Stevenage
BOROUGH COUNCIL

EXECUTIVE

Date: Wednesday, 14 February 2018
Time: 2.00 pm,
Location: Shimkent Room - Daneshill House, Danestrete
Contact: Jackie Cansick X 2216

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

---

AGENDA

PART 1

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

To receive any apologies for absence or declarations of interest by Members.

2. MINUTES - EXECUTIVE - 23 JANUARY 2018

To approve as a correct record the Minutes of the meeting of the Executive held on 23 January 2018 for signature by the Chair.

Minutes attached

5 - 12

3. MINUTES OF OVERVIEW & SCRUTINY COMMITTEE AND SELECT COMMITTEES

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

A. Community Select Committee – 8 January 2018
B. Environment & Economy Select Committee – 16 January 2018
C. Overview & Scrutiny Committee – 24 January 2018

Minutes attached

13 - 24

4. FINAL GENERAL FUND AND COUNCIL TAX SETTING 2018/2019

To consider a report for recommendation to Council concerning the Council's Final General Fund Budget for 2018/19 and projected 2017/18 General Fund Budget and Final proposals for the 2018/19 Council Tax.

Report & Appendices attached

25 - 104

5. **HEALTHY STEVENAGE STRATEGY**

To consider a report that outlines the development of the Healthy Stevenage Strategy.

Report & Appendix attached

105 - 140

6. **GENERAL FUND DRAFT ASSET MANAGEMENT STRATEGY AND ACTION PLAN**

To consider a report that seeks approval to adopt the newt General Fund Asset Management Strategy and Action Plan, drafts of which are appended to the report.

Report & Appendices attached

141 - 194

7. **FINAL CAPITAL STRATEGY 2017/18-2022/23**

To consider a report for recommendation to Council on the Capital Strategy 2017/2018 – 2022/2023.

Report & Appendices attached

195 - 242

8. **ANNUAL TREASURY MANAGEMENT STRATEGY INCLUDING PRUDENTIAL CODE INDICATORS 2018/19**

To consider a report for recommendation to Council concerning the approval of the Treasury Management Strategy 2018/19 including its Annual Investment Strategy and the prudential indicators.

Report & Appendices attached

243 - 270

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 paragraphs1 – 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 - 23 JANUARY 2018**

TO APPROVE AS A CORRECT RECORD THE PART II SECTION OF THE MINUTES OF THE MEETING OF THE EXECUTIVE HELD ON 23 JANUARY

2018

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 Wednesday, 14 February 2018 – http://www.stevenage.gov.uk/have-your-say/council-meetings/161153/

Agenda Published – 6 February 2018

STEVENAGE BOROUGH COUNCIL

EXECUTIVE
MINUTES

Date: Tuesday, 23 January 2018
Time: 2.00 pm
Place: Shimkent Room - Daneshill House, Danestrete

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

Start / End Time: Start Time: 2.00 p.m.
End Time: 4.40 p.m.

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

There were no apologies for absence or declarations of interest.

2. MINUTES - EXECUTIVE - 28 NOVEMBER 2017

It was **RESOLVED** that the Minutes of the meeting of the Executive held on 28 November 2017 are approved for signature by the Chair.

3. MINUTES OF OVERVIEW & SCRUTINY COMMITTEE AND SELECT COMMITTEES

It was **RESOLVED** that the Minutes of the following meetings are noted –

A. Overview & Scrutiny Committee – 29 November 2017
B. Overview & Scrutiny Committee – 13 December 2017

4. COUNCIL TAX BASE 2018/2019

The Executive considered a report that sought approval of the Council Tax Base for 2018/2019 and an increase in the long term empty property premium.

In response to a Member’s question the Head of Revenues & Benefits Shared Service stated that there were three types of ‘empty’ property categories, ‘Empty – unfurnished’, ‘Empty – undergoing structural repair’ and those properties that were in such a state of disrepair and unoccupied that they were referred to the Valuation Office to determine.

It was **RESOLVED**:

1. That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amount calculated by Stevenage Borough Council for the year 2018/19 shall be 27,610.7 equivalent “Band D” properties reduced to

27058.5 equivalent “Band D” properties after making allowances for a 98% collection rate.

2. That the 2018/19 Council Tax Base is approved subject to any changes made to the Council Tax Support Scheme (CTS) for 2018/19 that is to be recommended to Council on 30 January 2018.

3. That the long term empty property premium be increased from 50% to 100% from 1 April 2018, or such later date as determined by regulation.

Reason for Decision: As contained in the report.
Other Options Considered: As contained in the report.

5. COUNCIL TAX SUPPORT SCHEME 2018/2019

The Executive considered a report for recommendation to Council concerning the 2018/2019 Council Tax Support Scheme.

It was **RESOLVED** that the following recommendations be made to Council -

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

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

3. That the work of the Members of Overview and Scrutiny in reviewing the scheme is noted.

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

5. That the 2018/19 CTS Scheme proposed within this report (based on a 8.5% liability) as set in section 4.5. of the report is approved.

Reason for Decision: As contained in the report.
Other Options Considered: As contained in the report.

6. DRAFT STEVENAGE CULTURAL STRATEGY (A 10 YEAR STRATEGY FOR ARTS & HERITAGE)

The Executive considered a report that outlined the development of a cultural strategy for the town and that summarised a number of cultural ambitions for the next 10 years in order for Stevenage to become a destination creative town.

With the permission of the Chair, supplementary information was circulated that outlined the comments of Community Select Committee Members and expanded on the Equalities and Diversity Implications section of the covering report.

Following his introduction, the Portfolio Holder for Children, Young People and

Leisure thanked all the Members and officers who had assisted with the initiative, including the Assistant Director Communities and Neighbourhood and his team, particularly Jo Ward, the Museum Curator/Manager.

Members welcomed the development of the strategy noting linkages to key priorities including town centre regeneration, the Council's Co-operative principles and Community Neighbourhood Management programme.

Members were of the view that the draft document was an enabling strategy that would facilitate partnership work with a view to securing external funding to support delivery of the key objectives.

A member referred to the public art works around Stevenage and indicated that, when in discussions with housing developers, consideration should be given to including art installations in any scheme.

The Executive highlighted a number of matters to address within specific sections of the draft strategy prior to the commencement of further consultation.

It was **RESOLVED:**

1. That the draft cultural strategy is approved and the final draft be developed through the Community Select Committee.

2. That this draft be subject to further cultural stakeholder consultation and the final draft be submitted to the Executive for approval in March 2018.

3. That, in recognition of the Council's financial constraints officers work cooperatively with local stakeholders, partner organisations and key external agencies to identify sources of funding which can support implementation of the strategy.

Reason for Decision: As contained in the report.
Other Options Considered: As contained in the report.

7. 2018/2019 HRA RENT SETTING AND BUDGET

The Executive considered a report for recommendation to Council concerning the 2018/2019 Housing Revenue Account and Budget.

The Assistant Director (Finance & Estates) corrected a typographical error at paragraph 4.9.1 – the first line should read 'Housing Revenue Account Growth' and not 'General Fund Growth' as quoted.

It was noted that comments from the Council's Housing Management Advisory Board and the Overview & Scrutiny Committee have been included in the report.

With reference to paragraph 5.4.8 of the report, the Executive was informed that £50k had been included in the risk assessment of balances should the Council need to borrow to fund the works fire safety works for high rise blocks.

It was **RESOLVED:**

1. That Council be recommended to approve 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. That Council be recommended to note 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 £0.95 and £1.62 per week for social and affordable rents respectively, as outlined in the Government's Welfare Reform and Work Act 2016.

3. That Council be recommended to approve the Final 2018/19 HRA budget, as set out in Appendix A to the report and the revised 2017/18 budget of £2,802,250, (surplus).

4. That Council be recommended to approve the HRA Financial Savings options as outlined in Appendix B to the report.

5. That Council be recommended to approve the HRA Growth options as outlined in Appendix C to the report.

6. That Council be recommended to approve the HRA Fees and Charges as outlined in Appendix D to the report.

7. That Council be recommended to approve the 2018/19 service charges.

8. That Council be recommended to approve the minimum level of reserves for 2018/19 as shown in Appendix E to this report.

9. That the contingency sum of £250,000 within which the Executive can approve supplementary estimates, be approved for 2018/19 (unchanged from 2017/18).

Reason for Decision: As contained in the report.
Other Options Considered: As contained in the report.

8. DRAFT GENERAL FUND AND COUNCIL TAX SETTING 2018/2019

The Executive considered a report concerning the Council's draft General Fund Budget for 2018/19 and projected 2017/18 General Fund Budget and draft proposals for the 2018/19 Council Tax.

The Executive requested that it be made clear that the reference to a Council Tax increase of 2.99% was for modelling purposes and the final decision would not be made until the Council meeting on 28 February 2018.

Attention was drawn to the requirement for the Council (via the Executive) to approve the level of estimated 2018/19 business rates it would receive by 31 January each year. However the timing of the announcement of the Government settlement on the 19 December together with information on the business rates pilots had meant that there was not enough time to complete a report for the January Executive. It was therefore recommended that this was delegated to the Assistant

Director (Finance and Estates) following consultation with the Portfolio Holder for Resources.

With reference to the New Homes Bonus (NHB), Members expressed the view that they would favour funding for Neighbourhood Wardens and the work addressing domestic violence to be included in the mainstream budget as the amount of NHB had been reduced by the Government and a threshold of a 40% increase in the number of homes had to be reached before any award was given. It was noted that this latter provision had not been included in the Government's consultation document on NHB.

It was **RESOLVED**:

1. That the 2017/18 revised net expenditure on the General Fund of £10,571,020 be approved.

2. That a draft General Fund Budget for 2018/19 of £9,126,090 be proposed for consultation purposes, with a contribution from balances of £838,986 and a Band D Council Tax of £204.46 (assuming a 2.99% increase) be approved for modelling purposes.

3. That the updated position on the General Fund Medium Term Financial Strategy (MTFS), as shown at Appendix A and the Risk Assessments of General Fund Balances, as shown at Appendix B to this report, be approved.

4. That a minimum level of General Fund reserves of £2,790,089, in line with the 2018/19 risk assessment of balances, as shown at Appendix B to this report, be approved.

5. That the contingency sum of £400,000 within which the Executive can approve supplementary estimates, be approved for 2018/19, (unchanged from 2017/18).

6. That the 2018/19 proposed Fees and Charges increase of £134,160 (Appendix C to this report) be included in the draft budget.

7. That the 2018/19 proposed concessions (Appendix D to this report) be approved.

8. That the 2018/19 proposed Financial Security Options of £342,399 (Appendix E to this report) be included in the draft budget for consideration by the Overview & Scrutiny Committee.

9. That the 2018/19 proposed Growth options of £430,371 (Appendix F to this report) be included in the draft budget for consideration.

10. That the approval of the level of business rates (NNDR1) for 2018/19 is delegated to the Assistant Director (Finance and Estates), following consultation with the Resources Portfolio Holder (paragraph 4.6.5 of the report refers).

11. That any 2018/19 business rate gains above the baseline assessment are ring fenced for town centre regeneration (SG1), paragraph 4.6.5 of the report refers.

12. That new capital receipts and unspent revenue balances (above the £350,000 transferred to the capital reserve) are earmarked for the Council's and residents' top priority, town centre regeneration.

13. That the decisions taken on recommendations 2.2 – 2.9 above be referred to the Overview and Scrutiny Committee for consideration in accordance with the Budget and Policy Framework rules in the Council's Constitution.

Reason for Decision: As contained in the report.
Other Options Considered: As contained in the report.

9. DRAFT CAPITAL STRATEGY 2017/18-2022/23

The Executive considered a report that includes proposals for revisions to the 2017/18 General Fund and Housing Revenue Account Capital Programme and the draft Capital Programme for 2018/19 for consideration by the Overview & Scrutiny Committee.

The Executive was of the view that when developing the capital strategy there needed to be clear links with the Asset Management Strategy that was to be considered by the Executive in February, together with the Council's Future Town Future Council programme. Members requested that consultation should take place with all Portfolio Holders before the Asset management Strategy was put to Executive along with engagement with Ward Councillors and resident groups to ensure that capital spending was driven by the Community as far as possible.

There was concern that sometimes works were being undertaken in Wards unbeknown to Ward Councillors. It was felt that this was particularly the case for work undertaken by HCC.

It was **RESOLVED**:

1. That the revised General Fund and HRA 2017/18 capital programme, as detailed in Appendix A and Appendix B to the report are approved.

2. That the draft 2018/19 General Fund Capital Programme as detailed in Appendix A to the report is approved for consideration by the Overview and Scrutiny Committee.

3. That the draft 2018/19 HRA Capital Programme as detailed in Appendix B to the report is approved for consideration by the Overview and Scrutiny Committee.

4. That the updated forecast of resources as summarised in Appendix A (General Fund) and Appendix B (HRA) to the report is approved.

5. That the Government's potential changes to prudential borrowing and MRP as outlined in paragraph 3.21-3.26 of the report are noted.

6. That the approach to resourcing the General Fund capital programme as outlined

in paragraph 4.3.6 and 4.3.11 of the report is approved.

7. That the growth bids identified for inclusion in the Capital Strategy (Appendix C to the report) are approved.

8. That the 2018/19 de-minimis expenditure limit (section 4.7 of the report) is approved for consideration by the Overview and Scrutiny Committee.

9. That the 2018/19 contingency allowance (section 4.8 of the report) is approved for consideration by the Overview and Scrutiny Committee.

10. That the work undertaken by LFSG on behalf of the Executive in reviewing and challenging the General Fund Capital Strategy is noted.

Reason for Decision: As contained in the report.
Other Options Considered: As contained in the report.

10. URGENT PART 1 BUSINESS

At this juncture the Chair took the opportunity to record the Executive's thanks to all the Members and officers who had worked on the suite of finance reports that had come forward on this occasion.

11. EXCLUSION OF PUBLIC AND PRESS

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.

2. That having considered the reasons for the following item being in Part II, it be determined that maintaining the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.

3. That notwithstanding the decision taken at 1. above, Tim Johnson of Cushman & Wakefield (Commercial & Property Advice) Consultants, who had assisted with the report at item 13, was in attendance for the discussion of that report to respond to any relevant questions raised.

12. MAJOR REFURBISHMENT CONTRACT PROCUREMENT - CONTRACT AWARD

The Executive considered a Part II report that seeks approval to award the Major Refurbishment Contract (otherwise known as the "Flat Block" contract).

It was **RESOLVED** that the recommendations in the report be approved.

Reason for Decision: As contained in the report.
Other Options Considered: As contained in the report.

13. TOWN CENTRE REGENERATION - SELECTION OF A PREFERRED DEVELOPMENT PARTNER FOR SG1

The Executive considered a Part II report on the outcome of the EU compliant procurement for the selection of the Council's preferred development partner for the Stevenage SG1 development and that seeks approval to appoint the successful preferred bidder and arrangements going forward.

It was **RESOLVED** that the recommendations in the report be approved.

Reason for Decision: As contained in the report.
Other Options Considered: As contained in the report.

14. URGENT PART II BUSINESS

None.

CHAIR

STEVENAGE BOROUGH COUNCIL

3A

COMMUNITY SELECT COMMITTEE
MINUTES

Date: Monday 8 January 2018
Place: Shimkent Room, Daneshill House, Danestrete, Stevenage

Present:	Councillors: S Mead (Chair), M Notley (Vice-Chair), J Brown, E Connolly, E Harrington, J Lloyd, J Mead, A Mitchell CC, C Saunders and G Snell
In Attendance:	J Cresser (Assistant Director – Housing & Investment), M Levi-Smythe (Graduate – HR & Organisational Development), W Oglina (Empty Homes Manager)
Start and End Time:	Start Time: 6:00 pm End Time: 8:00 pm

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

There were no apologies for absence or declarations of interest.

2. MINUTES – 1 NOVEMBER 2017

It was **RESOLVED** that the Minutes of the meeting of the Community Select Committee held on 1 November 2017, be approved as a correct record and signed by the Chair subject to the following amendment:
Item 3: Sustainable Transformation Plans - Page 4 Paragraph 4 to read:

"In reply to a further question, it was confirmed that dental services, along with GP surgeries, would be included within the scope of the STP's activities which would also include all aspects of NHS operations including provision of medicines and back-room services."

3. HOUSING ALL UNDER ONE ROOF

The Committee received a presentation by the Council's Assistant Director for Housing & Investment, Jaine Cresser, on the "Housing All Under One Roof" programme and the reorganisation of its Housing and Investment Business Unit.

The presentation covered an update on the current status of the programme, and in particular, touched upon the business vision, knowing customers (Big Knock), service and personal development and digital housing. The Members were informed that the Council had purchased four additional modules of the Northgate housing management system. The modules would improve case management, capture more housing-related information and enable a consistent approach to handling customer queries. The Assistant Director informed the Members that Health Checks were being carried out to ensure that the database was utilised to full capacity and that there would be no disconnect between Housing & Investment and Customer Services.

The Committee was informed that the Housing & Investment team was encouraging customers to use the self-service facility. This was aimed at re-assigning the extra resources to focus on assisting customers who were unable to access online services.

The Members were informed that the main issues raised by residents during the Big Knock were repairs, investment in new homes and the need for regular and up-to-date communication between the Council and residents. The Assistant Director reported that the team was now collating and analysing information gathered during the Big Knock. The Committee was informed that the Housing Operations Manager posts for Providing Homes, Managing Homes and Investing in homes and properties had now been filled.

Members asked a number of questions in relation to the job descriptions of the Housing Operations Manager posts, the current organisational structure of the Housing & Investment team and whether officers had provided feedback on their view of the transformation plans.

It was **RESOLVED** that:

- the presentation be noted
- the Housing All Under One Roof programme be revisited in a year to see what progress had been made with the transformation plans
- the Assistant Director provide the Committee with job descriptions for the new Housing Operations Manager posts and the new structure of the Housing & Investment team

4. DRAFT HOUSING ALLOCATIONS REVIEW REPORT

The Committee considered a draft report by the Council's Scrutiny Officer, which detailed the recommendations of its scrutiny review into the Council's Housing Allocations Policy, as part of the Committee's Work Programme for 2017/2018.

The Committee considered the draft report and recommendations of the scrutiny review into the Housing Allocation Policy. The Committee was informed that the draft recommendations had been presented to the Customer Scrutiny Panel for comments.

Officers responded to questions raised by Members in relation to:

- policy regarding under-occupiers and key workers
- incentives to down-size
- the aim of the exercise of converting some current hard to let studio apartment blocks to one bed flats

- details communicated to unsuccessful bidders

Members highlighted the fact that staff did not always follow guidance regarding advice to tenants moving properties. It was also acknowledged that tenants with literacy needs, language problems or limited access to online services required more support from staff.

With regard to recommendation 2, the Empty Homes Manager indicated that statistics concerning under 35s could be collated from other teams such as Income and Tenancy.

In response to a question, the Empty Homes Manager confirmed that incentives to downsize were offered in some cases and that it was not Council policy not to approve downsizing applications for those with rent arrears. The Committee was also informed that there was no priority for under-occupiers in the current Allocations Policy.

The Empty Homes Manager informed the Committee that his team used its discretion in some local connection appeal cases. Members were informed that it would be ideal not to communicate bid results to unsuccessful bidders.

It was indicated that it was hard to let sheltered accommodation because of the kitchen sizes and the preference of two-bedroom properties by some elderly couples. It was noted that officers had already started converting some hard to let studio apartments in line with the recommendation. The aim of this exercise was to make the properties lettable and ultimately reduce the voids.

The Chair raised concerns that there were cases of new tenants moving into properties before gas checks had been carried out. This practice could create health and safety issues.

It was **RESOLVED** that:

- Recommendation 1 be amended to reflect that staff training needed to be adhered to and more support should be provided to tenants with literacy needs or language problems
- Recommendation 2 to consider the provision of shared accommodation for the under 35s, who would be impacted by the Housing Benefit Cap be included in the report
- The Empty Homes Manager submit to the Committee the statistics about under 35s likely to be affected by the Housing Benefit Cap
- Recommendation 3 be amended to include a review of the Bands to identify customers wishing to downsize and that when a move is possible, a realistic timeframe be established
- the reference to Great Ashby in the Recommendation 4 be deleted
- the Empty Homes Manager check the status of key workers regarding local connection rights and circulate a response to Members
- Recommendation 5 be retained to help monitor progress and for

future review of the recommendations
- Officers liaise with Members and revisit the terminology used in all forms of communication with bidders
- Officers should arrange a campaign to improve communication with bidders and manage expectations in a transparent manner
- officers stop automatically informing housing bidders where their bid was within the top 50 bids
- in all cases of a new tenancy, an up-to-date gas check be completed on the property before the new tenant is offered the property
- comments be noted and incorporated into the final recommendations.

5. URGENT PART I BUSINESS

None

6. EXCLUSION OF THE PRESS AND PUBLIC

Not required

7. URGENT PART II BUSINESS

None.

CHAIR

STEVENAGE BOROUGH COUNCIL

ENVIRONMENT & ECONOMY SELECT COMMITTEE MINUTES

3B

Date: Monday 16 January 2018
Place: Shimkent Room, Daneshill House, Danestrete, Stevenage

Present: Councillors: M Downing (Chair), M Hurst (Vice-Chair), R Broom, J Brown, L Chester, J Fraser, A McGuinness and L Briscoe

Start and 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 on behalf of Councillors J Lloyd CC and L Harrington. Cllr J Fraser apologised for lateness (Cllr Fraser joined the meeting at 6.30pm).

There were no declarations of interest.

2. MINUTES – 22 NOVEMBER 2017

It was **RESOLVED** that the Minutes of the meeting of the Environment & Economy Select Committee held on 22 November 2017, be approved as a correct record to be signed by the Chair.

3. FINAL REPORT AND RECOMMENDATIONS OF THE INDOOR MARKET REVIEW

The Garages & Markets Manager, Carlo Perricone provided an update on some of the issues raised in the report. Members were informed that retailers Boots and Wilkinson’s had responded to the Council’s request to enter into an agreement allowing access at the rear of the stores. Both retail chains had indicated that such an arrangement would not be in their favour and they would not be pursuing it. The Garages & Markets Manager informed Members that he had met with most of the traders to appraise them on the work of the MTA and some aspects of the review. The Garages & Markets team was working with the Town Centre Manager, Tina Benson, to include the indoor market in the planning of town centre events.

Members welcomed the report and suggested that paragraph 3.4.2 be re-phrased. The Garages & Markets Manager informed Members that the Council would continue to use a monthly newsletter for sharing information with market traders. Members were informed that a meeting had been scheduled to update all traders on the Indoor Market Review and to update traders on the MTA committee. It was noted that not all stalls had shutters and there was no consistency in security arrangements. It was suggested that upgrades to stalls in the middle of the market could attract more traders and reduce the number of voids.

The Assistant Director Direct Services, Craig Miller informed the Committee that the report findings and recommendations would be incorporated into the Council’s plan to improve market viability. The Assistant Director also indicated that the Council was working on setting clear parameters of its working relationship with traders and managing expectations.

It was moved and seconded that Long Term Recommendation 2 be deleted from the report because it would not be a sound use of Council resources. In opposing the motion, it was highlighted that the recommendation would provide easy access to the indoor market particularly for public transport users.

A vote on the proposed motion was taken. Four (4) Members voted against the motion, one (1) voted for the motion and there were two (2) abstentions. The motion was not carried.

The Chair concluded by thanking the Members and the Garages & Markets Manager for their work on the review and the Garages & Markets Manager’s overall work on the indoor market.

It was **RESOLVED** that:
(i) The report be noted
(ii) The Scrutiny Officer amend paragraph 3.4.2 of the report and submit the amendments to the Chair for approval

4. FLOOD RISK MANAGEMENT

The Assistant Director (Planning & Regulation), Zayd Al-Jawad, informed the Committee that the report had been commissioned following Members’ concerns about flooding in some parts of the town. The report was aimed at informing Members of the status of flood risk management in Stevenage and the need for further flood risk management work.

The report author, Debbie Horner (Senior Planning Officer), highlighted key issues in the report. Members were informed that flood hotspots had been identified and that Council was holding discussions with developers regarding flood risk management plans. The Senior Planning Officer indicated that developers were now required to consider the highest flood and environmental risk scenarios in development plans. There was a concern about brownfield sites in Stevenage. The Committee was informed that the Environment Agency had produced the Thames River Basin Management Plan, a strategic document looking at high level flood risk across the Thames basin. Following Hertfordshire County Council’s Surface Water Management Plan assessment in November 2017, Stevenage would be considered in Phase 3 and an assessment would be carried out in

2019/20. A Level 2 Strategic Flood Risk Assessment (SFRA) was conducted on several sites in Stevenage. The Senior Planning Officer informed Members that flood risk assessment was now a requirement for all new developments. Members were informed that green roofs and walls, as a form of Sustainable urban Drainage System, could be incorporated into plans so as to reduce the risk of flooding and surface water runoff in urban areas.

The Executive Portfolio holder for Environment and Regeneration, Councillor John Gardner, welcomed the report and commended the co-operation of local authorities within the region. He acknowledged that, in general, there was clarity on the respective flood risk management responsibilities for Hertfordshire County Council and the town.

The Chair and Members welcomed the report. Members highlighted flood-prone sites in their wards, the rapid conversion of grass areas to concrete developed areas, planning application approvals for developments on water meadows and poor drainage close to highways. Members indicated that since it was a public document, the report should contain simple terminology, clear colour maps and less frequent use of acronyms. Members also sought clarification on the Rye Mead Water Cycle Review.

In response to Members, the Senior Planning Officer stated that the flood-prone sites that had been highlighted by Members had not been covered because the Strategic Flood Risk Assessment was carried out in areas earmarked for new developments. The Committee was informed that poor maintenance caused flooding in some sites that were close to highways. The Senior Planning Officer indicated that Rye Mead was near capacity and that the Council has discussed the issue with Thames Water.

The Assistant Director (Planning & Regulation) sought clarification on whether support was required in drafting a planning policy to support Sustainable Development Systems (SuDS).

It was **RESOLVED** that:

(i) the report be noted
(ii) the Committee endorse the analysis contained in the report and welcomed the co-operation with North and East Hertfordshire councils on this issue
(iii) the report be commended to the Executive highlighting the need to address issues raised
(iv) the report be forwarded to the Planning and Development Committee for reference
(v) the report author provide Members with a glossary of terms used in the report
(vi) The Assistant Director (Planning & Regulation) share with the Environment & Economy Select Committee and Planning and Development Committee a planning policy regarding support for

SuDS

5. URGENT PART I BUSINESS

None

6. EXCLUSION OF THE PRESS AND PUBLIC

Not required

7. URGENT PART II BUSINESS

None.

CHAIR

STEVENAGE BOROUGH COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE
MINUTES

Date: Wednesday 24 January 2018
Time: 6.00 pm
Place: Shimkent Room - Daneshill House, Danestrete

Present:	Councillors L Martin-Haugh (Chair), P Bibby CC (Vice-Chair), J Brown, M Downing, A Farquharson, J Fraser, ME Gardner, L Harrington, C Latif, J Lloyd, S Mead, A Mitchell CC and R Parker CC
Also Present:	Councillor J Gardner, Deputy Leader of the Council and Executive Member for Environment and Regeneration.
Start and End Time:	Start Time: 6.00pm End Time: 8.14pm

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

An apology for lateness was received on behalf of Councillor A Farquharson (who arrived at 6.10pm).

There were no declarations of interest received from Members.

2. MINUTES

It was **RESOLVED** that the Minutes of the meeting of the Overview and Scrutiny Committee, held on held on 13 December 2017, are approved as a correct record and signed by the Chair.

3. PART I 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 31 January 2018, it could be considered on this occasion.

(i) Budget and Policy Framework Item – Council Tax Base 2018/2019

The Council's Assistant Director (CF) introduced the report, which had sought the Executive's approval of the Council Tax Base for 2018/19, and an increase in the long-term empty property premium from 1 April 2018, or such later date when the required regulations were introduced. It was reported that it had been confirmed to the Executive that there were three types of 'empty' property categories: 'Empty-unfurnished', 'Empty-undergoing structural repair' and those properties that were in such a state of disrepair and unoccupied that they were referred to the Valuation Office to determine.

It was **RESOLVED** that the Part 1 decisions taken by the Executive at its meeting on 23 January 2018 be noted.

(ii) Budget and Policy Framework Item – Council Tax Support Scheme

The Council's Assistant Director (CF) introduced the report, which proposed a Council Tax Support Scheme for 2018/19 and informed Members that there had been nothing further to add to what Members had previously received when the Committee undertook a policy development meeting on this matter and since it had been last considered by the Executive and the Overview and Scrutiny Committee.

It was **RESOLVED** that the Part 1 decisions taken by the Executive at its meeting on 23 January 2018 be noted.

(iii) Draft Stevenage Cultural Strategy – A Ten-Year Strategy for Arts and Heritage

The Council's Assistant Director (RG) introduced the report, which outlined the development of a Cultural Strategy for Stevenage and summarised a number of cultural ambitions over the next 10 years in order for Stevenage to become a destination-creative town. He said that whilst there were no immediate financial implications for the Council, the delivery of key ambitions would require financial investment and that the Council would seek to work with other co-investors such as the Arts Council England, Heritage Lottery Fund and Hertfordshire Local Enterprise Partnership (LEP) to help realise these ambitions. He referred to a supplementary paper (tabled), which provided strong endorsement by the Council's Community Select Committee (CSC), for a bold and inspirational approach to cultural development, building on the town's unique cultural heritage and the clear links to health, well-being, skills and industry. The CSC also acknowledged that the involvement of the private sector and broader stakeholder buy-in would be key actions to the Strategy's success.

Officers responded to a number of questions raised by Members in relation to:

- Utilising the Music Centre and other facilities within Nobel School
- Refurbishment of the Gordon Craig Theatre including its seating capacity and the merits of a partition, the artists it attracted, users of the facility and what the Council was doing to try and get other people involved
- Fairlands Valley and whether the farmhouse fitted into the thinking within the Strategy
- The night-time economy
- Stevenage Leisure Centre and Stevenage Leisure Limited
- Provision of a park-based bandstand

- Looking at access to facilities and charges applied e.g. what facilities could local people enjoy at a reasonable cost?
- Tackling inequalities and promoting inclusion

It was **RESOLVED** that the Part 1 decisions taken by the Executive at its meeting on 23 January 2018 be noted.

(iv) 2018/2019 Housing Revenue Account Rent-Setting and Budget

The Council's Assistant Director (CF) introduced the report, which updated Members on the final proposals on the HRA budgets and rent-setting for 2018/19, to be considered by Council on 30 January 2018. It was noted that a typographical error had been corrected at Paragraph 4.9.1 to the report to the effect that the first line should read "Housing Revenue Account Growth" and not "General Fund Growth" as stated. It was further noted that comments from the Council's Housing Management Advisory Board and its Overview and Scrutiny Committee had been included in the report.

The Executive was advised that, with reference to Paragraph 5.4.8 to the report, £50,000 had been included in the risk assessment of balances should the Council need to borrow to fund fire safety works for high rise blocks.

In response to a Member's question, it was confirmed that the 1% referred to in the existing rent formula (CPI + 1%) was applicable to Year 3 of four.

It was **RESOLVED** that the Part 1 decisions taken by the Executive at its meeting on 24 January 2018 be noted.

(v) Budget and Policy Framework Item – Draft General Fund and Council Tax-Setting 2018/2019

4. URGENT PART I DECISIONS AUTHORISED BY THE CHAIR OF OVERVIEW AND SCRUTINY COMMITTEE

None.

5. URGENT PART 1 BUSINESS

None.

6. 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 item of business on the grounds that it 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.
2. That having considered the reasons for the following item being in Part II, it be determined that maintaining the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.

7. 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 21 December 2017, it could be considered on this occasion.

(i) Part II Minutes of the Executive of 28 November 2017

It was **RESOLVED** that the Part II decisions taken by the Executive at its meeting on 28 November 2017 be noted.

8. URGENT PART II BUSINESS

NONE

CHAIR

Agenda Item 4

Part I – Release to Press

Stevenage
BOROUGH COUNCIL

Meeting	**EXECUTIVE/COUNCIL**
Portfolio Area	Resources
Date	**14 FEBRUARY 2018**

FINAL GENERAL FUND AND COUNCIL TAX SETTING 2018/2019

KEY DECISION

Authors	Clare Fletcher | 2933
Lead Officers	Clare Fletcher | 2933
Contact Officer	Clare Fletcher | 2933

1. PURPOSE

1.1 To consider the Council's Final General Fund Budget for 2018/19 and projected 2017/18 General Fund Budget and Final proposals for the 2018/19 Council Tax.

2. RECOMMENDATIONS

That the following proposals be recommended to Council on 28 February 2018:

2.1 That the 2017/18 revised net expenditure on the General Fund of £10,493,720 be approved.

2.2 That a Final General Fund Budget Requirement for 2018/19 of £8,288,919 be agreed, with a contribution from balances of £823,981 and a Band D Council Tax of £204.46 (assuming a 2.99% increase for inclusion in the draft council tax resolution) be considered by Council.

2.3 That the Risk Assessments of General Fund Balances, as shown at Appendix B to this report, be approved.

2.4 That a minimum level of General Fund reserves of £2,760,570, in line with the 2018/19 risk assessment of balances, as shown at Appendix B to this report be approved.

2.5 That a contingency sum of £400,000 within which the Executive can approve supplementary estimates, be approved for 2018/19, (unchanged from 2017/18).

2.6 That the 2018/19 proposed Fees and Charges increase of £134,160 (Appendix C to this report) be approved for 2018/19.

2.7 That the 2018/19 proposed concessions (Appendix D to this report) be approved for 2018/19.

2.8 That the 2018/19 proposed new Financial Security Options of £342,399 (Appendix E to this report) be approved for 2018/19.

2.9 That the 2018/19 proposed Growth options of £430,371 (Appendix F to this report) be approved for 2018/19.

2.10 That the 2018/19 business rates gains of £356,610 above the baseline assessment be ring fenced for town centre regeneration (SG1), (paragraph 4.8.3 of the report refers) be approved for 2018/19.

2.11 That new capital receipts and unspent revenue balances (above the £350,000 transferred to the capital reserve) be earmarked for the Council's and resident's top priority, town centre regeneration be approved.

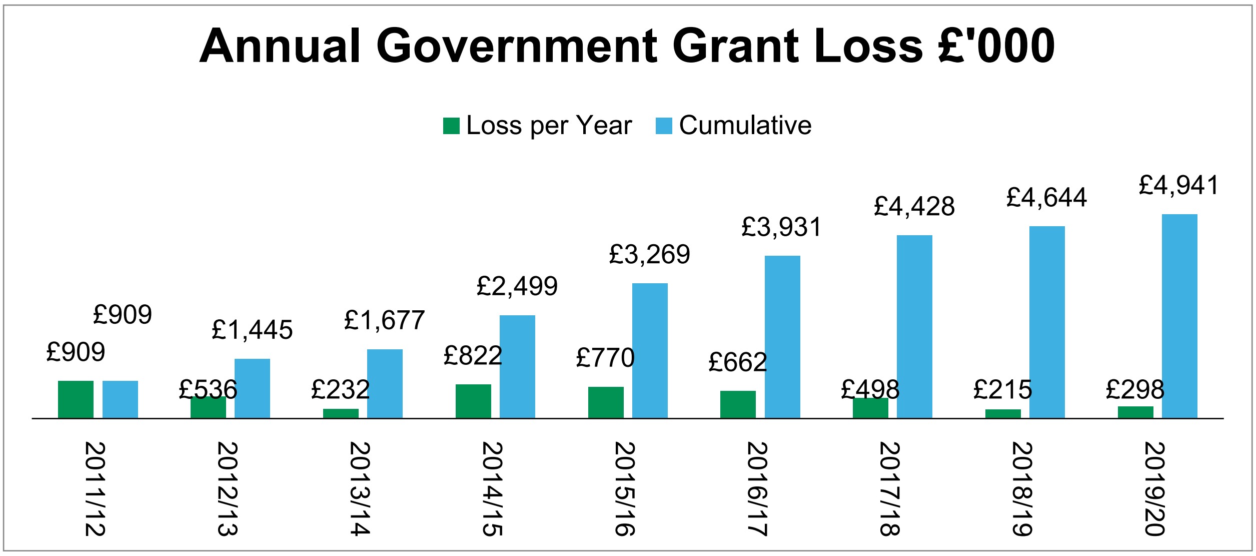
2.12 That the advice on of the Assistant Director (Finance and Estates) on the robustness of the draft budget and the adequacy of reserves (Appendix J) be noted.

3. BACKGROUND

3.1 This report presents the Council's General Fund net expenditure for 2018/19 taking account of the Financial Security options, fee increases, pressures and growth items. The General Fund Budget forms part of the Council's Budget and Policy Framework. Under Article 4 of the Constitution, the Budget includes: the allocation of financial resources to different services and projects; proposed contingency funds; setting the council tax; the council tax support scheme; decisions relating to the control of the Council's borrowing requirement; the control of its capital expenditure; and the setting of virement limits.

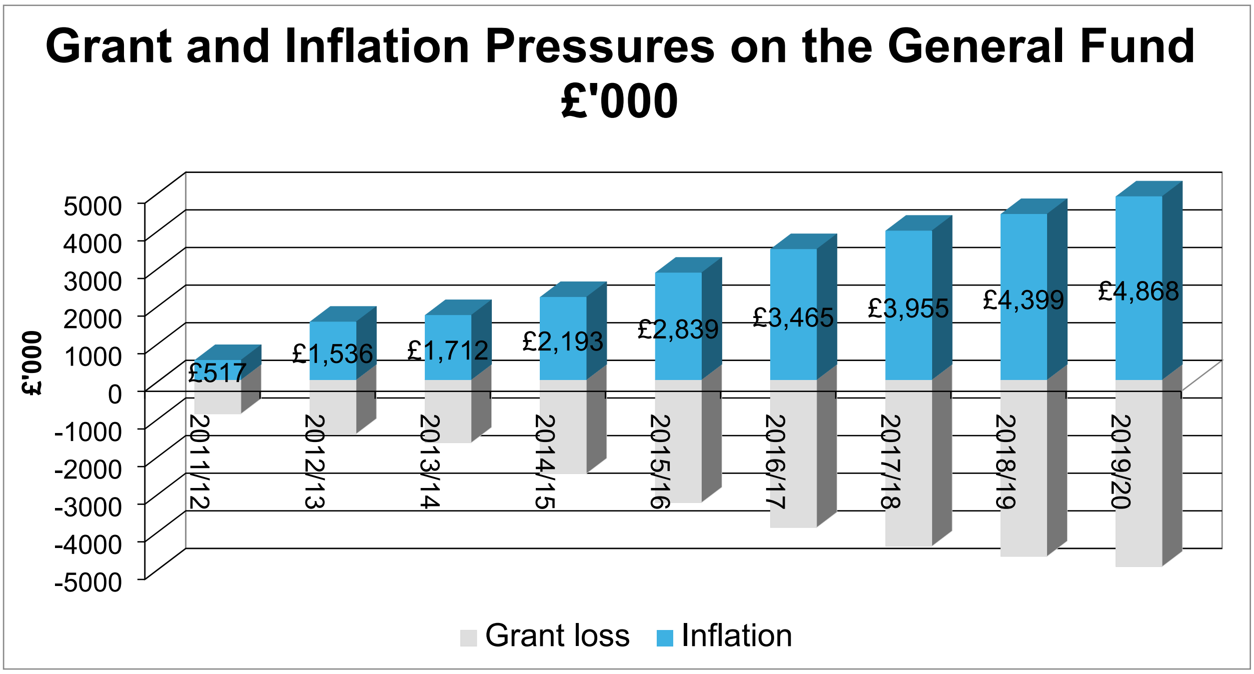
3.2 The Council's Financial Strategy (MTFS) was reported to Executive in September 2017 and updated in the November Financial Security report. Both reports highlighted the need for on-going savings to fund inflation and service pressures compounded by the loss of a further £1Million of central government funding up to 2019/20.

3.3 The funding reductions experienced by councils have been on-going for a number of years and has resulted in an overall loss of grant funding for Stevenage of some £5Million since 2010/11. The chart below shows the net loss of government funding (net of business rate inflation increases).

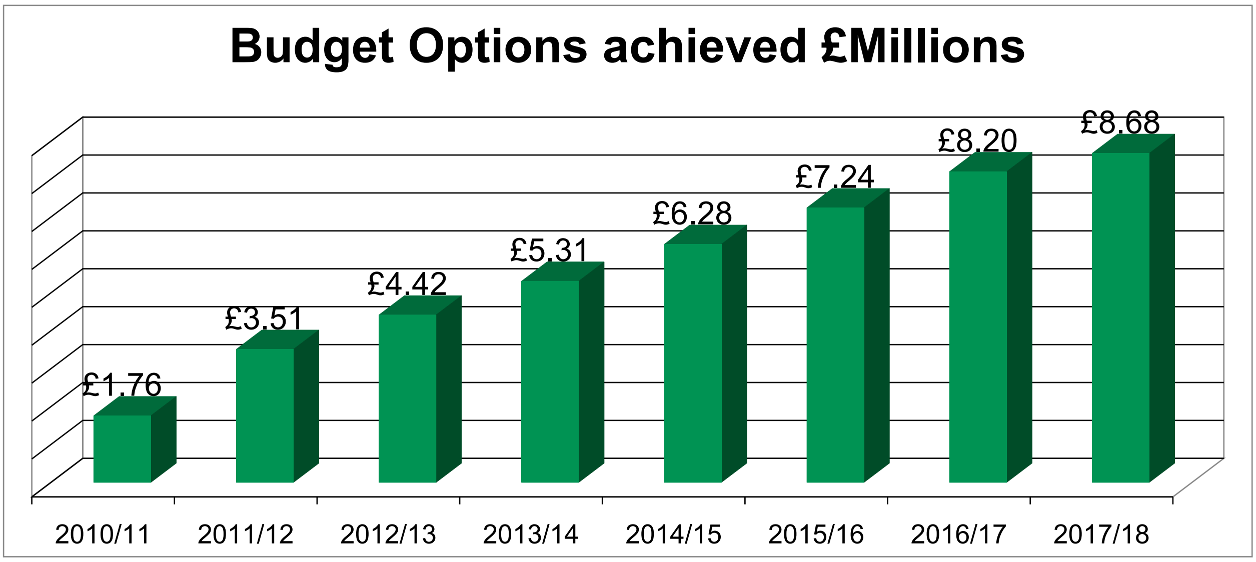


**net of NDR increases*

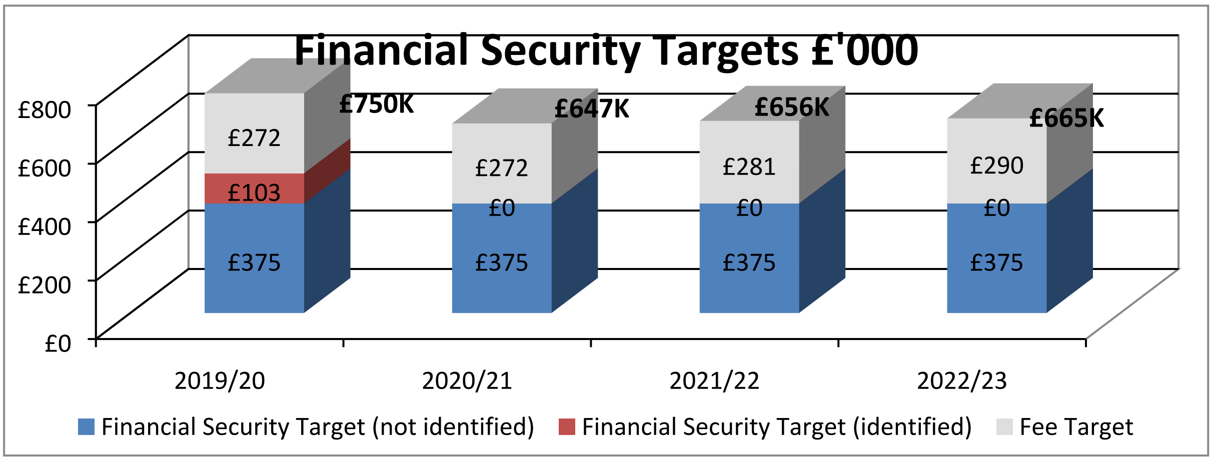
3.4 However in addition the General Fund has had to absorb inflationary pressures which for the same period have been estimated to be a further £4.8Million, which includes contractual and pay inflation.



3.5 The need to find budget reductions has been further compounded by other pressures such as apprenticeship levy and reductions in housing benefit administration grant. The total grant cuts and inflation pressures of £8.4Million (2010/11-2017/18) in addition to other pressures has been addressed by budget reductions achieved (£8.68Million 2010/11-2017/18) through the Council's priority based budgeting process and since 2017/18 via the Financial Security work stream under the Future Town Future Council programme.



3.6 The MTFS as approved by Members in September (2017) had a key principle: 'achieve an on–going balanced budget by 2021/22 by ensuring inflationary pressures are matched by increases in fees and income or reductions in expenditure'. The Financial Security report to the November Executive recognised that based on current projections, this was estimated to be achieved later by 2022/23 and the Financial Security targets were re-profiled to reflect the need for a higher level of options than previously envisaged. These are set out below.



3.7 At the November 2017 meeting, the Executive approved a package of Financial Security budget options, growth and pressures and fee increases to be included in the 2018/19 Budget.

3.8 The Council signed up to the four year central government funding settlement deal for the period 2016/17-2019/20, next year being year three of four. Members also approved Stevenage being part of the Hertfordshire business rates pilot for 2018/19, which would mean additional business rates of £600,000 ring fenced for regeneration in addition to the previous settlement deal.

3.9 As part of the financial settlement, received on 19 December 2017 (see also section 4.7-4.8), Hertfordshire authorities were informed that the 2018/19 Hertfordshire business rate pool had not been approved by the government due to the number of applications received.

3.10 Members were advised in the September MTFS that the Government was minded to allow District Authorities to increase their council tax by £5.00 on a band D which for the Council would see an increase of 2.52%.

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

Date	Meeting	Report
January 2018	Executive	Draft 2018/19 General Fund budget and Council Tax
		(incorporating Financial Security Options)
	Overview and Scrutiny	Draft 2018/19 General Fund budget and Council Tax
		(incorporating Financial Security Options)
February 2018	Executive	Final 2018/19 General Fund budget and Council Tax
	Overview and Scrutiny	Final 2018/19 General Fund budget and Council Tax
	Council	Final 2018/19 General Fund budget and Council Tax

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

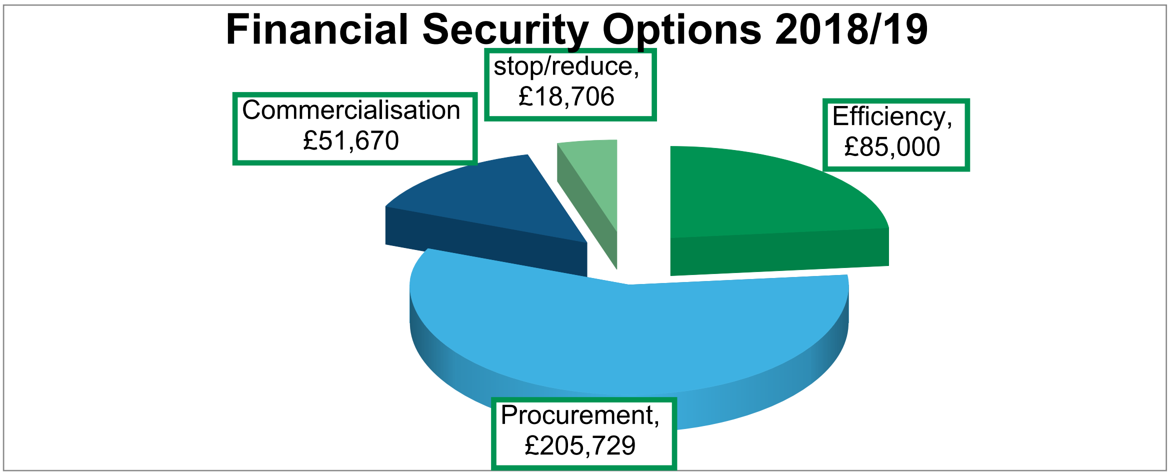
4.1 Overview and Scrutiny Committee

4.1.1 The Committee met on the 24 January 2018 and the Assistant Director (Finance and Estates) presented the draft proposals for the 2018/19 council tax setting and General Fund budget.

4.1.2 The Committee were reminded that the report was before them as a Budget and Policy framework item and any comments will be incorporated into the final budget that the Executive would consider for recommendation to Council in February. The Committee did not recommend any changes to the draft budget.

4.2 Financial Security Options

4.2.1 At the November Executive, Members approved General Fund Financial Security Options of £342,399, detailed in Appendix E. Members were also reminded that there was a further option relating to a phased reduction in community centre grant funding of £18,706 approved in previous years. A summary of the options is shown in the following chart. These remain unchanged from the January Executive report.



4.2.2 (In addition to the options recommended for approval in the 2018/19 budget Appendix E), Members have also approved commercial property income Financial Security option of £200,000, (July Executive). Two sites have been identified which will achieve a minimum of £191,000 with £5.6Million still available for additional sites which should then meet the required target. At the time of writing the report one of the sites had been acquired by the Council and a further site to be completed in February/March.

4.2.3 Officers together with the Leaders Financial Security Group (LFSG) will be working towards achieving the unidentified Financial Security target as summarised in paragraph 3.6 which totals £1.5Million for the next four years, (2019/20-2022/23). Members will be aware that this is in addition to increases in fees and charges (see also paragraph 3.6) and council tax. Options are required to fund inflationary pressures while at the same time absorbing reductions in government grants.

4.3 Fees and Charges

4.3.1 2018/19 fees, charges and concessions have been reviewed as part of the work of the Corporate Fees and Charges Group, with the results scrutinised and recommended for approval by LFSG and included in Appendices C & D. The recommended Fees and Charges for the General Fund total £134,160 which is £162,434, lower than the September MTFS estimate.

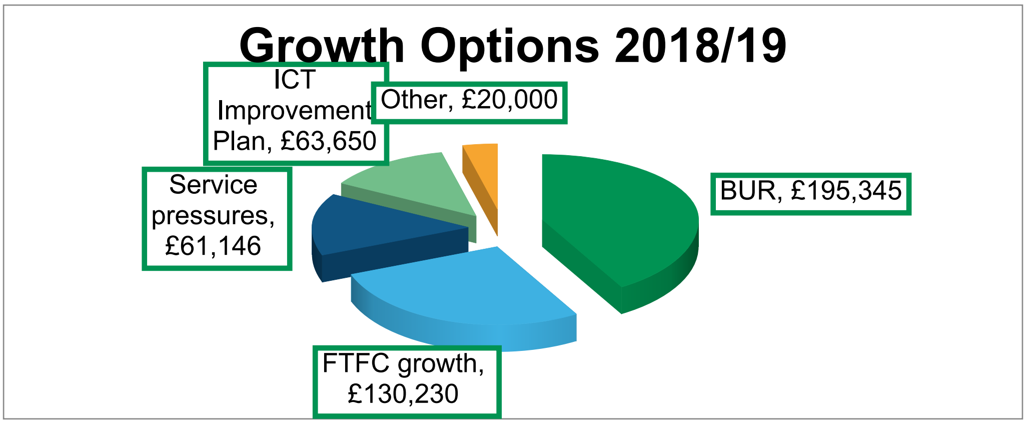
4.3.2 2018/19 Fee income is lower than the MTFS target as a number of income streams are currently projected not to reach budget. Officers are reviewing this to determine whether additional action is required and will report back to the LFSG during 2018.

4.4 Growth options and Service Pressures

4.4.1 At the November Executive, Members approved General Fund Growth and Service Pressures of £534,871 with implementation costs of £246,443 in 2017/18. This included the financial cost of the Business Unit Reviews (BUR) and ICT Improvement Plan which were reported separately and approved by Members at the November Executive.

4.4.2 At the January Executive, service pressure (ref G20) relating to the reduction in transport subsidy of £99,000 was reported as £34,500, a reduction of £64,500. However also reported was a cost in 2017/18 of £41,000. The revised growth and pressures are summarised in Appendix F and remain unchanged from the January Executive.

4.4.3 A summary of the options is shown in the following chart.



4.4.4 In order to implement new Financial Security options the Assistant Director (Finance and Estates) has identified the need for a pump priming 'Transformational Fund'. However based on the growth already identified and the affordability of including this type of resource in the General Fund, an amount of £100,000 has been included for the period 2018/19 and 2019/20. There is currently one bid identified against the fund for £35,000, (Growth bid G14), which Members approved at the November Executive.

4.4.5 There is a dichotomy whereby officers need to spend to meet the Council's significant ambitions while at the same time needing to shrink General Fund net expenditure. This means the role of the Financial Security priority will increase in importance to ensure that the future stability of the Council's finances is maintained.

4.5 General Fund Net Expenditure

4.5.1 The 2017/18 projected and the 2018/19 final General Fund net expenditure is summarised in Appendix A. This includes the changes from the draft December budget update. The 2018/19 budget has decreased by £13,190, (the December draft budget was £77,633 higher than the November MTFS). The variances are shown in the table below.

Summary of 2018/19 budget movements		
	£	£
Draft General Fund January budget		9,126,090
Additional section 31 grant	(354,800)	
Transfer to Reserves (for Regeneration purposes)	356,610	
Salary cost changes	14,900	
Increase in Commercial income	(15,000)	
Other	(14,900)	
Total Changes		**(13,190)**
Updated Final General Fund 2018/19 net budget		**9,112,900**

4.5.2 **Section 31 grant** is payable when the government makes changes to the business rates this includes increased business rates from RPI (3.9%) to CPI (3%) in 2018/19. The business rates projections have been completed for 2018/19 and are detailed in section 4.8 of this report. Section 31 grants have increased significantly due to the government increasing the threshold before which small businesses have to pay business rates. The increase in section 31 grant is reflected by a reduction in retained business rates which are shown in core resources and not in the net expenditure of the General Fund, (see section 4.8).

4.5.3 **Transfer to Reserves** for business rate gains above the baseline (for regeneration purposes) was agreed at the January Executive as part of the draft budget. The £356,610 reflects the gain above the baseline need and will be transferred to a ring fenced account to be drawn down when needed for the Council's regeneration project SG1.

4.5.4 **Salary inflation** increased by £139,835 at the draft budget to reflect the employer offer of 2% rather than the 1.5% included in the MTFS. A further £14,900 of salary costs have been identified based on personnel changes. The General Fund and HRA have assumed a 2% pay award however the unions have yet to accept the employer's 2% offer.

4.5.5 **Commercial Income** is projected to be £15,000 higher based on current low void levels, there is a similar increase in income assumed for 2017/18.

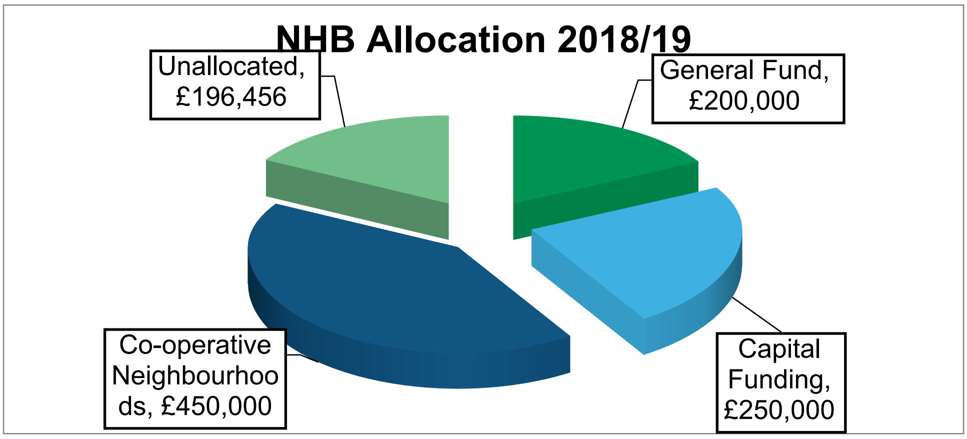
4.5.10**The 2017/18 General Fund working budget** has decreased by £77,300 from the 2017/18 projection included in the draft budget report to the January Executive (reported in the draft budget report was a £84,070 increase for the year). The variances are shown in the table below.

Summary of 2017/18 budget movements		
	£	£
Draft General Fund January budget		10,571,020
Reduction in Housing Benefit Overpayment income	10,000	
Revenue & Benefits partnership in year savings	(23,690)	
Electricity underspends due to usage and price changes	(47,750)	
Increase in Commercial income	(15,000)	
On street parking income	(19,800)	
Other	18,940	
Total changes		**(77,300)**
Updated Final General Fund 2018/19 net budget		**10,493,720**

4.6 New Homes Bonus

4.6.1 The Council receives New Homes Bonus (NHB) for every additional property in its tax base (at 80% of the equivalent national average value Band D property above a 40% threshold) and receives the gain from 2018/19 for four years, (2017/18 five years, 2016/17 and earlier, six years). It has been the Council's policy to date not to rely on temporary income streams to fund permanent services, which includes the use of New Homes Bonus (NHB). To date, only £200,000 has been added to the General Fund base budget from NHB (and £250,000 for capital). Although it continues to be the view of the Assistant Director (Finance and Estates) that NHB should support one-off projects, a number of projects have received funding for the last few years. As part of the BUR priority services such as neighbourhood wardens and domestic abuse services may need to be met from the General Fund in the future. Officers will be considering this as part of their business reviews.

4.6.2Members have previously approved to ring fence funding of £450,000 for the co-operative neighbourhood FTFC work stream, which supports initiatives such as the playground improvement programme. The chart below details the 2018/19 NHB allocation of £1.096Million in the chart below. This remains unchanged from the draft budget report, however the final settlement has not been received.



4.6.3 In addition to the £196,456 available for new schemes there is a further £67,645 that has not been allocated or returned to the NHB reserve as a result of actual costs being lower than budgeted. This means there is £264,410 that can be allocated to new schemes.

4.6.4 The amount of NHB monies has reduced under the revised scheme introduced for 2017/18, the number of years the award is retained has reduced from six years to four years and a threshold of a 40% increase in the number of homes has to be reached before any award is given.

4.7 Finance Settlement

4.7.1 The finance settlement was published on the 19 December 2017. There is an increase of £46,436 for 2018/19 as a result of the increase in RPI for Business Rates.

4.7.2 The 2017/18 four year settlement financials had assumed an increase of 3.22% instead of 3.9% for 2018/19. This means that there is an increase of £16,506 in business rates retained by SBC, plus an additional amount of £29,930 relating to 2015/16 changes. (Please note some of the retained business rates are paid in S31 grant and is included in the General Fund net expenditure see paragraph 4.5.2 above).

Original Finance Settlement (2017/18)		
	2018/19	**2019/20**
Revenue Support Grant	£351,230	£0
Business Rates	£2,479,606	£2,523,219
Total	**£2,830,836**	**£2,523,219**

Original Finance Settlement (2018/19)		
	2018/19	**2019/20**
Revenue Support Grant	£351,230	£0
Business Rates	£2,474,490	£2,502,227
	£51,552	£77,430
Total	**£2,877,272**	**£2,579,657**
Variance	**£46,436**	**£56,437**

4.7.3 The Government indicated the move from RPI to CPI for business rates from 2018/19, in the Autumn Budget (previously this was 2019/20 to coincide with localisation of business rates). Councils are to be compensated for the difference of 0.9% between RPI and CPI via S31 grants and the difference is included in the table in paragraph 4.5.1 above.

4.7.4 Stevenage Borough Council will receive no Revenue Support Grant (RSG) from 2019/20 and will be solely reliant on business rates and council tax for core resource funding.

4.7.5 There will be a consultation in the spring of 2018 on negative RSG which SBC has in the 2019/20 finance settlement. For Stevenage this totals £27,145 and effectively will reduce the amount of business rates retained, as RSG is zero from 2019/20.

4.8 Business Rates retained 2018/19

4.8.1 The Council (via the Executive) must approve the level of estimated 2018/19 business rates it will receive by 31 January each year. However the timing of the announcement of the Government settlement on the 19 December together with information on the business rates pilots meant that there was not enough time to complete a report for the January Executive and the Executive at their meeting on the 23 January 2018 delegated this decision to the Assistant Director (Finance and Estates), following consultation with the Portfolio Holder for Resources. The Executive also recommended that the 2018/19 General Fund budget only assumes the baseline funding (the amount in the settlement) and any gains projected are ring fenced for the regeneration of the town centre and SG1.

4.8.2 The share of business rates retained by Stevenage is reduced by the amount of tariff payable to the government and then a 50% levy payable is payable on any gains, (please note some S31 grants are excluded from the levy calculation).

4.8.3 Section 31 grants are payable by the government for reliefs granted by the government such as pub reliefs, small business reliefs and the change from using RPI to CPI for the annual inflation increase. The business rates and S31 grant retained by the Council are summarised in the following table.

Calc.	Stevenage Share	Final Budget Business Rates Assumption £
1	Stevenage share (40%)	17,431,681
2	Tariff	(14,944,085)
1-2	**Business Rates net of tariff**	**2,487,596**
3	S31 grant payable	647,218
1-2+3	**Total Business Rates and grant before levy**	**3,134,814**
4	Baseline Funding Level (based on need)	2,474,490
(1-2+3)-4	Gains before the levy is applied	660,324
5	Levy that would be due (50% excl. some S31 grants)	(303,713)
6	S31 grant compensation for RPI change & 2015/16 changes	51,552
	Retained rates	**2,882,653**
	Assumed in General Fund budget	**2,526,042**
	Transfer to Regeneration Reserve*	**356,611**
	Retained rates	**2,882,653**
	** amounts in the budget are rounded to the nearest £10*	

4.8.4 The Draft General Fund budget (January Executive) had assumed baseline funding and the S31 grant for change to CPI and 2015/16 adjustment (ref calc.6). The additional business rate gain of £356,610 is recommended for transfer to an allocated reserve and ring fenced for regeneration purposes, (see also paragraph 4.5.3).

4.8.5 The 2018/19 core funding resources also assume a transfer from the Collection Fund for Business Rates of £30,293 (surplus) which reflects the actual outturn position for 2016/17 and the projection for 2017/18. This remains unchanged from the Draft General Fund report.

4.8.6 The Government indicated in the Autumn Budget that there will be the next reset of business rates baselines in 2020/21 and a move to 75% business rates retention for 2020/21 which will see RSG and Public Health grant replaced by business rates income.

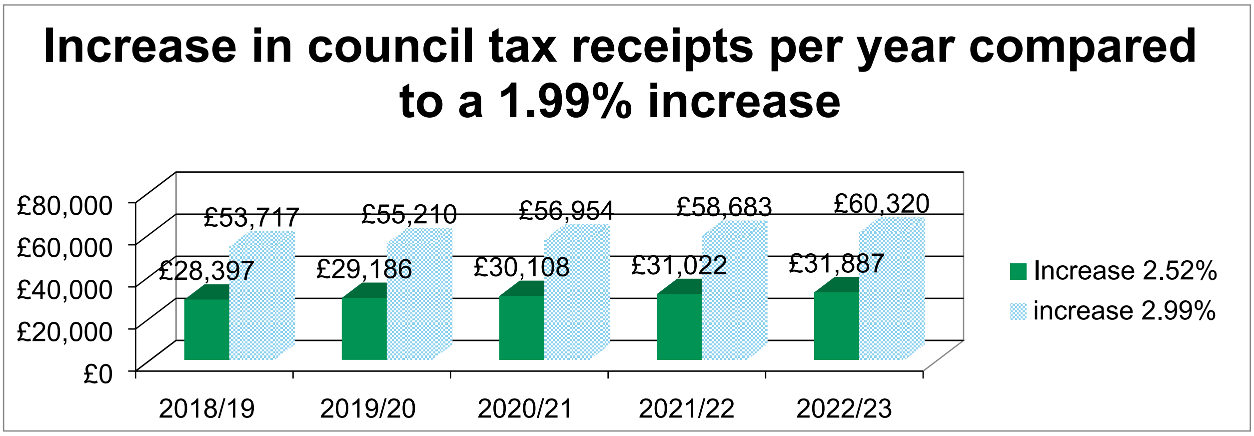
4.9 Council Tax

4.9.1 Part of the budget setting process includes consideration of council tax levels. The Provisional settlement allowed for an increase of 2.99% (1% higher than 2017/18), before a referendum on the level of council tax is required or £5.00 on a Band D, whichever is higher. This effectively allows for a maximum 2.99% increase (CPI 3% in September 2017) for Stevenage Borough Council.

4.9.3 The following table shows a 2.99% increase and £5.00 on a Band D (2.52%) per year and for each council tax property band.

		Increase per year	
Council Tax band	**2017/18**	**2.52%**	**2.99%**
A	£132.35	£3.34	£3.96
B	£154.40	£3.89	£4.62
C	£176.46	£4.45	£5.28
D	£198.52	£5.00	£5.94
E	£242.64	£6.11	£7.26
F	£286.75	£7.23	£8.58
G	£330.87	£8.34	£9.90
H	£397.04	£10.01	£11.88

4.9.4 The difference in resources from increasing Council tax by 1.99% (September MTFS assumption), 2.52% and 2.99% in 2018/19 is shown in the chart below.


Increase in council tax receipts per year compared to a 1.99% increase

4.9.5 Council tax is a key resource as locally raised taxation becomes more important to the General Fund (as central funding reduces) in sustaining services for the future. The table below shows that by 2019/20 the MTFS assumes that 63% of core resources will be generated from council tax.

	% of Net budget							
Year:	**2012/13**	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**
Council Tax	51.70%	45.90%	49.50%	47.10%	58.10%	55.81%	58.11%	62.76%
RSG	46.00%	33.30%	27.00%	17.90%	13.50%	7.08%	3.60%	-0.30%
NDR	0.00%	20.90%	24.20%	40.20%	12.60%	32.67%	29.85%	28.77%
Balances	2.30%	-0.10%	-0.70%	-5.20%	15.70%	4.43%	8.44%	8.77%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

4.9.6 As in previous years the council tax increase will not be confirmed until the February Council meeting. Based on the increasing financial dependency the General Fund budget has on council tax the Assistant Director (Finance and Estates) recommends a 2.99% increase be included in the draft council tax resolution for consideration by Council on the 28 February.

4.10 Projected General Fund Balances

4.10.1 The following table shows the projected General Fund balances and council tax requirement.

	2017/18 Estimate	2017/18 Projected	2018/19 Estimate
Net Expenditure	£9,382,220	£10,493,720	£9,112,900
(Use of)/ Contribution to Balances	(£432,095)	(£1,543,595)	(£823,981)
Budget Requirement	**£8,950,125**	**£8,950,125**	**£8,288,919**
RSG	(£689,969)	(£689,969)	(£351,230)
Business Rates	(£2,569,654)	(£2,569,654)	(£2,539,149)
Total Government Support	**(£3,259,623)**	**(£3,259,623)**	**(£2,890,379)**
Estimated NDR levy	£226,243	£226,243	£303,713
(Return) /Contribution to Collection Fund (NDR)	(£478,057)	(£478,057)	(£30,293)
Collection Fund Surplus (ctax)	(£139,102)	(£139,102)	(£139,616)
Council Tax Requirement	£5,299,586	£5,299,586	£5,532,344
Council Tax Base	26,695	26,695	27,059
Council Tax Band D	£198.52	£198.52	£204.46
Council Tax Band C	£176.46	£176.46	£181.74

4.10.2 General Fund balances are projected to be £2.59Million (draft budget report £2.42Million) by 2021/22. This is a reduction of £4Million from 1 April 2017. There is a projected contribution to balances by 2022/23, however this relies on the delivery of some £1.5Million Financial Security savings for the period 2019/20-2022/23.

General Fund Balances £'000	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Opening balance 1 April	(£6,427)	(£4,883)	(£4,059)	(£3,265)	(£2,721)	(£2,589)
Use of/ (Contribution to) Balances	£1,544	£824	£795	£544	£132	(£182)
Closing balance 31 March	(£4,883)	(£4,059)	(£3,265)	(£2,721)	(£2,589)	(£2,771)

4.10.3The projected balances for 2018/19 are higher than the minimum level of risk assessed balances of £2,760,570 as summarised in Appendix B.

4.10.4The Council will need to increase its future year’s reserves to ensure that it has sufficient future resources to help facilitate the town centre regeneration, (2017 resident’ survey top priority), this is why Members approved at the December Executive to ring fence of business rate gains, these are now estimated to be £356,610. In addition this risk has been included in the risk assessment of balances in Appendix B and as summarised in section 4.11 of this report.

4.11 Risk Assessment of General Fund balances

4.11.1 The General Fund balances have been risk assessed for 2018/19 and the minimum level of balances required is £2,760,570, (draft budget £2,790,089).

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

4.11.3 New risks that have been added to the risk assessment of balances include:

- Commercial property net income target of £200,000 not realised (risk balance £20,000) -higher borrowing costs and unforeseen costs could impact on the net income achieved.
- Building Control company profit forecasts not met in 2018/19 (risk balance £21,485) - this relates to the risk that the company may not achieve cost reductions in line with the business plan.
- Town Centre Regeneration not budgeted for (risk £125,000) - as the council appoints the development partner there may be costs which the Council would want to expend to further its regeneration aims.
- Borrowing costs will be higher than estimated (risk £7,692)- there is a risk that inflation pressures could accelerate the increase in borrowing costs in 2018/19 and a 0.25% base rate point increase has been risk assessed.
- Business Unit reviews increase the salary bill/higher implementation costs (risk £84,009) the report to the November Executive outlined the approach to these reviews and was approved by the Executive. There is a risk that costs could be higher than expected.

4.12 Contingency Sums

4.12.1 The Executive will recall that a Contingency Sum needs to be determined by the Council as part of the Budget and Policy Framework in order to avoid the need for Council to consider all supplementary estimates during the course of the year. This contingency sum constitutes an upper cumulative limit during the financial year within which the Executive can approve supplementary estimates, rather than part of the Council's Budget Requirement for the year. A sum of £400,000 is proposed for 2018/19, this remains unchanged from the current year.

4.13 Allocated Reserves

4.13.1The allocated reserves as at 31 March 2019 are estimated to be £1.785Million, with 754K being used in 2017/18. The allocated reserves include a specific reserve for the earmarked business rate gains ring fenced for regeneration purposes as approved at the January Executive. The allocated reserves are summarised in the following table.

Movements to/from Allocated Reserves £'000

Allocated Reserve	**Balance as at 1 April 2017**	**Anticipated transfer to/from reserves**	**Forecast balance as at 31 March 2018**	**Anticipated transfer to/from reserves**	**Forecast balance as at 31 March 2019**
Revenue Reserves:					
New Homes Bonus	(1,073)	878	(195)	(196)	(391)
Future Town Future Council	(180)	(11)	(191)	191	(0)

Movements to/from Allocated Reserves £'000					
Planning Delivery	(170)	170	0	0	0
Regeneration Assets	(749)	(21)	(770)	30	(740)
LAMS default	(54)	(14)	(68)	0	(68)
NDR safety net	(172)	0	(172)	0	(172)
Regeneration Reserve	0	(303)	(303)	(54)	(357)
Insurance Reserve	(97)	26	(71)	15	(56)
Town Centre	(54)	29	(25)	25	(0)
TOTAL REVENUE RESERVES	**(2,550)**	**754**	**(1,796)**	**11**	**(1,785)**
Capital Reserves:	0	0	0	0	0
Capital Reserve *	0	=+753-753	0	+720-720	0
TOTAL CAPITAL RESERVE	**0**	**0**	**0**	**0**	**0**
TOTAL ALLOCATED RESERVES	**(2,550)**	**754**	**(1,796)**	**10**	**(1,785)**

4.13.2The reserve balances shown above are prior to any 2018/19 New Homes Bonus (NHB) schemes allocations are made, see also section 4.6 above. The main reduction in reserves is the predicted use of NHB during 2017/18 and 2018/19 as some scheme funding was for more than one year.

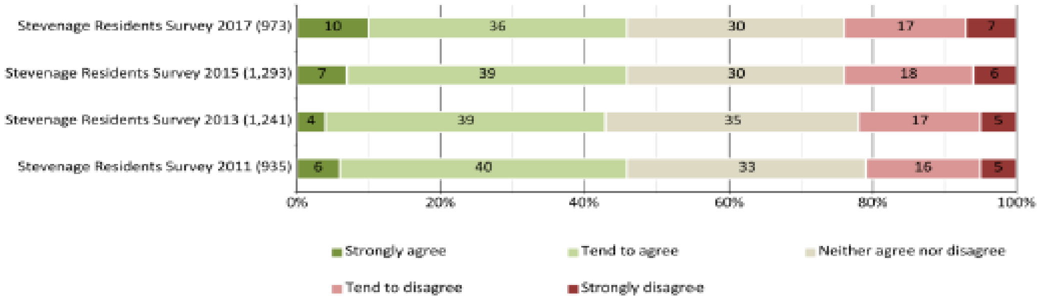
4.14 Consultation

4.14.1The Council has recently completed the bi-annual resident's survey (2017) and asked residents a number of questions relating to how the Council conducts its financial affairs. Residents were asked whether the council tax represented value for money and only 7% strongly disagreed as shown in the chart below.

Value for money

To what extent do you agree or disagree that the Council Tax paid to Stevenage Borough Council provides good value for money?

Figure 50: Responses to whether residents agree or disagree that the Council Tax paid to Stevenage Borough Council provides good value for money



4.14.2 Residents were asked how best to make the savings required by ranking the options provided from 1 to 5, with 1 being the most preferred option and 5 being the least preferred option. The results are shown in the table below

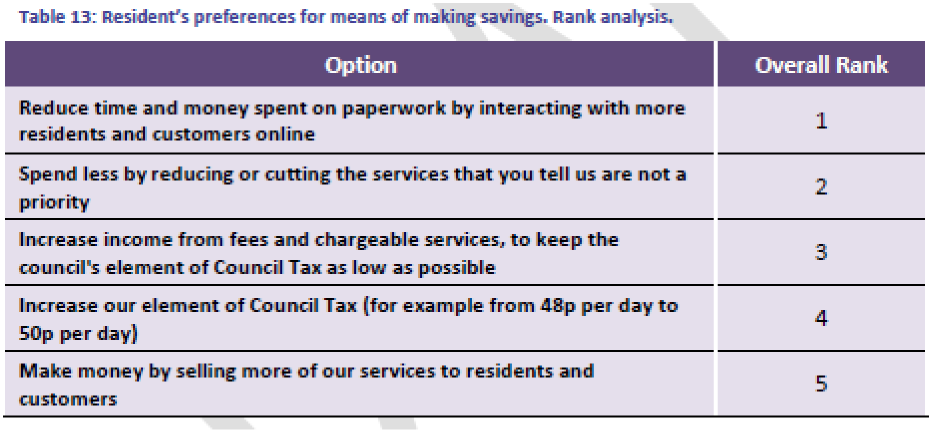


Table 13: Resident's preferences for means of making savings. Rank analysis.

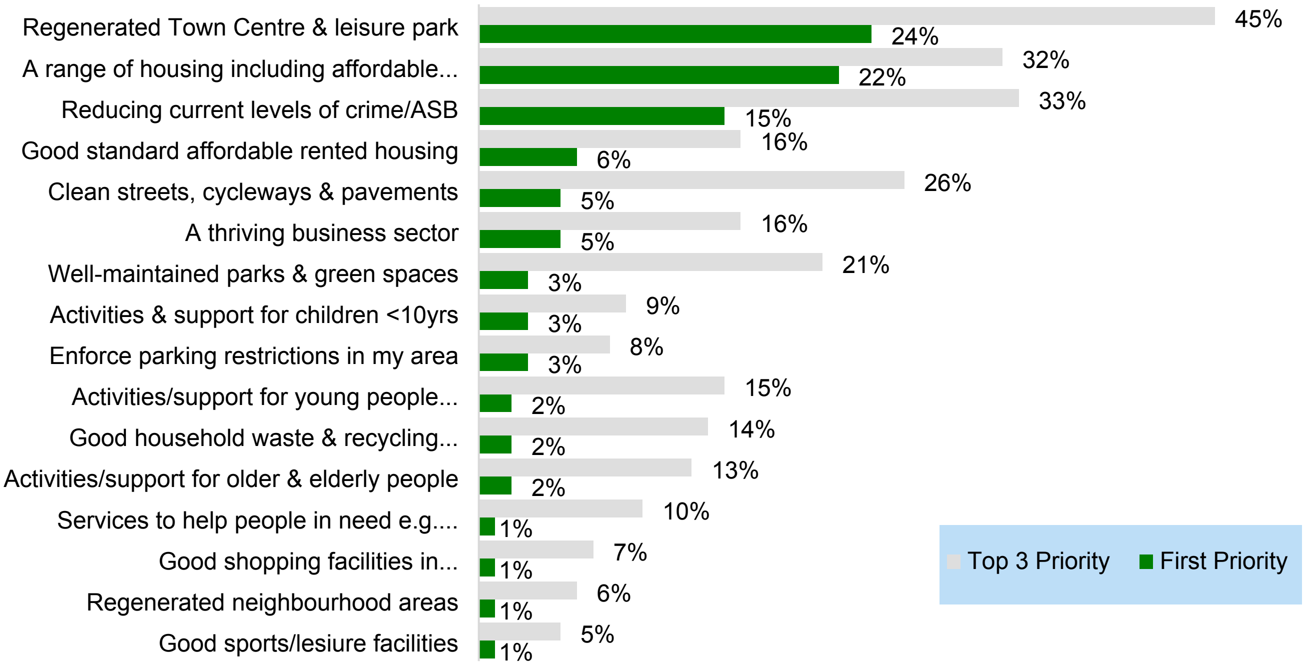
Option	Overall Rank
Reduce time and money spent on paperwork by interacting with more residents and customers online	1
Spend less by reducing or cutting the services that you tell us are not a priority	2
Increase income from fees and chargeable services, to keep the council's element of Council Tax as low as possible	3
Increase our element of Council Tax (for example from 48p per day to 50p per day)	4
Make money by selling more of our services to residents and customers	5

4.14.3 The top ranked option by residents was 'reducing paperwork and interacting with more residents on line'. The Council committed to investing £2.1Million (2017/18-2019/20) in digital improvements that should help unlock future financial security options. In addition the Council has sought to minimise the impact of reduced government funding on Stevenage residents by continuing to reduce net expenditure from some fee increases and efficiency options.

4.14.4 It is inevitable, with the level of funding reductions that increases in council tax are required to maintain the level of services the Council currently operates, however the increase of 2.99% on a Band D property represents less than 2pence per day for 2018/19.

4.14.5 During 2018/19 officers will be targeting procurement, efficiency and improving processes (three of the five Financial Security work strands) to maintain the financial stability and resilience of the General Fund.

4.14.6 The top residents' priority was Town Centre Regeneration, followed by affordable housing as shown in the following chart.



4.14.7 The growth of £470,371 for 2018/19 includes £102,090 relating to town centre regeneration, with a further £35,000 earmarked to improve the range of housing in Stevenage.

4.15 Leader's Financial Security Group

4.15.1 The LFSG 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;

1. Reviewed the GF assumptions regarding the 2018/19 onwards saving target
2. Reviewed the GF MTFS assumptions
3. Reviewed the GF 2018/19 Financial Security package
4. Reviewed the GF 2018/19 Fees and charges

4.15.2 The LFSG considered the options above and scored the Financial Security options, growth and fees and charges for inclusion in the General Fund budget.

5. IMPLICATIONS

5.1 Financial Implications

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

5.2 Legal Implications

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

5.3 Risk Implications

5.3.1 There are risk implications to setting a prudent General Fund budget if the Fees and charges (Appendix C) and Financial Security options (Appendix E) are not achieved and crucially if future options are not found to meet the targets outlined in section paragraph 3.6. The risk to financial security has also been increased as the Council's ambitions have meant significant growth bids and service pressures have been identified above the MTFS assumptions. If this trend were to continue then the General Fund balances would be substantially eroded and potentially beyond the level that would be deemed a prudent level. The Council faces considerable risks with future reductions to central government grant funding and the ever changing landscape of Local Government Finance.

5.3.2 Risk implications are dealt within the body of the report and specifically within section 4.11.

5.4 Equalities and Diversity Implications

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

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

5.1.1 These duties are non-delegable and must be considered by Council when setting the Budget in February 2018.

5.1.2 To inform the decisions about the Budget 2018/19 officers have begun Equality Impact Assessments (EqIAs) for service-related savings proposals. These are currently in draft form, since they must consider appropriate evidence and the findings of consultation with various stakeholders to inform the decision by Council in February 2018. Where there is a potentially negative impact, officers will collect further information and identify actions to mitigate the impact as far as possible. These EqIAs are summarised and attached in Appendix G with further information on the process to date and planned activity. EqIAs for future years' savings will be presented alongside the draft Budget for the relevant year.

5.1.3 An overarching EqIA will also be developed once individual EqIAs are finalised for Council in February 2018. This will consider the collective impact of the Budget on people with protected characteristics.

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

BACKGROUND DOCUMENTS

BD1 General Fund Medium Term Financial Strategy (2017/18-2021/22)
http://www.stevenage.gov.uk/content/committees/182083/182087/182091/Executive-19-September_2107-Item6.pdf
BD2 Draft General Fund and Council Tax Setting 2018/19
http://www.stevenage.gov.uk/content/committees/182083/182087/182091/Executive-23-January-2018-Item8.pdf

APPENDICES

A 2017/18 Working & 2018/19 Summary General Fund budget
B Risk Assessment of Balances 2018/19
C Fees and Charges 2018/19
D Concessions 2018/19
E Financial Security Options 2018/19
F Growth options 2018/19
G Equalities Impact Assessment General Fund and HRA
H Equalities Impact Assessment staffing
I Final Council Tax Resolution
J Robustness of Final Budget and Adequacy of Reserves.

Stevenage
BOROUGH COUNCIL

General Fund Summary

	Actual 2016/17 £	Original Budget 2017/18 £	Working Budget 2017/18 £	Original Budget 2018/19 £
Summary of Expenditure				
Portfolio:				
Community Services	10,035,062	4,915,270	4,953,090	4,696,560
Housing Services	2,406,764	1,948,380	1,993,500	2,109,980
Environmental Services	8,708,017	6,429,240	7,140,320	7,186,170
Local Community Budgets	98,441	100,800	100,800	100,800
Resources	(12,508,473)	(4,430,480)	(4,825,710)	(5,204,840)
Resources - Support	113,510	346,900	1,104,910	214,530
Trading Accounts - Direct Services * Organisation (DSO)	105,026	72,110	26,810	9,700
Net General Fund Expenditure	**8,958,347**	**9,382,220**	**10,493,720**	**9,112,900**
Government Support - Revenue Support Grant	(1,235,836)	(689,969)	(689,969)	(351,230)
Government Support - Retained Business Rates (NDR)	(2,083,727)	(2,569,654)	(2,569,654)	(2,539,149)
Transfer to/from Collection Fund (Council Tax)	(299,368)	(139,102)	(139,102)	(139,616)
Transfer to/from Collection Fund (NDR)	935,784	(478,057)	(478,057)	(30,293)
NNDR Levy	195,551	226,243	226,243	303,713
NNDR Pooling Gains	0	0	0	0
District Precept	(5,009,943)	(5,299,586)	(5,299,586)	(5,532,344)
Use of General Fund Balances	**1,460,808**	**432,095**	**1,543,595**	**823,981**
General Fund Balance:				
Balance 1 April	(7,887,792)	(5,275,280)	(6,426,984)	(4,883,389)
Use of Balances in Year	1,460,808	432,095	1,543,595	823,981
General Fund Balance 31 March	**(6,426,984)**	**(4,843,185)**	**(4,883,389)**	**(4,059,408)**
-1,460,808				
Allocated Revenue Reserves:				
Balance 1 April	(4,251,311)	(1,711,232)	(2,549,819)	(1,796,659)
Use of Balances in Year	1,701,492	427,669	753,160	11,683
Allocated Revenue Reserves Balance 31 March	**(2,549,819)**	**(1,283,563)**	**(1,796,659)**	**(1,784,976)**
Total Revenue Reserves	**(8,976,803)**	**(6,126,748)**	**(6,680,048)**	**(5,844,384)**

Council Tax Bands for 2018/19				
2.99% Increase on Band D Property:				
BAND A		132.35		136.31
BAND B		154.40		159.02
BAND C		176.46		181.74
BAND D		198.52		204.46
BAND E		242.64		249.90
BAND F		286.75		295.33
BAND G		330.87		340.77
BAND H		397.04		408.92

*** Cost fully recharged out**

APPENDIX B: RISK BASED ASSESSMENT OF THE LEVEL OF GENERAL FUND BALANCES

Potential Risk Area	**Comments including any mitigation factors**		
Income from areas within the base budget where the Council raises "Fees and Charges"	Potential risk that the budgeted level of income from activities where the Council is charging for services will not be achieved. This is anticipated largely to be as a result of the downturn in economy, but could also be as a result of poor weather, new competition. All "fees and charges" income is reviewed as part of the monthly/quarterly budget monitoring process. All budgets are profiled over the year based upon previous experience.		
		Calculated Risk	
Specific Areas	**Estimated Income**	**Likelihood Percentage**	**Balances Required**
Parking Income* (on street/offstreet)	£4,439,560	2.5%	£110,989
Development Control Income	£340,830	10%	£34,083
Land Charges Income	£90,000	20%	£18,000
Recycling Income	£646,990	2.5%	£16,175
Garages	£3,199,550	0.50%	£15,998
Trade Refuse & Skips	£942,420	0.50%	£4,712
Indoor Market	£401,260	2.50%	£10,032
Commercial Property Income	£3,300,220	2.50%	£82,506
NEW Commercial Property Income Property Fund income target not achieved	£200,000	10.00%	£20,000
Total			**£312,494**

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

Potential Risk Area	**Comments**		
Demand Led Budgets	Potential risk that spending on parts of the budget where the Council has a legal duty to provide the service increases significantly. Individual budgets reviewed as part of the monthly budget monitoring process. All budgets are profiled over the year based upon previous experience and so any variances should show up during the year.		
		Calculated Risk	
Specific Areas	**Estimated Exposure**	**Likelihood Percentage**	**Balances Required**
Housing Benefit maximum risk based on not meeting threshold for Local Authority errors.	£180,000	25%	£45,000
Loss of Business Rates yield	£2,474,490	maximum loss (7.5%) less loss of S31 grant	£156,345
Lower S31 Grants than anticipated which means the NNDR yield would be higher but would not be returned to the General Fund until 2019/20.	£292,420	10%	£29,242
Increase in bad debts as a result of welfare reform proposals (reduction cap and tax changes)	£549,703	5%	£27,485
Increase in the Apprenticeship levy if TV rate not met and pay costs increase.	£504,052	0.5%	£2,520

Potential Risk Area	**Comments**		
Demand Led Budgets continued	Potential risk that spending on parts of the budget where the Council has a legal duty to provide the service increases significantly. Individual budgets reviewed as part of the monthly budget monitoring process. All budgets are profiled over the year based upon previous experience and so any variances should show up during the year.		
		Calculated Risk	
Specific Areas	**Estimated Exposure**	**Likelihood Percentage**	**Balances Required**
NEW Building Control company profit forecasts not met in 2018/19	£85,940	25%	£21,485
NEW Costs associated with Town Centre Regeneration not budgeted for	£250,000	50%	£125,000
Total			**£407,077**

Potential Risk Area	**Comments including any mitigation factors**		
Changes since budget was set	Potential risk that things change since the budget estimates were made and the estimates are then under budgeted for.		
		Calculated Risk	
Specific Areas	**Estimated Exposure**	**Likelihood Percentage**	**Balances Required**
Transitional Vacancy Rate 4.5%	£543,677	5.00%	£27,184
Less staff time charged to capital than budgeted	£415,690	10.00%	£41,569
Increase in staffing the pension scheme due to auto enrolment (based on % of salary costs not pensioned)	£251,766	5.00%	£12,588
Contractual inflation 1% increase	£245,700	25.00%	£24,768
Utility and fuel inflation usage/costs increase	£871,170	5.00%	£43,559
NEW Borrowing costs will be higher than estimated	£132,940	0.25% increase in basis points	£7,692
NEW Business Unit Reviews (BUR)implementation costs/restructure costs increases the pay bill (% of pay bill for the General Fund)	£16,816,625	0.50%	£84,083
Total			**£241,443**

Potential Risk Area	**Comments including any mitigation factors**		
Other Risks	Potential risk that savings options will not be realised as a result of delay or unforeseen circumstances.		
		Calculated Risk	
Specific Areas	**Estimated Exposure**	**Likelihood Percentage**	**Balances Required**
Savings Options	£342,399	2.00%	£6,848
Total			**£6,848**

Potential Risk Area	Comments including any mitigation factors		
Estimated balances required for any over spend or under -recovery of expenditure and income	This calculation replaces the calculation based on Net Expenditure		
		Calculated Risk	
Specific Areas	**Estimated Exposure**	**Likelihood Percentage**	**Balances Required**
Gross Income (excludes specific income listed above)	£48,420,060	1.50%	£726,301
Gross Expenditure	£71,093,790	1.50%	£1,066,407
Total			**£1,792,708**

Level of Balances Assumed in General Fund Based on risk	**£2,760,570**

Stevenage BOROUGH COUNCIL

APPENDIX C

FEES AND CHARGES -RECOMMENDED FEE INCREASES FOR 2018/19 APPENDIX C

Service	Fees and Charges for 2018/19	2017/18 Price £	2018/19 Price £	Increase £	% Increase	Total Budget 2017/18 £	Income changes previously reported £	Other Changes or pressures identified (not yet reported)	Income (Reduction) / Increase	Total Budget 2018/19 £	Fee Principles Applied (Y/N)	Options considered/Rationale	Benchmarking Information	Date of Price Increase
Car Parks:												The British Retail Federation is still reporting that nationally there is a continuing reduction in retail activity by shoppers in Town Centres. The opening of Debenhams on the Roaring Meg Retail Park may impact footfall, and despite the enforcement regimes imposed earlier this year at ASDA and Teco we have seen little positive effect of car park usage.Our minumum increase is 10p (machine acceptance). Railway parking continues to be popular despite the premium price improvements to the train station/platforms are complete and should ensure this continues. Future regen and the impact on car park spaces will need to be balanced with the demand for railway parking. **Proposals are: Short Stay** - 10p on the up to 1 hour band - 10p increase on 2 hour band - 50p increase in the up to 5 hour Band *Note that potential increases may attract some level of opposition should the national economic - and retail - position worsen.* **Proposals are: Long Stay** - increase of 10p in the Long Stay this is the minimum rise available and reflects some resistance to last years increase. - note income from night-time parking arrangments with local hotels (see below) - increases to weekday railway parking tariffs by 50p (see comments above) - alternative options (higher and lower) for Season Ticket increases were discussed; the amounts shown were the preferred option of LFSG members	The pricing comparisons are based on current prices and do not reflect any increases in the new year. Welwyn, Bedford, and North Herts short stay charges vary between £1.40 and £4.00 for the first hour and two hour fees. St Albans charge £2.80 up to 2 hrs. and Welwyn 1.50 up to 2 hrs. (there is no 1hr fee) Town Centre Parking 'Long Stay' varies from £5.50 to £8.00 in Bedford depending on distance from the centre. The fees are £5.00 in Welwyn £5.00 to £7.40 in St Albans and up to £10.00 in Milton Keynes. Currently there is demand for long stay parking driven by new residences and some greater demand from construction workers. Railway Parking is charged at £8.00 in Bedford, £5.00 in Welwyn, £5.30 to £10.60 in St Albans and £10.00 in Milton Keynes. Our offer is still mid range for the larger stations.	
New Town:	7am-7pm (6am-7pm at St Georges only) :													
Short Stay (The Forum, Marshgate, Westgate, St Georges)	Mon-Saturday up to 30 Mins (St Georges & Westgate only)	n/a	**£0.50**	n/a	n/a				-£25,000					
	Mon-Saturday up to 1 hour	£1.60	**£1.70**	£0.10	**6.25%**				£26,000		Y			
	Mon-Saturday up to 2 hours	£2.20	**£2.30**	£0.10	**4.55%**				£10,000		Y			
	Mon-Saturday up to 3 hours	£3.00	**£3.00**	£0.00	**0.00%**						Y			
	Mon-Saturday up to 5 Hours	£3.00	**£3.50**	£0.50	**16.67%**				£17,000		Y			
	Sunday	£2.00	**£2.00**	£0.00	**0.00%**						Y			
	Night Parking 7pm to 7am	£2.00	**£2.00**	£0.00	**0.00%**						Y			
Total Short Stay						**£1,370,760**			**£28,000**	**£1,398,760**				
Long stay Southgate and St Georges' Car Park charge the £4.40/£4.50 tariff from 6am	Mon-Fri before 8.30am	£7.00	**£7.00**	£0.00	**0.00%**						Y			
	Mon-Fri 8.30am to 7pm	£4.40	**£4.50**	£0.10	**2.27%**				£2,500		Y			
	Saturday 6am - 6pm	£4.40	**£4.50**	£0.10	**2.27%**									
	Sunday	£2.00	**£2.00**	£0.00	**0.00%**						Y			
	Night Parking (7pm to 6am or 6pm - 6am)	£2.00	**£2.00**	£0.00	**0.00%**						Y			
Total Long Stay						**£835,390**			**£2,500**	**£837,890**				
Railways	Mon-Fri 4am to 4am	£7.00	**£7.50**	£0.50	**7.14%**	£675,000			£40,000		Y			
Railways	Saturday	£6.50	**£6.50**	£0.00	**0.00%**	£66,000					Y			
Railways	Sunday	£6.00	**£6.00**	£0.00	**0.00%**	£75,000					Y			
Total Railways						**£816,000**			**£40,000**	**£856,000**				
Season Tickets	New Town (price per month)	£79.20	**£80.00**	£0.80	**1.01%**				£5,000		Y			
	Blue Badge Holders (Season Ticket, **price per Annum**)	£30.00	**£35.00**	£5.00	**16.67%**	£381,500								
	Rail (price per month)	£130.00	**£135.00**	£5.00	**3.85%**				£6,000		Y			
Season Tickets SubTotal						**£381,500**			**£11,000**	**£392,500**				
New Town GRAND TOTAL						**£3,403,650**	**£0**	**-£65,000**	**£81,500**	**£3,420,150**				
Old Town: **Primett Rd North**	Monday - Saturday 0600-1600 hours											Old Town short stay tariffs were frozen last year. An increase of 10p across all stay bands was felt to be sustainable at this point in time. The Long Stay charges have increased by 20p every year for the past three and it is felt that the increase is sustsainable and maintains a similar diifferential to the Railways. (this car park is used by commuters)		**01 January 2018**
	up to one hour	£0.90	**£1.00**	£0.10	**11.11%**						Y			
	up to two hours	£1.40	**£1.50**	£0.10	**7.14%**						Y			
	up to three hours	£1.70	**£1.80**	£0.10	**5.88%**						Y			
	More than three hours	£5.00	**£5.00**	£0.00	**0.00%**						Y			
Primett Rd South	Monday-Friday													
	0600-1600hrs	£2.60	**£2.80**	£0.20	**7.69%**						Y			
	1600-0600hrs	£0.30	**£0.50**	£0.20	**66.67%**						Y			
	Saturday 0600-1600:													
	up to one hour	£0.90	**£1.00**	£0.10	**11.11%**						Y			
	up to two hours	£1.40	**£1.50**	£0.10	**7.14%**						Y			
	up to three hours	£1.70	**£1.80**	£0.10	**5.88%**						Y			
	More than three hours	£2.40	**£2.60**	£0.20	**8.33%**						Y			
	Saturday 4pm-Monday 6am	£0.30	**£0.50**	£0.20	**66.67%**						Y			
Church Lane North	Mon-Sat 0600-1600hrs													
	up to one hour	£0.90	**£1.00**	£0.10	**11.11%**						Y			
	up to two hours	£1.40	**£1.50**	£0.10	**7.14%**						Y			
	up to three hours	£1.70	**£1.80**	£0.10	**5.88%**						Y			
	More than three hours	£2.40	**£2.60**	£0.20	**8.33%**						Y			
	Saturday 4pm-Monday 6am	Free	**Free**								Y			
Season Tickets	Old Town (price per month)	£43.50	**£45.00**	£1.50	**3.45%**						Y			
Old Town GRAND TOTAL						**£151,440**	**£0**	**£0**	**£14,560**	**£166,000**				
Car Parks:	**Business Tokens/ Commercial Income**	various	**various**			£135,000	£20,000		£9,000	£164,000	Y	Income from "Business Validations" (Hotels, Mecca Bingo, SLL, Waitrose)		
Loss of income due to price increase					**7.50%**				-£8,000	-£8,000	Y	Assume 7.5% attrition rate; above inflation increases, pressures on income levels due to recent retail closures; previous years' analysis suggests a higher attrition rate is prudent.		
TOTAL "All Off Street Car Parks"						**£3,690,090**	**£20,000**	**-£65,000**	**£97,060**	**£3,742,150**				

Stevenage BOROUGH COUNCIL

FEES AND CHARGES -RECOMMENDED FEE INCREASES FOR 2018/19 APPENDIX C

Service	Fees and Charges for 2018/19	2017/18 Price £	2018/19 Price £	Increase £	% Increase	Total Budget 2017/18 £	Income changes previously reported £	Other Changes or pressures identified (not yet reported)	Income (Reduction) / Increase	Total Budget 2018/19 £	Fee Principles Applied (Y/N)	Options considered/Rationale	Benchmarking Information	Date of Price Increase
On Street Parking											Y			01 January 2018
Town Centre	up to 30 mins	£0.50	**£0.60**	£0.10	**20.00%**	£83,870	£18,130	£18,200	£4,800	**£125,000**	Y			
	Up to 1 Hour	£1.60	**£1.70**	£0.10	**6.25%**						Y			
	Up to 2 Hours	£2.10	**£2.50**	£0.40	**19.05%**									
	Up to 3 Hours	£3	**£3.20**	£0.20	**average of 8%**									
	Up to 4 Hours	£3.80	**£4.00**	£0.20										
	Up to 5 Hours	£4.50	**£5.00**	£0.50							Y			
	Over 5 hours	£7.00	**£9.00**	£2.00	**28.57%**						Y			
Corey's Mill Lane	up to 1 hr £1.00 up to 2 hrs £1.50 up to 3 hrs (max stay) £2.00	various	**no change**	£0.00	**0.00%**	£135,200	£72,800		£0	**£208,000**	Y			
On Street Parking Total						**£219,070**	**£90,930**	**£18,200**	**£4,800**	**£333,000**	Y			
Garages:	Standard Garage (Category A)	£10.35	**£10.80**	£0.45	**4.35%**	£3,033,000	£100,000		£112,000	£3,245,000	Y	Price increases proposed take into account the Garage Business Plan built-in rent increases, plus the requested inflationary increase to match RPI (approx 3.7%). This gives the overall increases shown in income changes previously reported. In addition, it is proposed to increase the rents of commercial garages by around 4.5% . The council currently rent out around 50 commercial garages, with weekly rents ranging from £13 to £15 per week, and a single large double garage rented at £60 per week.	Based on RPI plus Garage Business Plan guidance.	**01 April 2018 (In line with Housing rent increases)**
	Standard Garage (Category B)	£10.25	**£10.70**	£0.45	**4.39%**						Y			
	Standard Garage (Category C)	£10.15	**£10.50**	£0.35	**3.45%**						Y			
	Road Facing Garages	£11.10	**£11.60**	£0.50	**4.50%**						Y			
Garages Total						**£3,033,000**	**£100,000**	**£0**	**£112,000**	**£3,245,000**	Y			
Markets:		various	**various**		**3.70%**	£450,750		-£31,240	£12,990	£432,500	Y	RPI based increase in rents across the board proposed. This would increase weekly rents by around £2.50-£4.00 on the vast majority of stalls within the market. Since April 2017, the unilateral agreement on stalls selling the same items has been lifted. To date, this has been moderately successful in increasing lettings. However, voids have remained relatively stable at 20% (27 stalls) over the last few months. Since the middle of April 2017, a discounted parking fee of 50p/30 mins has been introduced to try to attract footfall to the market. Overall, however, footfall at the market continues to fall, and a budget pressure of £31k has been reported during 2017/18 monitoring.	A new strategy to revitalise the market was introduced during the last twelve months. Void levels have stabilised, but in order to make the market economically viable, void levels need to decrease. Over the past three years, rent increases have been suppressed in an attempt to maintain the current traders/attract new traders. Increases of 2.4%, 1.2% and 1.2% have been applied in the last three years.	**01 January 2018**
Markets Total						**£450,750**	**£0**	**-£31,240**	**£12,990**	**£432,500**	Y			
Bulky Waste:											Y	Higher increase to cost to offset increase in disposal fees.	Latest as at 2016/17 - Benchmarked against other Local Authorities. North Herts. £75.10, Watford £58, Broxbourne £67 and Dacorum £50 for 6 items. Cancellation fee to be keep increased.	**01 January 2018**
	6 Items	£63.00	**£66.00**	£3.00	**4.76%**	£97,190			£4,310	£101,500	Y			
	Cancellation Fee	£10.00	**£10.00**	£0.00	**0.00%**						Y			
Bulky Waste Total						**£97,190**		**£0**	**£4,310**	**£101,500**	Y			
Cemeteries:		various	**various**			£186,530		-£34,530	£25,000	£177,000	Y	A separate report has been prepared by the Cemetery Team detailing current charges, usage and income. 25% increase approved by LFSG, phased over two years. In addition, "Non Resident Fees" recommended to increase from Double to Triple.	There is also a benchmarking table comparing our fees with other local authorities. Overall, SBC charges are amongst the lowest. As a result, proposals will be made to increase fees by at least 10%.	**01 January 2018**
Cemeteries Total						**£186,530**		**-£34,530**	**£25,000**	**£177,000**	Y			
Parks and Open Spaces:	3.7% increase on the budget agreed by manager	various	**various**			£119,170		-£9,170	£8,400	£118,400	Y	Proposed increase of 3.7% across all functions. Agreed increases for "old users of pavilions" (as per the agreement made last year) should also be implemented - further details on "Concessions" tab.		**01 January 2018**
Parks and Open Spaces Total						**£119,170**		**-£9,170**	**£8,400**	**£118,400**	Y			
Allotments:	Price per rod	£8.50	**£8.50**	£0.00	**0.00%**	£23,120				**£23,120**	Y	No increase proposed; some people have given up their allotment within the last year.	For this year, it is proposed that allotment rents are not increased in 2017, for the following reasons: **Previous Increases:** allotment charges have increased by around 10% every year for a number of years. These increases were intended to help raise the level of income associated with the allotment service, but the increase has been well over the inflation rate. Rates were frozen last year, and the same proposal is made for 2018/19. **Benchmarking**: Stevenage has gone from having one of the cheapest allotment rents in Hertfordshire to now having the third highest.	**01 January 2018**
	5 Rod allotment	£42.50	**£42.50**	£0.00	**0.00%**						Y			
	10 Rod allotment	£85.00	**£85.00**	£0.00	**0.00%**						Y			
Allotments Total						**£23,120**			**£0**	**£23,120**	Y			

Stevenage
BOROUGH COUNCIL

FEES AND CHARGES -RECOMMENDED FEE INCREASES FOR 2018/19 APPENDIX C

Service	Fees and Charges for 2018/19	2017/18 Price £	2018/19 Price £	Increase £	% Increase	Total Budget 2017/18 £	Income changes previously reported £	Other Changes or pressures identified (not yet reported)	Income (Reduction) / Increase	Total Budget 2018/19 £	Fee Principles Applied (Y/N)	Options considered/Rationale	Benchmarking Information	Date of Price Increase
Fishing	Adult Day Ticket	£8.00	**£8.00**	£0.00	**0.00%**						Y	After taking into consideration benchmarking no increase is being proposed.	Latest as at 2016/17 - Benchmarked against Stanborough Lakes, WGC. £7 per fishing rod, £5 for juniors, but also required to pay for car parking at site. No increase as higher than Stanborough Lakes WGC	**01 January 2018**
	Junior Day Ticket	£6.00	**£6.00**	£0.00	**0.00%**						Y			
	Night Fishing	£18.00	**£18.00**	£0.00	**0.00%**						Y			
	Average of above	*£10.67*		£0.00	**0.00%**	**£5,000**				**£5,000**	Y			
Fishing Total						**£5,000**	**£0**		**£0**	**£5,000**	Y			
Planning:	**Major development**					£35,500			£8,000	£43,500	Y	This was a new charge introduced for 2011/12. The fees were increased in 2013/14 and significantly in 2016. There was no increase in 2017. The proposed increase reflects that we have had the busiest three months for planning application in our history and demand remains high given the atractiveness of Stevenage for developers. [**Some of the percentage increases look artificially high; however, this is distorted by a VAT adjustment that has occurred. The actual increases to paying customers will be lower - in the "10%" region rather than 30%+.**]	Latest as to date 2017/18 - NHDC large scale complex developments are £3,000 and other large developments £1,500. East Herts charge bespoke amounts for major applications and £450 to £700 minor proposals. Welwyn charge between £1000 to £1500 for 25 units. . SBC's new charges went live in Jan 2016 and the market has tolerated them, given the previous sizeable increase it is proposed to increase the fees every other (Jan 18/20/22) year subject to market conditions.	**01 January 2018**
	100+ residential units, 6000+sqm of commercial /change of use or where the site is 3ha+ PER 100 units /6000sqm/3ha or part of.	£3,000.00	**£3,600.00**	£600.00	**20.00%**						Y			
	25-99 residential units, 2001-5999sqm of commercial /change of use or where the site is 1ha-3ha.	£3,000.00	**£3,600.00**	£600.00	**20.00%**						Y			
	Development requiring an EIA if not within the above categories	£2,500.00	**£3,500.00**	£1,000.00	**40.00%**						Y			
	Other Major Developments										Y	Harmonising the rates with the other bands for this scale of development.		
	Provision of 10-24 dwellings or where the site is between 0.5ha and 1ha.	£1,500.00	**£2,100.00**	£600.00	**40.00%**						Y			
	Change of use or provision of 1001sqm - 2000sqm of commercial floor space or on a site with an area exceeding 1ha.	£1,500.00	**£2,100.00**	£600.00	**40.00%**						Y			
	Minor Development										Y			
	Single dwelling/replacement dwelling	£150.00	**£210.00**	£60.00	**40.00%**						Y			
	2-5 dwellings	£300.00	**£420.00**	£120.00	**40.00%**						Y			
	6-9 dwellings	£840.00	**£1,075.00**	£235.00	**27.98%**						Y			
	Change of use of buildings/new commercial buildings with a floor space between 0-500sqm or on a site with an area up to 0.5ha.	£150.00	**£210.00**	£60.00	**40.00%**						Y			
	Change of use of buildings/new commercial buildings with a floor space between 501sqm and 1000sqm or on a site with an area between 0.5ha and 1 ha	£500.00	**£700.00**	£200.00	**40.00%**						Y			
	Householder										Y			
	Domestic extensions, conservatories etc. and alterations to residential properties.	£50.00	**£62.50**	£12.50	**25.00%**						Y			
	Specialist Advice										Y			
	Works to listed buildings Developments affecting a conservation area	£100.00	**£150.00**	£50.00	**50.00%**						Y			
	Advertisements										Y			
	Per Site	£50.00	**£62.50**	£12.50	**25.00%**						Y			
Planning Total						**£35,500**	**£0**		**£8,000**	**£43,500**	Y			

FEES AND CHARGES -RECOMMENDED FEE INCREASES FOR 2018/19 APPENDIX C

Service	Fees and Charges for 2018/19	2017/18 Price £	2018/19 Price £	Increase £	% Increase	Total Budget 2017/18 £	Income changes previously reported £	Other Changes or pressures identified (not yet reported)	Income (Reduction) / Increase	Total Budget 2018/19 £	Fee Principles Applied (Y/N)	Options considered/Rationale	Benchmarking Information	Date of Price Increase
Trade Refuse:	Increase in fees to cover additional increase in disposal costs (example of pricing shown, 1100 litre bin)	£18.65	**£19.60**	£0.95	**5.09%**	**£616,690**			**£30,800**	**£647,490**	Y	Overall prices will be increased by an average of 5%; however, disposal costs and landfill tax increases will account for around a third of the increase in fees.	Trade Waste has a multitude of different charges. It is not prudent to publish these in full as we are in competition with private contractors. However, we do ensure our prices are competitive, whilst also trying to maximise income for the Council.	**01 January 2018**
Clinical Waste:	Increase in fees to cover additional increase in disposal costs example of pricing shown Clinical box)	£10.50	**£11.05**	£0.55	**5.24%**	**£55,080**			**£2,700**	**£57,780**	Y	Higher increase to offset any increase in disposal and gate fees.	Latest as at 2016/17 - Benchmarked against SRCL.	**01 January 2018**
Skips:	Increase in fees to cover additional increase in disposal costs (example of pricing shown 6yard skip)	£249.60	**£262.00**	£12.40	**4.97%**	**£194,470**		**-£47,000**	**£7,500**	**£154,970**	Y	Higher increase to offset any increase in disposal and gate fees. This operational area will be highlighted as an area for the Council's new Commercial Manager to focus upon. **The manager has highlighted a probable shortfall in income in the current year; overall, this is likely to be a NET loss of income of around £47,000 (after a reduction in some costs related to lower volumes).**	Latest as at 2016/17 - Benchmarked against other providers such as Stevenage Skip Hire £235.	**01 January 2018**
Transfer Station:	Increase in fees to cover additional increase in disposal costs example of pricing shown, medium panel van)	£173.10	**£181.50**	£8.40	**4.85%**	**£70,560**			**£3,000**	**£73,560**	Y	Higher increase to offset any increase in disposal and gate fees. This operational area will be highlighted as an area for the Council's new Commercial Manager to focus upon.	Latest as at 2016/17 - Benchmarked against a Transfer Station for Mixed non-hazardous waste £178.	**01 January 2018**
Increase disposal cost of waste for Trade, Clinical, Skips and Transfer Station:						**-£360,460**			**-£18,000**	**-£378,460**	Y	Projected Trade Waste Recharges (Disposal costs) of 5% are indicative percentage received from HCC for the purposes of providing an approximate level of charge.		**01 January 2018**
Hackney Carriages:						**£23,500**			**£0**	**£23,500**	Y	Current charges were set in 2014 and are due for review. A further review will be undertaken in 2018 to ensure that income is maximised as far as permitted by legislation (SBC is unable to recover the cost of enforcement against drivers). The review has been delayed due to significant changes in method of delivery which will impact on costs and needs a full year to be quantified.	Not applicable, cost recovery only.	**01 January 2018**
Environmental Health & Licensing:	**Housing Act 2004**				**2.20%**	**£11,410**			**£340**	**£11,750**	Y	It is proposed that the charge for the processing and issuing of Houses in Multiple Occupation (HMO) licences and the service of Housing Act notices be increased to reflect the time spent by officers on these activities. An additional charge is proposed for cases where a licence is only applied for after local authority intervention.	Not applicable, cost recovery only.	**01 January 2018**
	Licence for Houses in Multiple Occupation (HMO)	£696.00	**£708.00**	£12.00	**1.72%**									
	Service of Housing Act Notices	£372.00	**£382.00**	£10.00	**2.69%**									
Environmental Health & Licensing:	**Food Premises**	various	**various**	£0.00	**0.00%**	**£10,790**				**£10,790**	Y	Cost recovery only		**01 January 2018**
	Destruction Certificate	£125.00	**£125.00**	£0.00	**0.00%**									
	Health Certificate	£102.00	**£102.00**	£0.00	**0.00%**									
Environmental Health & Licensing:	Licensing including, Acupuncture, sex establishments, street trading etc.	various	**various**		**0.00%**	**£12,890**				**£12,890**	Y	The majority of fees are set by legislation; the remainder can only be charged at a level which recovers the cost of administration (excluding enforcement).	Not applicable, cost recovery only.	**01 January 2018**
Housing General Fund:	**Careline Alarm- private (Shortfall funded from General Fund)**	various	**various**	various	**Approx. 3.70%**	**£105,000**			**£4,000**	**£109,000**	Y	This budget relates to private careline tenants and any increase in income means the General Fund subsidy is reduced.		
	Sub Totals						**£210,930**	**-£168,740**	**£302,900**					

Where there are multiple fees in a service area, an example has been given to demonstrate the price increases

NET INCREASE from Fees & Charges	***£134,160***
Target (as per MTFS)	***£296,594***
Variance	***-£162,434***

CONCESSIONS 2018/19 APPENDIX D

Stevenage
BOROUGH COUNCIL

																Current Qualification for Concession		
Service	Scoring (scale of 0-3, with 0 = No you do not agree to 3 = Strongly	Fees and Charges for 2016/17	Concessionary Price 2016/17	Value of Concession 2016/17	Concession as a Percentage 2016/17	Fees and Charges for 2017/18	Concessionary Price 2017/18	Value of Concession 2017/18	Concession as a Percentage 2017/18	Concessionary Price Increase % 2017/18	Fees and Charges for 2018/19	Concessionary Price 2018/19	Value of Concession 2017/18	Concession as a Percentage 2017/18	Concessionary Price Increase % 2018/19	Age related	Benefit Recipients	Other
Allotments (fees shown are an average total fee based on average plot size)		£21.25	£13.81	£7.44	35%	£20.00	£15.00	£5.00	25%	**8.60%**	£20.00	£15.00	£5.00	25%	0.00%		Disability Living Allowance/Job Seekers Allowance Employment Support Allowance/Attendance Allowance/Income Support/Housing Benefit/Council Tax Support	No concession given
Bulky Waste (Only available to Stevenage Residents)																	Disability Living Allowance Job Seekers Allowance Employment Support Allowance Attendance Allowance Income Support Housing Benefit Council Tax Support State Pension	No concession given
- Household Junk per 6 items		£60.00	£39.00	£21.00	35%	#REF!	#REF!	#REF!	#REF!	**#REF!**	£66.00	£49.50	£16.50	25%	#REF!			
- Garden Waste per bag		£6.05	£3.93	£2.12	35%	£6.17	£4.63	£1.54	25%	**17.77%**	£6.40	£4.80	£1.60	25%	3.71%			
Football/Rugby Pitches (Single Match Bookings)																	No concession given	Junior Football (Under 18), Scout, Brownies and Cub Groups, Stevenage Schools
- With Shower (Adult Price & Junior Price)		£65.61	£42.65	£22.96	35%	£67.25	£50.44	£16.81	25%	**18.27%**	£69.75	£52.31	£17.44	25%	3.72%			
- Without Shower (Adult Price & Junior Price)		£55.74	£36.23	£19.51	35%	£57.13	£42.85	£14.28	25%	**18.27%**	£59.20	£44.40	£14.80	25%	3.62%			
Ridlins Athletic Track (service used by concessionary users only)																	No concession given	Juniors (Under 18), Faith Groups, Stevenage Schools, Stevenage Schools Discount
- Track Use (per person - per session)		£4.52	£2.94	£1.58	35%	£4.63	£3.47	£1.16	25%	**18.27%**	£4.78	£3.59	£1.20	25%	3.17%			
- With floodlights (Club Hire)		£54.37	£35.34	£19.03	35%	£55.73	£41.79	£13.93	25%	**18.27%**	£57.50	£43.13	£14.38	25%	3.19%			
- Without floodlights (Club Hire)		£39.77	£29.83	£9.94	25%	£40.76	£30.57	£10.19	25%	**2.50%**	£42.25	£31.69	£10.56	25%	3.64%			
- Meetings		£49.32	£36.99	£12.33	25%	£50.56	£37.92	£12.64	25%	**2.50%**	£52.50	£39.38	£13.13	25%	3.85%			
Pavilions (per hour)												**Please see separate sheet for details of charges for "existing Paviillion users"**					No concession given	
Small Pavilion Hall		£15.00	£9.75	£5.25	35.00%	£15.38	£11.53	£3.84	25%	**18.27%**	£15.90	£11.93	£3.97	25%	3.46%			SNH Athletic Club Community Groups Reduced rate for all the above if they block book

CONCESSIONS 2018/19 APPENDIX D

																Current Qualification for Concession		
Service	**Scoring (scale of 0-3, with 0 = No you do not agree to 3 = Strongly**	**Fees and Charges for 2016/17**	**Concessionary Price 2016/17**	**Value of Concession 2016/17**	**Concession as a Percentage 2016/17**	**Fees and Charges for 2017/18**	**Concessionary Price 2017/18**	**Value of Concession 2017/18**	**Concession as a Percentage 2017/18**	**Concessionary Price Increase % 2017/18**	**Fees and Charges for 2018/19**	**Concessionary Price 2018/19**	**Value of Concession 2017/18**	**Concession as a Percentage 2017/18**	**Concessionary Price Increase % 2018/19**	**Age related**	**Benefit Recipients**	**Other**
Small Pavilion Hall - Not for Profit (Existing Clients)		£15.00	£10.55	£4.45	29.7%	£15.38	£11.53	£3.84	25%	**9.30%**	£15.90	£11.93	£3.97	25%	3.46%			Juniors (Under 17) Scout, Brownies and Cub Groups Toddler and Play Groups
Large Pavilion Hall		£50.00	£32.50	£17.50	35.00%	£51.25	£38.44	£12.81	25%	**18.27%**	£53.00	£39.75	£13.25	25%	3.41%			SNH Athletic Club Community Groups Reduced rate for all the above if they block book
Large Pavilion Hall - Not for Profit (Existing Clients)		£50.00	£10.55	£39.45	78.9%	£15.38	£11.53	£3.84	25%	**9.30%**	£53.00	£13.40	£39.60	75%	16.21%			Juniors (Under 17) Scout, Brownies and Cub Groups Toddler and Play Groups
Bandley Hill Play centre (per hour)																	**Budget Manager has expressed a desire to limit increases at the Play Centres to 2% as the groups who use them are not-for-profit. An attached sheet gives the breakdown of users.**	Concessionary rates agreed by Committee Meeting
Small Hall		£15.00	£9.75	£5.25	35%	£15.38	£11.53	£3.84	25%	**18.27%**	£15.90	£11.77	£4.13	26%	2.07%			
Medium Hall - Voluntary Organisations - groups & clubs		£25.00	£16.25	£8.75	35%	£25.63	£19.22	£6.41	25%	**18.27%**	£26.55	£19.61	£6.94	27%	2.04%			
Medium Hall - Not for profit		£25.00	£16.25	£8.75	35%	£25.63	£19.22	£6.41	25%	**18.27%**	£26.55	£19.61	£6.94	27%	2.04%			
Pin Green Play centre (per hour)																	No concession given	Concessionary rates agreed by Committee Meeting
Small Hall - Voluntary Organisations - groups & clubs		£15.00	£9.75	£5.25	35%	£15.38	£11.53	£3.84	25%	**18.27%**	£15.90	£11.77	£4.13	26%	2.07%			
Small Hall		£15.00	£9.75	£5.25	35%	£15.38	£11.53	£3.84	25%	**18.27%**	£15.90	£11.77	£4.13	26%	2.07%			
St Nicholas Play centre (per hour)																	No concession given	Concessionary rates agreed by Committee Meeting
Small Hall		£15.00	£9.75	£5.25	35%	£15.38	£11.53	£3.84	25%	**18.27%**	£15.95	£11.77	£4.18	27%	2.07%			
Medium Hall		£25.00	£16.25	£8.75	35%	£25.63	£19.22	£6.41	25%	**18.27%**	£26.55	£19.61	£6.94	27%	2.04%			
Large Hall		£50.00	£32.50	£17.50	35%	£51.25	£38.44	£12.81	25%	**18.27%**	£53.00	£39.24	£13.76	26%	2.09%			
Animal Control - Stray Dogs																	The concessionary rate of 25% shall apply in domestic premises where the occupant (occupant includes the partner, but does not include other members of the household or other residents) is in receipt of: Income support Job seekers allowance (income based) Guaranteed pension credit Council tax benefit (not single person's discount) Housing benefit	No concession given
- Admin Charge		£25.00	£18.75	£6.25	25%	£25.00	£18.75	£6.25	25%	**0.00%**	£26.00	£19.50	£6.50	25%	4.00%			
- Admin Charge (if dog is micro-chipped)		n/a	n/a	n/a	n/a	£12.50	£9.38	£3.13	25%	**n/a**	£13.00	£9.75	£3.25	25%	n/a			
- Return of Dogs to owners premises		£35.00	£26.25	£8.75	25%	£35.00	£26.25	£8.75	25%	**0.00%**	£40.00	£30.00	£10.00	25%	14.29%			
- Kennelling		£23.00	£17.25	£5.75	25%	£15.00	£11.25	£3.75	25%	**-34.78%**	£15.00	£11.25	£3.75	25%	0.00%			

STEVENAGE BOROUGH COUNCIL **FINANCIAL SECURITY OPTIONS** **APPENDIX E**

FINANCIAL SECURITY OPTIONS 2018/19 - 2022/22

(Key- figures expressed as a negative value in the savings column are a

Ref No	score	Assistant Director	Name of Service	Description of Savings Proposal	Budget 2017/18	Actual 2016/17	Implementation Costs	Financial Security Option in 2018/19	Financial Security Option in 2019/20	Financial Security Option in 2020/21	Financial Security Option in 2021/22	Ongoing (Y/N) or No of	Statutory Function (Y/N)	Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures).	Potential Timing	£ General Fund Year 1	£ General Fund Year 2	£ HRA Year 1	£ HRA Year 2
																361,105	**482,811**	**2,822**	**2,822**
CATEGORY A - IMMEDIATE EFFICIENCY OPTIONS																			
FS1		AD Planning & Regulatory	Planning & Regulation	Increase planning application fee income	247,830	283,479		85,000	85,000	85,000	85,000	Y	Y	Planning fees expected for SG1 (18/19), West of Stevenage (19/20), then Lyton Way/South of Stevenage/ SG1 part 2 in future years. Will require addition resources, which have been built into Planning & Regulatory business review (£42K).	commenced in 2017/18	£85,000	£85,000	£0	£0
TOTAL					**£247,830**	**£283,479**	**£0**	**£85,000**	**£85,000**	**£85,000**	**£85,000**					**£85,000**	**£85,000**	**£0**	**£0**
CATEGORY B - PROCUREMENT OPTIONS																			
FS14	3	AD Finance & Estates	Audit	Reduction in Audit days purchased from SIAS by 10% (from 390 days to 360 days)	82,650	82,650		8,550	8,550	8,550	8,550	Y	N	The level of Audit days has been discussed with SIAS Even with a reduction the S151 officer and SIAS consider there are sufficient days available as there are contingency days within the plan.	1 April 2018	£5,729	£5,729	£2,822	£2,822
FS26	3	AD Communities & Neighbourhood	SLL contract	Review of contract sum through efficiencies	1,038,010	1,028,750		200,000	300,000	300,000	300,000	Y	N	The contract has been reviewed as part of the work completed by SALC and SLL have agreed to reduce the contracted sum by £200K in 2018/19 and up to £300K in 2019/20 through reducing costs associated with overheads. An innovation group has been set up to look at initiatives between SLL and SBC.	1 April 2018	£200,000	£300,000	£0	£0
TOTAL					**1,120,660**	**1,111,400**	**0**	**208,550**	**308,550**	**308,550**	**308,550**					**205,729**	**305,729**	**2,822**	**2,822**
CATEGORY C - NEW INCOME GENERATION/COMMERCIALISATION OPTIONS																			
FS2	3	AD Planning & Regulatory	Planning & Regulation	Increase income from Corey's Mill 2 (from additional parking bays to be added) 2016/17 actuals only 6 months. 2017/18 working budget now projected as £195,200	135,200	116,900		40,000	40,000	40,000	40,000	Y	N	This is additional income from the second phase of parking bays. Within the Planning & Regeneration business unit review there is a proposed permanent resident parking officer will support the parking manager in delivering SBC's first resident only parking schemes, including consultation, management, and reviews.	commenced in 2017/18	£40,000	£40,000	£0	£0
FS15	3	AD Finance & Estates	Estates	Generate income from employing a grade 3 small sales disposal assistant	0	0		7,000	10,000	10,000	10,000	Y	N	A post has been evaluated (grade 3) and supports the Land Sales Disposal post to deliver small sale land disposals from members of the public that want to buy small bits of land. Its is anticipated that if the post is proven then the target may be stretched/increased. A pilot will start in November.	1 November 2017	£7,000	£10,000	£0	£0
HF34	3	AD Housing & Investment	Tenancy Services	Aldwyck: Ripon road from April 2018 charge £3k per annum per property (x3 3 bed house (although the 3 are knocked through into 1)) currently charging £4,500. Above subject to negotiation.	4,500	4,500	0	4,670	4,670	4,670	4,670	Y	N	These properties are GF Properties. We value the support services provided by Aldwyck, but need to be more realistic of the charges made to Aldwyck. This proposal will also more closely align the treatment of Aldwyck and Origin.	1 April 2018	£4,670	£4,670	£0	£0
TOTAL					**139,700**	**121,400**	**0**	**51,670**	**54,670**	**54,670**	**54,670**					**£51,670**	**£54,670**	**£0**	**£0**
TOTAL RECOMMENDED 2018/19 ONWARDS					**1,508,190**	**1,516,279**	**0**	**345,220**	**448,220**	**448,220**	**448,220**			**TOTAL NEW OPTIONS RECOMMENDED FOR 2018/19**		**342,399**	**445,399**	**2,822**	**2,822**
APPROVED OPTIONS WITH 2018/19 IMPACTS																			

FINANCIAL SECURITY OPTIONS 2018/19 - 2022/22

(Key- figures expressed as a negative value in the savings column are a

														361,105	**482,811**	**2,822**	**2,822**
Ref No	**score**	**Assistant Director**	**Name of Service**	**Description of Savings Proposal**	**Budget 2017/18**	**Actual 2016/17**	**Implementation Costs**	**Financial Security Option in 2018/19**	**Financial Security Option in 2019/20**	**Financial Security Option in 2020/21**	**Financial Security Option in 2021/22**	**Ongoing (Y/N) or No of**	**Statutory Function (Y/N)**	**Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .**	**Potential Timing**	**£ General Fund Year 1**	**£ General Fund Year 2**	**£ HRA Year 1**	**£ HRA Year 2**
PBB1S42	N/A	AD Communities & Neighbourhood	Community Centre grant funding	Reduction in Community Centre grant funding	75,160	93,862		18,706	37,412	37,412	37,412	Y	N	This option was agreed in 2014/15 but reduced to dampen the impact on community groups. The final reduction is in year 2019/20. The total funding reduction will be £108,919.	1 April 2018	£18,706	£37,412	£0	£0
TOTAL					**75,160**	**93,862**	**0**	**18,706**	**37,412**	**37,412**	**37,412**					**£18,706**	**£37,412**	**£0**	**£0**
RECOMMENDED FINANCIAL SECURITY					**1,583,350**	**1,610,141**	**0**	**363,926**	**485,632**	**485,632**	**485,632**					**361,105**	**482,811**	**2,822**	**2,822**

STEVENAGE BOROUGH COUNCIL

GROWTH PROPOSALS & KNOWN BUDGET PRESSURES

APPENDIX F

FINANCIAL SECURITY 2018/19 - 2021/22

	£ General Fund Year 1	£ General Fund Year 2	£ HRA Year 1	£ HRA Year 2
Included in MTFS	**£470,371**	**£422,709**	**£111,536**	**£75,100**

Ref No	FTFC	score	Lead Officer	Name of Service	Description of Growth Proposal	Budget 2017/18	Actual 2016/17	2017/18 Implications	Growth in 2018/19	Growth in 2019/20	Growth in 2020/21	Growth in 2021/22	On-going	Description of Growth Proposal	SUMMARY £ General Fund Year 1	£ General Fund Year 2	£ HRA Year 1	£ HRA Year 2
CATEGORY - Future Town Business Review Growth																		
FS10	FS	2.8	Chief Executive	Business reviews Council wide	Review of Service	24,844,850		£401,194	£258,398	£144,409	£143,909	£177,571	Y	The Chief Executive and Strategic Directors have considered the Business Reviews and have approved a number of business restructures. The associated costs are shown per year, with an estimation only of any implimentation costs .	£195,345	£116,142	£63,053	£28,266
TOTAL GROWTH OPTIONS						**£24,844,850**	**£0**	**£401,194**	**£258,398**	**£144,409**	**£143,909**	**£177,571**			**£195,345**	**£116,142**	**£63,053**	**£28,266**
REVENUE GROWTH - New Proposals / Services																		
G18		2.6667	AD Stevenage Direct Services	SDS (Env Services)	Town Centre: Mainstream 2017/18 Improved Floral Displays and cleansing (7 flower towers and 20 hanging baskets around the joyride)	£683,360	£641,516		£10,000	£10,000	£10,000	£10,000	Y	Pilot project 2017/18. Growth proposal will support economic growth and improved town centre offer and cleansing to complement regeneration infrastructure improvements. Link to raising the SBC cleanliness index score against Env Protection Act 1990 Code of Practice on Litter and Refuse. **LFSG- recommend in the future seeing if businesses would pay a contribution.**	£10,000	£10,000	£0	£0
G5		2.6667	AD Planning & Regulatory	Economic Development	Business Relationship Manager (ES74113) given an annual budget of £10,000	£0	£0		£10,000	£10,000	£10,000	£10,000	Y	An events and marking budget for the Business Relationship manager, supporting local business and inward investment. Highlighting the attractiveness of Stevenage as a destination for investment and raising it's profile.	£10,000	£10,000	£0	£0
TOTAL GROWTH OPTIONS						**£683,360**	**£641,516**	**£0**	**£20,000**	**£20,000**	**£20,000**	**£20,000**			**£20,000**	**£20,000**	**£0**	**£0**

STEVENAGE BOROUGH COUNCIL

GROWTH PROPOSALS & KNOWN BUDGET PRESSURES

APPENDIX F

FINANCIAL SECURITY 2018/19 - 2021/22

Ref No	FTFC	score	Lead Officer	Name of Service	Description of Growth Proposal	Budget 2017/18	Actual 2016/17	2017/18 Implications	Growth in 2018/19	Growth in 2019/20	Growth in 2020/21	Growth in 2021/22	On-going	Description of Growth Proposal	£ General Fund Year 1	£ General Fund Year 2	£ HRA Year 1	£ HRA Year 2
														Included in MTFS	**£470,371**	**£422,709**	**£111,536**	**£75,100**
																SUMMARY		
REVENUE GROWTH - FTFC																		
G15	TCR	3	AD Regeneration	Regeneration	Cost relating to the procurement & initiation of SG1 (2017/18 budget is carry forward + £303K from business rates) Base budget £50K. Figure in 2018/19 is the remaining unused budget projected at end of 2017/18.	£591,790	£218,464		£0	£80,000	£80,000	£80,000	?	Funds required to support the procurement of a development partner. Services such as legal support, design advice and commercial advice are essential in large processes such as these. On going funds beyond 2018/19 will be required to cover commercial advice and legal support as the development will be phased and each stage agreement will require separate agreements where specialist advice will be required.	£0	£80,000	£0	£0
G16	TCR	2.8333	AD Regeneration	Regeneration	Stevenage Central Comms manager	£0	0		£56,980	£56,980	£56,980	£56,980	DURING REGENERATION	This funding will cover the Stevenage Central Communications Manager post and marketing budget to assist with promotion of schemes within the town. The Communication Manager is funded in 2017/18 from the one off Regeneration budget in 2017/18. Assumes grade 10 evaluation.	£56,980	£56,980	£0	£0
G17	TCR	2.8333	AD Regeneration	Regeneration	Stevenage Central marketing budget	£0	0		£45,110				DURING REGENERATION	This budget will facilitate the marketing of the SG1 scheme and maybe in conjunction with the Council's preferred development partner. This will include the use of a Stevenage shop and branding to promote the scheme. (See future years below)	£45,110		£0	£0
G22	PAOP	2.6667	FTFC Board	Performing at our peak	Increase in licences for new corporate insight tool	£20,000	£0		£32,000	£32,000	£32,000	£32,000	Y	The increase in licences is to enable roll out of the inphase tool used for Corporate performance to more managers to enable greater insight into performance information.	£21,440	£21,440	£10,560	£10,560
G23	PAOP	2.6667	FTFC Board	Performing at our peak	Licence costs for new INTRANET				£10,000	£10,000	£10,000	£10,000	Y	The new INTRANET is being commissioned in 2017/18, this will allow data for CSC and other services to be easily accessible, helping to avoid doubling handling of customers and providing staff with an up-to-date register of information	£6,700	£6,700	£3,300	£3,300
TOTAL FTFC Board						**£611,790**	**£218,464**	**£0**	**£144,090**	**£178,980**	**£178,980**	**£178,980**			**£130,230**	**£165,120**	**£13,860**	**£13,860**

STEVENAGE BOROUGH COUNCIL

GROWTH PROPOSALS & KNOWN BUDGET PRESSURES

APPENDIX F

FINANCIAL SECURITY 2018/19 - 2021/22

Ref No	FTFC	score	Lead Officer	Name of Service	Description of Growth Proposal	Budget 2017/18	Actual 2016/17	2017/18 Implications	Growth in 2018/19	Growth in 2019/20	Growth in 2020/21	Growth in 2021/22	On-going	Description of Growth Proposal	£ General Fund Year 1	£ General Fund Year 2	£ HRA Year 1	£ HRA Year 2
														Included in MTFS	£470,371	£422,709	£111,536	£75,100
															SUMMARY			
SERVICE PRESSURES																		
G7		2.8333	AD Corporate Projects, Customer Services & ICT	IT Shared Service	Vmware Licence Review - SBC share	£0	£0		£6,920	£6,920	£6,920	£6,920	Y	Licence costs relating to software purchased as part of ICT review	£4,636	£4,636	£2,284	£2,284
G8		3	AD Corporate Projects, Customer Services & ICT	IT Shared Service	IT Policy Toolkit - SBC Share	£0	0		£3,000	£3,000	£3,000	£3,000	Y	Licence costs relating to software purchased as part of ICT review. This is a policy framework, which will be available on line and will be updated with the latest policies and is an essential tool to manage ICT security.	£2,010	£2,010	£990	£990
G26		2.8333	AD Corporate Projects, Customer Services & ICT	IT Shared Service	ICT Improvement Plan	£0	0	£0	£95,000	£90,000	£80,000	£80,000	Y	Ongoing £80K for Cyber Security. £10K training for 2 years 2018/19-2019/20, (only SBC share shown). SUBJECT TO APPROVAL OF THE ICT IMPROVEMENT PLAN REPORT TO THIS EXECUTIVE.	£63,650	£60,300	£31,350	£29,700
G13		2.8333	AD Housing & Investment	Design and Technical Services	Service Manager post to manage the compliance contract **(included in the July Executive compliance report)**				£20,000	£20,000	£20,000	£20,000	Y	Increase in staff 1.0 FTE (shared with other LA's)	£20,000	£20,000	£0	£0
G20		2.8	AD Stevenage Direct Services	SDS (Env Services)	Transport Subsidy (actual 2016/17 is an estimate as the figures have not been finalised).	£216,000	£216,000		£34,500	£34,500	£34,500	£34,500	Y	Ongoing discussions with Herts Waste Partnership are likely to have an impact on the amount of Transport Subsidy that SBC receive; Current estimates are for a pressure of around £34.5k, although discussions are still taking place and the final outcome is not yet known.	£34,500	£34,500	£0	£0
TOTAL SERVICE PRESSURES						**£216,000**	**£216,000**	**£0**	**£159,420**	**£154,420**	**£144,420**	**£144,420**			**£124,796**	**£121,446**	**£34,624**	**£32,974**
TOTAL GROWTH AND SERVICE PRESSURES						**£26,356,000**	**£1,075,980**	**£401,194**	**£581,908**	**£497,809**	**£487,309**	**£520,971**		**Growth**	**£470,371**	**£422,709**	**£111,536**	**£75,100**

STEVENAGE BOROUGH COUNCIL

GROWTH PROPOSALS & KNOWN BUDGET PRESSURES
APPENDIX F

FINANCIAL SECURITY 2018/19 - 2021/22

														Included in MTFS	£470,371	£422,709	£111,536	£75,100
															SUMMARY			
Ref No	**FTFC**	**score**	**Lead Officer**	**Name of Service**	**Description of Growth Proposal**	**Budget 2017/18**	**Actual 2016/17**	**2017/18 Implications**	**Growth in 2018/19**	**Growth in 2019/20**	**Growth in 2020/21**	**Growth in 2021/22**	**On-going**	**Description of Growth Proposal**	**£ General Fund Year 1**	**£ General Fund Year 2**	**£ HRA Year 1**	**£ HRA Year 2**
FUTURE TRANSFORMATIONAL BIDS-TO BE BID FOR TOTAL FUND EST £100k PER YEAR																		
G14	HD	2.6667	AD Housing Development	Housing Development	Seed money for business case for Wholly Owned Companies/Joint Ventures	£0	£0		£35,000	£0			N	A further amount will be required as part of the business case submission, including client governance role and set up costs and backfill for secondments and company set up.	£35,000	£0	£0	£0
TOTAL TRANSFORMATION FUND						**£0**	**£0**	**£0**	**£35,000**	**£0**	**£0**	**£0**			**£35,000**	**£0**	**£0**	**£0**
MEMBER PROPOSALS FOR CONSIDERATION:																		
G27	HD	1	Member	LCB budgets	Increase LCB budgets - proposed by Member	£100,800	£98,441		£19,500	£19,500	£19,500	£19,500	N	Each member's Local Community Budget (LCB) be increased from the current £2,500 a year to £3,000 a year. Until about 3 years ago, it was £3,300 a year. This growth item would cost £19,500. Also suggested (see FS27) a reduction in the Youth Mayor's LCB from the current £3,300 to £2,000 a year, which would save £1,300 a year.	£19,500	£19,500	£0	£0
TOTAL MEMBER OPTIONS						**£100,800**	**£98,441**	**£0**	**£19,500**	**£19,500**	**£19,500**	**£19,500**			**£19,500**	**£19,500**	**£0**	**£0**
FUTURE YEARS GROWTH BIDS TO BE CONSIDERED 2019/20 BUDGET SETTING																		
G19		2.3333	AD Stevenage Direct Services	Stevenage Direct Services	Risk Assessment H&S Training for Employees working in High Risk Activities	£10,700	£9,124		£0	£15,000	£0	£0	N	Funding in year one 2018/19 funded from HR corporate training budgets in 2017/18	£0	£15,000	£0	£0
G21	TCR	2.4	AD Regeneration	Regeneration	Employment Project	£0	£0		£0	£200,000	£200,000	£200,000	N	Funds used to support 250 Stevenage people into employment per annum	£0	£200,000	£0	£0
G17	TCR	2.8333	AD Regeneration	Regeneration	Stevenage Central marketing budget-**potentially fund from business rate gains**	£0	£0		£0	£106,000	£106,000	£106,000	Y	This funding will cover marketing of SG1, setting up information office etc. in the Town Centre	£0	£106,000	£0	£0
TOTAL FUTURE GROWTH BIDS TO BE CONSIDERED 2019/20						**£10,700**	**£9,124**	**£0**	**£0**	**£321,000**	**£306,000**	**£306,000**			**£0**	**£321,000**	**£0**	**£0**
FUTURE PRESSURES NOT CURRENTLY COSTED																		
HG8		n/a	AD Housing & Investment	County funding	Homeless funding is at risk of being cut or reduced as County are reviewing their funding	£81,490	£81,492		put the pressure in when HCC intention known					This loss of grant would mean a reduction in the HRA surplus. Other Supporting people grant has been withdrawn.			put the pressure in when HCC intention known	£0

STEVENAGE BOROUGH COUNCIL

GROWTH PROPOSALS & KNOWN BUDGET PRESSURES

APPENDIX F

FINANCIAL SECURITY 2018/19 - 2021/22

Included in MTFS	£470,371	£422,709	£111,536	£75,100
	SUMMARY			

Ref No	FTFC	score	Lead Officer	Name of Service	Description of Growth Proposal	Budget 2017/18	Actual 2016/17	2017/18 Implications	Growth in 2018/19	Growth in 2019/20	Growth in 2020/21	Growth in 2021/22	On-going	Description of Growth Proposal	£ General Fund Year 1	£ General Fund Year 2	£ HRA Year 1	£ HRA Year 2
HG7		n/a	AD Housing & Investment	Across all areas	Implications of implementing the GDPR are as yet unknown but may require resourcing during 17/18									The GDPR will change the way we can collect or transfer data and where data is stored, We may also need to change the way it is collected and, subject access requests will have even shorter timescales as fines for noncompliance hit new levels. Documentation will need to be changed and the team are currently working on this with FOI officer. At the lowest level this will require forms to be changed to accommodate requirements of GDPR.			£0	£0
G12		n/a	AD Housing & Investment	Design and Technical Services	Delivery of the compliance service and repairs and maintenance								Y	Likely increase in the compliance repairs and maintenance on the corporate buildings based on spend profile from recent years. This is currently being reviewed and could be a cost of potentially up to £35K per year.	£0	£0	£0	£0
HG10		n/a	AD Housing & Investment	Investment	retrofitting of sprinklers				Not yet known					cost of maintaining new sprinkler systems if fitted will be partly recoverable from leaseholders (subject to leases and partly a cost to tenants which may not be recoverable through service charges unless consulted on).	£0	£0	Not yet known	£0
TOTAL POTENTIAL PRESSURES						**£0**	**£0**	**£0**	**£0**	**£0**	**£0**	**£0**			**£0**	**£0**	**£0**	**£0**

FINANCIAL SECURITY: 2018/19 APPENDIX G

Overall Equality Impact Assessment of proposals

Equality at Stevenage Borough Council

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

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

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

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

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

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

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

FINANCIAL SECURITY: 2018/19 APPENDIX G

Overall Equality Impact Assessment of proposals

Savings Proposals 2018/19

Prior to their consideration at Executive in November 2017, all savings proposals were reviewed to determine any potential impact on Stevenage residents in terms of their protected characteristics under the Equality Act 2010. The majority of these have no public impact and so have not been subject to any further EqIA.

Where a negative, positive or disproportionate impact is likely, assistant directors and other appropriate managers have drafted Brief EqIAs. These have been summarised over the following pages and will inform the recommendations made at Executive on 23 January and 14 February 2018. Action to further analyse or mitigate the impact on equality groups is identified where appropriate.

The following activity has taken / will take place:

November 2017 – February 2018 –	EqIAs finalised considering further evidence as necessary
January and February 2018 –	Consideration of all completed EqIAs at Council meetings

FINANCIAL SECURITY : 2018/19 Appendix G

Summary of draft Equality Impact Assessments

Saving Ref	Saving proposed	Summary of impact	Action	Contact Officer
HFS1	Tree works budget saving of £10,000	**Negative – low and not likely** **Age, Disability, Pregnancy & Maternity, Socio-economic:** SBC's Concessions Policy provides for a 25% discount for works carried out by the council. However after this concession the cost of tree work may still be unaffordable for some people. However we do not need to complete an EqIA because based on current levels of spending there should be no impact on the service. A residual budget of £8,000 has been retained compared to the spend of £5,774 in 2016/17.	No further action or EqIA is required	Jaine Cresser
FS2	Additional Pay and Display parking bays at Coreys Mill Lane	**Positive** **Disability** Blue Badge holders will be entitled to park for free in P&D bays and are also permitted to park on double yellow lines. **Negative** **Socio-economic** Charging for parking can be considered detrimental to people in financial difficulty but these would remain affordable in relation to the charges within the Lister Hospital and the overall cost of motoring. There are strong bus links to the hospital which may prove to be more cost-effective for people on lower incomes.		Zayd Al-Jawad
FS24	Proposed new Woodland Burial service	**Positive** **All characteristics** Any and all will be able to use and benefit from the woodland burial service if requested.	Purchase of temporary pathway matting for mourners to access the graveside (to be removed as the woodland matures)	Kevin Basford (interim) on behalf of Craig Miller

FINANCIAL SECURITY : 2018/19 Appendix G

Summary of draft Equality Impact Assessments

Saving Ref	Saving proposed	Summary of impact	Action	Contact Officer
HF42	Remove Death in Service benefit for ex-SHL staff	**Staff groups** **Age** 27% of the staff affected are over 60 and none under 30. The whole group represents 11% of the workforce, the remaining 89% does not have access to the benefit **Sex** 67% of the 73 staff are female, however the majority of SBC female staff do not have access to this benefit but do have access to the pension scheme. **Socio-economic** 22% or 16 of the 73 staff are a grade 3 or below, however the wider SBC staff group do not have access to this benefit, but can access through the pension scheme.		Jackie Foglietta
HF40	Introduction of charge for support service in independent living / Flexicare schemes	**Age** Hertfordshire County Council are consulting with non-residential residents about charging for some of their community based adult social care services that they currently provide for free. This will impact on a lot of people over 60 in the independent living/flexicare schemes as they are more likely to be in receipt of some care due to their age/medical conditions. Charges will be effective from 15 April 2018. Level of charges unknown as people will need reassessing. Hertfordshire County Council funding for Flexicare housing related alarm contract ends in January 2018 and for support at the end of March 2018 which would mean more cost to Stevenage Borough Council which we may need to pass on to residents. **Socio-economic**	Complete a full EqIA to further assess impact (December 2018)	Jaine Cresser

Saving Ref	Saving proposed	Summary of impact	Action	Contact Officer
		Any increase/ new charges in future years need to be affordable and considered in conjunction with other changes in charges. Support charge is not eligible for housing benefit and could have a negative impact for those on lower incomes. **Other** Government proposals for supported housing funding through 'sheltered rent' to be implemented in 2020. The details are still being worked on and are out for consultation until Jan 2018		

Brief Equality Impact Assessment

For a minor operational change / review / simple analysis

What is being assessed?	**HFS1: Tree works budget saving of £10,000**	What are the key aims of it?	This £18,000 budget was introduced for tree works in gardens where tenants could not afford the works themselves. This recommendation is to reduce the budget in line with actual spend.		
Who may be affected by it?	Vulnerable tenants				
Date of full EqIA on service area (planned or completed)					
Form completed by:	Jaine Cresser	Start date	30 October 2017	End date	
		Review date			

What data / information are you using to inform your assessment?	Tree work expenditure code. Record of work carried out to date for tenant tree work.	Have any information gaps been identified along the way? If so, please specify	None

Explain the **potential positive, negative or unequal impact** on the following characteristics and **how likely** this is:			
Age	**Negative**. Concessions policy only gives 25% discount for works carried out by the council. Even after this concession the cost of tree work may still be unaffordable.	Race	N/A
Disability	**Negative**. Concessions policy only gives 25% discount for works carried out by the council. Even after this concession the cost of tree work may still be unaffordable.	Religion or belief	N/A
Gender reassignment	N/A	Sex	N/A
Marriage or civil	N/A	Sexual orientation	N/A

partnership			
Pregnancy & maternity	**Negative**. Concessions policy only gives 25% discount for works carried out by the council. Even after this concession the cost of tree work may still be unaffordable.	Socio-economic[1]	**Negative**. Concessions policy only gives 25% discount for works carried out by the council. Even after this concession the cost of tree work may still be unaffordable.
Other	Overall, a negative impact is not likely to occur as based on current levels of spending there should be no impact on the service. A residual budget of £8,000 has been retained compared to the spend of £5,774 in 2016/17.		

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

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

Action	Responsible officer	How will this be delivered and monitored?	Deadline
None			

Approved by Strategic Leadership Team
Date: TBC

---

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

Brief Equality Impact Assessment

For a minor operational change / review / simple analysis

What is being assessed?	**FS2: Additional Pay & Display parking bays at Coreys Mill Lane**	What are the key aims of it?	To manage parking provision along Coreys Mill Lane.		
Who may be affected by it?	All members of the public				
Date of full EqIA on service area (planned or completed)	TBC				
Form completed by:	Zayd Al-Jawad	Start date	30 October 2017	End date	
		Review date			

What data / information are you using to inform your assessment?	EqIA for saving option S103 in January 2014.	Have any information gaps been identified along the way? If so, please specify	No

Explain the **potential positive, negative or unequal impact** on the following characteristics and **how likely** this is:			
Age	None identified.	Race	None identified.
Disability	Blue Badge holders will be entitled to park for free in P&D bays and are also permitted to park on double yellow lines so will not be adversely affected by these proposals.	Religion or belief	N/A
Gender reassignment	N/A	Sex	N/A
Marriage or civil partnership	N/A	Sexual orientation	N/A
Pregnancy &	N/A	Socio-	11 respondents to a Café Choice survey in 2013 attended

maternity		economic[2]	the hospital regularly and so would be impacted by the introduction of parking charges. A further four stated that 'money generally' was a concern for them. Charging for parking can be considered economically detrimental to those who are struggling financially but the charges would remain affordable in relation to those charged within the Lister Hospital car park and in relation to the overall cost of motoring. Pay and Display parking has been in place in the town centre for some years and this has not caused any equality challenges. There are strong bus links to Lister Hospital which may prove to be more cost-effective for people on lower incomes.

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

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

Action	Responsible officer	How will this be delivered and monitored?	Deadline

Approved by Strategic Leadership Team
Date: TBC

---

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

Brief Equality Impact Assessment

For a minor operational change / review / simple analysis

What is being assessed?	**FS24: Proposed New Woodland Burial Service**	What are the key aims of it?	To provide an alternative natural woodland burial service		
Who may be affected by it?	Visitors, Staff, Funeral Directors				
Date of full EqIA on service area (planned or completed)	October 2017				
Form completed by:	Kevin Basford / Paul Seaby / Claire Skeels	Start date	20 October 2017	End date	25 October 2017
		Review date		April 2021	

What data / information are you using to inform your assessment?	Main EqIA Site Inspection Proposal Plans Planning Guidance	Have any information gaps been identified along the way? If so, please specify	We have been asked by our planning consultation questions regarding the safe egress of mourners to the graveside. Subsequently, a temporary pathway is to be laid using chequered heavy duty re-usable panels to be removed as the woodland matures.

Explain the **potential positive, negative or unequal impact** on the following characteristics and **how likely** this is:			
Age	positive	Race	positive
Disability	positive	Religion or belief	positive
Gender reassignment	positive	Sex	positive
Marriage or civil partnership	positive	Sexual orientation	positive
Pregnancy & maternity	positive	Socio-economic[3]	positive
Other	positive		

---

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

Where there is a likely **positive impact**, please explain how it will help to **fulfil our legislative duties** to:					
Remove discrimination & harassment	Any and all will be able to use and benefit from the woodland burial service if requested.	Promote equal opportunities	Any and all will be able to use and benefit from the woodland burial service if requested.	Encourage good relations	Any and all will be able to use and benefit from the woodland burial service if requested.

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

Action	Responsible officer	How will this be delivered and monitored?	Deadline
Purchase of temporary pathway matting	Claire Skeels / Cristian Pinta	Procured in accordance with SBC's policy	March 2018

Approved by Strategic Leadership Team

Date: TBC

Brief Equality Impact Assessment

For a minor operational change / review / simple analysis

What is being assessed?	**HF42: Remove Death in Service benefit for ex-SHL staff**	What are the key aims of it?	When ex SHL transferred back to SBC the Death in Service was seen as a preserved right. The benefit for existing SBC staff was removed from 2010/11 onwards. The scheme costs £8.3K for those eligible staff. Death in service is a benefit for those staff in the pension scheme of 3xsalary. Of the 73 staff this applies to (out of 663 paid in September), currently 18 are not in the pension scheme.		
Who may be affected by it?	73 staff or 11% of workforce				
Date of full EqIA on service area (planned or completed)					
Form completed by:	Clare Fletcher Jackie Foglietta	Start date	20 October 2017	End date	
		Review date			

What data / information are you using to inform your assessment?

MALE	24
FEMALE	49

AGE	Number of staff
under 30	0
30-40	8
41-50	16
50-60	29
over 60	20
Total	73

Grade	Number of staff
1-3	16
4-6	46
7-9	7
10 and over	4

Have any information gaps been identified along the way? If so, please specify	No info is available for the 73 other than age, gender and grade.

Explain the **potential positive, negative or unequal impact** on the following characteristics and **how likely** this is:			
Age	27% of the staff affected are over 60 and none under 30. The whole group represents	Race	Not envisaged to have an unequal impact on race

	11% of the workforce, the remaining 89% does not have access to the benefit		
Disability	Not envisaged to have an unequal impact	Religion or belief	Not envisaged to have an unequal impact
Gender reassignment	Not envisaged to have an unequal impact	Sex	67% of the 73 staff are female, however the majority of SBC female staff do not have access to this benefit but do have access to the pension scheme.
Marriage or civil partnership	Not envisaged to have an unequal impact	Sexual orientation	Not envisaged to have an unequal impact
Pregnancy & maternity	Not envisaged to have an unequal impact	Socio-economic[4]	22% or 16 of the 73 staff are a grade 3 or below, however the wider SBC staff group do not have access to this benefit, but can access through the pension scheme.
Other			

Where there is a likely **positive impact**, please explain how it will help to **fulfil our legislative duties** to:					
Remove discrimination & harassment	Not envisaged to have an unequal impact	Promote equal opportunities	Removing this benefit for a small number of staff is a more equitable position. Furthermore auto enrolment means all staff who meet the relevant criteria are entered into the pension scheme which has this benefit and pension contributions are based on the staff members pay.	Encourage good relations	

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

Action	Responsible officer	How will this be delivered and monitored?	Deadline

Approved by Strategic Leadership Team

---

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

Date: TBC

Brief Equality Impact Assessment

For a minor operational change / review / simple analysis

What is being assessed?	**Introduction of charge for support service in independent living/flexicare schemes for people who get a free service**	What are the key aims of it?	Introduction of a £2.00 charge for those 670 people in independent living/flexicare schemes that do not pay anything towards the cost of the 24 hour/7 day a week emergency response service via the alarm or providing the alarm equipment or the support service provided to them through the supported housing officer. This is due to the supporting people/housing related support grant legacy where no one in receipt of housing benefit or fairer charging paid for the service and also protected people from 2003 (19 people). The support service is not eligible for housing benefit, but this introductory charge of £2.00 is a move to make some charge for the service since the grant from HCC has been removed. This option has the support of the housing portfolio holder.
Who may be affected by it?	Residents living in sheltered housing/flexicare schemes who currently don't pay for anything for the support service (those on housing benefit, fairer charging, protected due to supporting people implementation in 2003)		
Date of full EqIA on service area (planned or completed)	December 2018		
Form completed by:	Karen Long	Start date	Nov 17
		End date	Jan 18
		Review date	Nov 18

What data / information are you using to inform your assessment?	• Data of those on full/partial housing, fairer charging or those that are protected due to supporting people implementation in 2003. • Age profile of sheltered/flexicare housing tenants • Scheme profile data	Have any information gaps been identified along the way? If so, please specify	

<table>
<tr><th colspan="4">Explain the potential positive, negative or unequal impact on the following characteristics and how likely this is:</th></tr>
<tr><td>Age</td><td>Hertfordshire County Council are consulting with non-residential residents about charging for some of their community based adult social care services that they currently provide for free. This will impact on a lot of people over 60 in the independent living/flexicare schemes as they are more likely to be in receipt of some care due to their age/medical conditions. Charges will be effective from 15 April 2018. Level of charges unknown as people will need reassessing.

Hertfordshire County Council funding for Flexicare housing related alarm contract ends in January 2018 and for support at the end of March 2018 which would mean more cost to Stevenage Borough Council which we may need to pass on to residents.</td><td>Race,
Religion or belief,
Sex,
Sexual orientation</td><td>Residents – no impact
Staff – no impact</td></tr>
<tr><td>Disability,
Gender reassignment,
Marriage or civil partnership,
Pregnancy & maternity</td><td>Residents – no impact
Staff – no impact</td><td>Socio-economic[5]</td><td>Any increase/ new charges in future years need to be affordable and considered in conjunction with other changes in charges. Support charge is not eligible for housing benefit and could have a negative impact for those on lower incomes.</td></tr>
<tr><td>Other</td><td colspan="3">Government proposals for supported housing funding through ‘sheltered rent’ to be implemented in 2020. The details are still being worked on and are out for consultation until Jan 2018</td></tr>
</table>

---

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

Where there is a likely **positive impact**, please explain how it will help to **fulfil our legislative duties** to:					
Remove discrimination & harassment		Promote equal opportunities	The government proposals for Supported Housing funding would mean that long-term supported housing will remain funded via the welfare system and will ensure the best outcomes for tenants and manage costs.	Encourage good relations	

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

Action	Responsible officer	How will this be delivered and monitored?	Deadline
Complete a full EqIA to further assess impact	Karen Long	This will be completed as part of the review of service charges for 2019 and reviewed after the outcome of the government proposals and HCC proposals.	Dec 2018

Approved by Strategic Leadership Team
Date: TBC

This page is intentionally left blank

Full Equality Impact Assessment APPENIDX H STAFF EQIA

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

What is being assessed?	**Impact of FINANCIAL SECURITY OPTIONS (2018/19) on the workforce profile**				
Lead Assessor	Interim Senior HR & OD Manager			Assessment team	Jackie Foglietta Sue Vanneck
Start date	November 2017	End date	March 2019		
When will the EqIA be reviewed?		Ongoing as Business Unit reviews progress through implementation.			

Who may be affected by it?	Early indications from the proposals for the Budget 2018/19 are that there are likely to be posts deleted, and potentially resultant redundancies, arising from the restructuring of services through Business Unit reviews, which will affect all staff. Whilst redundancies are likely to be offset by the creation of new posts, the situation requires ongoing monitoring as the detail of Business Unit review proposals are further developed and we will continue to consider the impact on the equality profile of and diversity within the workforce throughout implementation.
What are the key aims of it?	The purpose of this EqIA is to identify any impact on the workforce profile of the proposed 2018/19 financial security options, specifically in relation to the implementation of Business Unit reviews. As it is anticipated the reviews will affect the whole workforce over time there is no specific group identified which could be particularly impacted, either positively or negatively. Business Unit reviews are designed to create the corporate capacity and working environment necessary to successfully deliver the Future Town Future Council corporate plan and will enable the Council to embed the principles of the Target Operating Model agreed through the 2016 Senior Management Review. Whilst the initial implementation of the reviews will focus on the 4th tier management level, all staff will potentially be affected as review proposals are fully implemented throughout 2018/19. Each Business Unit review will include consideration of equality issues as relevant to the group(s) of staff affected. The Council values diversity in its workforce. We recognise that the composition, skills, understanding

All figures quoted are rounded to two decimal places

	and commitment of our workforce adds to our ability to deliver responsive, personalised services to our equally diverse community. There are policies in place to support staff through periods of reorganisation, including Redundancy and Redeployment. These ensure there are clear procedures in place for staff impacted by reorganisations/restructures that are applied consistently across the Council. Each of these policies has had an EqIA. The Council is committed to supporting all staff affected by change, in the first instance through their line managers and HR&OD as well as their Trade Union (if they are a member). In addition, support is available to staff in the form of our Employee Assistance Programme (Optum) as well as outplacement support for any staff impacted by redundancy.

What **positive measures** are in place (if any) to help **fulfil our legislative duties** to:					
Remove discrimination & harassment	A Redundancy Policy –to ensure fair and non-discriminatory selection methods. A Redeployment Policy to ensure there is a streamlined procedure for identifying suitable alternative employment wherever possible.	Promote equal opportunities	Redeployment opportunities are considered for all staff at risk of redundancy.	Encourage good relations	Consultation with Trade Unions and staff on the proposals.

What sources of data / information are you using to inform your assessment?	Workforce profile data (correct as at November 2017), broken down by protected characteristics including: age, gender, religion, and full time/part time working, ethnicity, disability, sexual orientation and pay grade. Where possible and appropriate, comparisons of the workforce profile are made with the make-up of the local community (Census 2011). Profile data for staff potentially at risk of redundancy, (note this information will be identified as Business Unit review proposals are further developed). NB: Where there are less than 10 individuals per protected characteristic, the numbers will be starred out, to protect individual’s personal information.

All figures quoted are rounded to two decimal places

In assessing the potential impact on people, are there any overall comments that you would like to make?	This will be a working document that will need to be reviewed at regular intervals to consider the impact of the proposed changes as more information becomes available.

Evidence and impact assessment

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

Age					
Positive impact	In line with our policies we will aim to redeploy staff wherever possible to retain skills and experience	Negative impact	There is potential to lose older employees as redundancy pay increases with length of service	Unequal impact	

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

	SBC Headcount	SBC Percentage	% of profile at risk	% of Stevenage Community
Under 25 (16-24)	34	5.62	*	12.35
25-29	41	6.78	*	7.31
30-34	72	11.90	*	20.84
35-39	52	8.60	*	
40-44	51	8.43	*	
45-49	86	14.21	*	21.13
50-54	101	16.69	*	
55-59	93	15.37	*	
60-64	61	10.08	*	4.84
65 and over	14	2.31	*	15.15
Total	605	100.00		

The table reflects that Stevenage Borough Council has a higher representation across the age ranges between 25-44 and 45-59 when compared with the local community. However, Stevenage Borough Council

All figures quoted are rounded to two decimal places

<table>
<tr><td></td><td colspan="3">has a lower representation in the age ranges 16-24 and “65 and over” when compared with the local community, (although it should be noted that the local community “under 25” figure covers the age range 15-24.

Comparisons for 16-25s can be misleading as many residents in this age range seek education and training as well as employment.

With regards to the age range 65+, comparisons for 65 and over can be misleading as health factors attributed to age may impact on a person’s ability to work. Many people may also not want to work as they get older. To provide a point of comparison, in the East of England between September and November 2013, 12.2% of people over 65 were in employment (Office for National Statistics).

In terms of staff potentially affected by the proposals, it is not yet possible to determine whether the proposals will have any significantly impact.</td></tr>
<tr><td>What opportunities are there to promote equality and inclusion?</td><td>We will look to retain employees in line with the Redeployment Policy wherever it is possible to identify suitable alternative employment.</td><td>What do you still need to find out? Include in actions (last page)</td><td>We need to continue to keep the potential impact under review, as further detail is known.</td></tr>
</table>

<table>
<tr><th colspan="6">Disability
e.g. physical impairment, mental ill health, learning difficulties, long-standing illness</th></tr>
<tr><td>Positive impact</td><td>We will consider and make reasonable adjustments to support disabled staff with both selection processes and appointment into available suitable alternative employment opportunities.</td><td>Negative impact</td><td></td><td>Unequal impact</td><td></td></tr>
<tr><td>Please evidence the data and</td><td colspan="5"><table><tr><td></td><td>SBC Headcount</td><td>SBC Percentage</td><td></td></tr></table></td></tr>
</table>

All figures quoted are rounded to two decimal places

information you used to support this assessment

			% Profile of staff at risk
No	530	87.60	*
Not stated	33	5.45	*
Prefer not to say	8	1.32	*
Yes	34	5.62	*
Total	605	100.00	

As demonstrated in the table, there is not yet sufficient information to determine whether employees who have self-declared themselves as disabled are going to be disproportionately impacted by the proposals.

In comparison with the local community, 7.5% of residents (aged 16-64) have declared themselves as having a disability.

What opportunities are there to promote equality and inclusion?	It may be possible to work with specialist organisations to assist with identifying and funding appropriate reasonable adjustments (such as Access to Work).	What do you still need to find out? Include in actions (last page)	We need to continue to keep the potential impact under review, as further detail is known.

All figures quoted are rounded to two decimal places

Gender reassignment

Positive impact	n/a	Negative impact	n/a	Unequal impact	n/a

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

	Headcount	SBC Percentage	% Profile at risk
Man	255	42.15	*
Prefer not to say	28	4.63	*
Woman	322	53.22	*
Total	602	100.00	

As demonstrated in the table, it is not yet possible to determine whether there would be any disproportionate impact.

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

Marriage or civil partnership

Positive impact	n/a	Negative impact	n/a	Unequal impact	n/a

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

	Headcount	SBC Percentage	% Profile at risk
Civil Partnership	4	0.66	*
Divorced	19	3.14	*
Living with Partner	35	5.79	*
Married	303	50.08	*
Not Stated	56	9.26	*
Prefer not to say	5	0.83	*
Separated	8	1.32	*
Single	171	28.26	*
Widowed	4	0.66	*
Total	605	100.00	

As demonstrated in the table, it is not yet possible to determine whether there would be any disproportionate impact.

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

All figures quoted are rounded to two decimal places

Pregnancy & Maternity

Positive impact	The Redeployment Policy provides priority status to employees who are on a period of maternity/adoption leave if their post is being made redundant. Pregnancy related absence will not form any part of redundancy selection criteria	Negative impact		Unequal impact	

Please evidence the data and information you used to support this assessment	There are employees within the Council workforce who are pregnant or on a period of maternity/adoption leave; however it is not yet possible to determine whether they will be impacted by the proposals and this will be kept under review as implementation progresses.

What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	We need to continue to keep the potential impact of the proposals under review, as further detail is known and consider whether there are any pregnancy or maternity/adoption leave considerations.

Race

Positive impact	A Recruitment & Selection Policy is in place, to promote equality.	Negative impact	n/a	Unequal impact	n/a

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

	Headcount	SBC Percentage	% Profile at risk
BME	47	7.77	*
Not stated	61	10.08	*
Other Background	29	4.79	*
Prefer not to say	5	0.83	*
White - British	463	76.53	*
Total	605	100	

All figures quoted are rounded to two decimal places

Stevenage Borough Council has a combined representation of people from a BME or other background of 12.56%, which is lower than the representation among the population of Stevenage at 16.9% (Census 2011).

What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	We need to consider how the proposals may impact upon this profile, once further detail is known.

Religion or belief

Positive impact	n/a	Negative impact	n/a	Unequal impact	n/a

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

	SBC Headcount	SBC Percentage	% Profile at risk	% Stevenage community
Buddhist	1	0.17	*	0.53
Christian	277	45.79	*	54.44
Hindu	3	0.50	*	1.19
Sikh	6	0.99	*	0.36
Jewish	1	0.17	*	0.18
Muslim	4	0.66	*	1.97
No Religion	183	30.25	*	34.07
Not stated	91	15.04	*	6.72
Other	9	1.49	*	0.55
Prefer not to say	30	4.96	*	0.00
Total	605	100.00		100.00

The religion/belief of Stevenage Borough Council employees is broadly comparable to that of the Stevenage population.

What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	We need to consider how the proposals may impact upon this profile, once further detail is known.

All figures quoted are rounded to two decimal places

Sex

Positive impact	In line with our policies we will aim to redeploy staff wherever possible to retain skills and experience regardless of sex.	Negative impact	n/a	Unequal impact	n/a

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

	SBC Headcount	SBC Percentage	% of profile at risk
Female	333	55.04	*
Male	272	44.96	*
Total	605	100.00	

Stevenage Borough Council currently has a slightly larger percentage of female employees and this is reflective of the Stevenage local community profile (ONS mid-2016 estimates: 49.30% residents male and 50.70% of residents female).

What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	We need to consider how the proposals may impact upon this profile, once further detail is known.

Sexual orientation

e.g. straight, lesbian / gay, bisexual

Positive impact	In line with our policies we will aim to redeploy staff wherever possible to retain skills and experience regardless of sexual orientation.	Negative impact	n/a	Unequal impact	n/a

Please evidence the data and information you

	SBC Headcount	SBC Percentage	% of Profile

All figures quoted are rounded to two decimal places

used to support this assessment

			at risk
Bisexual	4	0.66	*
Gay Man	3	0.50	*
Heterosexual	499	82.48	*
Lesbian	2	0.33	*
Not Stated	83	13.72	*
Prefer not to say	14	2.31	*
Total	605	100.00	

Due to the small numbers in each of the categories it is not possible to fully assess the potential impact of the proposals. This will be kept under review as the proposals develop.

No data was gathered in the Census 2011 about the local community's sexual orientation.

What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	We need to consider how the proposals may impact upon this profile, once further detail is known.

Socio-economic[1]

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

Positive impact	Stevenage Borough Council is a Living Wage Employer. Redundancy pay is based on contractual pay and exceeds the statutory minimum.	Negative impact	n/a	Unequal impact	n/a

Please evidence the data and information you used to support

	SBC Headcount	SBC Percentage	% of Profile at risk
Apprentice/Graduate	14	2.31	*
Grade 1	27	4.46	*

---

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

All figures quoted are rounded to two decimal places

this assessment

Grade 2	59	9.75	*
Grade 3	103	17.02	*
Grade 4	87	14.38	*
Grade 5	70	11.57	*
Grade 6	96	15.87	*
Grade 7	42	6.94	*
Grade 8	28	4.63	*
Grade 9	13	2.15	*
Grade 10	25	4.13	*
Grade 11	13	2.15	*
Grade 12	17	2.81	*
Chief Officer	11	1.82	*
Total	605	100.00	

Due to the small numbers in each of the categories it is not possible to fully assess the potential impact of the proposals. This will be kept under review as the proposals develop.

What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	We need to consider how the proposals may impact upon this profile, once further detail is known.

Other

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

Positive impact	n/a	Negative impact	n/a	Unequal impact	n/a

Please evidence the data and information you used to support this assessment	No other impacts are anticipated.

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

What are the findings of any consultation with?

All figures quoted are rounded to two decimal places

Staff?	Business Unit review proposals will be subject to consultation with staff and Trade Unions in accordance with statutory requirements.	Residents?	N/A
Voluntary & community sector?	N/A	Partners?	N/A
Other stakeholders?	N/A		

All figures quoted are rounded to two decimal places

Overall conclusion & future activity

Explain the **overall findings** of the assessment and **reasons for outcome (please choose one)**:		
1. No inequality, inclusion issues or opportunities to further improve have been identified		
Negative / unequal impact, barriers to inclusion or improvement opportunities identified	2a. Adjustments made	
	2b. Continue as planned	We will continue to adhere to Redundancy and Redeployment Policies to ensure consistency, fairness and transparency and we will work with partners to ensure reasonable adjustments are in place for disabled employees.
	2c. Stop and remove	

Detail the **actions that are needed** as a result of this assessment and how they will help to **remove discrimination & harassment**, **promote equal opportunities** and / or **encourage good relations**:				
Action	Will this help to remove, promote and / or encourage?	Responsible officer	Deadline	How will this be embedded as business as usual?
Ongoing review as further detail becomes available.	All	SLT/HR&OD	Ongoing	Will be built into consultation process
Explore opportunities to work with other organisations and charities to assist in identifying and implementing reasonable adjustments for disabled staff.	Remove and promote	HR&OD	Ongoing	Will form part of individual consultation meeting discussions
Consider whether any proposed redundancies include staff affected by pregnancy or maternity leave.	Remove and promote	SLT/HR&OD	Ongoing	Will form part of individual consultation meeting discussions
Continue to monitor the profile of the workforce through the production of regular workforce information.	Remove and promote	HR&OD/SLT	Ongoing	As part of routine workforce profile reporting arrangements

All figures quoted are rounded to two decimal places

Approved by Strategic Director:
Date:

All figures quoted are rounded to two decimal places

APPENDIX I

STEVENAGE BOROUGH COUNCIL

Tuesday 14 February 2018

COUNCIL TAX RESOLUTION

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

1. That the following be approved:

    a. the revised working revenue estimates for the year 2017/18 amounting to £10,493,720 and the revenue estimates for 2018/19 amounting to £9,112,900;

    b. the contribution from balances totalling £1,543,595 in 2017/18;

    c. the contribution from balances totalling £823,981 in 2018/19.

2. That it be noted that at its meeting on 23 January 2018 the Executive calculated the amount of 27,058.5 Band D equivalent properties as its council tax base for the year 2018/19 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 31B of the Local Government Finance Act 1992 as amended by Section 74 of the Localism Act 2011.

3. That the following amounts be calculated by the Council for the year 2018/19 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by Section 74 of the Localism Act 2011:

a.	£86,038,055	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2)(a) to (f) of the Act, less the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d)
b.	£80,505,711	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act.
c.	£5,532,344	Being the amount by which the aggregate at 3a above exceeds the aggregate at 3b above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year.
d.	£204.46	Being the amount at 3c divided by the amount at 2 above, calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its council tax for the year

e. Valuation Bands

A	£ 136.31
B	£ 159.02

C	£ 181.74
D	£ 204.46
E	£ 249.90
F	£ 295.33
G	£ 340.77
H	£ 408.92

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

4. a. That it be noted that for the year 2018/19 Hertfordshire County Council have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

<u>Valuation Bands</u>

A	£
B	£
C	£
D	£
E	£
F	£
G	£
H	£

b. That it be noted that for the year 2018/19 Hertfordshire Police Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 and amended by Section 27 of the Police and Magistrates' Court Act 1994, for each of the categories of the dwellings shown below:

Valuation Bands

A	£
B	£
C	£
D	£
E	£
F	£
G	£
H	£

5. That, having calculated the aggregate in each case of the amounts at 3e. and 4a. and b. above, the Council in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts for council tax for the year 2018/19 for each of the categories of dwellings shown below:

Valuation Bands

A	£
B	£
C	£
D	£
E	£
F	£
G	£
H	£

6. To determine in accordance with Section 52ZB Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2018/19 is not excessive in accordance with principles approved by the Secretary of State under Section 52ZC having calculated the aggregate in each case of the amounts at 3e.

This page is intentionally left blank

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

1 ROBUSTNESS OF ESTIMATES

The council process for producing the budget estimates involves responsible budget holders and finance officers reviewing and projecting the Base Budget. The Working Budget Estimates are determined against a background of ongoing quarterly budget monitoring for the current financial year and an evaluation of the outturn position and Budgets carried forward from the previous financial year. The 2018/19 Estimates are determined by evaluating and costing all known changes, including pay and price levels, legislative changes, demands for services and policy developments. The council has sufficient reserves to allow a contribution from balances in order to set a balanced budget for 2018/19 and the current Budget Process has rigorously reviewed current budgets to secure another year of necessary Financial Security Savings. In addition costs associated with Business Unit Reviews (BUR's) has been included in the 2018/19 budget to facilitate the unlocking of future Financial Security savings. As part of the 2018/19 Budget process the council has had to meet the challenge of reductions in Government Grant as well as absorbing inflationary and legislative changes within its Medium Term Financial Strategy. The overall budget process is co-ordinated by the Accountancy Section in liaison with the various Business Units and the council's Strategic Leadership Team. The Budget is recommended by the Executive, for approval by Council after it has been through the Scrutiny process required by the Council's Constitution. The process includes consideration of risks and uncertainties associated with projections of future pay, prices, interest rates and projected levels and timing of other potential liabilities. The challenge to the budget process is provided by both the Leader's Financial Security Group and the Scrutiny and Overview Committee and also in the case of the HRA the Housing Management Advisory Board.

The Council has needed to adapt to the on-going central grant reductions, the transfer of funding risk to local government and changes to welfare. Financial monitoring arrangements provide the Executive with a quarterly update on the performance of the budget, with action plans where significant adverse variances have resulted. The Medium Term Financial Strategy is under constant review to ensure that a clear financial position for the council can be demonstrated for the next five years aided by the Council's Financial Security priority. This is necessary as the significant cuts in public expenditure and funding from the government have been realised and likely to extend beyond the current parliament.

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

The Assistant Director (Finance and Estates) considers that the Estimates and the processes used to produce them are sound and robust. A further update on the 2017/18 General Fund and HRA budgets will be presented to the March Executive.

2 ADEQUACY OF RESERVES

The council's annual budgetary process and the assessment of the adequacy of Reserves are undertaken in the context of robust medium term financial forecasting. Whilst the Council currently has reasonably significant levels of Reserves, the Council's Medium Term Financial Strategy acknowledges that the £3.656Million of these will be utilised in the medium term as a result of projected future under funding and grant reductions.

The council has risk assessed the level of General Fund balances required, based on information from service managers and this was presented to Members as part of the January Draft General Fund Budget report, the level of reserves required for 2018/19 was £2,790,089. This has been reviewed and recalculated as £2,760,570.

Total available General Fund balances as at 1st April 2018 are estimated to be £4,883,389 (after 2017/18 contribution to balances from the General Fund of £1,543,395). Total General Fund balances as at 1st April 2019 are estimated to be £4,059,408 (after 2018/19 contribution from balances to the General Fund of £823,981). These levels of balances meet the minimum level of risk assessed balances that are needed to meet unforeseen expenditure arising in the year and expenses arising before income is received.

Total available HRA balances as at 1st April 2018 are estimated to be £22,551,821 (after contribution to balances in 2017/18 of £2,802,250). Total available HRA balances as at 1st April 2019 are estimated to be £19,795,191 (after contribution from balances in 2018/19 of £2,756,630).

It is estimated that the council will have General Fund £133,556 capital receipts and £738,000 capital reserve as at 1st April 2019 (this includes an assumption that under spends of £350,000 have been realised for 2017/18 and 2018/19 totalling £700,000) and the Council has a need to borrow in 2018/19 of £7,636,700. There has been challenge to capital bids by the Leaders Financial Security group and Senior Management Board (SMB) and the current Strategy is an affordable programme. However there is a need to build up future capital resources to meet further capital schemes.

It is estimated that the council will have General Fund £4,390,793 capital receipts and £350,000 capital reserve as at 1st April 2018, (this includes an assumption that under spends of £350,000 have been realised for 2017/18).

It is estimated that the Council will have HRA £11,848,740 capital receipts, (£10,455,572 as at 1 April 2018) and £3,776,574 Major Repair Reserve balances as at 1st April 2019, (£12,051,306 as at 1 April 2018). The HRA capital programme is based on the latest stock condition information updated from the Business Plan approved at the September 2017 Executive.

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

In coming to a view on the adequacy of reserves, risks in the area of litigation, business continuity, civil emergency, failure of information systems, budgetary control and interest rate calculations have been considered in terms of the possible maximum financial impact and their probability of occurrence. Ongoing assessment of the financial risks to the council, its budget and Medium Term Financial Strategy, are embedded as part of the council's overall Corporate Risk Management processes. On this basis, the Assistant Director (Finance and Estates) considers the level of general balances to be adequate for the 2018/19 financial year.

3 SPECIFIC RESERVES

As part of the budget preparation process, the current and projected levels of the council's allocated reserves have been considered. Following this review, the Assistant Director (Finance and Estates) confirms these reserves are £1,796,659 as at 1 April 2018 (£1,784,976 as at 1 April 2019) and continue to be required.

This page is intentionally left blank

Agenda Item 5

STEVENAGE BOROUGH COUNCIL

Part I
Release to Press

Meeting: **EXECUTIVE**
Portfolio Area: **Housing, Health and Older People**
Date: **14 FEBRUARY 2018**

HEALTHY STEVENAGE STRATEGY

KEY DECISION

Authors – Joe Capon Ext. 2248
Lead Officers – Rob Gregory Ext. 2568
Contact Officer – Rob Gregory Ext. 2568

1 PURPOSE

1.1 To outline the development of the Healthy Stevenage Strategy, the rationale that underpins it and a summary of strategic outcomes. The report also highlights and considers the wider implications.

2 RECOMMENDATIONS

2.1 That the strategy accompanying this report is approved.

2.2 That it be noted that the strategy and its implementation adopts a focus on primary prevention and health promotion given this approach has the greatest potential to help address local health inequalities.

2.3 That it be noted that it be noted that implementation of the strategy will be achieved through co-operative working with our communities and key partners through the Healthy Stevenage Partnership overseen by Stevenage Together.

2.4 That the strategy is launched at the Stevenage Together Forum on 6th March.

3 BACKGROUND

3.1 Following the transfer of public health functions from Primary Care Trusts into unitary and upper tier authorities in 2013 the local health and social care structures have changed significantly. Public Health Hertfordshire was formed as part of Hertfordshire County Council and has worked extensively to create and foster partnerships with district councils via both the Public Health Board and District Offer Partnership Fund. As a result, Stevenage Borough Council has embraced and taken on a leadership role to champion health and wellbeing priorities for Stevenage. This work has been delivered cooperatively through the Healthy Stevenage Partnership that has representation from over 20 local partners.

3.2 From 2014-2017 the Stevenage has benefitted from £200k of investment from Public Health in the form of the 'District Offer'. This has resulted in the delivery of some excellent preventative health initiatives, including the Healthy Hub at the Arts and Leisure Centre. This investment along with other funding streams has provided a strong platform from which to build. In addition the council's own Sport and Wellbeing Service has levered in additional external resources for various initiatives over the same period totalling £400,000. This impetus presents Stevenage Borough Council in its broader place shaping capacity with an opportunity to further enhance its role and contribution to improving the health of local people.

3.3 The progress made over the last few years has increased the profile of health and wellbeing priorities locally, but more importantly, it has highlighted what can be achieved when resources are co-ordinated and strategically aligned. The proposal to develop a local strategy for Stevenage was first suggested by the Community Select Committee in 2016 following a presentation by the Director of Public Health.

3.4 During 2017 the Healthy Stevenage Partnership has worked with local partners to shape an outline strategy. The themes for the strategy were further developed at Stevenage's first Health Summit held in December 2017 with over 50 local organisations involved.

3.5 During 2017 conversations have also developed with colleagues in health to drive a more localised approach to health sector transformation in Stevenage. There was active health professional engagement in the Health Summit which took place in December 2017 and have since committed to contributing to working with one strategic plan for Stevenage via the Healthy Stevenage Strategy.

3.6 The proposed strategy accompanies this report. It is suggested that, subject to Members approving the strategy for implementation, it should be formally launched at the Stevenage Together Forum meeting on 7th March. The Forum event would also be used to help shape the associated action plan.

3.7 There are a number of key points that require consideration. These are set out in the following sections of the report and therefore, formulate the rationale on which the recommendations are presented.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 Local priorities for Stevenage

4.1.1 The draft Healthy Stevenage Strategy has been compiled based on evidence obtained from the Public Health Outcomes Framework (PHOF), Joint Strategic Need Assessment (JSNA), Indices of Multiple Deprivation and other key health strategies. The priorities identified are those where Stevenage ranks significantly worse than other districts in Hertfordshire, therefore demonstrating a higher health inequality in these areas.

The five key priorities identified are:

- Physical inactivity rates among children and adults
- Obesity rates among children and adults
- Reduce smoking prevalence
- Improve mental health and wellbeing
- Older peoples independence

These priorities are underpinned by an overarching objective to:

- Improve health promotion

4.2 **Rationale for priorities**

4.2.1 The following table provides an overview of the data to underpin the rationale:

Table 1: Health priorities for Stevenage

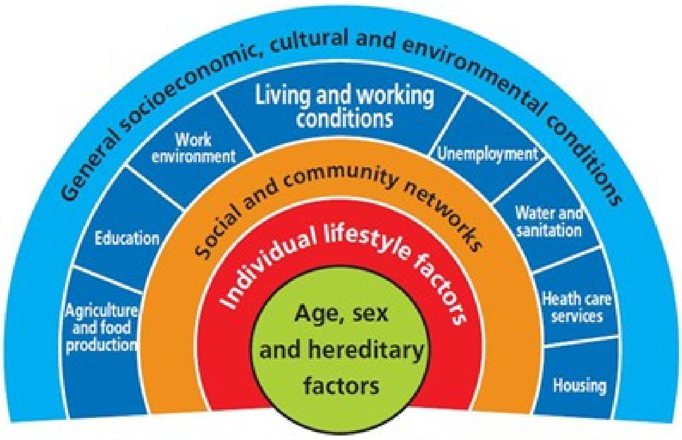
	Priority	Stevenage	Herts	England	Measure	Period
Physical inactivity	Physical inactivity (adults)	51.5	58.7	57	%	2015
	Physical inactivity (children)	No data available				
Obesity	Overweight or obese (Reception, 4-5yrs)	20.7	19.4	21.9	%	2014/15
	Overweight or obese (Year 6 - 10-11yrs)	34.9	27.7	33.2	%	2015/16
	Overweight or obese (adults)	68.7	62.8	64.8	%	2013 - 15
	Recorded diabetes	6	5.3	6.4	%	2014/15
Smoking	Smoking prevalence adults	24.4	13.5	15.5	%	2016
Mental Health	Hospital stays for self-harm	152.4	112.4	196.5	per 100,000	2015/16
Older People	Injuries due to falls in people aged 65 and over	2651	2126	2125	per 100,000	2015/15
	Hip fractures in people aged 65 and over	631.6	538.4	589.5	per 100,000	2015/16

4.3 **Wider Determinants of Public Health**

4.3.1 Due to Stevenage's health profile, the district is regarded as a priority area from a county perspective given the wide spread health inequalities that exist. However, these priorities cannot be looked at in isolation as there are wider determinants that affect the health profile of the town.

4.3.2 Consideration of the wider determinants of health is important. The model below created by Dahlgren and Whtehead (1992) is widely recognised as a useful tool through which to consider influential factors that affect health and wellbeing from an individual perspective.

4.3.3 Whilst Stevenage Borough Council does not have a direct duty to provide services across many of these domains, the strategy does articulate how a range of the council's functions contribute to the health and wellbeing of our residents.



The Determinants of Health (1992) Dahlgren and Whitehead

4.4 **Strategic fit and context**

4.4.1 The profile of health and wellbeing within Hertfordshire is of growing importance and increasingly districts are being asked to support the health agenda. The responsibility to provide frontline primary and secondary care services within Stevenage lies with the East and North Herts Clinical Commissioning Group (ENHCCG), East and North Herts NHS Trust (EHHT), Hertfordshire NHS Community Trust (HCT) and Hertfordshire Partnership Foundation Trust (HPFT).

4.4.2 In addition, Public Health within HCC have the responsibility to work across three key domains that include:

- Health improvement
- Health protection
- Health promotion

4.4.3 Understanding the strategic landscape of health locally is vital to ensure that the scope of the proposed strategy and role of Stevenage Borough Council and its partners is made clear. The following sections provide an overview of key strategies that need to be taken into account.

4.5 **A Healthier Future: Sustainable *Transformation Plan (STP) for Herts and West Essex* (2016-2021)**

4.5.1 Health, social care, public and voluntary organisations have been tasked by NHS England to develop an STP in response to commitments set in out in the *NHS five year forward view.* Across the STP footprint of Herts and West Essex, £3.1billion a year is spent on health and social care. There is a forecasted funding gap that could reach more than £550m a year by 2022 if services are not delivered differently and where possible, more efficiently. Following this mandate ‘A Healthier Future’ was published and sets out four key priorities that will be addressed across the Herts and West Essex STP footprint over the next 5 years. They are as follows: -

- Living well and preventing ill-health
- Transforming primary and community services
- Improving urgent and hospital services
- Providing health and care more efficiently and effectively

4.6 **The Hertfordshire Health and Wellbeing Strategy (2016-2020)**

4.6.1 This strategy sets out the high level priorities based on a life course approach looking at the four key life stages namely starting well, developing well, living well and ageing well. The priorities identified in the strategy will be used from now until 2020 to shape commissioning across the health and social care sectors. This includes key partners such as Hertfordshire Public Health and ENHCCG and a number of county council directorates.

4.7 **Hertfordshire Public Health Strategy (2018-2022)**

4.7.1 As a key partner on the Health and Wellbeing Board, Public Health's new strategy closely aligns with many of the same priorities.

4.8 **Community Select Committee Feedback**

4.8.1 The Community Select Committee met on 31st January to consider the proposed priorities and the rationale for the strategy. There was clear support for the council's leadership in this area, with strong recognition that the involvement of health organisations such as the Clinical Commissioning Group would be key to delivering a genuinely strategic approach for Stevenage.

4.8.2 The committee also discussed the importance of developing the right approach to working with communities on this agenda, referencing the impact of schemes such as "Beat the Street", Parkrun, tea dances and social and community based activities- that are not necessarily branded as "health promotion activities" but are clearly beneficial to health and wellbeing. The way interventions are pitched and branded will therefore need to be well considered.

4.8.3 The committee also considered ways in which regeneration, planning policy and local infrastructure can influence the health and wellbeing of the population and the responsibility across council business areas for embedding this approach.

5 IMPLICATIONS

5.1 Financial Implications

5.1.1 At this stage there are no immediate financial implications to the council, although the delivery of the key ambitions is likely to require financial investment. The council will focus its existing resources relating to health and wellbeing to help to achieve the strategy objectives, including the future allocation of the district offer funding provide by Public Health. The council will also seek to work with other commissioners and funders such as HCC's Public Health, Children's Services, Adult Services, the CCG, Local GP's and other partnersto help lever in investment where possible. The council will also work pro-actively with bodies like the PCC, the Arts Council and Sport England to lever in resources that address the wider determinants of health.

5.1.2 There may be some match-funding or pump priming requirements related to progressing certain initiatives and projects. A clear and realistic action plan will be developed as part of the final strategy that will highlight where resources will be required to support delivery of specific projects.

5.2 Legal Implications

5.2.1 There are no immediate legal implications highlighted through the proposed strategy.

5.3 Equalities and Diversity Implications

5.3.1 The council is committed to providing high quality services that are relevant to the needs and responsive to the views of all sections of the local community, irrespective of their race, gender, disability, culture, religion, age, sexual orientation or marital status. The General Equality Duty (Section 149 of the Equality Act 2010) requires the council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations in the exercise of its functions.

5.3.2 Through the council's facilitation of the Healthy Stevenage Partnership and its leadership role in the delivery of the strategy there will be opportunities to tackle a range of health inequalities impacting on older people, those with disabilities and those with other protected characteristics who are adversely affected by health inequalities. The involvement of these parts of the community in the design and delivery of health interventions will be essential to ensure interventions meet specific needs and are delivered in a meaningful and empowering way. There is also clear recognition that poverty negatively impacts on health and wellbeing. The council will continue its work with partners like CAB and through mechanisms like the Child Poverty Partnership to tackle financial inclusion.

5.4 Risk Implications

5.4.1 The strategic commitment of key stakeholders in the development of the strategy has helped to mitigate risks associated with focussing on the wrong priorities or those with which the council can have little impact or influence. There are wider societal risks to the wellbeing of Stevenage residents through the council not engaging in a preventative agenda through its design and delivery of services. In addition the council willneed to consider associated project risks in relation to agreed activites it takes a lead on. These risks will need to consider capability and capacity, reputation, health and safety, safeguarding, finance and legal risks.

5.5 Policy Implications

5.5.1 The strategy links to a number of other key strategies including the local plan and the ongoing development of infrastructure, such as cycle ways, open space and community facilities within the town that support sustainable and healthy communities. There are also clear links with the emerging Cultural Strategy for the town recognising that engagement in cultural related activities enhances health and wellbeing.

5.6 Staffing and Accommodation Implications

5.6.1 A vacant post within the Sport and Wellbeing Team will be reviewed and realigned to the strategic aspirations within the strategy through the Communities and Neighbourhoods Business Unit Review.

5.7 Human Rights Implications

5.7.1 The development of the strategy has equality at the heart of it in that everyone has the right of accessing opportunities that enable good health. The human right to health means that everyone has the right to the highest attainable standard of physical and mental health, which includes access to all medical services, sanitation, adequate food, decent housing, healthy working conditions, and a clean environment. The draft strategy incorporates these core principles. It is also underpinned by the Marmot Review into health inequalities in England that was published on 11 February 2010. The strategy recognises that the Marmot proposes an evidence based strategy to address the social determinants of health, the conditions in which people are born, grow, live, work and age and which can lead to health inequalities.

5.8 Service Delivery Implications

5.8.1 The strategy will influence and shape the work of the Sport and Wellbeing team to ensure its delivery strands are clearly aligned back to the outcomes that are sought. This will also apply to the function of the Healthy Stevenage Partnership that will oversee delivery of the strategy reporting into the Stevenage Together Forum.

BACKGROUND PAPERS

- Stevenage Health Profile
- Public Health Outcomes Framework for Hertfordshire

APPENDICES

- Healthy Stevenage Strategy.

Healthy Stevenage Strategy

2018 – 2022

Large print and languages

Stevenage Borough Council can provide information in alternative formats and languages where possible. If you would like a copy of this document in a different language or format please contact us. Details on how you can contact us can be found on the final page of this document.

Foreword by Cllr Jeannette Thomas

Councillor Jeannette Thomas (Portfolio for Housing, Health and Older People)

Stevenage is a healthy place in which to live, work and enjoy life. The town benefits from a unique infrastructure that supports vibrant communities that are home to a rich mix of community assets including community centres, award winning parks, excellent community groups and local amenities that provide convenience as well as local employment. Stevenage residents also enjoy our extensive network of traffic free cycle ways, an excellent feature that no other town in Hertfordshire has.

For such an urban environment the town benefits from a large amount of green open space that is accessible for all to enjoy. This is seen daily by people using our network of parks for recreation as well as relaxation.

We also have a vibrant leisure and cultural heritage including Stevenage Museum and Stevenage Arts and Leisure Centre, Stevenage Community Arts Centre, local sport facilities and an extensive range of community groups and clubs that all help to contribute towards the health and wellbeing of the town.

There are many teams within Stevenage Borough Council that help make Stevenage a great place to live, like looking after our environmental health, licencing premises, managing planning so that the town is fit for the future and importantly, regenerating our town centre for future generations to enjoy. These are a few of many and there is more we can do collectively to ensure Stevenage flourishes.

In terms of taking on a local leadership role to improve health and wellbeing, we recognise that we cannot do it alone. We have close links with Hertfordshire Public Health team and many local partners via the Healthy Stevenage Partnership and it is through this we aim to make a difference to the lives of residents who are in need of support to live well. This is the first Health and Wellbeing Strategy for Stevenage which provides a platform and impetus to achieve our mission; *"To help all residents live well, be happy and healthy for as long as possible by providing high quality services in partnership that are accessible by all"*

Endorsement from Prof. Jim McManus

The Healthy Strategy is a strong example of a District Council taking its public health role seriously. The strategic vision covers not just the vital core public health roles of the Council such as housing and environmental health, but the opportunities across everything the council does to keep people as physically and mentally healthy as possible.

The strategy aligns well with the countywide Public Health Strategy, and creates the opportunity for District and the County Councils to work alongside the NHS, local communities, third sector and business to create a complementary and comprehensive approach to Public Health.

Director of Public Health Hertfordshire

Table of Contents

1. Introduction

Nationally healthcare and the NHS are changing. Following the publication of the NHS 5 Year Forward View it has been recognised that as a society we are living longer, with more complex health issues, sometimes due to poor lifestyle choices and behaviours. For example, one in five adults still smoke nationally, a third of adults drink too much alcohol, a third of men and half of women don't get enough exercise and just under two thirds of the UK population are overweight or obese[1]. In response to these challenges among many others the NHS 5 Year Forward View now recognises the importance, role and necessity of preventing ill health to help reduce demand on NHS services in the long term.

Health systems are complex with many different organisations leading on different parts of care. At a local level, district councils, although they have no statutory duty to provide primary or secondary care, nor public health, they are well placed to identify, understand and respond to the health and wellbeing needs of their local community.

It is within this view that Stevenage Borough Council along local with partners that make up the Healthy Stevenage Partnership recognises the opportunity to take on a leadership role and drive forward strategic priorities to bring about positive change and deliver positive outcomes for local people.

---

[1] NHS England (2014) NHS 5 Forward View

2. Purpose of the strategy

The purpose of this strategy is to set out the vision for health and wellbeing in Stevenage that has been agreed by Stevenage Borough Council and organisations that make up the Healthy Stevenage Partnership. The key priorities identified in the later part of this document pose an array of significant challenges for the town and its residents. Collaborating with others to jointly tackle these challenges is recognised as the most effective means to impact on the health of our population.

However, in doing so we recognise the complexity and diverse range of services provided across the health care system. As a result it is necessary to clarify the scope of the strategy and to simplify it. This strategy does not list everything that all organisations will be undertaking to improve health and wellbeing in Stevenage. Instead, it focuses on setting out our vision and priorities for integrated working over the next four years to 2022 in the areas we feel can make the biggest difference.

In summary, it is to be viewed as a Public Health Strategy for Stevenage that demonstrates the cross over and linkages with other national and local strategies that have been considered as part of the strategy development process. Moreover, what we want to achieve and how we intend to do it.

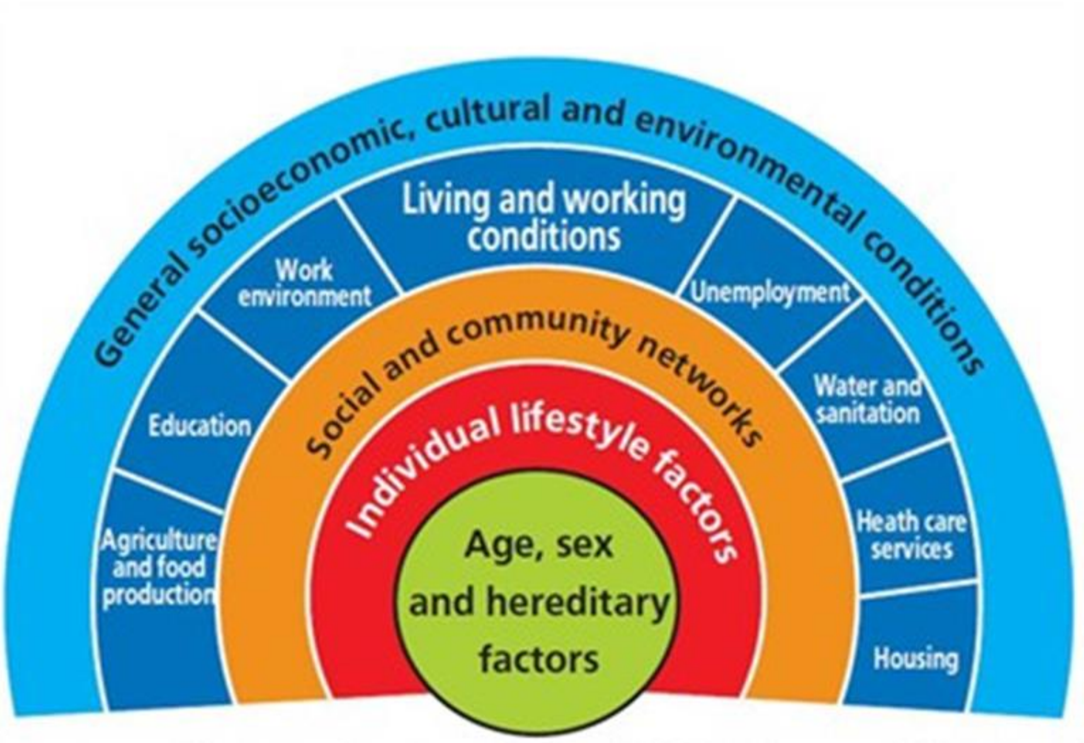
3. Determinants of health

According to the World Health Organisation, health can be defined as “a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.” With this in mind, we know that health and wellbeing outcomes are determined by a broad range of factors. Dahlgren and Whitehead (1992) introduced the determinants of health model that portrays the complexity of factors that influence and affect an individual’s level of health and quality of life.

It is important to be clear on the approach taken when trying to affect population health. It is our belief that the most impactful and sustainable ways to improve health is to focus on individual lifestyle factors. This is a key area of Public Health improvement. This includes helping people to change their health behaviours, to make healthier decisions and create opportunities that lead to health improvement. In tandem with this approach is also important to consider the wider determinants of health and what is being done to address these for Stevenage. Often the triggers and underlying reasons affecting people’s health could include things such as housing and living environment, employment status, educational attainment and access to health care services to name a few. It is important that in the planning, design and delivery of service due consideration is given so health challenges are not looked upon in isolation, out of context of people's lives.

Many of the wider determinants of health are already addressed through Stevenage Borough Council's statutory service provision including housing, environmental health, licencing, waste management, refuse collection and recycling to name a few. The Councils contributions are provided in section 11.

Figure 1: Determinants of Health



The Determinants of Health (1992) Dahlgren and Whitehead

4. Our public health approach

Public Health has three key domains that include helping people to stay healthy, promote wellbeing and protect them from harm. Public Health is about supporting people in the environment they live in to follow a healthy lifestyle. In this way the preventative and protective factors derived from living a healthier lifestyle will build up health resilience and a life that is less affected by ill health.

Addressing the factors that contribute to health inequalities is a vital part of Public Health prevention.

This approach is at the core of the strategy. We are working to understand the needs of the local population and to deliver projects and services that relevant, affordable, accessible and measurable.

5. How healthy is Stevenage?

Understanding the make-up of our neighbourhoods and communities and the resources people have access to is vital in striving to understand how best to improve health outcomes for them. With a greater understanding of these variables and the influences they have, a more informed Public Health approach can be taken to help people and the places they live in to be healthier. As a starting point to inform this strategy, data and evidence has been used from a variety of sources to help identify the major public concerns. Public Health England produces Public Health Profiles for every Local Authority area in the country. This profile for Stevenage along with indicators in the Public Health Outcomes Framework and Joint Strategic Needs Assessment for Hertfordshire have helped to identified and recognise the current challenges facing our town.

5.1 Health Inequalities

The health of people in Stevenage is varied compared with the England average. About 19% (3,400) of children live in low income families. Life expectancy for women is lower than the England average. There are some stubborn, deeply rooted health inequalities that are widespread across the town. Some wards experience better health than others underpinned by a variety of factors. For example, life expectancy is 4.8 years lower for men in the most deprived areas of Stevenage than in the least deprived areas.

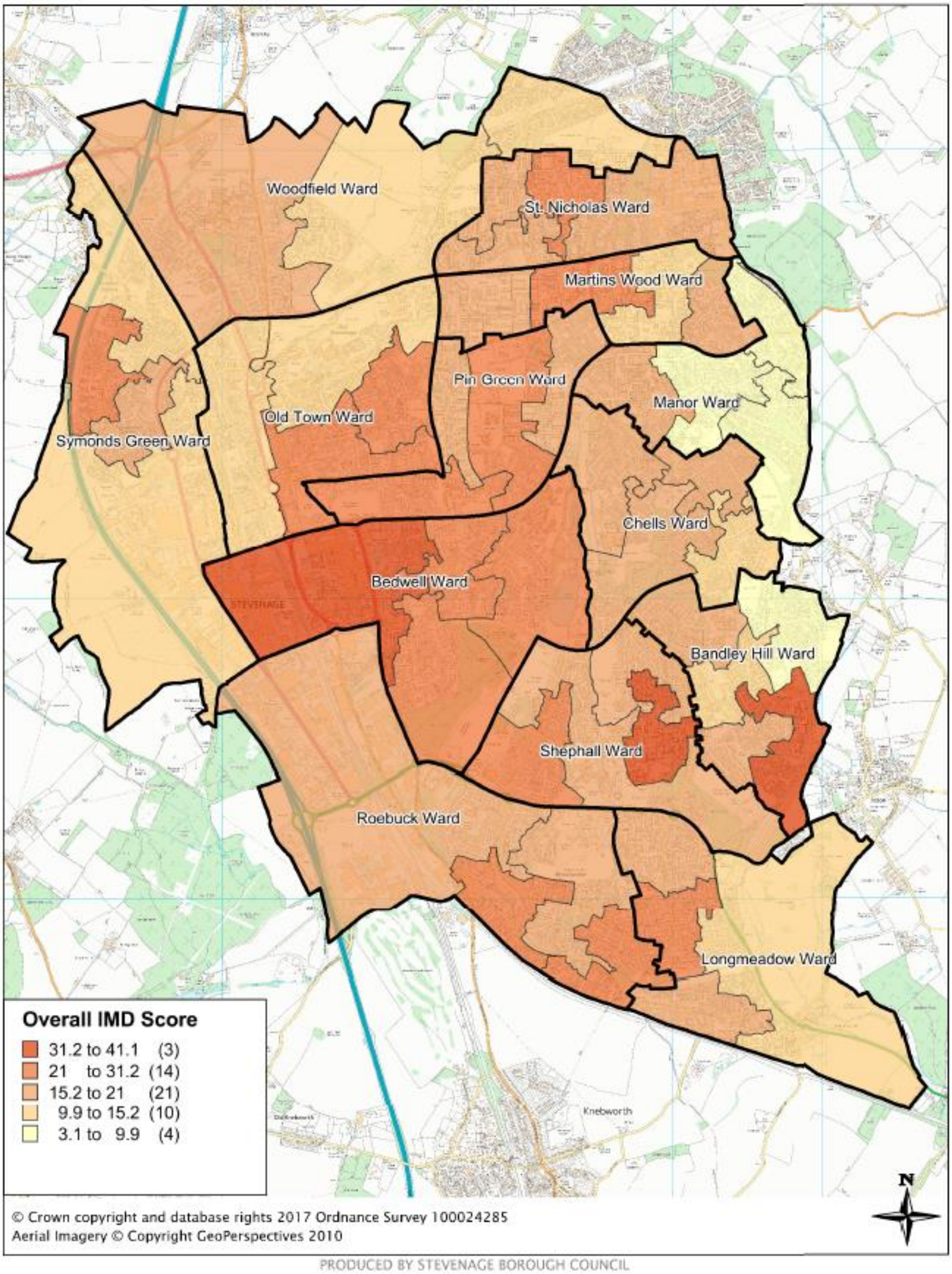
The intention of the this strategy will be to focus on the areas of greatest need to narrow the gap in health inequalities so that all residents have access to services and area supported to make healthier choices wherever possible.

5.2 Deprivation

The Index of Multiple Deprivation (IMD) is a national database that compares indicators across the following areas for every neighbourhood in England (income, employment, health deprivation and disability, education, skills and training, barriers to housing and services, crime and living environment). Each neighbourhood is made up of smaller areas known as Lower Super Output Area (LSOA). These LSOAs are mapped across the country and each area is compared against each other and given a rank, using quintiles (or 5ths).

The following map shows differences in deprivation across Stevenage. The darkest coloured areas are some of the most deprived neighbourhoods in England and rank within the lowest two fifths.

Map 1: Deprivation in Stevenage (2015)



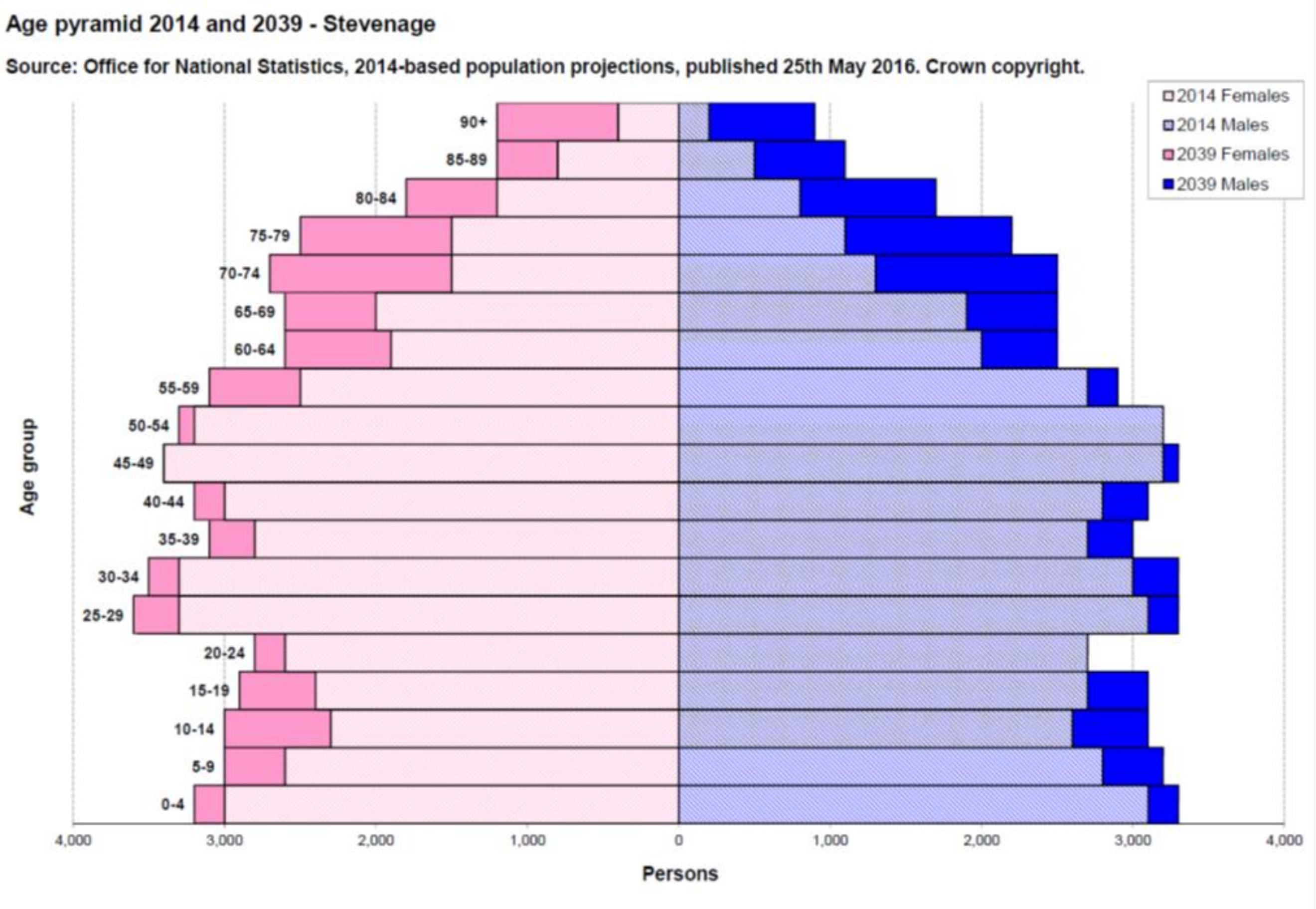
© Crown copyright and database rights 2017 Ordnance Survey 100024285
Aerial Imagery © Copyright GeoPerspectives 2010

5.3 Demographics

According to the Office for National Statistics the population of Stevenage is currently 86,000. Population projections from 2014-2039 indicate that 17,500 more residents will move to the town over the next 22 years (as of 2017). This represents a 20.35% increase in the population up to 2039[2]. Based on these projections, most growth will be experienced among the population aged 60-90+ years. The number of children and young people will grow, most likely due to inward migration resulting from urban regeneration and also existing family roots based in Stevenage. However, this growth will be disproportionate to the number of existing adults that will move through the ageing cycle.

This means that over the next 22 years the health and social care demands of Stevenage's aging population will pose a significant challenge to both Stevenage Borough Council and the demand for its services, but also to the NHS and other strategic bodies.

Figure 2: Stevenage population projections 2014-2039



---

[2] Office for National Statistics, 2014-based subnational population projections.

Avaiable[http://atlas.hertslis.org/profiles/profile?profileId=1036&geoTypeId=16&geoIds=E10000015#]

5.4 Public Health Profile

According to the Stevenage Public Health Profile 2017 and Public Health Outcomes Framework the following priorities have been identified where Stevenage is significantly worse than the national and local average. Topics have been grouped across the life course and by wider determinants of health.

Children and Young People

- Number of children that are overweight or obese in reception and Year 6.
- Number of children that are physically active of primary and secondary school age.
- Mental health and wellbeing and emotional resilience

Adults

- Adults that are overweight and obese
- Healthy eating and consumption of the recommended 5 fruits and vegetables per day
- Number of physically active and inactive adults -
- Number of binge drinking adults
- Overall smoking prevalence adults and attributable mortality
- Number of expectant mothers smoking status at time of delivery
- Smoking prevalence in adults in routine and manual occupations
- Mental health and wellbeing and emotional resilience
- Prevalence of diabetes

Older Adults

- Adults providing 50 hours or more unpaid care per week
- Pensioners living alone
- Injuries due to falls in people aged 65 and over
- Under 75 mortality rate due to cancer and cardiovascular disease

Wider determinants of health

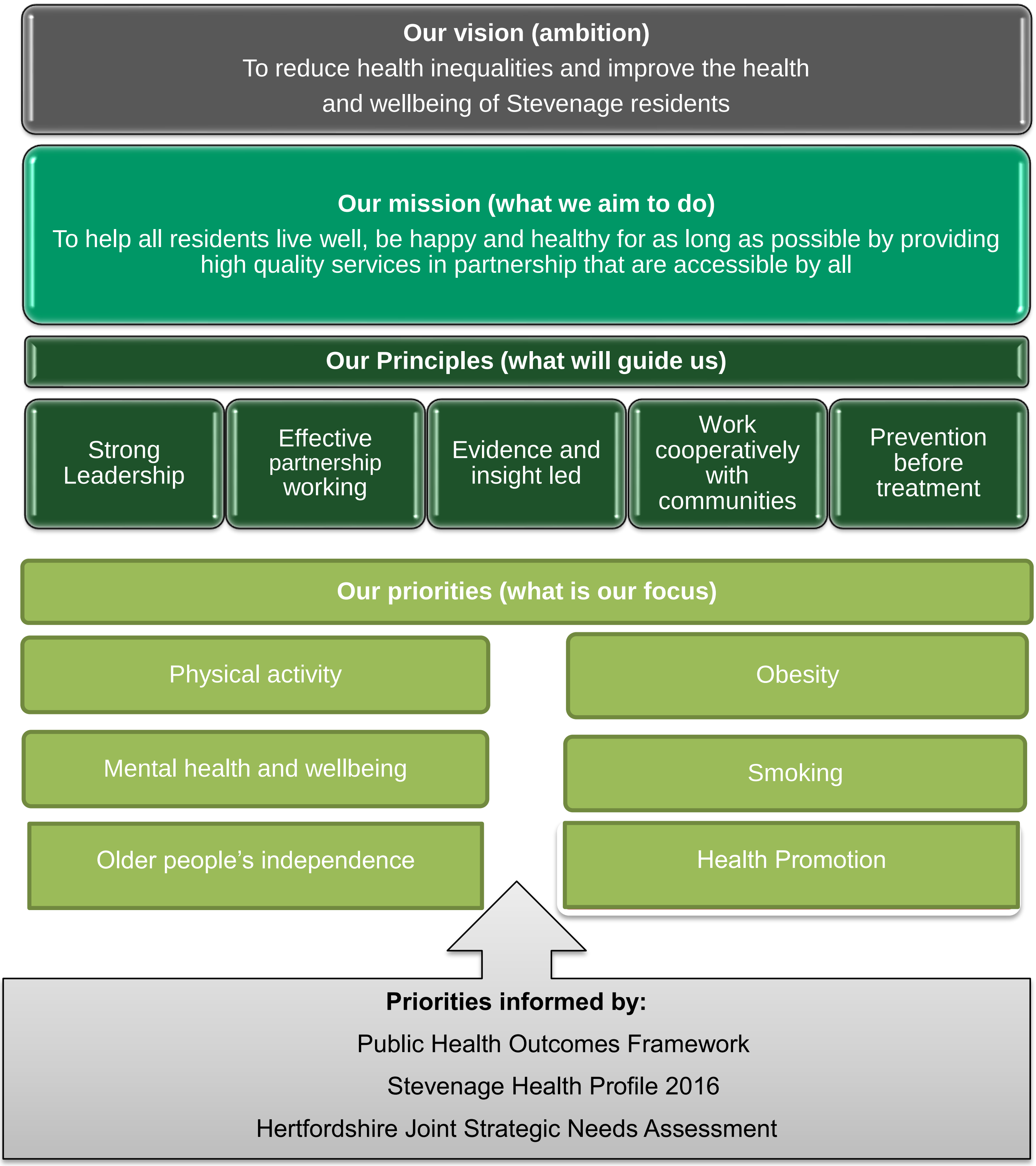
- Number of children living in poverty (under 16s)
- Number of children u15 and aged 16-24 providing unpaid care
- Number of young people providing unpaid care
- Number of adults in long term unemployment
- Number of adults living with a limiting long term illness or disability
- Number of households that have lone parents with dependent children
- Number of adults whose current marital status is separated or divorced
- Overall infant mortality
- Violent crime (violence offences)

- Claimants of benefits due to alcoholism
- Educational attainment based on GCSEs achieved (5 A*-C Inc. English and maths)

6 Strategy at a glance

Based on the challenges facing Stevenage there is a need to identify the different components that will make the Healthy Stevenage Strategy possible. Figure 2 provides an ‘overview’ of the strategy and how its different elements come together.

Figure 3: Healthy Stevenage Strategy



Our vision (ambition)

To reduce health inequalities and improve the health and wellbeing of Stevenage residents

Our mission (what we aim to do)

To help all residents live well, be happy and healthy for as long as possible by providing high quality services in partnership that are accessible by all

Our Principles (what will guide us)

- Strong Leadership
- Effective partnership working
- Evidence and insight led
- Work cooperatively with communities
- Prevention before treatment

Our priorities (what is our focus)

- Physical activity
- Obesity
- Mental health and wellbeing
- Smoking
- Older people’s independence
- Health Promotion

Priorities informed by:

Public Health Outcomes Framework

Stevenage Health Profile 2016

Hertfordshire Joint Strategic Needs Assessment

7 Vision and mission

In 2010, Professor Michael Marmot published ‘Fair Society, Healthy Lives’. The review looked into health inequalities in England and it offers an evidence base to address the social determinants of health. It suggests most people in England aren't living as long as the best off in society and spend longer in ill-health. Premature illness and death affects everyone below the top.

Key to Marmot's approach to addressing health inequalities is to create the conditions for people to take control of their own lives. This requires action across the social determinants of health and beyond the reach of the NHS alone. This places renewed emphasis on the role of local government who along with partner organisations have a key role to play.

The principles of Fair Society, Healthy Lives are central to the vision and mission of the Healthy Stevenage Strategy: -

Our vision is to:

“To reduce health inequalities and improve the health and wellbeing of Stevenage residents”

Our mission is to:

“To help all residents live well, be happy and healthy for as long as possible by providing high quality services in partnership that are accessible by all”

8 Strategic priorities

The following strategic priorities will guide the work of the Healthy Stevenage Partnership in order to steer the contributions and efforts of Stevenage Borough Council and partner organisations in the same direction. Priorities are as follows: -

Health Improvement

1. Reduce obesity rates among children and adults
2. Increase physical activity rates among children and adults by targeting the most inactive
3. Reduce the number of children and adults that smoke, particular among expectant mothers and routine manual workers
4. Support adults and children to achieve good mental health and wellbeing
5. Support older people to remain independent for as long as possible in their homes

Health Protection

6. Provide and maintain a clean, safe and vibrant environment with access to parks and open spaces

Health Promotion

7. Communicate better with local residents and professionals to raise awareness of local projects and services
8. Support national health campaigns to reinforce key public health messages locally

Health Inequalities

9. Provide high quality housing and developments in line with demand and population growth considering health and wellbeing through design.
10. Regenerate Stevenage Town Centre creating more employment opportunities, providing an enhanced leisure and cultural offer and public spaces that facilitate health and wellbeing.

9 Key Principles

The following principles will underpin the subsequent work that will following to success delivery this strategy. These are of equal importance themselves to other considerations within the strategy to ensure our approach to health and wellbeing improvement is founded on equitable grounds and therefore, no sections of the population are excluded.

The five guiding principles the Healthy Stevenage Partnership will follow are:

- **Strong leadership** – We recognise the importance of being a champion for our town and where we can we will raise the profile of local challenges

- **Effective partnership working** - The importance of working together is widely recognised and this strategy purposefully has been driven by the Healthy Stevenage Partnership to ensure there is commitment to all work toward the strategic priorities.

- **Evidence and insight led –** In our planning and service delivery use evidence and insight to rationalise our decision making processes to make sure we are targeting the right things in the right way.

- **Working cooperatively with communities –** Ensure that our approach to health and wellbeing is fully integrated with our community development and cooperative neighbourhood management initiatives.

- **Person centre approach** – treat everyone as an individual and where possible take a holistic view of an individual's person circumstances to better understand their needs and services that can help

- **Prevention before treatment** – invest and deliver in services that are preventative and holt the demand for more expensive services in primary and secondary care.

10 Key drivers and strategic fit

The responsibility for health and wellbeing does not fall under the statutory remit of District Councils; however we have a responsibility to cooperate with other statutory bodies. However, as the profile of health and wellbeing within Hertfordshire is of growing importance, Stevenage Borough Council and its partners recognise their collaborative role and contributions that can make a difference and reduce demand for existing services.

The responsibility to commission and deliver frontline primary and secondary care services within Stevenage lies with East and North Herts Clinical Commissioning Group (ENHCCG), East and North Herts NHS Trust (EHHT), Hertfordshire NHS Community Trust (HCT) and Hertfordshire Partnership Foundation Trust (HPFT). Hertfordshire County Council via its Public Health function leads on four key domains including health improvement, protection, promotion and direct service provision. What about the adult social care delivery and commissioning function.

Understanding the strategic landscape of healthcare and health improvement is vital to ensure that the fit of a local place based strategy reflects the needs for population, but also there are clear strategic links that demonstrate how different work streams overlap and integrate. Being mindful of this, consideration has been given as to how the Healthy Stevenage Strategy links with other key drivers for change in Hertfordshire.

A Healthier Future: Sustainable Transformation Partnership (STP) for Herts and West Essex (2016-2021)

Health, social care, public and voluntary organisations have been tasked by NHS England to develop an STP in response to commitments set in out in the NHS five year forward view. Across the STP footprint of Herts and West Essex, £3.1billion a year is spent on health and social care. There is a forecasted funding gap that could reach more than £550m a year by 2022 if services are not delivered differently and where possible, more efficiently. Following this mandate, 'A Healthier Future' was published which sets out four key priorities that will be addressed across the Herts and West Essex STP footprint over the next 5 years. It aims to:

- Improve the Health and Well-Being of the population
- Improve the quality of the services provided
- Efficient and affordable care

Strategic objectives are as follows: -

- Living well and preventing ill-health
- Transforming primary and community services
- Improving urgent and hospital services
- Providing health and care more efficiently and effectively

Of the four priorities, the Healthy Stevenage Strategy will be able to closely align with priority one (living well and preventing ill-health) by delivering health and wellbeing projects that will benefit local residents.

Hertfordshire Health and Wellbeing Strategy (2016-2020)

Hertfordshire Health and Wellbeing Board brings together Local Government, including public health, adult social care and children's services, including elected representatives, the NHS including commissioners and providers, the Office of the Police and Crime Commissioner, and Hertfordshire Healthwatch, to plan how best to meet the needs of Hertfordshire's population and tackle local inequalities in health.

The joint Hertfordshire Health and Wellbeing strategy sets out the high level priorities based on a life course approach looking at the four key life stages namely starting well, developing well, living well and ageing well. Many of the priorities that are recognised in this strategy are undoubtedly the same given the disparity of health inequalities in Stevenage when compared to the rest of Hertfordshire.

Hertfordshire Public Health Strategy (2017-2021)

As a key partner on the Health and Wellbeing Board, Hertfordshire Public Health's new strategy closely aligns with many of the same priorities identified previously. Both Public Health and the Hertfordshire Health and Wellbeing Board use the Public Health Outcome Framework (PHOF) to monitor the progress health indicators they aim to impact up. Therefore, with a clear line of sight between the strategic direction in set in Hertfordshire translated into what this means a local level in Stevenage provides a robust, carefully consider approach.

11 Role of Stevenage Borough Council

In part, this strategy is recognition that Stevenage Borough Council understands the importance of this agenda in the wider context of their place based ambitions and business objectives. Future Town, Future Council is the Stevenage Borough Council corporate plan that sets out our 9 key goals for the town. This includes different strands of work including internal transformation plans, housing development, regeneration plans including the town centre and how we work co-operatively with our neighbourhood and communities.

Through the implementation of this strategy we will ensure that we are:

- **Performing at our peak:** by fully understand what our local challenges are and how we can address these.
- **A partner of choice:** by ensuring that we create the right conditions for partnership working, that we engage our key stakeholders in our work and ensure there is joint commitment to delivering shared priorities.
- **Connected to our customers:** by providing projects and services that reach out to hard to reach groups and individuals ensuring equality of access to health and wellbeing opportunities.
- **Co-operative neighbourhood management:** by better engaging our residents in what matters to them in their local area and how this can be integrated with our health and wellbeing ambitions.

Figure 4: Stevenage Borough Council, Corporate Plan: Future Town, Future Council

The change initiatives that support the achievement of the promises are inherently connected to impacting upon the wider determinants of health and will play a significant role in helping to improve the health and wellbeing of local residents. Furthermore, the council's role and contribution goes beyond these transformational plans and includes many of the existing services that are already provided across the town to residents. Many of which will not always be viewed as directly being linked to health improvement. The following is a brief outline of services that in a practical way have impact upon on public health and contribute to the quality of life of our communities.

Leisure Services

Leisure Services have the responsibly for ensuring that the leisure, sporting and cultural offer across the town is vibrant, appealing and accessible to all. They have responsible for working with providers and partners such as Stevenage Leisure Limited who manage key facilities across the town including Stevenage Arts and Leisure Centre, Stevenage Swim Centre, Fairland's Valley Park and Stevenage Golf and Conference Centre on behalf of the Council.

Implicit to this strategy is the Councils work on cultural development and commission. Currently we provide Stevenage Museum, sporting events, sports development programmes and health and wellbeing services but we have a newly produced Cultural Strategy that will look to enhance the current offer within the town and prompt more opportunities to create wellbeing among our communities.

We also have a long establish and very successful play development team that offer open access, free play centres and holidays scheme for our children and young people. These create opportunities for physical activity, health eating, creative play, and parental engagement that all support health child development.

Environmental Health

The Environmental Health service is an essential ingredient in maintaining and improving public health for residents and for those visiting or working in the Town. This is done by the provision of advice and, where necessary, through regulation and enforcement. We can influence, protect and improve health in many different ways, for example by:

- Ensuring that good food hygiene standards are maintained in commercial premises,
- Protecting employees' health and safety in offices, shops, warehouses and leisure premises
- Improving air quality for everyone in the district
- Taking action to deal with poor housing, for example by improving conditions in private rented accommodation and houses in multiple occupation.
- Dealing with nuisance issues such as noisy neighbours which can have a serious effect on mental well-being
- Adapting a property to aid those living with disabilities

Environmental Health services are also responsible for the implementation of licensing regimes relating to alcohol and entertainment, gambling and taxis. The principle objectives of these include the prevention of crime and disorder, ensuring public safety, prevention of public nuisance and protection of children from harm. In pursuing these objectives Environmental Health makes a valuable contribution to the safety of the night-time economy as well as the prevention of ill-health related to gambling and alcohol consumption.

Planning Policy

Stevenage was designed to incorporate open green spaces between neighbourhoods to provide amenity space and natural environments within the urban setting of the town. These areas are important and are identified and protected in the Stevenage Borough Local Plan (Chapter 14, The natural and historic environments). The areas identified contribute to the environmental health of the town, and, consequently, the physical and mental health and wellbeing of the town's residents.

The Stevenage Mobility Strategy is to support a mode shift over time from car driver to more space efficient, socially inclusive and less polluting forms of mobility, and not simply to supply extra road capacity for the benefit of car borne commuters in peak periods. It recognises that cyclists and pedestrians are an indicator of a successful town. This approach will improve residents health; increasing active travel (cycling and walking) using the extensive cycleway network in the town. This will also contribute to improved air quality by reducing reliance on cars and their emissions. The use of active travel (walking and cycling) throughout Stevenage will address the health inequalities of its residents, both physical and mental.

Stevenage Borough Local Plan recognises the role retail centres play in the health of residents. Policy TC10 recognises the impact of hot food takeaways (Use Class A5) on the health of residents and the proliferation of such establishments in the Old Town High Street Shopping Area. The Local Plan will include a policy restricting the further proliferation of hot food takeaways (Use Class A5) in the High Street in order to limit the health impact of such establishments on the residents of the area and schools within walking distance of the High Street.

The Stevenage Borough Local Plan ensures that additional open spaces and recreational facilities are provided for the increasing population of the town. Development sites allocated in the north, west and south of Stevenage all require sports and recreational facilities for the new communities.

Environmental Services and Amenities

Stevenage Borough Council is committed to creating and maintaining the outdoor environment to a high standard across the district. Cleansing operations in our streets and parks ensure that getting out and about is a pleasant experience. Environmental Services maintain the towns' excellent parks and opens, including playground facilities, working to improve facilities to give residents more opportunities for keeping active and healthy.

In addition, the councils amenities department provide services such as street cleansing and graffiti removal, refuse collection, recycling, the reduction of waste, parks and open spaces maintenance and conservation, pest control intervention, minimising environmental crime and protecting trees and hedgerows, as well as grass cutting and maintain flower beds and shrubbery.

Community Safety

Community Safety plays a major role in the health and wellbeing of the community through dealing with illegal tobacco, causes of domestic violence, offender mental health, and drug and alcohol safety. The Stevenage Community Safety Partnership brings together key local partners to address shared priorities including:

- Helping to make People feel Safe
- Reduce crime and Disorder
- Protect and Safeguard Vulnerable People
- Tackle antisocial behaviour (ASB) Co-operatively with partners
- Break the cycle of substance misuse and offending.

Cooperative Neighbourhoods and Community Development

The Communities and Neighbourhoods team work in partnership with residents, to make improvements to the local areas in a more cohesive, joined up way to improve wellbeing. This is being achieved by bringing organisations, community representatives and voluntary groups together to create neighbourhood groups that will play a key part in considering the assets, needs, opportunities and best use of investment to renew a sense of local identity which in turn creates social change. Through a series of consultations, and community engagement events, local people are raising issues that concern them the most and making decisions on how to improve their local area. These include tackling issues that may prevent residents from engaging and enjoying their local environment such as; anti-social behaviour, fly tipping and littering, night time safety and general disrepair of public realm features. The challenge is to break down barriers between different agencies and use these opportunities to bring people together and develop solutions to solving challenges locally. The vision is to create a community that has a sense of pride in its local resources, feels safe to access amenities and feels valued by organisations such as Stevenage Borough Council.

Regeneration

The regeneration of the town centre will play a vital role into how health and wellbeing can be improved and start creating new ways and opportunities that will help improve the health of everyone who lives and works in the town centre.

Our 15 year regeneration plan looks at delivering phases throughout the town which will include large storey buildings and reducing down the number of surface car parks by building upon these. SBC hopes to encourage more green travel by improving its transport links with the likes of a new rail station, improving our current cycle routes, providing a new and efficient bus service which will be part of a centralised transport hub which will help mitigate fumes and emissions from the centre of the town. With this there are public realm projects underway including the addition of trees and planting into the town centre as well as more seating, lighting to help service our night time economy and help combat anti-social behaviour. Other public realm works will look introduce modern play equipment which will stimulate and activate learning for children as well as provide fitness and activity.

There is requirement for all developments across regeneration to have standards that will help improve and reduce our CO2 levels by making sure buildings are to a high BREAAM standard, promote and use green technology where possible.

Through our major regeneration plans, there will be job opportunities through either local construction and through finished developments where we anticipate new retail and leisure businesses will be established and help reduce unemployment in the local area.

12 Making it happen

This Strategy will be owned and implemented by the Healthy Stevenage Partnership which includes the following organisations; Stevenage Borough Council, Hertfordshire County Council, Public Health, East and North Herts Clinical Commissioning Group, East and North Herts NHS Trust, Mind in Mid Herts, Health Watch, Stevenage Football Club Foundation, Citizens Advice Stevenage, Children Centres, Stevenage Leisure Limited among many others.

Together we have developed an annual action plan that we will deliver across our priorities through appropriate engagement with our partners and communities. . The annual action plan will show all the work undertaken which contributes to the delivery of this strategy and the Hertfordshire Health and Wellbeing Strategy, Public Health Strategy and STP work streams

It is also important to note that the strategy and action plan will be a live document as the health and wellbeing agenda evolves which in turn will reflect local need based on evidence and take account of changing aspirations.

Healthy Stevenage Partnership has the following functions:

- Alignment of partners and their efforts to shared priorities for Stevenage
- Work together to maximise resources, skills, knowledge and evidence
- Deliver or commission local projects based on evidence and needs
- Communication and share among organisations and residents opportunities to improve wellbeing
- Champion health and wellbeing and promoting positive health-related behaviours

- Lever in additional resources and secure investment for health and wellbeing in Stevenage

It is through these functions collectively that we believe we can bring the strategy to life and make biggest different to the lives of local people and the communities in which they live.

13 Contact details

If you would like to feedback on aspect of the Healthy Stevenage Strategy or discuss opportunities for partnership working through the Healthy Stevenage Partnership please contact:

- Stevenage Borough Council – Neighbourhood and Communities Unit
- **Email:** leisure@stevenage.gov.uk
- **Tel:** 01438 242 242 (Customer Service Centre)
- **Address:** Stevenage Borough Council, Daneshill House, Danestrete, Stevenage, SG1 1HN.

Part I – Release
to Press

Meeting: EXECUTIVE

Portfolio Area: Resources

Date: 14 FEBRUARY 2018

GENERAL FUND DRAFT ASSET MANAGEMENT STRATEGY AND ACTION PLAN

KEY DECISION

Author	Julie Herbert	Ext 2141
Lead Officer	Clare Fletcher	Ext 2933
Contact Officer	Julie Herbert	Ext 2141

1. PURPOSE

1.1 To seek approval to the new draft General Fund Asset Management Strategy and Action Plan.

2. RECOMMENDATIONS

2.1 That the draft Asset Management Strategy at Appendix A be approved.

2.2 That the draft Asset Management Action Plan, at Appendix B, be approved.

3. BACKGROUND

3.1 The Council has produced an Asset Management Strategy (AMS) since 2000 under guidance from the Audit Commission and the Department of Communities and Local Government. The previous AMS was produced in 2010/11.

3.2 Our new Asset Management Strategy continues to set the framework for managing the Council's general property portfolio effectively over the next five years commencing 2018. This relates to General Fund assets only.

3.3. It will guide the Council's future strategic property decisions to make sure the estate is managed sustainably and efficiently so it can adapt and remain fit for the future. A live road map on how the Council use its valuable property to maximise available resources (assets and finance) to achieve Future Town Future Council aspirations.

3.4. It is proposed that the Strategy will remain in place until 2023 and the Asset Management Action will be the key change document and main focus, updated annually.

3.5. Since the last AMS the financial landscape in which the Council operates has changed considerably impacted by 2017 comprehensive spending review and further financial pressures on the general fund. This coupled with an already aged and extensive property portfolio to keep watertight, secure, operational and fit for purpose, where costs have out-stripped the capital receipt pipeline, the Council is now facing some difficult decisions if its ambition to hold a well maintained and sustainable estate is to be achieved. This presents both a number of challenges and also opportunities to find the best way of utilising our valuable resources.

3.6 The Asset Management Strategy sets out clear financial targets for the Council to achieve during the next five years in order to help meet these challenges, and make the most of opportunities which will achieve the Council's key aspirations (see 4.2 below).

3.7 Some policy development work is due to take place with the Overview and Scrutiny Members on the 8th February. The Executive Portfolio Holder for Resources will present a verbal update on the outcome of this work.

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 The framework for the new AMS falls into eight sections which cover the current overview of the property portfolio, the key aspirations/drivers, achievements made so far, the challenges the Council continue to face and the changes it proposes to introduce (in order to help mitigate the impact of some of those challenges) so that the Council can move towards a more sustainable estate. The Strategy explains the proposed governance needed to over-see this step change.

4.2 The key aspirations (which are a very important base line for the Strategy) provide a strong steer and focus for maximising resources towards delivery of the corporate aims of Regeneration, Housing Development and Neighbourhood Investment, as follows:

- To acquire and hold assets that help create and support a vibrant town
- To hold assets that help improve the quality of the environment for the benefit of local residents.
- To look at ways of releasing and developing our land assets that enable the Council to provide high quality new homes for our residents, and
- To hold a sustainable, compliant and efficient corporate estate.

Under-pinning all these aspirations is a requirement to secure new and existing sustainable income streams, release capital receipts from poorly performing assets and re-invest, reduce costs of the Corporate estate and ensure continued effective management of capital spend.

4.3 The Asset Management Strategy explains the challenges the Council currently face and these are highlighted below, together with new recommendations for change in order to influence and help the Council deliver on its key aspirations.

Challenges faced

4.4. Extent of the property holding

The Council has a large asset base comprising 394 non housing assets plus 6664 garages. This is one of the largest portfolios in Hertfordshire. There is a very low vacancy rate within the non-operational stock, and 100% of the operational or corporate buildings continue to support the Council in delivering its services.

4.5 Condition of the Stock

4.5.1 The condition survey of 2012 highlighted a financial cost of £18.48m to complete backlog maintenance and repair works to the general fund assets (excluding commercial assets, garages and leisure assets).

4.5.2 In the last year, the Council has had to bring in some early short term mitigation to limit capital expenditure on general fund assets in view of the financial landscape. £1.99m has been spent on Priority 1 & 2 work (essential health and safety, and statutory works) since 2013/14 to ensure that buildings are watertight, secure, operational and fit for purpose.

4.5.3 This leaves a residual sum of outstanding work of approximately £16.3m, consisting of a further £1.02m on completion of Priority 1 & 2 work, and £15.28m on Priority 3 & 4 (allocated for general repairs and improvements).

4.5.4 However, the actual capital expenditure required to complete all the outstanding work is likely to be far higher, because the current information is based on the condition of our assets in 2012. A new condition survey is due to be commissioned in March/April of 2018, and this will reveal the true extent of capital expenditure required. It is anticipated that this will reveal more essential repair work required beyond the £1.02m requirement. The new condition surveys will be commissioned to align with the locality review programme (detailed at 4.16-4.20 below).

4.5.5 Additionally these costs do not include the £9.2m investment required to bring garages up to a reasonable condition.

4.5.6 A similar stock condition survey of the Council's leisure assets (as defined in page 32 of the draft Strategy) was undertaken in 2013. Minor repair work identified within the survey has been undertaken by the existing tenant, excluding major items of maintenance and expenditure, which are subject to separate bids through the capital programme.

4.6 Other big capital costs

4.6.1 The Council's ambition for regeneration will require substantial capital investment during the life of this Strategy, as well as the Council needing to follow through on additional financial commitments already made, to include refurbishment of the Council's garage stock of circa £9.2m.

4.7 Running costs

4.7.1 The gross running costs of the whole Corporate Estate are estimated at circa £3.223m (2018/19) which includes the assets held for regeneration, and commercial property. The operational portfolio costs are circa £2.772m to run.

4.7.2 There is an ongoing compliance charge cost of circa £216k per annum for the compliance inspection and servicing tasks related to circa 69 council buildings and around a further £120k per annum for associated reactive maintenance repairs. This has delivered financial savings through economies of scale (given other Local Authorities are also part of the same contract), but remains an ongoing commitment.

4.8 Capital Programme

4.8.1 In addition to the maintenance backlog, the capital programme for 2018/19 has an anticipated additional spend of £14.48m.

4.9 Traditional Funding Streams drying up

4.9.1 In the last 18 years the Council has benefitted from releasing substantial capital receipts from the sale of surplus stock and developable land, which has helped in the past to under-pin some of these costs and support the capital programme expenditure without the need to wholly revert to prudential borrowing. However, this disposal pipeline is drying up, all bar the strategic land assets as predicted in the previous AMS. There is an expectation that capital receipts including unallocated brought forward sums will diminish in 2020/21. The Asset Review of 2012/13 did identify some additional new sites for disposal and these were included within the disposal programme. This list has however now been exhausted. Without the ability to use capital receipts, this would leave a further requirement for Prudential Borrowing to fund the gap.

4.9.2 In more recent years, there has been an additional pressure to transfer General Fund land assets to the HRA to help support the FTFC housing aspiration to build new council homes on our own land. This is an opportunity, but also a challenge because the transfer is funded internally and an actual capital receipt is therefore not achieved. This situation is likely to improve in future years as more alternative methods of releasing maximum site value and a percentage of profits through market value sales of new homes could be achieved on some sites, but this remains a current pressure. The Council's approach to this conundrum will emerge through the development of the Housing Development Strategy.

4.10 No single property voice

4.10.1 General fund property is currently managed by various teams across the Council including Estates, Property Investment and Services, and there is no single property voice. To deliver on this Asset Management Strategy with clear target outcomes, it is recommended that this culture is changed so that there is a clear single framework. This should be seen as a positive contribution ensuring that asset management planning becomes an integral part of the Council's Strategic, service and financial planning process. This is discussed in more detail at 4.27 – 4.30 below.

4.11 Summary of Challenges faced

4.11.1 It is clear from the points raised above and outlined in the Strategy that the challenge faced in respect of the financial landscape is significant, with a projected need to spend on assets which far out strip the ability to fund the works due to capital receipts drying up, and the continuing deterioration of the stock. If the Council is to realise its regeneration, housing and neighbourhood ambitions, there must be a step change in its future approach.

Changes proposed

4.12 Historically, for good reasons, the Council has had an approach to asset management planning based around retaining the majority of assets, increasing their efficiency, and ensuring that they are used effectively to meet the needs of the Council and of Stevenage residents. Initiatives such as the Compliance Contract and Energy audits have tended to focus on achieving greater efficiencies from existing buildings rather than challenging their need or effectiveness. The most recent Asset review has achieved some, but limited success, at asset disposal.

4.13 It now seems clear that further incremental changes will not be sufficient to address the gap between where the Council is and where it needs to be financially, and that it will be necessary for the Council to achieve a step change in the way that it manages assets, and in the size and cost of the estate.

4.14 The following notional asset management targets are to be introduced as part of the new Strategy to provide some focus. This will be a guide to the minimum target objective and review annually.

- 40% Reduction in office accommodation space occupied corporately
- 20% Reduction in controllable running costs of office accommodation
- 20% Reduction in controllable running costs of community buildings
- Generation of £7.5m capital receipts (to be informed by the locality reviews). This target includes £5m disposals previously agreed by Executive - July 2013.

4.15 The Strategy therefore contains a number of high level recommendations for making this step change. They are:

- Locality Reviews (land and asset review)
- Reviewing Performance of our existing commercial stock
- Embracing new models of investment including commercial investment strategy
- Improving current data management systems and processes
- Reviewing the way the Council make decisions on our property

Locality Reviews

4.16 This is a new concept for Stevenage, but tried and tested in other parts of the eastern region including Hertfordshire and Essex.

4.17 A programme of new high level area reviews will be carried out across the whole of the Borough, with a view to challenging in a rigorous way the Council's retained estate (land and buildings) without (at first sight) knowledge of the running costs, or current condition survey data, and using available spatial mapping software (e-pims data). This will include consideration of outcomes from reviews of HRA held assets.

4.18 These holistic reviews will hopefully result in a list of opportunities within the reviewed area which may generate new sustained revenue income, improve office efficiency/utilisation for operational assets, or potential co-location of public sector and community groups, invest to save opportunities, and/or releasing surplus land and buildings for sale. Previous reviews looked at assets in isolation, and this type of review will review assets holistically within given geographical areas. This may or may not result in further opportunities being identified.

4.19 The locality reviews will take into account the outcomes from current reviews of specific asset groups, which are on-going, including the community centre review. These specific reviews will take into account the social value and community benefit of these asset groups.

4.20 The methodology including phasing for the locality reviews is yet to be finalised. It is proposed that the East of England LGA (EELGA) will undertake the reviews on the Council's behalf subject to procurement. The EELGA have carried out a dozen locality area reviews under the One Public Estate programme, across Essex, Northamptonshire and Hertfordshire.

Reviewing Performance of our existing commercial stock

4.21 It is proposed to undertake an initial and comprehensive audit of the existing commercial portfolio. This will include a tenant and lease review, rent status and estimated rental value analysis (under rented, rack rented or over-rented), void analysis (including costs), and capital value analysis.

4.22 The Council will be able to track performance of the commercial assets and make decisions relating to retention based on these outcomes.

4.23 As part of this review, the future management model for the optimum estate and related costs will also be considered.

Embracing new models of investment

4.24 The Council will be looking at other models of commercialisation in order to generate new revenue streams or release revenue savings. These new models of investment will include;-

- making new commercial property investments (see the Council's property investment strategy which is already under-way)
- taking the developer role in the Borough and making better use of existing capital resources, and

- reviewing energy generation and supply as well as saving energy.

Improving current data management systems and processes

4.25 Existing software for holding property data is currently being reviewed by Estates and Housing teams in light of the decommissioning of the current GVA Property Manager software. New Estate Management data software (as an additional module to existing software already in use at the Council) has been purchased and will be implemented by a target date of April 2018. This will allow the Estates team to review the council's assets holistically and support the Locality Reviews, as well as being an effective tool in the management of non-operational assets.

4.26 Core data in respect of the operational/corporate assets including condition survey data and associated costs is likely to be migrated to the existing Keystone software system managed by the Housing Investment Team.

Reviewing the way the Council make decisions on its property

4.27 It is proposed to review the current processes and develop a more formal Corporate Landlord role as part of the AMS action plan, that will provide a clear framework for the management of all its assets.

4.28 Under a Corporate Landlord approach, the ownership of an asset and the responsibility for its management, maintenance and funding are transferred from service departments to a centralised corporate function known as the Corporate Landlord.

4.29 The service departments become corporate tenants and make use of the property and land in delivering a service.

4.30 The Corporate Landlord's function is to ensure that the service is adequately accommodated and to maintain and manage the asset. This Landlord's function extends to the acquisition, development and disposal of land and property. The role extends to responsibility for Asset review and potential scope for efficiencies and the effective delivery of corporate outcomes. Where it has been seen to be most effective in other organisations is ensuring that an organisation's property portfolio drives, supports and delivers corporate change and transformation.

Right skills

4.31 It is important to have the right skills in place to lead on the actions proposed within the AMS Action Plan. Consideration should be given as to whether the various property teams working jointly can actively handle the full work stream once this is fully known.

Conclusion

4.32 There are a suite of recommendations within this Strategy which will collectively hopefully help the Council move to a more sustainable financial position and shape an optimum portfolio that will support delivery of council services.

5. IMPLICATIONS

5.1 Financial Implications

5.1.1 The report and appendices combined provide an overview of the current cost of the non-housing estate based on existing data. The importance of a sound Asset Management Strategy and its key role in the affordability and delivery of the Council's Capital Strategy 2017/18 to 2022/23 was stressed in a report to Executive on the 23rd January 2018.

5.1.2 Although the Asset Management Strategy has the potential to have a significant impact on the Council's overall financial position, the full financial implications cannot be quantified at this stage.

5.2 Legal Implications

5.2.1 There are no legal implications at this stage.

5.3 Risk Implications

5.3.1 The timely implementation of the new AMS and in particular, progressing the changes proposed within the Action Plan are key to the future management of the financial and physical risks associated with the Council's estate.

The following risks relate to the notional asset management targets, posed in section 4.14.

Risks	Initial Likelihood/ Impact		Mitigating Actions	Residual Likelihood/ Impact	
(1) There is no reduction in corporate office accommodation and (2) consequently no reduction in associated running costs This is dependent upon the delivery of SG1 and the development of the new corporate office accommodation during the life of the AMS.	Medium	High	Appointment of a Developer for the SG1 development will be made prior to or around the time of the release of this report. The Council will enter into a development agreement.	Low	Medium
(3) There is no reduction in controllable running costs of community buildings The reduction in running costs of buildings is dependent upon several factors including condition and long term future. Changes in future use of community buildings requires consultation and collaboration with stakeholders and user groups. Savings may result from the disposal of a building (be that demolition, sale or leased out) or smaller savings in energy and utility costs (paid by the Council) where efficiencies can be made subject to condition.	Medium	High	The proposed Corporate Landlord approach will help to focus on ways to reduce energy and utility costs where possible. Where disposal of an asset is identified. This is subject to collaboration with stakeholder groups if to be displaced.	Low	Medium
(4) Generation of capital receipts There is a risk that the Council will not generate sufficient capital receipts from the changes proposed within the Strategy.	Medium	High	The proposed locality reviews (which will cover land and buildings) will be carried out in a timely manner, and in collaboration with other public sector organisations. These should result in a list of new opportunities to release capital receipts during the Strategy period.	Low	Medium

5.4 Policy Implications

5.4.1 It is likely that, as the projects in the AMS action plan progress, especially the Corporate Landlord approach, specific policies accommodating the changes will emerge.

5.5 Environmental Implications

5.5.1 The AMS requires the estate to play a key role in mitigating and averting climate change in the form of renewable energy solutions, and reducing demand by boosting energy efficiency across our estate.

5.6 Staffing and Accommodation Implications

5.6.1 There are no staffing and accommodation implications at this stage.

5.7 Equalities and Diversity Implications

5.7.1 Equality Impact assessments will be undertaken where there is a change to a service as part of the AMS Action Plan.

BACKGROUND DOCUMENTS

None

APPENDICES

Appendix A - Asset Management Strategy
Appendix B – AMS Action Plan

APPENDIX A

Stevenage Borough Council

DRAFT ASSET MANAGEMENT STRATEGY

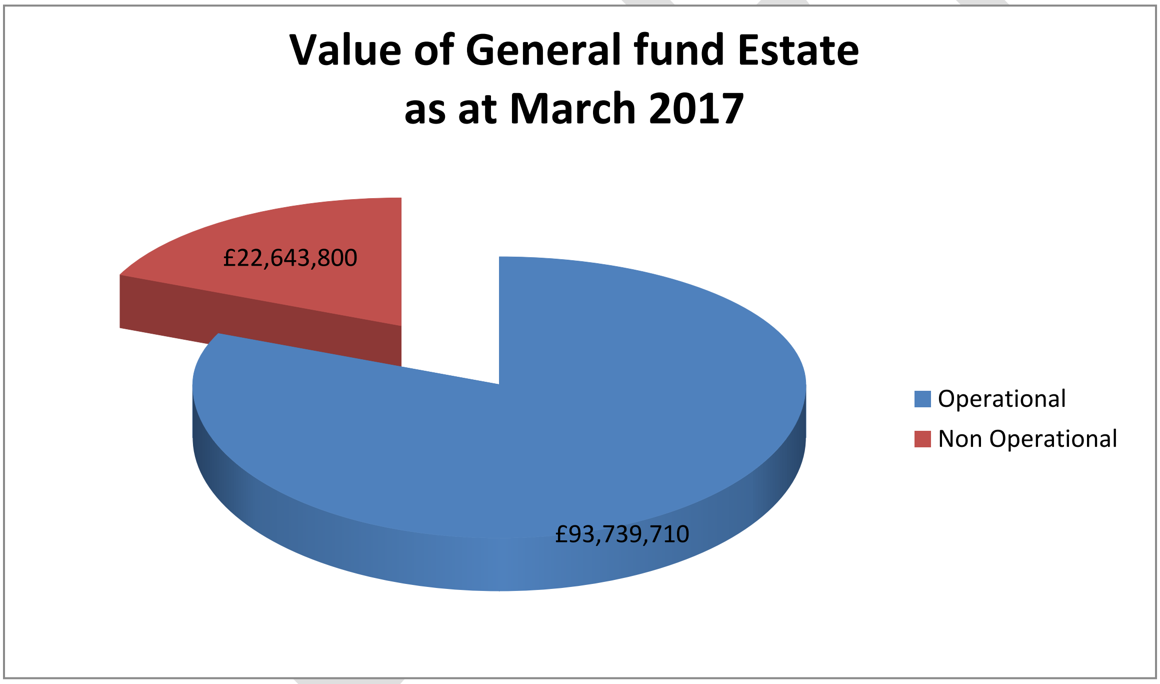
2018-2023

Contents

INTRODUCTION

This document sets out Stevenage Borough Council's Asset Management Strategy 2018-2023. The Strategy describes the Council's approach to management of its non-housing assets, land and buildings, and is intended to provide the framework for decision making across the estate (for all operational and non-operational assets).

The central focus is the Council's buildings which fall into two categories
(1) **Operational assets** including corporate offices and depots, a wide range of community buildings, leisure facilities, and car parks, and
(2) **Non-operational assets** including the commercial portfolio, and garages.
The current combined value of the non-housing estate is £116.38m.



The Council can drive change through efficient use of its assets within the Borough, helping to improve local communities and residents quality of life, connect opportunities for regeneration of areas and deliver services from high quality easily accessible corporate buildings.

This new framework is intended to have a life of five years and replaces the previous Asset Management Strategy 2010-2015. The new framework comprises of two key elements - Asset Management Strategy and Asset Management Action Plan. The general approach to asset management is likely to remain constant for this period, but the action plan will be the key change document.

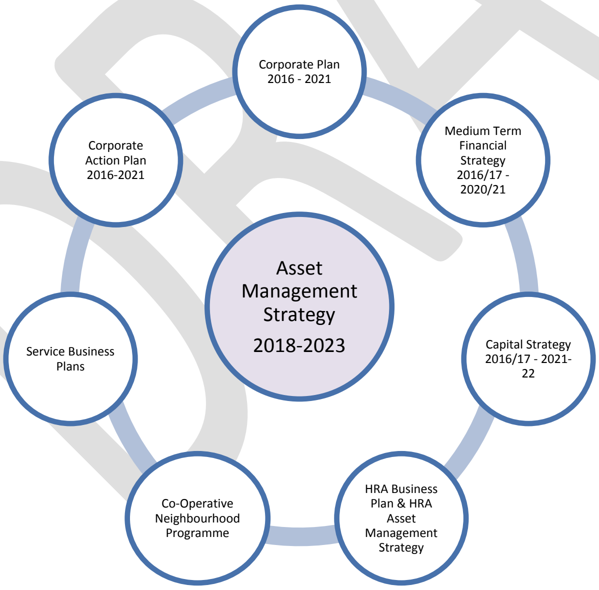
Why do we need an Asset Management Strategy?

Asset management, in simple terms, is the name given to the strategic management of the property assets that the Council owns or occupies. In this case, non-domestic assets held by the General Fund.

The Asset Management Strategy is intended to be a live road map for its assets setting out the direction of travel for the next five years. This will reveal how the Council intends to maximise available resources (assets and finance) to develop a sustainable well maintained portfolio that helps to support and deliver the Corporate aims and objectives.

Links to other Corporate Strategies including context

Property assets cannot be managed in isolation to other over-arching Council policies and strategies, as they are closely linked to the achievement of our strategic priorities. These key priorities are summarised within the Council's Corporate Plan and Summary Action Plan. The diagram below shows the main strategy documents influencing property decisions.



Stevenage Council approved proposals for a new programme called Future Town Future Council in October 2015. It consists of nine key focused programmes that aim to deliver improved outcomes and real change for Stevenage residents over the five year period (up to 2020)(see Appendix A). This forms the basis of the new Corporate Plan. Further details can be obtained via the following link - ((http://www.stevenage.gov.uk/content/15953/33537/20596/Co-op-Future-Council-Corporate-Plan-2017.pdf)

The **Corporate Plan 2016 – 2021** includes the following ambitions:

- Increase the number of social and affordable homes in Stevenage (FTFC 05)
- Create a vibrant town centre where people want to live, work and play (FTFC 06)
- Improve the accessibility of our services and the customer experience (FTFC 07)
- Work with our communities to improve our neighbourhoods (FTFC 08)
- Provide high quality homes to our tenants and leaseholders. (FTFC 09)

This plan is ambitious and to help deliver on these core values, the Council will need to be:

- A financially resilient Council with enough resource to deliver its priorities (FTFC 01)
- Become a smart Council with improved performance (FTFC 02)
- Have the right people, skills and knowledge (FTFC 03)
- Have stronger partnerships with key agencies to deliver our priorities (FTFC 04)

The Asset Management Strategy will support the delivery of these core objectives. The Council will be using its valuable resources (people and property) to ensure effective and efficient management of the corporate estate.

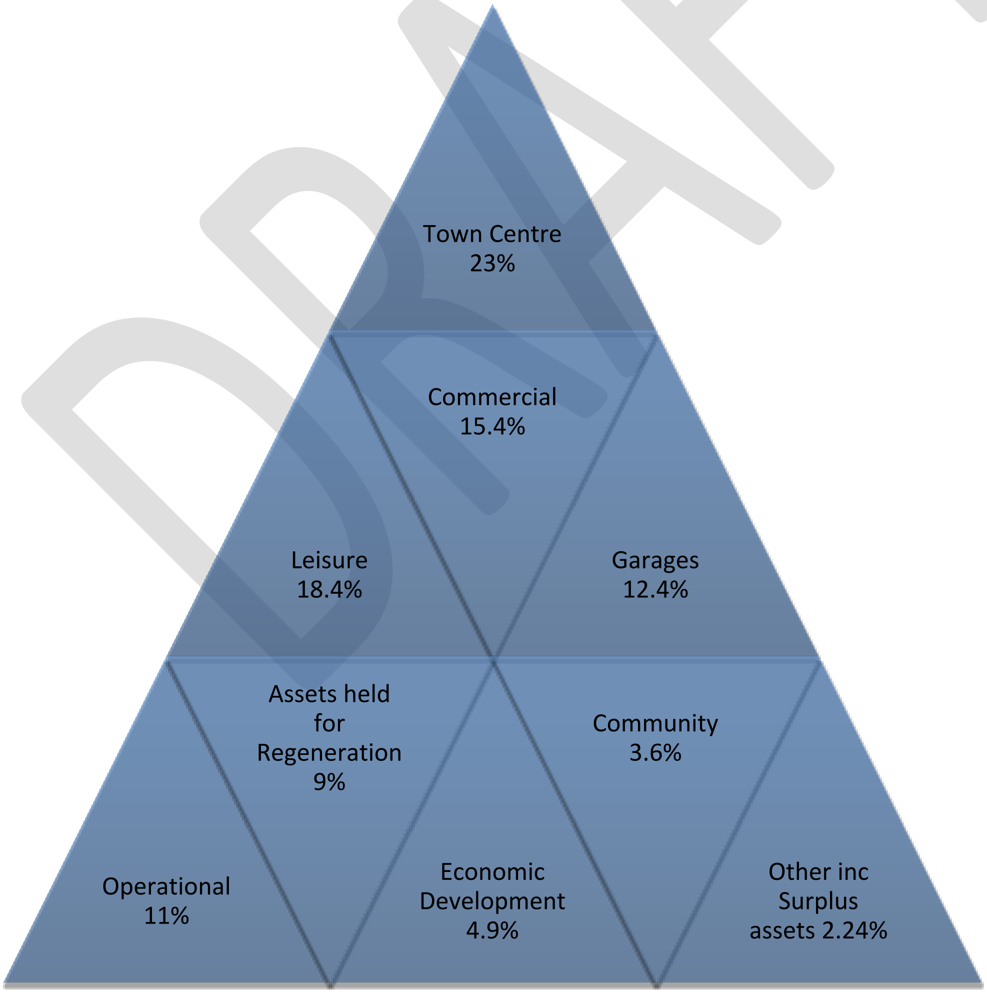
OVERVIEW OF THE PROPERTY PORTFOLIO

The Council's property portfolio extends to a non-housing stock of 394 separate assets (land and buildings) plus 6664 general fund garages, with a current aggregate book value of £116.4m as at 31st March 2017.

General Fund assets are owned and held for the following reasons:

- to deliver a service, such as play centres or corporate office accommodation
- to generate an income e.g. shops and workshops
- to add value to local communities e.g. shops, park pavilions/changing facilities and community centres
- to enable more control and comprehensive regeneration of the town centre

This is largest portfolio [1]held by any Local Authority in Hertfordshire. A breakdown of the percentage of the total capital value attribute to key groups of assets is given in the diagram below.



---

[1] Source: e-PIMS presentation by HCC 20 June 2017

This is a valuable resource and one which demands to be managed efficiently and effectively to ensure current income streams of circa £6.24m per annum are protected, and ideally offer rental growth, in order to continue to fund the cost of running Council services, as well as being employed to meet other Corporate Plan aims.

A summary list of property assets is included at Appendix B and C, and this demonstrates the broad spectrum of property assets within the portfolio. It comprises civic offices, depots, community centres, pavilions, play-centres, leisure facilities, surface car parks and one multi storey car park, cemeteries, public conveniences and a significant commercial portfolio. For the avoidance of doubt, this asset management strategy does not cover plant and machinery within the buildings.

Of the 394 assets included within the portfolio, currently 98.6% are wholly owned by the Council, and only 1.40% (6 assets) are leased in by the Council (i.e. the Council is the lessee).

OUR ASPIRATIONS

This section sets out the key aspirations and ambitions for the Council's general fund estate:-

1. **To acquire and hold assets that help create and support a vibrant town**
2. **To hold assets that help improve the quality of the environment for the benefit of local residents**
3. **To look at ways of releasing and developing our land assets that enable the Council to provide high quality new homes for our residents, and**
4. **To hold a sustainable, compliant and efficient corporate estate.**

Running through these aspirations, the key objective for the Council is to own "the right assets at the right cost".

The "right assets" are those that enable the Council to deliver on the promises made under the Future Town Future Council programme that are held or used to;-

- pave the way for regeneration (buying and developing property within the town centre) (Town Centre Regeneration)
- build 300 new homes by 2020/21 (Housing Development)
- complete more flagship mixed residential and commercial schemes (such as the recently completed Archer Road re-development) (Housing Development)
- improve our Co-operative neighbourhood working along side our local residents (Co-Operative Neighbourhood Management – Garage Investment programme)
- generate new rental income streams (Financial Security)
- to improve accessibility to our services and improve the customer experience (Connected to Customers). The right assets need to be environmentally sustainable, health and safety compliant, well maintained and accessible, inviting and attractive. All assets need to be of high quality, offering adaptable/generic/flexible space and fit for purpose.

The Council can only deliver on this agenda with a clear focus on achieving the right assets at the right cost. There must be a response to the current financial landscape which dictates a need to operate within significantly reduced resource. This is discussed in more detail within the Challenge Section of this Strategy. Local Government faces increasing financial challenge over and above the sustained reduction in central government support.

The Council's financial requirements for setting a balanced revenue budget and funding the Council's ambitions under the FTFC programme are as follows:

1. Increase income generated from the Council's commercial assets through a number of ways (i) by investing in our incoming generating assets (ii) through efficient management and (iii) buying new commercial investments which bring in new sustainable rental income streams .
2. Release capital receipts from poorly performing assets or strategic land assets, and reinvest in Council assets to reduce reliance on prudential borrowing.
3. Reduce costs associated with the Council's assets through a modernisation programme (for instance energy efficiency savings).
4. Effective management of Capital spend.

The primary challenge in balancing Stevenage Council's books is managing capital spending, by ensuring there is an effective capital programme, where spend is targeted appropriately. Inevitably, this will necessitate a reduction in the asset base over time, because maintaining all the current assets on the basis of fix on fail is not sustainable in the long term. This cost ambition extends to reducing running costs on core operational offices through investment in new and modern construction, which will bring cost and energy efficiencies (not achievable on poorly performing stock).

In order to deliver on the promises for internal changes, the Council is looking at ways through its Employer of Choice ambition to keep and attract the best staff, and under its Performing at our Peak agenda to develop strong staff performance.

ACHIEVEMENTS SO FAR

KEY ASPIRATION 1: To acquire and hold assets that help create and support a vibrant town

In 2013 and 2016 respectfully, the Council successfully acquired freehold ownerships of two significant commercial portfolios within the Town Centre (Town Square and The Plaza). These assets are key to helping the Council create a commercially attractive development scheme that it can promote to Developers. The Regeneration Team are actively engaged in competitive dialogue discussions with developers. The selected preferred developer will be announced in early 2018 as one of the first major signals of the redevelopment of SG1, and a phased development programme will follow.

The regeneration of SG1 within the town centre will see a new public sector/civic hub being developed, with the intention of decanting out of the ageing offices at Daneshill House into the new building.

Public Realm

The Council have been working to improve the public areas within the town centre with a variety of schemes to make the area a place where people want to spend time. This year improvements were carried out to two public squares in the town introducing new paving, planting, lighting, seating and performance areas to add a fresh look to busy areas in the town centre.

KEY ASPIRATION 2: To hold assets that help improve the quality of the environment for the benefit of local residents

We are investing in Stevenage neighbourhoods

The first phases of the Co-Operative Neighbourhood Management programme have focussed on the residential wards of Pin Green and Shephall. In these areas, new litter bins have been installed, public realm improvement works procured and remedial work to hardstand areas and other public space enhancements have been completed. The programme was formally launched in the summer of 2017, and this seeks to enhance local areas through resident engagement. Further environmental improvement works are proposed for St. Nicholas and Martins Wood during 2018/19 including replacement of litter bins, green space signage, improvements to public realm, plays areas and shrub beds.

Improving our 6664 garages to keep them all in top condition

The Council has approved a re-investment programme of circa £9.2m over a ten year period to refurbish its current garage stock. The investment plan will see improvements to the condition of the garage stock within all neighbourhood areas. The refurbishment of five garage blocks (pilot projects) have been completed as part of the first phase of the programme.

Transferring assets to the third sector

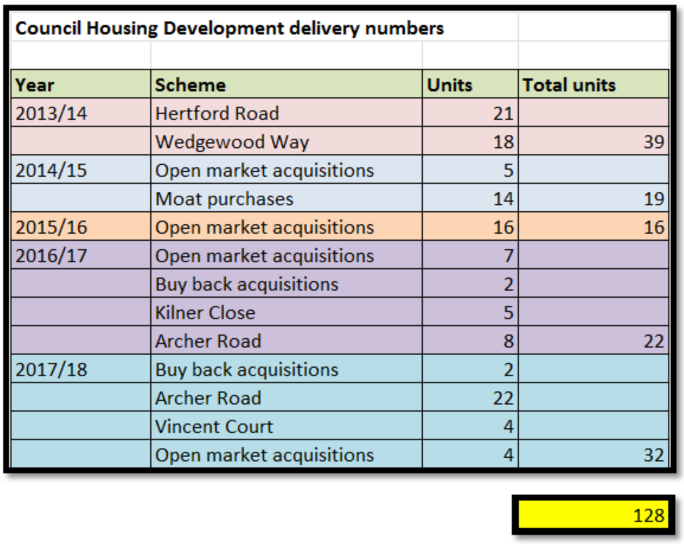
The council provides accommodation for a number of local community and voluntary organisations through its portfolio of assets. The council currently has arrangements with Community and Voluntary Sector organisations to manage and operate council premises on lease arrangements through a partnership approach. The council continues to consider social value and community benefit through the delivery of its asset portfolio.

KEY ASPIRATION 3: To look at ways of releasing and developing our land assets that enable the Council to provide high quality homes for our residents.

Housing remains a key priority for Stevenage residents and for the Council, and there is a need for more affordable homes.

Recent achievements include the establishment of a new in-house Housing Development Client team to lead a design and development consultant team. An Open Market Acquisitions Programme is underway that will deliver 67 new affordable homes during 2015/16 and 2016/17. 31 of these homes have already been acquired at the time of drafting this Strategy.

Changes to the HRA self-financing regime has allowed the Council to plan for a new build programme of affordable housing across Stevenage. The New Council Housebuilding programme is progressing well and to date 39 new homes have been developed across 3 sites. This effectively means that the Council has taken on the developer role in some instances. This has resulted in delivering 30 new homes at Archer Road under a design and build contract. Another 29 homes are under-way on previously council owned sites on a similar basis. New disposal models include negotiations for the purchase of any affordable element of housing from Private Developers, who have purchased land from the Council for private residential development (such as 14 new homes being acquired on land sold at Gresley Way). The New Council Housebuilding programme is detailed in the table below:



Council Housing Development delivery numbers

Year	Scheme	Units	Total units
2013/14	Hertford Road	21	
	Wedgewood Way	18	39
2014/15	Open market acquisitions	5	
	Moat purchases	14	19
2015/16	Open market acquisitions	16	16
2016/17	Open market acquisitions	7	
	Buy back acquisitions	2	
	Kilner Close	5	
	Archer Road	8	22
2017/18	Buy back acquisitions	2	
	Archer Road	22	
	Vincent Court	4	
	Open market acquisitions	4	32
			128

CASE STUDY: ARCHER ROAD

Kingpin Square – This is a redevelopment of an ageing neighbourhood centre with voids and poor public realm. In a phased development (cost £5m), a community centre was relocated to nearby Hampson Park. The second phase of the project, completed in July 2017, consists of development of council homes; 9 apartments and 13 family houses, designed around a central courtyard showcasing the original 1960s sculpture “The Kingpin” with some retail provision.

KEY ASPIRATION 4: To hold a sustainable, compliant and efficient estate

Compliance Contract is underway

A single supplier framework has been in place since 2014 providing a full comprehensive building compliance and maintenance service to the council’s corporate properties.   This contract includes the servicing, maintenance, and health and safety compliance of 69 council buildings. This continues to be managed in collaboration with neighbouring Local authorities, North Herts District Council and Broxbourne Borough Council.

Steps to address Energy Efficiency of the Council assets

An energy audit survey was undertaken by external consultants in 2014 on seventeen operational buildings.   The survey identified opportunities for investment in cost effective energy efficiency initiatives and energy saving measures, areas of energy waste and provided advice on how these may be reduced or avoided by applying good operational management and awareness.

Review of Community Buildings

A review is currently being undertaken of Community Centres.   The review is considering opportunities for capital development, on sites where housing development options also exist and where there are opportunities with partners such as HCC and Health to consider joint capital programmes, for example the re-provisioning of HCC day care services. It is envisaged that this review will be completed by Spring 2018.

New models of investment - Property Investments

The Council approved £15million investment fund to acquire commercial property investments in May 2017, to support the Financial Security work stream based on a new property investment strategy. This will generate new rental income streams for the Authority, instead of generating income from more traditional gilts and bonds.

Streamlining the disposal programme

The Council has streamlined its processes and resources for certain land disposals to bring forward smaller sites for disposal by auction.

CHALLENGES WE FACE

1. Financial landscape

The Council faces a significant challenge to identify and manage priorities including comprehensive spending review and financial pressures on general fund, capital pressures on council assets, housing pressures, welfare reform, change in partnership landscape, regeneration pressures, continuing pressures on local economy and impact on service users, increasing demand for services and need to work co-operatively with residents.

Over the last few years, the General Fund capital programme has faced considerable financial constraints as the projected need to spend outstripped the ability to fund the programme from capital resources, leading to an increasing need to borrow.

The Council has brought in some early short term mitigation, which directly affects property assets, in the form of capital limitations:

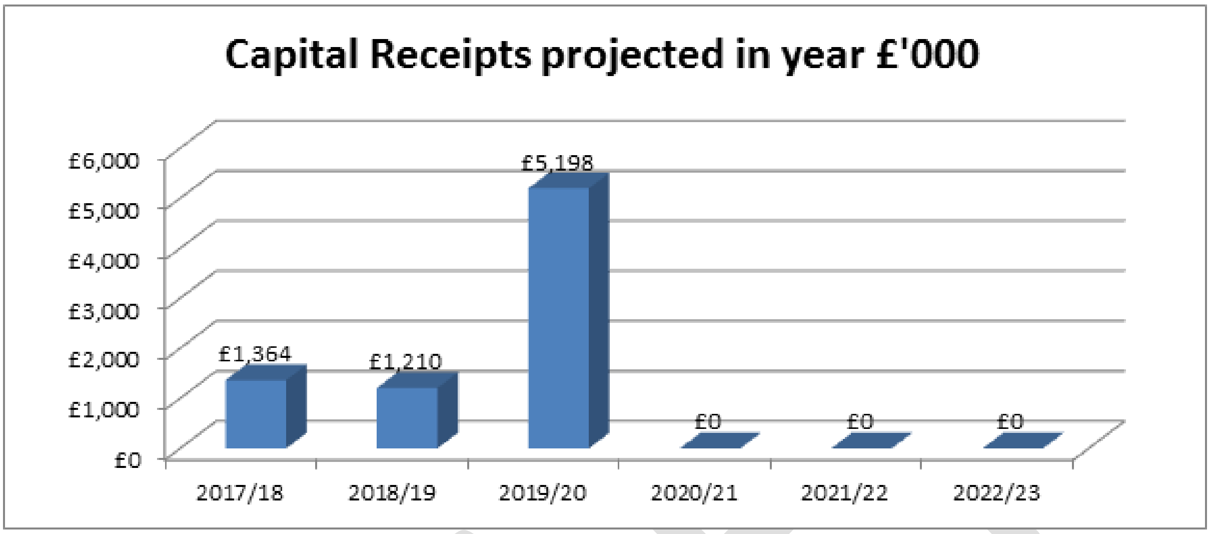
- Limit capital works to priority 1&2 works this includes essential health and safety and statutory works and ensure the buildings are watertight, secure, operational and fit for purpose. This assumes that the asset stock is static and is not obviously sustainable in the long term.
- Zero base the capital programme to ensure that all capital schemes are bid for and prioritised based on a set of criteria.
- Limit borrowing to a business case need and those schemes which give a return on investment.
- Assets due for regeneration should have only essential works carried out
- Re-profile spend to latter years if reviews of the service were due
- Include only the initial works to schemes until the business case is proven
- Include in the Strategy recommended option for play area improvements on affordability basis.

The situation is so critical for 2019/20, there is now a moratorium on making any capital commitments against the 2018/19 capital programme until a review of potential land and building disposals is carried out during 2017/18.

As an outcome of the emerging review of community centres, expenditure has been capped at no more than £200k for any community centre or pavilion until the review is completed.

Traditional property disposals

Historically, traditional disposal of property assets (mainly land) has been an important element of the Council’s annual capital programme, because this is a main source of funding alongside capital reserves, in order to avoid prudential borrowing per se. However, as forecast, there are now insufficient good quality sites identified in the disposal programme/pipeline to achieve anything like the level of receipts likely to be required to fund the current capital and regeneration programmes. The traditional quick wins have now almost been exhausted, until further land reviews are carried out, and the Council faces a greater challenge of finding land parcels within its existing holdings of any significant value. This situation reaches a critical point in 2021/22 when the capital receipts will be exhausted, unless new sites are found. The table below is taken from the draft Capital Strategy 2017/18 – 2022/23.



The Asset Review of 2012-14 did include a physical site survey of the Borough, and this produced approximately ten good traditional disposal sites from over 200 surveyed within acceptable existing planning policies. These have been added to the disposal programme and the majority sold. The remaining opportunities either demonstrated poor value due to site constraints or could only be brought forward once planning constraints are relaxed. There is no certainty that other developable land parcels will come forward under future reviews.

Strategic land disposals

The Council does still hold a small number of potentially high value assets (the strategic land sites referred to earlier) that could be sold generating significant capital receipts, but it is not prudent to rely on these sales coming forward in the early years of this Strategy due to delivery risks. The largest of which will require considerable time in term of years, and up front revenue investment, to complete the necessary feasibility studies and promotion agreements to bring this forward. Once these assets have been sold, and the capital receipt taken, there will be no further sites of this magnitude.

New models of housing delivery

The Council has also been taking on the developer role within Stevenage through the initiatives of the Housing Development team and making use of the Council’s land resources by constructing new council homes on council owned land. Although this is an opportunity for the Council to meet social need aspiration to provide high quality new homes for residents, the challenge here is loss of traditional relatively quick capital receipts to the General Fund, resulting from transfer to the HRA (Housing Revenue Account) by a debt transfer as opposed to a capital sum.

The short and limited disposal programme which has existed for the past few years, and the impact of the lack of a rolling programme of new development sites coming forward to replace those lost to these new models has caused a financial pressure.

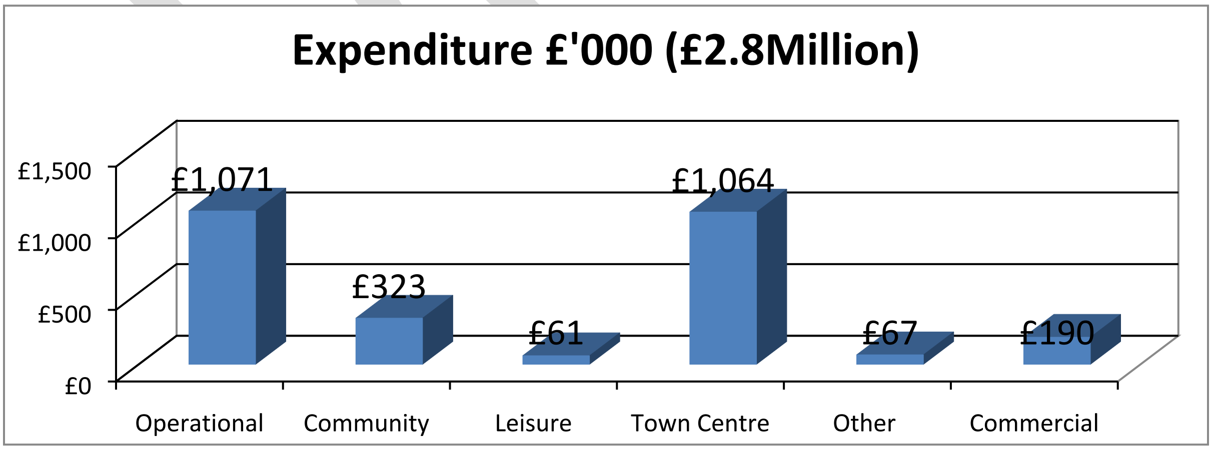
Asset stock levels

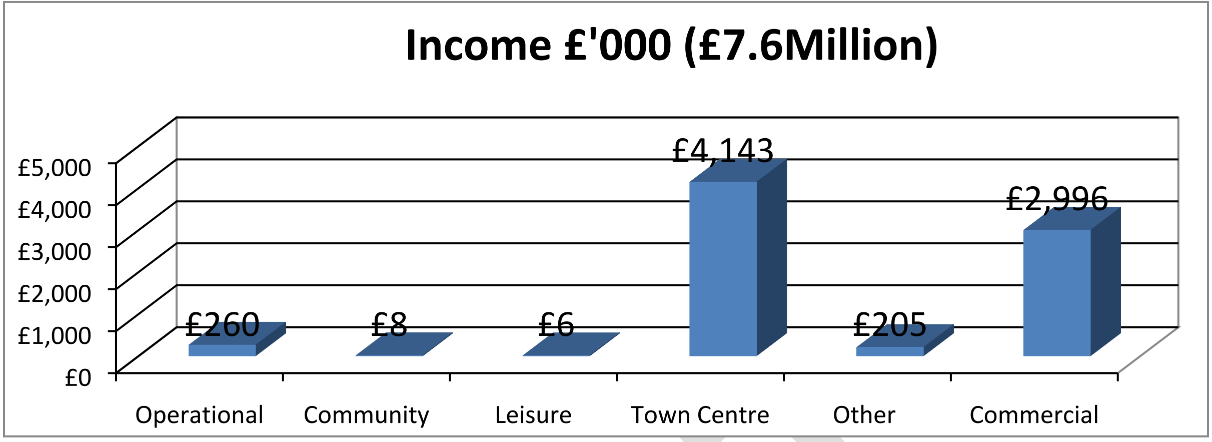
The size of the Council's large asset portfolio has not changed significantly for many years since its origins back to the Development Corporation. The Asset Review of 2012-14 did seek to reduce the number of assets retained through natural loss without impacting on services, and as a result twenty two assets from within the portfolio were released either through re-location, demolition, sale or the surrender of leased in-asset. This resulted in small capital receipt of £286,000 and actual rent savings from the leased-in asset. This however was only a very small percentage compared to the existing portfolio. The previous asset review did not result in the loss of any operational assets. This means that revenue costs are still being met in relation to these assets including compliance and running costs.

The table below highlights the 2018/19 key budget expenditure and anticipated income for key estate assets across the following portfolios; operational estate, community, leisure, town centre excluding assets held for regeneration, and commercial.

	Operational Estate			Community			Leisure	Town Centre		Other	Commercial
2018/19 Budgets	**Daneshill**	**Swingate**	**Depots**	**Community Centres**	**Pavillions**	**Play Centres**	**Museum**	**Market**	**Car Parks**	**Cemeteries, Toilets, Allotments**	**Commercial Property**
Repairs & Maintenance Of Buildings	92,620	24,390	54,710	73,070	40,220	17,770	9,730	41,590	121,700	26,710	42,980
Grounds Maintenance	0	0	0	0	0	2,810	0	0	0	1,980	0
Energy Costs	140,960	61,710	49,990	80	0	11,500	7,250	66,800	86,560	11,060	1,050
Rents, Rates & Water Services	282,440	13,280	170,190	118,460	6,890	16,290	42,020	32,410	658,320	24,900	89,040
Fixtures & Fittings Total	5,820	910	5,400	0	0	0	1,510	0		1,270	0
Cleaning & Domestic Supplies	130,050	940	610	0	9,370	11,260	70	31,400	0	0	0
Premises Insurance	19,460	5,860	11,800	12,460	0	2,600	220	4,070	20,750	1,170	56,740
TOTAL EXPENDITURE	671,350	107,090	292,700	204,070	56,480	62,230	60,800	176,270	887,330	67,090	189,810
Rental Income	(194,420)	(56,030)	0	0	0	0	0	(401,260)	0	(27,610)	(2,996,290)
Fees And Charges	0	0	(9,740)	0	(3,500)	(4,440)	(5,570)	0	(3,742,070)	(177,000)	0
TOTAL INCOME	(194,420)	(56,030)	(9,740)	0	(3,500)	(4,440)	(5,570)	(401,260)	(3,742,070)	(204,610)	(2,996,290)
NET EXPENDITURE/(INCOME)	476,930	51,060	282,960	204,070	52,980	57,790	55,230	(224,990)	(2,854,740)	(137,520)	(2,806,480)

Note: the expenditure are property related costs only and exclude staffing costs and other recharges





Other Financial pressures

Regeneration Ambitions

Public Sector Offices

To deliver the Council's ambition for regeneration of the Stevenage Town Centre, substantial capital investment will be required to develop a new Public Sector Hub which will replace the Council's current operational and main corporate offices. The aim being to construct a more efficient corporate building with lower running costs, funded through the SG1 scheme.

Leisure Sector

The council has to consider timescale for replacing or upgrading Stevenage Arts and Leisure Centre and Stevenage Swimming Centre; both council-owned but operated by Stevenage Leisure Limited. These assets represent an ongoing challenge to the council due to their age and commensurate cost of sustaining these facilities. A new town centre leisure offer is anticipated to contribute to the town's regeneration. The council will need to consider a robust business case for the development of a new leisure asset, including planned property maintenance programme for any new facility. Future procurement for the operation of leisure facilities will need to clearly identify repair and maintenance liabilities and a sound programme of componentised asset management. Consideration will also need to be given to the disposal, demolition or re-use of current sites.

The council will consider the provision of cultural assets as part of the town centre regeneration programme. Off-site museum storage is also currently located within the SG1 scheme. The forthcoming cultural strategy will highlight opportunities to develop further cultural assets, through maximising empty buildings for creative and meanwhile use, and re-imagining public realm through artistic installations and activities.

Community ambitions

A re-investment programme of circa £9.2m over a ten year period has been approved to re-furbish the Council's current garage stock. The Council has supported use of prudential borrowing powers to fund these works over a ten year period commencing in 2018, with limited re-investment of capital receipts released from garage sales.

2. Current State of the estate

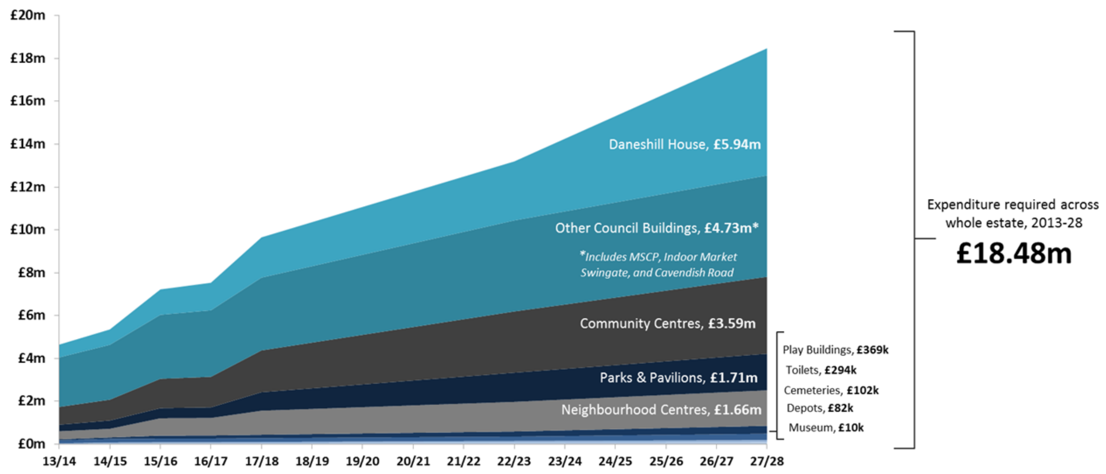
Back-log maintenance

Historically, the backlog maintenance and repairs for the corporate buildings have been identified from the condition survey. Yearly budgets have been included in the capital strategy to undertake the works identified dealing with the high priority items first.

The graph below, based on the condition survey carried out in 2012/13, shows expenditure required for the whole estate (with the exception of leisure and garages). This is broken down into key asset groups; Neighbourhood centres, Parks & Pavilions, Community Centres, Daneshill House and other Council buildings. The cumulative spend is £18.48m.

Cumulative spend required to maintain estate

As identified in 2013 Condition Surveys



Of the £18.48m, over the last 5 years approximately £1.996m has been spent dealing with works identified in the condition survey.

On average approximately £330K/year has been spent through the compliance service and reactive repairs. A further approximately £200K/ year has been spent dealing with reactive fix on fail repairs to the residential garages and £150K for the multi storey car park.

There has also been regular investment in the multi storey car park to deal with essential concrete repairs, anti-carbonation treatment and resurfacing the decks, amounting to around £750k over the last 5 years. A new measured term contract is now in place to carry out future concrete works as required on a priority bases. £225k per annum has been identified until 2022/23.

The maintenance cost for Daneshill House over the last 5 years is £450K and Swingate House, £50K.

Funding has been targeted to deal with the high priority items 1 & 2 (see priority definition below) and there has been significant success over the last 5 years in reducing the higher risk essential items through the delivery of a planned works programme. The Council's existing approach to repairs also includes undertaking some limited energy conservation measures.

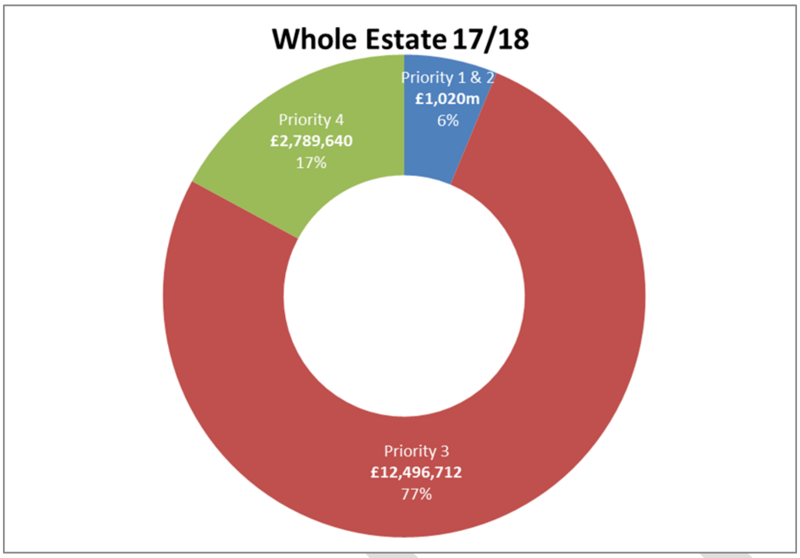
The condition survey set a priority between 1 and 4 for each repair identified, with priority 1 and 2 relating to the most pressing items needing earliest attention. For example:

Priority 1 –	Essential health and safety requiring immediate attention
Priority 2 –	Health and safety works Statutory and legislative works including DDA compliance Watertight and secure Essential H&S repairs to maintain operations and ensure that the premises can continue to operate providing a fit for purpose facility for the occupants and users of the premises.
Priority 3 –	Economics of repair – works requiring earliest rectification reducing the need for more extensive repairs in the future General repairs and improvements providing improved energy efficiencies. Refurbishment and improvements to maintain operations and, ensure that the premises can continue to operate proving a fit for purpose facility for the occupants and users of the building.
Priority 4 –	General repairs and improvements – cosmetic

The table below shows the amount invested dealing with the priority 1 & 2 items (shown in blue) this amounts to around £2M over the last 5 years. This information is based on the 2012/13 condition survey data.

	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6-10	Yr 11-15	Total O/S
Priority	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/2022**	**2023/2028**	
1&2	607,825	200,061	213,339	175,528	800,000	510,000	510,000	*1,020,000*
3	2,807,500	341,735	1,250,377	194,900	1,139,725	2,340,725	4,421,750	*12,496,712*
4	521,111	161,373	309,656	90,400	454,575	650,750	601,775	*2,789,640*
Total								***16,306,352***

The outstanding funding required to deliver the remaining priority 1&2 works is £1,020,000 and priority 3 & 4 works around £15M as shown in italics in the table above. The chart below shows this position pictorially. This cost does not include Neighbourhood Centres, Leisure or Garage assets as these were not part of this 2012/13 condition survey data.



Condition surveys of the commercial building stock (Neighbourhood Centres) are still required to identify the council's responsibilities and liabilities for repairs. Around £200K has been spent on maintenance over the last 5 years on commercial properties, this has increased by a further £100K following the acquisitions of properties in the Town Square.

Over recent years, the garage repair and maintenance budgets have been limited to deal with reactive repairs only amounting to just over £1M over the last 5 years. A separate Stock Condition Survey carried out in 2013 identified a funding gap of nearly £9.2M that would be required to bring the 6,664 garages stock into a fit for purpose condition. This was underpinned by work carried out by an external Consultancy.

Compliance Contract

This contract has an annual spend of circa £216,000 for the compliance inspection and servicing tasks related to 69 council buildings and around a further £120K for the associated reactive maintenance repairs. Although the delivery by a single supplier and the volume of work is increased by the inclusion of the other LAs as previously mentioned, this will deliver financial savings through economies of scale, reduction in contractor and client management. However these savings cannot be quantified.

Energy Audit

The measures identified in the 2014 energy audit survey included heating controls and insulation (items essentially with no greater than eight year payback period), and potential saving of £22,876.00 per annum, following a capital investment of £87,164. However, on working through implementation, it became apparent that some of the measures in relation to Daneshill House could not be actioned because of the current condition and fabric of the main building structure. This reduced the potential savings.

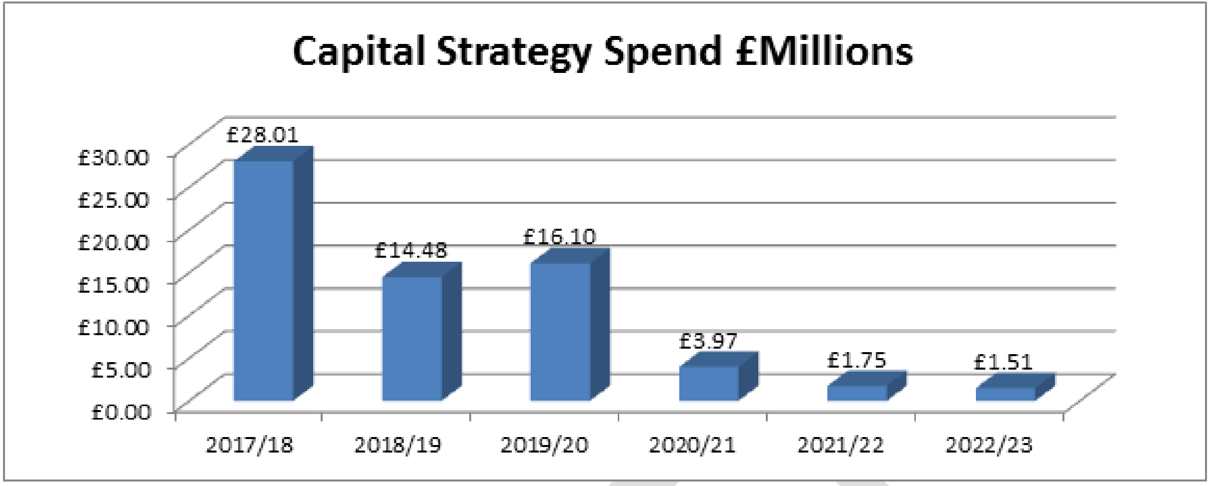
3. Capital Programme

The Capital Works Programme for 2018/19 has identified a potential spend of £14.483m (including equipment) if all the capital schemes are supported. This is identified in the table below, which shows the schemes and the anticipated availability of resources to meet that kind of capital spend.

	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Scheme	**January Revised Budget £**	**January Projection £**	**January Projection £**	**January Projection £**	**January Projection £**	**January Projection £**
General Fund - Schemes						
Stevenage Direct Services	2,198,360	1,174,560	1,291,750	706,660	697,730	783,960
Housing Development	2,512,230	1,101,330	330,000			
Finance and Estates	16,161,040	3,302,810	2,830,720	2,120,220	390,000	90,000
Corporate Projects, Customer Services & Technology	440,200	632,250	300,000	300,000	300,000	300,000
Housing and Investment	1,689,470	1,175,500	90,000	5,000		
Regeneration	3,921,810	6,066,010	10,800,000	500,000		
Communities and Neighbourhoods	236,080	92,750	44,000	20,000	40,000	20,000
Planninig and Regulatory	847,500	938,200	413,000	318,000	323,000	318,000
Total Schemes with Growth Added	**28,006,690**	**14,483,410**	**16,099,470**	**3,969,880**	**1,750,730**	**1,511,960**
General Fund -Resources						
Capital Receipts	3,898,060	4,417,467	1,865,278	692,178	277,758	171,488
New Build 1-4-1 Receipts - Additional Funding from HRA for RP Grants	2,499,730	551,330				
Unpooled Receipts	49,560					
Grants	407,000	300,000				
S106's	8,540	25,000				
LEP	3,000,000	5,200,000	10,300,000			
RCCO	4,000	394,000	4,000	4,000	4,000	4,000
Regeneration Asset Reserve		140,500				
Capital Reserve (BG916 Revenue Savings)	723,000	720,000	720,000	720,000	720,000	720,000
Capital Reserve (BG903 Housing Receipts)	1,299,673	373,313	386,472	386,472	386,472	386,472
New Homes Bonus	746,997	395,230	258,000	312,000	362,500	230,000
Prudential Borrowing Approved	15,370,130	1,966,570	2,565,720	1,855,230		
Unapproved Borrowing						
Total Resources (General Fund)	**28,006,690**	**14,483,410**	**16,099,470**	**3,969,880**	**1,750,730**	**1,511,960**

This will result in a £1.967m short fall overall in 2018/19 and the need for the Council to fund the gap through prudential borrowing if capital receipts diminish as shown in the table.

In reviewing the Capital Programme for 2018/19, some options were not supported or required further reviews of assets prior to their inclusion in the programme. These options included car park resurfacing, works to the Indoor Market, Community Centre review and works to Cavendish Road depot.



The table shows significant spend in the first 3 years of the programme. There is a likelihood the capital programme is not fully identified for 2020/21 onwards. A new condition survey for GF assets and an intention for a programme of planned maintenance of a sustainable portfolio will influence future years.

4. Current system and processes

New Data management

The Council's general fund property data is currently held within the GVAS property management software system. This software holds data on all building assets owned and occupied by the Council including core property data, history (condition survey and maintenance) and property ownership data including lease information. However, this existing software is no longer fit for purpose, representing a security risk and therefore is scheduled to be de-commissioned in April 2018. Alternative software options which already exist within the Authority are being considered by the main users; Estates, Property & Design, and Facilities Management.

A good asset management system is essential to effectively and efficiently manage the estate. For example in respect of the non-operational estate, without one, the Council will not be able to trigger multiple rent reviews in a planned manner nor anticipate lease expiry dates and lease renewals ahead of the due date. All of which can have an impact on rent forecasting and actual rental income received.

5. Culture

The day to day responsibility for general fund assets is currently split between various teams across the Council. The Commercial /non-operational portfolio is managed by the Estates team reporting to the Assistant Director of Finance. The corporate offices are managed by the Investment and FM teams reporting to separate ASDs. The rest of the operational portfolio is divided between the Assistant Director of Community Services, and the Assistant Director of Direct Services, with maintenance and capital advice being given by the Property Investment Team. At its worst, these teams tend to work in silos, with limited overlap, making property decisions in isolation. There is no one single conversation (Corporate Landlord) regarding the future of assets. There is no clear framework for the management and collective maintenance of all property assets within this

Council, which exposes the Council to risk of failing to comply with legal duty arising from the ownership of property. There are benefits with the Corporate Landlord approach to include incentivising services to utilise property efficiently so that assets match service needs, where capital investment can be prioritised, ensuring maximum benefits accrue from property assets.

SUMMARY

It is clear that the challenge faced in respect of the financial landscape is significant, with a projected need to spend on assets which far out-strips the ability to fund the works due to capital receipts drying up, and the continuing deterioration of the stock. If the Council is to realise its regeneration, housing and neighbourhood ambitions, there must be a step change in its future approach.

A new condition survey of all general fund assets is anticipated to add a further 10-20% (between £1.6m and £3.2m) on to the repair cost for the next five year to keep the assets functional. This does not even cover the cost of any improvement.

The Asset Review of 2012 saw very little change in the asset numbers, and as a result the Council has been faced with focusing its attention on essential health and safety work to keep 69 operational buildings fit for purpose. This is unsustainable in the long term, without secure funding (i.e. a pipeline of capital receipts)and requires a more radical approach to avoid further reliance on prudential borrowing (which to date has been used to support income generating asset schemes). Use of Prudential borrowing is also now subject to more scrutiny by Government who are concerned at the financial risk this presents for local authorities.

CHANGE PROPOSED

A. Undertaking comprehensive Locality Reviews

A programme of high level area reviews of land and assets will be carried out across the whole of the borough, with a view to challenging in a rigorous way the Council's held estate, without (at first sight) knowledge of the running costs, or condition surveys, and using available spatial mapping software (e-PIMS and new digital mapping software). This high level property challenge will include consideration of outcomes from the review of the HRA held estate and, also look at opportunities for joint asset working across a range of public sector organisations, where there is a willingness of the property owner to participate.

These reviews will result in a list of opportunities within the reviewed area which may generate new sustained revenue income, improve office efficiency/utilisation for operational assets, or potential co-location of public sector and community groups, invest to save opportunities, and/or releasing surplus land and buildings. Opportunities will be considered in conjunction with service led business reviews and aligned to objectives arising from the One Public Estate agenda.

A similar review of two council owned assets is illustrated in the case study below.

CASE STUDY: SYMONDS GREEN

Symonds Green Community Centre and 145 Scarborough Avenue – Activities serving this community centre were traditionally split across two sites, including a building known as Symonds Green Annex. Working with the community group, a redesigned footprint for the main community centre was agreed, and the premises extended. All services were relocated and this has released the second building, Symonds Green Annexe for future housing.

The reviews will be based on proven methodology including an initial desktop study, taking into account outcomes from previous Asset Review, followed by field-work and analysis, and workshops with stakeholders with property ownership within the locality area.

The phasing of the reviews where possible to follow quick wins identified from existing property intelligence and where possible to follow the programme plan schedule for the Co-Operative Neighbourhood Management programme. The scale and progress of the review programme will depend upon resources (Staff capability and knowledge, and available budget) and available capacity.

The intention will be to complete all the reviews early within the five year plan period (see Appendix B - AMS Action Plan).

B. Reviews of specific asset groups

The Locality reviews will also be cognisant of existing reviews of specific asset groups that are taking place at the time of the review.

The Council is continually looking at ways to improve the delivery of services, which may drive and impact on use of its operational assets.

The Council recognises the importance of making the best use of its existing buildings. Therefore, we will continue to explore viable opportunities to enhance existing facilities, and where possible build new, funded through the release of land for sale for housing (direct or indirect provision). Making sure that any new facilities we build give residents easier access to our services with flexible footprints, and benefit from new energy efficiency savings.

The Council is undertaking a series of asset group reviews, either driven through necessity or financial need, which will cut across locality reviews. Two are included below as examples.
The Council is currently carrying out a review of its community centres at the current time. This will offer opportunities for possible change following a review of existing provision. The review is scheduled for completion during 2017/18. The Council is also intending to review its Pavilions, including impact from Community Centre proposals, and future requirements.

The council will need to develop a consistent approach to its relationship with voluntary organisations and council assets. Beyond the community centres, voluntary organisations occupy a number of other council-owned properties on varying lease terms and arrangements. A rent-in-kind policy has been adopted for community associations and is being applied to some other voluntary organisations. Given the voluntary sector represents large national and international NGOs and CICs and smaller, self-help unincorporated associations the council will need to consider the levels of support offered. In order for small voluntary organisations to make successful external grant applications there is generally a minimum requirement from funders for a 10 year lease. In some instances community asset transfer will be an option benefiting both the council and the voluntary organisation. Alternatively a long, full-repairing lease may be more appropriate. The approach to voluntary sector organisations will need to protect council and community interests with minimal future financial strain on the council but recognising the need to enable voluntary organisations to thrive to bring added social value to the council’s property portfolio.

The Town Centre assets will be reviewed in conjunction with the aspirations for Town Centre Regeneration. This Public Sector Hub will be a building of high quality design, allowing the Council to relocate from its current office premises and other public buildings, which will be demolished as part of the SG1 regeneration scheme. The new building will be energy efficient and help reduce ongoing revenue costs. This will also include a review of car parking strategy and future retention.

The provision of cultural assets including the Gordon Craig Theatre and Stevenage Museum will be part of a new emerging cultural strategy, and the provision will be considered as part of the Town Centre Regeneration programme.

C. New Condition Survey

The current corporate buildings condition survey was undertaken in 2012/13. It is generally recommended that this type of survey is renewed every 5 years. A new condition survey will be commissioned of all the Council's building stock including commercial properties and Leisure assets.

This will provide the Council with valuable current data on the condition of its assets, be that poor, fair or good, and will provide a basis for a planned maintenance and investment programme.

To support this new survey, it is proposed to improve existing processes and data collation to ensure that the Council is aware at any point in time what repair work and expenditure has been made against individual assets. This will assist with the locality reviews and future use considerations.

D. Investment Performance of the existing commercial stock

As a separate piece of work on asset performance monitoring, it is proposed to undertake an initial and comprehensive audit of the existing commercial portfolio to include carrying out a tenant and lease review (including average unexpired lease terms), rent status and estimated rental value analysis (under-rented, rack rented, over-rented), void analysis (including costs), Capital Value analysis with yield (showing softening, stable or hardening trends) and with potential for a RAG scoring for additional asset management opportunities to generate income or disposal. As part of this audit, consideration will be given to the future estate management model to manage the optimum portfolio base.

Following this initial audit, the Council will be able to track future asset performance through an agreed performance monitoring matrix or set of indicators. This will help determine whether the Council should retain or dispose of the asset. This principle was agreed as part of the new Investment Strategy.

E. New models of investment

The Council is looking at ways to improve commercialisation through its additional powers in relation to prudential borrowing and general powers of competence in order to generate new revenue streams or to release revenue savings. These new models of investment include the following;

(1) Making property investments
(2) Taking the developer role in the Borough and making better use of existing capital resources
(3) Setting up a Housing Company to both generate income and capital and meet social need
(4) Review of energy generation and supply as well as saving energy

(1) Property Investments

The Council approved a new £15million investment fund in May 2017 to acquire new commercial property investments with the Borough Boundary, to help support the Financial Security work stream. Acquisitions will be based on a new 3 year property investment strategy with the aim of generating new rental income of £200k per annum. The Council is using prudential borrowing to fund these acquisitions (subject to any Government guidance on Local Authority investments).

Current acquisitions are being led by one in-house staff member. As the portfolio grows, consideration needs to be given to whether one or more dedicated staff members is required (to ensure focus on these acquisitions and management of the new portfolio including performance monitoring, stress testing and reviewing rental growth). This may involve future employment of a team for business continuity and upskilling to include operational service charge management to reduce management costs.

This may also include considering shared acquisitions with another authority where there may be synergistic rewards and shared risk.

(2) Disposal and Development Strategies

The Council is preparing separate disposal and housing development strategies in relation to delivering on housing development and financial security targets. These strategies will need to be aligned.

In principle, where a disposal site has been approved for sale by Executive, there will be a requirement for a capital receipt to help fund the Council's capital programme. The Council will consider the best method of disposal per site; traditional sale method, joint venture sale, vis-à-vis taking on a developer role benefitting from profit in addition to releasing market value of completed units, or transfer to the HRA (for Housing Development) or as part of the delivery programme for a Housing Development Company, based upon the merits of enhancing maximum land value and timing of receipts.

With the last three options, the Council will be taking on the developer role, constructing homes for either affordable homes or private market rent or private market sale. In the latter case, the Council is able to benefit from a share of the developers profit, in addition to a land receipt.

(3) Housing Development Company

The Council is investigating setting-up a Housing Development Company that will allow it to hold stock other than the tenures that exist within the HRA such as for example private rented and sub market rented products. The creation of a Housing Development Company will allow the Council to utilise its general fund assets in a mature more innovative way, and benefit from the uplift created by the development process, the additional new build premium, as well as increasing the scope for creative development and cross asset development.

For larger development sites, the traditional route of disposal on the open market by auction (followed by many local authorities) is not appropriate in order to maximise development value. It is believed that the Council's current asset portfolio that includes a number of community centre sites and shopping parades could provide an opportunity for housing led regeneration that also creates better community and retail assets, with an opportunity to realise greater benefits in terms of capital receipt. Clearly the size of the scheme together with its cost and time for delivery impacts heavily on the investment needs of the project. The Council will always need to balance its other commitments and statutory service provisions with any investment decision in development activity.

Therefore project specific consideration will be given to schemes to determine best route for delivery that balances risk, reward and time (as well as cost and quality). There will be some schemes that the Council elects to deliver in-house and others where it carefully seeks an appropriate Joint Venture partner from the private sector.

(4) Energy Generation and Supply

During the life of this Strategy, the Council will review via cost benefit analysis entering the energy generation and supply market, including utilising space on the roof of existing corporate buildings. Further roll out programme of energy audits will be considered in 2018/19 following the conclusion of the first audit (17 assets).

F. Current systems and processes

The Council is currently reviewing new Estate Management software known as Uniform/IDOX, with a view to adoption of this system for holding its property data. Data migration from the former GVAS Property Management System will be due by April 2018. This new system will be based on a digital map, which will allow Property teams to review assets holistically, and will be an important aid to the Locality Reviews envisaged above. As part of the implementation of this new software, the Council will be looking to develop some local key performance indicators for its commercial and investment stock that can be easily monitored through the software program. These indicators will help determine how effective the portfolio is performing against key business objectives.

Condition survey data may be held in second software application known as Keystone and managed by the Housing Investment Team, following decommissioning of GVAS. There are already skilled personnel familiar with this application which also holds similar housing property data, thereby improving risk management.

G. Culture

The Council is proposing to review and develop a more formal Corporate Landlord role within the Council that will provide a clear framework for the management of all its assets. This should be seen as a positive contribution to cultural change within the organisation and will ensure that asset management planning becomes an integral part of the Council's Strategic, service and financial planning process.

As its basic principle, the Council owns all the assets, and Services only occupy property to provide a service on behalf of the Council. In this manner, occupation is usually documented by way of a licence. The service use of the asset is based upon clear objectives within their Service business plan. The Council as corporate owner is able to challenge, review use and performance to ensure that assets are fit for purpose and that retention and investment is focussed on achieving Corporate objectives. The Corporate Landlord will collaborate with the Services in undertaking option appraisals of operational assets to ensure service needs are met.

Conclusion

The next five years will be challenging. There are a suite of recommendations within this Strategy which will hopefully help the Council move to a more sustainable financial position and shape an optimum portfolio that will support delivery of council services.

This may be achievable by:-

- continually reviewing the whole portfolio and working with services to identify opportunities to reduce the number of properties by divesting the Council of poor condition/high cost assets, thereby increasing efficiencies.
- Maximising Regeneration opportunities to transform office space to support new ways of working and deliver asset collaboration with public, voluntary and community sector partners.
- Continuing to target expenditure to accord with the Capital Strategy, but also seeking to reduce costs and deliver targeted savings within the five year plan.
- Focussing on delivery of the capital programme more efficiently, with creative use of assets to help with FTFC objectives.
- Locality reviews to identify opportunities for efficiencies and new disposal sites. These will be undertaken in the early years of the Action Plan to help identify new capital receipts after 2020/21.

All these objectives should help the Council move towards a more sustainable approach going forward.

New Asset Management Targets

These are notional targets for the life of the Strategy, but should be the subject of review on an annual basis.

- 40% Reduction in office accommodation space occupied corporately
- 20% Reduction in controllable running costs of office accommodation
- 20% Reduction in controllable running costs of community buildings
- Generation of £7.5m capital receipts (to be informed by the locality reviews). This target includes £5m disposals previously agreed by Executive - July 2013.

DELIVERY ARRANGEMENTS

Right Skills

The Estates Team are able to provide and oversee all property matters which arise from the Asset Management Strategy and the team should be involved in any transaction that involves GF land or buildings. The Corporate Landlord Function will be led specifically by the collaboration of the Estates and Property Investment teams. As the Council develops both housing and commercial assets it is clear that synergies exist within these programmes and the skills needed in order to achieve success rest within the Estates and Housing Development teams.

Greater collaborative work across teams is paramount to achieving long term successful outputs for the Council and ensuring that the work for individual staff members is enriched and diverse. This includes the capacity of the Estates Team to deliver on locality outcomes, acquisition of new property investments and the knowledge to introduce a Corporate Landlord approach.   As the programme expands, consideration should be given as to whether the team can actively handle the full work stream to ensure business continuity. There may be a requirement for upskilling the right staff to lead on programmes or outsourcing discreet tasks to maximise return.

Governance arrangements

Within the past 12 months, a new Asset and Capital Board (ACB) has been set up under the direction of new Strategic Director.

Asset and Capital Board

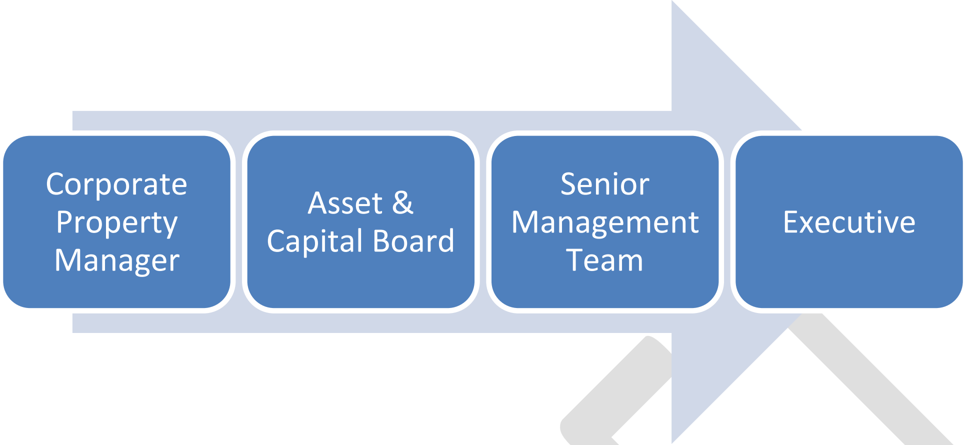
It is the intention of this Board that ACB play a key role in preparing and implementing the corporate objectives within the new emerging Asset Management Strategy for both GF and HRA assets. The Board is chaired by a Strategic Director (Corporate Property Officer) and supported by the Assistant Director (Finance & Estates). This will provide a forum for a high level discussion and decision forum on recommendations coming forward from the Locality review work, One Public Estate and other property initiative (Housing Development and Regeneration). Membership of this group includes Senior Officers from across the Council including Property and Housing Investment, Estates and Housing Development. The terms of reference of the Asset and Capital Board are attached (APPENDIX D). It is proposed that the Board will continue to exist for a further two year period in order to oversee the outcomes from this Asset Management Strategy, particularly regarding the introduction of a Corporate Landlord role.

Senior Leadership Team

The outcomes from the ACB are escalated to the Senior Leadership Team (SLT) as appropriate. The membership of SLT is at present the Chief Executive, Assistant Directors from within each service department as well as the Corporate Property Officer and the Borough Solicitor.

Member involvement will include participation of the Resources Portfolio Holder and relevant Ward Councillors as necessary in the stakeholder meetings for the locality reviews.

Having the correct organisational framework in place is an essential step in being able to develop and deliver effective corporate asset management. Aligning the new FTFC structure with other relevant parts and activities of the Organisation is critical in ensuring that asset management is properly connected and integrated with the Council's overall management and planning of its resources and services.



Future town future council

APPENDIX B Overview of the Council's Non Housing Assets

Property Description	Number	Current gross income where applicable (Rounded to the nearest 100)	Gross Value as at March 2017	Total Gross Value for each asset group
Operational Estate				
Civic office - Daneshill House	1	£172,900	£8,372,300	
Swingate House	1	£37,400	£754,200	
Depots	3		£3,749,300	**£12,875,800**
Community				
Community Centres	12		£2,431,100	
Community Arts Centre	1		£85,800	
Pavilions	11		£1,141,900	
Play centres	3		£587,200	**£4,246,000**
Leisure				
Golf Course	1		£1,014,600	
Sailing Centre	1		£97,400	
Valley Sports Playing Field	1		£25,100	
Leisure Centre	1		£15,915,250	
Swimming Pool	1		£3,121,210	
Allotments	16		£248,500	
Football Stadium	1		£1,125,000	
Museum	1	£0	£0	**£21,547,060**
Economic Development				
Business Technology Centre	1	£1,403,800	£4,976,300	
Chells Enterprise Village	16	£135,040	£792,300	**£5,768,000**
Town Centre				
Surface car parks	13	£2,900,600	£12,863,500	
Multi storey car park	1	£485,000	£2,558,400	
Stores	2		£69,500	
Bus Station	1		£1,245,000	
Indoor Market	1	£512,800	£696,300	
Westgate Centre ground lease	1	£240,000	£3,664,700	**£26,866,000**
Garages				
Commercial garages	57	£39,900	£470,000	
Residential garages	6607	£2,890,000	£14,000,000	**£14,470,000**

Other

Cemeteries	2		£272,600	
Hostel	1		£193,000	
Public conveniences	5		£483,200	
Remaining surface car parks	4	£169,400	£616,400	**£1,568,200**

Commercial Portfolio

Shops	176	£1,493,000	£13,331,400	
Workshops	20	£92,000	£566,200	
Surgeries	11	£109,000	£1,359,000	
Warehouses	2	£1,900	£75,200	
Public Houses	9	£49,900	£820,600	
Maisonettes	5	£22,300	Inc in Shops	
Scouts	6	£4,200	£152,200	
Agricultural land	3	£4,500	£359,300	
Miscellaneous commercial	18	£126,100	£1,364,400	**£18,028,300**

Assets held for Regeneration

2 & 4 Town Square	2	£0	£1,070,800	
The Plaza	8	£324,000	£3,092,100	
Town Square shops	14	£621,500	£6,382,500	
Town Square offices	8	inc above	inc above	**£10,545,400**
Surplus Assets	6	£0	£1,055,400	**£1,055,400**

Notes:
Values taken from 2016/17 Asset Register (values as 31st March 2017).
Valuations are based on DRC, Market Value and Existing use, as appropriate
and do not necessarily represent potential capital receipts.

APPENDIX C

Profile of the Estate

Over-view

The portfolio can be currently grouped into six broad categories:

Asset Category		No of Assets
1	Operational (i.e. running services from) inc allotments	85
2	Non-operational (i.e. tenanted non residential estate) inc Chells	267
3	General Fund Garages (inc Commercial garages)	6664
4	Assets held for Regeneration	32
5	Surplus Assets	6
6	Strategic Land sites	4
Total		7058

This total excludes any statistics for parcels of land which the Council currently hold freehold. As the major land owner within the Borough this extends to all amenity land within 10 square mile radius of the town centre.

Specific Groups of Assets

1. Operational assets

Current value (existing use) £12.9m (March 2017)
Income stream £282,730.

These are assets held for operational/service use. It includes civic offices at Daneshill House, Swingate and three operational Depots including Cavendish Road and the Nursery Depot at Shephalbury Park. In addition, this category includes leisure facilities, community centres, pavilions and play centres.

2. Non – Operational assets

These are assets from which the Council derives revenue income in the form of rent. The collective annual income generated in 2016/17 was £6.24m (gross yield of 27.5%). This category can be split into three broad groups; the Council's commercial portfolio, Property Investment, and the General fund garage stock.

2.1 Commercial Portfolio

Current Income per annum - £3.21m
Market Value £18.03m

There are 251 assets within the commercial portfolio, which represents approximately 3.5% of the whole portfolio, and these were generally built in the 1960s and 1970s spread across 16 different neighbourhoods within the Borough. There are a further 16 assets let at Chells Enterprise Village.

The shops are situated in mainly tertiary locations, and serve the immediate local community. These assets have been historically held to meet two key objectives (1) Maximise rental income across the commercial portfolio and (2) Provide a wide range of local services for the benefit of local people.

The commercial portfolio can be broken down further in to the two largest categories, 176 shops (66%) and 20 workshops (8%). There are currently 3% of voids within the stock, and this is a fairly consistent number. The remaining number of assets (54) fall within the miscellaneous category.

Within this portfolio are nine third party voluntary sector lettings, which are held for community and social value rather than income generation and let in accordance with the Council's rent in kind policy.

2.2 Property Investment

Target Income per annum: £100k (2017/18) and £200k (thereafter)
Current market value £15m

The Council approved a new Property Investment Strategy in May 2017, supported by an investment pot of £15m with a view to acquiring commercial property assets within the Borough boundary to generate new sustainable rental income. This includes the local employment areas supporting the Borough. £8.45m of new investments are currently being pursued, generating new gross income of £625k. A copy of the Property Investment Strategy is available upon request.

2.3 Garage Stock

Current Income per annum; £3.03m
Current Value (Existing use) £14.5m

There are 6607 residential garages held in the General Fund, which generate a significant annual income and a further 57 commercial garages. The Council approved a £9.2m investment fund in 2016/17 to reinvest in 676 garage blocks to bring the condition of the garages up to a fit for purpose state, releasing other garage blocks for redevelopment where necessary and ring fencing the receipts to reduce reliance on prudential borrowing. The investment will fund a five year programme of refurbishment.

3. Assets held for Regeneration

Current Income per annum: £837k
Current Value (Existing use): £10.5m

These assets consist of 32 individual properties situated within the town centre. These assets were acquired by the Council in 2013 and 2015 at a current value of just over £10m and purchased specifically to help enable town centre regeneration.

4. Surplus assets

Market Value: £1.05m

There are currently six assets identified within this group which are a mix of buildings and vacant land, and declared surplus in the Council's Asset Register. As there are no strategic reasons for continuing to hold them, they have been declared surplus and now held for future disposal.

In reality there may be more than six surplus assets. The Council is a major landowner within the Borough, and although not specifically identified, there will be smaller parcels of land that may come forward for future disposal as a result of the outcome of further locality reviews that are proposed in the action plan attached to this Asset Management Strategy, and also as a result of resident direct approaches identifying potential sales of smaller greensward areas, adjacent to residential properties. These applications will continue to be considered as part of our small land sale process.

4 Strategic land sites

There are four Strategic land sites.

Two of these sites are actively being promoted, and the Council is likely to see substantial capital receipts from these two in the next two years. Receipts from these disposals will be needed to help support the financial cost of the Council's regeneration ambitions in the Town. Strategies in relation to bringing the remaining sites forward are being considered as part of the AMS Action Plan attached.

The Estates team are in the process of preparing a new Disposal Strategy which will consider the proposed methodology for reviewing large and small parcels of land within its ownership.

APPENDIX D

ASSETS AND CAPITAL BOARD

Terms of Reference

The Assets and Capital Board is proposed to be the key senior Officer decision-making forum for effective strategic management of the Council's assets, and design / delivery of the capital programme.

It brings together the lead roles from across the organisation to develop and shape strategies to support and enable the delivery of the Council's FTFC programme and MTFS. It will oversee delivery of key programme commitments; consider options for land use (e.g. disposals, assembly, alternative ideas for use); provide strategic advice to the SLT and share best practice.

Board Composition
Strategic Director (Chair)
Assistant Director – Finance
Assistant Director – Housing Development
Assistant Director – Stevenage Direct Services
Interim Head of Asset Management
Acting Head of Property and Estates
Property Development Manager
Corporate Property Manager
Capital Accountant

Relevant Assistant Directors or other senior team members will be invited to join for specific items as required, for example when consider alternative uses of operational assets or reviewing delivery of projects.

The role of the Assets and Capital Board will be:

- Supporting the development and delivery of the Asset Management Strategy and annual delivery plans which reflect the Council's priorities and MTFS
- Oversee development of options for land use, acquisition, development or disposal
- Oversee the development and delivery of the development / disposal programme
- Leading the development and review of capital or investment-related business cases, including the annual capital bidding process

- Acting as programme board to review delivery of capital projects and the capital programme as a whole; including exception monitoring of capital project delivery
- Make recommendations to SMB on options for strategic use of assets to deliver Council priorities or MTFS requirements
- Advice on supply chain, contracts and resources needed to deliver our property / estates objectives
- In addition to the above, the Board will work on developing / approving plans and guidance that underpin key strategies as required.

This Board has a key role in helping to assure successful development, delivery and management of the Council's asset and property base. It may initiate and receive reports in relation risks and compliance of existing assets / property or initiate work to further strengthen the strategic management of our asset / property base.

As a key advisory group, the Board will support development of new plans and strategies, including development of Committee papers on key areas of policy / strategy prior to submission to SLT.

Frequency & administration of meetings

The Board will meet every two months with the regular frequency to be determined once the level of workload is fully realized.   Meetings will be recorded and the minutes will be approved at the next meeting.

This page is intentionally left blank

APPENDIX B

Stevenage Borough Council

Asset Management Action Plan 2018 – 2023

Introduction

1. This Asset Management Action Plan sets out the Council's proposed asset management activities that it will be undertaking and projects it will be delivering over the next 5 years.
2. The Action Plan is divided into three separate tables, as follows:
    a. Organisational arrangements
    b. Policy development
    c. Property specific

Organisational arrangements

3. The activities in part A of the Action Plan relate to actions the Council is taking to ensure that its organisational and governance relating to asset management are as robust as possible so that decisions are made in a transparent manner, and also that the Council has the necessary skills in place to deliver its Asset Management Strategy.

Policy development

4. The activities in part B of the Action Plan relate to areas where the Council needs to strengthen its policy approach to asset management, such as investment strategy.

Property specific

5. The activities in part C of the Action Plan relate to specific actions around specific property assets, such as disposals, acquisitions, refurbishment and investment.
6. This Action Plan not only sets out what we are intending to do but will also act as a monitor to report progress and achievement. The Action Plan is intended to operate on a rolling 5 years basis and as items on the Action Plan are achieved, so new activities and actions will come into the Action Plan. The intention is that this rolling approach will continue until the Asset Management Strategy is revised in 2023.

APPENDIX B

A. ACTION PLAN MONITOR: ORGANISATIONAL ARRANGEMENTS									
No.	**Activity Description**	**Key Asset Management Principles**	**Key milestones**					**Accountable Person**	**Resource Implication – New & yet to be identified**
			2018/19	**2019/20**	**20/21**	**21/22**	**22/23**		
A1	To review the terms of reference of the Asset & Capital Group (ACG) to support delivery on AMS including the Corporate Landlord transformation programme	To hold a sustainable, compliant and efficient estate	To review the terms of reference & implement	Fully implemented	Review ACG requirement	Implement	Implement	SD	×
A2	To review and produce separate clear action plan for implementing Corporate Landlord approach	To hold a sustainable, compliant and efficient estate	To review existing processes and procedures and devise action plan for Corporate Landlord transformation programme in full collaboration with services	Implement	Implement	Implement	ASD - F&E	√	To review and produce separate clear action plan for implementing Corporate Landlord approach
A3	Implementation of new Estates Management Software including performance monitoring	Effective asset management	Phased Implementation during Q4 of 2017/18, and fully operational during 2018/19.	Review use and further development of the software	Fully operational	Fully operational	Fully operational	ASD - F&E	√
A4	Undertake a review of skills and capacity of the Estates & Investment Teams to deliver the actions required by this AMS	Ensure staff have appropriate skills to do an Excellent job and capacity	Review resource requirements/skills audit to deliver asset management strategy and implement.	Implement	Implement	Implement	Implement	Assistant Director of Finance & Estates (ASD F&E) & Assistant Director of Housing & Investment (ASD H&I)	√ Linked to A2

B. ACTION PLAN MONITOR: POLICY DEVELOPMENT									
No.	**Activity Description**	**Key Asset Management Principles**	**Key milestones**					**Accountable Person**	**Resource Implication – New & yet to be identified**
			2018/19	**19/20**	**20/21**	**21/22**	**22/23**		
B1	Consider, review and set up a Housing Development Company	To develop land assets that enable the Council to provide and offer high quality new homes	To seek approval of business case to set up a Development Company to act as developer and develop suitable sites for residential use.		Delivering against business plan	Delivering against business plan	Delivering against business plan	Assistant Director of Housing Development (ASD – HD)	√
B2	New Disposal Strategy	Release capital receipts from poorly performing buildings or land	Review, align with Housing Development Strategy & implement		Implement	Implement	Implement	ASD – F&E ASD - HD	√
B3	Review of energy generation and supply opportunities	Commercialisation		Review opportunities based on strength of market	Scope and deliver action plan	Deliver action plan	Deliver action plan	ASD – H&I	TBC

C. ACTION PLAN MONITOR: PROPERTY SPECIFIC

No.	Activity Description	Key Asset Management Principles	Key milestones					Accountable Person	Resource Implication – New & yet to be identified
			2018/19	19/20	20/21	21/22	22/23		
C1	To work with SG1 developer to develop a new Public Sector Hub/Corporate offices	To hold a sustainable, compliant and efficient estate	Work with new development partner to enhance designs of new accommodation.	Work with new development partner to deliver the new accommodation in accordance with their timescale.				Assistant Director of Regeneration (ASD – R) Assistant Director of Corporate Projects, ICT & Customer Services (ASD – C,I & CS)	TBC
C2	Undertake Locality Reviews of the whole Borough Link to C3, C4 & C5 below	To hold a sustainable, compliant & efficient estate	Devise methodology and phasing plan 17/18 and implement 18/19	Implement Phasing & produce final opportunity list	Appraise opportunities	Appraise opportunities	Appraise opportunities	ASD – F&E Supported by ASH – HD ASD - CS	√
C3	Complete review of Community Centres	Reduce costs associated with the Council's assets through a modernisation programme To hold a sustainable, compliant and efficient estate	Undertake the review of all Community Centres		Agree and implement Programme for action			ASD - HD Supported by Assistant Director of Community Services	TBC
C4	Complete review of Pavilions	Reduce costs associated with the Council's assets through a modernisation programme To hold a sustainable, compliant and efficient estate	Undertake the review of all Pavilions		Agree and implement Programme for action			Assistant Director of Direct Services (ASD – DS) Supported by ASD - HD	TBC
C5	Review of commercial assets	Increase income generated by the Council's assets. To identify non-performing assets and disposal.	Undertake review and implement actions	Implement actions	Implement actions	Undertake review	Implement actions	ASD – F&E	√
C6	Sale of Strategic site	To develop land assets that enable the Council to provide and offer high quality new homes for our residents Release capital receipts for re-investment	Feasibility study to investigate best possible returns from development of strategic site.					ASD – F&E	√
C7	Undertake new Condition surveys of all council non housing assets	To have an understanding of the current condition of the Council's non housing assets and to inform future maintenance programme.	To commission and undertake the condition survey.	Implement recommendations	Implement recommendations	Implement recommendations	Implement recommendations	ASD – H&I	TBC
C8	Property Investment Strategy	To acquire new commercial investments which generate new rental income.	Acquire new investments to accord with Strategy	Review Strategy	Carry out actions following review	Carry out actions following review	Carry out actions following review	ASD – F&E	√

Agenda Item 7

Part I – Release to Press

Meeting	**EXECUTIVE**
Portfolio Area	Resources
Date	**14 FEBRUARY 2018**

FINAL CAPITAL STRATEGY 2017/18-2022/23

KEY DECISION

Authors	Clare Fletcher x 2933
Lead Officers	Clare Fletcher x 2933
Contact Officer	Clare Fletcher x 2933

1. PURPOSE

1.1 To approve revisions to the 2017/18 General Fund and Housing Revenue Account Capital Programme and approve the draft Capital Programme for 2018/19 for recommendation to Council

1.2 To provide Members with an update on the Council's draft 5 Year Capital Strategy and the resources available to fund the Capital Strategy.

1.3 To provide Members with an update on recent government consultation on prudential borrowing and Minimum Revenue Provision (MRP).

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

1.5 To update Members on the work of the Leader's Financial Security Group (LFSG) in reviewing all General Fund capital bids prior to inclusion in the Capital Strategy.

2. RECOMMENDATIONS

That the following proposals be recommended to Council on 28 February 2018:

2.1 That the revised General Fund and HRA 2017/18 capital programme, as detailed in Appendix A and Appendix B to the report be approved.

2.2 That the final 2018/19 General Fund Capital Programme as detailed in Appendix A to the report be approved.

2.3 That the final 2018/19 HRA Capital Programme as detailed in Appendix B to the report be approved.

2.4 That the updated forecast of resources as summarised in Appendix A (General Fund) and Appendix B (HRA) to the report be approved.

2.5 That the Government's potential changes to prudential borrowing and MRP as outlined in paragraph 3.21-3.26 of the report be noted.

2.6 That the approach to resourcing the General Fund capital programme as outlined in paragraph 4.3.6 and 4.3.11 of the report be approved.

2.7 That the growth bids identified for inclusion in the Capital Strategy (Appendix C to the report) be approved.

2.8 That the 2018/19 de-minimis expenditure limit (section 4.8 of the report) be approved.

2.9 That the 2018/19 contingency allowance (section 4.9 of the report) be approved.

2.10 That the work undertaken by LFSG on behalf of the Executive in reviewing and challenging the General Fund Capital Strategy be noted.

3. BACKGROUND

3.1 **General Fund** – Over the last five years the General Fund capital programme has been financially constrained, as the existing capital programme and additional bids for capital expenditure have been in excess of the projected resources available. These works have been, in the main, to keep existing assets operational (without improvement) and the replacement of vehicles over an extended life cycle of seven years. The outcomes of the programme has meant not developing assets to future proof them, nor providing new assets.

3.2 This approach has generally meant that only high priority works have been approved e.g. when boilers or roofs have had to be replaced to avoid closure of a building. This has been a necessity rather than a 'whole place' approach due to funding constraints and hasn't allowed for the future needs of assets and users.

3.3 Since 2015/16 capital schemes have been rebid for based on a set of criteria, in an attempt to ensure scarce resources are targeted, which has been updated to reflect the Future Town Future Council (FTFC) corporate priorities, as set out below;

- Category 1 : FTFC
- Category 2 : Income generating asset schemes (Financial Security)
- Category 3 : Mandatory requirements
- Category 4 : Schemes to maintain operational effectiveness
- Category 5 : Match funding schemes

3.4 In addition prudential borrowing would only 'normally' be used to support category 2 schemes (Income generating asset schemes -Financial Security), with capital receipt, external grants and a new revenue reserve for capital being used to fund the other categories. The following principles have been applied to new bids:

- Assets due for regeneration should have only essential or health and safety growth bids.
- Re-profile spend to later years if reviews of the service are due.
- Include only the initial works to schemes until the business case is proven.

3.5 However, over the last two years there has been a change in the approach to capital works and the council's assets, (from that outlined in paragraph 3.1). This was partly triggered by the ward Members' walk about with senior officers, which culminated in the introduction of the Co-operative Neighbourhood Management programme, (a 'Future Town Future Council' (FTFC) priority). This was implemented to improve the 'whole place' by improving assets within an area and subsequently a number of significant programmes have been approved. These include the garage improvement programme (July 2016, £9.24Million) and the playground improvement programme (February 2017 £1.489Million).

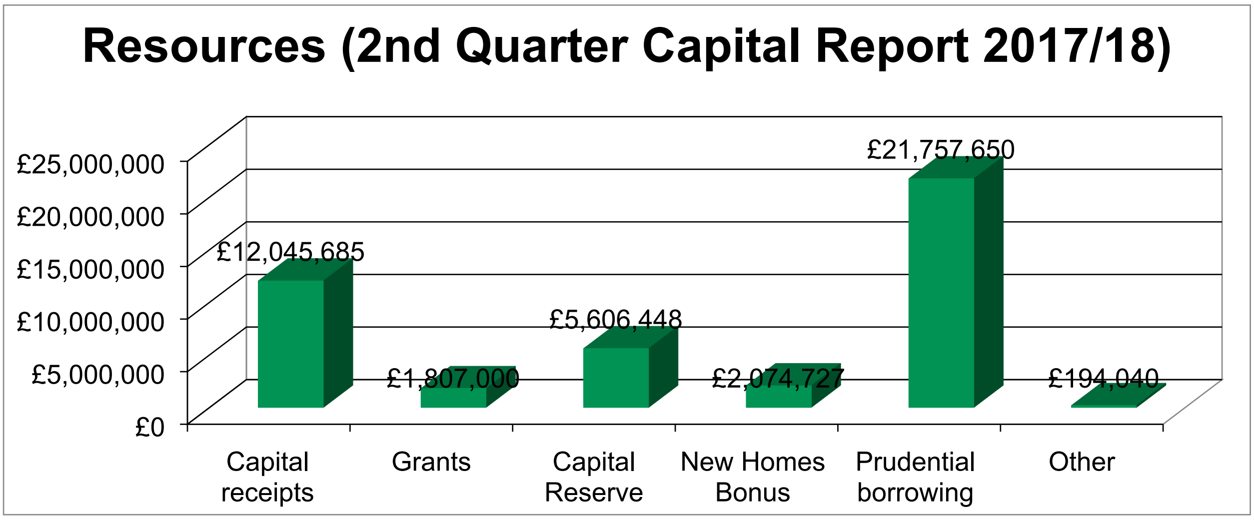
3.6 In addition the Council has started to redevelop existing assets to deliver on regeneration and housing delivery priorities. The Archer Road redevelopment looked at placement of assets, housing need and re-provision of neighbourhood facilities.

3.7 To deliver a sustainable approach to maintaining the 'whole place' and the portfolio of assets for the future, schemes such as the playground improvement programme have sought to look at what facilities should be provided within Stevenage, based on mapping of need/location. Although some play sites were rationalised, a more imaginative approach has been taken to decommissioned sites which has/will allow significant improvements to a smaller number of play areas, while ensuring decommissioned sites are appropriately landscaped.

3.8 This type of approach has been used in the garage programme with works being partly funded from disposing of some sites for other uses, e.g. residential.

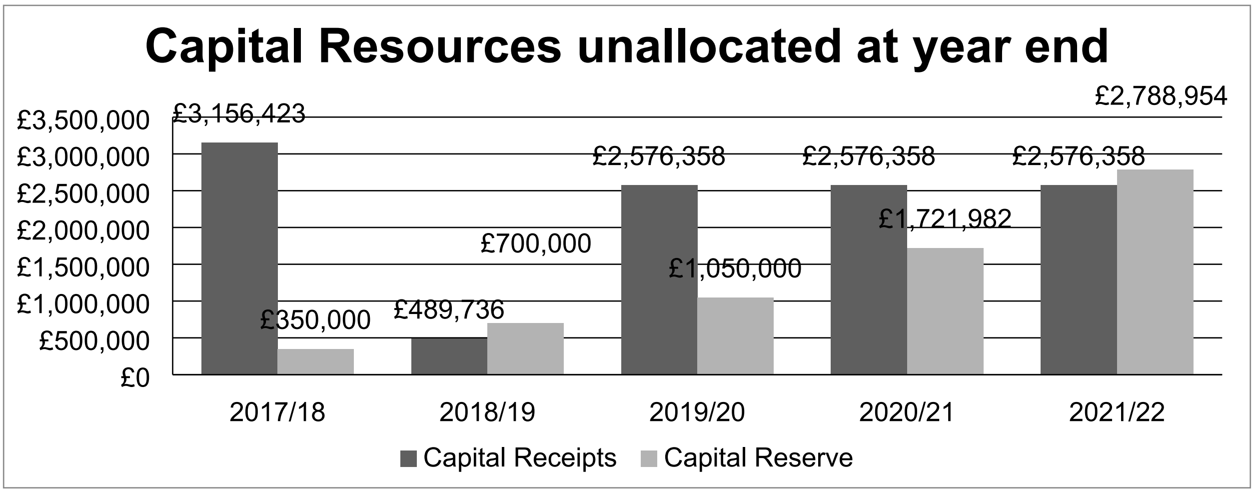
3.9 However, the Council does need an overarching strategy on how to manage its assets and this is key when considering the outcomes achieved from investment. To determine whether this delivers value for money or whether a better outcome can be gained from redevelopment or revised provision. The Council's Asset Management Plan to the February Executive will set out a recommended approach to the Council's assets.

3.10 The existing approved capital programme (approved February 2017 and as amended by quarterly monitoring and supplementary reports) is fully funded and shown in the following chart.



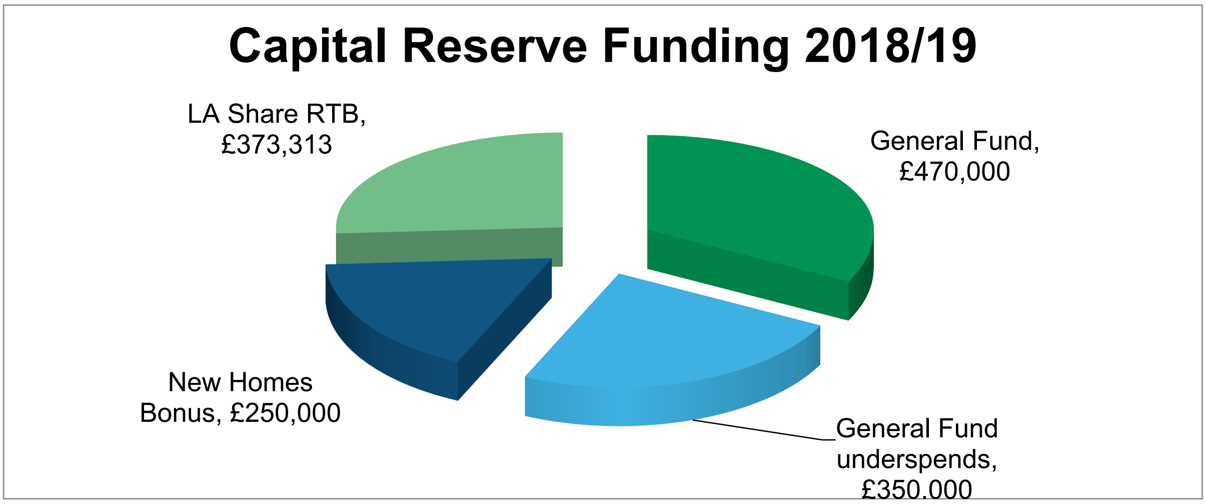
**Prudential borrowing includes £15Million for commercial property acquisition*

3.11 The level of resources available is also summarised in the chart below.



3.12 The level of capital receipts shown in the chart above remains static from 2019/20 onwards, (£2.58Million) as the current programme does not need to use them. However, there are no new disposal receipts identified after 2019/20 and when future years' capital needs are identified, this will put more demand on revenue resources and borrowing, if new disposal sites are not identified.

3.13 The other main source of funding, the Capital Reserve, will receive a 2018/19 budgeted £470,000 contribution from the General Fund with potentially up to £350,000 underspends, (identified at year end), giving a General Fund maximum contribution of £820,000 (represents 1.16% of gross General Fund expenditure) per year. New Homes Bonus contributes £250,000 and £373,313 (2018/19) from the Local Authority Share of right to buy receipts as shown in the following chart.



3.14 The existing General Fund programme does not include any financials for SBC funding any town centre regeneration (SG1), although the Council has invested already in public realm works and there is some third part funding from the Local Enterprise Board (LEP) in the proposed draft Capital Strategy.

3.15 Officers will be presenting a report to the January Executive recommending the preferred developer to deliver the first phase of regeneration in the town centre (SG1). SG1 will be one of the biggest regeneration schemes in the East of England and is the Council's top priority and this is also echoed by the 2017 resident's survey. To ensure the deliverability and success of this scheme it is inevitable that the Council will need to invest resources during the period of development and the Council will need to build up capital reserves, earmark capital receipts and revenue resources to do this.

3.16 SG1 is the starting point for regeneration mainly due to the large amount of public sector land holdings, but as part of the wider regeneration of the town, the Council has ambitions to upgrade its leisure facilities which again will require the Council to identify a level of resources to deliver this.

3.17 The changing approach to place shaping and ambitions around medium and longer term regeneration and housing development will mean prioritising resources to this end, ensuring that the use and development of assets must be financially sustainable. This may involve consolidation of assets by location, divesting poor condition/high cost assets, development resourced by residential outcomes, identification of more land and some prudential borrowing.

3.18 The Council has ambitions to deliver generational change in Stevenage while at the same time managing diminishing resources for both its General Fund and HRA, as government funding is withdrawn and legislative changes impact on income.

3.19 To determine the medium term spending priorities, the Leader's Financial Security Group (LFSG) met in November and December to review all General Fund capital bids (2018/19 onwards) and made a number of recommendations and these are contained within this report and summarised in Appendix C.

3.20 **HRA** -The HRA capital programme was revised in September 2017 as part of the 30 Year Business Plan. The 30 year HRA capital programme totalled £1,155Million with an identified funding shortfall of £26Million. The 2018/19 programme does not include any higher value voids levy as set out in the Final HRA rent setting and budget report to this meeting.

3.21 **Consultation**- The Government has recently closed consultation on the use of prudential borrowing for purely commercial reasons, maximum MRP periods (50 years freehold, all other assets 40 years) and new disclosures required in the Capital Strategy. The government has recommended these changes be introduced from 2018/19. Consultation closed on the 22 December and the Assistant Director (Finance and Estates) responded to the consultation.

3.22 Under the proposed new guidance local authorities would not be able to borrow to invest for purely yield bearing opportunities, e.g. commercial property purchased to generate an income stream. This would become classified as 'borrowing in advance of need'. Under the current (2010) guidance it is clear that "borrowing in advance of need" relates solely to financial investments and financial instruments, whereas investments such as commercial property are capital expenditure as they involve the acquisition of a physical asset and as such are eligible for funding from borrowing. The council has approved a £15Million commercial property investment in May 2017, funded from prudential borrowing.

3.23 The LGA response to the consultation points out that local authorities have invested in property in different ways for many years; if this is to be restricted it could have a major impact on councils' ability to fund and deliver services to their residents. Furthermore, the LGA has stated that, if this change does go ahead and is applied retrospectively, forcing councils to divest themselves of existing investments, the financial costs and potential losses could be disastrous for some councils. The LGA says 'we oppose any restriction that will reduce funding for councils to benefit their local areas and under no circumstances should this be applied retrospectively'. This is also the view of the Assistant Director (Finance and Estates).

3.24 The consultation guidance tries to distinguish between "core" and "non-core" investments, requiring councils to disclose the contribution from these "non-core" assets. Councils have held property investments for many years, with the income forming an integral part of the budget, (e.g. rental from property holdings in town and city centres). It will be difficult to define what is "core" and "non-core" in a meaningful way.

3.25 The Government's view is that it doesn't want to restrict opportunities for local authorities to use commercial structures to kick start local economic regeneration to deliver services more effectively. However, the prime duty of a local authority is to provide services to local residents, not to take on disproportionate levels of financial risk by undertaking speculative investments, especially where that is funded by additional borrowing. Stevenage Borough Council has always taken a very cautious view of prudential borrowing as set out in this report. The majority of the Council's borrowing has been as a result of the HRA self-financing deal in 2012.

3.26 The Council's report recommending the acquisition of £15Million in commercial property, (while generating a minimum net return of £200,000 per year), was "to support the Council's ambition for Stevenage and town centre regeneration by investing in the town to help create a vibrant town centre and by so doing, help create renewed confidence and a positive message to other investors, and also to enable the Council to be more financially resilient by delivering on our Financial Security aims".

3.27 The approval for capital budgets is set out in the Budget and Policy Framework Procedure Rules in the Constitution, which prescribes the Budget setting process. This includes a consultation period. The timescale required to implement this process is outlined below:

Date	Meeting	Report
Jan-18	Executive	Draft 2018/19 General Fund and HRA Capital Strategy
	Overview and Scrutiny	Draft 2018/19 General Fund and HRA Capital Strategy
Feb-18	Executive	Final 2018/19 General Fund and HRA Capital Strategy
	Overview and Scrutiny	Final 2018/19 General Fund and HRA Capital Strategy
	Council	Final 2018/19 General Fund and HRA Capital Strategy

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 Capital Programme – 2018/19 General Fund

4.1.1 As in previous years the capital programme has been zero based so that Members can consider the on-going relevance of schemes in the programme and manage scarce resources. There were a few exceptions to this which were:

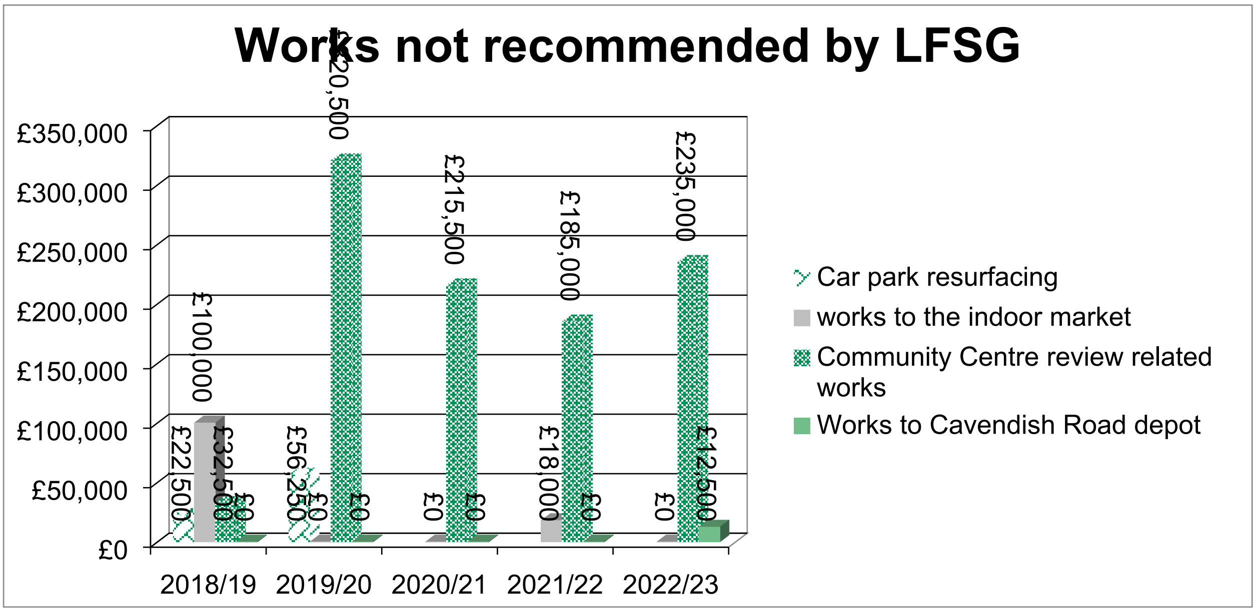
- Schemes with previous specific approvals, e.g. garage programme, playground improvements and ICT digital strategy.
- Vehicles which are on a seven year replacement programme (the programme has been reviewed but did not require bids to be submitted).
- Works required to the Town Square assets (funded from allocated reserves).
- Works which had commenced in 2017/18 and where part of the spend is due in 2018/19.

4.1.2 Officers were required to submit capital bids with supporting rationale, these are summarised in Appendix C to this report. The bids were reviewed by the Assets and Capital Board (officer group), before being considered by the Leader's Financial Security Group (LFSG).

4.1.3 Capital bids were assessed based on the principles set out in paragraph 3.3-3.4, with a new principle recommended by the Assistant Director (Housing Development) as part of the emerging work on community centres. This was that if works were more than £200,000 for any community centre or pavilion, a review of the asset should be completed, prior to any monies being spent. This would mean that only urgent health and safety works should be completed in the interim. In addition, officers are finalising the Asset Management Strategy (see also paragraph 4.3.5), to be presented to the February Executive which will set out a recommended approach on how to review and manage the council's assets.

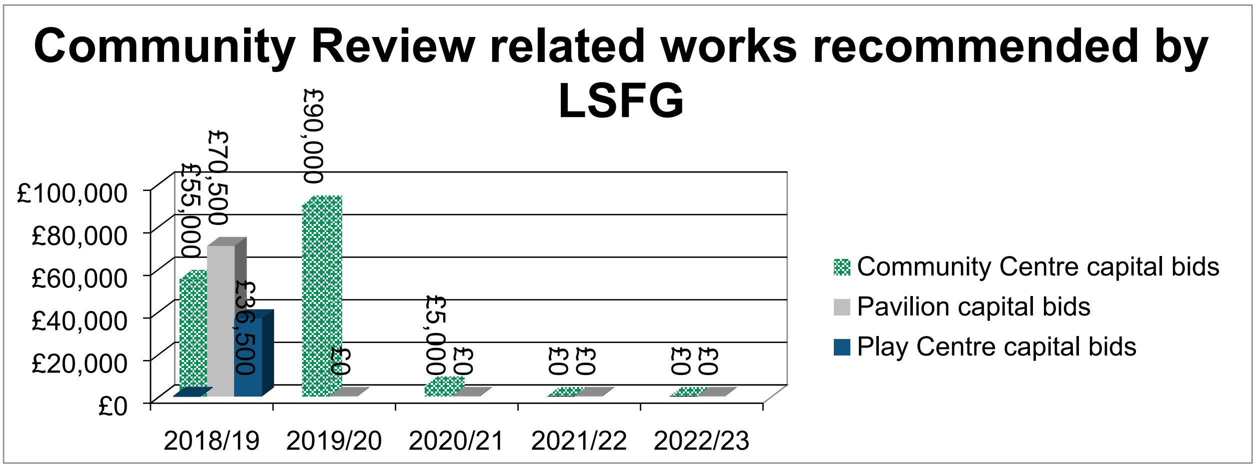
4.1.4 The LFSG reviewed all the capital bids and scored all options between zero (not supported at all) up to three (strongly supported). All scores were averaged and scores of two or more were considered as supported by the group and are recommended to the Executive for inclusion in the Capital Strategy.

4.1.5 There were some options that were not supported or required further reviews of assets prior to their inclusion in the programme. These options are included in Appendix C and summarised below.



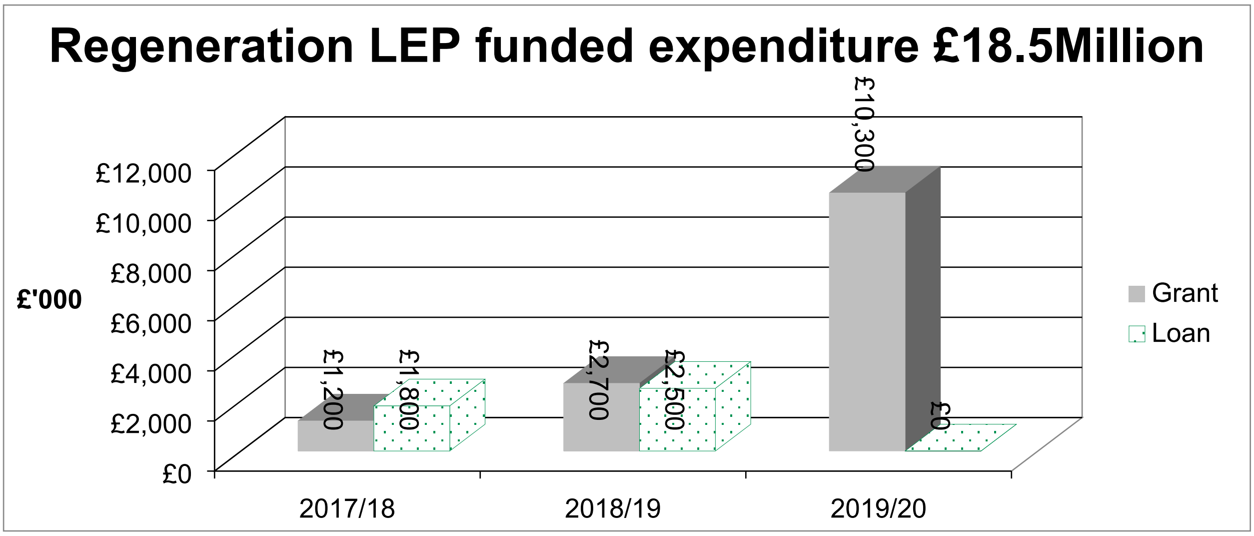
4.1.6 Capital bids totalling £1.197Million were not recommended and £988,500 related to the review of community centres principle as outlined in paragraph 4.1.3.

4.1.7 The Capital Strategy does include some works to community centres, which were challenged by LFSG, who asked officers to reconsider the options proposed and only include capital bids for 2018/19 which are health and safety related or would result in loss of use of the building. Consideration was also given to re-using components if sites were subsequently redeveloped, e.g. the reuse of heaters. A summary of these costs included in the Strategy are shown in the following chart.



4.1.8 The 2017/18 capital programme includes a sum of £441,040 for deferred works, which is not currently projected to be spent in 2017/18. This budget will remain in the Capital Strategy and will be sufficient to fund 100% of the 2018/19 bids not recommended for approval should they be required. The impact on the Strategy in future years will be considered once reviews have been completed, the 2018/19 stock conditions survey results are known and the Asset Management Strategy has been approved.

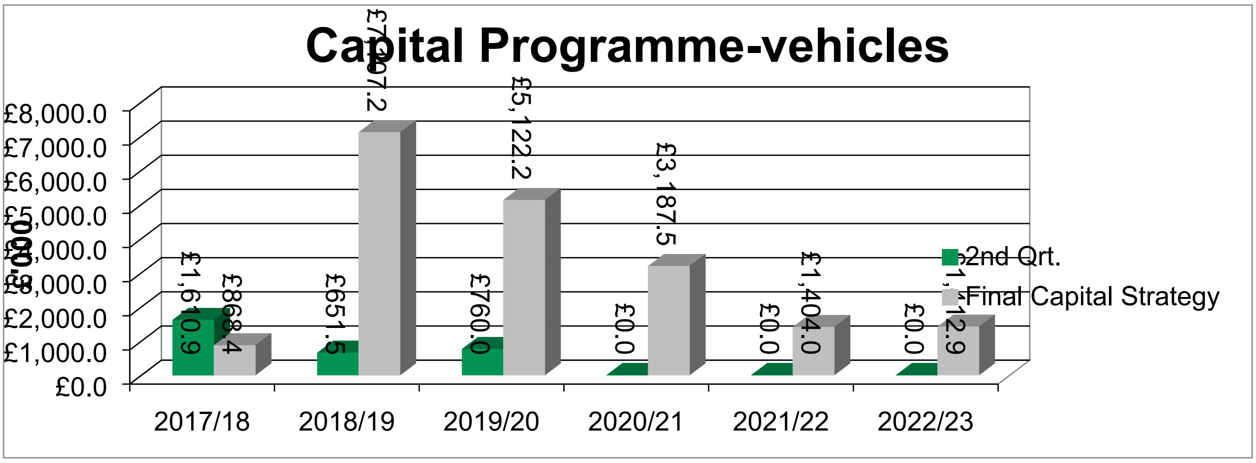
4.1.9 The Capital Strategy (Appendix A) now includes some town centre regeneration related capital bids which are anticipated to be funded by the Local Enterprise Board (LEP) as part of the growth deal funding. The amounts included in the programme are summarised in the chart below.



4.1.10 The LEP funding relates to 'growth deal one' monies (GD1) which has been secured, £7.5Million. The LEP Board have earmarked further funding under 'growth deal 3' for Stevenage, and the LEP are in discussions with central government regarding release of this funding. There may be a risk to spending before the monies are released and the Assistant Director (Regeneration) will be liaising closely with the LEP on this matter.

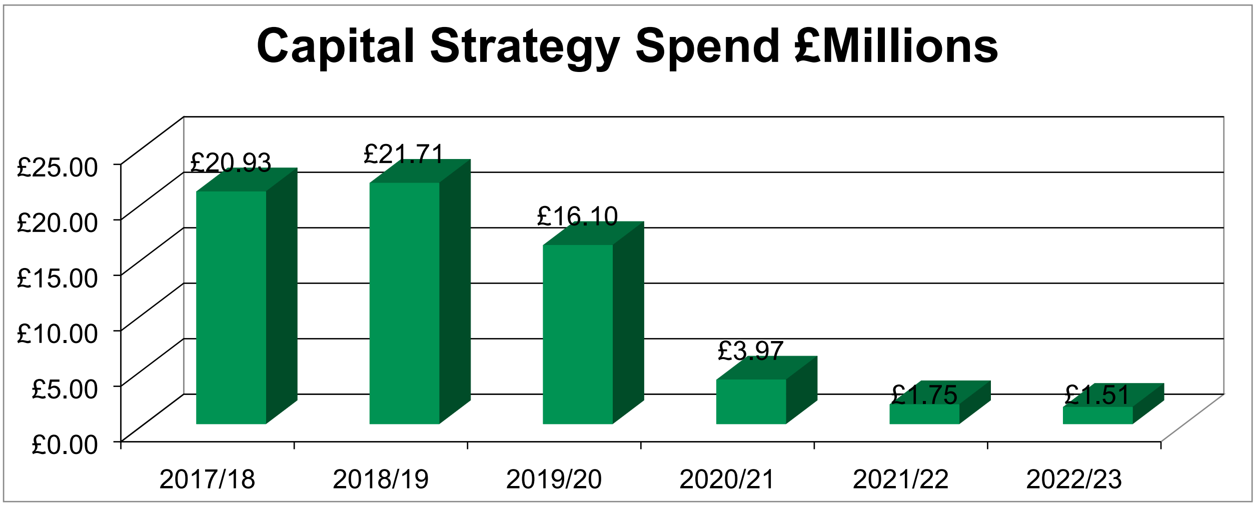
4.1.11 Some of the LEP funding will be paid in the form of a loan and will be required to be repaid in the future, this will need to be funded from either additional receipts or residual land values realised from regeneration.

4.1.12 Vehicle fleet and plant requirements were reviewed based on current condition and need by the new Assistant Director (Stevenage Direct Services). The existing capital programme did not include replacements beyond 2019/20 and only totalled £3.022Million. The programme has now been updated to reflect the vehicles that were budgeted for 2017/18 but will now be received in 2018/19. The capital requirement for the period 2017/18 to 2022/23 now totals £4.719Million. The chart now reflects the slippage of £746.5K of slippage into 2018/19.



4.1.13 The ICT programme is based on the previous approved budgets up to and including 2018/19. For future years a sum of £300,000 has been included annually, match funding the amount of the Council's shared ICT partner, East Herts. Future ICT requirements will be reassessed as part of the business unit reviews and by the new ICT Manager post holder (which was approved in the ICT Improvement plan to the November Executive and included in the BUR growth bids in the General Fund and HRA 2018/19 budgets). The programme remains unchanged from the Draft Capital Strategy report.

4.1.14 The capital programme recommended for 2017/18-2022/23 totals £65.9Million and is detailed in Appendix A and summarised below. This includes slippage in 2017/18 of £7.07Million, this includes £5.98Million related to commercial property investment.



4.1.15 As reported at the January Executive the chart above shows that the programme has significant spend in the first three years of the programme and that there is a likelihood the capital programme is not fully identified for 2020/21 onwards. The asset stock condition surveys to be completed in 2018/19 and the Asset Management Strategy should help to inform the level of required expenditure.

4.1.16 It is also likely that capital bids for funding ambitions as outlined in section 3 of the report i.e. regeneration will be needed to meet the Council's ambitions and will require prioritising limited capital resources available or adopting new funding solutions as outlined in paragraph 3.17.

4.2 Capital Programme – 2017/18 General Fund

4.2.1 The 2017/18 programme has been reviewed and updated and the changes are summarised in the following table.

Summary of General Fund Capital Programme changes	2017/18 £	Reason
Working Budget	**25,446,960**	
Draft Budget Changes (January)	2,559,730	
Proposed amendments February:		
Garage Site Assembly	(180,000)	Slippage into 2018-19, there is a further report to the Executive on the programme. **(2018/19 impact)**
Garage Rationalisation Programme	(200,000)	
Investment Property	(5,600,000)	Two sites have been identified (one purchased and the other property currently being completed), which achieve the target return for 2018/19, further sites are being researched**. (2018/19 impact)**
Improvements to Forum Square	(65,000)	The works have been completed and the residual monies vired to the Market Square Improvements
Town Centre Improvements Phase 2 incl wayfinding signage	(50,000)	The works have been re-scoped and the residual monies vired to the Market Square Improvements.
Public Realm Improvements to Market Place	(238,000)	Works to be completed in 2018/19, including the monies vired form the schemes above. (**2018/19 impact).**
Public Realm Improvements to Town Square	5,000	There is funding in 2018/19 for this scheme (50k was slipped at the first quarter). This is required for technical studies. **(2018/19 impact)**
Vehicles	(746,500)	A number of vehicles, which have been ordered are due for delivery in April-May 2018 and require slipping into 2018/19. **(2018/19 impact)**
Total General Fund changes February	**(7,074,500)**	**Decrease in 2017/18 budget and slippage requested for 2018/19**
Final February Capital Strategy	**20,932,190**	

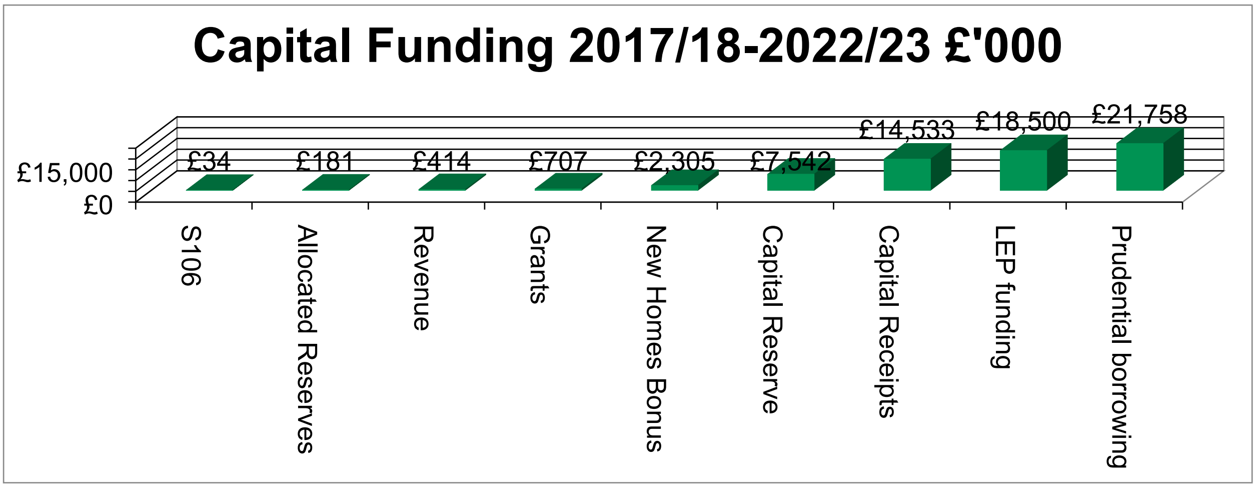
4.2.2 The total changes included in the draft January Capital Strategy will require Council approval in February as the value is more than that delegated to the Executive (£250,000). The increases for January included regeneration site assembly costs funded from the Local Enterprise Partnership (LEP) and are included in Appendix A.

4.2.3 The 2018/19 programme have been reviewed and updated and the changes are summarised in the table below.

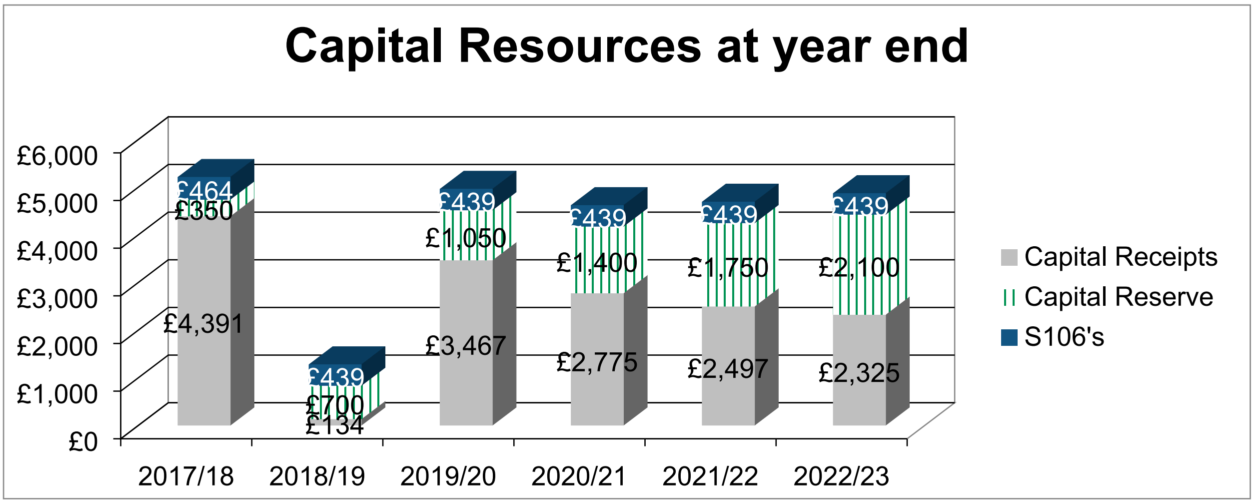
Summary of General Fund Capital Programme changes	2018/19 £	Reason
January Report	14,483,410	
Proposed amendments February:		
Garage Site Assembly	180,000	Slippage from 2017/18
Garage Rationalisation Programme	200,000	Slippage from 2017/18
Public Realm Improvements to Market Place	353,000	Slippage from 2017/18
Public Realm Improvements to Town Square	(5,000)	Put back to 2017/18 for technical studies
Investment Property	5,600,000	Slippage from 2017/18
Vehicles	746,500	Slippage from 2017/18.
Total slippage	7,074,500	Increase in 2018/19 budget
Grants to Registered Providers	150,000	Increase use of 1.4.1 receipts to gain nomination rights
Total changes from January report	7,224,500	
Final February Capital Strategy	**21,707,910**	

4.3 Capital Programme – General Fund Resources (2017/18-2022/23)

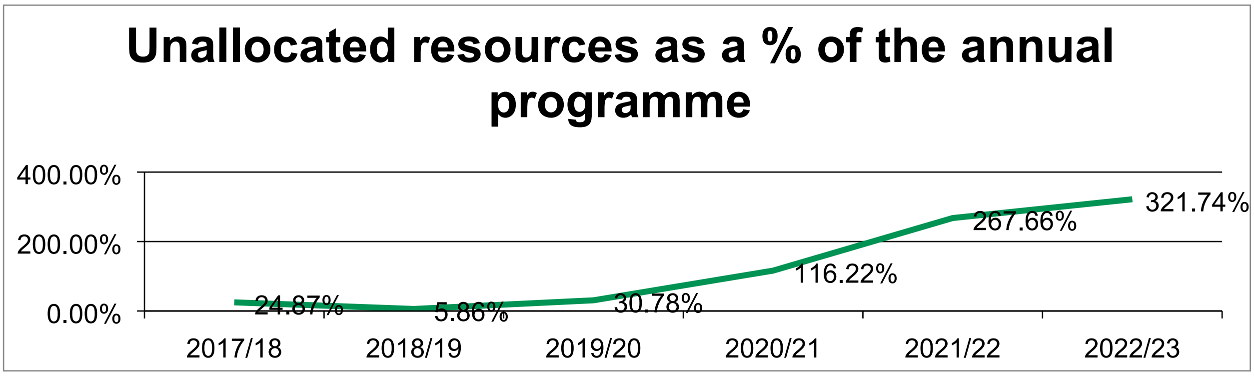
4.3.1 The General Fund capital programme is funded from four main funding sources: capital reserve, (see also paragraph 3.11), capital receipts, LEP funding and prudential borrowing (for the commercial property and garage improvement works). Capital receipts and the capital reserve account for 33% of the total funding, or 46% excluding the LEP funding.



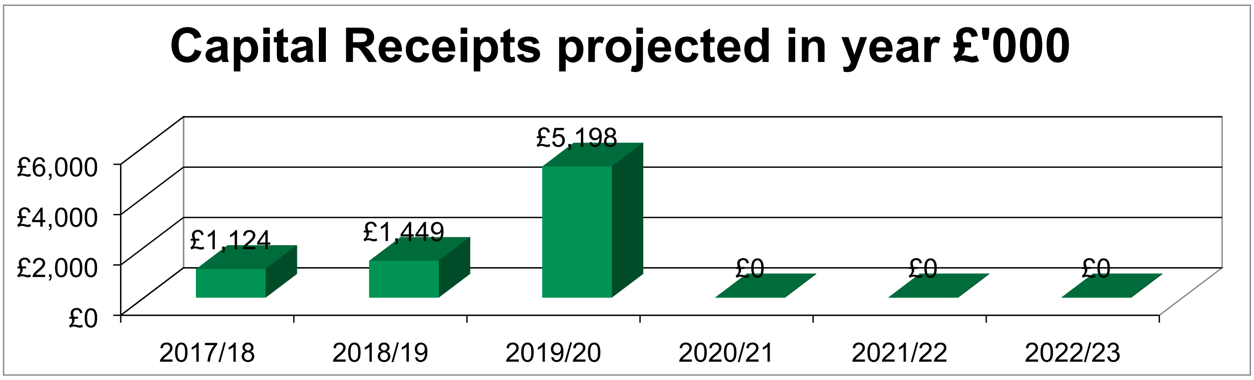
4.3.2 Projected year end unallocated capital resources are shown in the chart below. This shows that there is only £1.27Million of capital balances remaining at the end of 2018/19. This includes an assumption that there will be General Fund revenue underspends of £350,000 in 2017/18 and 2018/19 which will be transferred to the capital reserve, (if realised). If underspends are not identified, there would be just £0.573Million of unallocated resources at the end of 2018/19, of which S106's (£0.439Million) are restricted use.



4.3.3 The percentage of resources unallocated at year end as a proportion of capital expenditure is shown in the chart below, which for 2018/19 allows for very little supplementary expenditure or expenditure overruns. The amount of available resource increases dramatically from 2020/21, however as shown in the chart in paragraph 4.1.14 expenditure in later years looks understated and the unallocated balances in the chart above do include the annual assumption of £350K of underspends. In addition the Asset Management Strategy identifies £16.9Million of backlog works required to council owned buildings.



4.3.4 More importantly and in light of the Council's ambitions, which may require significant funding, addition capital receipts will be needed. 2019/20 onwards there are no new receipts identified, (see below).

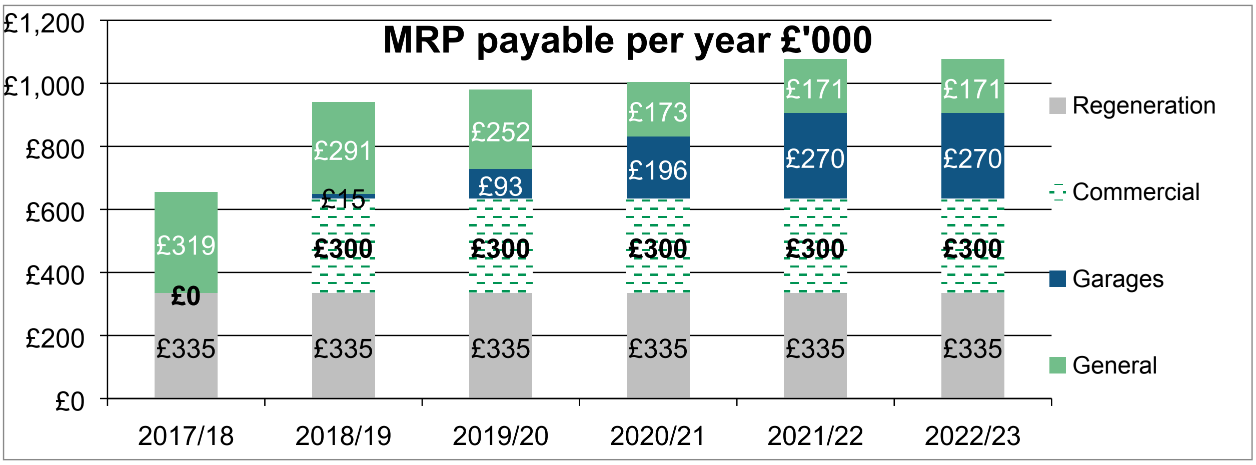


4.3.5 The proposed programme is funded (albeit unallocated funding is low in 2018/19), but if the Council is to realise its regeneration, housing and neighbourhood improvement delivery aims there will need to be a change in approach which the Asset Management Strategy needs to deliver alongside complementary strategies for community assets.

4.3.6 As stated in the draft Capital Strategy there needs to be a renewed focus on:

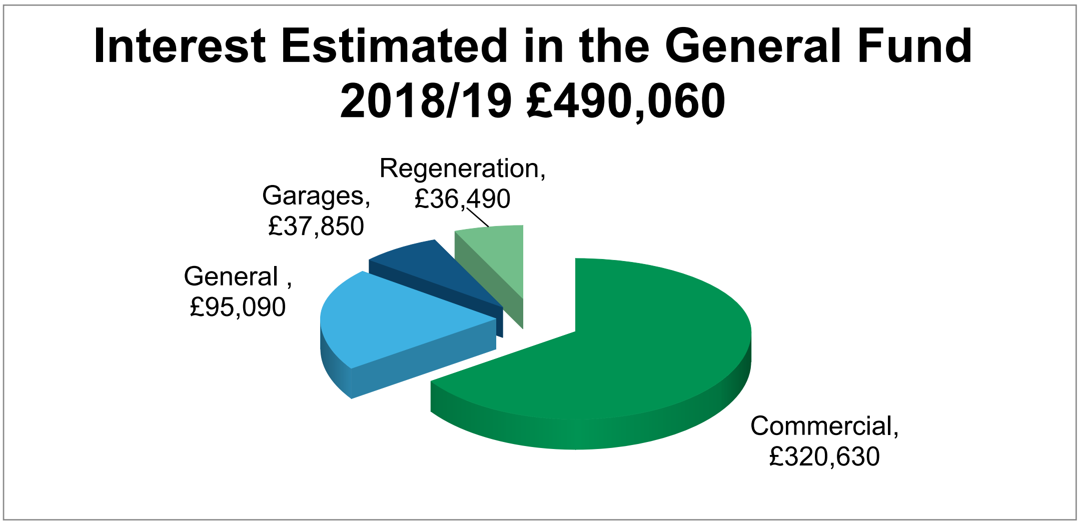
- Delivery of sites for sale- realised by evaluating how the maximum value can be delivered (Asset Management Strategy).
- Delivery of financially sustainable assets by reviewing condition and considering whether continued investment represents value for money and consider the approach outlined in paragraph 3.5-3.7.
- Consideration of further investment in commercial property primarily to deliver economic sustainability in Stevenage but also to support any future borrowing costs if required for the Council’s top priorities, subject to changes the government may make regarding borrowing for commercial investment (see also paragraph 3.21-3.26).
- Building up of reserves from windfall revenue balances to be ring fenced to support the SG1 regeneration and future regeneration schemes.
- Ensuring that wherever possible all S106 receipts are allocated to capital schemes.

4.3.7 The alternative to the approach set out in paragraph 4.3.6 is to scale down the capital programme and/or borrow to fund capital expenditure. In the recent past borrowing has been used when the costs of borrowing have been funded from receipts generated, e.g. commercial property purchases OR the business case has determined that the borrowing costs are in the main funded as in the case of the garage programme. The current level of Minimum Revenue Provision paid in the General Fund is shown in the following table.



4.3.8 All of the commercial and regeneration property MRP (and interest) is funded from income generated from those assets and any surpluses are transferred to the Regeneration Assets Allocated reserve which is available for future funding shortfalls or repairs to those assets.

4.3.9 MRP is payable regardless of whether the borrowing is taken externally or whether internal balances are used. The projected interest costs on borrowing for 2018/19 are estimated to be £490,060 in 2018/19, which is shown below. The general interest budget relates to capital expenditure for the period 2011/12-2013/14 but where no loans have yet been taken.

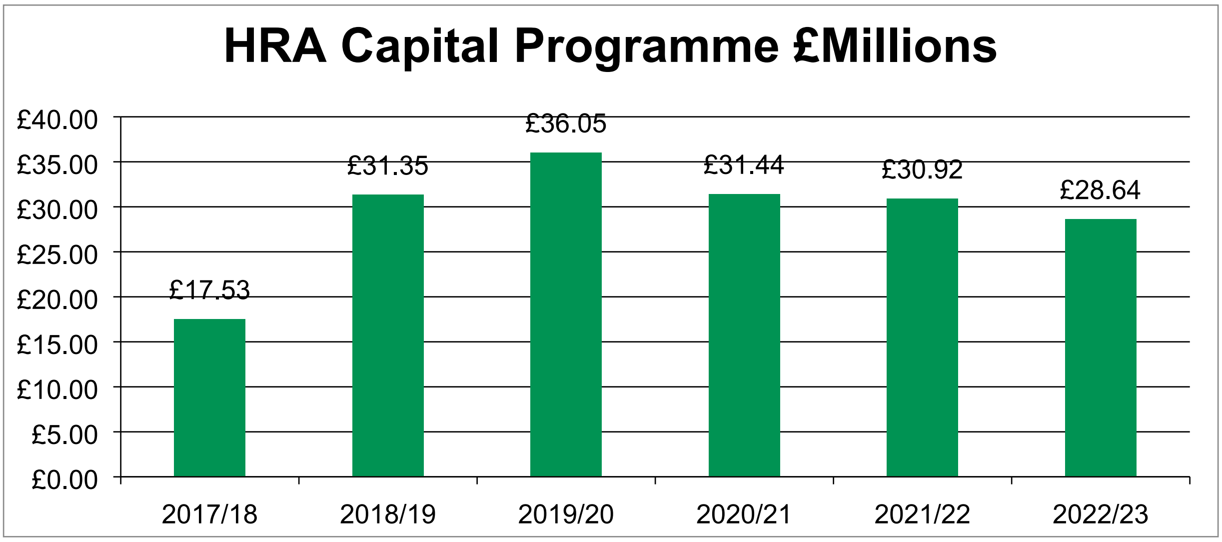


4.3.10 The total cost of borrowing in 2018/19 is £1.4Million or an estimated 2% of gross expenditure. As stated earlier the majority of this cost is met from within the income generated from assets. However if the assets were to be redeveloped the borrowing costs would fall on the General Fund.

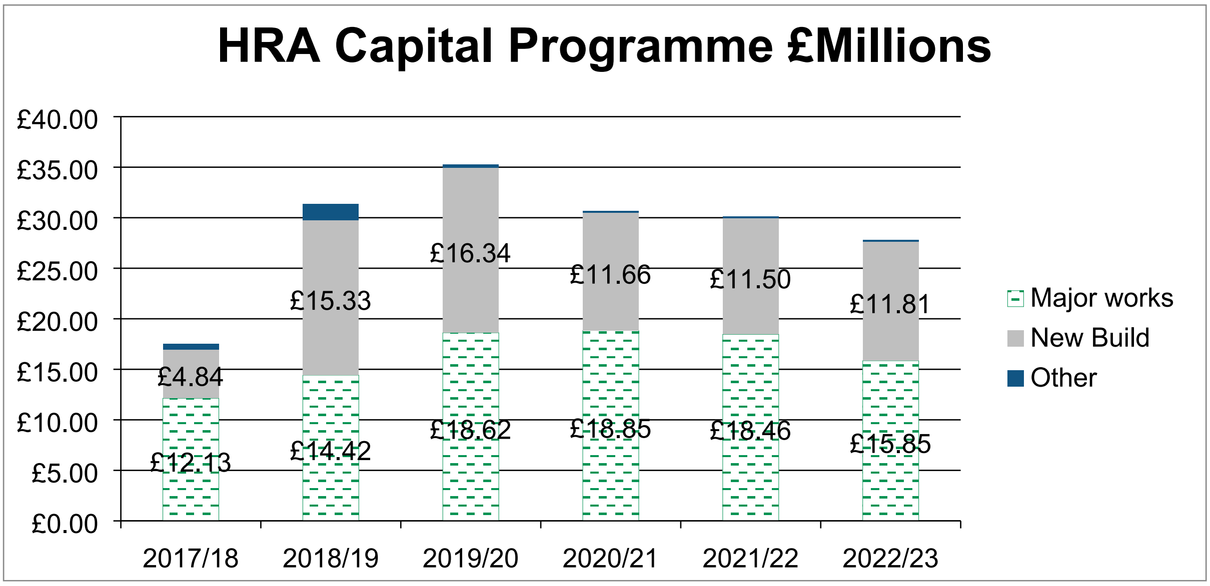
4.3.11 Although interest costs are relatively low (2.66% for a 25 year loan), an annual use of borrowing would be an incremental increase in General Fund costs, which would need to be met from increasing the Financial Security Target for the General Fund. The target for the next four years is £1.5Million and any increase to that would be challenging to achieve. For this reason it is recommended that increases in prudential borrowing needs to be met, in the main, from compensating business case savings. This approach further strengthens the importance of the approach outlined in paragraph 4.3.6.

4.4 Capital Programme – Housing Revenue Account (2017/18-2022/23)

4.4.1 The HRA capital programme is summarised in the HRA rent setting and budget report to this committee and is set out in the HRA business plan with the exception of the Higher Value Voids Levy (HVV) which the Government has stated will not be introduced in 2018/19 and the slippage to the programme identified in section 4.5. The programme is summarised below and totals £176Million.



4.4.2 The increase in 2018/19 onwards reflects the investment in new build. The split between major works, new build and other is shown in the following chart.



4.4.3 As stated in the HRA final rent setting and budget report there is a deficit in the HRA business plan with the first significant shortfall in funding in 2025/26 (£3Million).

4.5 Capital Programme – Housing Revenue Account 2017/18

4.5.1 The 2017/18 programme have been reviewed and updated and the changes are summarised in the table below.

Summary of HRA Capital Programme changes	2017/18 £	Reason
Draft January Capital Strategy	17,270,340	
Approved amendments January:	188,910	

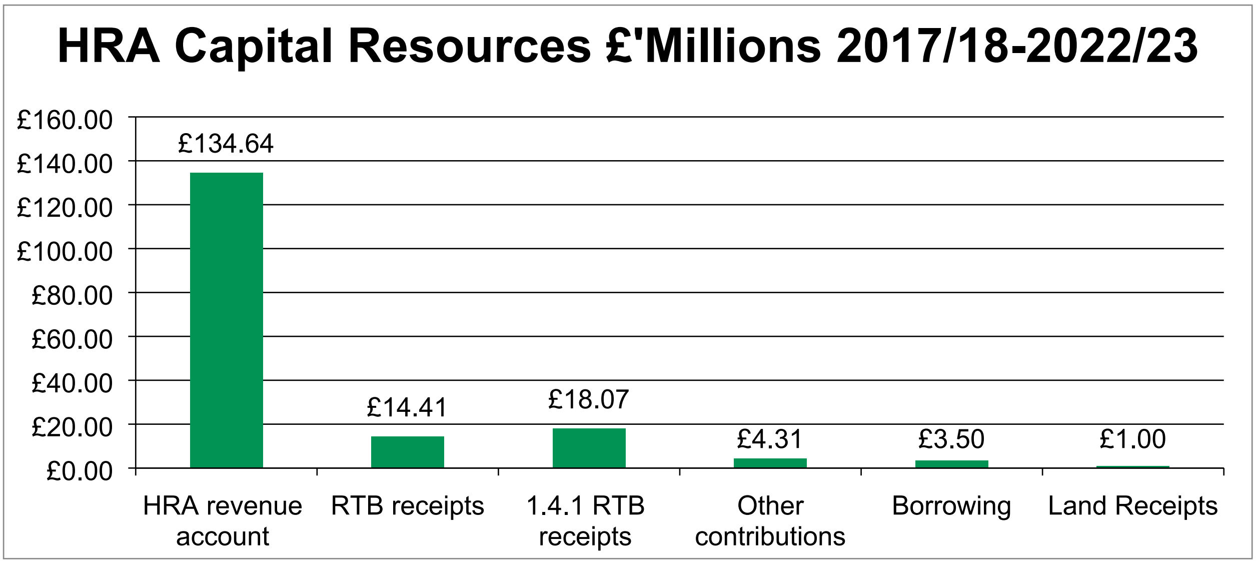
Summary of HRA Capital Programme changes	**2017/18 £**	**Reason**
Proposed amendments February:		
New Build Schemes (March Hare)	675,760	This spend has been brought forward from 2018/19 and relates to the new build scheme at the March Hare.
Archer Road	(9,760)	Reduction in final scheme cost and vired to new build cost in 2018/19 programme
Vans for VRS	(600,000)	A number of vehicles, which have been ordered are due for delivery in April-May 2018 and require slipping into 2018/19.
Total Changes February	**66,000**	**Increase in 2018/19 budget**
Final February Capital Strategy	**17,525,250**	

4.5.2 The 2018/19 programme have been reviewed and updated and the changes are summarised in the table below.

Summary of HRA Capital Programme changes	**2018/19 £**	**Reason**
Draft January Capital Strategy	36,967,750	
Proposed amendment January:	76,000	
Proposed amendments February:		
New Build Schemes	(666,000)	New Build adjustments from 2017/18 budget brought forward from 2018/19
Vans for VRS	600,000	A number of vehicles, which have been ordered are due for delivery in April-May 2018 and require slipping into 2018/19.
Total net slippage from 2017/18	(66,000)	
New Build Schemes	(2,823,120)	Major development scheme reprofiled based on timeline for planning and to allow for consultation with tenants and residents.
Major Repairs Contract	(2,800,000)	This contract has been reprofiled based on the approved timetable for implementation and mobilisation.
Total slippage to 2019/20 onwards	(5,623,120)	
Total Changes February	**(5,689,120)**	**Increase in 2018/19 budget**
Final February Capital Strategy	**31,354,630**	

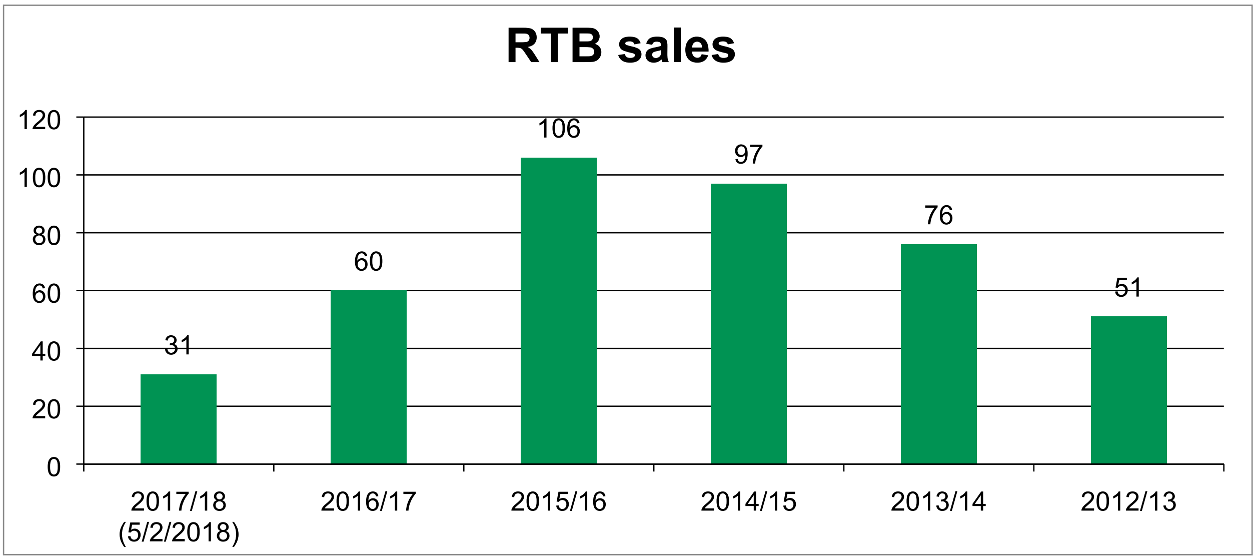
4.6 Capital Programme – HRA Resources (2017/18-2022/23)

4.6.1 The HRA capital programme is funded from four funding sources, of which the majority is funded from the HRA (via depreciation charges or revenue contributions to capital), this accounts for 77% of total funding. Capital receipts from the sale of council houses totals £32.48Million or 18% of total funding; however as Members will be aware the 1.4.1 receipts have restricted use and a further £863,000 is paid to the Government as the Government's share which equates to the pre self-financing pooling payment.

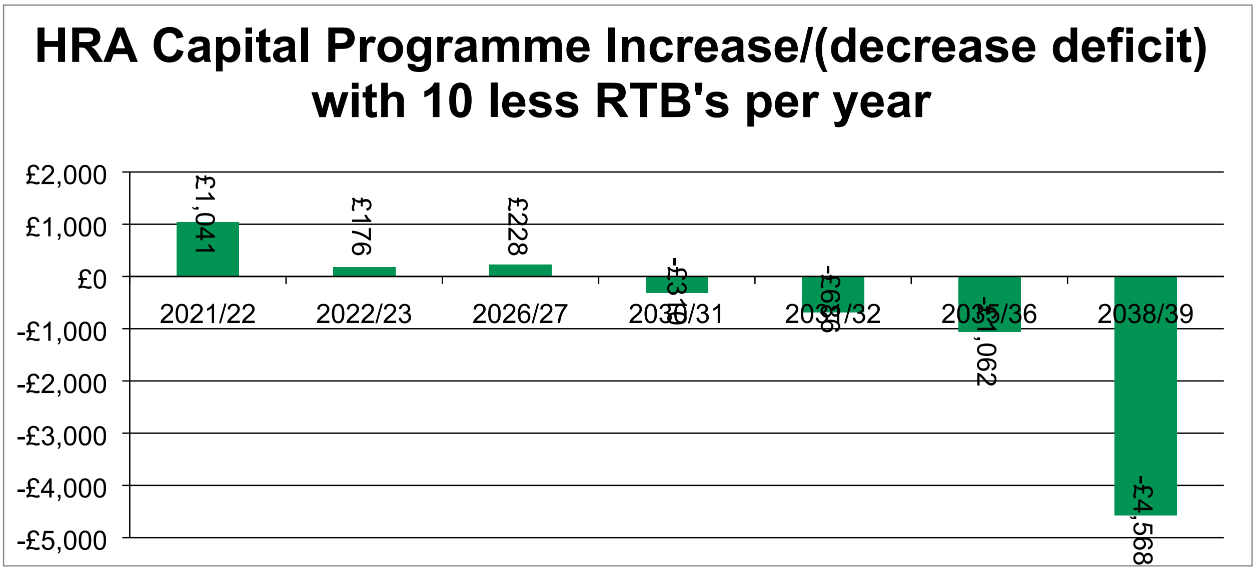


4.6.2 The dependency on HRA revenue balances to fund the programme means that the HRA balances are projected to reduce by £19.3Million to £3.2Million between 1 April 2018 and the 31 March 2022.

4.6.3 The HRA capital programme funding is based on 50 RTB sales per year, RTB's have fluctuated since self-financing was introduced and in 2017/18 (up to 3/1/2018) there have been 31 RTB sales compared to the revised projection of 42 sales. Current sale projections could be as low as 38 sales for 2017/18 and to date one new build property has been sold under RTB, however the council applied to exempt the property from the pooling regime so 100% of the receipt can be spent on the HRA capital programme.

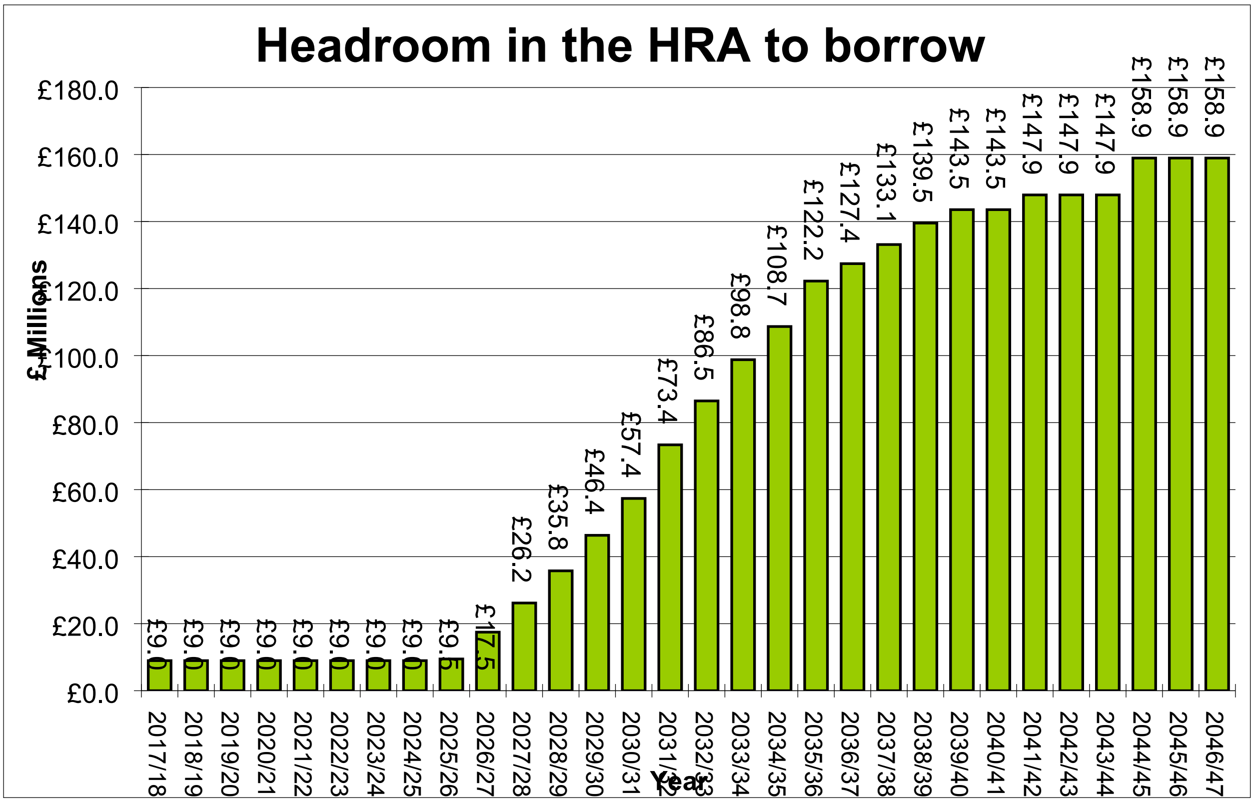


4.6.4 The impact of a reduction in RTB sales by 10 to 40 sales per year in the short term increases the capital programme deficit, but in the later years reduces the projected deficit as more rental income is available to fund the programme, reducing it overall by £5.1Million.



4.6.5 HRA capital resources have been subject to a number of government policy changes, which have impacted on the level of rents (reduction of £225Million from the four year 1% rent reduction) and on the level of RTBs, with the increase in discounts since 2012/13, which have more than doubled from £34,000 in 2011/12 to £78,600 in 2017/18.

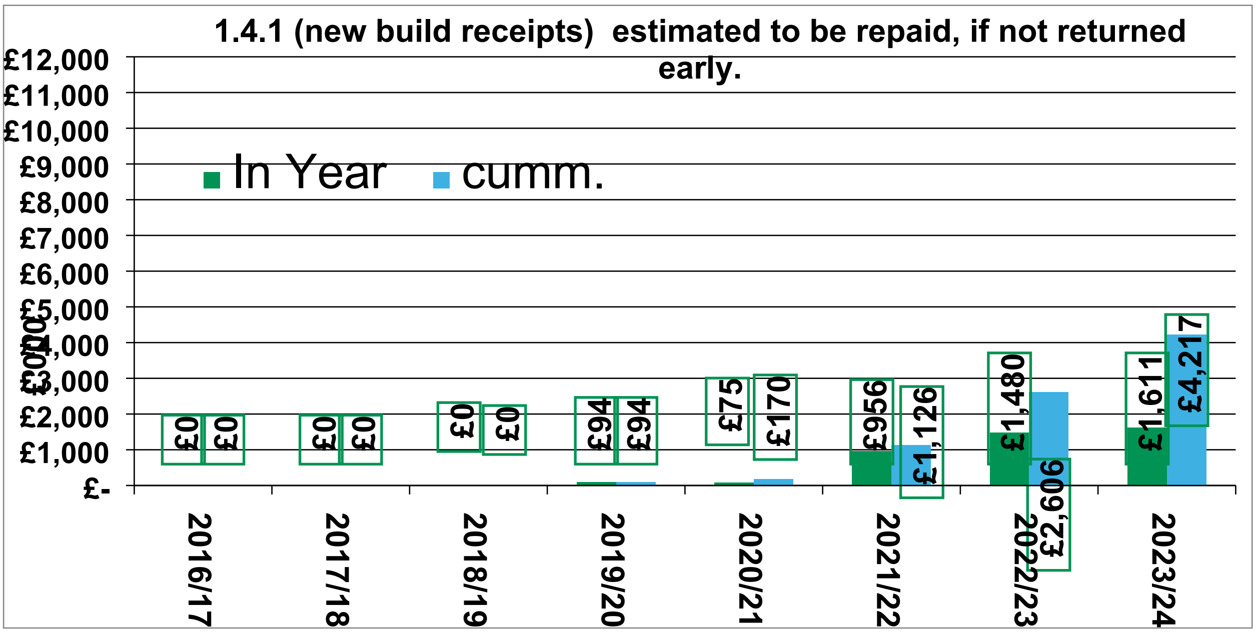
4.6.6 The 2017/18 HRA budget assumes new loans totalling £3,500,000. The interest payable in 2017/18 and 2018/19 is estimated to be £7,017,260 and £6,960,140 respectively. The maximum amount the HRA can borrow is £217,685,000 (as set in regulation) and currently the HRA has headroom to borrow as shown below. This includes the transfer of land into the HRA anticipated to be utilised in 2018/19, the total HRA headroom is £8.975Million (31 March 2018).



4.6.7 Retaining borrowing headroom has been a policy decision for the HRA. This allows for the funding of emergency or unforeseen event, such as fire safety measures and allows for land transfers into the HRA to meet the council's house building ambitions.

4.7 One for One Receipts For New Build

4.7.1 The HRA final budget report (January Executive) identified that there would be a potential return of 1.4.1 receipts in 2019/20 of £94K, however the changes to the HRA capital programme mean the value of receipts that would be due to be repaid is much higher as shown in the chart below.


1.4.1 (new build receipts) estimated to be repaid, if not returned early.

4.7.2 The Council's HRA new build programme has moved from open market acquisitions to some ambitious new house building, however these schemes are open to more risk of delay as they require design, consultation, planning and tendering the works. Officers are working to mitigate the cost of and the amount of any 1.4.1 receipt returns.

4.8 De Minimis Level for Capital Expenditure 2018/19

4.8.1 Accounting best practice recommends that the Council approves a de minimis level for capital expenditure, or a value below which the expenditure would not be treated as capital. This would mean that the expenditure would not be recorded on the asset register nor be funded from capital resources. The limit set for 2017/18 remains unchanged at £5,000.

4.9 Contingency Allowance for 2018/19

4.9.1 The contingency allowance for 2017/18 is £250,000 reflecting the resourcing pressures facing the capital programme. The contingency proposed for 2018/19 is set at £250,000, for schemes requiring funding from existing capital resources. A limit of £250,000 is also set for schemes for each Fund that have new resources or match funded resources identified in addition to those contained within this report. This limit applies individually to both the General Fund and the HRA. This contingency sum constitutes an upper limit on both funds within which the Executive can approve supplementary estimates, rather than part of the Council's Budget Requirement for the year.

4.10 Overview and Scrutiny Committee

4.10.1 The Committee met on the 24 January 2018 and the Assistant Director (Finance and Estates) presented the draft proposals for the 2018/19 Capital Strategy (General Fund and HRA).

4.10.2 The Committee were reminded that the report was before them as a Budget and Policy framework item and any comments will be incorporated into the final budget that the Executive would consider for recommendation to Council in February. The Committee did not recommend any changes to the draft budget.

5. IMPLICATIONS

5.1 Financial Implications

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

5.2 Legal Implications

5.2.1 None identified at this time

5.3 Risk Implications

5.3.1 There are risks around achieving the level of disposals or land sales budgeted for. The estimated dates of receipts very much rely on a series of steps being successful at estimated dates, for instance tenders and planning meetings. The Council manages this risk by reviewing and updating the Strategy quarterly, including resources. This will enable action to be taken where a receipt looks doubtful.

5.3.2 The General Fund programme is funded from an assumption that £350,000 of underspends will be available to fund the programme each year. If they do not materialise there would be a shortfall of £1.750Million over a five year period, which would necessitate a reduction in the programme or borrowing.

5.3.3 There are a number of deferrals in the capital programme and schemes not approved in Appendix C. An amount of £441,040 is included in the General Fund programme to address any additional unavoidable capital spend (which will be carried forward to 2018/19), however there is a risk that this may not be sufficient.

5.3.4 There are potential contractual risks around tendering contracts in the current market conditions which indicate increased costs of materials and trades as a result of higher inflationary pressures and the unknown impact of BREXIT.

5.3.5 The Council's ambition around regeneration, housing delivery and Neighbourhood regeneration could increase pressure on scarce capital resources.

5.3.6 The level of RTB receipts if reduced does contribute to HRA balances for rent and meets the Council's waiting list, but may reduce resources available in the short term to fund the HRA capital programme. This will require a re-phasing of the programme in the short term or the consideration of borrowing.

5.4 Equalities and Diversity Implications

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

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

BACKGROUND DOCUMENTS

BD1 2nd Quarter Capital Monitoring report (November 2017 Executive)
http://www.stevenage.gov.uk/content/committees/182083/182087/182091/Executive-28-November-2017-Item6.pdf

BD2 Final HRA Rent Setting and Budget Report (January 2018 Executive)
http://www.stevenage.gov.uk/content/committees/182083/182087/182091/Executive-23-January-2018-Item7.pdf

BD3 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

BD4 Draft Capital General Fund and HRA Capital Strategy
http://www.stevenage.gov.uk/content/committees/182083/182087/182091/Executive-23-January-2018-Item9.pdf

APPENDICES

A - General Fund Capital Strategy

B - HRA Capital Strategy

C - General Fund Capital Bids for consideration

APPENDIX A GENERAL FUND CAPITAL STRATEGY

Stevenage
BOROUGH COUNCIL

		2017/2018			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Cost Centre	Scheme	January Working Budget £	Actuals to 31st December 2017 £	February Revised Budget £	February Projection £	February Projection £	February Projection £	February Projection £	February Projection £
	General Fund - Schemes								
	Stevenage Direct Services	2,878,360	1,361,396	1,751,860	5,531,870	4,107,470	2,811,880	1,072,730	858,960
	Housing Development	2,512,230	855,348	2,512,230	1,251,330	330,000			
	Finance and Estates	15,481,040	16,400	9,881,040	5,672,000	15,000	15,000	15,000	15,000
	Corporate Projects, Customer Services & Technology	440,200	150,556	440,200	632,250	300,000	300,000	300,000	300,000
	Housing and Investment	1,689,470	1,064,954	1,689,470	1,175,500	90,000	5,000		
	Regeneration	3,921,810	433,448	3,573,810	6,414,010	10,800,000	500,000		
	Communities and Neighbourhoods	236,080	72,587	236,080	92,750	44,000	20,000	40,000	20,000
	Planninig and Regulatory	847,500	423,232	847,500	938,200	413,000	318,000	323,000	318,000
	Total Schemes with Growth Added	**28,006,690**	**4,377,923**	**20,932,190**	**21,707,910**	**16,099,470**	**3,969,880**	**1,750,730**	**1,511,960**
	General Fund -Resources								
	Capital Receipts	3,898,060		2,568,690	5,706,837	1,865,278	692,178	277,758	171,488
	New Build 1-4-1 Receipts - Additional Funding from HRA for RP Grants	2,499,730		2,499,730	701,330				
	Unpooled Receipts	49,560		49,560					
	Grants	407,000		407,000	300,000				
	S106's	8,540		8,540	25,000				
	LEP	3,000,000		3,000,000	5,200,000	10,300,000			
	RCCO	4,000		4,000	394,000	4,000	4,000	4,000	4,000
	Regeneration Asset Reserve			40,000	140,500				
	Capital Reserve (BG916 Revenue Savings)	723,000		723,000	720,000	720,000	720,000	720,000	720,000
	Capital Reserve (BG903 Housing Receipts)	1,299,673		1,299,673	373,313	386,472	386,472	386,472	386,472
	New Homes Bonus	746,997		631,997	510,230	258,000	312,000	362,500	230,000
	Prudential Borrowing Approved	15,370,130		9,700,000	7,636,700	2,565,720	1,855,230		
	Unapproved Borrowing								
	Total Resources (General Fund)	**28,006,690**		**20,932,190**	**21,707,910**	**16,099,470**	**3,969,880**	**1,750,730**	**1,511,960**

APPENDIX A GENERAL FUND CAPITAL STRATEGY

		2017/2018			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Cost Centre	Scheme	January Working Budget £	Actuals to 31st December 2017 £	February Revised Budget £	February Projection £	February Projection £	February Projection £	February Projection £	February Projection £
	General Funds Receipts								
	Unallocated B/fwd	**(5,835,468)**		**(5,835,468)**	**(4,390,793)**	**(133,556)**	**(3,466,678)**	**(2,774,500)**	**(2,496,742)**
	In Year Receipts	(1,364,015)		(1,124,015)	(1,449,600)	(5,198,400)			
	Used in Year	3,898,060		2,568,690	5,706,837	1,865,278	692,178	277,758	171,488
	General Fund Receipts Unallocated C/fwd	**(3,301,423)**		**(4,390,793)**	**(133,556)**	**(3,466,678)**	**(2,774,500)**	**(2,496,742)**	**(2,325,254)**
	Capital Reserve Resource								
	Unallocated B/fwd	**(939,071)**		**(939,071)**	**(350,000)**	**(700,000)**	**(1,050,000)**	**(1,400,000)**	**(1,750,000)**
	In Year Resource	(1,433,602)		(1,433,602)	(1,443,313)	(1,456,472)	(1,456,472)	(1,456,472)	(1,456,472)
	Used in Year	2,022,673		2,022,673	1,093,313	1,106,472	1,106,472	1,106,472	1,106,472
	Capital Reserve Unallocated C/fwd	**(350,000)**		**(350,000)**	**(700,000)**	**(1,050,000)**	**(1,400,000)**	**(1,750,000)**	**(2,100,000)**

APPENDIX A GENERAL FUND CAPITAL STRATEGY

Stevenage
BOROUGH COUNCIL

		2017/2018			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Cost Centre	Scheme	January Working Budget £	Actuals to 31st December 2017 £	February Revised Budget £	February Projection £	February Projection £	February Projection £	February Projection £	February Projection £
	Stevenage Direct Services								
	Parks & Open Spaces								
KC063	Ridlins Park Football Pitch Improvements (S106)	8,540	8,544	8,540					
KC218	Hertford Road Play Area (S106 Funded)				25,000				
KE911	Play Area Improvement Programme	388,880	116,901	388,880	232,700	137,000	243,000	283,500	220,000
KE097	Litter bins	91,000	93,396	91,000	58,000	125,000	73,000	83,000	10,000
KE325	Open Spaces Furniture	8,000		8,000					
KE329	Play Areas Fixed Play	20,000	3,000	20,000					
KE909	Fairlands Valley Park Campshill Bridge	37,040	37,037	37,040					
KE910	Fairlands Valley Park Balancing Pond - Dredging	30,000	27,526	30,000					
	Garage Works								
KG002	Garages	500,000	205,815	300,000	3,430,810	2,815,720	2,105,220	375,000	75,000
KG025	Garage Site Assembly	180,000	789		180,000				
	Vehicles,Plant,Equipment								
KE349	Waste Receptacles	30,000	29,999	30,000	30,000	15,000	15,000		
KE391	Vehicle replacement for KE06CYY (Scarab Major)	109,920	109,923	109,920				125,000	
KE392	Vehicle replacement for KE06EYM (LF45)	45,000			45,000				
KE395	Plant replacement for Shredder (Seko SAMS 500/150)	84,380	84,375	84,380					98,000
KE396	Plant replacement for Site Store (Sitesafe)				8,000				
KE397	Plant replacement for Site Hut (Sitesafe)				11,000				
KE398	Plant replacement for Rotorvator (Dowdswell 70)	12,000			24,360				14,000
KE401	Vehicle replacement for EF07THK (115T350)	30,000			30,000				
KE402	Vehicle replacement for EJ57DGV (TRANSIT 350)	45,000			45,000				
KE403	Vehicle replacement for LM58JNN (140T460)	30,000			30,000				
KE405	Vehicle replacement for LN58UJU (140T460)	30,000			30,000				
KE408	LK07MPE ECONIC 3233 (DENNIS WILL REPLACE)	164,080	164,077	164,080					
KE412	LN09PDO	151,030	151,031	151,030					
KE413	LN09PLO ECONIC 3233	164,080	164,077	164,080					
KE414	LP08ZYD CONNECT TDCI							15,000	
KE420	Vehicle replacement for LL58ZRK (LF45)	40,000			40,000				
KE421	Vehicle replacement for KC57NNR (Fiesta)				12,000				
KE422	Vehicle replacement for KE07BXY (LF45)	40,000			40,000				
KE423	Vehicle replacement for KE008ACU (Fiesta)				14,000				
KE424	Vehicle replacement for EU57WHH (R324T)	35,000			35,000				
KE425	Vehicle replacement for KE07FBX (324)	38,000			38,000				
TBA	Plant replacement for Chipper (Timberwolf TW150DHB)				15,000				
KE426	Plant replacement for Site Hut (Sitesafe)				11,000				
KE427	Plant replacement for Site Hut (Sitesafe)				11,000				
KE428	Plant replacement for JCB Excavator (8035 ZTS)	45,000			45,000				

APPENDIX A GENERAL FUND CAPITAL STRATEGY

Stevenage BOROUGH COUNCIL

		2017/2018			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Cost Centre	Scheme	January Working Budget £	Actuals to 31st December 2017 £	February Revised Budget £	February Projection £	February Projection £	February Projection £	February Projection £	February Projection £
	Stevenage Direct Services (Continued)								
KE429	Vehicle replacement for GN60ADU (Scarab minor)	85,000			85,000				99,000
KE430	Vehicle replacement for LK09EEP (1545)	38,000			38,000				
TBA	Vehicle replacement for LK09EET (1545)				25,000				28,500
KE431	AE05EOW Transit 430 LWB	70,000			70,000				
KE432	EK10BYO TRANSIT 115 350M	45,000			45,000				
KE433	GX61AFO 101	65,000			65,000				75,500
TBA	LK10AVJ R324T				40,000				
KE419	LN09PLU ECONIC 2629	164,910	164,907	164,910	175,000	180,250	185,660	191,230	196,960
KE434	Plant replacement for Side arm Flail (Port Agric Typhoon M580E)	17,500			17,500				
KE435	Plant replacement for Side arm Flail (Port Agric M250)				9,500				
KE436	Applied sweeper green machine	18,000			18,000				21,000
KE437	Applied sweeper green machine	18,000			18,000				21,000
KE453	JCB Refurbishment						165,000		
TBA	N94DRO 955					40,000			
TBA	Vehicle replacement for EY56XEW (Clinical Waste)					25,000			
TBA	Vehicle replacement for F580FUD				35,000				
TBA	Vehicle replacement for F589FUD				35,000				
TBA	Vehicle replacement for LK10CXF (Kubota)								
TBA	Vehicle replacement for LK10CXG (Kubota)				15,000				
TBA	Vehicle replacement for LM58HXD (140T460)					35,000			
TBA	Vehicle replacement for LM58HZT (330)					26,000			
TBA	Vehicle replacement for LN58UJS (RANGER TDCI)					26,000			
TBA	Vehicle replacement for LK08GPJ (324)				30,000				
TBA	Vehicle replacement for LK08GPY (424)				45,000				
TBA	Vehicle replacement for WX08LMO (Neuson Dumper)					20,000			
TBA	Vehicle replacement for Y466GWV (Jones Euro Dumper)					30,000			
TBA	Plant replacement for Chipper (Timberwolf TW150DHB)					15,000			
TBA	EO56LND Ranger 4X4 Turbo Di					20,000			
TBA	LK10FDJ 1545						25,000		
TBA	LM58JWG LF55.220					77,500			
TBA	LK08PVT FAD CF85 410					120,000			
TBA	Vehicle replacement for V544MNM (JCB 2CXU)					40,000			
New	Vehicle replacement for LM61VPC				180,000				
New	Vehicle replacement for LR62YBS					180,000			
New	Vehicle replacement for LN13 DSE					180,000			
New	Vehicle replacement for MX58GYV				80,000				
New	Fork Lift (Gas Operated)				65,000				
	Total Stevenage Direct Services	**2,878,360**	**1,361,396**	**1,751,860**	**5,531,870**	**4,107,470**	**2,811,880**	**1,072,730**	**858,960**

APPENDIX A GENERAL FUND CAPITAL STRATEGY

		2017/2018			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Cost Centre	**Scheme**	**January Working Budget £**	**Actuals to 31st December 2017 £**	**February Revised Budget £**	**February Projection £**	**February Projection £**	**February Projection £**	**February Projection £**	**February Projection £**
	Housing Development								
KG030	Grants To Registered Providers	2,499,730	854,970	2,499,730	701,330				
KE328	Archer Road Neighbourhood Centre 2014 (General Fund)	12,500	378	12,500					
New	Building Conversion into New Homes				550,000	330,000			
	Total Housing Development	**2,512,230**	**855,348**	**2,512,230**	**1,251,330**	**330,000**			

APPENDIX A GENERAL FUND CAPITAL STRATEGY

		2017/2018			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Cost Centre	**Scheme**	**January Working Budget £**	**Actuals to 31st December 2017 £**	**February Revised Budget £**	**February Projection £**	**February Projection £**	**February Projection £**	**February Projection £**	**February Projection £**
	Finance & Estates								
KE388	Town Square Retail Units Development (nos 3 - 29)	40,000	16,400	40,000					
KR911	Deferred Works Reserve	441,040		441,040					
KR912	Investment Property	15,000,000		9,400,000	5,600,000				
New	IDOX Property Management Software				30,000				
New	Energy Performance surveys and proposed building works				42,000	15,000	15,000	15,000	15,000
	Total Finance & Estates	**15,481,040**	**16,400**	**9,881,040**	**5,672,000**	**15,000**	**15,000**	**15,000**	**15,000**

APPENDIX A GENERAL FUND CAPITAL STRATEGY

Stevenage
BOROUGH COUNCIL

		2017/2018			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Cost Centre	Scheme	January Working Budget £	Actuals to 31st December 2017 £	February Revised Budget £	February Projection £	February Projection £	February Projection £	February Projection £	February Projection £
	Corporate Projects, Customer Services & Technology								
KS230	Changing Channels Payment Portal	12,280	8,123	12,280					
KS256	Implementation of Uniform Modules	10,600		10,600					
KS251	Harmonising Infrastructure Technology (for shared service)	150,330	75,825	150,330					
KS262	On-Line Housing Application Form				3,250				
KS260	Replacement HR & Payroll System	41,990	9,829	41,990					
	Digital Agenda								
KS268	Infrastructure Investment	175,000	48,012	175,000	125,000	200,000	300,000	300,000	300,000
KS269	New Intranet	30,000		30,000	50,000				
KS270	Online Customer Account (formerly Capita Advantage Digital				100,000				
KS271	Corporate Website - Redesign				99,000				
KS263	Waste and Recycling System				90,000				
KS272	Electronic SMB Reports System	10,000	8,768	10,000					
KS273	Call Recording				46,000				
KS264	Implementation of Civica Icon Payments (Car Park Season Ticket Online	10,000		10,000					
TBA	New CRM Technology				99,000				
TBA	Future Online Development of Civica Icon Payments				20,000				
TBA	Next Generation Telephony					100,000			
	Total Corporate Projects, Customer Services & Technology	**440,200**	**150,556**	**440,200**	**632,250**	**300,000**	**300,000**	**300,000**	**300,000**

APPENDIX A GENERAL FUND CAPITAL STRATEGY

Stevenage
BOROUGH COUNCIL

		2017/2018			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Cost Centre	Scheme	January Working Budget £	Actuals to 31st December 2017 £	February Revised Budget £	February Projection £	February Projection £	February Projection £	February Projection £	February Projection £
	Housing and Investment								
KG024	Asbestos Surveyor for Garages (one year contract)	30,000	11,447	30,000	10,000				
New	Asbestos Surveyor for garages				10,000				
	Play Centres								
KC904	Play Centres General	43,890	11,369	43,890					
KR135	Demolition of Former Chells Play Centre at Elliot Road	19,500	14,850	19,500					
New	Pin Green - New Storage Heaters				8,500				
New	Pin green - Replace External lighting				12,000				
New	Pin Green - Replace Hall Lighting				10,000				
New	Bandley Hill - Replace External Door Sets				6,000				
	Community Centres								
KE902	Community Centres General	269,460	170,498	269,460					
New	St Nicholas - Replacmement Windows					25,000			
New	St Nicholas - Boiler and Hot Water Installation Upgrade				22,000				
New	St Nicholas Annexe - External Decorations					20,000			
New	Bedwell - External Cedar Cladding Works						5,000		
New	Shephal - Boiler Replacement					45,000			
KE447	The Oval - Re-roofing	167,000	744	167,000	87,500				
New	The Oval - Replace Radiators				8,000				
New	Springfield House - Works to External Envelope.				15,000				
New	Timebridge - Boiler and Hot Water Refurbishment				10,000				
KE908	Symonds Green Community Centre Extension	349,260	332,671	349,260					
KE912	Scarborough Avenue Site - Residential Redevelopment								
	Park Pavilions								
KE907	Park Pavilions General	77,000	40,594	77,000					
New	Chells - Decommission Shower & Provide Hot Water To Changing Rooms				25,000				
New	Shephalbury Bowls - Reroofing				18,000				
New	Ridlins - Upgrade Heating and Ventilating Equipment				7,500				
New	St Nicholas - Electric Heating Replacement				8,000				
New	Canterbury Way - Demolition				12,000				
	Depots								
KE903	Depots	38,000	7,737	38,000					
New	Cavendish Rd - Office Alterations				35,000				
	Cemeteries								
KE904	Cemetery Buildings	15,000	2,276	15,000					
New	Weston Road - Replace / Upgrade Electric Space Heating.				25,000				
New	Weston road - External Joinery Decorations				10,000				

APPENDIX A GENERAL FUND CAPITAL STRATEGY

		2017/2018			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Cost Centre	Scheme	January Working Budget £	Actuals to 31st December 2017 £	February Revised Budget £	February Projection £	February Projection £	February Projection £	February Projection £	February Projection £
	Housing and Investment								
	Operational Buildings								
KE913	Fairlands Valley Farmhouse - Improvements	55,000	1,233	55,000					
KR900	Council Offices	46,000	4,278	46,000					
KR028	Energy Conservation Schemes	41,730	3,193	41,730					
KR121	Daneshill House Enhancement Works - Atrium & First Floor								
KR122	Daneshill House Enhancement Works - 5th Floor	205,370	193,751	205,370					
KR131	Toilets Upgrade	112,120	91,396	112,120					
KR133	Main Reception Refurbishment	7,360	5,148	7,360					
KR134	Daneshill House Lift Door Control Upgrade Works								
KR139	Swingate House - Reroofing	100,000	96,497	100,000					
KR140	Demolition of Doctors Surgery Shephall Way	17,200	18,150	17,200					
New	Corporate Buildings - Essential Health & Safety Electrical Works				25,000				
New	Corporate and Commercial Buildings - Condition survey				30,000				
	Commercial Estate								
KR901	Markets		217						
KE448	Indoor Market Essential Health & Safety Works	50,000	34,138	50,000	113,000				
KE449	Indoor Market - Fire Alarm Replacement	5,000		5,000	50,000				
New	Indoor Market - Fire Alarm Replacement				25,000				
KE450	Indoor Market Toilet Refurbishment	25,500	470	25,500					
KR902	Business Technology Centre & Chells Industrial Estate		221						
KR903	Shops		173						
KR907	Parts of Swingate House (Investment, formerly non-operational)								
KR136	Preparation Works to Units 1,4,5 of the former QD Building		3,505		57,500				
KR137	Works to 29 Town Square		81		27,500				
KR138	Town Square Assets - Condition Survey		2,964		113,000				
New	Town Centre Toilets - Reroofing / Remedial Works				5,000				
New	Town Chambers - Reroofing, Guttering, Rainwater Pipe Replacement. Safe roof access				200,000				
New	Town Chambers - Essential Works to Existing Windows				50,000				
New	Town Chambers / Square - External Facade Structural Repairs				110,000				
New	Town Chambers - Landlords Electrical Inspection and Remedial Works				30,000				
KE033	Town Centre Toilets - Refurbishment								
KE314	Town Centre Cross Canopies	15,080	17,354	15,080					
	Total Housing and Investment	**1,689,470**	**1,064,954**	**1,689,470**	**1,175,500**	**90,000**	**5,000**		

APPENDIX A GENERAL FUND CAPITAL STRATEGY

		2017/2018			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Cost Centre	**Scheme**	**January Working Budget**	**Actuals to 31st December 2017**	**February Revised Budget**	**February Projection**	**February Projection**	**February Projection**	**February Projection**	**February Projection**
		£	**£**	**£**	**£**	**£**	**£**	**£**	**£**
	Regeneration								
KE389	Improvements to 'Forum Square'	250,000	185,020	185,000					
KE384	Town Centre Improvements Phase 2 incl wayfinding signage	171,810	34,147	121,810	166,010				
KE390	Intersection at Park Place and Queensway	250,000	202,194	250,000					
KE438	Public Realm Improvements to Market Place	250,000	12,088	12,000	503,000				
KE439	Public Realm Improvements to Town Square			5,000	545,000	500,000	500,000		
New	Site Acqusition	3,000,000		3,000,000	2,500,000				
New	Bus Interchange				200,000	7,800,000			
New	CCTV Relocation				1,000,000				
New	Town Square Improvements				1,000,000	1,500,000			
New	Leisure Centre				500,000	1,000,000			
	Total Regeneration	**3,921,810**	**433,448**	**3,573,810**	**6,414,010**	**10,800,000**	**500,000**		

APPENDIX A GENERAL FUND CAPITAL STRATEGY

		2017/2018			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Cost Centre	**Scheme**	**January Working Budget £**	**Actuals to 31st December 2017 £**	**February Revised Budget £**	**February Projection £**	**February Projection £**	**February Projection £**	**February Projection £**	**February Projection £**
	Community & Neighbourhoods								
KC900	Arts and Leisure Centre - Improvements	84,000	21,354	84,000					
KC903	Golf Course	5,480	9,091	5,480					
KC901	Stevenage Swimming Centre	72,000	7,654	72,000					
TBA	Fairlands Valley Park - Aqua				7,000	24,000			
TBA	Leisure Stock Condition				30,000				
New	Leisure Stock Condition				10,000			20,000	
KC221	St Nicholas Play Centre Equipment	19,200		19,200					
KC222	Pin Green Play Centre Equipment- Cableway	3,910	3,906	3,910					
KC223	Pin Green Play Centre Equipment - Large Tower Unit	29,730	29,731	29,730					
New	Banley Hill Play Centre - Treehouse				30,000				
KC219	Fitness Facility Redevelopment	2,000	851	**2,000**					
KE452	Mobile CCTV Cameras	19,760		19,760					
New	CCTV				15,750	20,000	20,000	20,000	20,000
	Total Community & Neighbourhoods	**236,080**	**72,587**	**236,080**	**92,750**	**44,000**	**20,000**	**40,000**	**20,000**

APPENDIX A GENERAL FUND CAPITAL STRATEGY

		2017/2018			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Cost Centre	**Scheme**	**January Working Budget £**	**Actuals to 31st December 2017 £**	**February Revised Budget £**	**February Projection £**	**February Projection £**	**February Projection £**	**February Projection £**	**February Projection £**
	Planning & Regulatory								
KE119	Off Street Car Parks (Multi Storey Car Parks)	82,740	40,905	82,740	332,500	225,000	225,000	225,000	225,000
KE900	Off Street Car Parks (Surface Car Parks)	56,250		56,250					
New	MSCP's Lighting Improvements				80,000	20,000			
KE201	Hard standings	88,990	44,467	88,990	50,000	50,000	50,000	50,000	50,000
KE100	Residential Parking	83,020	3,956	83,020	70,000	70,000			
KE417	Town Centre Parking Proposals	11,960	13,986	11,960					
KE217	Parking Restrictions	13,190	10,287	13,190	44,700	25,000	25,000	25,000	25,000
KE440	Town Centre Pond Replacement Fountain Pump	6,000		6,000					
KE441	Parking Enforcement - Phased replacement pay & display machines				22,000				
KE442	Parking Enforcement - Burymead Permit Parking Area Implementation				10,000				
KE443	Parking Enforcement - Old Town Permit Parking Area Implementation	1,000		1,000	11,000				
KE444	Coreys Mill Lane - Additional Parking Capacity	24,600	500	24,600					
KE445	Kimbolton Crescent - resurfacing footpaths / parking areas £35000 to be split 61% HRA and 39% GRF	13,650		13,650					
KE446	Neighbourhood Centres - The Glebe- replacement benches	8,000		8,000					
KE224	CCTV (Cameras/Network/Monitoring/Data)	14,190	14,188	14,190					
KE107	Christmas Lights	11,910	11,092	11,910		5,000		5,000	
KG010	House Renovation/Improvement Grants	25,000	6,903	25,000	18,000	18,000	18,000	18,000	18,000
KG011	Disabled Facilities Grants	407,000	276,949	407,000	300,000				
	Total Planning & Regulatory	**847,500**	**423,232**	**847,500**	**938,200**	**413,000**	**318,000**	**323,000**	**318,000**

APPENDIX B - HOUSING CAPITAL STRATEGY

Cost Centre	Scheme	2017/2018			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
		January Working Budget	Actual 31st December 2017	February Revised Budget	February Projection	February Projection	February Projection	February Projection	February Projection
		£	£	£	£	£	£	£	£
	SUMMARY								
	Capital Programme Excluding New Build	12,132,350	5,366,294	12,132,350	14,419,530	18,615,880	18,847,610	18,458,690	15,846,080
	Capital Programme - New Build	4,175,630	2,777,347	4,841,630	15,327,630	16,339,740	11,657,500	11,498,700	11,809,170
	Capital Programme - ICT & Equipment & Special Projects	1,151,270	93,786	551,270	1,607,470	336,970	151,890	156,980	156,980
	Capital Programme - High Voids Levy					756,360	781,690	807,880	824,840
	TOTAL HRA CAPITAL PROGRAMME	**17,459,250**	**8,237,426**	**17,525,250**	**31,354,630**	**36,048,950**	**31,438,690**	**30,922,250**	**28,637,070**
	HRA USE OF RESOURCES*								
	MRR (Self Financing Depreciation)	3,947,632		3,813,441	20,066,927	15,733,518	12,783,153	13,097,830	13,533,025
	Revenue Contribution & London Housing Consortium Grant	110,220		110,220	7,675,450	13,416,796	12,952,658	12,135,547	9,321,643
	Unpooled Receipts (BH902)	535,333		539,533					
	New Build Receipts (BH901)	1,228,659		1,424,650	2,454,562	3,701,922	3,497,250	3,449,610	3,542,749
	Debt Provision Receipts (BH903)	8,116,109		8,116,109	1,157,691	1,191,009	1,207,100	1,095,900	1,079,300
	Section 20 Contribution (BH905)					1,005,705	998,529	1,143,363	1,160,353
	Land Receipts					1,000,000			
	Buy Back Allowance	21,297		21,297					
	Borrowing	3,500,000		3,500,000					
	Other Contribution - S106 Affordable Housing								
	TOTAL HRA RESOURCES FOR CAPITAL	**17,459,250**		**17,525,250**	**31,354,630**	**36,048,950**	**31,438,690**	**30,922,250**	**28,637,070**
	Major Repair Reserve Bought Forward	(4,507,777)		(4,507,777)	(12,051,306)	(3,776,574)	(111,160)	0	0
	Depreciation (increasing MRR)	(11,356,970)		(11,356,970)	(11,792,195)	(12,068,104)	(12,671,993)	(13,097,830)	(13,537,895)
	MRR Used (decreasing MRR)	3,947,632		3,813,441	20,066,927	15,733,518	12,783,153	13,097,830	13,537,895
	Major Repair Reserve Carried Forward	**(11,917,116)**		**(12,051,306)**	**(3,776,574)**	**(111,160)**	**0**	**0**	**0**
	Total RTB Receipts Bought Forward	(18,679,803)		(18,679,803)	(10,235,790)	(11,895,848)	(13,132,939)	(14,827,182)	(15,973,659)
	Total RTB Receipts Received	(4,355,791)		(4,136,009)	(5,973,640)	(7,224,382)	(6,473,946)	(6,732,415)	(8,016,856)
	Total RTB Receipts Used by General Fund (Registered Providers)	2,499,730		2,499,730	701,330				
	Receipts used for Registered Providers					94,359	75,354	1,040,428	1,480,216
	Total RTB Receipts Used by HRA	9,880,101		10,080,292	3,612,253	4,892,931	4,704,350	4,545,510	4,622,049
	Total RTB Receipts Carried Forward	**(10,655,763)**		**(10,235,790)**	**(11,895,848)**	**(14,132,939)**	**(14,827,182)**	**(15,973,659)**	**(17,888,250)**

APPENDIX B - HOUSING CAPITAL STRATEGY

Stevenage
BOROUGH COUNCIL

		2017/2018			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Cost Centre	**Scheme**	**January Working Budget £**	**Actual 31st December 2017 £**	**February Revised Budget £**	**February Projection £**	**February Projection £**	**February Projection £**	**February Projection £**	**February Projection £**
	CAPITAL PROGRAMME EXCL. NEW BUILD								
	Planned Investment including Decent Homes								
KH157	Decent Homes - Redecs	20,000	250	20,000	20,000	20,000	20,000	20,000	20,000
Various1	Decent Homes - Internal Works	1,099,700	667,654	1,099,700	2,098,900	1,731,290	1,705,670	1,802,910	1,779,870
Various2	Decent Homes External Works	4,886,830	2,164,770	4,886,830	1,650,000				
Various3	Decent Homes - Roofing	2,921,920	1,174,600	2,921,920					
Various4	Decent Homes - Flat Blocks				5,748,870	12,635,140	12,828,700	12,852,780	11,841,420
KH205	Communal Heating	120,000	181,967	120,000	1,331,320	1,333,030	1,313,300	1,316,820	
KH092	Lift Installation - Inspection & Remedial Works	70,000	51,117	70,000	307,230	307,620	303,070	265,390	
	Health & Safety								
KH085	Fire Safety	122,670	51,446	122,670	81,740	81,400	80,190	80,410	79,380
KH112	Asbestos Management	427,210	331,203	427,210	381,470	379,870	374,250	375,250	370,460
KH079	Asbestos Survey								
KH114	Subsidence	107,770	29,552	107,770	150,000	102,540	101,020	101,290	100,000
KH144	Contingent Major Repairs	297,520	179,137	297,520	450,000	420,420	425,480	435,560	440,000
KH221	Scooter Storage	29,810		29,810					
	Estate & Communal Area								
KH232	Hard to let Property Improvement								
KH223	Asset Review - Challenging Assets	595,820	227,691	595,820	814,460	615,240	606,140	607,770	600,000
KH224	Asset Review - Sheltered (non RED)	755,850	83,643	755,850	812,050	410,160	505,120		
KH225	Asset Review Red Sheltered								
	Supported Housing								
KH131	Refurbishment Communal Areas Sheltered Housing								
KH127	Upgrade Warden call Systems - Sheltered Housing								
KH216	Conversion of ex warden accommodation to sheltered flats								
	Other HRA Schemes								
KH174	Energy Efficiency Pilot Projects	33,720		33,720	25,600	15,200	15,150	15,190	15,000
KH094	Disabled Adaptations	643,530	223,264	643,530	547,890	563,970	569,520	585,320	599,950
	TOTAL CAPITAL PROGRAMME EXCL. NEW BUILD	**12,132,350**	**5,366,294**	**12,132,350**	**14,419,530**	**18,615,880**	**18,847,610**	**18,458,690**	**15,846,080**

APPENDIX B - HOUSING CAPITAL STRATEGY

		2017/2018			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Cost Centre	**Scheme**	**January Working Budget £**	**Actual 31st December 2017 £**	**February Revised Budget £**	**February Projection £**	**February Projection £**	**February Projection £**	**February Projection £**	**February Projection £**
	CAPITAL PROGRAMME NEW BUILD								
KH233	New Build Programme	3,574,890	2,241,987	4,250,650	15,327,630	16,339,740	11,657,500	11,498,700	11,809,170
KH209	New Build - Archer Road	600,740	535,360	590,980					
KH255	Fresson Road (Moat Hsg Assoc)								
	TOTAL CAPITAL PROGRAMME NEW BUILD	**4,175,630**	**2,777,347**	**4,841,630**	**15,327,630**	**16,339,740**	**11,657,500**	**11,498,700**	**11,809,170**

APPENDIX B - HOUSING CAPITAL STRATEGY

		2017/2018			2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Cost Centre	**Scheme**	**January Working Budget £**	**Actual 31st December 2017 £**	**February Revised Budget £**	**February Projection £**	**February Projection £**	**February Projection £**	**February Projection £**	**February Projection £**
	HIGH VALUE VOIDS LEVY								
TBA	High Value Voids Levy					**756,360**	**781,690**	**807,880**	**824,840**
	CAPITAL PROGRAMME ICT & EQUIPMENT								
	HRA Resurfacing								
KH276	Skipton Close - Resurfacing Parking Areas	42,500		42,500					
KH277	Kimbolton Crescent - Resurfacing Footpaths/Parking Areas	21,350		21,350					
	HRA Equipment								
KH015	Supported Housing Equipment	55,000	9,539	55,000	55,000	55,000			
KH267	Racking for Cavendish RVS		(93,800)						
KH278	Vans for RVS	654,890		54,890	600,000				
	Sub Total HRA Equipment	**773,740**	**(84,261)**	**173,740**	**655,000**	**55,000**			
	Information Technology								
KH217	Northgate Additional Modules	110,000	107,200	110,000					
KH234	Changing Channels - Payment Portal	13,700	2,485	13,700					
KH218	ICT Programme (Business Plan)	13,590		13,590	77,220	81,970	151,890	156,980	156,980
KH235	ICT Equipment	16,080	3,429	16,080	10,000	10,000			
KH251	Harmonising Infrastructure Technology (for shared service)	76,420	31,678	76,420					
KH256	Automated Tenancy Contracts TA	6,000		6,000					
KH259	Replacement HR & Payroll System	20,940	4,902	20,940					
KH260	On-Line Housing Application Form				46,750				
KH261	Mobile Working - Housing Management	9,180		9,180					
KH265	Planned Maintenance Software	4,120		4,120					
	Total	**270,030**	**149,694**	**270,030**	**133,970**	**91,970**	**151,890**	**156,980**	**156,980**
	Council Digital Agenda								
TBA	Housing Improvements				568,000	190,000			
KH268	Infrastructure Investment	87,500	24,006	87,500	62,500				
KH269	New Intranet	15,000		15,000	25,000				
KH270	Online Customer Account (formerly Capita Advantage Digital)				100,000				
KH271	Corporate Website - Redesign				51,000				
KH272	Electronic SMB Reports System	5,000	4,347	5,000					
KH273	Call Recording				12,000				
	Sub Total HRA ICT	**107,500**	**28,353**	**107,500**	**818,500**	**190,000**			
	TOTAL CAPITAL PROGRAMME ICT & EQUIPMENT & SPECIAL PROJECTS & HIGH VALUE VOIDS	**1,151,270**	**93,786**	**551,270**	**1,607,470**	**336,970**	**151,890**	**156,980**	**156,980**

STEVENAGE BOROUGH COUNCIL

GF CAPITAL - PRIORITY BASED BUDGETING 2018/19 - 2022/23

Ref No	SCORE (between 3= strongly agree and 0 = strongly oppose)	Priority (1-5) (see list below)	Description of Growth Proposal	Capital in 2018/19	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Reason for Spend	Consequence of delaying spend/alternative course of action	Potential Timing	Funding available

Priorities:

Priority 1 Return on investments- Financial Security
Priority 2 FTFC (add acronym) e.g. 2-CTOC, 2.CNM
Priority 3 Mandatory requirements
Priority 4 Schemes to maintain operational efficiency
Priority 5 Match funding schemes

Ref No	SCORE (between 3= strongly agree and 0 = strongly oppose)	Priority (1-5) (see list below)	Description of Growth Proposal	Capital in 2018/19	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Reason for Spend	Consequence of delaying spend/alternative course of action	Potential Timing	Funding available
General Fund CAPITAL GROWTH												
C4	2.8	3	**Waste Receptacles**	£30,000	£15,000	£15,000	£0	£0	To enable the provision of replacement wheelie bins, boxes and lids as existing household receptacles become damaged/lost. Seeking funding to meet current service demands in 2018/19. Future years requirement has been reduced in view of pending Business Unit Review that will use container age profile and replacement demand data to inform future profiling along with a review of the current SBC container replacement policy.	SBC has a legal duty to provide households with adequate provision to collect and present their waste, recyclables. With insufficient budgets to fund sufficient quantities residents will have to wait longer to receive replacement bins and boxes.		**£0**
C5	2.8	2 & 4 (CNM & Operational efficiency)	**Replacement of inadequate bins with dual purpose Litter/Dog bins (KE097)**	£58,000	£125,000	£73,000	£83,000	£10,000	The Town's myriad of litter and dog bins are no longer fit for purpose. The litter bins fill with rain water or are prone to vermin attack due to being open to the elements at the top. The dog bins have limited capacity and are placed alongside existing litter bins. The new litter/dog bins have increased capacity are dual purpose, are branded with the SBC logo and improve the overall aesthetics of the town. The programme will replace all of the bins by area in accordance with the CNM programme by 2021/12 and then it will be only replacement due to vandalism or demand growth.	Delay will mean continued service complaints about overflowing bins. The Towns bin provision asset will not be fit for purpose. The CNM target by ward areas to improve the appearance of the neighbourhoods will not be fully met. Economies of scale used for the procurement and replacement of bins will be less economical.	We have started this year with replacing all street bins in Shephall and Pin Green by the end of March 2018.	**£10,000**
C1	2.6	2 - CNM	**Play Area Improvements**	£0	£0	£0	£0	£220,000	To deliver improvements to equipped play areas to ensure adequate levels of provision, town-wide, in future.	Alternative options considered in report to Exec, Feb 2017.		**£220,000**
Total Stevenage Direct Services Growth Bids				**£88,000**	**£140,000**	**£88,000**	**£83,000**	**£230,000**				**£230,000**
C6-C7/C96-98	3.00	2	**works to facilitate SG1 Regeneration**	£5,200,000	£10,300,000	£0	£0	£0	SG1 enabler- LEP Funded-This is external funding that has been secured from the LEP as part of the Growth Deal round 1 bidding process and £8Million through GD3. The GD3 money has yet to be secured though as new governance arrangements are required before this funding can be accessed so gap funding is required to cover the costs for progressing the project until then (£200K in 2018/19).	This is external funding which will be lost is the spend does not take place.	2018/19 & 19/20	**£15,500,000**
Total Regeneration Growth Bids				**£5,200,000**	**£10,300,000**	**£0**	**£0**	**£0**				**£15,500,000**
C8	3	4	**Stock condition survey of Leisure Facilities - Stevenage Arts & Leisure Centre, Stevenage Swimming Centre, Fairland's Valley Park Sailing Centre and Café, Aqua Park and Kiosk\plant and toilets, Stevenage Golf and Conference Centre**	£40,000			£20,000		The last survey was completed in 2013, it is standard practice to survey our buildings every five years; the results will provide SBC with key information which will allow us to identify high risk areas of the buildings which will inform us of future capital commitments. In addition the leisure contract will expire in 2023 and we will need to start to procure the contract in 2019/20 we will therefore have to provide potential bidders with the stock condition survey results and actions. Added £20,000 2021/22 to co-incide with the end of the contract with SLL. It is proposed that the Stock condition survey is carried out in combination with the survey of the corporate and Commercial premises portfolio[refer Ref No. C25].	The current stock condition survey is out of date, the proposal for next year's survey will take approximately 12 months to complete, to defer the survey may have a financial consequence as structural issues may deteriorate further and result in higher capital spend, plus operational failures may occur which could result in a loss of income to SLL and a consequential claim against SBC.	May to Dec 2018	**£0**
C10	3	4	**Aqua Park**	£7,000	£24,000				The Aqua Park is now 9 years old and may require some plant works and refurbishment of the structure.	Without works the Aqua Park operation could be disrupted plus the standard of the and presentation of the structure could deteriorate.		**£0**
C100	2.67	4	**CCTV - Replace old shoe box cameras and update control equipment**	£15,750	£20,000	£20,000	£20,000	£20,000				**£0**
C11	2.60	4	**To replace the treehouse climbing structure at Bandley Hill Play Centre**	£30,000					The existing raised platform wooden treehouse has been in place for a number of years. Ongoing repair costs are increasing as it comes to the end of its economic life; therefore a replacement is recommended/needed. Stopgap retreatment of structural timberwork was undertaken in 2017 to limit further deterioration. A further inspection of the equipment is to be made by a SBC Building Surveyor to confirm if the tree house can be retained or whether its condition indicates significant health & safety issues with ongoing use.	Equipment may have to be isolated and put out of action	3 months from approval for start of works	**£0**
Total Communities and Neighbourhoods Growth Bids				**£92,750**	**£44,000**	**£20,000**	**£40,000**	**£20,000**				**£0**
C22	3.00	1+4	**Parking Enforcement (P+D)**	£22,000					Previously agreed, final phase of replacing Pay & Display machines	Loss of income		**£0**

STEVENAGE BOROUGH COUNCIL

GF CAPITAL - PRIORITY BASED BUDGETING 2018/19 - 2022/23

Ref No	SCORE (between 3= strongly agree and 0 = strongly oppose)	Priority (1-5) (see list below)	Description of Growth Proposal	Capital in 2018/19	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Reason for Spend	Consequence of delaying spend/alternative course of action	Potential Timing	Funding available
C13	2.80	3	**Disabled Facilities Grants**	£300,000	pending	pending	pending	pending	Assistance is only available for works which are required to enable a disabled person to remain in their home and access basic amenities. The grant is mandatory and must be determined within 6 months of a valid application. Members agreed, in principle, to join the newly formed Herts Home Improvement Agency in April 2018, subject to final approval by the Executive. If approved, a capital budget will still be required in 2018/19 to pay for applications already received or in progress. Decision on budget for subsequent years is 'pending' until the decision on joining is taken.	Payment of the grant may be deferred for up to 12 months from the date of approval. This is not recommended as it would cause great distress to applicants.	2018/19	**£300,000**
C20	2.75	4	**Residents Parking spaces**	£70,000	£70,000				To provide parking spaces in residential areas where limited parking currently causes roads to be heavily congested		2018/19 & 19/20	**£0**
C14	2.60	4	**Home improvement grants**	£18,000	£18,000	£18,000	£18,000	£18,000	Provision of funding, by way of a loan or grant, for urgent works in cases where an owner occupier is unable to access alternative sources of funding within a reasonable time. Eligibility is strictly limited to owners who are in receipt of a qualifying means tested benefit for works necessary to remove a Category 1 hazard. Loans are repayable in full once the property is sold, minor works grants are repayable if the property is sold within 10 years hence much of the capital is eventually recycled.	Assistance is only available for works which are urgently required to protect the health & safety of vulnerable occupants. It would not therefore be acceptable to delay the provision of assistance.	2018/19	**£0**
C19	2.40	4	**Hard Standings**	£50,000	£50,000	£50,000	£50,000	£50,000	To replace parking hardstand areas in the council's ownership which have reached the end of their design life and are uneconomic to patch.	Concrete areas with crumbling surfaces and cracks do not lend themselves to lasting patch repairs. Spend can be deferred but this is just storing up a larger expense in future years	2018/19	**£0**
C17	2.20	1+4	**Off street car parks (MSCP)**	£332,500	£225,000	£225,000	£225,000	£225,000	Essential concrete repairs and surfacing replacements to restore publicly used areas to safe and sound useable condition. The essential works are the repair to the concrete panel fixings, weatherproofing surface treatments including concrete repairs and expansion joint replacement.	Loss of income From use Of facility. If this work is not carried out/deferred there is a risk that the floors may need to be closed. (loss of income) There are also essential repairs required to the entrance / exit to the car park.	2018/19	**£0**
C21	2.20	4	**Parking restrictions**	£25,000	£25,000	£25,000	£25,000	£25,000	To implement ongoing programme of parking restriction to address road safety concerns associated with indiscriminate parking in line with the requirements of the Parking Strategy.	Even if future programme of restrictions becomes less ambitious, there is a constant need to review and update existing restrictions.	2018/19	**£0**
C16	2.00	1+ 2 (TC regen)	**Improvements to the lighting in St Georges and Westgate MSCPs**	£80,000	£20,000	£0	£0	£0	Protect income by ensuring usability of the car parks; help improve the attractiveness of using the MSCPs; help discussions with the owner of the Westgate to revisit the pricing link to St Georges MSCP.	Reduced income from MSCP car parks as their desirability further declines. Loss of the opportunity to renegotiate the Westgate Car Park link on pricing.	2018/19	**£0**
C23	2.00	4	**Town centre Christmas decorations phases update**		£5,000		£5,000		Improve the appearance of the town centre Christmas decorations		2019/20	**£0**
Total Planning & Regulatory Growth Bids				**£897,500**	**£413,000**	**£318,000**	**£323,000**	**£318,000**				**£300,000**
C24	2.60	1	**To allow the conversion of a building that is a liability into attractive new homes and make return for the council**	£550,000	£330,000	£0	£0	£0	To convert numbers 2 properties in to apartments for private sale and generate a sales income of £1.8m or an enduring rental income if other circumstances allow retention by Council or a new entity, of the apartments. There is a further value generated in achieving economies of scale. Assumes works funded from sale receipt	As the properties deteriorate this adds costs to the Council in future investment needs. Furthermore whilst the council may dispose of the homes, it is likely that this interesting period property will be lost. By converting the properties the Council is able to return the freehold, sustain the design and make further return by managing the block.	on site in march 2018	**£880,000**
Total Housing Development Growth Bids				**£550,000**	**£330,000**	**£0**	**£0**	**£0**				**£880,000**
C27	3.00	2 CNM + 3	**Asbestos Surveyor for garages**	£10,000					Additional Technical Assistance required to complete the garage asbestos survey. The Asbestos surveyor has been undertaking other essential asbestos surveying works required on the corporate buildings therefore extending the time required to complete the garage surveys, this is compounded by delays in gaining internal access into some garages. This is £10K in addition to the £10k already slipped.	Not complying with the Control of Asbestos Regulations and possible delay in delivering the Garage investment programme.	2017/18 started	
C26	2.80	3	**Essential health and safety electrical works - Corporate buildings**	£25,000					Electrical works required following inspections yet to be carried out. Budget costs based on typical work identified for similar buildings	Health and safety risk	April 2018	
C28	2.80	2 TC Regen &4	**Town Chambers -reroofing, guttering and rainwater pipe replacement. Safe roof access**	£200,000					**THESE WORKS ARE SUBJECT TO RECEIVING A REGENERATION PREFERRED BIDDER.** The acquisitions / condition survey undertaken in 2012 and more recent surveys undertaken by the in-house surveying team in 2015 indicate the roof covering is at the end of its serviceable life. Limited emergency repairs have been carried out but this is no longer sustainable. Provision for safe access onto the roof also needs to be provided for inspection and maintenance purposes. Some of the work may be rechargeable subject to the individual lease conditions and repairing liabilities of the tenants	The building is at risk of further leaks and water ingress affecting the structural integrity of the wood wool slab deck and water damage leading to possible closure of the space below.	Sept 2018	**£200,000**

STEVENAGE BOROUGH COUNCIL

GF CAPITAL - PRIORITY BASED BUDGETING 2018/19 - 2022/23

Ref No	SCORE (between 3= strongly agree and 0 = strongly oppose)	Priority (1-5) (see list below)	Description of Growth Proposal	Capital in 2018/19	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Reason for Spend	Consequence of delaying spend/alternative course of action	Potential Timing	Funding available
C29	2.80	2 TC Regen &4	**Town Chambers - essential works to existing windows - reputty, and make secure - Works undertaken same time as re-roofing to share scaffolding**	£50,000					**THESE WORKS ARE SUBJECT TO RECEIVING A REGENERATION PREFERRED BIDDER**. The acquisition / condition survey undertaken in 2012 and more recent surveys undertaken by the in-house surveying team in 2015 identify the poor condition of the windows . The windows require overhauling eased and adjusted to ensure correct operation, reputty to secure loose putty and decorated externally. Some of the work may be rechargeable subject to the individual lease conditions and repairing liabilities of the tenants. Pre inspection survey required to establish full extent of works required.	If works are delayed then the windows will deteriorate further. This is an opportunity to undertake these works while the scaffolding is erected for thee reroofing . As a minimum the windows will need to be made secure and overhauled at approx. £18K	Sept 2018	**£50,000**
C30	2.80	2 TC Regen &4	**Town Chambers / Square - external facade Structural repairs. Works undertaken same time as reroofing to share scaffolding**	£110,000					**THESE WORKS ARE SUBJECT TO RECEIVING A REGENERATION PREFERRED BIDDER**. The 2015 condition survey identified urgent essential works securing / repairing hazards and failing external concrete column frame to the building façade. Some of the work may be rechargeable subject to the individual lease conditions and repairing liabilities of the tenants. Pre inspection survey required to identify full extent of the essential works required.	Risk to Public and Occupiers	Sept 2018	**£110,000**
C31	2.80	2 TC Regen &4	**Town Chambers - Landlords electrical inspection and remedial works**	£30,000					**THESE WORKS ARE SUBJECT TO RECEIVING A REGENERATION PREFERRED BIDDER**. The 2012 Acquisition and condition survey identified a number of electrical elements in a poor and potentially dangerous condition requiring some rewiring , replacement and upgrade work are anticipated. Electrical test and inspection required to establish full extent of works required.	Risk to personnel and building, loss of electricity to parts of the building.	July 2017	**£30,000**
C45	2.80	3&4	**St Nicholas Community Centre - boiler and hot water installation upgrade - new controls / panel rewiring and fittings. Building currently under review**	£22,000					The hot water system & controls are wholly ineffective resulting in lack of hot water. Boiler is a historic unit of a model & type which elsewhere within SBC commercial portfolio has proved problematic in operation and reliability. These works are essential to ensure building remains in a condition of acceptable ongoing occupation . Works subject to Community Centre Review findings.	Lack of hot water leading to possible health and hygiene issues limiting the service provided. Further inspection required consider short term solution (Centre under review)	2018/19	
C46	2.80	2 CNM &4	**St Nicholas Community Centre annex - External decorations.. Building currently under review. Essential health and safety works only**	£0	£20,000				Window and doors in poor condition requiring redecoration ensuring that the building fabric does not deteriorate beyond repair extending the life of the building. Works identified for 2018/19 and subject to building review, works therefore postponed to future years.	If the decorations are not carried out the fabric of the building will deteriorate requiring extensive (More expensive) repairs in the future	2019/20	
C94	2.80	3&4	**Indoor Market - Fire Alarm replacement**	£25,000					£55K budget already approved for these works. However early investigations and discussions with specialist consultants / contractors indicate that additional budget of £25K will be required to complete the works	Existing wireless type alarm system is unreliable /Local Fire Service are not prepared to attend due to incidence of false alarms - Basic safety compromised to publicly used space.	2018/19	
C81	2.80	3&4	**Ridlins Pavilion - upgrading heating and ventilating equipment**	£7,500					During recent maintenance upgrading of the heating and ventilating system further works have been identified to ensure that the system continues to operate to an acceptable condition for ongoing high frequency use occupation.	If the heating and ventilation system fails due to delays in undertaking the upgrade works there is a risk that critical areas of the building will become unfit for occupation resulting in loss of service and income, Current users may decide to seek alternative premises.	2018/19	
C25	2.60	2 TC Regen + FS&4	**Corporate and commercial buildings condition survey**	£30,000					The last corporate buildings condition survey was undertaken in 2012/13 and is now out of date. To ensure the building condition is recorded and up to date and defects are identified a new condition survey is required. This will support SBC in identifying accurately the true level of investment required to maintain and service the asset and also to identify any health and safety issues as a priority. A condition survey is also required for the commercial buildings Identifying the council responsibilities for repairs under the lease agreement. This is a Health & Safety priority classification. It is proposed that the stock condition survey is carried out in combination with the survey of the SLL premises[refer Ref No. C8].	Inadequate investment leading to potential health and safety issues and ensuring that the operational efficiency of the building is maintained and the councils obligations under the terms of the lease are undertaken. Lack of investment could lead to failure of critical elements, components and fittings leading to closure of the building and loss of income.	April 2018	**£0**
C32	2.60	3&4	**Pin green play centre - new storage heaters**	£8,500					Identified from 2012/13 condition survey as very limited remaining economic life. Recent inspections have verified that the historic electrical storage heaters are at the end of their serviceable life. Works required to ensure building remains in a condition of acceptable ongoing occupation. Replacement heaters will incorporate more sophisticated controls & timeclock setting function offering improved efficiency & output.	Risk of failure of heating system, closing building and loss of service and possible income. Option to hire emergency temporary heaters if old ones fail, however this will be at a cost and disruption to the centre	2018/19	**£0**

STEVENAGE BOROUGH COUNCIL

GF CAPITAL - PRIORITY BASED BUDGETING 2018/19 - 2022/23

Ref No	SCORE (between 3= strongly agree and 0 = strongly oppose)	Priority (1-5) (see list below)	Description of Growth Proposal	Capital in 2018/19	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Reason for Spend	Consequence of delaying spend/alternative course of action	Potential Timing	Funding available
C35	2.60	2 CNM &4	**Pin green Play centre- replace external lighting**	£12,000					Identified from 2012/13 condition survey / recent inspections - external lighting in a poor and no serviceable condition. Works required to ensure building remains in a condition of acceptable ongoing occupation and is safe and secure during the night time. Proposed works would radically improve both illumination & site coverage.	Failure of the light fittings putting the occupiers safety at risk.	2018/19	
C42	2.60	4	**Bandley hill Play centre- replace external door sets -**	£6,000					Identified from 2012/13 condition survey / recent inspections, - corroded metal external doors are in a poor condition .Doors are in constant use, requiring replacement to ensure ease and safe use . Also to maintain basic security of the building ensuring the building remains in a condition of acceptable ongoing occupation[* Comments as item immediately above]	Doors will continue to deteriorate resulting in water ingress and difficulties operating the door	2018/19	
C63	2.40	4	**Springfield House - Works to external envelope.**	£15,000					Recent surveys have identified essential works to external brickwork and render, and replacement of localised corroded metal windows This work is required to prevent water ingress and damage to the fabric and structure of the building, ensuring that the building remains in a acceptable and fit for purpose condition allowing ongoing occupation	Delay in carry out the works may lead to fabric and structural damage requiring substantial future repairs resulting in closure of parts of the building and cannot remain in occupation resulting in loss of service / income. Current users may decide to seek alternative premises.	2018/19	
C74	2.40	3&4	**Cemetery - Weston road - replace / upgrade electric space heating.**	£25,000					2013 condition survey / recent inspections identified electrical heaters are at the end of their serviceable life and toilets are unheated. Replacement and supplemental heating required to ensure building remains in a condition of acceptable ongoing occupation.	Risk of failure of heating system, closing building and loss of service and possible income. Option to hire emergency temporary heaters if old ones fail, however this will be at a cost and disruption to the centre	2018/19	
C78	2.40	4	**Shephalbury bowls Pavilion - reroofing**	£18,000					Identified from 2012/13 condition survey / recent inspections - roof is in a poor condition and at the end of its serviceable life. New felt roofing targeted for 2017-18 was deferred from current year's capital programme substituted by urgent arising need for replacing flooring and screed which had failed throughout building. Building is timber framed and consequence of further delay in works could be water ingress and rot to timber structural framing.	Water ingress will result in damage and deterioration of the fabric of the building leading to more extensive repairs in the future and if left may result in structural failure. This may lead to closing parts of the building. Patch repairs will be uneconomical	2018/19	
C52	2.33	3&4	**Shephal Community Centre boiler replacement end of serviceable life**		£45,000				Potterton Kingfisher Floor Standing Conventionally Flued Gas Boiler Identified in 2012/13 SCS recommended then as having maximum 5 year remaining life span.	Failure of Heating would render building unusable.	2019/20	
C95	2.20	4	**Town Centre Toilets - reroofing /temporary remedial works**	£5,000					Water ingress to underside canopy soffit over ladies toilet entrance due to roof leak. Defect identified previously however due to the anticipated life of the building reroofing works have been postponed. Option to carry out temporary remedial works, however no guarantee on success and life of the roof covering leading to water ingress inside the toilet block. Alternatively clad underside of soffit at £5K, however water ingress will continue causing long term damage to the fabric of the building. Therefore this solution should only be considered as a very short term solution.	The existing paint finish will continue to fail affecting the appearance of the toilet block.	2018/19	
C36	2.20	3&4	**Pin Green Play centre- replace hall lighting - poor light levels**	£10,000					Identified from 2013 condition survey / & verified from recent independent inspections - Inadequate lighting level in main hall for the type of occupation. Installation is currently in a poor condition. There is a potential safety risk and therefore works required to ensure building remains in a condition of acceptable ongoing occupation and is safe and secure during the night time.	Decreasing light levels putting occupiers at risk (trips etc.) in particular the user group[Young Children] and these visually impaired or wheelchair/mobility disabled.	2018/19	
C44	2.20	2&4	**St Nicholas Community Centre - Existing single glazed timber and metal windows beyond economic repair - replacement. £25K 2019/20 Building currently under review. Essential health and safety works only**		£25,000				SCS 2012/13 & recent review inspection by qualified Building Surveyor have confirmed short term requirement to replace historic [original] single glazed 'Crittal' type metal windows which display beading disrepair corrosion and paint failure - these being symptomatic of failure		2019/20	
C93	2.20	4	**Cavendish Road depot - Office alterations**	£35,000					To form new opening and staircase between existing offices to open up area, providing a more efficient and more collaborative working conditions	Poor working environment and working conditions leading to difficulties in retaining staff.	2018/19	
C75	2.20	2&4	**cemetery - Weston road - external joinery decorations**	£10,000					Redecorations to window fascia soffit and boarding etc. (external joinery) required ensuring that the fabric of the building is maintained and does not deteriorate beyond economic repair	If the decorations are not carried out the fabric of the building will deteriorate requiring extensive (More expensive) repairs in the future.	2018/19	
C48	2.00	2 CNM &4	**Bedwell Community Centre- essential external cedar cladding works**	£0		£5,000			If works are not carried out condition will deteriorate resulting in more expensive repairs in the future. Works identified for 2018/19 and subject to building review, works therefore postponed to future years.	Unforeseen costs in expense in future.	2020/21	

STEVENAGE BOROUGH COUNCIL

GF CAPITAL - PRIORITY BASED BUDGETING 2018/19 - 2022/23

Ref No	SCORE (between 3= strongly agree and 0 = strongly oppose)	Priority (1-5) (see list below)	Description of Growth Proposal	Capital in 2018/19	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Reason for Spend	Consequence of delaying spend/alternative course of action	Potential Timing	Funding available
C84	2.00	2	**Canterbury way Pavilion - demolition**	£12,000					The building is in a generally inferior and extremely poor condition. Extensive works are required to restore the building to a condition acceptable for ongoing occupation. The building is under used and therefore it is recommended for demolition. This is subject to further operational asset management checks to confirm viable demolition.	If the building is not demolished it will continue to deteriorate and become unsafe.	2018/19	
C77	1.90	4	**Chells Park Pavilion - decommission shower and provide hot water service to changing rooms**	£25,000					Due to the change of use requirement (adult to junior football) showers no longer required but constant hot water required to wash hand basins	Facility will not operate for this use. Users will transfer to alternative premises		
C60	2.60	3&4	**The Oval Community Centre - Replace radiators. Building future use under review.**	£8,000					Following the boiler replacement carried out in 2017. the existing radiators are beyond serviceable life and fan convectors require replacement to ensure that the building remains operational. Works are subject to the community centre review however these works are considered essential to maintain comfort conditions. Works phased replacement proposed over two years	Failure to maintain the property at a temperature fit for purpose may result in closing the building at certain times. Hiring temporary heaters is a short term solution however there will be costs and disruption to the occupiers. Potential loss of income.	2018/19	
C67	2.25	3&4	**Timebridge - boiler and hot water refurbishment**	£10,000					Continuing issues with heating & hot water - At present the installations have been converted as a compromise to 'direct fed' arrangement as a holding repair subject to financial limitations imposed.	Lack of adequate heating and hot water service	2018/19	
C83	2.36	3&4	**St Nicholas pavilion electric heating replacement**	£8,000					2012/13 condition survey / recent inspections identified electrical heaters are at the end of their serviceable life. Replacement required to ensure building remains in a condition of acceptable ongoing occupation.	Risk of failure of heating system, closing building and loss of service and possible income.	2018/19	
Total Housing and Investment Growth Bids				**£717,000**	**£90,000**	**£5,000**	**£0**	**£0**				**£390,000**
C86	3.00	3	**Energy Performance surveys and proposed building works**	£42,000	£15,000	£15,000	£15,000	£15,000	Statutory requirement under the Energy Act 2011.	Fine of £500 to £5,000 per property based on Rateable Value.	May or June 2018	**£0**
C87	3.00	1 and 4	**Costs relate to a new replacement property management system. The Estates team are considering use of the IDOX/Uniform estate management software. IDOX is a known provider with software already installed in the Planning Department, and Environmental Health, and Building Control considering its other applications. Consolidating the number of systems we operate as a Council is beneficial in reducing the IT infrastructure needed and greater depth of knowledge across the Council. Part of the costs have already been covered by East Herts under the shared agreement.**	£30,000	£0	£0	£0	£0	The existing GVAS property database presents a significant security risk to the Council because the application is de-supported. IT have recommended decommissioning of the software as result (due April 2018).	This the only property database the Council's Estate Team use to effectively manage the commercial portfolio. If the system is not replaced before the existing system is de-commissioned, the team will not be able to effectively manage the commercial portfolio, for instance, they will have no access to commercial tenant lease details electronically for viewing and updating, and this will enviably slow progress with rent reviews and lease renewals as the team will need to rely on hard-copy paper copies sourced from Legal Services (which will add an additional pressure on this resource).	January-March 2018	**£0**
Total Finance & Estates Growth Bids				**£72,000**	**£15,000**	**£15,000**	**£15,000**	**£15,000**				**£0**
TOTAL GF CAPITAL OPTIONS				**£7,617,250**	**£11,332,000**	**£446,000**	**£461,000**	**£583,000**				**£17,300,000**
Funded from £2.1M Digital budget												
C88		4	**Generator for Daneshill Datacentre**	£60,300	£0	£0	£0	£0	Fully mitigate risk of power disruption to IT services for both SBC and EHC. (A 50% contribution form EH will be sought and if successful SBC share will be £45,000 shared General Fund and HRA)	Only partial mitigation of the risk via battery backup can be achieved within approved funding.		**£0**
C89		4	**Data centre Architecture**	£6,700	£0	£0	£0	£0	Specialist advice regarding options to reconfigure the datacentre to mitigate risks in relation to the fibre cable that runs between Daneshill House and Cavendish Road. (Total scheme cost £20,000 cost split with East Herts)	Continue to operate using the existing model with the risk associated with the fibre cable or invest in a second fibre connection between the sites (est. >500k)		**£0**
C90		4	**Network Switches**	£15,000	£0	£0	£0	£0	It is likely that changes to the datacentre model will result in the need for higher capacity switches to support increases in network traffic. (Total scheme cost £30,000 cost split with East Herts)	IT services will operate sub-optimally, with the impact being experienced by all staff at both EHC and SBC.		**£0**
C91		4	**Programme and Project Management - IT Improvement Plan (1FTE Grade 7 12 mths. 1 specialist programme manager 9 mths)**	£42,545	£0	£0	£0	£0	To deliver the Phase 1 (Security and Resilience) of the IT Improvement Plan by August 2018. (Total scheme cost £127,000 cost split with East Herts)	Longer delivery timescales for programme of IT resilience work, as per IT Improvement Plan.		**£0**

STEVENAGE BOROUGH COUNCIL

GF CAPITAL - PRIORITY BASED BUDGETING 2018/19 - 2022/23

Ref No	SCORE (between 3= strongly agree and 0 = strongly oppose)	Priority (1-5) (see list below)	Description of Growth Proposal	Capital in 2018/19	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Reason for Spend	Consequence of delaying spend/alternative course of action	Potential Timing	Funding available
C92		3	**Core switches**	£0	£33,500	£0	£0	£0	Supplier for support for core switches (network equipment) expires in 2020.	Failure to replace core switches risks running critical network equipment in an unsupported state. This means we will not be entitled to any support if the equipment develops a fault.		**£0**
Total HRA CAPITAL BUDGETS				**£124,545**	**£33,500**	**£0**	**£0**	**£0**				**£0**
			HRA CAPITAL BUDGETS									
C88		4	**Generator for Daneshill Datacentre**	£29,700	£0	£0	£0	£0	Fully mitigate risk of power disruption to IT services for both SBC and EHC. (A 50% contribution form EH will be sought and if successful SBC share will be £45,000)	Only partial mitigation of the risk via battery backup can be achieved within approved funding.		**£0**
C89		4	**Data centre Architecture**	£3,300	£0	£0	£0	£0	Specialist advice regarding options to reconfigure the datacentre to mitigate risks in relation to the fibre cable that runs between Daneshill House and Cavendish Road. (Total scheme cost £20,000 cost split with East Herts)	Continue to operate using the existing model with the risk associated with the fibre cable or invest in a second fibre connection between the sites (est. >500k)		**£0**
C90		4	**Network Switches**	£4,950	£0	£0	£0	£0	It is likely that changes to the datacentre model will result in the need for higher capacity switches to support increases in network traffic. (Total scheme cost £30,000 cost split with East Herts)	IT services will operate sub-optimally, with the impact being experienced by all staff at both EHC and SBC.		**£0**
C91		4	**Programme and Project Management - IT Improvement Plan (1FTE Grade 7 12 mths. 1 specialist programme manager 9 mths)**	£20,955	£0	£0	£0	£0	To deliver the Phase 1 (Security and Resilience) of the IT Improvement Plan by August 2018. (Total scheme cost £127,000 cost split with East Herts)	Longer delivery timescales for programme of IT resilience work, as per IT Improvement Plan.		**£0**
C92		3	**Core switches**	£0	£16,500	£0	£0	£0	Supplier for support for core switches (network equipment) expires in 2020.	Failure to replace core switches risks running critical network equipment in an unsupported state. This means we will not be entitled to any support if the equipment develops a fault.		**£0**
Total Corporate Projects, Customer Services and Technology				**£58,905**	**£16,500**	**£0**	**£0**	**£0**				**£0**
Budget Provision in 2017-18 due to Urgency of Works												
C72	3.00	3	**Indoor market - Upgrade Electrical distribution board**	£10,000					Electrical board at end of safe serviceable life. Limited emergency safety works were carried out earlier this year however full replacement of board is essential.	If this work is not undertaken by / at the next test inspection date then the building will become non compliant. This could then lead to the market being closed.	April 2018 (sooner if possible)	
				£10,000	**£0**	**£0**	**£0**	**£0**				
		Not Recommended By LFSG Bids due to likely to be part of regeneration schemes not supported										
C18	1.60	4	**Off street car parks (Surface Car Parks)**	£22,500	£56,250				The resurfacing takes into account the regeneration plans and is focused on repair and light resurface to extend the life of the car parks through to the end of the regeneration programme.	Health and safety, loss of income	2018/19 & 2019/20	**£0**
		Not Recommended By LFSG review overall cost of the market and the required works prior to approval.										
C73	0.50	4	**Indoor market - reroofing**	£0	£0	£0	£18,000				2021/22	
C71	0.25	4	**Indoor market - hot air curtains over main doors**	£10,000					Existing radiant heating does not provide acceptable comfort level due to the excessive heat loss (cold air ingress) at the main entrances	Continue complaints from stall holders. Risk of stall holder terminating tenancy.	2018/19	
C99	0.50	1 & 4	**Indoor Market - new fascias and signage to stalls**	£90,000					Stalls have had different traders and damaged / old facias have been replaced only as and when required to make them fit for purpose. Subsequently, facias have aged and they are now different shapes, sizes and colours, giving the market an untidy, tired feel and look. This has a huge impact on how people perceive the market, making it difficult to attract new shoppers and traders, from different generations and types of customers. Also installing protruding stall signs will complement the new fascias and encourage shoppers to use other stalls available down each aisle (avenue). The signs will also be used to advertise vacant stalls for rental.	Loss of market stall traders and income	2018/19	
			Not Recommended By LFSG spend not based on a surveyed need									
C76	1.50	4	**Cavendish Depot- reline existing gutters**	£0	£0	£0		£12,500	Liquid based reinforced waterproofing repair work was carried out to limited gutter lengths affected by leakage in Spring 2017.[Areas now occupied by Travis Perkins]. Waterproofing must be repeated in the future to extend life of the metal channel guttering system.	Water ingress affecting building occupation		
				£122,500	**£56,250**	**£0**	**£18,000**	**£12,500**				

STEVENAGE BOROUGH COUNCIL

GF CAPITAL - PRIORITY BASED BUDGETING 2018/19 - 2022/23

Further Not Recommended by LFSG Bids (many of which are linked to "Community Centre" reviews.

Ref No	SCORE (between 3= strongly agree and 0 = strongly oppose)	Priority (1-5) (see list below)	Description of Growth Proposal	Capital in 2018/19	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Reason for Spend	Consequence of delaying spend/alternative course of action	Potential Timing	Funding available
C55	0.00	4	**Bragbury Community Centre- flat roof replacement £10K 2018/19 - Centre due for demolition / redevelopment in 2 years Proposed works to be postponed.**	£0	£10,000				Identified from 2012/13 condition survey / recent inspections - flat roof is in a poor condition and at the end of its serviceable life.	Water ingress will result in damage and deterioration of the fabric of the building leading to more extensive repairs in the future and if left may result in structural failure. This may lead to closing part of the building		
C56	0.00	3&4	**Bragbury Community Centre - replace electric heaters. £25k 2020/21 Centre due for demolition / redevelopment in 2 years Proposed works to be postponed.**			£25,000						
C57	0.00	4	**Bragbury Community Centre - main hall floor replacement. £8.5K 2018/19 Centre due for demolition / redevelopment in 2 years Proposed works to be postponed.**	£0	£8,500				Identified from 2012/13 condition survey / recent inspections - Hall floor covering damaged and beyond repair requiring replacement to ensure building is in a safe (trip hazard) and acceptable condition for ongoing occupation	If left the floor will deteriorate resulting in the room being unusable. Current users may decide to seek alternative premises.		
C50	1.00	4	**Shephall Community Centre reroofing**		£45,000	£45,000			Poor Condition recorded in 2012/13 SCS - Patch repairs have been undertaken in recent year's to maintain watertightness - Further patching works not economically viable	Water ingress will result in damage and deterioration of the fabric of the building leading to more extensive repairs in the future and if left may result in structural failure. This may lead to closure of the building		
C51	1.00	4	**Shephall Community Centre woodblock flooring works**	£0	£7,000			£30,000	Identified from 2012/13 condition survey / recent inspection - worn wood block flooring reaching end of economic life - sand and treat 2018/19 and replace in future years 2022/23. Works identified for 2018/19 and subject to building review, works therefore postponed to future years.	Risk that the floor will become unsafe and unusable. Works proposed will keep the floor in a safe an usable condition until replacement.		
C53	1.33	4	**Shephall Community Centre - single glazed metal windows end of economic life (insulation improvement)**		£30,000				There is a part elevation where historic single glazing remains - In 2012/13 SCS identified this Main Hall location for future work - No work has been undertaken on the element in the meantime due to budgetary constraints.	Excessive heat loss /potential water penetration condensation issues - In combination with planned concurrent roof works which would incorporate insulation double glazed replacement windows to this area and boiler replacement works the combination of improvements would enhance environmental conditions and potentially attract increased letting of the space.		
C58	1.60	2 CNM &4	**The Oval Community Centre- external decorations and repairs. Building future use under review.**		£15,000							
C59	1.20	2 CNM &4	**The Oval Community Centre - window replacement. Building future use under review.**		£30,000							
C61	1.20	3&4	**The Oval Community Centre - lighting upgrade and suspended ceiling refurb/replace. Building future use under review.**	£0	£0	£0	£50,000					**£0**
C47	1.60	4	**Bedwell Community Centre - re- roof (Flat)**		£50,000	£50,000	£50,000		Identified in 2012/13 SCS with recommendation for replacement coverings in phased sequence from Yrs 3-7- Felt surfacing has limited remaining life	Water ingress will result in damage and deterioration of the fabric of the building leading to more extensive repairs in the future and if left may result in structural failure. This may lead to closure of the building		
C54	1.25	2 CNM &4	**Chells manor Community Centre - repairs and redec to window sub frames, doors incl fascia soffit and gable boarding and dormer windows**	£0	£12,000				Redecorations to window sub frames, doors incl fascia soffit and gable boarding and dormer windows[in combination with the replacement of selected timber components where practical with maintenance free Upvc & other materials].These works are required ensuring that the fabric of the building is restored and maintained and does not deteriorate beyond economic repair. Works identified for 2018/19 and subject to building review, works therefore postponed to future years.	If the decorations and timber replacements are not carried out the fabric of the building will deteriorate requiring extensive (More expensive) repairs in the future		
C43	1.80	4	**St Nicholas Community Centre Toilet refurb £70 2018/19 - Part funded by Association (£20K) - Essential health and safety works only - building currently under review.**	£0	£70,000				Identified from 2012/13 condition survey / recent inspections, Fixtures, fittings and finishes at end of serviceable life requiring replacement to ensure acceptable ongoing occupation and reduce expensive repairs. Association has commissioned a design for new refurbishment / extension[verified by SBC Architects] providing an enhanced layout arrangement/upgrade to suit modern needs. Works identified for 2018/19 and subject to review, works therefore postponed to future years.	Increased ongoing repairs and of a deteriorating condition - A risk that current users may seek alternative premises which offer improved facilities.		**£20,000**

STEVENAGE BOROUGH COUNCIL

GF CAPITAL - PRIORITY BASED BUDGETING 2018/19 - 2022/23

Ref No	SCORE (between 3= strongly agree and 0 = strongly oppose)	Priority (1-5) (see list below)	Description of Growth Proposal	Capital in 2018/19	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Reason for Spend	Consequence of delaying spend/alternative course of action	Potential Timing	Funding available
C68	1.40	4	**Timebridge - main hall floor - unable to re-sand wood block floor requiring replacement**		£25,000				Floor was repaired and resealed as a consequence of flood damage[covered by Insurance Claim] during 2016-2017. -The current floor thickness remaining to this interlocked floor system cannot be resanded further as the layered wood thickness is insufficient	Area which is a principle room may be rendered unusable in the short term future		
C69	1.80	3&4	**Timebridge main hall ventilation**	£7,500					Recent site surveys have identified the existing ventilation system requires inspection and upgrading / replacement to provide adequate internal environmental conditions for ongoing occupation	Delay may result in the hall being unfit for occupation and therefore cancelling the service provided and loss of income. Current users may decide to seek alternative premises.		
C66	1.40	4	**Symonds green Community Centre - toilet refurbishment**			£35,000		£35,000	Toilet Accommodation is currently 'fit for purpose' although of basic standard	In the future the areas would become unhygienic and existing fittings and finishes reach end of economic lifespans -* Refurbishment of the toilets was never part of the brief for the extension works to form extra accommodation and an independent café -the cafe does however include a disabled WC/baby change area to serve this area specifically.		
C65	1.20	4	**Springfield House - washroom / toilet refurb**			£18,000			Historic layout and finishes with limited remaining economic life expectancy	Area would ultimately become unhygienic and unusable		
C62	1.80	4	**Springfield House- Essential roofing works - pitched and flat roof areas**			£7,500			Limited works to 'patch' and mitigate potential water penetration have been undertaken since the SCS in 2012/13-ongoing Capital Works to continue essential refurbishment are required to this historic period style building	To maintain watertightness to building and prevent rot & deterioration to timber framed roof construction.		
C64	1.00	3&4	**Springfield House - radiator replacements**	£0	£0	£0	£20,000	£20,000	Boiler & Plant Replaced in 2016-17/Original Column/Hospital type cast iron radiators were flushed with new valves fitted as part of these works. Radiators have very limited future life expectancy- Replacements would logically be the required second phase of heating enhancement works	Risk of major leaks/Interruption of Heating rendering building unusable		

Further Not Recommended by LFSG Bids play centres and pavilions (linked to "Community Centre" reviews.

C37	1.00	2 CNM &4	**Pin green Play centre - external decoration of building**	£0	£0	£0		£10,000	Deterioration of essential waterproofing finishes to a modular building having limited life expectancy	Water ingress/Rot & deterioration affecting continuing building occupation		
C33	1.75	4	**Pin Green Play centre - Re roof**	£0	£0	£0		£25,000	Identified in 2012/2013 SCS as a major element with a limited future life expectancy[*A maximum 10 year remaining life was then recorded] -The roof was re- inspected by one of our qualified Building Surveyors earlier this year who verified that its replacement should be programmed within a maximum 5 year term.{*there is clear evidence of patch repairs undertaken in the recent past and further deterioration to the general covering and at details. The roof is not insulated and works must include incorporation of insulation to meet current Building Regulations standards.	Water ingress will result in damage and deterioration of the fabric of the building leading to more extensive repairs in the future and if left may result in structural failure. This may lead to closure of the building		
C34	1.75	4	**Pin green Play centre -- enhancement of wash room island area - basins and taps and new floor covering**	£0	£0	£0		£20,000	Identified in 2012/2013 SCS as an internal element being essential for use & occupation with a limited remaining lifespan predicted -The area was reinspected by one of our qualified Building Surveyors earlier this year and it was reported that the area should be 'earmarked' for refurbishment within 5 years as deterioration was noted in comparison with previous SCS findings.	Washbasins/taps vanity units flooring and wall finishes forming this integral facility would deteriorate to a condition predicting health & safety and affecting reasonable occupation and use.		
C80	1.70	4	**Ridlins Pavilion - shower and changing room refurb**	£0	£0	£0		£75,000	Prediction of necessary future upgrade / refurbishment of original fittings - Limited works also to wall floor and ceiling finishes - Building Constructed in early 2000's	Users may seek alternative premises for activities		
C41	1.60	4	**Bandley Hill Play centre fenestration - sealing /re-beading to make watertight - consider replacement (energy efficient double glazed units**		£18,000				SCS 2012/13 & recent review inspection by qualified Building Surveyor have confirmed short term requirement to replace historic [original] single glazed coated metal windows which display beading disrepair and surface corrosion these being symptomatic of initial failure- Recent improvement project works have included new pitched roofing and external redecoration and toilet refurbishment [to commence January 2018]- Replacement Windows would complete envelope enhancement to well used modern building facility	Water ingress/Excessive Heat Loss[Large areas of fenestration exist to front & rear gable elevations]		
C40	1.60	4	**Bandley hill Play centre replace main hall and kitchen flooring**	£0	£0	£0		£20,000	SCS 2012/13 & recent review inspection by qualified Building Surveyor have confirmed short term requirement to replace historic [original] flooring	Trip issues / Finish will become unsatisfactory for use as a Children's Centre		

STEVENAGE BOROUGH COUNCIL

GF CAPITAL - PRIORITY BASED BUDGETING 2018/19 - 2022/23

Ref No	SCORE (between 3= strongly agree and 0 = strongly oppose)	Priority (1-5) (see list below)	Description of Growth Proposal	Capital in 2018/19	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Reason for Spend	Consequence of delaying spend/alternative course of action	Potential Timing	Funding available
C79	1.90	4	**Peartree Pavilion - male showers**	£25,000					Identified from 2012/13 condition survey / recent inspections identified the generally dilapidated condition of the showers. Refurbishment is required to ensure that the building remains in a condition acceptable for ongoing occupation	Delay in undertaking the refurbishment will result in further deterioration of the condition of the showers and the facility will become unfit for use. Current users may decide to seek alternative premises.		
C38	1.80	4	**St Nicholas Play centre - kitchen replacement**	£0	£0	£0	£10,000		Flooring to area replaced in 2016-17 / 2nd phase works as planned would include Kitchen unit re-fit where units are becoming very worn with recent acceleration of broken parts	Area would become unhygienic and unusable		
C39	1.80	2 CNM &4	**St Nicholas Play centre - external decorations to restore and maintain weather tightness**	£0	£0	£0	£20,000		Deterioration of essential waterproofing finishes to a modular building having limited life expectancy	Water ingress/Rot & deterioration affecting continuing building occupation		
C82	1.40	4	**St Nicholas Pavilion - reroofing**			£35,000	£35,000		Membrane roof covering reaching end of waterproof life.SCS in 2012/13 originally predicted necessity for major works in Years 7-10.	Water ingress affecting building occupation and operation.		
			Total Community Centre Review related works	**£32,500**	**£320,500**	**£215,500**	**£185,000**	**£235,000**				**£20,000**
			TOTAL WORKS NOT RECOMMENDED	**£155,000**	**£376,750**	**£215,500**	**£203,000**	**£247,500**				**£20,000**

This page is intentionally left blank

Agenda Item 8

Part I – Release to Press

STEVENAGE BOROUGH COUNCIL

Meeting	**EXECUTIVE**
Portfolio Area	Resources
Date	**14 FEBRUARY 2018**

ANNUAL TREASURY MANAGEMENT STRATEGY INCLUDING PRUDENTIAL CODE INDICATORS 2018/19

NON KEY DECISION

Author –Anita Thomas	Ext 2430
Contributors – Clare Fletcher	Ext.2933
Lead Officer –Clare Fletcher	Ext 2933
Contact Officer – Clare Fletcher	Ext 293

1 PURPOSE

1.1 To recommend to Council the approval of the Treasury Management[1] Strategy 2018/19 including its Annual Investment Strategy and the prudential indicators following considerations from Audit and Executive committees.

2 RECOMMENDATIONS

2.1 That subject to any comments from Audit Committee, the Treasury Management Strategy is recommended Council for approval.

2.2 That Members approve draft prudential indicators for 2018/19 subject to any changes proposed by CIPFA to the Treasury Management Code and Prudential Code.

2.3 That Members approve the minimum revenue provision policy and note the proposed changes currently under consultation.

---

[1] CIPFA defines treasury management as " the management of the Local Authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks"

2.4 That it be noted that no changes are being proposed to treasury limits contained within the Council's Treasury management policies.

3 BACKGROUND

3.1 The Council is required to receive and approve (as a minimum) three main treasury reports each year. The Annual Treasury Management strategy including the Prudential Indicators (this report), is the first and most important of the three and includes:

- Treasury Management Strategy
- Investment Strategy
- Capital Plans and prudential indicators
- Minimum Revenue Provision (MRP) policy

3.1.1 Before being recommended to Council the report is required to be adequately scrutinised and this is undertaken by the Audit Committee and Executive.

3.2 **Treasury Management Strategy**

3.2.1 The key principle and main priority of the Treasury Management Strategy (TMS) is to maintain security of principal invested and portfolio liquidity. With regard to this, the aims of the strategy are:

i) To ensure that there is sufficient counter party availability and to maintain required levels of liquidity so that the Council has cash available to meet its payment obligations to its suppliers.

ii) To look for possible changes to the TMS which would increase returns on investments made including alternative investment opportunities with the aim of increasing returns on investments whilst maintaining the security of the monies invested.

3.2.2 The 2017/18 Prudential Code Indicators and TMS Report were approved by Council on the 28 February 2017. Within this report the Chief Finance Officer recognised the need for a fundamental review of the investment portfolio, including alternative investment options and TMS practices. A further update on these changes, approved as part of the 2017/18 TM Strategy, is given in paragraph 4.6.8.

3.2.3 The returns achievable on the Council's investments are currently modest based on the low bank of England base rate and the risk appetite of the TM Strategy. Since March 2009, when the Official Bank Rate (Bank Rate) was reduced to 0.5% and then again in March 2009 to 0.25% the bank rate has been at a historically low level. On 2 November 2017 the Monetary Policy Committee (MPC) approved the first increase in the base rate in eight years to 0.5% (from 0.25%). In 2017/18 investment returns of 0.55% are forecast with a target of 0.70% for 2018/19.

3.2.4 The impact of the European Union (EU) Referendum decision to leave the EU and the implications of this for the UK economy are uncertain and further updates of the Strategy may/will be required once these are known.

REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

LEGISLATIVE AND OTHER CHANGES IMPACTING ON THE TREASURY MANAGEMENT STRATEGY

3.1 Revised CIPFA Prudential Code and CIPFA Treasury Management Code

4.1.1 Development of the localism agenda and new powers granted to local authorities for alternative investment and income generating schemes has prompted a review of the Code of Practice on Treasury Management and the Prudential Code by CIPFA. During the year CIPFA consulted on proposed changes to these codes and the Assistant Director (Finance and Estates) has submitted a response.

4.1.2 CIPFA has now revised the TM and Prudential codes these are now inforce and need to be considered for the 2018/19 Strategy. However guidance notes for inclusion of specific indicators are yet to be released. To enable Members to consider and approve the TMS and Prudential Indicators within the statutory deadline all existing indicators have been included in this report.

4.1.3 The main changes introduced by CIPFA are:

- Removal of prudential indicators for:

  Incremental impact of capital investment decisions on council tax and HRA rents

  Upper limit on fixed and variable interest rate exposure

  Upper and lower limits on maturity structure of borrowing

  Upper limit on total principle sums invested for over 364 days

  (However this is subject to release of CIPFA TM Code guidance (see para 4.1.2) and to ensure compliance all existing indicators have been included in this report.)

- Requirement to produce a Capital Strategy which includes capital expenditure including investment decisions. This authority already complies as the Capital Strategy is approved by Council as part of the budget setting process.
- Inclusion of non-treasury investments (such as investment properties) in the Treasury Management Practices that also includes the publication of a Member approved list of non-treasury Investments.

4.2 **Department for Communities and Local Government**

4.2.1 In addition the Department for Communities and Local Government (CLG) also ran a consultation on overlapping issues that include revisions to investment guidance and Minimum Revenue Provision (MRP). The outcome from this consultation is still awaited and it may be necessary to take a revised strategy and/or MRP policy to Council at a later date as it is still a requirement for the 2018/19 TM Strategy to be approved by Council before 31st March 2018.

4.3 MiFIDII

4.3.1 January 2018 saw the implementation of the EU legislation that regulates firms who provide financial services - the Markets in Financial Instruments Directive II (MiFID). This impacted on the Council as by placing investments and borrowing with other financial institutions the Council becomes a counterparty.

4.3.2 The default position under this legislation was for the Council to be classed as a retail counterparty – limiting investment opportunities and reducing investment yields. The Council has therefore elected to professional client status to allow uninterrupted advice and opportunities for investment/debt products. There are quantitative and qualitative tests to be satisfied which the Council has passed before a local authority can be classified as such. In addition the Council must have a total investment portfolio of £10million.

4.3.3 While professional status enables the Council to maintain its existing relationships with financial institutions and ability to use alternative financial instruments, (subject to compliance with the TM strategy), there are some protections that would have been gained if the status had been downgraded to retail client. These are detailed in the following table.

Area of Protection	Impact on Elective Professional Client	Impact/Mitigation for SBC
Suitability of investment and Appropriateness	As a Professional client a level of experience and knowledge of associated risks will be assumed. The advisor is not required to asses if the transaction is appropriate for the Council as there are entitled to assume as a Professional client the Council has the required level of experience and knowledge.	Low- No change from pre MiFIDII arrangements. TMS stipulates investment criteria and risk appetite to Council investments. Officers are required to attend CiPFA treasury management qualification (or equivalent) and attend training courses to ensure level of knowledge is maintained.
Arranging investment deals	A range of factors are considered for Professional clients to achieve best execution of deal (for retail clients the cost of the transaction is also considered and must be the overriding factor in placing the investment)	Low- No change from pre MiFIDII arrangements. Low transaction costs. Treasury Advice is provided through procurement process to ensure best

Area of Protection	Impact on Elective Professional Client	Impact/Mitigation for SBC
		value provider is used.
Reporting Information back to clients	Timeframe for confirming orders to retail clients is more rigorous than for professional clients	Nil- No change from pre MiFIDII arrangements. Investment confirmations are taken from online systems
Financial Ombudsman Services and FCA	Services of the Ombudsman may not be available to the Council and FCA restrictions on what can be excluded or restricted on any duty of care are tighter for retail clients	Low- No change from pre MiFIDII arrangements.
Investor compensation	Eligibility for compensation under the Financial Services Compensation scheme is dependent on the constitution (not whether professional or retail status is held)	Low- No change from pre MiFIDII arrangements.
Communication	Simplicity and frequency in the way advisors contact the Council will differ to the way information is communicated to Retail Clients	Nil- No change from pre MiFIDII arrangements. Daily access to Treasury Management advisors to ensure SBC are advised on investment and borrowing opportunities.
Information about the advisor/counterparty	Information on services, products and remuneration must be given to all clients however the detail of this information is greater for retail clients	Nil- No change from pre MiFIDII arrangements. Treasury Advice is provided through procurement process to ensure best value provider is used.

4.3.4 However under the old scheme the Council was already classified as a “professional” counterparty and as such the protections in the table above did not apply. Therefore no pre-existing protections have been lost. Officers do not consider the protections available to retail client outweigh the benefits available to professional client status.

3.4 Prudential indicators

4.4.1 It is a requirement of the Local Government Act 2003 that Councils must ‘have regard to the Prudential Code and set prudential indicators to ensure capital investment plans are affordable, prudent and sustainable’. As mentioned in para 4.1.1 the Prudential Code has been revised and changes made to Prudential Indicators. Until the guidance that supports these changes is published, officers have retained the existing indicators.

4.4.2 This Strategy’s Prudential Indicators are included in Appendix C and are based on the Final Capital Strategy reported to the Executive in February 2018.

4.5 Comments from the Audit Committee

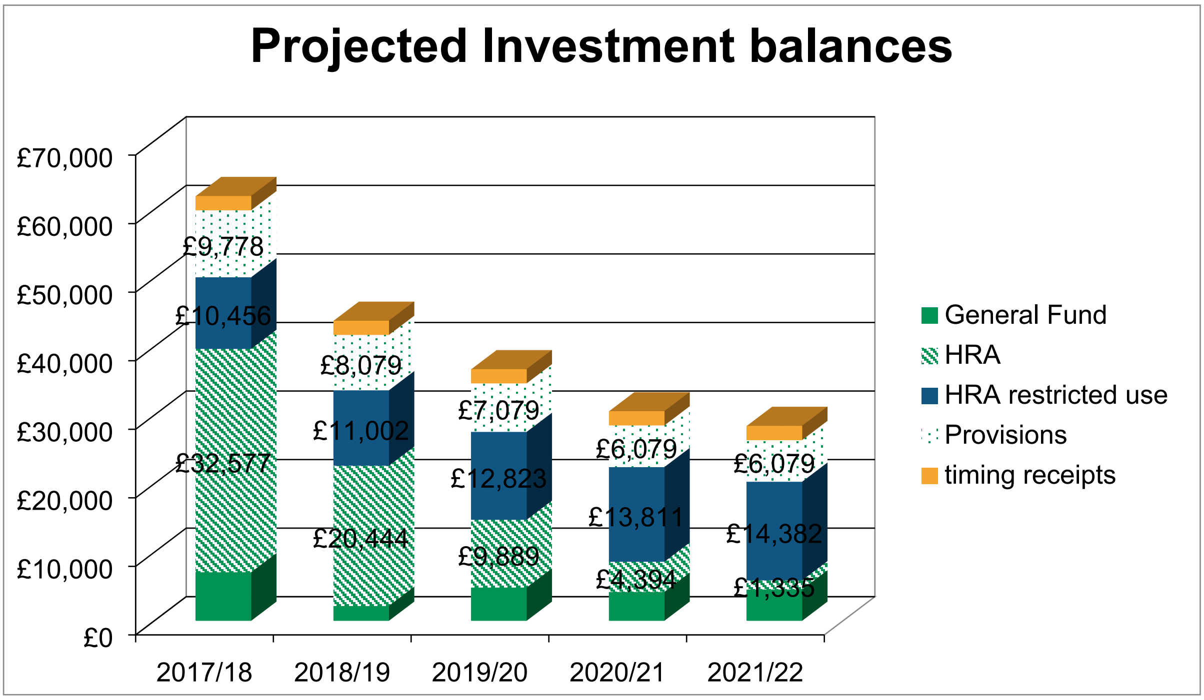
4.5.1 *To be incorporated into report to Executive and Council.*

4.6 Performance of Current Treasury Strategy

4.6.1 For the 2017/18 financial year to 31 December 2017 returns on investments have averaged 0.55% and total interest earned was £299,500 contributing to General Fund and Housing Revenue Account revenue income.

4.6.2 Cash balances as at 31 December 2017 were £73.03Million and are forecast to be £62.4Million as at 31 March 2018. The Council's balances are made up of cash reserves e.g. HRA and General Fund balances, restricted use receipts e.g. right to buy one for one receipts and balances held for provisions such as business rate appeals.

4.6.3 In considering the Council's level of cash balances, Members should note that the HRA Business Plan, General Fund MTFS and the Capital Strategy have a planned use of these resources which means, while not committed in the current year, they are utilised in future years. This means that the Council's cash for investment purposes is projected to reduce from £62.4Million by 31 March 2018 to £29.8Million by 31 March 2022. In essence £32.6Million of investment balances are going to be used in the next four years for revenue and capital plans approved by Members. This impact on cash available to invest is shown in the chart below.



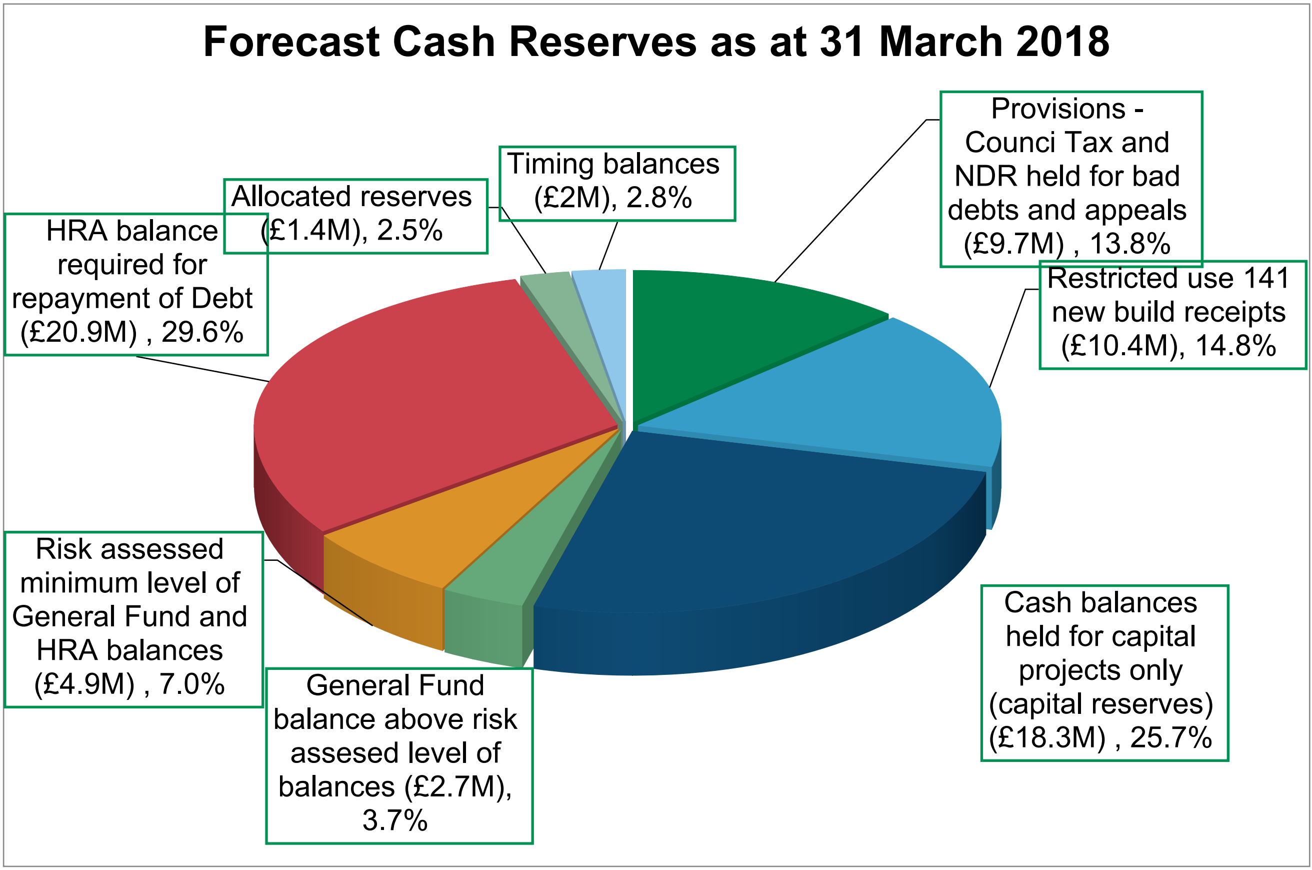
Note: General Fund and HRA balances are net of internal borrowing at year end

4.6.4 In addition to the balances projected to be held as at 31 March 2018 that will be used by 2021/22 there are other balances invested that cannot be used for general use to run services. These may be balances related to restricted RTB receipts which in 2017/18 total £10.45Million. There are also balances relating to timing differences (from creditors and debtors) estimated at £2Million and balances held for future events such as business rate appeals and again these balances cannot be used to fund services.

4.6.5 Reserves and provisions forecast at 31 March 2018 as detailed in the chart below total £70.3Million. However the actual cash held is forecast to be £62.4Million, a difference of £7.9Million. This is because both the HRA and the General Fund have used investment balances totalling £7.9Million rather than take external borrowing as interest rates are so low, (see also para 4.9.4).

4.6.6 The commentary in paragraphs 4.6.2 -4.6.5 on investment balances shows that only a small proportion of overall balances are available to fund the HRA and General Fund and some of these balances are held for specific purposes or planned to be spent over the next few years and both the General Fund and the HRA have, as yet, unidentified Financial Security targets for future years.

4.6.7 The majority of cash balances are held for the repayment of HRA debt (29.6%) and to fund the Council's capital programme (40.5%). Despite these sums held for the capital programme external borrowing is still required as detailed in the 2018/19 Capital strategy report.



Note: balances gross of internal borrowing of £7.9Million

4.6.8 The Council's current investment portfolio consists of "conventional" cash investments: deposits with banks and building societies, Money Market Funds and loans to other Local Authorities. Following the review in 2017/18 the use of Ultra Short Dated Bonds (USDB) was approved (formerly known as enhanced cash funds) up to £3MIllion. Currently no investments have been made with USDB funds, partly due to additional research and advisory fees required prior to an investment being placed impacting on potential returns. In addition, above base rate investment returns are being offered for standard cash deposits and these are being achieved by the TM team.

4.6.9 During 2017/18 no investments have been made with the Debt Management office (DMO) and there have been no breaches in the TMS in 2017/18 as at the time of writing this report.

4.7 Review of the Treasury Management Strategy and Proposed changes

4.7.1 The 2017/18 TMS was revised to maintain the key principles of security and liquidity to accommodate the cash balances forecast to be held by the Council. In accordance with the guidance from CLG and CIPFA the Council will continue to apply credit criteria in order to generate a list of highly credit worthy counterparties whilst maintaining diversification.

4.7.2 To comply with the new Code requirement a list of non- treasury investments will be included in Treasury Management Practices. The definition of non-treasury investments has yet to be confirmed but is likely to be limited to investment properties as Stevenage BC holds no other types of "non-treasury" investments.

4.8 Prudential Indicators

4.8.1 As mentioned in para 4.1.3 CIPFA has removed a number Prudential Indicators (PI) but have yet to publish the guidance and adoption date. As such all existing PI have been retained and will be reviewed in subsequent reports when confirmation has been given.

4.8.2 The prudential indicators as shown in Appendix C have been updated based on the 2018/19 final capital strategy.

4.9 The Councils Borrowing Position

4.9.1 The Council had external debt of £209.362Million as at 31 December 2017 as is broken down as follows:

Purpose of Loan	PWLB Loan £'000	Market Loan £'000	Total £'000
General Fund: Regeneration Assets	**1,447**	**1,500**	**2,947**
HRA:			
Decent Homes	11,504	0	11,504
Self-Financing	194,911	0	194,911

Total HRA Loans	**206,415**	**0**	**206,415**
Total Debt at 31st December 2017	**207,862**	**1,500**	**209,362**

4.9.2 In 2017/18 there is a scheduled loan repayment of £3.75million for the HRA. The HRA Business plan identified new borrowing of £3.5million due to be taken in 2017/18. The timing of this borrowing is dependent on cash balances held and forecast borrowing rates.

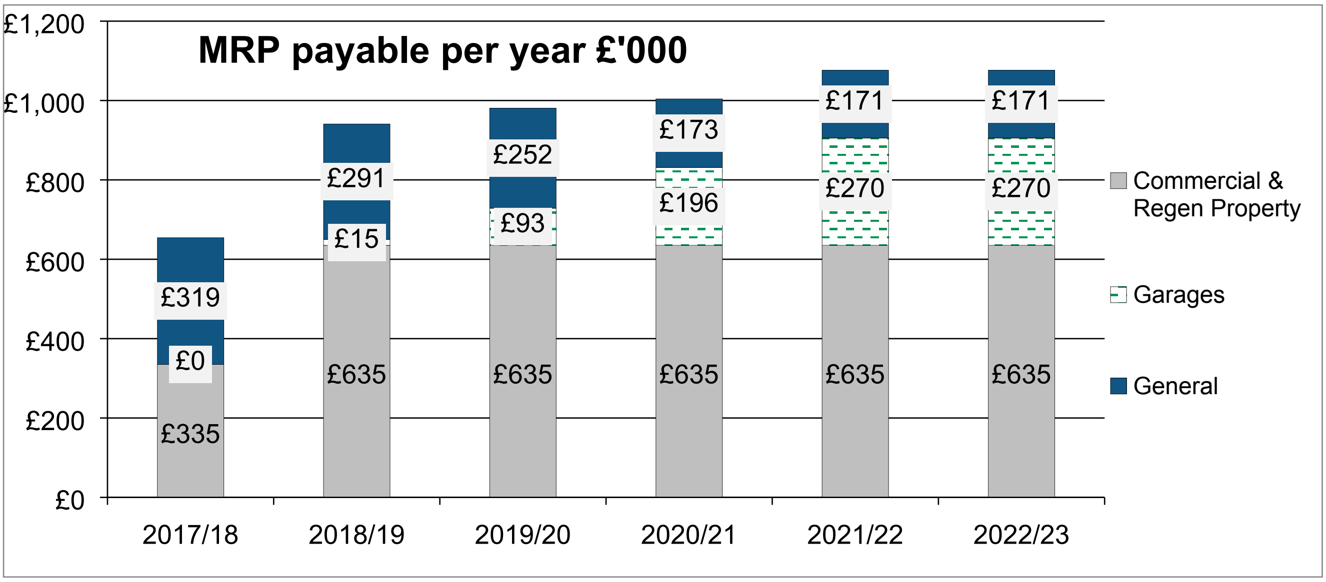
4.9.3 In 2017/18 there were General Fund loan repayments of £131,579 in August 2017 and February 2018. In addition approved prudential borrowing for the investment property portfolio and garage strategy is due to be taken in 2017/18 but will be dependent on actual spend in year.

4.9.4 Cash and investment balances have been used in preference to external borrowing as the costs of internal debt (investment interest foregone at 0.57%) is significantly lower than external borrowing (2.66% based on 25 year loan). It is the view of the Chief Financial Officer that this approach will continue to be considered while interest rates remain low.

4.10 Minimum Revenue Provision

4.10.1 Where capital expenditure has been funded from borrowing, whether this be actual external borrowing or internal borrowing through the use of cash balances the council is required to set aside a Minimum Revenue Provision (MRP). This amount is calculated based on the approved MRP policy (appendix B) based on the life of the asset.

4.10.2 Currently CLG are consulting on changes to MRP payments and any subsequent changes may require a revised MRP policy to be approved by Council at a later date in 2018/19. Current projections of MRP payments based on the existing policy are detailed in the following chart.



4.10.3 The internal borrowing approach recommended by the Chief Finance Officer and the subsequent MRP payments the General Fund needs to make has reduced the amount that the General Fund needs to borrow (on historic capital schemes) by £3.2Million or 24% of the total General Fund capital funded by borrowing as at 31 March 2018.

4.11 Future borrowing requirements

4.11.1 It is the Council's intention not to borrow in advance of need. However, should this happen as part of the optimising treasury management position of the Council and minimising borrowing risks, the transaction will be accounted for in accordance with proper practices. The Government has recently consulted on potential changes to borrowing for commercial purposes and commentary on this is in included in the 2018/19 Capital Strategy.

4.11.2 The Council's treasury advisors now forecast the Bank of England base rate to increase to 0.75% in December 2018. Base rate and borrowing rate forecasts are shown in the table below.

Link Asset Services Interest Rate View	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Bank Rate	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%
5yr PWLB rate	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%
10yr PWLB rate	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%
25yr PWLB rate	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%
50yr PWLB rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%

Source : Link Asset Services 7/11/17

4.11.3 The Treasury' s Certainty Rate for borrowing remains available and enables the Council to take PWLB loans at 20 basis points below the standard PWLB rate. The rates shown in the table above do not include that adjustment. There have been no further updates to the government's proposal to abolish the PWLB.

4.12 Investments

4.12.1 The Council complies fully with CIPFA Treasury Management Code 2011 and compliance with the updated Code will be confirmed in subsequent reports following the publication of CIPFA TM Code guidance. The Council also complies with Guidance on self-financing and the investment guidance issued by CLG. It should be noted that CLG investment guidance is currently being reviewed and an update will be given in subsequent reports.

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

- Training opportunities available to Members and officers

- That those charged with governance are also personally responsible for ensuring they have the necessary skills and training
- A full mid year review of the TMS will be reported in 2018/19

4.12.3The 2018/19 Strategy uses the credit worthiness service provided by Link Asset Services (formerly known as Capita Treasury Solutions) the Council's treasury advisors. This service uses a sophisticated modelling approach which utilises credit ratings from the three main credit rating agencies and is compliant with CIPFA code of practice.

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

4.12.5 The TM limits for 2018/19 (Appendix D) have been reviewed and no changes to these limits are being proposed.

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

5 IMPLICATIONS

5.1 Financial Implications

5.1.1 This report is if a financial nature and outlines the Prudential Code indicators and the principles under which the treasury management functions are managed.

5.2 Legal Implications

5.2.1 Approval of the Prudential Code Indicators and the Treasury Management Strategy is intended to ensure that the Council complies with relevant legislation. At the time of writing updates to the prudential code indicators had not been finalised by CIPFA and as such may be amended/updated in subsequent treasury management reports to ensure the Council complies with best practice (see also section 4).

5.3 Risk Implications

5.3.1 The current policy of not borrowing externally only remains financially beneficial while prevailing differentials between investment income rates and borrowing rates remain, and balances remain buoyant. When this changes, the Council may need to borrow at a higher rate, leading to a significant additional revenue cost in year.

5.2.2 The Council's Treasury Management Strategy is based on limits for counterparties to reduce risk of investing with only a few institutions.

5.2.3 The thresholds and time limits set for investments in the Strategy are based on the relative ratings of investment vehicles and counter parties. These are designed to take into account the relative risk of investments and also to preclude certain grades of investments and counterparties to prevent loss of income to the Council.

5.4 Equalities and Diversity Implications

5.4.2 This report is technical in nature and there are no implications associated with equalities and diversity within this report. In addition the council retains the discretion not to invest in countries that meet the minimum rating but where there are concerns over human rights issues (4.12.6).

BACKGROUND DOCUMENTS

BD1 Annual Treasury Management Review of 2016/17
http://www.stevenage.gov.uk/content/committees/160923/160927/160991/20170228-Item12.pdf

BD2 2017/18 Mid Year Treasury Management Review
http://www.stevenage.gov.uk/content/committees/182083/182095/182099/Council-11-October-2017-Item11.pdf

APPENDICES

A Treasury Management Strategy

B Minimum Revenue Provision Policy

C Prudential Indicators

D Specified and Non-Specified Investment Criteria

E Approved Countries for investment

Appendix A Treasury Management Strategy 2018/19

1. Treasury Management Policy Statement

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

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

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

1.4 This Strategy has been prepared in accordance with the CIPFA Treasury Management Code 2011. This requires the Council to approve the Treasury Management Strategy annually and to produce a mid-year report. In addition, Members in both Executive and Scrutiny functions receive monitoring reports and regular reviews. The aim of these reporting arrangements is to ensure that those with ultimate responsibility for the treasury management function appreciate fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

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

2. Annual Investment Strategy

2.1 The Council is required to prepare an Annual Investment Strategy. The Council has regard to the Department of Communities and Local Government's (CLG) Guidance on Local Government Investments ("the Guidance") issued in March 2004, any revisions to that guidance, the Audit Commission's report on Icelandic investments and the 2011 CIPFA Treasury Management in Public Services Code of Practice and Cross-Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities are: -

(a) the security of capital
(b) the liquidity of its investments.

2.2 The Council also aims to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

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

2.4 The Council only invests in counterparties with a high credit quality in the UK or other countries meeting minimum AA- sovereign rating. The Council understands that changes have taken place to the ratings agencies and that their new methodologies mean that sovereign ratings are now of lesser importance in the assessment process. However, the Council continues to specify a minimum sovereign rating as the underlying domestic and where appropriate, international, economic and wider politicial and social background will still have an influence on the ratings of a financial institution. Specified and Non-Specified Investment criteria reflects the Council's Treasury advisors (Link Asset Services) suggested methodology to assess short and long term ratings for a counterparty. The proposed minimum credit quality criteria for Specified and Non-Specified Investment, together with Treasury Limits are detailed below (a summary of all investment criteria and limits, together with procedures, is provided in Appendix D):

3 Creditworthiness policy

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

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

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

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

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

3.4 The Council also uses the creditworthiness service (Colour Coding System) provided by Link Asset Services. This service has been progressively enhanced over the last year and now uses a sophisticated modelling approach including the credit ratings the all three main rating agencies - Fitch, Moodys and Standard and Poors, forming the core element. However, it does not rely solely on the current credit ratings of counterparties. Additional market information is applied to compare the relative security of differing investment counterparties, such as:

- credit watches and credit outlooks from credit rating agencies
- Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

3.5 This modelling approach combines credit ratings, credit watches, credit outlooks and CDS spreads in a weighted scoring system for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for investments and are therefore referred to as durational bands. It is a service which the Council would not be able to replicate using in house resources

3.6 Credit ratings will be monitored whenever an investment is to be made, using the most recent information. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- If a downgrade results in the counterparty no longer meeting the Council's minimum criteria, no further new investment will be made with that counterparty until they meet the Council's criteria again.

- In addition to the use of Credit Ratings the Council will be advised of information in movements in Credit Default Swap and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list. However, investments already with the counterparty are likely to remain invested as it would be very expensive and potentially impossible to have the funds returned prematurely. However, the Chief Finance Officer will review the risk and penalties involved in order to determine whether an investment should be returned.

3.8 Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data including information on government support for banks and the credit ratings of that government support.

3.9 The Council receives updates from Link on future changes to Money Market Funds (MMF) that might affect the liquidity or risk of the fund. The Council is likely to change its approach to the use of MMF should liquidity or risk be adversely affected.

3.10 The Municipal Bond Agency is currently in the process of being set up and it is likely to be offering loans to local authorities in the near future. It is also hoped that the borrowing rates will be lower than those offered by the Public Works Loans Board (PWLB). The Council intends to make use of this new source of borrowing as and when appropriate.

4 Country limits

4.1 The Council has determined that it will only use approved counterparties from UK or selected countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). This is part of the criteria used to produce the Council's Counterparty List.

5 Current Investments and Interest Rate Forecast

5.1 At the 31 December 2017 the Council had £73.03Million on deposit with various the institutions.

5.2 **Interest Rate Forecast** - The Bank of England base rate remains at 0.5% as at 31 December 2017. Link now forecast that Bank Rate will increase gradually by 0.25% to 0.75% in December 2018 with a further 0.25% increase to 1.00% in December 2019. Current indicative investment rates provided by Link as below:

Investment Rate	
One Month	0.40%
Three Months	0.45%
Six Months	0.55%
One Year	0.70%

Source: Link Asset Services Executive Summary 29/01/2017

The Council has budgeted for investment returns of 0.55% in 2017/18 and is budgeting for returns of 0.7 % in 2018/19.

6 Borrowing Strategy and Policy on Borrowing in Advance of Need

6.1 The Operational Boundary and Authorised Borrowing Limits must be approved as part of the Prudential Code Indicators before the start of each financial year. The revised 2017/18 limits and proposed limits for 2018/19 are:-

	2017/18	2018/19
	£000	£000
Operational Boundary	237,080	243,776
Authorised Limit	246,470	253,166

6.2 Based on the capital programme 2018/19 (February 2018 Update) resourcing projections, the Council has the following new borrowing requirements in 2018/19:

- General Fund £7,636,700. (£2,036,700 in relation to the10 year plan for the garages estates approved by Council on 20 July 2016. £5,600,000 in relation to the Investment Property strategy approved by Council on 17th May 2017.)
- HRA £Nil.

6.3 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

6.4 In determining whether borrowing will be undertaken in advance of need the Council will;

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
- consider the merits and demerits of alternative forms of funding
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

7 End of year investment report

7.1 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Outturn Report.

8 Policy on the use of external service providers

8.1 In July 2016, the Council tendered for its treasury management advisors. As a result of which, Link Asset Services (formerly known as Capita Asset Services) was reappointed on a five year contract. The new contract commenced on 26 October 2016.

8.2 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

8.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

9 Scheme of Delegation and Role of Section 151 officer

9.1 The Council has the role of:

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual strategy.
- approval of/amendments to the organisation’s adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers and agreeing terms of appointment.

9.2 The Audit Committee has the role of reviewing the policy and procedures and making recommendations to Council

9.3 The Section 151 Officer has the role of:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit

- recommending the appointment of external service providers.

9.4 Reporting arrangement to the Council and the Audit Committee is as below:

Area of Responsibility	**Council Committee**	**Frequency**
Treasury Management Policy Statement (revised)	Council	Initial adoption in 2010
Treasury Management Strategy / Annual Investment Strategy / Minimum Revenue Provision (MRP) policy	Council	Annually before the start of the year
Treasury Management Strategy / Annual Investment Strategy / MRP policy – mid-year report	Council	Annually before the end of the year
Treasury Management Strategy / Annual Investment Strategy / MRP policy – updates or revisions at other times	Council	As required.
Annual Treasury Outturn Report	Council	Annually by 30th November
Scrutiny of Treasury Management Strategy	Audit Committee	Annually before the start of the year
Scrutiny of Treasury Management performance	Audit Committee	Quarterly (General Fund updates)

Appendix B (January 2018 Update)

Minimum Revenue Provision Policy

Minimum Revenue Provision Policy Statement 2018/19

Note: The Department for Communities and Local Government (CLG) ran a consultation on revisions to investment guidance and Minimum Revenue Provision (MRP). The outcome from this consultation is still awaited and it may be necessary to take a revised strategy and/or MRP policy to Council at a later date as it is still a requirement for the 2018/19 MRP statement to be approved by Council before 31st March 2018.

The Council implemented the new Minimum Revenue Provision (MRP) guidance in 2009/10. It will assess its MRP for 2018/19 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

From 2013/14, the council has not had a fully funded capital programme, and although there has not been a need to borrow in full externally, due to the use of investment balances, it will be necessary to make adequate provision for the repayment of debt in the form of Minimum Revenue Provision in 2018/19 for the unfunded element of 2013/14 and 2014/15 expenditure. **The preferred method for existing underlying borrowing is Option 3 (Asset Life Method) whereby the MRP will be spread over the useful life of the asset.**

The Council has approved a **Property Investment** Strategy – an investment of £15Million in property funded from prudential borrowing. The MRP calculation will be calculated under **Option 3 (Asset Life Method) and the annuity method** which links the MRP to the flow of benefits from the properties.

The forecast annual MRP for 2017/18 is £654,374 and for 2018/19 is £825,971 based on the February 2018 Capital Strategy Update having the need to borrow for the General Fund.

Additional Information

1. What is a Minimum Revenue Provision (MRP)?

The Minimum Revenue Provision is a charge that Councils which are not debt free are required to make in their accounts for the repayment of debt (as measured by the underlying need to borrow, rather than actual debt). The underlying debt is needed to finance the capital programme. Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It is therefore prudent to charge an amount for the repayment of debt over the life of the asset or some similar proxy figure, allowing borrowing to be matched to asset life. Setting aside an amount for the repayment of debt in this manner would then allow for future borrowing to be taken out to finance the asset when it needs replacing at no incremental cost. The manner of spreading these costs is through an annual Minimum Revenue Provision, which was previously determined under Regulation, and is now determined by Guidance.

2. Statutory duty

Statutory Instrument 2008 no. 414 s4 lays down that:

"A local authority shall determine for the current financial year an amount of minimum revenue provision that it considers to be prudent."

The above is a substitution for the previous requirement to comply with regulation 28 in S.I. 2003 no. 3146 (as amended).

There is no requirement to charge MRP where the Capital Financing Requirement (CFR) is nil or negative at the end of the preceding financial year.

The share of Housing Revenue Account CFR is not subject to an MRP charge.

3. Government Guidance

Along with the above duty, the Government issued guidance which came into force on 31st March 2008 which requires that a Statement on the Council's policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which the provision will relate.

The Council is legally obliged to "have regard" to the guidance, which is intended to enable a more flexible approach to assessing the amount of annual provision than was required under the previous statutory requirements. The guidance offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. The requirement to 'have regard' to the guidance therefore means that: -

Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.

It is the responsibility of each authority to decide upon the most appropriate method of making a prudent provision, after having had regard to the guidance.

The four recommended options are thus:

Option 1: Regulatory Method

Under the previous MRP regulations, MRP was set at a uniform rate of 4% of the adjusted CFR (i.e. adjusted for "Adjustment A") on a reducing balance method (which in effect meant that MRP charges would stretch into infinity).

This historic approach must continue for all capital expenditure incurred in years before the start of this new approach. It may also be used for new capital expenditure up to the amount which is deemed to be supported through the Supported Capital Expenditure (SCE) annual allocation.

Option 2: Capital Financing Requirement Method

This is a variation on option 1 which is based upon a charge of 4% of the aggregate CFR without any adjustment for Adjustment A, or certain other factors which were brought into account under the previous statutory MRP calculation. The CFR is the measure of an authority's outstanding debt liability as depicted by their balance sheet.

This is not applicable to the Council as it is for existing non supported debt

Option 3: Asset Life Method.
This method may be applied to most new capital expenditure, including where desired that which may alternatively continue to be treated under options 1 or 2.

Under this option, it is intended that MRP should be spread over the estimated useful life of either an asset created, or other purpose of the expenditure. There are two useful advantages of this option: -
Longer life assets e.g. freehold land can be charged over a longer period than would arise under options 1 and 2.
No MRP charges need to be made until the financial year after that in which an item of capital expenditure is fully incurred and, in the case of a new asset, comes into service use (this is often referred to as being an 'MRP holiday'). This is not available under options 1 and 2.

There are two methods of calculating charges under option 3:
equal instalment method – equal annual instalments,
annuity method – annual payments gradually increase during the life of the asset.

This is the preferred method as it allows costs to be spread equally over the life of the asset.

Option 4: Depreciation Method
Under this option, MRP charges are to be linked to the useful life of each type of asset using the standard accounting rules for depreciation (but with some exceptions) i.e. this is a more complex approach than option 3.

The same conditions apply regarding the date of completion of the new expenditure as apply under option 3.

This method is not favoured by the Council as if the asset is subject to a downturn in value, then that amount would have to be written off in that year, in addition to the annual charge

4. Date of implementation

The previous statutory MRP requirements ceased to have effect after the 2006/07 financial year. Transitional arrangements included within the guidance no longer apply for the MRP charge for 2009/10 onwards. Therefore, options 1 and 2 should only be used for Supported Capital Expenditure (SCE). The CLG document remains as guidance and authorities may consider alternative individual MRP approaches, as long as they are consistent with the statutory duty to make a prudent revenue provision.

This page is intentionally left blank

Treasury Management Prudential Indicators **Appendix C** 2018/19 Treasury Management Strategy

Capital Expenditure
(Based on Final Capital Strategy: Feb 2018):

	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
	£000	£000	£000	£000	£000	£000	£000
General Fund	25,993	20,932	21,708	16,099	3,970	1,751	1,512
HRA	17,301	17,525	31,355	36,049	31,439	30,922	28,637
Total	**43,294**	**38,457**	**53,063**	**52,148**	**35,409**	**32,673**	**30,149**

Ratio of financing costs to net revenue stream:

	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
	%	%	%	%	%	%	%
General Fund Capital Expenditure	7.13%	7.82%	14.22%	16.08%	16.50%	16.90%	16.36%
HRA Capital Expenditure	15.60%	16.91%	16.94%	16.72%	16.16%	15.33%	14.84%

General Fund: Net revenue stream is the RSG, NNDR grant and Council Tax raised for the year.

HRA: The net revenue stream is the total HRA income shown in the Council's accounts from received rents, service charges and other incomes. The ratio of financing costs to net revenue stream reflects the high level of debt as a result of self financing.

Authorised Limit for external debt

	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
	£000	£000	£000	£000	£000	£000	£000
Borrowing - General Fund	34,485	33,971	40,666	42,251	43,103	42,026	40,950
Borrowing - HRA	217,685	217,655	217,655	217,655	217,655	217,655	217,655
Total	**252,170**	**251,625**	**258,321**	**259,906**	**260,758**	**259,681**	**258,605**

The authorised limit in that it is the level up to which the Council may borrow without getting further approval from Full Council. The Council may need to borrow short term for cash flow purposes, exceeding the operational boundary. The authorised limit allows for £9m headroom. The headroom for the HRA will be reduced if land/assets are transfered to the HRA or if additional borrowing is taken out.

Operational Boundary for external debt

	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
	£000	£000	£000	£000	£000	£000	£000
Borrowing - General Fund	31,985	31,471	38,166	39,751	40,603	39,526	38,450
Borrowing - HRA	210,765	211,209	211,209	211,209	211,209	211,209	211,209
Total	**242,750**	**242,680**	**249,376**	**250,961**	**251,812**	**250,736**	**249,660**

The operational boundary differs from the authorised limit in that it is the level up to which the Council expects to have to borrow. The Council may need to borrow short term for cash flow purposes, exceeding the operational boundary. The operational boundary allows for £1m headroom in addition to our capital plans.

Gross & Net Debt

	31-Mar-18	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23
	Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
	£000	£000	£000	£000	£000	£000	£000
Gross External Debt - General Fund	18,186	12,516	18,389	20,692	22,284	22,021	21,758
Gross External Debt - HRA	202,433	206,174	206,174	206,174	206,174	206,174	206,174
Gross External Debt	**220,619**	**218,690**	**224,563**	**226,866**	**228,458**	**228,195**	**227,932**
Less Investments	(57,233)	(62,434)	(45,563)	(37,038)	(31,479)	(29,756)	32,678
Net Borrowing	**163,386**	**156,256**	**179,000**	**189,828**	**196,979**	**198,439**	**260,610**

The Gross External Debt is the actual debt taken out by the Council plus any relevant long term liabilities. The Gross External Debt should not exceed the Operational Boundary for external debt. For 2020/21 £12.595M is required to be borrowed - this is an estimated loan

The Net Borrowing is defined as gross external debt less investments. The net borrowing requirement may not, except in the short term, exceed the total capital financing requirement in the preceding year, plus the estimates of any additional financing.

Capital Financing Requirement (CFR)

	31-Mar-18	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23
	Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
	£000	£000	£000	£000	£000	£000	£000
Capital Financing Requirement GF	29,485	28,971	35,666	37,251	38,103	37,026	35,950
Capital Financing Requirement HRA	208,265	208,709	208,709	208,709	208,709	208,709	208,709
Total Capital Financing Requirement	**237,750**	**237,680**	**244,376**	**245,961**	**246,812**	**245,736**	**244,660**

The Capital Financing Requirement (CFR) reflects the amount of money the Council would need to borrow to fund it's capital programme. This is split between the Housing Revenue Account CFR (HRACFR) and the General Fund CFR (GFCFR).

Incremental Impact on Capital Investment Decisions

This indicator will not be a statutory requirement under the revised Prudential Code.

	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
	£000	£000	£000	£000	£000	£000	£000
Increase (Decrease) in Council Tax (band D)	0.00	0.00					
Increase (Decrease) in average rent per week	0.01	0.01					

Upper limit for fixed interest rate exposure

This indicator will not be a statutory requirement under the revised Treasury Mangement Code. It is shown here until the implimentation date of the new Code is confirmed.

	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
	£000	£000	£000	£000	£000	£000	£000
Fixed Rate Borrowing - General Fund	34,485	33,971	40,666	42,251	43,103	42,026	40,950
Fixed Rate Borrowing - HRA	217,685	217,655	217,655	217,655	217,655	217,655	217,655
Fixed Rate Investments	100%	100%	100%	100%	100%	100%	100%
Net Fixed Rate Borrowing	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

Upper limit for variable interest rate exposure

This indicator will not be a statutory requirement under the revised Treasury Mangement Code. It is shown here until the implimentation date of the new Code is confirmed.

	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
	£000	£000	£000	£000	£000	£000	£000
Variable rate borrowing - General Fund	34,485	33,971	40,666	42,251	43,103	42,026	40,950
Variable rate borrowing - HRA	217,685	217,655	217,655	217,655	217,655	217,655	217,655
Gross Variable Rate	**252,170**	**251,625**	**258,321**	**259,906**	**260,758**	**259,681**	**258,605**
Variable rate investments	100%	100%	100%	100%	100%	100%	100%

Upper limit for total principal sums invested for over 364 days

This indicator will not be a statutory requirement under the revised Treasury Mangement Code. It is shown here until the implimentation date of the new Code is confirmed.

	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Revised Mid Yr review 17-18	Revised Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec	Updated Feb 18 Exec
	£000	£000	£000	£000	£000	£000	£000
Sums invested for over 364 days	10,000	10,000	10,000	10,000	10,000	10,000	10,000

Gross Debt & CFR for 2018/19 Estimated

	GF	HRA	Total
	Estimate	Estimate	Estimate
	£000	£000	£000
Opening balance for 2018/19 CFR plus estimates of additional capital financing requirement for the current and the next two financial year	38,103	208,709	246,812
Estimated Gross Debt 2018/19	18,389	206,174	220,860

Actual Gross Debt is the actual borrowing for any purpose plus other relevant long-term liabilities. It should not, except in the short term, exceed the CFR in the previous year plus the estimates of any increase in the CFR at the end of the current and next two financial years. If in any of these years, there is a reduction in the CFR, this reduction is ignored in estimating the cumulative increase in the CFR which is used for this comparison with external debt.

This page is intentionally left blank

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

Table 1

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

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

Table 2

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

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

Please Turn Over

Table 3 **Treasury Limits**

Investment Instrument	Cash balances less than £30Million	Cash balances higher that £30Million
	Limits	Limits
Variable Rate Investments (Excluding Enhanced Cash Funds)	Maximum holding £30M	Maximum holding 100%
Counterparty limits (to encompass all forms of investment)	Maximum £5M	Maximum £8M
Instant Access Or Overnight Deposit	Maximum holding 100%	
Fixed Rate less than 12 month maturity	Maximum holding 100%	
Fixed Rate more than 12 months to maturity (includes all types of Fixed Rate Investments i.e. Certificates of Deposits)	Maximum £5M	Maximum £10M
Money Market Funds - Traditional Instant Assess (Counterparty Limit per Fund)	Maximum £5M per MMF	Maximum £8M per MMF
	No limit on total cash held	
Enhanced Cash Funds	Maximum £3M	
Certifcates of Deposits	Maximum £5M	
Property Funds	Maximum of £3M - No durational limit. Use would be subject to consultation and approval	

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

APPENDIX E: Approved Countries (with Approved counterparties) for Investments (January 2018)

Based on lowest available rating

AAA

- Australia
- Canada
- Denmark
- Germany
- Netherlands
- Singapore
- Sweden
- Switzerland
- U.S.A.

AA+

- Finland

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Qatar

The UK is exempt from the sovereign rating criteria as recommended by Capita

The above list includes the possible countries the Council may invest with. Not all of these countries are used or will be used in treasury management investments

By virtue of paragraph(s) 1, 2, 3, 4, 5, 6, 7, 7a, 7b, 7c of Part 1 of Schedule 12A of the Local Government Act 1972.

Agenda Item 11

Document is Restricted