

### **3.62. Programme Outcomes**

- Improved employee engagement.
  - Right person, right place, right time – recruiting/retaining staff to hard to fill posts.
  - Improved managerial competency.
  - Improved reputation as a place to work.
  - Evidence of staff progressing to higher grades and new roles.
- 3.63. During 2017/18 the programme focus is:
- Further rollout of online services for staff, including a new e-learning system and intranet.
  - Creation of new leadership and management development programmes.
  - Development and implementation of a competency framework for staff up to Grade 9 of the Council's pay structure.
  - Introduction of new performance management policies, tools and processes.

### **3.64. Programme Delivery Update**

- 3.65. A bite-size manager training programme has been launched. The programme aims to develop management capability through shared knowledge and good practice.
- 3.66. Development opportunities were also offered across the Council through both the District Councils Network Staff Development programme and Local Authority Challenge East and were positively received by staff.
- 3.67. A new approach to Strategic Leadership Team induction has been introduced which was designed to build strong bonds within the leadership team. The off-site induction also provided an opportunity for Assistant Directors to present their initial business unit review plans and develop their negotiation skills.
- 3.68. The programme of training for Members (Modern Members Programme) has been relaunched. Training and advisory sessions are developed with input from Members and delivered with support from the Local Government Information Unit (LGIU).

3.69. A new staff Performance Improvement Policy and manager toolkit has been developed, along with a review of the associated policies (absence management, disciplinary and grievance) as well as proposals to streamline recruitment and job evaluation processes. The toolkit has been designed to reduce bureaucracy, strengthen staff performance management practice, contribute to a reduction in sickness absence and improve the recruitment process for candidates and recruiting managers. Feedback from the Senior Leadership Team, a cross-council manager group and the Trade Unions has been positive. The new policies are expected to go live in December 2017.

### 3.70. Corporate Performance highlights and areas for improvement

3.71. Results for the full set of current corporate performance measures across all themes (FTFC programme, and the Customer, Place, and Transformation and Support themes) are attached as Appendix One. Overall performance status has remained static since quarter one reporting. The overview of results for April to September 2017 (quarter 2 2017/18) is outlined below:

Number of Measures Reported	Meeting or exceeding target	Amber Status (within a manageable tolerance)	Red Status (urgent improvement action required)
47	30	4	13

3.72. The Strategic Leadership Team has requested that Assistant Directors identify improvement activity for performance measures that did not meet the target set. The improvement activity identified will require a period of embedding before the impact on performance results is evident and as a result the shift in the status of measures (outlined in paragraph 3.71) may be minimal for the current year.

3.73. A summary of highlights and areas for improvement is set out in the following paragraphs across the three key delivery themes; Customer, Place, and Transformation and Support (FTFC theme measures are referred to in paragraphs 3.21 and 3.60).

### 3.74. Key Business Unit Themes Update

3.75. Thirty-six measures were reported on for April to September 2017 (quarter 2) aligned to the three business unit themes of Customer, Place, and Transformation and Support.

#### Customer Theme

3.76. The Customer Theme incorporates the following Business Units:

- Housing and Investment
- Communities and Neighbourhood

#### Housing and Investment

- 3.77. Between April and September 2017 Tenancy Support Advisers helped their customers access £20,056 of income and also recovered £8,921 for Council rent accounts as a result of support provided to those experiencing difficulties.
- 3.78. The Housing Annual Report, 'Housing Matters 2016/17' was published to meet the statutory timeframe. Officers worked with tenants and leaseholders to develop the report.
- 3.79. Following development, 28 properties were made available for letting at Archer Road in July 2017 and all were let to residents within one week. This generated positive news stories and publicity for the Council.
- 3.80. The 'Housing - All Under One Roof' brand was launched in July and the first staff newsletter was published in October.

### **Homelessness preventions (BV213)**

- 3.81. 136 cases were being actively managed by the Housing Service at the end of September which will contribute to prevention outcomes for April to December (quarter three).
- 3.82. As advised to the Executive in September, historically, the Housing Service was supported by two key partnership organisations with the delivery of homelessness preventions. During quarter one, both of these organisations experienced resourcing issues that have impacted on performance. The Housing Service discussed performance with both organisations. Following discussion, the Council has ceased working with one of these agencies and funding is being used to provide additional support from Council officers.
- 3.83. Ongoing Housing Service staff resourcing issues have impacted on quarter two performance as anticipated and advised to the Executive in September.
- BV213: Homelessness preventions, April to September 2017 target 180, achieved 85.
- 3.84. The following plans have been put in place to improve future performance:
- Interim arrangements have been agreed to use agency workers to improve capacity in the team.
  - A service is being introduced in the Customer Service Centre from 6 November 2017 that will enable initial prompt assessments to take place when a customer requests assistance in relation to homelessness. This will allow the team to intervene in cases at an earlier stage and increase the potential for a homeless prevention outcome.
  - the Housing Advice and Homeless Manager has introduced weekly meetings to monitor and manage target delivery with the team and is carrying out a random audit of cases to ensure all prevention outcomes have been recorded.

### **Communities and Neighbourhood**

- 3.85. Children's play areas have been enhanced - At St Nicholas Play Centre outdoor play equipment has been improved and at Pin Green Play Centre improvements have included a new turret, a climbing wall and a renamed 'Ninja Warrior Bridge'.

- 3.86. The Sport England funded SO Active project finished in September. Over three years, 3,656 residents have taken part in a range of sport and exercise activities. The project was deemed highly successful by Sport England and continues to demonstrate the strength of the sports partnerships within the town.
- 3.87. Council tenant, Jacqueline Hacker, won the Association of Retained Council Housing community champion award (ARCH) beating other finalists from Lincoln City Council and Ipswich Borough Council. This award recognises the dedication, willingness, inspiration and devotion that Council tenants freely give to others.
- 3.88. New Homes Bonus funding allocated to address Child Poverty led to a contract being started with the Herts Money Advice Unit. This provides targeted advice and support to ensure that Stevenage families with disabled children receive the correct benefits. As of October 2017, more than 40 families had received advice.
- 3.89. A Service Level Agreement between the Council, CAB and Stevenage Children's Centres to provide financial advice and budgeting guidance to vulnerable families with children under the age of five in 2017 has already delivered positive financial outcomes for local families. The predicted financial gains over a year for the families that have received advice between January and September are expected to total £172,392.
- 3.90. The 'No More' Service was shortlisted for a Howard League Award for community safety. Though the team was not the final winner, this demonstrates the positive contribution the service is making to local communities.

### **Community Safety**

- 3.91. Partner organisations have worked together through the SoSafe partnership on joint activity to improve community safety across the town, and the delivery of enforcement action and events. This includes working with partners to identify community safety priorities for the town, working together on prosecution activity, carrying out street meets and the development of a poster campaign to reassure residents that Stevenage remains a safe town. Residents have been encouraged to report incidents of anti-social behaviour and/or criminal damage and advised of the various reporting methods available.
- 3.92. Reflecting a national trend, crime rates have increased slightly on 2016/17 results:
- CS8: Anti-social behaviour per 1,000 population, April to September 2016: 20.8 incidents per 1,000 population, April to September 2017: 23.27 incidents per 1,000 population against threshold of 19.10
  - CS9: Criminal damage per 1,000 population, April to September 2016: 6.63 incidents per 1,000 population, April to September 2017: 6.80 incidents per 1,000 population against a threshold of 6.13.
  - Incidents of violent crime have increased on 2016/17 levels. However, the scope of crimes now classified as 'violent' has been expanded (NI15b: the rate of violence against the person (victim based crime) per 1,000 population, April to September 2016: 16.30 incidents per 1,000 population, April to September 2017: 17.02 incidents per 1,000 population against a threshold of 15.93).

### **Place Theme**



3.93. The Place Theme incorporates the following Business Units:

- Planning and Regulation
- Stevenage Direct Services
- Regeneration
- Housing Development

(The Regeneration and Housing Development Business Units are primarily focused on delivery of the Stevenage Town Centre Regeneration and Housing Development Programmes of FTFC. Delivery updates for these programmes are summarised in paragraphs 3.9 to 3.17 and 3.18 to 3.25 respectively.)

### **Planning and Regulation**

3.94. Planning is dealing with a record number of planning applications and continues to do so within corporate and statutory targets.

3.95. As of September 2017, 99% of known Houses of Multiple Occupation are free from category 1 hazards (as set in the Housing Act 2004, Housing Health and Safety Rating System).

3.96. In addition, 96.3% of food establishments in the area are assessed as broadly compliant with food hygiene law. This means that, as a minimum, they are considered 'generally satisfactory' in the Food Hygiene Rating Scheme that assesses the hygiene, structure and confidence in management of the premises.

3.97. To encourage residents of Stevenage and neighbouring towns to visit Stevenage town centre, a number of events (15) have been organised between April and October 2017, to include speciality markets, music focused events and community events. Plans for Christmas events include the Christmas lights switch-on, a Christmas market and an ice rink, all anticipated to make Stevenage town centre a destination of choice.

### **Stevenage Direct Services**

3.98. The Council successfully retained Green Flag Awards for Fairlands Valley Park, Town Centre Gardens and Hampson Park. Judges feedback included: "The feeling of the judging team was that the community involvement with this park was outstanding and something that everyone should be proud of. The community not only were hands on in terms of practical tasks but also organised events and helped with wider management decisions for the park... A well-managed park. Passionate and knowledgeable people both on the Friends and the Council help."

3.99. To support improved play areas for toddlers through to teenagers, Executive approved £1.5 million of capital over the next five years, together with £37k annually to support improved maintenance. Officers consulted with over 200 children and young people over the spring/summer to help inform significant play area improvements to six sites. Work on two play areas was completed in July, contracts have been awarded for the other four and completion is expected in December.

3.100. Council officers carried out a competition through the Eco-Schools network to invite artwork to support the litter campaign in 2017/18. The three winning posters were made into large banners which are now displayed on three of the Council's refuse

vehicles. The pupils were invited to Cavendish Road last week to see their artwork in all its glory, and to have a ride in one of the refuse vehicles.

3.101. The Council's Green Space Volunteers contributed around 1,000 hours in the first six months of 2017/18. They were involved in range of activities including butterfly surveys, maintenance to Town Centre Gardens, assisting with events, and stabilisation of the Millennium Lake banks at Fairlands Valley Park.

### **Repairs and Voids**

3.102. The completion of repairs by the Council's team continues to meet targets as advised to the Executive at quarter one (September). The performance of external contractors has also improved. The overall time taken to complete a repair from time of reporting was 11.4 days for April to September 2017 compared to 14.7 days to June 2017 (April to September 2017 target 9.75 days).

3.103. To improve the rate of repairs fixed first time, the Council has introduced revised service delivery arrangements to ensure that the materials that will be required are available at the time of repair. (ECH-Rep4: Percentage repairs fixed first time, April to September 2017 target 87.5%, achieved 84%).

3.104. Repairs satisfaction surveys are currently recorded using e-forms and feedback cards. The Service has put additional arrangements in place for telephone surveys to encourage customer feedback and capture customers' views on their experience of the repairs service delivered. Customers advised a 90.6% satisfaction level.

3.105. Voids Sheltered: The time taken to re-let standard sheltered voids - As reported to Executive (July, September), performance continues to be affected by low demand for some Sheltered Units.

3.106. On a positive note, an increased focus on the advertisement of particular void properties resulted in some improved demand and increased income. However, once properties are let that have been void for a significant period, the performance figures are negatively affected.

- Voids sheltered: the time taken to re-let standard sheltered voids, April to September 2017 target 70 days, achieved 106.15 days.
- Additional information measure - Voids-Shelt-a: Time taken from tenancy termination to ready to let for standard sheltered voids, April to June 2017 achieved 16.66 days, April to September 2017 achieved 23.56 days.

3.107. Void properties continue to be assessed to determine where there is potential to redesign property layout to improve future demand, whether a property needs to be removed from management and to identify those properties that will continue to be advertised.

3.108. To enhance awareness of properties available, the service continues to assess methods of communication to ensure they remain effective, liaise with other registered service providers and carry out property open days.

3.109. A review of the Allocations Policy is being carried out that will consider elements that could expand the customer base. The review will reflect the opportunities already being explored to improve demand (as outlined in paragraph 3.109/3.110) and will

also set out arrangements to identify current tenants that may have a preference for a move to sheltered housing.

3.110. VoidsGN: The time taken to re-let standard general needs voids, April to September 2017 target 29 days, achieved 33.84 days.

3.111. Average re-let time performance, has in the main, improved month on month since April 2017. However, performance dipped in May and September. This was due in part to a delay in recruiting to a vacant project officer position and communication issues in relation to completed voids and the subsequent availability of new tenants to accept/sign new tenancies.

	Monthly	Cumulative
April 2017	38.38	38.38
May 2017	43.67	40.94
June 2017	34.56	<b>38.59</b>
July 2017	24.29	35.41
Aug 2017	25.76	33.36
Sept 2017	36.77	<b>33.84</b>

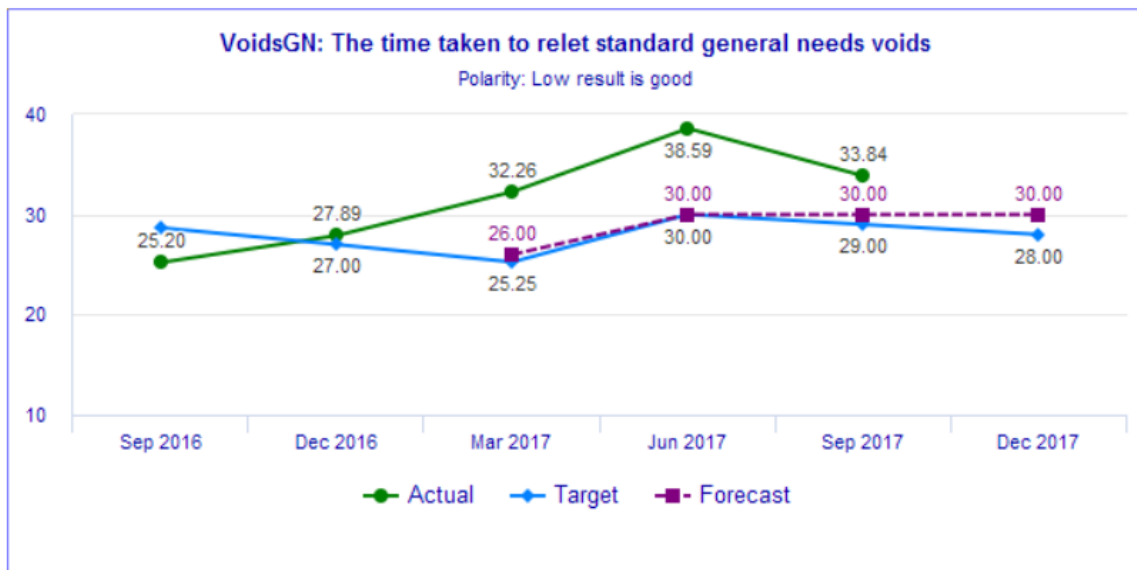


Figure 3: VoidsGn – The time taken to re-let standard general needs voids

3.112. The new Assistant Director for Stevenage Direct Services and the Service Delivery Manager for Repairs and Voids (R&V) are now in post. A review of the first phase of the R&V improvement programme that was approved by the Council's Executive in January 2016 has been commissioned in order to inform the next phase of the project and to ensure that the new business unit management team have complete and informed ownership and accountability for its delivery.

3.113. The second phase of the R&V improvement programme will address any outstanding elements from the first phase, include a review of unit costs for repairs and voids and incorporate any new projects that are deemed necessary. The ultimate aim of the improvement programme is to ensure that the R&V function is

operating successfully and serving its customers well which will help enable it to take on further work when deemed appropriate in due course.

### Transformation and Support Theme

3.114. The Transformation and Support Theme incorporates the following Business Units:

- Corporate Projects, Customer Services and Technology
- Corporate Services and Transformation
- Finance and Estates

### Corporate Projects, Customer Services and Technology

#### Customer Services

3.115. A number of challenges were faced by the Customer Services Centre (CSC) during Q2 which impacted on service performance, that particularly related to staff recruitment, longer- term sickness absence (non-work related), and vacancy management.

- CSC4: Percentage of telephone calls to the Customer Service Centre answered within 20 seconds, April to September 2017 target 55%, achieved 51.9%.
- CSC12: Percentage of calls abandoned in the Customer Service Centre, April to September 2017 target 4%, achieved 8.9%.
- CSC5: Percentage of walk-in customers to the Customer Service Centre served within 20 minutes, April to September 2017 target 85%, achieved 77.2%.

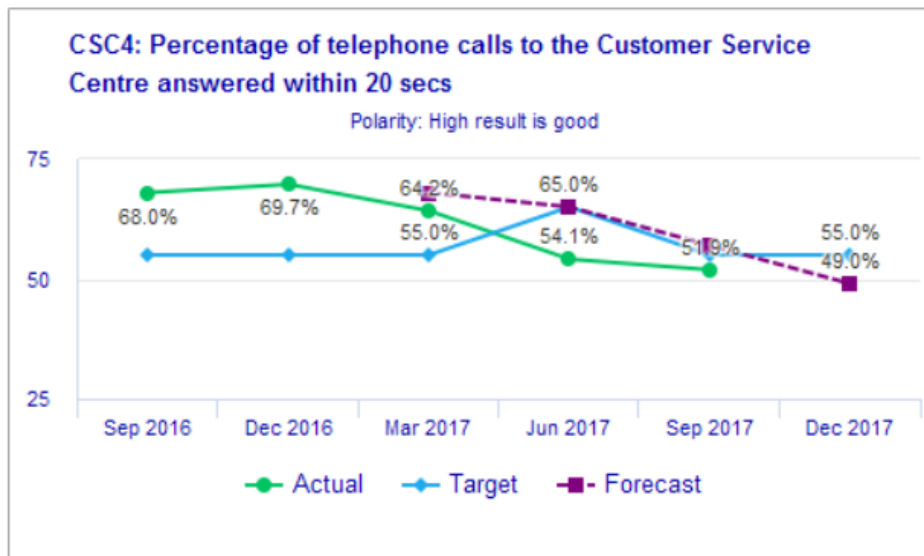


Figure 4: CSC4 – Percentage of telephone calls to the CSC answered within 20 seconds

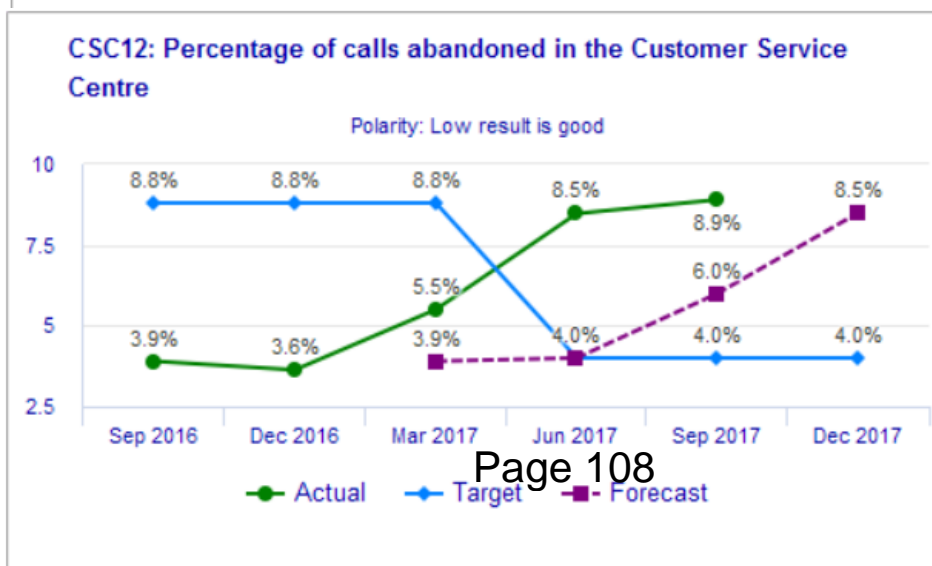


Figure 5: CSC12 – Percentage of calls abandoned in the Customer Service Centre.

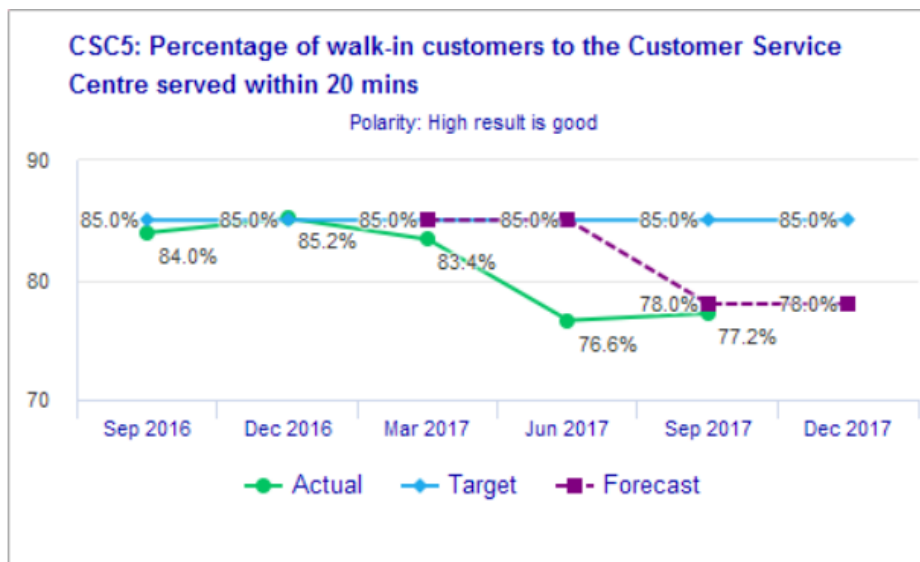


Figure 6: CSC5: Percentage of walk-in customers to the CSC served within 20 minutes

- 3.116. In response to CSC performance interim agency staff were recruited in October to provide short-term capacity and recruitment to permanent roles has also commenced, but as yet has been unable to yield enough quality candidates to maintain sufficient capacity to meet service performance levels. Adviser training is also being fast tracked to increase the availability of skills on all telephone lines and walk-in services with the target of 3 additional multi-skilled advisors by the end of December.
- 3.117. Satisfaction in CSC however remains high, specifically with our telephone services. Customers like how they are treated by advisers and appreciate the time given to them during a call.
- 3.118. Additionally the percentage of complaints progressing to stage two and three that are upheld (Cust1) has also risen:
- The percentage of complaints that progressed to stage 2 or 3 and were upheld (April to September 2017 target 40%, achieved 52.8%, (April to September 2016 achieved 43.4%).
- 3.119. To enhance the handling of complaints and quality of complaint responses, the Customer Feedback team routinely offers training to officers with responsibilities for administrating complaints. In addition, services must capture learning on upheld complaints and then record implemented or planned service improvements to improve the service offer and encourage a reduction in customer complaints.
- 3.120. Senior management have reminded service managers of the importance of considering all the evidence available when a complaint is received, to enhance the quality of response and act upon information to enhance future service delivery.

3.121. The Assistant Director (Corporate Projects, Customer Services and Technology) is currently carrying out a review of her Business Unit and will outline proposals by early February 2018. The review will address underlying resilience and capacity that includes proposals to:

- Create a CSC workforce management function
- Change the current recruitment approach for CSC apprentices and advisers
- Review working practices within the CSC (considering options such as home working, appointments in the walk-in, and a review of opening hours)
- Implement digital self-service options for customers as part of the Connected to Our Customers programme to drive down transactional and avoidable contact, leaving capacity to provide in-depth services for those in need.

3.122. Additionally the review will set out proposals for developing a more consistent customer services culture and performance standard across the whole organisation.

### **Technology**

3.123. The availability of core IT systems has been maintained at 99% since April 2016.

3.124. IT resilience and availability was tested over the August Bank Holiday due to a fibre break (ICT1: Percentage availability of core systems during supported hours, April to September 2017 target 99.5% achieved 96.7%)

3.125. A Technology Shared Service Improvement Plan developed for the Council (and its shared service partner) was considered by Executive (November). The plan outlines options for improving the service across four broad themes: resilience, security, best practice service management, and developing forward strategy to ensure that services are delivered that meet customer needs and are fit for the future.

3.126. Delivery of the improvement programme will ensure the Technology Shared Service has the skills, capacity and reliable foundation to support the delivery of the Council's 'Connected to Our Customers' programme and enable the technology and system changes required by the Council's Business Unit Reviews (and their equivalent programmes at East Herts Council).

### **Corporate Services and Transformation**

#### **Our staff**

3.127. The rate of completion for staff appraisals at 98.7% has significantly improved during quarter two. The Council's Human Resources team continue to work with service managers and are aiming to increase this to 100%.

3.128. Active management of sickness absence is continuing across all Business Units and the Absence Management Policy has been revised to enable managers to take supportive but robust action more quickly. HR Business partners are working with relevant Assistant Directors and service managers to implement and embed the new policies.

3.129. The primary reason for long-term sickness relates to mental health issues and the primary reason for short-term sickness absence relates to coughs, colds and influenza. HR have taken action to reduce absence relating to both these areas; by

committing to Mind's Mental Health Pledge (to help tackle stress and mental health issues) and with providing staff with an offer to access free vaccination against influenza. (Pe4: Sickness Absence rate target for twelve months to September 2017 per fte 8 days, achieved 9.34 days)

- 3.130. The Strategic Leadership Team are currently considering alternative reporting methods for sickness absence to more accurately reflect the workforce profile at the point of reporting.

### **Finance and Estates**

- 3.131. Housing Benefit Claims and changes are now being processed in just 8.03 days, a significant improvement on quarter one (13.94 days).

### **Senior Leadership Team perspective**

- 3.132. The new approach to performance management and monitoring is allowing the organisation to proactively identify issues and challenges and ensure earlier management intervention. The fluid nature of the new performance framework enables the Senior Leadership Team to amend targets in year to drive forward additional improvement in services and processes. Although there is no guarantee services will meet these increased targets, it is important for the Council to aspire to improve performance levels and standards for the benefit of internal and external customers.
- 3.133. The Senior Leadership Team requested that the Assistant Directors responsible for the two main areas of improvement focus; void re-let times and Customer Service Centre performance assess the factors impacting on performance and outline robust improvement plans.

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

- 4.1. The information presented in this report is collated from the information provided to monitor delivery of the Future Town Future Council and corporate performance for the quarter. It aims to give Executive an overview of the achievements the Council has made for the year to date, with a focus on the current quarter and identifies plans for continued improvements in some areas to ensure the Council is fit for the future.
- 4.2. The Senior Leadership Team and Service Managers have been consulted to determine the appropriate content and to identify the key achievements.

## **5. IMPLICATIONS**

### **5.1. Financial Implications**

- 5.1.1. There are no direct financial implications from the recommendations contained in this report. However, officers responsible for improvement activity identified will need to identify and consider any resulting financial implications.

### **5.2. Legal Implications**

5.2.1. There are no direct legal implications from the recommendations contained in this report. However, officers responsible for improvement activity identified will need to identify and consider any resulting legal implications.

### 5.3. **Risk Implications**

5.3.1. There are no direct significant risks to the Council in agreeing the recommendation(s). Officers responsible for developing performance improvement plans will need to consider any risk implications from the improvement activity identified.

5.3.2. The Council has an embedded approach to risk management that mitigates any adverse effect on delivery of the Council's objectives and internal control processes and also provides good governance assurance.

### 5.4. **Equalities and Diversity Implications**

5.4.1. The report outlines performance against key priorities that form the Future Town, Future Council Programme and performance of the Council across key business unit themes. Where necessary, Equality Impact Assessments will be completed for improvement activity identified.

### 5.5. **Other Corporate Implications**

5.5.1. Improvement activity outlined may impact on the development of future policy or procedure.

## **BACKGROUND DOCUMENTS**

BD1 - Executive Report 19 September 2017

[http://www.stevenage.gov.uk/content/committees/182083/182087/182091/Executive-19-September\\_2107-Item10.pdf](http://www.stevenage.gov.uk/content/committees/182083/182087/182091/Executive-19-September_2107-Item10.pdf)

## **APPENDICES**

Appendix One: Compendium of performance results

Appendix Two: Future Town, Future Council Programme Scope/Focus



Appendix One to Executive Report

	Business Unit Theme/Programme	Sub Theme	Target to 30/09/16	Actual to 30/09/16	Status at 30/09/16	Target to 31/12/16	Actual to 31/12/16	Status at 31/12/16	Target to 31/03/17	Actual to 31/03/17	Status at 31/03/17	Target to 30/06/17	Actual to 30/06/17	Status at 30/06/17	Target to 30/09/17	Actual to 30/09/17	Status at 30/09/17	Target to 31/12/17	Forecast to 31/12/17	Forecast Status 31/12/17
CSC12: Percentage of calls abandoned in the Customer Service Centre	• Transformation & Support	Customer Service	8.8%	3.9%	☆	8.8%	3.6%	☆	8.8%	5.5%	☆	4.0%	8.5%	▲	4.0%	8.9%	▲	4.0%	8.5%	▲
CSC13: Percentage of calls closed at first point of contact by the CSC	• Transformation & Support	Customer Service	60.0%	59.7%	☆	61.0%	57.5%	☆	62.0%	57.5%	☆	62.0%	57.8%	☆	62.0%	57.8%	☆	62.0%	58.0%	☆
CSC4: Percentage of telephone calls to the CSC answered within 20 secs	• Transformation & Support	Customer Service	55.0%	68.0%	☆	55.0%	69.7%	☆	55.0%	64.2%	☆	65.0%	54.1%	▲	55.0%	51.9%	●	55.0%	49.0%	▲
CSC5: Percentage of walk-in customers to the CSC served within 20mins	• Transformation & Support	Customer Service	85.0%	84.0%	☆	85.0%	85.2%	☆	85.0%	83.4%	☆	85.0%	76.6%	▲	85.0%	77.2%	▲	85.0%	78.0%	▲
Cust1: Percentage complaints progressing to stage 2 and 3 that are upheld or partially upheld	• Transformation & Support	Customer Service	40.0%	43.4%	●	40.0%	42.6%	●	40.0%	41.9%	☆	40.0%	51.6%	▲	40.0%	52.8%	▲	40.0%	55.0%	▲
ICT1: Percentage availability of core systems during supported hours	• Transformation & Support	Support Services	99.0%	99.5%	☆	99.0%	99.5%	☆	99.0%	99.8%	☆	99.5%	99.6%	☆	99.5%	96.7%	▲	99.5%	99.5%	☆
Pe1: Total Human Capital - measures Workforce Stability	• Transformation & Support	People	85.0%	93.0%	☆	85.0%	88.0%	☆	85.0%	87.0%	☆	85.0%	87.0%	☆	85.0%	85.0%	☆	85.0%	85.0%	☆
Pe2: Agency Usage as a percentage of total workforce	• Transformation & Support	People	8.0%	10.2%	▲	6.0%	12.0%	▲	5.0%	14.7%	▲	15.0%	15.4%	☆	14.0%	12.5%	☆	12.0%	12.0%	☆
Pe4: Sickness Absence Figures	• Transformation & Support	People	8.00	9.08	▲	8.00	8.74	●	8.00	8.17	☆	8.00	8.74	●	8.00	9.34	▲	8.00	9.00	●
Pe6: Appraisal completion to meet corporate deadlines	• Transformation & Support	People	100.0%	95.8%	●	100.0%	99.0%	☆	100.0%	99.1%	☆	75.0%	65.2%	▲	100.0%	98.7%	☆	100.0%	100.0%	☆
NI181: Time taken (days) to process housing benefit new claims and change events	• Transformation & Support	Income Collection / Benefit Process	13.00	10.79	☆	12.00	10.30	☆	10.00	7.90	☆	12.00	13.94	●	12.00	8.03	☆	12.00	10.50	☆
Assets 5: Percentage of assets known to be health and safety compliant	• Customers	Compliancy	100.00%	97.00%	▲	100.00%	97.00%	▲	100.00%	99.00%	☆	100.00%	99.00%	☆	100.00%	99.00%	☆	100.00%	100.00%	☆
VGC1: Percentage of dwellings with a valid gas certificate	• Customers	Compliancy	100.0%	100.0%	☆	100.0%	100.0%	☆	100.0%	100.0%	☆	100.0%	100.0%	☆	100.0%	100.0%	☆	100.0%	100.0%	☆
Voids sheltered:The time taken to relet standard sheltered voids	• Customers	Housing Management	60.00	68.47	▲	60.00	76.52	▲	60.00	83.42	▲	70.00	89.84	▲	70.00	106.15	▲	70.00	80.00	▲
VoidsGN: The time taken to relet standard general needs voids	• Customers	Housing Management	28.67	25.20	☆	27.00	27.89	●	25.25	32.26	▲	30.00	38.59	▲	29.00	33.84	▲	28.00	30.00	▲
ELL1: Percentage of known HMOs that are free from category 1 hazards	• Place	Planning	98.0%	98.9%	☆	98.0%	97.7%	☆	98.0%	99.6%	☆	98.0%	100.0%	☆	98.0%	99.0%	☆	98.0%	99.0%	☆
NI157a: Percentage of major planning applications determined in 13 weeks	• Place	Planning	60.0%	100.0%	☆	60.0%	100.0%	☆	60.0%	90.0%	☆	60.0%	100.0%	☆	60.0%	100.0%	☆	60.0%	90.0%	☆
NI157b: Percentage of minor planning applications determined within 8 weeks	• Place	Planning	65.0%	98.0%	☆	65.0%	98.6%	☆	65.0%	99.2%	☆	65.0%	96.4%	☆	65.0%	98.0%	☆	65.0%	90.0%	☆
NI157c: Percentage of other planning applications determined within 8 weeks	• Place	Planning	80.0%	97.2%	☆	80.0%	97.1%	☆	80.0%	98.1%	☆	80.0%	96.8%	☆	80.0%	96.3%	☆	80.0%	85.0%	☆
NI180: Food establishments in the area broadly compliant with food hygiene law	• Place	Planning	95.0%	97.0%	☆	95.0%	97.0%	☆	95.0%	96.9%	☆	95.0%	96.9%	☆	95.0%	96.3%	☆	95.0%	96.0%	☆
ECH-Rep3: Percentage repairs appointment made and kept	• Place	Maintaining Housing			»			»			»	95.00%	95.65%	☆	95.00%	96.87%	☆	95.00%	98.00%	☆
ECH-Rep4: Percentage repairs fixed first time	• Place	Maintaining Housing			»			»			»	87.50%	86.24%	●	87.50%	84.00%	●	90.00%	86.00%	●
ECHFL5: Percentage of Repairs service customers satisfied (telephone survey)	• Place	Maintaining Housing			»			»			»	95.00%	90.82%	●	95.00%	90.61%	●	95.00%	95.00%	☆
HDD1c - Number of affordable homes delivered (gross) by the Council	• Housing Development Delivery	FTFC	0.00	15.00	☆	0.00	21.00	☆	28.00	22.00	▲	1.00	2.00	☆	2.00	30.00	☆	31.00	31.00	☆
CTOC1: Percentage of customer complaints responded to within deadline	• Connected To Our Customers	FTFC			»			»			»	95.00	96.68	☆	95.00	92.18	☆	95.00	90.00	●
EAA1: Customer satisfaction with CSC customer service	• Connected To Our Customers	FTFC	88.0%	92.0%	☆	88.0%	91.0%	☆	88.0%	90.4%	☆	90.0%	90.0%	☆	90.0%	88.5%	☆	90.0%	89.0%	☆
FS1 (LACC1) GF approved savings removed from GF budget for current year	• Financial Security	FTFC	556,040.0	508,230.0	●	556,040.0	488,267.0	●	556,040.0	484,927.0	●	226,190.0	226,190.0	☆	226,190.0	226,190.0	☆	226,190.0	226,190.0	☆
FS2 (LACC2): HRA approved savings removed from HRA for current year	• Financial Security	FTFC	158,370.0	158,370.0	☆	158,370.0	158,370.0	☆	158,370.0	150,250.0	●	675,300.0	675,300.0	☆	675,300.0	675,300.0	☆	675,300.0	675,300.0	☆
FS3 (Futsav1b): Percentage of GF savings identified to meet three year target	• Financial Security	FTFC	25.0%	50.7%	☆	40.0%	53.7%	☆	50.0%	61.9%	☆	30.0%	46.9%	☆	48.0%	53.4%	☆	63.0%	60.0%	☆
FS4 (Futsav2b): Percentage of HRA savings identified to meet three year target	• Financial Security	FTFC	25.0%	47.6%	☆	40.0%	47.6%	☆	50.0%	55.6%	☆	39.0%	49.5%	☆	54.0%	34.2%	▲	64.0%	44.0%	▲
EoC4a: Percentage of apprentices in post as percentage of workforce.	• Employer of Choice	FTFC	1.5%	1.3%	☆	1.5%	0.3%	▲	1.5%	2.2%	☆	2.3%	2.1%	☆	2.3%	1.8%	☆	2.3%	2.0%	☆
EoC4b: Percentage of graduate placements as percentage of workforce	• Employer of Choice	FTFC			»			»			»	0.30	0.32	☆	0.30	0.30	☆	0.60	0.65	☆
HDD1b (formerly NB1) - New Build Spend v Budget of development activity that is contracted	• Housing Development Delivery: Outcome 1: Increased number of affordable houses in Stevenage	FTFC	75.0%	75.0%	☆	95.0%	95.0%	☆	95.0%	95.0%	☆	95.0%	95.0%	☆	95.0%	82.7%	▲	95.0%	95.0%	☆
CNM2g: Garage Voids as a percentage of stock	• Cooperative Neighbourhood Management: Outcome 3: Public Space Improvements	FTFC	12.0%	11.3%	☆	12.0%	11.4%	☆	12.0%	11.4%	☆	12.0%	11.8%	☆	12.0%	12.3%	☆	12.0%	12.0%	☆
CS8: Anti-social behaviour per 1,000 population	• Customers	Community Safety Partnership	18.11	20.80	▲	24.75	30.04	▲	31.49	38.33	▲	10.00	11.72	▲	19.10	23.27	▲	29.75	31.00	☆
CS9: Criminal damage per 1,000 population	• Customers	Community Safety Partnership	6.13	6.63	●	8.97	7.64	☆	11.97	10.72	☆	3.21	3.58	▲	6.13	6.80	▲	7.75	9.00	▲
NI15b: The rate of violence against the person (victim based crime) per 1,000	• Customers	Community Safety Partnership	12.14	16.30	▲	17.93	25.75	▲	23.07	33.12	▲	6.16	8.53	▲	15.93	17.02	●	30.13	27.00	☆

	Business Unit Theme/Programme	Sub Theme	Target to 30/09/16	Actual to 30/09/16	Status at 30/09/16	Target to 31/12/16	Actual to 31/12/16	Status at 31/12/16	Target to 31/03/17	Actual to 31/03/17	Status at 31/03/17	Target to 30/06/17	Actual to 30/06/17	Status at 30/06/17	Target to 30/09/17	Actual to 30/09/17	Status at 30/09/17	Target to 31/12/17	Forecast to 31/12/17	Forecast Status 31/12/17
BV10: Percentage of non-domestic rates due for the financial year received by the authority	• Transformation & Support	Income Collection / Benefit Process	60.0%	62.1%	☆	88.0%	89.8%	☆	98.4%	98.1%	★	35.5%	36.7%	☆	62.0%	62.0%	★	89.0%	89.0%	★
BV9: Percentage of council tax collected	• Transformation & Support	Income Collection / Benefit Process	61.0%	61.3%	★	88.0%	88.9%	☆	96.4%	96.6%	★	33.5%	33.8%	★	61.0%	61.3%	★	88.5%	88.6%	★
BV213: Homelessness preventions	• Customers	Housing Management	200.00	186.00	▲	300.00	250.00	▲	360.00	339.00	▲	90.00	47.00	▲	180.00	85.00	▲	270.00	190.00	▲
BV66a: Rent collection rate	• Customers	Income Collection / Benefit Process	96.3%	96.4%	★	97.8%	98.2%	★	98.8%	98.9%	★	93.6%	94.0%	★	96.5%	96.3%	★	97.8%	97.8%	★
ECHFL-EW1: Percentage of tenants satisfied with external works completed (for the current quarter)	• Customers	Maintaining Housing			»			»			»	85.0%	100.0%	☆	85.0%	98.1%	☆	85.0%	85.0%	★
ECHFL1: Percentage of Homes maintained as decent	• Customers	Maintaining Housing	86.6%	86.7%	★	88.6%	88.3%	★	76.4%	80.5%	☆	81.2%	81.0%	★	82.3%	82.3%	★	83.8%	85.8%	★
NI156: Number of households in temporary accommodation at end qtr	• Customers	Housing Management	100.00	94.00	☆	100.00	98.00	★	100.00	110.00	▲	110.00	97.00	☆	110.00	78.00	☆	110.00	100.00	☆
ECH-Rep5: Time taken to complete repair from time of reporting	• Place	Maintaining Housing			»			»			»	10.00	14.70	▲	9.75	11.43	▲	9.50	12.00	▲
NI191: Residual household waste per household (kgs)	• Place	Environment	265.00	256.00	★	392.00	390.00	★	510.00	518.00	★	135.00	132.00	★	265.00	256.00	★	392.00	390.00	★
NI192: Percentage of household waste sent for reuse, recycling and composting	• Place	Environment	42.0%	43.6%	★	43.0%	41.4%	★	43.0%	39.8%	●	42.0%	42.0%	★	42.0%	43.0%	★	43.0%	41.0%	★

## Appendix Two.

### Future Town, Future Council Outcomes and Focus for 2017 /18

#### 1. Stevenage Centre Town Centre Regeneration Programme

##### 1.1. Programme Outcomes

- A new vibrant town centre delivered through a phased regeneration programme.
- Two major regeneration schemes to advance – one completed by 2020/21 and one to begin 2019/20.

##### 1.2. Programme Overview

1.3. The Council wants to make Stevenage a destination of choice through delivering a new vibrant town centre, with quality shopping, office and leisure facilities. New homes will be built in the town centre and a new hub for public services will be created.

1.4. Regeneration of the town centre is the Council's number one priority and the associated programme progressed well during 2016/17. Stevenage is now the single largest regeneration zone in the East of England. In March 2017, the Council commenced the procurement process to appoint a preferred developer to take forward SG1, which is the first phase of the regeneration scheme. The key building blocks of SG1 include:

- **Stevenage Core** – signature public space, new retail, residential, restaurants and cafes; and other civic uses.
- **New Public Sector Hub** - new health facilities, a library, civic spaces and offices.
- **Southgate Park** – which will include new residential apartments, a linear park and potentially a new urban primary school.

1.5. The aim is to have a preferred developer appointed by February 2018.

1.6. During 2017/18 the programme focus is:

- Securing a development partner for the first phase of the town centre regeneration.
- Beginning development and progressing more detailed plans for a public sector hub in the town.
- Completing public realm improvements within the town centre.

#### 2. Housing Development Programme

##### 2.1. Programme Outcomes

- Increased number of affordable houses in Stevenage.

- Improve access to the housing market in Stevenage for greater number of residents.

## **2.2. Programme Overview**

- 2.3. Providing decent, affordable homes appropriate to the needs of residents is one of the Council's key priorities. The Council is meeting this priority by establishing a programme of building new homes and buying others on the open market.
- 2.4. Overall the programme remains on track for delivery of 300 homes by 2020. 153 homes have been delivered since the initial programme started (2013/14).
- 2.5. During 2017/18 the programme focus is:
- Delivering 43 homes across a range of planned schemes.
  - Setting up a Council owned Housing Development Company to provide a variety of housing types across the town and consideration of a joint venture to bring further housing development forward.

## **3. Excellent Council Homes for Life Programme (Housing – All under one roof).**

### **3.1. Programme Outcomes**

- Transforming the housing service (Housing – All under one roof).

### **3.2. Programme Overview**

- 3.3. The Council's aim is to provide high quality, efficient and effective housing services. The Council has committed through the Excellent Council Homes for Life programme to transform its housing services to better meet the needs of its customers.

## **4. Co-operative and Neighbourhood Management Programme**

### **4.1. Programme Outcomes**

- Public spaces are more attractive, better cared for by the council and residents, and help to give people pride in the place they live.
- Residents feel that they can work with the council and other organisations to help meet the needs of the local area.
- The Community centres are efficiently run, well-managed and most importantly, meet local needs.
- Staff better understand the town's communities and through doing so are more able to deliver the change that is required.

### **4.2. Programme Overview**

- 4.3. The Co-operative Neighbourhood Management programme sets out how the Council will work with communities to improve the neighbourhoods. Through working together with residents and other partners the Council believes public spaces can be made more attractive and in turn help to give people pride in the place they live.
- 4.4. The programme has now begun to deliver against the expected outcomes after a year of planning and implementation. During 2016/17 £10M was allocated by the Council to improve the quality and look of its garage blocks over the next 10 years. The Council has also allocated £1.5M to be spent on rejuvenating play areas over the next 5 years.
- 4.5. During 2017/18 the programme focus is:
- Delivery of £800k of investment (relating to Green Space signage, public realm work, nine play areas, litterbins and hardstanding) into Pin Green and Shephall.
  - Encouraging partner agencies to work in partnership with the Council to help improve public spaces and other local assets and engage with communities.
  - Undertaking a Resident Survey to determine future neighbourhood priorities.
  - Reviewing the effectiveness and usage of Community Centres.
  - Engaging with partners and communities on the next phase of the planned physical improvement works in the wards of St Nicholas and Martins Wood.

## **5. Connected to our Customers Programme**

### **5.1. Programme Outcomes**

- Online customer data will be protected, better used to provide useful insight, and the technology reliable.
- The Council uses technology to meet its ambitions and make its workforce more modern, efficient and responsive to customer needs.
- A simple and clearer website with more self-service choices.
- Use of self-service is encouraged, so more time can be spent with customers that need extra help.
- Increased customer satisfaction for residents interacting with key services.

### **5.2. Programme Overview**

- 5.3. The Connected to our Customers programme aims to improve the way residents can access Council services through increasing the use of digital options. The programme will specifically target high cost / low value transactional activities. It will ensure that the Council will use technology to meet its ambitions and make the workforce more modern, efficient and responsive to customer needs. The programme will

encourage the use of self-service so more time can be spent with customers that need extra help and will see the development of a much improved website with more self-service choices.

5.4. During 2016/17 the programme started to deliver against its key aims following a year of scoping and planning. The Executive approved more than £2m capital funding for this digital change programme which will fund the required team and works to deliver digital services. The Assistant Director for Corporate Projects, Technology and Customer Services started as Programme Sponsor in March 2017. Initial focus for the current year is to ensure that the technology foundations are right to enable the Council (and its shared service partner) to deliver services that meet customer needs and are fit for the future.

5.5. During 2017/18 the programme focus is:

- Delivering and commencing implementation of a Technology Improvement Plan to support a range of new digital applications and services.
- Implementation of the Council's cybersecurity action plan and working towards Public sector network (PSN) compliance in 2018.
- Achieving General Data Protection Regulations (GDPR) compliance and delivery of the compliance action plan.
- Achieving quick wins to expand the customer self-serve offer through use of digital technologies, including new online Council Tax and Business rate services.
- Recruiting digital specialists to drive the programme.
- Completing the telephony upgrade across the Technology Shared Service.
- Working towards the development of a new website and intranet.

## **6. Partner of Choice Programme**

### **6.1. Programme Outcomes**

- Develop new and existing shared services with our preferred partners to improve resilience, create efficiencies and establish income opportunities.
- Develop reputation as a professional partner to work with.

### **6.2. Programme Overview**

6.3. The Council believes that through working with partners it can achieve better outcomes for the town and deliver services more efficiently. The Council has a proven track record of developing a range of partnerships such as those under the Stevenage Together umbrella. As a partner of choice the council continues to proactively work with partners from

across all sectors to deliver projects that make a difference to the lives of Stevenage residents.

- 6.4. A key success during 2016/17 has been the creation of a joint Building Control Partnership. The Council as a founder member has worked alongside other local authority partners to establish Hertfordshire Building Control Services.
- 6.5. During 2017/18 the programme focus is:
  - Finalising the legal shared services arrangements.
  - Setting out further potential shared service options.

## **7. Performing at our Peak Programme**

### **7.1. Programme Outcomes**

- The provision of high quality performance management software tools.
- Streamlined governance structures that ensure effective and timely decision making.
- A strong performance culture is embedded across the organisation.

### **7.2. Programme Overview**

- 7.3. The Council aims to become an insightful Council with improved service performance and slimmed down decision-making processes. The programme will improve the organisation's insight, analysis and intelligence to help us to make better informed business decisions. This is being achieved through more timely coordination of data and the adoption of tools to support ongoing strategic and operational analysis.
- 7.4. During 2016/17 a new software tool has been developed to help managers access up-to-date service information and data, and work has been completed to create 'live' performance dashboards for the Council's Senior Leadership Team.
- 7.5. During 2017/18 the programme focus is:
  - Continuing to build dashboards at a business unit level and ensuring service managers have the right skills to use the tool robustly to analyse information and make informed decisions that result in improved services for our customers.
  - The introduction of a new devolved governance and performance framework, including a new scheme of delegation, to help improve decision making and accountability at a business unit level.

## **8. Financial Security Programme**

### **8.1. Programme Outcomes**

- As set out in Figure 2: Financial Security Workstreams.

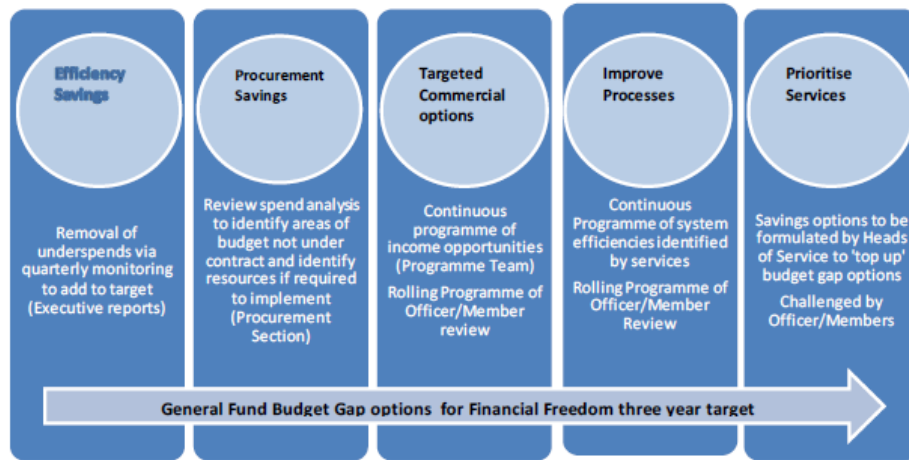


Figure 2: Financial Security Workstreams

## 8.2. Programme Overview

8.3. This programme aims to ensure that the Council has sufficient funds available to deliver quality services that residents want and need. The aim is to break away from the cycle of dependency on Government Grant through becoming more efficient in processes and developing new and innovative funding streams to ensure the Council has the resources to be a Council fit for the future and build a vibrant town that residents deserve.

8.4. Despite continued national government austerity the Council has managed to balance the books whilst protecting the much valued front line services and providing funding to support the FTFC programme.

8.5. The Executive approved the allocation of £15m towards a Commercial Property strategy in March 2017 to enable the purchase of commercial assets that yield a financial return.

8.6. During 2017/18 the programme focus is:

- Generating savings from contracts with our partners
- Finalise savings of approximately £40k per annum through a move to digital post.
- Prioritise services to generate further savings and ensure a balanced budget.

## 9. Employer of Choice Programme

### 9.1. Programme Outcomes

- Improved employee engagement.



- Right person, right place, right time – recruiting/retaining staff to hard to fill posts.
- Improved managerial competency.
- Improved reputation as a place to work.
- Evidence of staff progressing to higher grades and new roles.

## **9.2. Programme Overview**

- 9.3. The Council aims to create a flexible, collaborative, creative and modern workforce to ensure the Council can deliver the priorities set out in the FTFC programme and give residents the standard of services they expect. This programme aims to transform the way the Council works; ensuring that staff have the skills, abilities and experience to deliver excellence. The Council must become an employer of choice so that it can compete in today's market place and attract and retain the best staff to build for the future.
- 9.4. During 2016/17 the Senior Management review was completed and a new leadership team is now in place. Through Future Council Business Reviews, work has begun on shaping the next stage of the transformation programme to ensure the Council has the right structures, teams and people in place.
- 9.5. The Leader of the Council secured the prestigious 'Leader of the Year' from the Local Government Information Unit highlighting the organisation's creative and continued delivery of excellent services despite continued government austerity.
- 9.6. During 2017/18 the programme focus is:
- Further rollout of online services for staff, including a new e-learning system and intranet.
  - Creation of new leadership and management development programmes.
  - Development and implementation of a competency framework for staff up to Grade 9 of the Council's pay structure.
  - Introduction of new performance management policies, tools and processes.

This page is intentionally left blank

## **PART II MINUTES**

**Part II Section of the Minutes of the meeting of the EXECUTIVE held on Tuesday 28 November 2017.**

**Present:** Councillors S Taylor OBE CC (Chair), J Gardner (Vice-Chair), R Henry, Mrs J Lloyd, R Raynor, S Speller and J Thomas.

### **9. BUSINESS UNIT REVIEWS GROWTH FUNDING**

The Executive considered a Part II report, which sought its approval for funding required to support the implementation of the Business Unit Reviews that would create the corporate capacity to meet the current and future anticipated customer need and to deliver the Council's ambitious Future Town, Future Council Programme.

It was **RESOLVED:**

1. That, subject to consultation with the trade unions, the implementation of the Business Unit Reviews be endorsed, with immediate effect;
2. That, the upfront investment of £246,443 (General Fund) (GF) and £154,751 (Housing Revenue Account) (HRA) for inclusion in the 2017/18 Budget, identified through the Business Unit Reviews to provide the corporate capacity, professional skills and expertise that would be necessary to realise the ambitious objectives set out in the approved Future Town Future Council Cooperative Corporate Plan, be approved; and
3. That the following revenue growth for both the GF and HRA from 2018/19 onwards, for inclusion in the 2018/19 budget-setting process, be approved.

Fund	2018/19	2019/20	2020/21	2021/22
GF	195,345	116,142	115,642	137,523
HRA	63,053	28,266	28,266	40,048

### **10. FINANCIAL SECURITY OPTIONS AND OVERARCHING CAPITAL STRATEGY**

The Executive considered a Part II report, which updated Members on the financial security work stream; the GF and HRA balances as a result of proposed fee income and on the approach to capital funding for 2018/19. The report also proposed a range of GF and HRA revenue budget options to be incorporated into the 2018/19 to 2019/20 budget process and General Fund Medium-Term Financial Strategy (MTFS) and HRA Business Plan and fees and charges increases to the 2018/19 GF and HRA 2018/19.

It was **RESOLVED**:

1. That the General Fund Financial Security Options, as detailed in Appendix A to the report, totalling £342,399 for 2018/19, be approved and incorporated into the Council's 2018/19 General Fund budget-setting and consultation processes;
2. That the previously agreed community centre grant General Fund Financial Security Option, as detailed in Appendix A to the report and totalling £18,706 for 2018/19, be noted;
3. That the HRA Revenue Financial Security Options, as detailed in Appendix A to the report and totalling £225,959 for 2018/19, be approved and incorporated into the Council's 2018/19 HRA budget-setting and tenant and leaseholder consultation processes;
4. That the General Fund Growth bids and service pressures, as detailed in Appendix B to the report and totalling £534,871, with implementation costs of £246,443, (subject to the approval of the Business Reviews report and the ICT Improvement Plan to this meeting, be approved and incorporated into the Council's 2018/19 General Fund budget-setting and consultation processes;
5. That the £100,000 Transformation Fund to pump prime improvements (paragraph 4.5.3 referred), be approved and the bid to the Fund, as detailed in Appendix B to the report and totalling £35,000 (G14), be incorporated into the Council's 2018/19 General Fund budget-setting processes;
6. That the HRA Growth bids of £365,092, as detailed in Appendix B to the report, with implementation costs of £154,751, (subject to the approval of the Business Reviews report and the ICT Improvement Plan to this meeting) be approved and incorporated into the Council's 2018/19 HRA budget-setting processes;
7. That the Chief Executive be authorised to make public a summary of the savings recommended for approval, when staff and partners had been informed;
8. That the cemetery fee increases of 25% over two financial years (paragraph 4.2.10 referred), be approved;
9. That the proposed Fees and Charges, subject to recommendation 2.8 above, as shown in Appendices C and F to the report, be approved;
10. That the work of the Leader's Financial Security Group (LFSG), as outlined in Sections 4.1 and 4.2 of the report, be noted in support of these recommendations;
11. That the increases to the General Fund working budget of £110,040, as detailed in Appendix K to the report, be approved;
12. That the increase in surplus to the Housing Revenue Account working budget of £581,810 and request for carry forward of £351,820, as detailed in Appendix K to the report, be approved;
13. That the revised GF and HRA MTFS financial summary, as shown at

Appendices G and H to this report, be approved;

14. The concessions, as shown in Appendix E to this report, be approved;
15. That the Council's recognised unions be consulted regarding the proposed savings options;
16. That key partners and other stakeholders be consulted and their views considered as part of the 2018/19 budget setting process;
17. That future years General Fund growth options (£321,000) are considered in principle and are represented as part of the 2019/20 budget-setting process (Appendix B referred);
18. That the approach to capital schemes, as outline in Section 4.9 to the report, be approved; and
19. Business rates gains, as identified in Section 4.10 to the report, are ring-fenced to meet the Council's regeneration ambitions.

*Reason for Decision: As contained in the report*

*Other Options Considered: As contained in the report.*

## **11. TECHNOLOGY SHARED SERVICE IMPROVEMENT PLAN**

The Executive considered a Part II report, which set out proposals for the broad direction of the Technology Shared Service (TSS), and a three-phased approach to improving the service over the next 18 months. Members were advised that the first phase would focus on improving IT resilience and security and the recruitment of a permanent service manager to bring stability and contribute to the longer-term direction. The report also set out the longer-term areas of focus to improve the service and how it would support the Council's digital and efficiency agendas.

Members were reminded that as the Council had a shared service, this was also being considered by East Herts Council and would be jointly funded, subject to both parties agreeing to the Plan.

The Chair, Councillors S Taylor OBE CC, moved as an amendment to Recommendation 2.2 that, if approved, officers utilise support available to ensure that the appropriate strategic and technical expertise required was in place when the recruitment process was undertaken to appoint a permanent service manager.

The amendment was subsequently agreed.

It was **RESOLVED**:

1. That the proposed approach set out in the Technology Shared Service Improvement Plan, as shown in Appendix A to this report, be approved;

2. That the revenue funding requirements of the first phase of the Improvement Plan, requiring a total increase in the 2018/19 General Fund and HRA revenue budgets of £95,000 for additional security protection and £37,500 for a permanent service manager, as set out in Section 5.1 to the report, be approved and that officers utilise support available to ensure that the appropriate strategic and technical expertise required was in place when the recruitment process was undertaken to appoint to that position.
3. That the one-off capital implementation costs of £128,750 for improved security and resilience being funded using the existing digital capital budget, as set out in Section 5.1 to the report, be noted; and
4. That this investment form part of the 2018/19 budget-setting process and be included in the Financial Security report and that this recommendation was being brought forward early to enable proposals to be taken forward in a timely manner and, where appropriate, changes implemented for April 2018.

*Reason for Decision: As contained in the report*

*Other Options Considered: As contained in the report.*

## **12. URGENT PART II BUSINESS**

None

**Chair**