

# Public Document Pack



## EXECUTIVE

**Date: Wednesday, 23 January 2019**

**Time: 2.00pm,**

**Location: Shimkent Room, Daneshill House, Danestrete**

**Contact: Ian Gourlay (01438) 242703**

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

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## AGENDA

### PART 1

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

**2. MINUTES - 12 DECEMBER 2018**

To approve as a correct record the Minutes of the meeting of the Executive held on 12 December 2018 for signature by the Chair.

Pages 3 – 8

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

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

Overview & Scrutiny Committee – 26 November 2018

Environment & Economy Select Committee – 3 December 2018

Overview & Scrutiny Committee – 13 December 2018

Pages 9 – 24

**4. FINAL HOUSING REVENUE ACCOUNT (HRA) AND RENT SETTING REPORT 2019/20**

To consider a report for recommendation to Council concerning the 2019/2020 Housing Revenue Account and Budget.

Pages 25 – 108

**5. COUNCIL TAX BASE 2019/20**

To consider and approve the Council Tax Base 2019/20.

Pages 109 – 114

**6. DRAFT GENERAL FUND AND COUNCIL TAX SETTING 2019/20**

To consider the Draft General Fund and Council Tax Setting for 2019/20.

Pages 115 – 216

**7. DRAFT CAPITAL STRATEGY 2018/19 - 2023/24**

To consider a report that includes proposals for revisions to the 2018/19 General Fund and Housing Revenue Account Capital Programme and the draft Capital Programme for 2019/20 for consideration by the Overview & Scrutiny Committee.  
Pages 217 – 264

**8. POTENTIAL IMPACT OF THE UK'S WITHDRAWAL FROM THE EUROPEAN UNION**

To update Members on the potential impact on Stevenage and Stevenage Borough Council in the event of a 'no deal' European Union (EU) Exit, and to advise Members of ongoing planning activities and future work required to mitigate the impact.

Pages 265 – 278

**9. URGENT PART I BUSINESS**

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

**10. EXCLUSION OF PRESS AND PUBLIC**

To consider the following motions –

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

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

**11. PART II MINUTES - EXECUTIVE - 12 DECEMBER 2018**

To approve as a correct record the Part II section of the minutes of the meeting of the Executive held on 12 December 2018.  
Pages 279 - 280

**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, 23 January 2019 – <http://www.stevenage.gov.uk/have-your-say/council-meetings/161153/>**

## STEVENAGE BOROUGH COUNCIL

### EXECUTIVE MINUTES

**Date: Wednesday, 12 December 2018**

**Time: 2.00pm**

**Place: Shimkent Room, Daneshill House**

**Present:** Councillors: Sharon Taylor OBE CC (Chair), Mrs Joan Lloyd (Vice-Chair), Rob Broom, John Gardner, Richard Henry, Jackie Hollywell, Ralph Raynor and Jeannette Thomas.

**Start / End Time:** Start Time: 2.00pm  
End Time: 3.40pm

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

No apologies for absence were received.

The Chair (Councillor Sharon Taylor) declared an interest in Item 4 – Draft Housing Revenue Account (HRA) Rent Setting and Budget Report 2019/20, as her daughter worked in the SBC Housing & Investment Business Unit. She considered that this was not a prejudicial interest and that she would therefore be remaining in the meeting for the duration of that item.

#### 2 **MINUTES - 21 NOVEMBER 2018**

It was **RESOLVED** that, subject to the addition of the word “taken” between the words “been” and “on” in the final line of the first paragraph of Minute 9 – Urgent Part I Business: Stevenage Local Plan, the Minutes of the meeting of the Executive held on 21 November 2018 be approved as a correct record for signature by the Chair.

#### 3 **MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE AND SELECT COMMITTEES**

The Leader was generally pleased with the recommendations of the Community Select Committee regarding the Resident Engagement Review, although she questioned the suggested change in name of the Neighbourhood Wardens to Community Engagement Officers, and had discussed this matter with the Portfolio Holder for Neighbourhoods and Co-operative Working and Assistant Director (Communities and Neighbourhoods).

It was **RESOLVED** that the Minutes of the following meetings of the Overview & Scrutiny Committee and Select Committees be noted –

Community Select Committee – 7 November 2018

Environment & Economy Select Committee – 12 November 2018

Overview & Scrutiny Committee – 14 November 2018

4 **DRAFT HOUSING REVENUE ACCOUNT (HRA) RENT SETTING AND BUDGET REPORT 2019/20**

The Executive considered a report updating Members on the draft proposals on the Housing Revenue Account (HRA) budgets and rent setting for 2019/20, to be considered by the Council on 30 January 2019; proposing the HRA rents and service charges for 2019/20; and incorporating the options, fees and charges included in the Financial Security report agreed by the Executive at its November 2018 meeting, together with any revised income and expenditure assumptions identified since that report.

The Portfolio Holder for Resources advised that this was the final year of the four year 1% rent reduction implemented by the Government, which resulted in an estimated £5.8Million loss of rental income in 2019/20. The average rent for social and affordable housing for 2019/20 was £94.79 and £158.61 per week (based on a 52 week rent year). The 87 Low Start Shared Ownership (LSSO) properties would have a £3.86 or 3.4% increase per week in 2019/20 giving an average rent of £117.41.

The Portfolio Holder for Resources stated that there were 2,902 properties (subject to right to buys) which received service charges and 35% or 1,008 would receive a service charge reduction and that there were only 30 properties with an increase of over £4.50. Adding service charges to the rent reduction there were 136 properties with an increase of more than £3.50, which included the 87 LSSO's. There were 20 properties with an increase between £4.00 - £4.99. This mainly related to changes in block repair costs.

The Portfolio Holder for Housing, Health and Older People commented that the 2019/20 HRA budgeted spend had increased by £450,000, due to the funding of two Growth items agreed at the Executive meeting held on 21 November 2018. The revised HRA year end balance for 2019/20 was estimated to be £11,258,130.

It was **RESOLVED:**

1. That the HRA dwelling rents not subject to the 1% rent reduction (currently Low Start Shared Ownership – LSSOs) be increased, from the week commencing 1 April 2019, by 3.4% i.e. £3.86 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 2018 Council meeting.
2. That it be noted that the HRA dwelling rents (other than those outlined in Resolution 1. above) are subject to the 1% rent reduction from the week commencing 1 April 2019, or £0.96 or £1.60 per week for social and affordable rents respectively, as outlined in the Government's Welfare and Reform Act 2016.
3. That the draft HRA budget be approved, as set out in Appendix A to the report. This may be subject to change as a result of consultation and the finalisation of recharges from the General Fund.

4. That the final HRA rent setting budget for 2019/20 be presented to the Executive on 23 January 2019 and then the Council on 30 January 2019.
5. That key partners and other stakeholders be consulted and their views fed back into the 2019/20 budget setting process.

*Reason for Decision: As contained in report.*

*Other Options considered: As contained in report.*

## 5 **TOWN CENTRE REGENERATION UPDATE**

The Executive considered a report which provided an update on the regeneration projects taking place in Stevenage Town Centre, and which sought an in principle agreement for the funding and design of a new bus interchange; approval to develop a business case and timetable for the development of enhanced leisure facilities; and approval to undertake an options appraisal for the Stevenage Arts and Leisure Centre.

The Portfolio Holder for Environment and Regeneration referred to the exceedingly popular transformation of Market Place and the progressing of the Queensway North development scheme. The proposed new Stevenage bus interchange would need to be agreed early in 2019 in order for its relocation to take place ahead of its current site being needed for the SG1 development.

An additional recommendation was agreed, requesting the Leader and Chief Executive to raise the matter of the continued delay in Growth Deal 3 funding with representatives of the Ministry of Housing, Communities and Local Government (MHCLG) as part of their scheduled meeting in London on 19 December 2018.

A further additional recommendation was agreed to ensure that the most appropriate procurement method was used for the new Bus Station project.

The Strategic Director (TP) was requested to establish a Member Advisory Group regarding the composition and design of the proposed Public Sector Hub in the Town Centre.

The Leader requested the Strategic Director (TP) to pass on the appreciation of the Executive to officers in the Regeneration Team for their continued sterling work on the regeneration of the town centre.

It was **RESOLVED:**

1. That the progress on regeneration activity across the town be noted.
2. That the delay in accessing Growth Deal 3 funding that has been allocated to Hertfordshire Local Enterprise (LEP) to support the regeneration of Stevenage Town Centre, and the potential implications of this delay continuing, be noted.

3. That the proposed approach to development and consultation for a new bus interchange be agreed.
4. That it be agreed to proceed with the next stages of the bus interchange project, with an estimated cost in the region of £6.1M, and that Officers be requested to bring forward funding options in the draft Capital Strategy in January 2019 should Growth Deal 3 funding continue to be delayed. This assessment should set out the implications of prioritising this infrastructure and the mitigation available.
5. That authority for the necessary purchase or lease of land, together with resolution of any current lease and restrictive covenant and other legal issues to enable the site to be assembled, be delegated to the Strategic Director (TP), having consulted with the Portfolio Holder for Environment and Regeneration.
6. That delegated authority be sought from Hertfordshire County Council for Stevenage Borough Council to make Traffic Regulation Orders in order to facilitate the delivery of a new bus interchange facility.
7. That authority be delegated to the Strategic Director (TP), having consulted with the Portfolio Holder for Environment and Regeneration, to authorise the sealing of the Traffic Regulation Orders following the consultation period and consideration/resolution of any objections received.
8. That the development of a business case and associated timetable for the development of a new and enhanced leisure facility to be located on St. George's Way be approved.
9. That the undertaking of an options appraisal for the Stevenage Arts & Leisure Centre, with a view to developing the theatre and cultural offer within the town centre, be approved.
10. That the Leader and Chief Executive be requested to raise the matter of the continued delay in Growth Deal 3 funding with representatives of the Ministry of Housing, Communities and Local Government as part of their scheduled meeting in London on 19 December 2018.
11. That the quickest appropriate procurement method be used to select a contractor to deliver the new Bus Station project.

*Reason for Decision: As contained in report; 10. To press the MHCLG for the release of Growth Deal 3 funding; and 11. To ensure the swift delivery of the Bus Station project.*

*Other Options considered: As contained in report.*

## 6 **CORPORATE PERFORMANCE FOR QUARTER TWO 2018/19**

The Executive considered a report which highlighted the Council's performance across key priorities and themes for Quarter Two 2018/19.

The Chief Executive gave a presentation on the report, and drew attention to the two Future Town, Future Council (FTFC) Programme and eight Corporate Performance measures at red status, together with improvement activities for each of these measures, as set out in the report.

The following issues were raised by Members:

- The Assistant Director (Finance and Estates) was requested to ensure that the Customer Care Training Programme was rolled out to the Shared Revenues and Benefits Team;
- Volunteers – it be made clear that the role carried out by volunteers (such as the Green Space Volunteers) was additional to the work of the Council’s paid employees;
- Executive Members be provided with details of the extent of the usage of Agency staff by the Stevenage Direct Services Business Unit;
- Executive Members be provided with clarification of Paragraph 3.42 of the report;
- The Portfolio Holder for Housing, Health and Older People and Assistant Director (Housing & Investment) were requested to consider the proposed renaming of the Housing Advice and Homelessness Team.

It was **RESOLVED**:

1. That the delivery of priorities which form the Future Town, Future Council Programme and performance of the Council across the key themes for Quarter Two 2018/19, together with the latest achievements, be noted.
2. That the review of contractual arrangements for the management of health and safety compliance and measures implemented to ensure regulations continue to be met be noted and endorsed (Paragraphs 3.88 to 3.91 of the report).
3. That the resource planning implemented to provide a sustainable solution to meeting the level of customer contacts through the Customer Service Centre and provide a more consistent level of service to customers be noted and endorsed (Paragraphs 3.107 to 3.113).
4. That the improvements in sickness management practice be noted and endorsed (Paragraphs 3.122 to 3.127).

*Reason for Decision: As contained in report.*

*Other Options considered: As contained in report.*

## 7 **URGENT PART I BUSINESS**

None.

8 **EXCLUSION OF PRESS AND PUBLIC**

It was **RESOLVED**:

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

9 **PART II MINUTES - EXECUTIVE - 21 NOVEMBER 2018**

It was **RESOLVED** that the Part II Minutes of the meeting of the Executive held on 21 November 2018 be approved for signature by the Chair.

10 **WEST OF STEVENAGE DEVELOPMENT**

The Executive considered a Part II report which advised Members of the current position of negotiations relating to West of Stevenage and which sought approval to progress the next stage of this strategic residential development.

A clearer version of Appendix B to the report was tabled at the meeting.

Members considered that further context and clarification of a number of issues raised in the report would be required before an informed decision could be made on this item.

It was **RESOLVED** that the item be deferred, and an expanded and amended report be considered by the Executive at its next meeting on 23 January 2019.

*Reason for Decision: In order to provide Members with more context and clarification of the issues raised in the report.*

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

11 **URGENT PART II BUSINESS**

None.

**CHAIR**



STEVENAGE BOROUGH COUNCIL

## OVERVIEW AND SCRUTINY COMMITTEE MINUTES

Date: Monday, 26 November 2018

Time: 6.00pm

Place: Shimkent Room - Daneshill House, Danestrete

**Present:** Councillors: Lin Martin-Haugh (Chair), Philip Bibby CC (Vice-Chair), Sandra Barr, Jim Brown, Michael Downing, Jody Hanafin, Michelle Gardner, Lizzy Kelly, John Mead, Sarah Mead, Adam Mitchell CC, Robin Parker CC and Sarah-Jane Potter.

**Start / End Time:** Start Time: 6.00pm  
End Time: 8.25pm

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

Apologies for absence were received from Councillor James Fraser.

Councillor Michael Downing declared an interest in Agenda Item 2.8 – Smart Choices, Better Places: A Transport Strategy for Stevenage as Chair of the Bus User Group in Stevenage (BUGS).

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

This report had not been circulated to Members five clear days before the meeting nor had it been made available for public inspection. The Chair determined however that given the short time left before the end of the call-in period on 30 November it be considered on this occasion.

#### **Minutes – Overview and Scrutiny Committee and Select Committees**

The Committee noted the comments of the Executive.

#### **Housing Revenue Account Medium Term Financial Strategy (2018/19 – 2022/23) and Business Plan Update**

The Chief Executive gave a presentation to the Committee on the key aspects of the Housing Revenue Account 2018/19 – 2022/23.

In response to a question, the Chief Executive advised that although Government policies would change over the time, the 30 year plan was necessary from a financial modelling perspective given the need to plan for matters such as product lifecycle replacement (from decent homes works to the replacement of roofs etc.) and new housing schemes. He confirmed that this was best practice rather than a legal requirement.

A question was asked regarding the recharge costs for leaseholders as a result of the Major Refurbishment Contract (MRC) for the Flat Blocks in the Town. Officers advised that calculations were being prepared and that estimates of the recharges would be made known to the leaseholders but would be dependent on the works required to their individual flat blocks. On average the estimated recharge would be a 10<sup>th</sup> of the cost of the works. The costs of retro fitting sprinklers would not be recovered from the leaseholders.

It was noted that the Council would no longer be limited to the borrowing cap that existed now but that the Council would have to be able to finance any debt it accrued.

### **2018/19 Mid-Year Treasury Management Review**

The Chief Executive updated members on the Treasury Management activities and the effectiveness of the Treasury Management and Investment Strategy for 2018/19.

Members were pleased to note the change in the way of reporting on the level of reserves held by the Council and asked that this be used in all public documents in future as it was much clearer to understand.

In response to questions, the Chief Executive confirmed that all Investments detailed in Appendix B to the report were in Sterling. He also agreed to ask the Assistant Director (Finance and Estates) to confirm details of the Broker used by the Council and how much the Council spent on an annual basis on debt servicing the Council's portfolio.

### **Statement of Community Involvement (SCI)**

The Planning Policy Manager informed Members of the key outcomes of the public consultation on the draft SCI.

It was noted that seven responses had been received by the Council mainly with general comments. A summary of the responses were provided for Members. Minor amendments had been made to the SCI as a result of the responses in relation to rights of appeal and the Local Government Ombudsman.

Members expressed disappointment with the level of responses but it was agreed that it was difficult to raise public interest if the subject did not personally affect them.

In response to a question, officers agreed to send out individual replies to those who had responded to the consultation.

### **Community Centres Review – Direction of Travel Report**

The Community Development Manager reported on the first stage of the review of Council owned community centres operating across the Town.

Members were keen that the emphasis of the review should be to work co-operatively with the community associations.

The officer confirmed that the consultation process would be by way of public consultation with local groups of interest, roadshows and the Youth Council. 50% of the consultation events would take place in the evening to seek to engage as many local people and organisations as possible. The consultation events would be publicised in a range of ways including leaflet drops and social media. Consideration would also be given to publicising the consultation programme via the Chronicle and in the local press.

It was confirmed that the local ward Councillors would be included in any part of the review affecting their areas.

### **Smart Choices, Better Places: A Transport Strategy for Stevenage**

Members were provided with an update on progress made in preparing a Transport Strategy for Stevenage.

It was noted that there would be a change in title of the Strategy which would be agreed by the Leader and the Portfolio Holder for Economy, Enterprise and Transport.

Members were pleased that the Strategy would soon be available and hoped that the issues raised relating to the state of the roads, footpaths and underpasses and the status of cycleways would be addressed. Mobility scooter access was also an issue which would be included in the review.

It was also noted that individual responses from consultees would be responded to.

### **3 URGENT PART I DECISIONS AUTHORISED BY THE CHAIR OF OVERVIEW AND SCRUTINY COMMITTEE**

None.

### **4 URGENT PART 1 BUSINESS**

#### **Stevenage Local Plan**

The Strategic Director advised that, through previous correspondence, the Ministry of Housing, Communities and Local Government (MHCLG) had stated that a decision would be taken in respect of the holding direction on the Stevenage Local Plan by 13 November 2018. However, as at 26 November 2018, no written response had been provided by the MHCLG and the holding direction remained in effect. Stevenage Borough Council officers had maintained regular contact with the MHCLG over recent weeks, but no decision had been formally taken on this matter by the Secretary of State.

Accordingly, a letter had been despatched to the MCHLG demanding an urgent face to face meeting with the Secretary of State to seek to positively resolve this matter. The Council had requested a response by no later than 30 November 2018 to avoid the need for more formal legal routes to be considered.

5 **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 Schedule 12A of the Act, as amended by SI 2006 No. 88.
2. That having considered the reasons for the following items being in Part II, it be determined that maintaining the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.

6 **PART II 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 30 November 2018 it be considered on this occasion.

Members asked a number of detailed questions about the report which were answered by officers.

It was **RESOLVED** that the following Part II decisions of the Executive be noted:

- Part II Decisions of the Executive – 3 October 2018
- Business Technology Centre Management Contract 2019 – 24
- Financial Security Options 2019/20 – 2021/22

7 **URGENT PART II DECISIONS AUTHORISED BY THE CHAIR OF THE OVERVIEW AND SCRUTINY COMMITTEE**

None.

8 **URGENT PART II BUSINESS**

None.

**CHAIR**

## STEVENAGE BOROUGH COUNCIL

### ENVIRONMENT & ECONOMY SELECT COMMITTEE MINUTES

Date: Monday, 3 December 2018

Time: 6.00pm

Place: Shimkent Room - Daneshill House, Danestrete

**Present:** Councillors: Michael Downing (Chair), Lloyd Briscoe, Jim Brown, David Cullen, James Fraser, Lizzy Kelly, Sarah-Jane Potter and Simon Speller

**Start / End** Start Time: 6.00pm  
**Time:** End Time: 7.15pm

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

Apologies for absence were received from Cllr M Hurst, A McGuinness and A Mitchell.

There were no declarations of interest.

#### 2 **MINUTES - 12 NOVEMBER 2018**

It was **RESOLVED** that the Minutes of the Environment and Economy Select Committee meeting held on 12 November 2018 be approved as a correct record and signed by the Chair.

#### 3 **UPDATE ON EXECUTIVE MEMBER RESPONSE TO INDOOR MARKET SCRUTINY REVIEW**

The Assistant Director (Stevenage Direct Services) provided an update on the Executive Member response to the Indoor Market Scrutiny Review. The Principal Recommendation was to request officers to engage an external company to carry out market research in order to find out what kind of market offer is required by the Town in the long term. Members were informed that quotations for the market research were expensive. The Council had commissioned the cost effective option of a feasibility study for future business development options or diversification through a specialist company called Spacemakers. Spacemakers have delivered a number of projects across the Greater London Authority and had delivered the transformation project for the Brixton Market.

A draft report had been received from Spacemakers and this was now under consideration. Members were informed that Stevenage Direct Services was working in collaboration with Regeneration and Communities and Neighbourhoods on future plans for the Indoor Market.

Members indicated that future plans for the Indoor Market must take into consideration the changing demographics of the Town and workers who commute to

the town. The Assistant Director confirmed that Spacemakers had been contracted to look at the options for the Indoor Market. The Indoor Markets team appreciated the different location and clientele settings for Brixton and Stevenage.

Officers had followed up on the short term recommendation to approach retailers to see what incentives would be required to restore access to the multi-storey car park. Retailers had not responded to invitations to make proposals regarding access to the Indoor Market. Retailers appeared not to have an appetite to reinstate public access to the Indoor Market. It was noted that retailers did not appear to have an appetite to reinstate public access due to previous shoplifting cases related to the access. The Council will continue to engage the retailers on this issue using all options including discussions relating to regeneration. Members were informed that significant public realm works had been completed at Market Place and Park Place and this would hopefully improve access routes for all Indoor Market customers. The Portfolio Holder (Resources) also highlighted the issue of step access to the Indoor Market.

With regard to the recommendation to improve the fabric of the building, it was indicated that officers were appraising potential options to improve the fabric of the market building. Findings and recommendations arising from the Spacemakers report will be incorporated into a business plan. This will be used to support a future capital bid for works to upgrade the internal fabric of the indoor market. It was noted that improvements had been done on the building in the past. Members highlighted the inconsistencies in stall design features. It was reported that due to financial constraints, all capital bids had to be supported by a business case. Projects were funded in accordance with business case priority.

After initially taking a more robust line with operating hours, and after taking into consideration feedback from traders, the Council is now reviewing this stance with a view of introducing some degree of flexibility to opening times. Members highlighted the change in shopping habits and the variety of shopping options available to customers. Members were informed that there was an even split between traders who preferred the current arrangement of fixed opening times on four days and those who in favour of flexible working hours. Security arrangements will be a key factor in determining the future schedule for the Indoor Market.

Members were informed that Town Centre and Indoor Market events are aligned to the free parking sessions provided by the Council. The 30 minute parking pilot is still in place. The Council is currently drafting a Parking Strategy. The Council had not carried out an analysis to determine whether the free parking spaces had boosted sales at the indoor market. Plans are in place to have a public mobile Wi-Fi network in the Town Centre. This will enable the Council to get estimates of the number of visitors to the market. It was noted that the free parking provision is not an incentive for those customers that rely on public transport. In response to a question, the Assistant Director stated that the Council is considering options such running a community transport service to the Indoor Market, public transport drop off points close to the Indoor Market and offering discounts and vouchers that can be used at the Indoor Market.

The Council recommendation to co-ordinate town centre and indoor market events is

being implemented in full. There is an annual town centre programme of events that includes specific market focussed events. Traders continue to have access to a marquee for promotion of the Indoor Market and free town centre pitch licences. It was pointed out that some continental traders were reluctant to set up stalls in the town centre due to concerns about business prospects. The Portfolio Holder indicated that play centre facilities at Market Place and Park Place were likely to attract customers to the Indoor Market. It was noted that trade in the Indoor Market could be boosted by the two access points to Market Place and Park Place.

The Indoor Market team is committed to attracting a wide diversity of traders at the market. The Council still holds regular meetings with the indoor market traders regarding publicity and other issues. Members were informed that the current group of traders were of a mixed age profile. A number of senior traders had retired in recent months but a significant number of stalls were being run by young traders. Initiatives such as the 28-day licence were in place to attract new and young traders to the market.

Officers had considered the recommendation to offer staggered rents for new traders. It was concluded that the option was not viable due to the complexity and variety of trading scenarios. Businesses that may be experiencing financial problems can apply for the struggling trader rate. If trading accounts confirm feasibility issues, a trader will be offered up to six months reduced rents. The casual trader option has been rebranded as "Pop Up Stalls". This option is proving to be popular with traders. Members were informed that on average, the reduced rate was one-third cheaper than the unsubsidised rate over a six-month period. Current indoor market rents were still below rates that were payable before the introduction of rent cuts in 2011. The reduced rent option had been beneficial to traders and it had enabled some traders to grow and set up stand-alone shops in the town centre and elsewhere in the town. Members suggested that Indoor Market plans be aligned to the Co-operative Council agenda. In addition to financial considerations, the Council should also take into account the social benefits of the market. It was noted that the Indoor Market could potentially provide opportunities for small franchises and some young traders who were currently operating from private properties. The Assistant Director acknowledged that the Indoor Market would benefit from projects related to the Borough's cultural strategy and the strengthening of links with the Business and Technology Centre (BTC) and collateral business opportunities.

Members were informed that officers consult traders from different markets and settings for best practice advice. The Council continues to benefit from new advice and innovative solutions from the National Association of British Market Authorities (NABMA) and similar organisations.

It was indicated that officers are currently considering options for alternative uses of void spaces. The options included setting up art, craft demonstrations and cake stalls next to food and drink stalls. A BTC-based business support social enterprise (Wenta) will hold business advice clinics at the Indoor Market for one day a month from January 2019. A number of new traders have been secured since the last review.

Members were informed that with regard to:

- a) Long Term Recommendation 1 – The relocation of the Indoor Market is currently not considered to be a viable option. The recommendation will continue to be reviewed as plans for the town centre regeneration develop. Traders had also expressed concerns about the current location of the market. It was acknowledged that the Indoor Market was isolated from major business activities in the town centre. Some traders had suggested that the market be relocated to a more central and easily accessible location in town centre. The Assistant Director informed the Committee that the Council also had to take into consideration the views of investors on the location of the Indoor Market. The Council had introduced initiatives such display boards in the town centre and at the market and a dedicated website for the indoor market as a way of boosting trade.
- b) Long Term Recommendations 2 – An alternative location for a smaller reconfigured indoor market has not been identified or considered viable at this point. It was noted that having permanent stalls in the town centre arcade would provide direct competition to the current indoor market traders and this would make the indoor market less viable. Town centre regeneration is likely to bring new opportunities for indoor market traders. Members suggested that the recommendation be revisited after the town centre regeneration.
- c) Long Term Recommendations 3 – The Council has not considered the option to approach an independent company to administrate the indoor market on a commercial basis. It was agreed that an independent market administration company would drive hard to maximise profits and not give as much attention to social benefits of the market. The Assistant Director confirmed that the Council will review the applicability of this option in future.

It was **RESOLVED**:

- 1. That the Executive Member response be noted
- 2. That an update on the Spacemakers Indoor Market feasibility study and proposed upgrades to the Indoor Market be provided to the Economy and Environment Select Committee after an officer review of the report

4 **URGENT PART 1 BUSINESS**

None.

5 **EXCLUSION OF PUBLIC AND PRESS**

Not required.

6 **PART II MINUTES - 12 NOVEMBER 2018**

It was **RESOLVED** that the Part II Minutes of the Environment and Economy Select Committee meeting held on 12 November 2018 be approved as a correct record and signed by the Chair subject to amending the date of the Environment and Economy



Select Committee meeting from Monday 3 October 2018 to Monday 12 November 2018.

7 **URGENT PART II BUSINESS**

None.

**CHAIR**

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## STEVENAGE BOROUGH COUNCIL

### OVERVIEW AND SCRUTINY COMMITTEE MINUTES

Date: Thursday, 13 December 2018

Time: 6.00pm

Place: Shimkent Room - Daneshill House, Danestrete

**Present:** Councillors: Lin Martin-Haugh (Chair), Philip Bibby CC (Vice-Chair), Sandra Barr, Jim Brown, Michael Downing, Jody Hanafin, Michelle Gardner, Lizzy Kelly, John Mead, Adam Mitchell CC and Robin Parker CC.

**Start / End Time:** Start Time: 6.00pm  
End Time: 8.00pm

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

Apologies for absence were received from Councillors J Fraser and S Mead.

Councillor M Downing made a declarable interest in Item 5 of the Executive Notice of Decisions (Town Centre Regeneration Update) as Chair of the Bus Users Group.

There were no other declarations of interest.

#### 2 **MINUTES - OVERVIEW AND SCRUTINY COMMITTEE 14 NOVEMBER 2018**

It was **RESOLVED** that the Minutes of the Overview and Scrutiny Committee (sitting as a Select Committee) held on 14 November 2018 are approved as a correct record and signed by the Chair.

#### 3 **MINUTES - OVERVIEW AND SCRUTINY COMMITTEE 26 NOVEMBER 2018**

It was **RESOLVED** that the Minutes of the Overview and Scrutiny Committee held on 28 November are approved as a correct record and signed by the Chair.

#### 4 **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 20 December it be considered on this occasion.

#### **Minutes – Overview and Scrutiny and Select Committees**

In reply to a Member question the Committee was advised that following discussion between the Portfolio Holder for Neighbourhoods and Co-operative Working and the Assistant Director (Communities and Neighbourhoods) the suggested change of title for the Neighbourhood Wardens would not go ahead.

## **Draft Housing Revenue Account (HRA) Rent Setting and Budget Report**

The Assistant Director Finance and Estates presented the report to the Committee.

The Committee was advised that any comments made on the report would be fed back to the next meeting of the Executive prior to the report being presented to Council at the end of January.

In reply to Member comments concerning the level of leaseholder satisfaction with service charges the Committee was advised that a review of service charges was scheduled to be undertaken in 2019/2020 with a view to implementing and resultant changes in 2020/2021.

In reply to a Member question about possible outcomes of the service charge review the Committee was advised that it was impossible to prejudge any outcome at this stage, although part of the remit of the review would include ensuring transparency so that those paying service charges would know exactly what the charges covered.

Following a discussion of the impact of the centrally imposed 1% rent reduction and in response to a Member request the Assistant Director Finance and Estates undertook to circulate a paper detailing the Government's reasons for the four year 1% rent reduction.

## **Town Centre Regeneration Update**

Councillor M Downing advised of a declarable interest in this item as the Chair of the Bus Users Group.

The Strategic Director (TP) Assistant Director Regeneration and Assistant Director Communities and Neighbourhoods presented an update on the Town Centre Regeneration project.

Members asked a number of questions and commented on the report, in particular the relocation and funding of the bus station and the options for the Leisure Centre / Theatre.

In respect of the relocation of the bus station the Committee was advised that funding was currently subject to delay. The projected cost of the relocation, approximately £6.1 million, was questioned to consider whether there are cheaper alternatives. It was acknowledged that as a gateway to the town the new bus station would play a pivotal role in signposting the identity of the regenerated centre, the importance of good quality public transport facilities, the opportunity to improve facilities, and that every effort should be made to ensure that the new location and facilities should be good quality.

Alternative funding sources were discussed and the Committee was advised that borrowing the required monies against capital receipts would be a high risk strategy with potential implications for other capital projects should repayment prove difficult and that Officers would look at all funding options to support this project.

Members asked questions regarding the current status of Growth Deal 3 funding. Officers confirmed that Growth Deal 3 is a funding agreement between central government and Hertfordshire LEP for schemes across Hertfordshire, including £19m which has been allocated in principle for schemes in Stevenage. Officers confirmed that there are governance requirements that need to be in place to access the funding for Stevenage, and that Hertfordshire LEP are awaiting a formal response from government to progress the release of this funding.

In respect of the Leisure Centre / Theatre the Committee was advised that options including new build and renovation of the existing site had been considered and costed. Members then debated the pros and cons of both options with no clear preference emerging.

The Committee was advised that a final decision on Leisure / Theatre had yet to be taken.

Members also asked a number of detailed questions about other aspects of the regeneration, including Park Place and Queensway North which were answered by the Officers.

In reply to a comment concerning commercial use of public space in the Town Centre the Strategic Director (TP) undertook to review the licenses of the enterprises involved.

### **Corporate Performance for Quarter Two 2018/2019**

The Assistant Director Corporate Services and Transformation presented the report highlighting those areas of performance which had been discussed by the Executive, in particular staffing arrangements for the Customer Service Centre (CSC) and sickness absence management.

The Committee was advised that measures taken to minimise vacancies within the CSC had led to initial improvements in the percentage of telephone calls to the answered within 20 seconds and the percentage of abandoned calls to the CSC.

It was remarked that the data in the report highlighting this improvement did not appear to correspond with the data included in the report's appendices and the Assistant Director Corporate Services and Transformation undertook to review the tabulated telephony data in the report to provide extra clarity.

Members commented that they sometimes experienced delays when contacting the CSC and asked to be put through to a named officer. In reply to a Member request the Assistant Director Corporate Services and Transformation undertook to investigate the possibility of amending the CSC operators' script to facilitate the prompt transfer of Member telephone calls to officers.

The Committee was advised that the Council's intranet, which included a staff telephone directory, had recently been relaunched and was available to all Members.

With regard to sickness absence management the Committee was reminded that it would continue to undertake a review of sickness management at a meeting on 15 January 2019.

It was **RESOLVED** that the following Part 1 decisions of the Executive are noted:

- Overview and Scrutiny and Select Committee Minutes
- Draft Housing Revenue Account (HRA) Rent Setting and Budget Report
- Town Centre Regeneration Update
- Corporate Performance for Quarter 2 2018/2019

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

None.

6 **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 1-7 of Part 1 of Schedule 12A of the Act, as amended by the Local Government (Access to Information) (Variation) Order 20016; and
2. That, having considered the reasons for the following items being in Part II, it be determined that maintaining the exemption from disclosure of the information contained therein outweighs the public interest in disclosure.

7 **PART II MINUTES - OVERVIEW AND SCRUTINY COMMITTEE 26 NOVEMBER 2018**

It was **RESOLVED** that the Part II Minutes of the Overview and Scrutiny Committee held on 26 November 2018 are approved as a correct record and signed by the Chair.

8 **PART II DECISIONS OF THE EXECUTIVE**

This report had not been circulated to Members five clear days before the meeting. The Chair determined however that given the short time left before the end of the call-in period on 20 December it be considered on this occasion.

West of Stevenage Development

The Committee welcomed the decision of the Executive to call for a more detailed report on this issue and the subsequent deferral of the decision thereon.

It was **RESOLVED** that the following Part II decision of the Executive is noted:

- West of Stevenage Development

9 **URGENT PART II DECISIONS AUTHORISED BY THE CHAIR OF THE OVERVIEW AND SCRUTINY COMMITTEE**

None.

10 **URGENT PART II BUSINESS**

None.

**CHAIR**

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**Meeting** EXECUTIVE  
**Portfolio Area** Resources/Housing  
**Date** 23 JANUARY 2019



## FINAL HRA RENT SETTING AND BUDGET REPORT

### KEY DECISION

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

### 1 PURPOSE

- 1.1 To update Members on the final proposals on the HRA budgets and rent setting for 2019/20, to be considered by Council on 30 January 2019.
- 1.2 To propose the HRA rents for 2019/20.
- 1.3 To propose the HRA service charges for 2019/20.
- 1.4 To update Members on the 2018/19 and 2019/20 HRA budget, incorporating the Financial Security options and fees and charges included in the November Financial Security report, together with any revised income and expenditure assumptions identified since that report.

### 2 RECOMMENDATIONS

- 2.1 That Council be recommended to approve HRA dwelling rents not subject to the 1% rent reduction (currently Low Start Shared Ownership LSSOs) be increased, week commencing 1 April 2019 by 3.4% i.e. £3.86 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 2018 Council.
- 2.2 That it be noted that HRA dwelling rents, (other than those outlined in 2.1) are subject to the 1% rent reduction from week commencing 1 April 2019 or

£0.96 and £1.60 per week for social and affordable rents respectively, as outlined in the Government's Welfare Reform and Work Act 2016.

- 2.3 That Council be recommended to approve the 2019/20 HRA budget, as set out in Appendix A.
- 2.4 That Executive approve the revised 2018/19 HRA budget as set out in Appendix A.
- 2.5 That Council be recommended to approve the HRA Fees and Charges as outlined in Appendix C.
- 2.6 That Council be recommended to approve the 2019/20 service charges.
- 2.7 That Council be recommended to approve the minimum level of reserves for 2019/20 as shown in Appendix D to this report.
- 2.8 That the contingency sum of £250,000 within which the Executive can approve supplementary estimates, be approved for 2019/20 (unchanged from 2018/19).
- 2.9 That Council notes the comments from the overview and Scrutiny Committee as set out in the report.

### **3 BACKGROUND**

- 3.1 In November 2018, the Executive approved a revised HRA Business Plan which is updated annually. Business Plan projections have needed to undergo a number of reiterations, due to the impacts of Government policy as set out in the 2018 Business Plan update, (November 2018 Executive). The most significant negative financial impact on the HRA has been the four year 1% rent reduction in the Welfare Reform and Work Act 2016. This has resulted in an estimated £225Million loss of income over a 30 year period. Next year (2019/20) represents year four or the final year of the rent reduction policy. The Government has announced from 2020 social housing providers can increase rents by CPI+1% for a five year period.
- 3.2 With regard to other government policies such as the Higher Value Voids levy (HVV), the Government has confirmed (as part of the social green paper) that this will not be introduced, the HRA business plan had assumed a £29Million cost over a 30 year period. The Social Housing Green Paper has also now stated that the Government will not restrict lifetime tenancies, at the present time.
- 3.3 The Government's recent 'Use of RTB Receipts' paper consulted on increased flexibilities on the use of 1.4.1 receipts and allowing currently held receipts to be held for five years. These flexibilities would allow councils to use more receipts per new build and keeping them for longer. However, what isn't clear is Government future policy regarding RTB discounts which have more than doubled since 2011/12 from £34,000 to £80,900 in 2018/19. Any increase in the discount rate could influence the level of RTB sales, which again impacts on HRA available resources to fund any improvements or management costs. The Government has not published any outcomes of this consultation and the current rules still apply.
- 3.4 Although the Government has announced its policy on rent increases from 2020, this still causes difficulties in forecasting HRA finances. The HRA BP is

a 30 year view of debt and borrowing costs and the length of payback period for building new social housing is well beyond a five year view, with rent being the major source of income for the HRA and the ability to fund new homes and the life cycle of components of a council home..

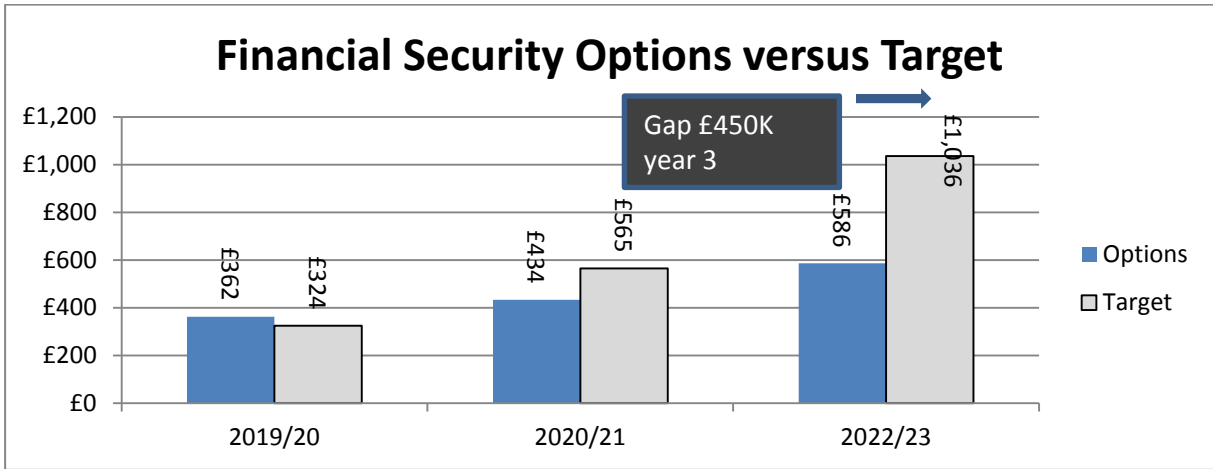
- 3.5 In summary current rent regulations in force require the Council to set a 1% rent reduction for social and affordable rents, the exception being low start shared ownership (LSSOs). There are 87 LSSO properties which equate to 82.15 full house equivalents. Any service charges can be charged at cost and sit outside the rent reduction regulations.
- 3.6 The total number of HRA homes in management at 30 September 2018 is summarised in the table below. The average rents for 2019/20 are based on this housing stock, however any right to buys or new schemes, subsequent to the 30 September, may change the average rent per property type.

Stock Numbers at 30/9/2018	Social	Affordable	Sheltered	LSSO	Homeless	Total
Number of Properties at 30/9/2018	6,835	18	845	87	129	7,914

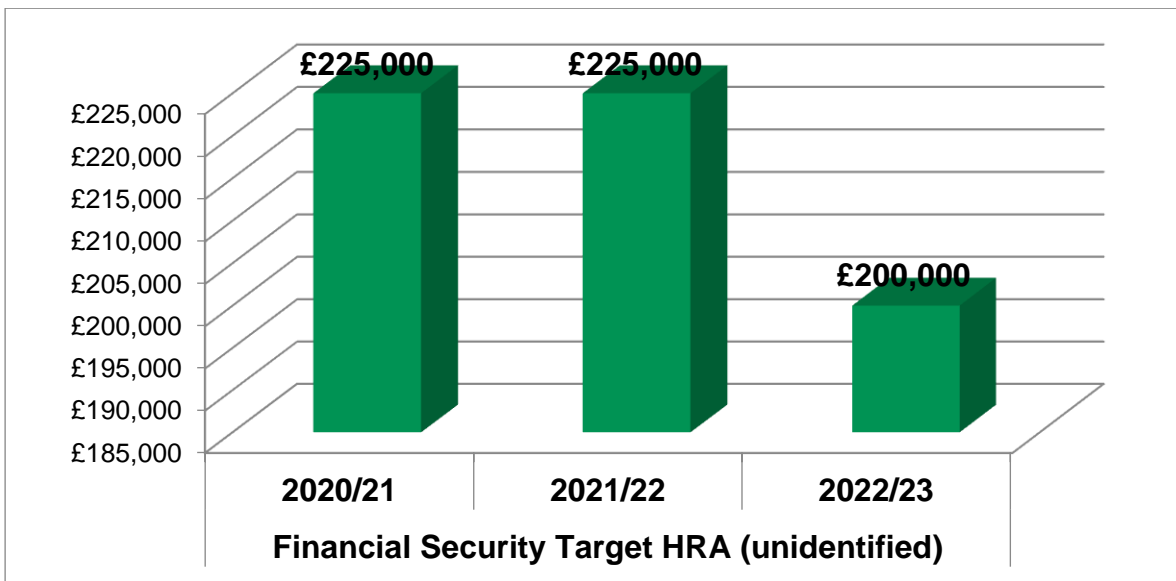
- 3.7 The HRA Business Plan presented to the November Executive has been adjusted for changes including the Financial Security Options and Fees and Charges approved at the November Executive. A summary of the assumptions for the budget are shown in the table below.

Financial Assumptions included in the HRA BP and November FS report	2018/19	2019/20
<b>Rent &amp; Service Charge Increases</b>	1% rent reduction for general stock and 1%+CPI (3.4%) for LSSOs and relets to formula rent	
<b>New Build</b>	50% Affordable 50% Social	
<b>Right-to-Buys</b>	50	35
<b>Bad debt rates</b>	0.60%	0.60%
<b>2019/20 Financial Security options</b>	£0	£354,630
<b>2019/20 Growth bids</b>	£0	£190,000
<b>New Build - Number of Units (HRA BP)</b>	37	66
<b>Repayment of Debt</b>	1,241,760	0
<b>New loans</b>	3,800,000	4,756,508
<b>Capital Deficit in the Business Plan</b>	0	0

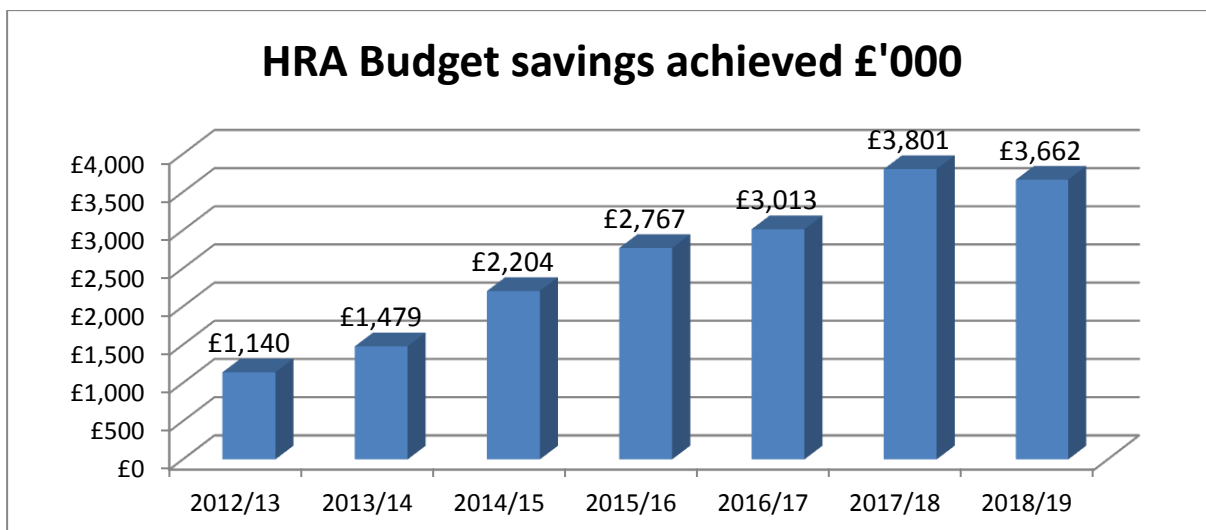
3.8 The November Financial Security report identified that even with the savings presented to the Executive there was a significant financial shortfall by year three or 2022/23.



3.9 This resulted in a revision to the Financial Security work stream and future targets as set out below and approved by Members as part of the Financial Security report to the November Executive.



3.10 The HRA has needed to find budget reductions as a result of impacts of government policy on rents (moving to CPI+1%, then 1% rent reduction 2016/17-2019/20), Right to Buy (increase in discounts) and other government policy changes such as apprenticeship levy, national insurance changes and service pressures from welfare reforms. The total identified savings implemented since 2012/13 is summarised in the chart below.



- 3.11 At the November 2018 meeting, the Executive approved a package of Financial Security budget options and fee increases to be included in the 2019/20 Budget and these are detailed in Appendix B & C to this report.
- 3.12 The Budget and Policy Framework Procedure Rules in the Constitution prescribe the Budget setting process, which includes a minimum consultation period of three weeks. Under Article 4 of the Constitution, the Budget also includes: the allocation of financial resources to different services and projects; proposed contingency funds; setting the rents; decisions relating to the control of the Council's borrowing requirement; the control of its capital expenditure; and the setting of virement limits. The timescale required to implement this process is outlined below.



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

### 4.1 Rents

- 4.1.1 The continuing impact of the 1% rent reduction on an average rent is illustrated in the table below. Over the four year period a CPI+1% increase is estimated to be a 10.68% increase in average rents, compared to a 3.94% loss of a 1% rent reduction for four years. This gives an overall difference between the two rents of 14.62% and an estimated rent loss per year by year

four of £5.9Million and in total £12.6Million. The impact over a 30 year period has been estimated at £225Million.

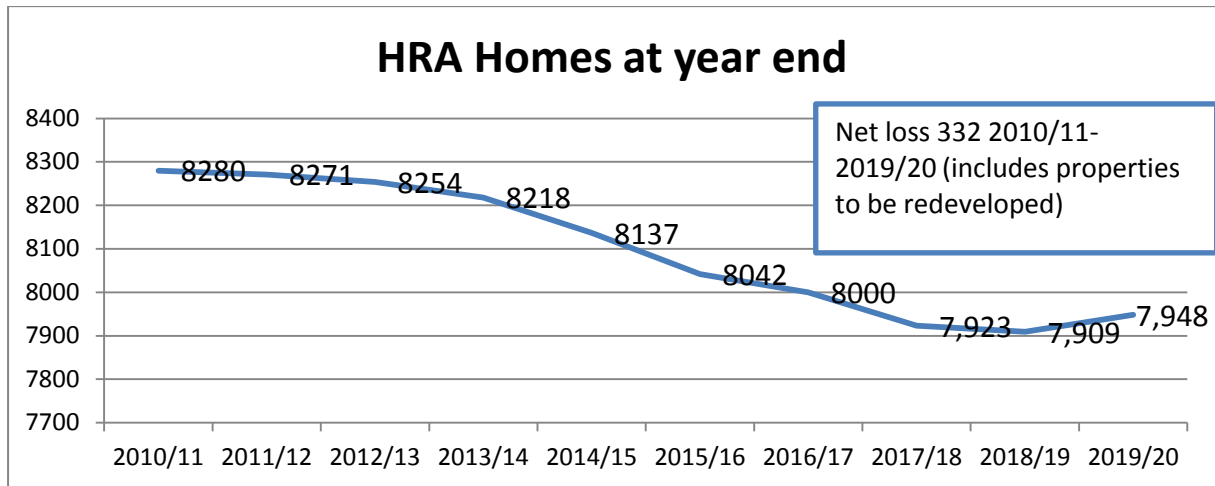
Impact of 1% rent reduction (starting rent £98.59)	2016/17	2017/18	2018/19	2019/20	Incr.(decr.) after 4 years £	Incr./(decr.) after 4 years
Rent based on CPI+1%	£99.48	£101.47	£105.53	£109.11		
Increase per year	£0.89	£1.99	£4.06	£3.59	£10.53	10.68%
Rent with 1% rent reduction	£97.60	£96.62	£95.66	£94.70		
Decrease per year	-£0.99	-£0.98	-£0.97	-£0.96	-£3.88	-3.94%
Overall loss per average property	£1.88	£4.84	£9.87	£14.41	£31.00	14.62%
Rent loss in £'000	2016/17	2017/18	2018/19	2019/20	Incr.(decr.) after 4 years £	Incr./(decr.) after 4 years
Estimated rent loss per year £'000	£771	£1,975	£4,005	£5,852	£12,604	

4.1.2 The exceptions to the 1% rent reduction for Stevenage Borough Council, are Low Start Shared Ownership properties (LSSOs). The Council has 87 LSSO properties and owns 82.15 full house equivalents. This report recommends that these rents are set in line with the rent policy CPI+1% or a 3.4% increase for 2019/20, (2018/19 increase 4%).

4.1.3 The proposed average rents for 2019/20 are set out in the table below, there are currently 10 affordable rented properties (ranging from 4 bedroom-2 bedroom houses and flats).

Average Rents 2019/20	LSSO	Incr./ (decr.) %	social	Increase/ (decrease) %	Affordable	Incr./ (decr.) %
Average Rent 2018/19	£113.55		£95.75		£160.21	
Add rent impact 2019/20	£3.86	3.40%	(£0.96)	(1.00%)	(£1.60)	(1.00%)
<b>Total 52 week Rent 2019/20</b>	<b>£117.41</b>		<b>£94.79</b>		<b>£158.61</b>	

4.1.4 The net rental income decrease for 2019/20 is estimated to be £295,580 (Draft HRA budget £291,280), which includes the impacts of the rent reduction and estimated right to buys, offset by estimated new properties and properties taken out of management (awaiting redevelopment). The total number of properties in management is estimated to have reduced by 332 (draft HRA budget 323 homes), between 2010/11 and 2019/20, the 2018/19 & 2019/20 numbers have been temporarily impacted by sheltered properties out of management ready for scheme redevelopment.



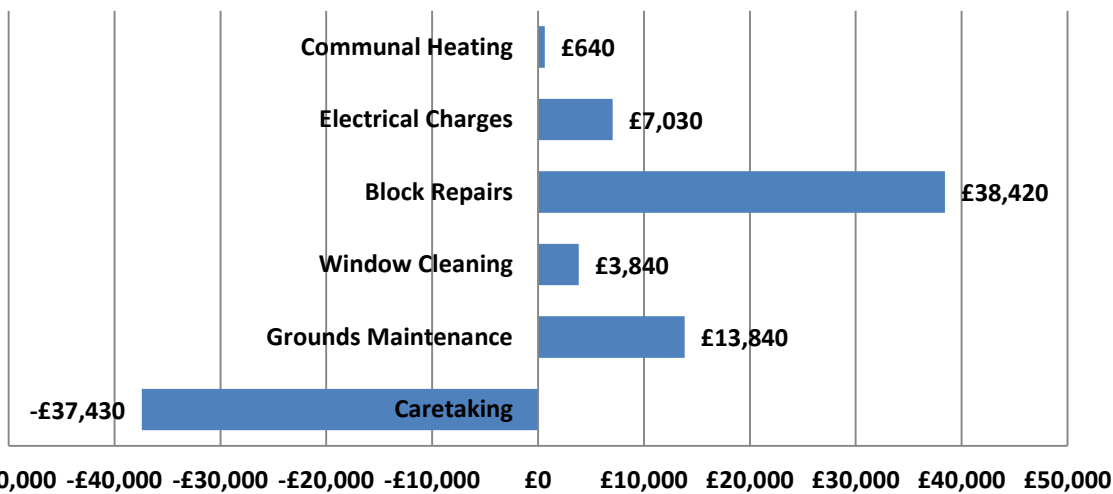
## 4.2 Service Charges

4.2.1 Service charges are calculated for each block individually for 2,902 properties, (2017/18 2,925) or 37% of current SBC tenanted properties. A review of service charges has been started but not concluded in time for the 2019/20 rent setting and still requires further work followed by tenant and Member consultation. Service charges currently provided, (eligible for housing benefit) are shown below.

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

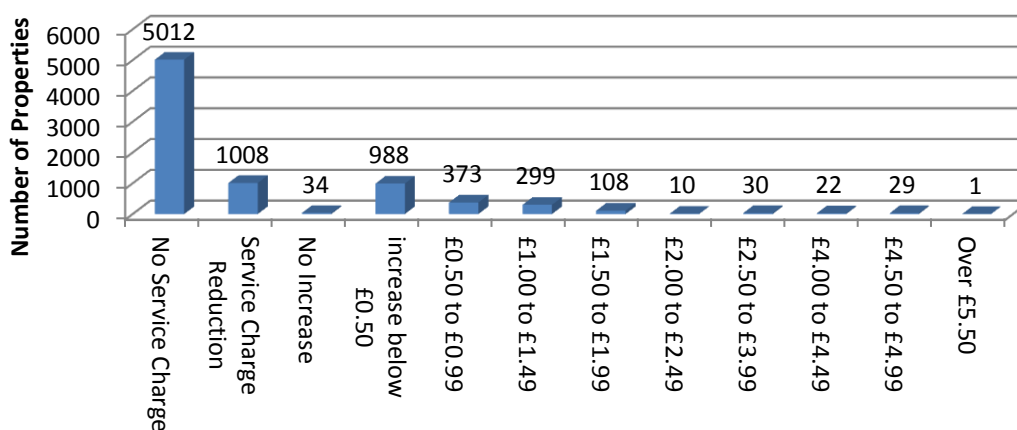
4.2.2 Service charges are not subject to the 1% rent reduction regulations, but are based on cost recovery. For 2019/20, service charge costs will increase with inflationary pressures and changes in usage. The chart below identifies the changes between 2018/19 and 2019/20 for service charges. The increase in grounds maintenance and block repairs has impacted on a number of tenants as identified in paragraph 4.2.3.

## Changes to Service Charges recharged to Tenants



4.2.3 The spread of service charge increases (for current homes) for 2019/20. The impact of the changes in service charges (including caretaking), means 1,008 or 35% of homes (who get a service charge) will receive a service charge reduction, even though service charges have fluctuated between individual services as shown above. There are 30 properties with an increase above £4.50, of which one home has an increase over £5.50 due to in part increased costs for block repairs. A summary is shown in the chart below

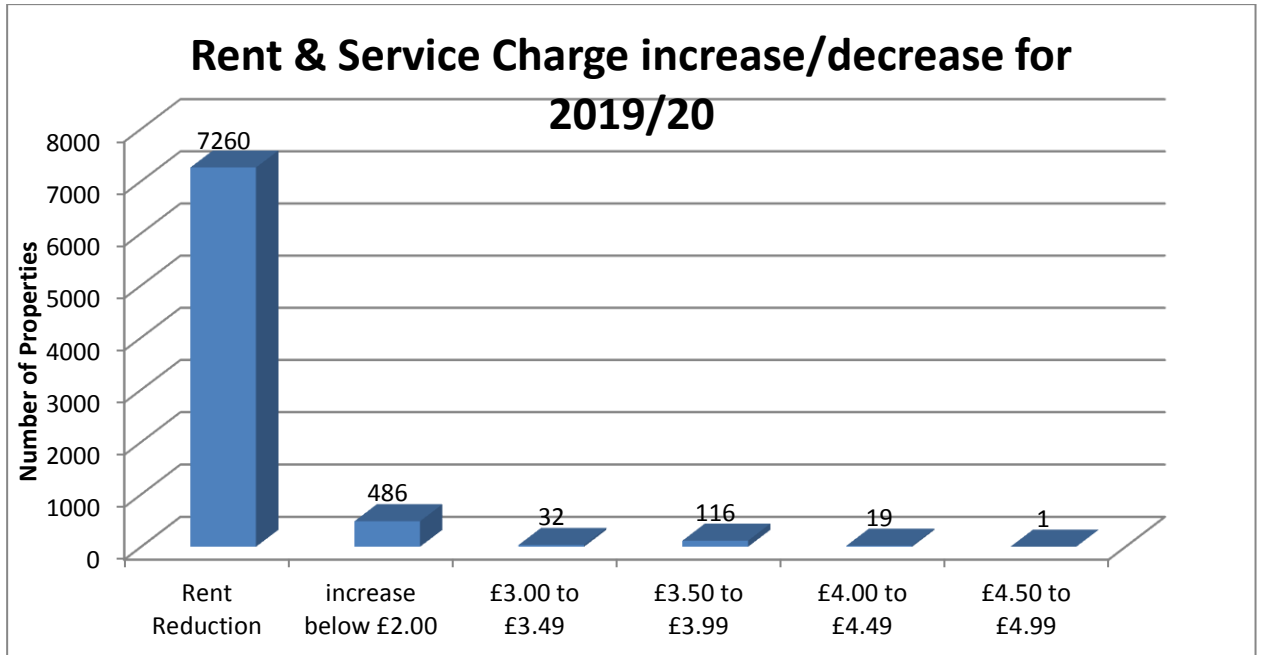
## Service Charge increases for 2019/20



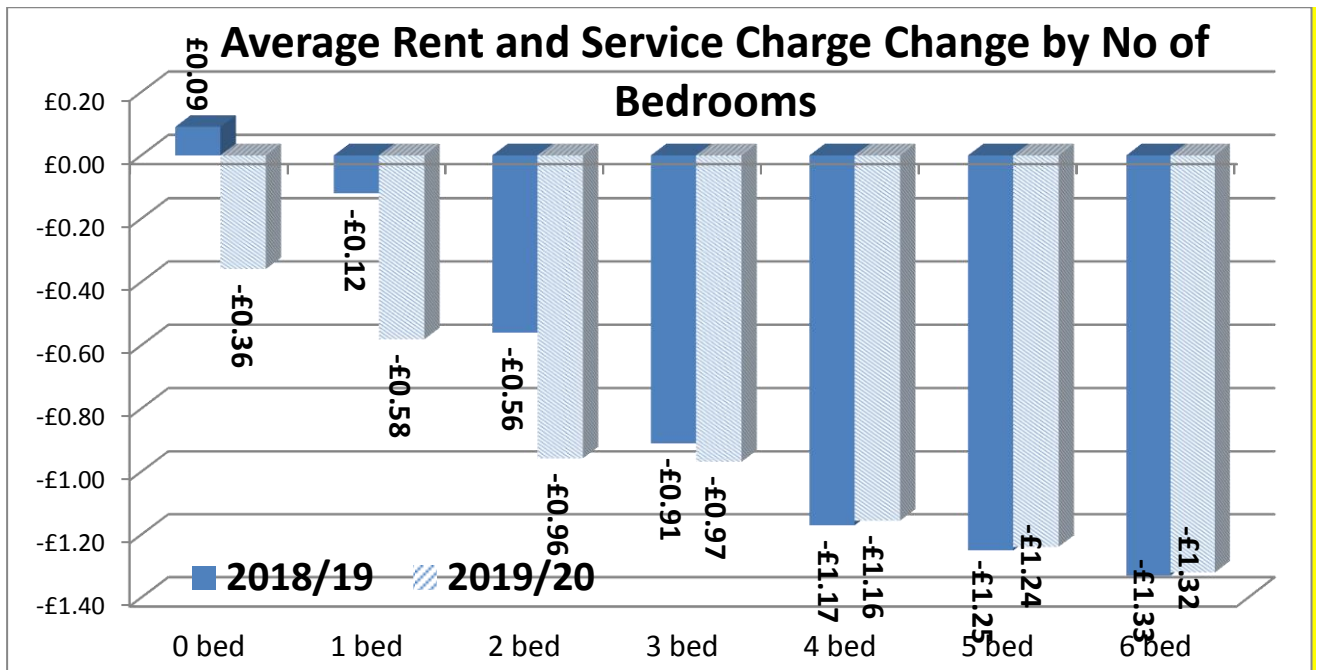
### 4.3 Rents and Service Charges

4.3.1 The 2019/20 rent reduction and service charges impact is that 7,260 (or 92% of council tenants) compared to 84.6% in 2018/19 receive a rent and service charge reduction. There are 136 properties with an increase of more than £3.50 with one home having an increase of between £4.50-£4.99. The spread of the 2019/20 rent and service charge changes are summarised in the chart below.





4.3.2 The average rent and service charge increase/(decrease) by bedroom size has also been calculated and summarised in the chart below and compared to the 2018/19 data and remains unchanged from the December Draft 2019/20 HRA budget .



4.3.3 The comparison between HRA property rents per week and private sector rents per week for one to four bedroom properties is shown in the chart below. A three bedroom private sector rental property costs an additional 140%, (2017/18,138%) more per week than a SBC council home and 40% more than the affordable let properties,(2017/18 38%).

	SBC Social Rent	SBC Affordable Rent	Median Private Rent	Local Housing Allowance (LHA) 2018/19	Median % v SBC Social	Median % v SBC Affordable
1 Bed Property	£80.96	£126.06	£160.00	£129.81	98%	27%
2 Bed Property	£94.32	£154.59	£213.00	£160.03	126%	38%
3 Bed Property	£105.33	£180.92	£253.00	£197.81	140%	40%
4 Bed Property	£116.07	£223.56	£322.00	£253.34	177%	44%

*Private rent Data from Home track housing intelligence system re Oct-17 to Nov-18 (Updated Nov 2018). SBC rents are 2019/20 and the private rents are 2018/19 rents*

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

#### 4.4 Borrowing

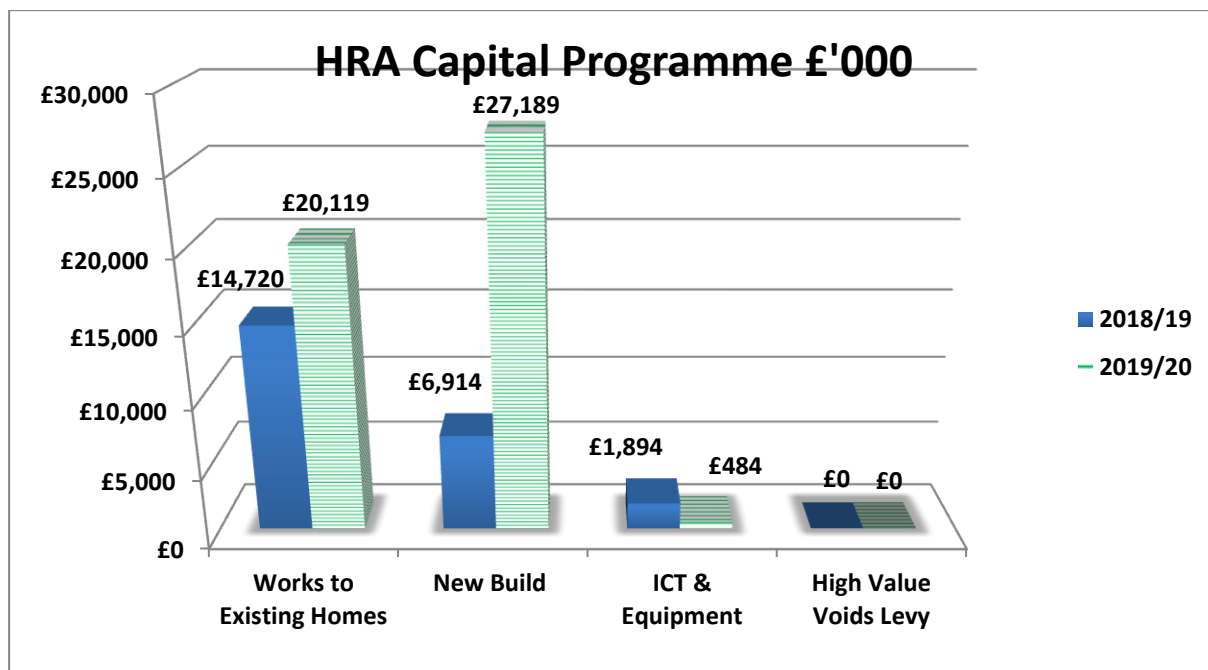
4.4.1 The HRA Business Plan's (HRA BP) existing loans have an average interest rate of 3.37% based on £205.614Million of borrowing. The revised budgets for 2018/19 and 2019/20 makes allowance for new loans totalling £3,800,000 in 2018/19 and £4,756,508 in 2019/20. The decision when to take the new borrowing will be reviewed, weighing up the cost of carry and the prevailing PWLB rates. The interest payable in 2018/19 and 2019/20 is estimated to be £6,867,010 and £6,960,390 respectively.

4.4.2 The HRA Business Plan update to the November 2018 Executive identified that in light of the lifting of the HRA borrowing cap by the Chancellor, the HRA would not be constrained by the £217.685Million borrowing cap set as part of the self-financing settlement. The HRA Business Plan needed to look at a revised approach to borrowing, versus using revenue contributions to capital. This will be based on the HRAs need to borrow and affordability as identified in the action plan, (Appendix A to the November Executive report).

#### 4.5 Contributions to Capital Expenditure

4.5.1 A large part of the capital programme has been funded from HRA revenue resources and the HRA BP has identified a further £105Million over the next 15 years. As stated in 4.4.2 above the HRA action plan will review revenue contributions to capital and this will be brought back to Members in 2019/20. The level of revenue contribution for 2018/19 and 2019/20 are £7,675,440 (unchanged from the working budget) and £13,946,930 respectively. The 2019/20 revenue contribution has reduced by £1,180 compared to the December draft budget report.

4.5.2 The 2019/20 budgeted depreciation allowance to be transferred to the Major Repairs Reserve (MRR) to fund the capital programme is £12,156,450, (unchanged from the December report). A summary of the 2018/19-2019/20 capital programme is shown in the chart below



4.5.3 Over the next 15 years of the Business Plan the HRA is projected to use £105Million of revenue receipts because prior to the lifting of the debt cap the HRA had very little room to borrow. However, with the subsequent lifting of the cap there is scope to convert this to borrowing to increase the size of the capital programme based on identified need but this must be also based on affordability. This review will come back to Members during 2019/20.

4.5.4 The Capital programme for 2019/20 onwards includes two schemes which were submitted to the Government prior to the lifting of the debt cap and this borrowing totals £9.05Million and was also included in the HRA Business Plan to the November Executive.

#### 4.6 Use of One for One Receipts

4.6.1 The new build programme was introduced in 2012/13 alongside HRA self-financing and the 2018 Business Plan projects to spend £581Million with an estimated 2,132 new council homes (including 107 replacement properties) over a 30 year period.

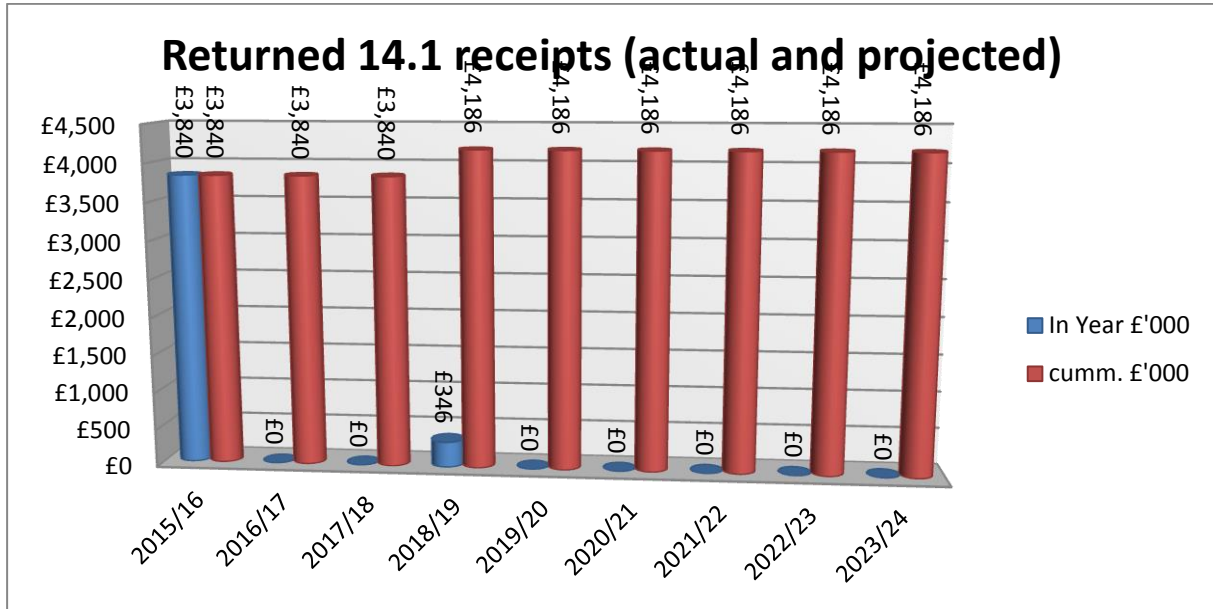
4.6.2 Despite having an ambitious new build programme, the value of 1.4.1 receipts has continued to increase with house prices and the number of RTBs increased in previous years, peaking at 106 in 2015/16, with 2018/19 projected to be 25 sales (19 sales as at January). To date only £3.9Million of receipts have been returned to the Government to avoid the punitive interest rate penalties (4% above the Bank of England base rate).

4.6.3 Members have been previously advised that receipts may need to be returned in 2018/19 and this is now estimated to be £346,232 for April- December 2018. There are estimated interest payments of £55,383 to be paid which can be funded from the debt receipt portion of RTB receipts. The projection for the

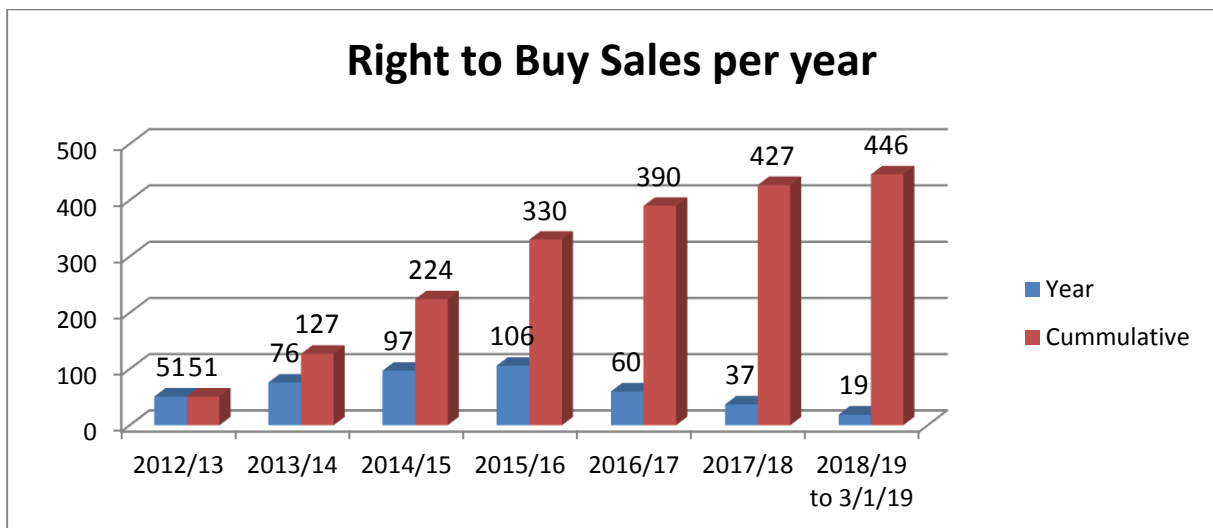
remainder of the year is that if all spend is incurred as profiled no further receipts need to be returned for 2018/19.

4.6.4 The government did indicate in their consultation on RTB receipts that existing receipts may be able to be kept for five years and that interest may not be chargeable on existing returned receipts, however no announcement on the governments intentions have yet been made.

4.6.5 The chart below identifies that receipts returned/ need to be returned.

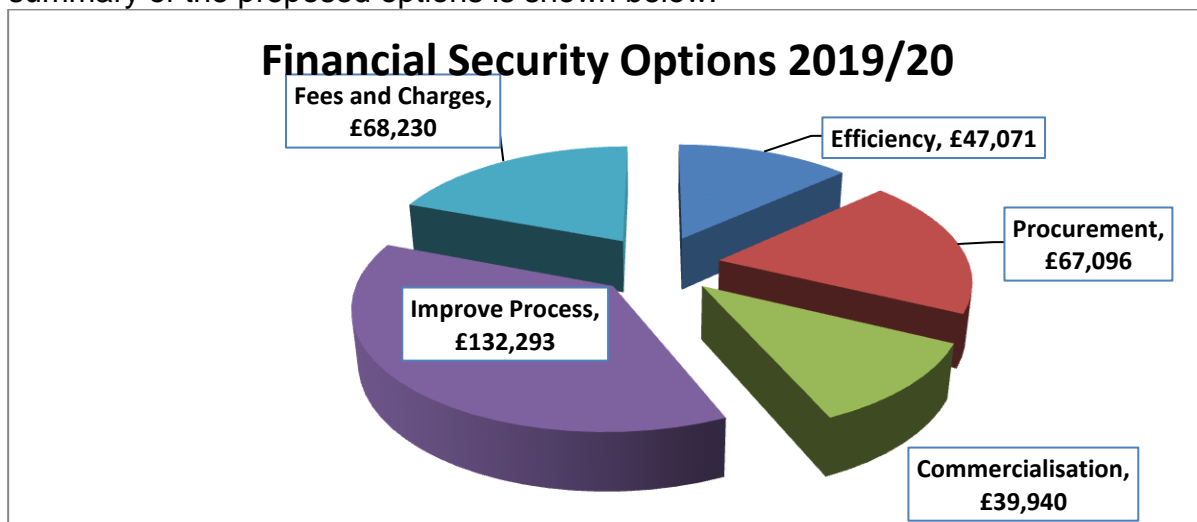


4.6.6 Future projections on returned receipts are based on future estimated sale receipts, officers will keep this under review to minimise the cost to the HRA, however the level of 1.4.1 receipts projected to be returned has reduced as the level of RTB sales have reduced as shown in the table below.



## 4.7 Financial Security Options

4.7.1 At the November Executive, Members approved Housing Revenue Options of £354,630 (including fees and charges), detailed in Appendix B and C. A summary of the proposed options is shown below.



4.7.2 Officers together with the Leaders Financial Security Group (LFSG) will be working towards achieving the unidentified Financial Security target as summarised in paragraph 3.9 which totals £650K.

## 4.8 Final Budget Proposals

4.8.1 The Final 2019/20 HRA budget is estimated to be a net expenditure of £9,076,320, which is an increase of £186,870 over that reported in the draft December HRA budget report. The main increase relates to the inclusion of a repair budget to help address damp and mould issues identified in the housing stock. The reasons for the changes are summarised in the table below.

Summary of 2019/20 budget movements		
Draft HRA Budget		<b>£8,889,450</b>
<b>Increases in Income/Reductions in Expenditure:</b>		
NEW: Reduction in Revenue Contribution to Capital	(£1,180)	
NEW: Reduction in Financial Security options-cost of implementation, budget required in 2018/19	(£15,580)	
<b>Decreases in Income/Increases in Expenditure:</b>		
NEW: Reduction in projected rental income	£4,300	
NEW: Increased inflation pressures- salaries	£31,470	
NEW: Increase in recharges from the General Fund	£7,520	
NEW: Repair budget to deal with damp and mould issues in the housing stock	£150,000	
NEW: Other	£10,340	
<b>Total Changes:</b>		<b>£186,870</b>
<b>Draft HRA 2019-20 budget</b>		<b>£9,076,320</b>

- 4.8.2 A budget has been requested for 2019/20 to fund the cost of dealing with damp and mould cases in the housing stock. A budget of £100K was identified from the repairs budget in the current year, however this is not considered to be sufficient in 2019/20. Members are asked to approve the additional expenditure which has not been scrutinised as part of the savings and growth process.
- 4.8.3 The **2018/19 HRA projected working budget** is estimated to be £4,060,920 (draft HRA budget report £3,967,090) an increase of £93,830 over that reported in the December Executive report and £331,000 lower than the working budget approved as part of the November BP update. A summary of the changes are summarised in the table below.

<b>Summary of 2018/19 budget movements</b>		
Working Budget		<b>£4,391,920</b>
<b>Increases in Income/Reductions in Expenditure:</b>		
change in profile of decant costs (reported in Draft December report)	-£423,890	
Other	-£940	
<b>Decreases in Income/Increases in Expenditure:</b>		
NEW: Cost of treating infestation at Brent Court	£50,000	
NEW: Equipment required to set up temporary accommodation units (replaces £100K capital bid in the HRA Business Plan report to the November Executive)	£20,000	
NEW: Microsoft licence costs (3 months)	£8,250	
NEW Financial Security options-cost of implementation required in 2018/19 (there is a compensating reduction in 2019/20 budget)	£15,580	
<b>Total Changes:</b>		<b>-£331,000</b>
<b>Revised 2018/19 HRA budget</b>		<b>£4,060,920</b>

- 4.8.4 The 2019/20 HRA projected year-end balance is now projected to be £10,997,428, the summary of balances is shown in the table below. HRA balances in excess of the minimum balances (held for assessed risks in year), are required to fund the HRA 30 year capital programme, subject to any review as outlined in 4.4.2.

<b>HRA Balances:</b>	<b>2018/19 £</b>	<b>2019/20 £</b>
<b>HRA Balance 1 April</b>	(24,114,668)	(20,053,748)
<b>Use of balances in Year</b>	4,060,920	9,076,320
<b>HRA Balance 31 March</b>	<b>(20,053,748)</b>	<b>(10,977,428)</b>

- 4.8.5 The Assistant Director (Finance and Estates) has completed a risk assessment of the level of balances required in 2019/20 for the HRA. The total required for the assessment of in year risks is £1,945,972 and is summarised in Appendix D to this report. Remaining balances are required to fund the capital programme in future years however this is due for review as outlined earlier in the report and is based on using revenue contributions to capital rather than borrowing.
- 4.8.6 The amount of HRA expenditure that the Executive can approve over and above the amounts set out in this report without referring back to Council for approval is recommended to be unchanged from the previous limit set at £250,000.

#### **4.9 Consultation –review and update as per HRA BP**

- 4.9.1 The Council remains committed to working in partnership with council tenants and leaseholders to shape, strengthen and improve council housing services and sets out a range of options to enable housing customers to be involved. The Business Unit review in Communities and Neighbourhoods will seek to further develop the offer of engagement to the wider community.
- 4.9.2 The Housing Management Advisory Board (HMAB) acts as an advisory body to the Executive for council housing-related matters, including participation in the HRA budget-setting process and the development of the HRA Business Plan. HMAB currently includes one leaseholder and five tenant representatives in addition to Member and officer representation. The Board receives quarterly reports on progress in delivering HRA Business Plan commitments. Feedback from resident and STAR surveys (see below) is also considered by HMAB to give a broader context. On 16<sup>th</sup> August and 25<sup>th</sup> October 2018, HMAB received presentations on the HRA Business Plan and MTFS update.
- 4.9.3 The draft HRA budget and rent setting proposals contained in this report are scheduled to be presented to HMB at their meeting on 17 January 2019 and their comments will be fed back to the Executive prior to the final budget report being recommended to the Council.
- 4.9.4 Targeted consultation will be carried out with staff, customers and stakeholders directly affected by the financial security options agreed by the Executive in November 2018. All tenants will be notified of changes to their rent and service charges in February/March 2019.
- 4.9.5 There are plans to review service charges ahead of implementing a new and more transparent service charge model in 2020/21. This review will include consideration of both service charges and support charges and will involve consultation with tenants and leaseholders
- 4.9.6 The Council periodically seeks the views of housing customers through a postal survey. This ‘STAR’ survey is used across the housing sector and enables the council to assess levels of customer satisfaction and to identify customer priorities. The most recent STAR survey was undertaken in early 2018 and for the first time included leaseholders and sheltered housing tenants in addition to general needs tenants.

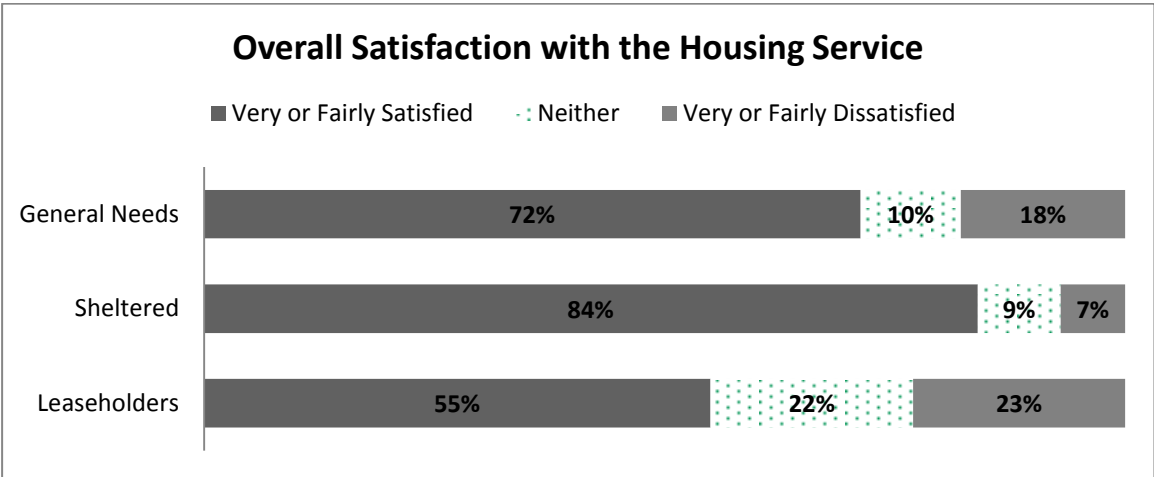
4.9.7 Respondents were asked to say what was most important to them from a list of options. The top five priorities for each group of customers are shown in the table below:

**STAR Survey respondents' top five priorities**

Priority*	General Needs Tenants	Sheltered Tenants	Leaseholders
1	Repairs & maintenance (87%)	Repairs & maintenance (60%)	Repairs & maintenance (74%)
2	Overall quality of your home (61%)	Emergency call system (50%)	Value for money for service charges (64%)
3	Value for money for rent and charges (35%)	Supported housing manager (34%)	Overall quality of your block of flats (58%)
4	Neighbourhood as a place to live (26%)	Overall quality of your home (33%)	Dealing with ASB (39%)
5	Keeping residents informed (25%)	Keeping residents informed (33%)	Keeping residents informed (23%)

\* 1= most important

4.9.8 Overall satisfaction with the housing service is summarised in the following chart and the survey also drilled down into satisfaction with specific areas of the service.



4.9.9 Satisfaction levels with value for money for rent, service charges and support charges were as follows:

- 68% of general needs tenants and 83% of sheltered tenants were satisfied that their rent provides value for money
- 55% of general needs tenants, 72% of sheltered tenants and 33% of leaseholders were satisfied that their service charges provide value for money
- 76% of sheltered tenants were satisfied that their support charges provide value for money

4.9.10 Officers have drawn up action plans in response to the survey outcomes, much of which is closely aligned to the investment and improvement plans associated with the HRA Business Plan and MTFs.



#### **4.10 Overview and Scrutiny Consultation**

4.10.1 The Overview and Scrutiny committee considered the draft HRA rent and service charge proposals and budget at their meeting of the 13 December 2018. The Assistant Director (Finance & Estates) introduced the report and Members raised a number of questions concerning service charges and were advised that the a review of service charges was to be undertaken in 2019 and this would potentially increase choice and lead to greater transparency of charges.

#### **4.11 Leaders Financial Security Group**

4.11.1 The LFSG chaired by the portfolio holder for Resources on behalf of the Leader and with cross party representation met in October and the group;

- Reviewed the HRA assumptions regarding the 2019/20 onwards saving target
- Review of the HRA 2019/20 Financial Security package
- Reviewed the HRA 2019/20 Fees and charges

4.11.2 The LFSG considered the options above and scored the Financial Security options and fees and charges for inclusion in the HRA budget.

#### **4.12 Chief Finance Officer's Commentary**

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

4.12.2 The Council has evolved its budget strategy to meet the ongoing challenging economic conditions because of funding cuts, welfare reforms or inflationary increases. The Financial Strategy to deal with this is the 'Financial Security' strand of 'Future Town Future Council'.

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

4.12.4 In addition officers regularly update the 30 year HRA Business Plan which is approved by Members annually and is the period over which the self-financing borrowing was initially taken. The last approved version of the business plan (November 2018) had a de-minimus £4.9Million deficit over the 30 year plan . The November update contained an action plan to consider the implications of lifting the HRA borrowing cap and the ability to use borrowing

rather than revenue contributions to capital. This would be on an affordability basis and reported back to Members during 2019.

- 4.12.5 The Council has taken significant steps over recent years to re-balance the HRA as a result of significant changes in government policy relating to RTB discounts and rent decreases. One of the principle aims of the MTFS is 'Provide funding to build 2000+ new homes over 30 years, new social and affordable rented homes that contribute to meeting local housing demand and the needs of an ageing population. This is still projected to be achieved however Financial Security targets have been added each year to the HRA business plan and there have been revisions to capital works to the existing stock.
- 4.12.6 The HRA is also moving into large scale housing developments, ( a top council and resident priority) and this priority will come with the risk of potentially needing to invest more resources.
- 4.12.7 The HRA MTFS has been updated along with the HRA business plan and will be kept under regular review in 2019/20.

## **5. IMPLICATIONS**

### **5.1 Financial Implications**

- 5.1.1 Financial implications are included in the body of the report

### **5.2 Legal Implications**

- 5.2.2 Legal implications are included in the body of the report

### **5.3 Staffing Implications**

- 5.3.1 The unions are being consulted on the options approved at the November Executive on 19 December 2018. Human Resources staff are co-ordinating centrally the implementation of any staff related savings. However there are no compulsory redundancies within the options for the HRA

### **5.4 Risk Implications**

- 5.4.1 There is considerable risk in setting HRA spend as there have been so many Government policy changes concerning rent and welfare reforms, making medium to long term planning difficult. Between 2014/15-2020/21 there will have been four different rent policies, with an estimated loss of £225Million from the four year 1% rent reduction between 2016/17-2019/20. The HRA has one main income source and changes in Government policy can have a significant impact on the affordability of revenue and capital plans, particularly if there is a move to convert revenue resources into borrowing
- 5.4.2 There is the impact of Universal Credit (UC) and other welfare reforms on tenants, currently 54% or £20Million of benefit is paid to the HRA from the benefits system rather than to tenants and experience has shown that for

other local authorities, arrears have increased significantly with the roll out of UC.

- 5.4.3 There is a potential adverse financial impact on the HRA as a result of high inflationary pressures, when rents are suppressed. If inflation rises above that assumed in the business plan, as a result of BREXIT, further reductions in spend may need to be made.
- 5.4.4 Since 2012/13 the RTB discount has increased from £34,000 to £80,900 in 2018/19. Reducing the cost of purchase for a property has a double negative effect on the HRA, not only does it lose the rental supporting the capital programme, it also cannot afford to replace the property with the resulting receipt.
- 5.4.6 As a result of the number of risks outlined above the authority did not borrow up to the now removed debt cap. With the change in focus on using borrowing rather than using revenue receipts, revenue headroom will be required to be retained for unforeseen events as opposed to borrowing headroom.
- 5.4.7 The HRA has an unidentified Financial Security target to achieve, which for 2020/21-2021/22 is £225,000 and £200,000 thereafter.
- 5.4.8 The Major Works Contract completes works to leasehold as well as tenanted flats and the HRA capital programme relies on the recovery of those service charges.
- 5.4.9 There may be further changes in regulations as a result of the Hackett report which could increase the cost of works to tower blocks. The council in advance of the recommendations has already approved the retrofitting of sprinklers to the high rise blocks.

## **5.5 Equalities and Diversity Implications**

- 5.5.1 In carrying out or changing its functions (including those relating to the provision of services and the employment of staff) the Council must comply with the Equality Act 2010 and in particular section 149 which is the Public Sector Equality Duty. The Act replaced three previous equality legislations – the Race Relations Act (section 71), the Sex Discrimination Act (section 76A) and the Disability Discrimination Act (section 49A). The Council has a statutory obligation to comply with the requirements of the Act, demonstrating that as part of the decision-making process, due regard has been given to the needs described in the legislation. These duties are non-delegable and must be considered by Council when setting the budget in January 2019.
- 5.5.2 To inform the decisions about the Budget 2019/20 officers have undertaken Brief Equality Impact Assessments (EqIAs) for service-related budget savings proposals. Where there is a potentially negative impact, officers have identified further action needed to inform a final decision and to mitigate the impact where this is possible. These EqIA are included at Appendix E to this report together with an EQIA for the rent and service charges increase for the January Executive.

## **BACKGROUND DOCUMENTS**

BD1 Housing Revenue Account Business Plan and Medium Term Financial Strategy (2018/19-2022/23) - November Executive

BD2 Draft HRA Rent Setting and budget report – December Executive

## **APPENDICES**

Appendix A - Final HRA Summary

Appendix B – Financial Security Options

Appendix C – Fees and Charges

Appendix D – Risk Assessment of Balances

Appendix E – EQIA for HRA and General Fund Services

# HOUSING REVENUE ACCOUNT SUMMARY

	ACTUAL 2017/18 £	ORIGINAL BUDGET 2018/19 £	WORKING BUDGET 2018/19 £	ORIGINAL BUDGET 2019/20 £
<b>SUMMARY OF EXPENDITURE</b>				
SUPERVISION AND MANAGEMENT	9,013,049	9,589,250	9,890,880	9,383,960
SPECIAL SERVICES	4,361,272	4,583,620	4,664,490	4,573,260
RENT, RATES, TAXES AND OTHER CHARGES	506,635	390,600	483,350	485,450
REPAIRS AND MAINTENANCE <sup>(1)</sup>	5,254,612	6,324,680	6,349,110	6,226,170
CORPORATE AND DEMOCRATIC COSTS	210,694	344,280	0	352,060
CONTRIBUTION TO THE BAD DEBT PROVISION	146,139	255,270	255,270	217,620
<b>TOTAL EXPENDITURE</b>	<b>19,492,401</b>	<b>21,487,700</b>	<b>21,643,100</b>	<b>21,238,520</b>
<b>SUMMARY OF INCOME</b>				
<b>RENTAL INCOME:</b>				
DWELLING RENTS	(39,680,054)	(39,587,650)	(39,353,930)	(39,254,050)
NON DWELLING RENTS	(192,892)	(123,920)	(124,020)	(110,490)
	(39,872,946)	(39,711,570)	(39,477,950)	(39,364,540)
CHARGES FOR SERVICES & FACILITIES - TENANTS	(1,716,795)	(1,950,940)	(1,977,380)	(2,104,430)
LEASEHOLDER SERVICE CHARGES	(856,933)	(912,820)	(1,051,190)	(940,810)
CONTRIBUTIONS TOWARDS EXPENDITURE	(360,440)	(304,260)	(295,560)	(324,180)
REIMBURSEMENT OF COSTS	(342,514)	(358,010)	(325,510)	(358,010)
RECHARGE INCOME (GF & CAPITAL)	(1,617,833)	(1,646,880)	(1,646,880)	(1,741,540)
<b>TOTAL INCOME</b>	<b>(44,767,460)</b>	<b>(44,884,480)</b>	<b>(44,774,470)</b>	<b>(44,833,510)</b>
DEPRECIATION	11,620,202	11,792,190	11,792,190	12,156,450
INTEREST PAYABLE	7,016,875	6,960,140	6,867,010	6,960,390
INTEREST RECEIVABLE	(287,341)	(274,360)	(384,110)	(392,460)
<b>NET (SURPLUS)/DEFICIT FOR YEAR</b>	<b>(6,925,323)</b>	<b>(4,918,810)</b>	<b>(4,856,280)</b>	<b>(4,870,610)</b>
<b>APPROPRIATIONS:</b>				
REVENUE CONTRIBUTION TO CAPITAL OUTLAY	60,230	7,675,440	7,675,440	13,946,930
SELF FINANCING CONTRIBUTION TO DEBT REPAYMENT	2,500,000	0	1,241,760	0
<b>HOUSING REVENUE ACCOUNT BALANCE</b>				
<b>NET EXPENDITURE/(INCOME) FOR YEAR</b>	<b>(4,365,093)</b>	<b>2,756,630</b>	<b>4,060,920</b>	<b>9,076,320</b>
BALANCE B/FWD 1 APRIL	(19,749,571)	(24,114,664)	(24,114,664)	(20,053,744)
HRA BALANCE C/FWD 31 MARCH	(24,114,664)	(21,358,034)	(20,053,744)	(10,977,424)

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Fund	Implementation costs	Staff	2019/20	2021/22	2022/23
General Fund RECOMMENDED	58,920		215,244	189,889	239,142
HRA RECOMMENDED	52,080		354,630	413,046	498,282
<b>Total Options</b>	<b>111,000</b>	<b>8</b>	<b>569,875</b>	<b>602,935</b>	<b>737,424</b>

STEVENAGE BOROUGH COUNCIL

APPENDIX B

Ref No	Ranking	Name of Service	Description of Savings Proposal	Implementation costs (any redundancy/capital)	If staff affected indicate no. of staff	Financial Security Option in 2019/20	Financial Security Option in 2020/21	Financial Security Option in 2021/22	Ongoing (Y/N) or No of further years available	Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Barriers/Interdependencies	Requires Capital Investment (Y/N)	Requires ICT Investment (Y/N)	Potential Timing (put the date you estimate it will be implemented, consider any consultation required)	% General Fund (note 1) Finance can help how much is charged to the GF/HRA	Budget 2018/19	Actual 2017/18
<b>CATEGORY A - IMMEDIATE EFFICIENCY OPTIONS</b>																	
SA1	2.00	Development (Hsg)	Budget review HRA - licences budget (Home track)		0	1,750	1,750	1,750	Y	None as under utilised spend in licences currently	none	N	n	19/20	0%	£5,520	£3,690
SA3	2.00	Training	Maximising government apprentice levy to give a compensatory reduction in professional training budgets by 15%.		0	26,703	26,703	26,703	Y	There is a risk that the funding is not interchangeable and the levy funding is not applicable for the departmental related training budgets. Professional training budgets for 2018/19 are £117K (GF) and £61K (HRA) and the levy paid in 2017/18 was £76K. In addition there are £74K of corporate training budgets	Requires corporate allocation of apprentice levy and work force planning	N	N	1 April 2019	56%	£75,000	£0
SA5	2.00	Stevenage Direct Services	Historic/Surplus Equipment Sales	14,000	0	64,000	0	0	N	There a number of surplus assets that have been identified for sale. The cost of implementation is to take the plant and equipment to auction	Dependant on market prices	N	N	December 2018	50%	£0	£0
SA11	1.60	Constitutional Services	Reduce non staff budgets that are available to support Scrutiny function from 2.5k to 1k		0	1,500	1,500	1,500	Y	Budget has underspent in previous years.	None identified - not fully spent for a number of years.	N	N	1 April 2019	89%	£2,500	£422
SA12	1.60	Corporate Policy	Undertake the Town wide Residents Survey every three years rather than every two years.		0	17,810	-7,190	17,180	Y	Would require budget to be increased every third year to £25k. Principle could also equally be applied to the HRA Star Survey.	Needs to be considered as part of the future consultation and engagement strategy.	N	N	1 April 2019	98%	£17,810	£20,065
SA14	1.60	Council wide	Withdraw Retirement Gifts to employees (£34.10 for each year of completed service at SBC)		retiring staff										100%	£0	£11,000
SA18	2.00	Stevenage Direct Services	Removal of depot supervisors use of vans for home to depot travel		0	2,750	2,750	2,750	Y	Some supervisors take home a vehicle but attend the depot before starting work, the staff have been notified and the saving is based on fuel savings and could be more in practice removing depot to home mileage.		N	N		64%	£398,310	£307,163
<b>TOTAL</b>				<b>14,000</b>	<b>0</b>	<b>114,513</b>	<b>25,513</b>	<b>49,883</b>								<b>£499,140</b>	<b>£342,340</b>
<b>CATEGORY B - PROCUREMENT OPTIONS</b>																	
SB1	2.00	External Audit procurement	Reduction in contract for 2018/19 Audit		0	14,721	14,721	14,721	Y	The reduction in the EY fee is dependent on no additional fees being charged. The Council went to arbitration for the 2016/17 fee and had to pay £9.5K of the £18.5K requested by the Council's external auditors.	Increased fees charged by EY for perceived additional costs incurred on the audit	N	N	1 April 2019	70%	£64,000	£64,000
SB3	2.00	ICT Shared Service	Reduction in MFD (Multi functional Devices) costs / print - estimated 20% decrease in contract cost - current MFD costs for SBC are £46,000 (2017) - delivery for 2019/20		0	2,000	9,000	9,000	Y	Improved service / management information enabling business units to control their own MDF print costs and output	Aligning with HCC MFD supplier contract - Compliance Manager at EHDC in negotiations.	n	n	within 2018/19 and staff briefing needed / training on use	66%	£45,620	£53,000
SB8	2.00	Leasehold Management	Reduction in cost of administering Leaseholder (S20) Mortgages		0	62,000	62,000	62,000	y	The contract for administration of the loans has been procured and is less than estimated based on current numbers projected and requires less staff resource.	If the number of mortgages increase this could reduce the projected saving as the cost of the contract is based on the number of mortgages above which the cost increases.	n	y		0%	£170,630	£203,411
<b>TOTAL</b>				<b>0</b>	<b>0</b>	<b>78,721</b>	<b>85,721</b>	<b>85,721</b>								<b>£280,250</b>	<b>£320,411</b>
<b>CATEGORY C - NEW INCOME GENERATION/COMMERCIALISATION OPTIONS</b>																	
SC2	2.00	housing	FOR NOTE- requires business case: Once Housing company established - seek an even distribution of on costs away from HRA		0	25,000	25,000	25,000	y	Idea for Housing Company is already known. Based on Housing Development Company business plan. September Executive	Requires Business Case Approval	y	n		0%	£0	£0
SC3	2.00	Procurement	Shared Service with East Herts- subject to approval by EHDC		3	15,121	15,121	15,121	Y	This is dependent on the type of service EHDC want, currently they are paying on an hourly rate basis but want a cheaper service cost. The option assumes a 20% management cost payable by EHDC.	CFO from EHDC to meet with SBC CFO in July 2018 to discuss the way forward. Possible recruitment of staff for EHDC	N	N	1 April 2019	67%	£0	£0
SC23	2.00	Housing & Investment	Charge for retrospective permissions granted		0	5,000	5,000	5,000	Y	£100 per case x 50 cases approx. Policy required to reduce costs to rectify and homes left in a safe condition. <b>LSFG recommended higher charge of £100 to £500 for more serious changes</b>	figures based on assumed numbers of cases			01 April 2019	0%		
SC25	1.90	Human Resources	Introduce a holiday purchase scheme - 1 additional day per year.		all staff	15,000	30,000	30,000	Y	Figures are based on 7.5% of staff taking up the option per year. Could be extended up to 2 or 3 days a year which could further increase this figure. Ideally would be introduced prior to amending the Council's Flexi Scheme. Part of wider employee benefits package	TU consultation and Executive required. Fairly easy to implement - process will be required. Uncertainty is the level of take up. Staff consultation would be required to assess interest in such a scheme.	N	N	Could be introduced in year during 2018/19	67%	£0	£0
<b>TOTAL</b>				<b>0</b>	<b>3</b>	<b>60,121</b>	<b>75,121</b>	<b>75,121</b>								<b>£0</b>	<b>£0</b>

Ref No	Ranking	Name of Service	Description of Savings Proposal	Implementation costs (any redundancy/capital)	If staff affected indicate no. of staff	Financial Security Option in 2019/20	Financial Security Option in 2020/21	Financial Security Option in 2021/22	Ongoing (Y/N) or No of further years available	Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Barriers/Interdependencies	Requires Capital Investment (Y/N)	Requires ICT Investment (Y/N)	Potential Timing (put the date you estimate it will be implemented, consider any consultation required)	% General Fund (note 1) Finance can help how much is charged to the GF/HRA	Budget 2018/19	Actual 2017/18										
<b>CATEGORY D - SERVICE REDESIGN/PROCESS CHANGES INCLUDING WORKFORCE PLANNING</b>																											
SD1	2.00	Accountancy	Reduce Legal paralegals by 1.5FTE* indicative saving	0	0	58,620	58,620	58,620	Y	There were two posts transferred back to SBC plus non applicable HCC overheads. It is anticipated that 0.5FTE may be required if functions can be successfully transferred to other departments.		maybe a need for new system	maybe a need for new system	1 April 2019	67%	£524,700	part year 2017/18										
SD2	2.00	Payroll	Introduce for staff pension (like "AVC wise") scheme.	0	0	12,420	12,420	12,420	Y	The salary sacrifice scheme linked to pensions means no reduction in pension, but savings for the staff/employer on NI. Example based on 50 Grade 7's made a £150 AVC contribution, keeping their tax and NI saving. Saving on Employer NI with no assumption about investing the tax saving in the AVC. (Portsmouth have introduced)- <b>Employer of choice option</b>	Dependent on staff taking up the option, based on 50 with no tax, NI savings reinvested. Would require a scheme set up and an AVC provider. May require some up front costs	N	N	1 April 2019	67%	£2,058,820	£1,732,382										
SD9	1.70	ICT Shared Service	Print Room review - options appraisal underway to consider viability of the in house shared print service. (Redundancy based on worse case scenario, based on two redundancies out of three posts).	59,000	3	8,750	35,000	35,000	Y	There are Shared service cost savings. (this is across SBC and EHDC). Options could include 1. Reduce cost of existing service (1FTE saving but new equipment required-option being costed). 2. Service delivered through partner 3. Self Serve-bigger machines where needed with some external print as now. Or a combination of the above.	Shared Service Partner - East Herts ICT partner wish to maximise savings opportunities. Timescale based on partnership alignment. This will be dependent on staff consultation and outcome.	n	n	Member consultation - already aware of options appraisal in hand. Statutory staff consultation required for print staff	50%	£94,510	£133,892										
SD11	1.80	All	Reduction in paper and print / use of MFD s - move to paperless. Based on a managed reduction in click charges - new MFD contract means this is better enabled with print unit management information. Renegotiate paper contract	0	0	7,500	12,500	12,500	y	Change in culture and requires business unit oversight and management and review of paper contract	Information and records management strategy, digital document management solutions etc.				67%	£45,620	£53,000										
SD52 (was SA16)	2.00	Housing Policy and Performance	Creation of new Corporate Policy and Business Support Team and housing ICT systems team	38,000	2	100,000	100,000	143,000	Y	There are three managerial posts to be deleted (policy x 2 & performance x1). Proposed restructure of one new post management post. (One post has been vacant during the past 12 months and processes to be streamlined).	TU and Staff consultation would be required. This will be dependent on staff consultation and outcome	N	N	March 2019	59%	150,540 (working budget. OB = 0)	?? (HRA code in 17/18??)										
SD21	2.00	Housing and Investment	Additional Management savings as a result of Senior Management Review (SMR) and Business Unit Reviews (BUR)	0	0	61,000	61,000	61,000	Y	The 4th Tier BUR for housing management has negated the need for a management post (Grade 12) as the revised structure has consolidated housing functions	There may be cost pressures which arise as a result of restructures below tier 4 as the H&I BUR restructure is not yet complete.			immediate	0%												
<b>TOTAL</b>																<b>97,000</b>	<b>5</b>	<b>248,290</b>	<b>279,540</b>	<b>322,540</b>					<b>Total Target</b>	<b>£2,723,650</b>	<b>£1,919,274</b>
<b>CATEGORY E - FEES &amp; CHARGES</b>																											
SC18	1.90	Supported housing	Increase contribution to support costs to £2 per year rolling as part of phased support costs agreed in 2016/17		0	62,400	124,800	187,200	Y	The service cost was £17.70p in 2016/17. A charge of £2 pw was introduced in that year for those who were previously receiving the service for free (funded previously from supported housing grant), it is proposed that charges will increase by £2 pw per year until the cost of the service is fully recovered. Figures based on 624 users.					0%	£211,900	£143,000										
SE6	1.80	Various	Fees and charges HRA Appendix C		0	5,830	12,240	16,960	Y	Based on inflation of 2% increase HRA fees and charges See Appendix C					0%												
<b>TOTAL</b>																<b>0</b>	<b>0</b>	<b>68,230</b>	<b>137,040</b>	<b>204,160</b>					<b>Total Target</b>	<b>£211,900</b>	<b>£143,000</b>
				<b>111,000</b>	<b>8</b>	<b>569,875</b>	<b>602,935</b>	<b>737,424</b>																			



FEES AND CHARGES -RECOMMENDED FEE INCREASES FOR 2018/19 (1/4/2018)												
Service	Scoring (scale of 0-3, with 0 = "No you do not agree" to 3 = "Strongly Agree")	Description of Chargeable Service	2018/19 Price £	2019/20 Price £	Increase £	Increase %	Total Budget 2018/19 £	Income changes included in budget options	Budget Increase £	Total Budget 2019/20 £	Fee Principles Applied (Y/N)	Options considered/Rationale
<b>Housing Revenue Account</b>												
<b>Supported Housing:</b>												
Guest Bedrooms		All schemes other than those listed below (per night, per person)	£11.00	£11.40	£0.40	3.64%					Y	Consultation will take place to ask residents about not providing guest flats (those that are studios) and putting them back as a rental property.
	HG110 955300	Norman Court/Hobbs Ct/Gladstone Ct/Shafesbury Ct/Truro/ Pitt Court/Grosvenor Ct per night. (any bedsit type guest room, per night, per person)	£20.00	£20.70	£0.70	3.50%	8,850			8,850	Y	
Short Stay Unit		Assessment (per day)	£10.00	£10.35	£0.35	3.50%					Y	
	HG610 977700	Other, including an element of support (per day)	£20.00	£20.70	£0.70	3.50%	660			660	Y	
							9,510		390	9,900	Y	
Laundry Charges		Sheltered schemes first wash	FREE	FREE							Y	
		Second wash and thereafter	£2.45	£2.55	£0.10	4.08%					Y	
		Guest bedrooms and short stay (per wash)	£2.45	£2.55	£0.10	4.08%					Y	
	HG110 977500						5,870		130	6,000	Y	
Room Hire		Hairdressing at Silkin/Fred Millard, (per hour) *	£2.35	£2.60	£0.25	10.64%					Y	In order to encourage external service providers into the scheme for the benefit of the tenants, consideration has been given in the setting of the charges to ensure they are not cost prohibitive. Work underway to determine the number of customers who benefit from these services and to review the pricing on a more commercial basis. Both chironpodist and hairdresser are mobile
		Private chiropodist and other services, (per hour) *	£2.50	£2.60	£0.10	4.00%					Y	
	HG110 977700						1,180		120	1,300	Y	
Support Services and careline for HRA tenants		Sheltered housing support * (includes all services shown under careline alarms)	£17.70	£18.30	£0.60	3.39%	253,940		62,400	316,340	Y	Increase by 3.3% RPI - linked into the service charge review - splitting costs between rent , communal management charge and support. Due to a number of enquiries made recently and to be able to offer a more modern service, SBC are offering a SIM Careline unit (don't need a phone line). Currently there is an additional charge of £2.20 per week
	HG110 977807	SIM Careline Unit (additional weekly charge)	£2.20	£2.30	£0.10	4.55%					Y	
	now HG110 & HL410 911300	Independent living and flexi care support charge for previous HRS protected clients and new residents entitled to HB	£2.00	£4.00	£2.00	100.00%					Y	Proposed increase to £4 towards the true cost of the support service.  This needs to be the difference between the monitoring charge and the full charge
		response service for new customers (50 weeks)	£6.00	£6.70	£0.70	11.67%	137,890		4,110	142,000	Y	
		Response service phased (50 weeks)*	£4.95	£6.00	£1.05	21.21%					Y	
		Response service to other provider equipment (50 weeks)*	£3.70	£3.80	£0.10	2.70%					Y	
		Monitoring only service (50 weeks) *	£2.80	£2.90	£0.10	3.57%					Y	
							<b>391,830</b>		<b>66,510</b>	<b>458,340</b>		

FEES AND CHARGES -RECOMMENDED FEE INCREASES FOR 2018/19 (1/4/2018)												
Service	Scoring (scale of 0-3, with 0 = "No you do not agree" to 3 = "Strongly Agree")	Description of Chargeable Service	2018/19 Price £	2019/20 Price £	Increase £	Increase %	Total Budget 2018/19 £	Income changes included in budget options	Budget Increase £	Total Budget 2019/20 £	Fee Principles Applied (Y/N)	Options considered/Rationale
Careline Alarm-private (Shortfall funded from General Fund)		Response service (50 weeks) *	£6.00	£6.70	£0.70	11.67%					Y	This budget relates to private careline tenants and any increase in income means the General Fund subsidy is reduced.
		Response service phased (50 weeks)*	£4.95	£6.00	£1.05	21.21%					Y	There is a risk that we could lose customers if the cost gets too high.
		Response service out of area (50 weeks)*	£6.50	£6.75	£0.25	3.85%					Y	
		Response service to other provider equipment (50 weeks)*	£3.70	£3.80	£0.10	2.70%					Y	
		Monitoring only service (50 weeks) *	£2.80	£2.90	£0.10	3.57%					Y	
	HG110 941100						115,950		5,050	121,000		This Saving (£5,050) is for the GENERAL FUND - shown on there as a "one liner" - and only shown here for REFERENCE
Replacement Pendants Key safe Lock Change		Careline keys*	£9.40	£9.75	£0.35	3.72%					Y	actual cost of key is £4.42 - this includes a £5 admin fee.
		Fobs - Sheltered Schemes	£11.90	£12.35	£0.45	3.78%					Y	this includes a £5 admin fee
		All Pendants	£47.70	£49.30	£1.60	3.35%					Y	cost of pendant not known yet so £47 plus 3.3% RPI.
		Supply	£19.42	£20.00	£0.58	3.10%					Y	
		Fit	£55.55	£57.50	£1.95	3.51%					Y	Repairs service to advise what the costs will be 19/20
	HG110 968800						3,300		100	3,400	Y	
<b>General Needs Tenants and Leaseholders:</b>												
Key Fobs											Y	
	HJ990 976202		£19.90	£20.60	£0.70	3.52%					Y	Actual cost of key fobs is £11.50 + VAT - this also include a £5.00 admin charge consistent with Sheltered scheme keys.
Communal door entry keys		Replacement keys for entry doors to flat blocks.	£18.55	£19.25	£0.70	3.77%	1,260		40	1,300	Y	Actual cost of keys is £10.40 + VAT. Previously same charge was levied for key fobs and keys, however as the costs are different we are proposing different charges. Includes £5.00 admin as above.
	HJ990 976200										Y	
Laundry charges - Roundmead		Wash tokens	£5.15	£5.35	£0.20	3.88%					Y	It is recommended that we apply at least 2% increase annually each year from 2017, which will ensure that we recover reasonable costs at any one time rather than apply a large increase at any given point. New lets should be signed up to a direct debit to ensure that there is little/no cost in collecting the rent due. Based on actual costs (electricity, water, repairs, depreciation). Benchmarked launderette costs are £4 (small wash), £6 (large) and £8 (large wash).
		Dry Tokens	£2.75	£2.90	£0.15	5.45%					Y	
Management Fees for Westwood Court & Kilner Close		Administration Fees	£0.70	£0.75	£0.05	7.14%					Y	Administration fees help to recover the administration of the management fees each year in line with SBC administration set fees
Laundry charges - Brent And Harrow		Wash tokens	£5.15	£5.35	£0.20	3.88%					Y	
		Dry Tokens	£2.75	£2.90	£0.15	5.45%					Y	
	HJ990 977500						Average 7,660		240	7,900	Y	2017/18 Actuals only £5k

FEEES AND CHARGES -RECOMMENDED FEE INCREASES FOR 2018/19 (1/4/2018)													
Service		Scoring (scale of 0-3, with 0 = "No you do not agree" to 3 = "Strongly Agree")	Description of Chargeable Service	2018/19 Price £	2019/20 Price £	Increase £	Increase %	Total Budget 2018/19 £	Income changes included in budget options	Budget Increase £	Total Budget 2019/20 £	Fee Principles Applied (Y/N)	Options considered/Rationale
<b>Stores</b>													
	HC110 978101			£4.20	£4.35	£0.15	3.57%	20,600		400	21,000	Y	17/18 Actuals only made £14k.
Lock change													
	HR613 976200		Callout	£113.75	£117.50	£3.75	3.30%	3,800				Y	This charge is levied if tenants call out emergency repairs service out of office hours. It acts effectively as a deterrent. The charge figure relates to a lock change in this instance, but the call out could a number of repairs.
	HA110 992200		Admin charge	£34.20	£35.50	£1.30	3.80%	9,900				Y	Schedule of Rates charges for lock change is £91.35.
			Charge	£101.00	£104.50	£3.50	3.47%					Y	
								13,700		300	14,000	Y	2017/18 Actuals only £7.5k
<b>Leasehold charges for services - VAT not applicable. All fees are additional income for SBC</b>													
Solicitors enquiries/standard pre-sale enquiries*			10 working day response	£160.00	£160.00	£0.00	0.00%					Y	Would not be deemed reasonable if challenged at FTT to charge more
Solicitors enquiries/standard pre-sale enquiries*			3 working day response	£240.00	£240.00	£0.00	0.00%					Y	Would not be deemed reasonable if challenged at FTT to charge more
Re-mortgage enquiries*			Enquiries raised at a time of remortgaging	£55.00	£55.00	£0.00	0.00%					Y	Would not be deemed reasonable if challenged at FTT to charge more
Copy of lease*			fee for providing a copy of the lease	£30.00	£30.00	£0.00	0.00%					Y	Cost of obtaining from the land registry is considerably lower, and therefore would not be deemed reasonable if SBC were to charge more
Requests for landlord's consent*			where leaseholder wants to carry out alterations - permission must be sought from SBC.	£100.00	£100.00	£0.00	0.00%					Y	Would not be deemed reasonable if challenged at FTT to charge more
			charge for inspection post completion of works	£50.00	£50.00	£0.00	0.00%					Y	Would not be deemed reasonable if challenged at FTT to charge more
Retrospective landlord's consent*			where leaseholder is seeking permission for works carried out retrospectively.	£200.00	£200.00	£0.00	0.00%					Y	Would not be deemed reasonable if challenged at FTT to charge more
			additional inspection fee	£50.00	£50.00	£0.00	0.00%					Y	Would not be deemed reasonable if challenged at FTT to charge more
Copies of quarterly service charge invoice*			additional inspection fee	£5.00	£5.00	£0.00	0.00%					Y	Would not be deemed reasonable if challenged at FTT to charge more
Copies of service charge estimate or actual statement*			additional inspection fee	£5.00	£5.00	£0.00	0.00%					Y	Would not be deemed reasonable if challenged at FTT to charge more
Deed of Postponement			(This is a new fee being introduced for 19/20)	none	£85.00								
Notice of Charge			(This is a new fee being introduced for 19/20)	none	£25.00								
Notice of Transfer			(This is a new fee being introduced for 19/20)	none	£25.00								
			HA114/941***					0		73,280	0		
			<b>GRAND TOTAL</b>					£569,600	£0	£73,240	£642,840		

Notes  
 1.charges are rounded to the nearest 5p  
 2.All charges are inclusive of VAT @ 20% with the exception of items marked with an \*  
 3.Careline and Community Support are subject to VAT for private residents unless they complete an exemption declaration.

**Additional Income (fees & charges) £73,280**  
**Less: £5,050 (G Fund Saving) £68,230**

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**APPENDIX D: RISK BASED ASSESSMENT OF THE LEVEL OF HOUSING REVENUE ACCOUNT  
BALANCES 2019/20**

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 increased void rates, lower collection rates, disputed bills, 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.		
		<b>Calculated Risk</b>	
Specific Areas	Estimated Income	Risk assessed at	Balances Required
Rechargeable works not raised or recovered	£158,670	10.00%	£15,867
Leaseholder charges not realised (excluding insurance)	£750,000	5.00%	£37,500
Rental income (increase in voids rates)	£39,207,820	0.50%	£196,039
Service Charges (increase in voids rates)	£1,552,260	0.50%	£7,761
Heating charges	£195,950	5.00%	£9,798
<b>Total</b>			<b>£266,965</b>

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.		
		<b>Calculated Risk</b>	
Specific Areas	Estimated Exposure	Risk assessed at	Balances Required

**APPENDIX D: RISK BASED ASSESSMENT OF THE LEVEL OF HOUSING REVENUE ACCOUNT  
BALANCES 2019/20**

Storm damage and fire damage uninsured costs (excess is £25,000 for fire damage)	£25,000	100.00%	£25,000
Response and Emergency repairs increase as a result of inflationary pressures or unforeseen repairs	£6,227,330	5.00%	£311,367
Unforeseen Capital works not budgeted for requiring a contribution to capital (based on a proportion of the capital programme)	£47,794,580	1.50%	£716,919
Inflation pressures on capital works requiring additional revenue resources to fund the shortfall	£47,794,580	0.25%	£119,486
NEW Insufficient budget identified for damp and mould works	£150,000	20.00%	£30,000
NEW Cost of decanting tenants from redevelopment sites is higher than budgeted for	£290,102	5.00%	£14,505
<b>Total</b>			<b>£1,217,277</b>

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<b>Potential Risk Area</b>	<b>Comments including any mitigation factors</b>
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**APPENDIX D: RISK BASED ASSESSMENT OF THE LEVEL OF HOUSING REVENUE ACCOUNT  
BALANCES 2019/20**

Changes since budget was set	Potential risk that things change since the budget estimates were made and the estimates are then under budgeted for		
		<b>Calculated Risk</b>	
<b>Specific Areas</b>	<b>Estimated Exposure</b>	<b>Risk assessed at</b>	<b>Balances Required</b>
Increase in borrowing costs for internal borrowing	£2,338,422	0.25%	£5,846
Transitional Vacancy Rate 4.5% not achieved	£182,920	10.00%	£18,292
Increase in bad debt provision	£217,620	10.00%	£21,762
Utility inflation (Electricity increase in April 2018, Gas increase from Oct 2018 )	£578,280	5.00%	£28,914
Business Unit Reviews (BUR)implementation costs/restructure costs increases the pay bill (% of pay bill for the General Fund)	£7,363,100	0.50%	£36,816
<b>Total</b>			<b>£111,630</b>

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<b>Potential Risk Area</b>	<b>Comments including any mitigation factors</b>
Income from areas within the base budget where the Council raises "Fees and Charges"	Potential risk that changes in government policy and legislation mean income from activities where the Council is charging for services will not be achieved.
	<b>Calculated Risk</b>

**APPENDIX D: RISK BASED ASSESSMENT OF THE LEVEL OF HOUSING REVENUE ACCOUNT  
BALANCES 2019/20**

<b>Specific Areas</b>	<b>Estimated Income</b>	<b>Risk assessed at</b>	<b>Balances Required</b>
Increased Right to buys as a result of Government initiatives reducing the amount of collectable rent. Assume an additional 15 RTB's increasing the number to 50 in 2019/20	£36,933	50.00%	£18,467
higher rent arrears as a result of the introduction of the benefit cap.	£217,620	2.50%	£5,441
<b>Total</b>			<b>£23,907</b>

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<b>Potential Risk Area</b>	<b>Comments including any mitigation factors</b>		
Other Risks	Potential risk that savings options will not be realised as a result of delay or unforeseen circumstances.		
		<b>Calculated Risk</b>	
<b>Specific Areas</b>	<b>Estimated Exposure</b>	<b>Risk assessed at</b>	<b>Balances Required</b>
Savings Options delayed or not realised	£354,630	10.00%	£35,463
<b>Total</b>			<b>£35,463</b>

<b>Potential Risk Area</b>	<b>Comments including any mitigation factors</b>
Estimated balances required for any over spend or under -recovery of expenditure	This calculation replaces the calculation based on Net Expenditure



**APPENDIX D: RISK BASED ASSESSMENT OF THE LEVEL OF HOUSING REVENUE ACCOUNT  
BALANCES 2019/20**

Specific Areas	Estimated Exposure	Calculated Risk	
		Risk assessed at	Balances Required
Gross Expenditure (excluding fixed interest costs and depreciation and RCCO)	£19,382,080	1.50%	£290,731
<b>Total</b>			<b>£290,731</b>
<b>Level of Balances Assumed in Housing Revenue Account Based on risk</b>			<b>£1,945,972</b>
Balances held for future debt and capital programme.			<b>£9,031,455</b>
<b>Total Required balances</b>			<b>£10,977,427</b>

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### 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.

### Savings Proposals 2019/20

Prior to their consideration at Executive in November 2018, 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 or Full EqIAs. These have been summarised over the following pages and will inform the recommendations made at Executive on 23 January and 13 February 2019. Action to further analyse or mitigate the impact on equality groups is identified where appropriate.

The following activity has been taken / will take place:

- November 2018 – February 2019 EqIAs finalised considering further evidence as necessary
- January and February 2019 Consideration of all completed EqIAs at Council meetings

## Summary Of Equality Impact Assessments Appendix E

Saving Ref	Saving proposed	Summary of impact	Action	Contact Officer
SA2	Cease payment of excesses on strimmer claims	<p><b>Unequal impact:</b></p> <p><b>Socio Economic</b> Lower income households may have only basic car or home insurance that does not provide coverage and/or may find it more difficult to pay the excess.</p>	No further action or EqIA is required	Clare Fletcher
SC23 Page 61	Charge for retrospective permissions granted	<p><b>Unequal impact</b></p> <p><b>Disability</b> Disabled tenants who need adaptations would apply via Stevenage Borough Council as an OT assessment would need to be carried out before any works are completed. The works are paid from the aids and adaptation budget.</p> <p><b>Socio Economic</b> Tenants on lower incomes may find it more difficult to make the payment. Arrangements could be made to negotiate payment plans on a case by case basis according to circumstances through the concessions policy.</p>	<p>Full EQIA completed</p> <p>Publicise the introduction of the charges as widely as possible in February 2019 before implementation in April 2019.</p> <p>Provide adequate training and support for the Customer Service Centre (CSC) and Housing &amp; Investment Team.</p> <p>Ensure that staff identify low income and vulnerable residents and follow the concessions policy.</p>	Jaine Cresser

Saving Ref	Saving proposed	Summary of impact	Action	Contact Officer
Page 62			<p>Consult on the new terms and conditions of the tenancy agreement, which include recharges of retrospective permissions.</p> <p>Review after 6 months to assess the impact and see if it has adversely affected particular equality group(s).</p> <p>Review of the charges to be undertaken as part of annual fees and charges setting mechanism.</p>	
SE2	Replacement waste container charges	<p><b>Negative impact:</b>  <b>Socio Economic</b>            Replacement container charges may discourage residents to participate with refuse and recycling services if they are charged for a replacement container.</p>	<p>The Council will seek to apply a concessionary rate for those receiving income derived benefit.</p> <p>Replacement containers will be provided free of charge where irreparable damage or loss of a container is the fault of the Council.</p>	Craig Miller

Saving Ref	Saving proposed	Summary of impact	Action	Contact Officer
			The charge will be reviewed alongside corporate fees and charges setting process 2019/20.	
<p>HRA</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 63</p>	Rent and service charge setting for 2019/20	<p><b>Positive impact:</b></p> <p><b>Socio Economic</b> The rent decrease will be applied across all tenancies prescribed by the Welfare Reform and Work Act 2016 regardless of circumstances.</p> <p>Those who receive services for which a service charge is made will be charged the actual cost of these services. Some of these service charges will be eligible for Universal Credit (UC) Housing Cost element and Housing Benefit (HB).</p> <p><b>Unequal impact:</b></p> <p><b>Socio Economic</b> The rent reduction applies to all tenants subject to Clause 21 of the Welfare Reform and Work Act 2016. However, properties exempt from this clause will have the rent increased by CPI + 1%. (Currently this is circa 87 Low Start Shared Ownership (LSSO) properties and one shared ownership property – it may also include emergency and temporary accommodation).</p> <p>52% (as at the end of 2017/18) of tenants are reliant on HB to cover the rent and HB eligible service charges. Only some service charges</p>	<p>Full EQIA completed (HRA &amp; SC18 combined).</p> <p>Communicate rent and charges through notification letters, FAQ sheets and the website, giving the opportunity for residents to discuss their concerns with staff and get support in applying for any relevant benefits.</p> <p>Review whether any elements of the independent living service should be eligible for housing benefit.</p>	Jaine Cresser

Saving Ref	Saving proposed	Summary of impact	Action	Contact Officer
		<p>are eligible for UC Housing Cost element and HB. For example heating charges are exempt and tenants and leaseholders are expected to pay this. Water charges are also exempt from the decrease and UC Housing Cost element and HB.</p>		
<p>SC18</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 64</p>	<p>Increase contribution to support costs to £2 per year as part of phased support costs agreed in 2016/17</p>	<p><b>Positive impact:</b></p> <p><b>Socio Economic</b> Results from the STAR survey in 2018 have shown that residents identified the emergency alarm service and the supported housing officer as the 2<sup>nd</sup> and 3<sup>rd</sup> most important priority associated with living in their property. The application of the support charge will help to ensure that the Council can continue to deliver this service.</p> <p><b>Negative impact:</b></p> <p><b>Age</b> Residents of independent living and flexicare schemes who will have to pay the increased charge are predominantly older people. Conversely however, the costs are currently subsidised by the wider tenant population, who have a younger age profile and do not benefit from the service.</p> <p><b>Disability</b> The residents that are charged a support charge are predominantly older and disabled people as this accommodation is for people over 55 years old or for people with a disability.</p> <p><b>Socio Economic</b> The support charge is not eligible for housing benefit and could have</p>		<p>Jaine Cresser</p>



Saving Ref	Saving proposed	Summary of impact	Action	Contact Officer
		<p>a negative impact for those on lower incomes in terms of affordability.</p> <p>This group of residents may also be affected by increases in Hertfordshire County Council (HCC) affecting the overall amount that older and disabled people can afford to pay:</p> <ul style="list-style-type: none"> <li>• HCC now charge for some of their community based adult social care services that they used to provide for free. This has impacted on many people over 60 in the independent living/flexicare schemes as they are in receipt of some care due to their age/medical conditions. The low care band in flexicare doubled and this has had an impact on residents being able to afford care</li> <li>• HCC funding for Flexicare housing related support is due to end on 31<sup>st</sup> March 2019, which would mean more cost to Stevenage Borough Council, which we may need to pass on to residents.</li> </ul> <p>However, the introduction of the charge is considered to be fairer than under current arrangements, whereby support charge costs are subsidised by the wider tenant population who do not benefit from the service.</p> <p>Furthermore, the charge has been introduced on an incremental basis, to mitigate the impact, rather than applying the full amount of £18.30 per week in one 'hit'.</p> <p>For those tenants who are not eligible for HB or who are on partial HB, the rent reduction will to some extent offset the impact of the charge.</p>		

Saving Ref	Saving proposed	Summary of impact	Action	Contact Officer
SE11	Charge an administration fee for managing the VCO garages	<p><b>Possible negative impact</b></p> <p><b>Age, Race, Disability, Religion or belief and Socio Economic characteristics</b> Financial implication associated with £104 annual charge per garage. Cost is considered to be proportionate and reasonable within the context of overall operating costs of VCO's.</p> <p><b>Possible positive impact</b></p> <p><b>Age, Race, Disability, Religion or belief and Socio Economic characteristics</b> Will stimulate review of the organisations actual need for a garage and may provide an opportunity to rationalise liabilities associated with use of a third party resource/asset.</p>	Review of charge application and EQIA to ensure continued applicability.	Craig Miller
SC11	Broker the Council's commercial skip business through a third party provider	<p><b>Socio-economic</b> The Council will continue to ensure that the charges applied for the provision of skips remain proportionate and are reasonable in terms of market conditions at the time of being set.</p>	Charges will be reviewed as part of the annual fees and charges setting mechanism as normal.	Craig Miller
SC 6	Provide Sanctum vaults for ashes interments at the Almonds Lane & Weston Road Cemeteries	<p><b>Positive Impact</b></p> <p><b>Disability</b> Sanctums can be located along path edges and access routes within Cemeteries. These memorial types can as a result be a more accessible memorial solution for mourners who are less mobile.</p> <p><b>Socio Economic</b> Sanctums may provide a more affordable burial option for low</p>	No further action or EqIA is required.	Craig Miller

Saving Ref	Saving proposed	Summary of impact	Action	Contact Officer
		<p>income households when compared to costs associated with standard grave burials.</p> <p><b>Unequal Impact</b></p> <p><b>Religion or Belief</b> Sanctums would not be a viable option for faith denominations that only utilise grave burials for their deceased.</p>		

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

What is being assessed?	<b>Insurance Claims - Damage Caused To Property owned by Members of the Public by Grasscutting Operatives Using Strimmers</b>	What are the key aims of it?	To enforce the legal protocol/process of dealing with these claims thus saving taxpayers' money.		
Who may be affected by it?	Customers: External				
Date of full EqIA on service area (planned or completed)	N/A				
Form completed by:	Debbie Gibson	Start date	01/10/18	End date	TBA
		Review date		30/04/19	

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What data / information are you using to inform your assessment?	Internal Public Liability (PL) Claims Experience	Have any information gaps been identified along the way? If so, please specify	No
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Explain the <b>potential positive, negative or unequal impact</b> on the following characteristics and <b>how likely</b> this is:			
Age	n/a	Race	n/a
Disability	n/a	Religion or belief	n/a
Gender reassignment	n/a	Sex	n/a
Marriage or civil partnership	n/a	Sexual orientation	n/a
Pregnancy & maternity	n/a	Socio-economic <sup>1</sup>	<b>Unequal impact:</b> Lower income households may have

<sup>1</sup>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.

			only basic car or home insurance that does not provide coverage and/or may find it more difficult to pay the excess
Other	N/A		

Where there is a likely <b>positive impact</b> , please explain how it will help to <b>fulfil our legislative duties</b> 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 - but note that where we have been negligent in not complying with health and safety legislation and risk then liability may be conceded.	Debbie Gibson	Delivered by Insurance Team following due process and monitored by the Insurance Manager (depending on volume of claims and follow on regarding any post claim complaints)	N/A

**Approved by Assistant Director (Finance and Estates)**

**Date: 1<sup>st</sup> November 2018**

# Full Equality Impact Assessment

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

<b>What is being assessed?</b>		<b>Introduction of Retrospective Permissions Charge – 1 year pilot</b>	
Lead Assessor	Karen Long		Assessment team
Start date	31 Dec 18	End date	04 Jan 2019
When will the EqIA be reviewed?	4 Jan 2019		Elizabeth Ddamulira

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Who may be affected by it?	Residents who carry out property alteration before applying for permission.
What are the key aims of it?	<p>We reviewed retrospective permissions requested over the last three years and found that this number has increased and this has impacted on current resources.</p> <p>It is proposed that we introduce a charge to all residents that carry out property alteration without permission first, which is a breach of the tenancy terms and conditions.</p> <p>The proposed charge will vary between £100-£500 depending on the extent of the alterations carried out and whether the alterations meet the required regulations and standards.</p> <p>To encourage tenants to request permission before any alterations are made to the property so that we can offer an expert opinion on whether they are viable or compromise the integrity of the building.</p> <p>To generate income to cover the cost of processing and administrative cost incurred by Council.</p>

What <b>positive measures</b> are in place (if any) to help <b>fulfil our legislative duties</b> to:					
Remove discrimination & harassment		Promote equal opportunities	This also aligns to the Council's aim to be financially sufficient and recover costs of services where possible.	Encourage good relations	

What sources of data / information are you using to inform your assessment?	There has not been any direct public consultation with regard to this particular decision; however, it was taken as a proposal to Housing Management Advisory Board (HMAB) on 25 <sup>th</sup> October 2018 and it was supported. HMAB includes resident members. It will also be included as part of the consultation on the revised tenancy agreement in January/early February 2019. It is understood that residents will not welcome the proposal and this is to be expected.
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In assessing the potential impact on people, are there any overall comments that you would like to make?	<p>The proposed charges will apply to all equality groups of Council tenants, although we will be looking at the concessions policy to ensure that this does not impact negatively on vulnerable and low income households as soon as is practicably possible.</p> <p>There are currently no proposals to consider any other exemptions.</p> <p>It is difficult to estimate who could be potentially impacted by this charge. We therefore intend to take all possibilities into consideration when assessing the equality impacts of this charge. We will review the pilot after 6 months to assess the impact and see if it has adversely affected particular equality group(s).</p> <p>We can utilise information primarily from our demographic profile to ensure that any service users that are vulnerable or on low incomes are not adversely impacted by this pilot.</p>
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## Evidence and impact assessment

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

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Age					
Positive impact		Negative impact		Unequal impact	<p>The introduction of a charge will be equally applicable to all users and no potential impact has been identified specific to this equality group.</p> <p>In addition, the proposal does not exclude an individual or group with a protected characteristic from contacting/speaking/emailing/writing with officers regarding their issue.</p>
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

Disability e.g. physical impairment, mental ill health, learning difficulties, long-standing illness					
Positive impact		Negative impact		Unequal impact	The introduction of a charge will be equally applicable to all users and no potential impact has been



				<p>identified specific to this equality group.</p> <p>In addition, the proposal does not exclude an individual or group with a protected characteristic from contacting/speaking/emailing/writing with officers regarding their issue.</p> <p>For those tenants who need adaptations they would apply via Stevenage Borough Council as an OT assessment would need to be carried out before any works are completed. The works are paid from the aids and adaptation budget.</p>
Please evidence the data and information you used to support this assessment				
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)		

Gender reassignment N/A				
Positive impact		Negative impact		<p>The introduction of a charge will be equally applicable to all users and no potential impact has been identified specific to this equality group.</p> <p>In addition, the proposal does not</p>

					exclude an individual or group with a protected characteristic from contacting/speaking/emailing/writing with officers regarding their issue.
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)			

Marriage or civil partnership N/A					
Positive impact		Negative impact		Unequal impact	<p>The introduction of a charge will be equally applicable to all users and no potential impact has been identified specific to this equality group.</p> <p>In addition, the proposal does not exclude an individual or group with a protected characteristic from contacting/speaking/emailing/writing with officers regarding their issue.</p>
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)			

Pregnancy & maternity – N/A					
Positive impact		Negative impact		Unequal impact	<p>The introduction of a charge will be equally applicable to all users and no potential impact has been identified specific to this equality group.</p> <p>In addition, the proposal does not exclude an individual or group with a protected characteristic from contacting/speaking/emailing/writing with officers regarding their issue.</p>
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

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Race – N/A					
Positive impact		Negative impact		Unequal impact	<p>The introduction of a charge will be equally applicable to all users and no potential impact has been identified specific to this equality group.</p> <p>In addition, the proposal does not exclude an individual or group with a protected characteristic from</p>

					contacting/speaking/emailing/writing with officers regarding their issue.
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)			

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Religion or belief – N/A					
Positive impact		Negative impact		Unequal impact	<p>The introduction of a charge will be equally applicable to all users and no potential impact has been identified specific to this equality group.</p> <p>In addition, the proposal does not exclude an individual or group with a protected characteristic from contacting/speaking/emailing/writing with officers regarding their issue.</p>
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)			

**Sex – N/A**

Positive impact		Negative impact		Unequal impact	<p>The introduction of a charge will be equally applicable to all users and no potential impact has been identified specific to this equality group.</p> <p>In addition, the proposal does not exclude an individual or group with a protected characteristic from contacting/speaking/emailing/writing with officers regarding their issue.</p>
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

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**Sexual orientation – N/A**  
e.g. straight, lesbian / gay, bisexual

Positive impact		Negative impact		Unequal impact	<p>The introduction of a charge will be equally applicable to all users and no potential impact has been identified specific to this equality group.</p> <p>In addition, the proposal does not exclude an individual or group with a protected characteristic from contacting/speaking/emailing/writing</p>
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					with officers regarding their issue.
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)			

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<b>Socio-economic<sup>2</sup></b> <b>e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users, social value in procurement</b>					
Positive impact		Negative impact		Unequal impact	<p>The introduction of a charge will be equally applicable to all users.</p> <p>In addition, the proposal does not exclude an individual or group with a protected characteristic from contacting/speaking/emailing/writing with officers regarding their issue.</p> <p>However, tenants on lower incomes may find it more difficult to make the payment. Arrangements could be made to negotiate payment plans on a case by case basis according to circumstances through the concessions policy.</p>

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

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

<b>Other – N/A</b>			
please feel free to consider the potential impact on people in any other contexts			
Positive impact		Negative impact	Unequal impact
Please evidence the data and information you used to support this assessment			
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	
Future Review and Monitoring			

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**What are the findings of any consultation with:**

Staff?	None	Residents?	
Voluntary & community sector?		Partners?	
Other stakeholders?			

## Overall conclusion & future activity

Explain the <b>overall findings</b> of the assessment and <b>reasons for outcome (please choose one)</b> :		
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	Consideration will be made in line with the concession policy. Following the 6 month review outcome consider the annual review of the charge.
	2b. Continue as planned	Sustainable service provision is reliant upon us being able to collect income where it is possible to do so.
	2c. Stop and remove	

Detail the <b>actions that are needed</b> as a result of this assessment and how they will help to <b>remove discrimination &amp; harassment, promote equal opportunities</b> and / or <b>encourage good relations</b> :				
Action	Will this help to remove, promote and / or encourage?	Responsible officer	Deadline	How will this be embedded as business as usual?
Publicise the introduction of the charges as widely as possible in February 2019 before implementation in April 2019.	This will help communication and understanding of this charge. It will also encourage proactive permission requests coming through.	Elizabeth Ddamulira	28 Feb 19	
Provide adequate training and support for Customer Service Centres (CSC) and Housing & Investment Team	This will help communication and understanding of this charge.	Elizabeth Ddamulira	28 Feb 19	
Ensure that staff identify low income and vulnerable residents and follow the concessions policy	This will address some of the social economic challenges faced by residents.	Elizabeth Ddamulira	Ongoing	
To consult on the new terms	This will help communication	Keith Wilson	Mid Feb	



and conditions of the tenancy agreement which includes recharges of retrospective permissions	and understanding of this charge. It will also encourage proactive permission requests coming through.		19	
Review after 6 months to assess the impact and see if it has adversely affected particular equality group(s)	To ensure that a particular equality group(s) are not adversely impacting on.	Elizabeth Ddamulira	Oct 19	
Review to be undertaken as part of annual fees and charges setting mechanism as normal	This is to ensure that charges are value for money and transparent.	Elizabeth Ddamulira	July 19	

**Approved by Assistant Director / Strategic Director: Jaine Cresser, Assistant Director (Housing and Investment)**

**Date: 8<sup>th</sup> January 2019**

Please send this EqIA to [equalities@stevenage.gov.uk](mailto:equalities@stevenage.gov.uk)

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

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What is being assessed?	<b>Proposal to apply a £40 per wheelie bin and £6 per recycling box for replacement waste containers.</b>		The Council is proposing a charging policy for waste containers provide as replacements for those lost or damaged by residents. A charge of £40 for a replacement wheelie bin and £6 for a replacement box is proposed.		
Who may be affected by it?	All low rise households within Stevenage.		What are the key aims of it?	The Council spent £80,000 on replacement containers in 2017/18.	
Date of full EqIA on service area (planned or completed)	A full EqIA will be carried out as part of the second phase of the Business Unit Review of Stevenage Direct Services. This will inform the operating model and ensure services understand who the Council's customers are and their current and future needs.			This proposal along with a pilot to implement a more cost effective solution for recycling boxes aims to reduce expenditure on replacement containers.	
Form completed by:	Lloyd Walker	Start date	31/10/18	End date	01/11/18
		Review date	01/11/2020		

What data / information are you using to inform your assessment?	Replacement waste container data and benchmarking data for container charges applied by other local authorities.	Have any information gaps been identified along the way? If so, please specify	None
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Explain the <b>potential positive, negative or unequal impact</b> on the following characteristics and <b>how likely</b> this is:			
Age	n/a	Race	n/a
Disability	n/a	Religion or belief	n/a
Gender reassignment	n/a	Sex	n/a
Marriage or civil partnership	n/a	Sexual orientation	n/a
Pregnancy & maternity	n/a	Socio-economic <sup>3</sup>	<p><b>Negative impact:</b> Replacement container charges may discourage residents to participate with refuse and recycling services if they are charged for a replacement container.</p> <p>The Council will seek to apply a concessionary rate for those receiving income derived benefit. Replacement containers will be provided free of charge where irreparable damage or loss of a container is the fault of the Council.</p>
Other	n/a		

Where there is a likely <b>positive impact</b> , please explain how it will help to <b>fulfil our legislative duties</b> to:					
Remove discrimination & harassment	No	Promote equal opportunities	No	Encourage good relations	No

<sup>3</sup>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.

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

Action	Responsible officer	How will this be delivered and monitored?	Deadline
Review of charge application post application	Lloyd Walker	Review alongside corporate fees and charges setting process.	February 2020

**Approved by Assistant Director (Stevenage Direct Services)**

**Date: 2<sup>nd</sup> November 2018**

# Full Equality Impact Assessment

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

<b>What is being assessed?</b>		<b>HRA Rent and Service Charge (HRA) and Support Charge (SC18)</b>			
Lead Assessor	Karen Long			Assessment team	Kelly Potts Elizabeth Ddamulira Ann Tomlin
Start date	1 Dec 18	End date	31/12/18		
When will the EqIA be reviewed?	4 Jan 2019				

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Who may be affected by it?	<p><b>SC18:</b> Residents living in independent living/flexicare housing that are in receipt of housing benefit, fairer charging, universal credit (UC) or 2003 protected (i.e. those in the service prior to the government supporting people grant funding starting in 2003). As at 1 January 2019 this affects 604 people. The remaining residents in independent living/flexicare already pay the full charge.</p> <p><b>HRA:</b> All tenants paying rent and all tenants and leaseholders paying service charges</p>
What are the key aims of it?	<p><b>SC18:</b> To contribute to the recovery of costs for providing the support/emergency response service to people living in independent living/flexicare schemes that historically have not had to pay anything towards the cost as we received housing related support funding from Hertfordshire County Council (HCC). The support/alarm service is not eligible for housing benefit, but in order to be able to continue this service to residents we needed to introduce the initial weekly contribution of £2.00 in 2018/19 and propose to increase this to £4.00 in 2019/20. The total cost of the support/alarm service will be £18.30 per week so Stevenage Borough Council will still be subsidising the £14.30 per week. This option has the support of the housing portfolio holder.</p> <p><b>HRA:</b> To reduce social rents by 1% until 2020/21 (for the properties as described in the Welfare Reform and Work Act 2016) To increase the rents for all excluded properties by CPI + 1% To set the rent for all new homes or where adaptations or extensions have resulted in the property being increased in size (for example, and additional bedroom), in accordance with the formula rent as detailed in the rent and service charge policy.</p>

Subject to the Welfare reform and Work Act 2016, the rent payable by new tenants of existing social rent housing will be charged at the higher of the formula rent (i.e. the 'social rent rate'), or the actual rent (i.e. the 'assumed rent rate'), with the appropriate rent reductions applied.

To charge actual costs for service charges.

What <b>positive measures</b> are in place (if any) to help <b>fulfil our legislative duties</b> to:					
Remove discrimination & harassment	<b>SC18:</b> This will remove discrimination against other residents that pay the full cost for not being in receipt of housing benefit or fairer charging.	Promote equal opportunities	<b>SC18 &amp; HRA:</b> This also aligns to the Council's aim to be financially sufficient and recover costs of services where possible.	Encourage good relations	

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What sources of data / information are you using to inform your assessment?	<ul style="list-style-type: none"> <li>• Data of those on full/partial housing, fairer charging, universal credit or those that are protected due to supporting people implementation in 2003.</li> <li>• Age profile of independent/flexicare housing tenants</li> <li>• Northgate - Rent account information</li> <li>• Welfare reform and work Act (<a href="http://services.parliament.uk/Acts/2015-16/welfarereformandwork/documents.html">http://services.parliament.uk/Acts/2015-16/welfarereformandwork/documents.html</a>)</li> <li>• Rents for social housing from 2020-21 - GOV.UK</li> <li>• <a href="http://www.parliament.uk/documents/impact-assessments/IA15-006F.pdf">http://www.parliament.uk/documents/impact-assessments/IA15-006F.pdf</a></li> <li>• Rent and service charge policy agreed by Exec 19 January 2016.</li> <li>• Rent and service charge increase/decrease for all properties (see chart below)</li> <li>• Rent, service charge and support charge increase/decrease per property in independent/flexicare living schemes (see tables below)</li> </ul>
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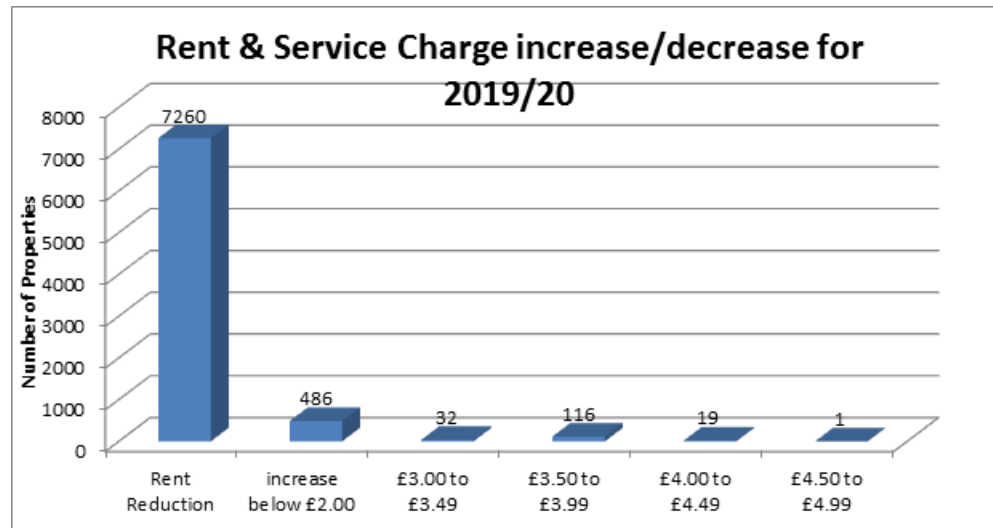
**Independent/Flexicare living schemes – combined rent, service charge & support charge:**

Actual 2019/20 Increases	
<b>Total Change Year on Year Groupings Table A (Including £2 Support Charge Increase)</b>	
<b>Row Labels – weekly amount</b>	<b>Count of Property Ref</b>
£2.00 to £2.49	79
£2.50 to £2.99	127
£3.00 to £3.49	9
increase below £2.00	
£2.00	542
Over £5.50	51
Rent Reduction	37
<b>Grand Total</b>	<b>845</b>

If CPI +1% had been applied this year (see table below)

<b>Total Change Year on Year Groupings Table A (if CPI +1% had been applicable)</b>	
<b>Row Labels</b>	<b>Count of Property Ref</b>
£2.00 to £2.49	5
£2.50 to £2.99	196
£3.00 to £3.49	293
£3.50 to £3.99	124
£4.00 to £4.49	125
£4.50 to £4.99	7
Rent Reduction	2
increase below £2.00	35
Over £5.50	51
£5.00 to £5.50	7
<b>Grand Total</b>	<b>845</b>

**All Properties (rent and service charge only):**



In assessing the potential impact on people, are there any overall comments that you would like to make?

**SC18:** 542 properties in independent living/flexicare will have an increase of less than £2 per week (this includes rent, service charges and support charge) However, it should be noted that those residents who are on full Housing Benefit, will still have to pay the additional £2 per week support charge because their Housing Benefit will be adjusted to reflect any rent/service charge reduction.

51 properties are due an increase of over £5.50 per week – this is due to their block charges increasing from last year. 42 of those properties are in receipt of full housing benefit or partial housing benefit which will be adjusted to take account of some of this increase.

**HRA:** 7260 properties will have an overall decrease in rent and service charges. 654 tenants will get a rent and service charge increase (including 87 LSSOs), of which 74% is below £2 per week.

The requirement to decrease rents by 1% for 4 years, including next year, required the HRA business plan to be reviewed which resulted in reprioritising services delivered and investment in



	<p>the housing stock.</p> <p>The 1% per annum decrease from 2016/17 to 2019/20 has led to a £12 million shortfall in the original Business Plan (Nov 14) in the first 4 years, escalating to £225 Million over the 30 year plan.</p> <p>Those who receive services for which there is a service charge payable may have an increase on their weekly charge. This relates to those that live in flats predominantly. We recognise that this may cause financial difficulty and we will provide assistance and support to help those who may have difficulty in making these payments.</p> <p>It is unknown how many tenants are likely to migrate to UC in 2019/20 in line with the Welfare Reform and Work Act 2016. Migration is phased until the scheduled completion date of March 2023.</p>
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## Evidence and impact assessment

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

<b>Age</b>	
<b>Negative impact</b>	<p><b>SC18:</b> The residents that are charged a support charge are predominantly older and disabled people as this accommodation is for people over 55 years old or for people with a disability.</p> <p>Conversely however, the costs are currently subsidised by the wider tenant population, who have a younger age profile and do not benefit from the service.</p>
Please evidence the data and	Age profile of independent/flexicare housing residents

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

<b>Disability</b> e.g. physical impairment, mental ill health, learning difficulties, long-standing illness	
<b>Unequal impact</b>	
<b>SC18:</b> The residents that are charged a support charge are predominantly older and disabled people as this accommodation is for people over 55 years old or for people with a disability.	
Please evidence the data and information you used to support this assessment	Northgate report on disability profile for independent/flexicare residents and also whole population living in SBC properties.
What opportunities are there to promote equality and inclusion?	What do you still need to find out? Include in actions (last page)
	Northgate data on tenants relating to tenants with disability was collected a number of years ago and is not up to date. This information was also disclosed at the tenant's discretion so some tenants may not have provided it. We have introduced a support services module on Northgate whereby we are able to collate more data on disability and this will inform future EQIAs.

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<b>Gender reassignment N/A</b>			
Positive impact	Negative impact	Unequal impact	
Please evidence the data and			

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

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

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<b>Pregnancy &amp; maternity – N/A</b>			
Positive impact	Negative impact	Unequal impact	
Please evidence the data and information you used to support this assessment			
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

<b>Race – N/A</b>			
Positive impact	Negative impact	Unequal impact	
Please evidence the data and information you used to support this assessment			

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

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

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

<b>Sexual orientation – N/A</b> e.g. straight, lesbian / gay, bisexual			
Positive impact		Negative impact	Unequal impact
Please evidence the data and information you used to support this assessment			
What opportunities are		What do you still need	

there to promote equality and inclusion?		to find out? Include in actions (last page)	
--	--	---	--

### Socio-economic<sup>4</sup>

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

**Positive Impact:**

**SC18:**

Results from the STAR survey in 2018 have shown that residents identified the emergency alarm service and the supported housing officer as the 2<sup>nd</sup> and 3<sup>rd</sup> most important priority associated with living in their property. The application of the support charge will help to ensure that the Council can continue to deliver this service.

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In January 2018 we held drop in sessions at each scheme for residents to come and discuss the charge and for us to explain what it is for. We had a lot of positive comments with the majority understanding the need to pay towards the service. Some residents recognised that housing associations had withdrawn the emergency service and scheme manager and didn't want this to happen to them. One person wanted to pay more.

**HRA:**

The rent decrease will be applied across all tenancies prescribed by the Welfare and Work Act 2016 regardless of circumstances. Those in receipt of Housing Benefit will have their award recalculated.

Those who receive services for which a service charge is made will be charged the actual cost of these services. Some of these service charges will be eligible for UC Housing Cost element and HB.

**Negative Impact:**

**SC18:**

The support charge is not eligible for housing benefit and could have a negative impact for those on lower incomes in terms of

<sup>4</sup>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.

affordability. However, of 103 residents where we had to chase payment following last year's introduction of the £2 weekly contribution only one resident said they couldn't afford it and was referred to the debt and advice support worker.

This group of residents may also be affected by increases in Hertfordshire County Council (HCC) affecting the overall amount that older and disabled people can afford to pay:

- HCC now charge for some of their community based adult social care services that they used to provide for free. This has impacted on many people over 60 in the independent living/flexicare schemes as they are in receipt of some care due to their age/medical conditions. The low care band in flexicare doubled and this has had an impact on residents being able to afford care and HCC have received a number of complaints.
- HCC funding for Flexicare housing related support is due to end on 31<sup>st</sup> March 2019 which would mean more cost to Stevenage Borough Council, which we may need to pass on to residents.

However, the introduction of the charge is considered to be fairer than under current arrangements, whereby support charge costs are subsidised by the wider tenant population who do not benefit from the service.

Furthermore, the charge has been introduced on an incremental basis, to mitigate the impact, rather than applying the full amount of £18.30 per week in one 'hit'.

For those tenants who are not eligible for Housing Benefit (HB) or who are on partial HB, the rent reduction will to some extent offset the impact of the charge.

During 2019/20, officers will also review whether any elements of the independent living service should in fact be eligible for housing benefit.

#### **Unequal Impact:**

#### **HRA:**

The rent reduction applies to all tenants subject to Clause 21 of the Welfare Reform and Work Act 2016.

Properties exempt from this clause will have the rent increased by CPI + 1%.

(Currently this is circa 87 LSSO properties and one shared ownership property – it may also include emergency and temporary accommodation).

52% (as at the end of 2017/18) of tenants are reliant on HB to cover the rent and HB eligible service charges..

Service charges will be recovered in full and only some service charges are eligible for Universal Credit (UC) Housing Cost element and HB. For example heating charges are exempt and tenants and leaseholders are expected to pay this.

Water charges are also exempt from the decrease and UC Housing Cost element and HB. The rate is set by the Water Authority. SBC collects the water charges on behalf of the Water Authority.

### Communication

The rent notification letter (which is a statutory requirement) sent out at the end of February will offer an explanation of why the rent has decreased and also explain that in most instances there has been an increase in service charges. This notification will also give the opportunity for residents to end their tenancy if they feel they no longer want to pay the charges.

To ensure this is clear, those properties where there is only rent and water charges to pay, may overall see a slight decrease in the weekly amount due i.e. the decrease in the rent element will offset the increase of the water charge.

Where a property has a number of service charges the service charges will be explained, with an overall summary of how the weekly charge has increased overall.

Where support charges are also included (mainly but not exclusively for independent and flexi care schemes) separate notifications will be sent out to these residents to ensure there is clarity of how each element of the weekly charge is made up.

To ensure that this is explained as clearly as possible there will be a FAQ sheet and details on the website.

HMAB will agree and /or make recommendations for the content of the letters on the 17 January 2019, with the portfolio holder signing off the final letters.

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

- Comments from drop in sessions held in January 2018.
- A copy of charges for community based care from HCC
- Spreadsheet detailing those who hadn't paid £2 weekly contribution and their comments.
- Rent and service charge tables

		<ul style="list-style-type: none"> <li>HB figures: 394 of the 604 affected (as at 1 January 2019) are in receipt of full HB, 203 on partial HB and 1 on UC. Of the 51 where their rent, service charge and support charge increases to over £5.50 per week, 42 are either on full or partial HB and their benefits will be adjusted for the new rent and service charges.</li> </ul>	
What opportunities are there to promote equality and inclusion?	<p><b>SC18:</b> We have clearly explained what the support charge covers and the reasons for charging. A notification letter will be sent in January 2019 to explain the increase to contribution of £4 per week.</p> <p><b>HRA:</b> The rent notification letters will offer customers the opportunity to discuss their concerns with staff and get support in applying for any relevant benefits.</p>	What do you still need to find out? Include in actions (last page)	

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<b>Other – N/A</b>					
please feel free to consider the potential impact on people in any other contexts					
Positive impact	Negative impact		Unequal impact	Yes	
Please evidence the data and information you used to support this assessment	<p><b>HRA:</b> Those in properties exempt from the 1% decrease will have their rent increased by CPI +1%. Service charges will also reflect actual charges and the overall impact will be an increase in rent and service charges. Where these tenants are in receipt of UC Housing Cost element and HB, the award will be recalculated and the correct amount of benefit awarded.</p>				
What opportunities are there to promote equality and inclusion?	Rent notification letters, FAQ's and the website	What do you still need to find out? Include in actions (last page)			



**What are the findings of any consultation with:**

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Staff?	None	Residents?	<p><b>SC18:</b> Results from the STAR survey in 2018 have shown that residents identified the emergency alarm service and the support housing officer as the 2<sup>nd</sup> and 3<sup>rd</sup> most important priority associated with living in their property.</p> <p>In January 2018 we held drop in sessions at each scheme for residents to come and discuss the charge and for us to explain what it is for. We had a lot of positive comments with the majority understanding the need to pay towards the service. Some residents recognised that housing associations had withdrawn the emergency service and scheme manager and didn't want it to happen to them. One person wanted to pay more.</p> <p><b>HRA:</b> Letters and FAQ due for HMAB consultation 17 Jan 2019.</p>
Voluntary & community sector?		Partners?	
Other stakeholders?			

## Overall conclusion & future activity

Explain the <b>overall findings</b> of the assessment and <b>reasons for outcome (please choose one)</b> :		
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	<p><b>SC18:</b> The future viability of the support and alarm service in independent/flexicare living is reliant upon us being able to recover the cost of service provision where it is possible to do so. Results from the STAR survey support the value of the service from residents by them rating the emergency alarm and supported housing officer as their 2<sup>nd</sup> and 3<sup>rd</sup> priority (behind the repairs to their property).</p> <p><b>HRA:</b> The HRA business plan relies on an income to be viable.</p>
	2c. Stop and remove	

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Detail the <b>actions that are needed</b> as a result of this assessment and how they will help to <b>remove discrimination &amp; harassment, promote equal opportunities</b> and / or <b>encourage good relations</b> :				
Action	Will this help to remove, promote and / or encourage?	Responsible officer	Deadline	How will this be embedded as business as usual?
Review whether any elements of the independent living service should be eligible for housing benefit	This is to ensure fair charging of service.	Karen Long	Jan 2020	

**Approved by Assistant Director / Strategic Director: Jaime Cresser Assistant Director (Housing and Investment)**  
**Date: 8<sup>th</sup> January 2019**

Please send this EqIA to [equalities@stevenage.gov.uk](mailto:equalities@stevenage.gov.uk)

## Brief Equality Impact Assessment

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

Page 99

What is being assessed?	<b>Proposal to apply a £2 per week charge for the administration of supplying a garage 'rent free' to Voluntary and Community Sector Organisations.</b>	What are the key aims of it?	The Council has reviewed its policy regarding the provision of non-charged garages to Voluntary & Community Sector Organisations (VCOs) as part of the annual fees and charges setting process.		
Who may be affected by it?	72 Voluntary and Community Sector Groups and Organisations that currently benefit from a 'rent free' garage(s). A total of 87 garages are provided under this arrangement.		The Council recognises that the current economic climate presents challenges for the operational viability of VCOs. However, the management and administration of providing non-charged garages to VCOs accounts for a significant amount of time, liaising with the organisations to get up to date details, organising repairs and undertaking inspections, which has a cost to the service.		
Date of full EqIA on service area (planned or completed)	A full EqIA was carried out in the following report on the 10/07/12: New Arrangements for Letting Garages to Voluntary and Community Sector Groups and Organisations		This approach is broadly in line with the principles detailed in the "New Arrangements for letting garages to Voluntary and Community Sector Groups and Organisations" report approved by Executive on the 10 July 2012, but proposes that an administration charge is applied as opposed to charging a subsidised rent.  This charge will be applied consistently to all Voluntary and Community Organisations that have a garage.		
Form completed by:	Carlo Perricone	Start date	26/10/18	End date	31/10/18
		Review date	01/11/2019		

What data / information are you using to inform your assessment?	There are 87 Voluntary and Community Sector Groups and Organisations' information held on a spreadsheet and we are using this information to carry out the Brief EqIA.	Have any information gaps been identified along the way? If so, please specify	None
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Explain the <b>potential positive, negative or unequal impact</b> on the following characteristics and <b>how likely</b> this is:			
Age	<p>37 VCO garages are provided to organisations that work with younger persons.</p> <p><b>Possible negative impact</b> – Financial implication associated with £104 annual charge per garage. Cost is considered to be proportionate and reasonable within the context of overall operating costs of VCO's.</p> <p><b>Possible positive impact</b> – Will stimulate review of the organisations' actual need for a garage and may provide an opportunity to rationalise liabilities associated with use of a third party resource/asset.</p>	Race	<p>One VCO garage is provided to an organisation whose work involves race related matters.</p> <p><b>Possible negative impact</b> – Financial implication associated with £104 annual charge per garage. Cost is considered to be proportionate and reasonable within the context of overall operating costs of VCO's.</p> <p><b>Possible positive impact</b> – Will stimulate review of the organisations' actual need for a garage and may provide an opportunity to rationalise liabilities associated with use of a third party resource/asset.</p>
Disability	Four VCO garages are provided to organisations	Religion or belief	Eight VCO garages are provided to organisations

	whose work involves or supports persons with disability. <b>Potential impacts</b> as for “Race” cell above.		whose work involves or supports religious or belief matters. <b>Potential impacts</b> as for “Race” cell above.
Gender reassignment	No VCO garages are provided in this category.	Sex	No VCO garages are provided in this category.
Marriage or civil partnership	No VCO garages are provided in this category.	Sexual orientation	No VCO garages are provided in this category.
Pregnancy & maternity	No VCO garages are provided in this category.	Socio-economic <sup>5</sup>	Seven VCO garages are provided to organisations whose work involve or supports socio-economic matters. <b>Potential impacts</b> as for “Race” cell above.
Other	30 VCO garages are provided to organisations that provide services to all. <b>Potential impacts</b> as for “Race” cell above.		

Where there is a likely <b>positive impact</b> , please explain how it will help to <b>fulfil our legislative duties</b> to:					
Remove discrimination & harassment	No	Promote equal opportunities	No	Encourage good relations	No

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

Action	Responsible officer	How will this be delivered and monitored?	Deadline
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<sup>5</sup>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.



Review of charge application and EQIA to ensure continued applicability.	Carlo Perricone	Review alongside corporate fees and charges setting process.	February 2019
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**Approved by Assistant Director (Stevenage Direct Services)**

**Date: 2nd November 2018**

## Brief Equality Impact Assessment

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

Page 103

What is being assessed?	<b>Proposal to broker the Council's commercial skip business through a third party provider.</b>	What are the key aims of it?	To ensure that the Council's skip business is financially viable and provides a sustainable income into the future.		
Who may be affected by it?	Residents & Commercial Customers		The skip provision industry is hugely competitive and the Council has seen demand reduce over a number of years and profitability reduce. The service is currently projecting a loss due to reduced demand and overhead costs.		
Date of full EqIA on service area (planned or completed)	A full EqIA will be carried out as part of the second phase of the Business Unit Review of Stevenage Direct Services that considers the Council's commercial offering.		This proposal seeks to facilitate continued service provision under the Stevenage Borough Council brand. The operational element of the service will however be delivered on the Council's behalf by a third party under a brokering arrangement.  Skip charges will be offered at competitive market rates.		
Form completed by:	Lloyd Walker	Start date	31/10/18	End date	01/11/18
		Review date			01/11/2020

What data / information are you using to inform your assessment?	SBC skip accounts and business profiles.	Have any information gaps been identified along the way? If so, please specify	None
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Explain the <b>potential positive, negative or unequal impact</b> on the following characteristics and <b>how likely</b> this is:			
Age	n/a	Race	n/a
Disability	n/a	Religion or belief	n/a
Gender reassignment	n/a	Sex	n/a
Marriage or civil partnership	n/a	Sexual orientation	n/a
Pregnancy & maternity	n/a	Socio-economic <sup>6</sup>	The Council will continue to ensure that the charges applied for the provision of skips remain proportionate and are reasonable in terms of market conditions at the time of being set.  Charges will be reviewed as part of the annual fees and charges setting mechanism as normal.
Other	n/a		

Where there is a likely <b>positive impact</b> , please explain how it will help to <b>fulfil our legislative duties</b> to:					
Remove discrimination & harassment	No	Promote equal opportunities	No	Encourage good relations	No

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

Action	Responsible officer	How will this be delivered and monitored?	Deadline
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<sup>6</sup>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

Page 105

What is being assessed?	Proposal to provide Sanctum vaults for ashes interments at the Almonds Lane & Weston Road Cemeteries.	What are the key aims of it?	The Council is seeking to enhance services offered for ashes interment burial at Almonds Lane & Weston Road Cemeteries.			
Who may be affected by it?	All residents, but may provide a more affordable burial solution for low income households.		Sanctums can provide a more affordable and accessible memorial solution for our residents and customers.			
Date of full EqIA on service area (planned or completed)	A full EqIA will be carried out for the Cemetery Service as part of the 2019/20 fees and charges setting process.		Sanctum vaults could be located along pathways at the cemetery site offering capacity that could help provide for future burial demands as the population of the town increases.			
Form completed by:	Claire Skeels	Start date	31/10/18	End date	01/11/19	
		Review date	01/11/2019			

What data / information are you using to inform your assessment?	Existing fees and charges for Cemetery services and benchmarking of other Local Authorities offering Sanctums as a burial option.	Have any information gaps been identified along the way? If so, please specify	None
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Explain the <b>potential positive, negative or unequal impact</b> on the following characteristics and <b>how likely</b> this is:			
Age	n/a	Race	n/a
Disability	<b>Positive Impact</b> Sanctums can be located along path edges and access routes within Cemeteries. These memorial types can as a result be a more accessible memorial solution for mourners who are less mobile.	Religion or belief	Sanctums would not be a viable option for faith denominations that only utilise grave burials for their deceased.
Gender reassignment	n/a	Sex	n/a
Marriage or civil partnership	n/a	Sexual orientation	n/a
Pregnancy & maternity	n/a	Socio-economic <sup>7</sup>	<b>Positive Impact</b> Sanctums may provide a more affordable burial option for low income households when compared to costs associated with standard grave burials.
Other	n/a		

Where there is a likely <b>positive impact</b> , please explain how it will help to <b>fulfil our legislative duties</b> to:					
Remove discrimination & harassment	No	Promote equal opportunities	No	Encourage good relations	Yes – enhances service offer and potentially accessibility to services for those in low access households and those with disabilities or

<sup>7</sup>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.

					mobility issues.
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**What further work / activity is needed as a result of this assessment?**

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

**Approved by Assistant Director Stevenage Direct Services**

**Date: 2<sup>nd</sup> November 2018**

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Meeting: EXECUTIVE  
Portfolio Area: Resources  
Date: 23 January 2019

## **COUNCIL TAX BASE 2019/20**

### KEY DECISION

Author – Su Tarran Ext EHC 2075  
Contributors- Clare Fletcher Ext 2933  
Tim Greenwood Ext 2943  
Lead Officer – Clare Fletcher Ext 2933  
Contact Officer – Su Tarran Ext EHC 2075

#### **1. PURPOSE**

1.1 To seek Members approval of the Council Tax Base for 2019/20.

#### **2. RECOMMENDATIONS**

- 2.1 That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amount calculated by Stevenage Borough Council for the year 2019/20 shall be 27,816.7 equivalent “Band D” properties reduced to 27,329.9 equivalent “Band D” properties after making allowances for a 98.25% collection rate.
- 2.2 That the 2019/20 Council Tax Base is approved including the Council Tax Support Scheme (CTS) for 2019/20 recommended in the Draft General Fund and Council Tax Setting 2019/2020 report to this committee.

#### **3. BACKGROUND**

- 3.1 Under the provisions of the Local Government Finance Act 1992 as amended by the 2012 Act, and the accompanying secondary legislation, local authorities are required to notify preceptors and levying bodies of their Council Tax Base for the forthcoming financial year. The notification must be made between the 1 December and the 31 January.
- 3.2 The Council has a statutory duty to make a resolution in respect of the Council Tax Base before the precepting and levying bodies are notified.

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

##### 4.1 Taxbase

4.1.1 The actual number of domestic dwellings in the borough, as shown in the Valuation Officers list on 10 September 2018, was 37,272, compared to 37,204 as at 11 September 2017, an increase of 68 properties

4.1.2 For each of the Council Tax bands, the tax base figure is then adjusted to take account of actual and estimated, newly constructed dwellings, exemptions, disabled reductions and discounts, (including the Council Tax Reduction Scheme discounts) to arrive at the net number of chargeable dwellings for each band.

4.1.3 This net figure is then multiplied by the relevant proportions for the particular band (e.g. Band A is 6/9 in relation to Band D) in order to convert it to the estimated number of equivalent "Band D" properties for each band.

4.1.4 The relevant proportion for each band are:

Band	Charge ratio	Valuation (at 1/1/91 prices)
A	6/9	Up to £40,000
B	7/9	Over £40,000 and up to £52,000
C	8/9	Over £52,000 and up to £68,000
D	9/9	Over £68,000 and up to £88,000
E	11/9	Over £88,000 and up to £120,000
F	13/9	Over £120,000 and up to £160,000
G	15/9	Over £160,000 and up to £320,000
H	18/9	Over £320,000

4.1.5 These "Band D" equivalents are aggregated to give the total number of the equivalent "Band D" dwellings for the authority as a whole. For Stevenage this is 27,816.7, which is less than the actual number of dwellings. This is because the majority of dwellings in Stevenage are in Band C.

4.1.6 The Council Tax Base for 2019/20 after making allowances for a collection rate of 98.25% is 27,329.9 equivalent "Band D" properties. (The comparative figure for 2018/19 was 27,058.5 (at 98%))

4.1.7 The proposed 2019/20 collection rate percentage is increased slightly to 98.25% from 98% in 2018/19, to reflect an increase in long term collection rates.

4.1.8 The Council Tax Base proposed is based on the current Council tax Support Scheme liability of 8.5%, as recommended in the Draft General Fund and Council Tax Setting 2019/2020.

## 5 IMPLICATIONS

### 5.1 Financial Implications

5.1.1 The increase in the taxbase has been included in the draft General Fund and Council Tax Setting 2019/20 report. The increase in assumed property numbers and the discount assumptions including Council Tax Support is the equivalent to a total additional 271.37 equivalent Band D properties or £55,485 before any council tax increase is considered. The reason for the increased council tax income is shown in the table below.

<b>Increased income from 2019/20 taxbase compared to 2018/19 before any council tax increase</b>			
	<b>2018/19 Estimate £</b>	<b>2019/20 Estimate £</b>	<b>Increase /(decrease) £</b>
Changes in Properties numbers	6,968,356	6,997,000	28,643
Council Tax Support Scheme	(757,457)	(735,247)	22,210
Changes to other discounts & Premium	(565,613)	(574,356)	(8,743)
Change in bad debt 1.75% (2% in 2018/19)	(112,905)	(99,529)	13,376
<b>Total</b>	<b>£ 5,532,381</b>	<b>£5,587,867</b>	<b>£55,485</b>

### 5.2 Legal Implications

5.2.1 The legal implications are in the body of the report.

### 5.3 Risk Implications

5.3.1 The assumptions made are reasonable at the current time but, if the level of anticipated growth in the 2019/20 Tax Base is not realised and/or the council tax support caseload increases, there could be an in year deficit on the Collection Fund, which would be repaid to the collection fund in the following financial year.

### 5.4 Policy Implications

5.4.1 None

### 5.5 Equalities and Diversity Implications

5.5.1 There are no direct equality and diversity implications arising from the recommendations in this report.

## **5.6 Other Implications.**

5.6.1 There are no other direct implications to report at this time.

## **BACKGROUND DOCUMENTS**

BD1 – Council Tax Support Scheme

## **APPENDICES**

Appendix A - 2019/20 Council Tax Base



Appendix A											
BAND	Disabled	A	B	C	D	E	F	G	H	TOTALS	
AS AT CTB1	0	1587	6440	21448	3291	3153	914	424	15	37272	
ADD EXPECTED NEW PROPERTIES	0	53.84	183.59	29.46	14.64	19.26	4.9	5.5	0	311.19	
EXEMPTIONS	0	-38	-136	-153	-34	-22	-3	-4	-5	-395	
DISABLED RELIEF	0	-1	-9	-83	-15	-29	-5	-7	-2	-151	
DISABLED RELIEF ADJ	1	9	83	15	29	5	7	2	0	151	
DWELLINGS SUB-TOTAL	1	1610.84	6561.59	21256.46	3285.64	3126.26	917.9	420.5	8	37188.19	
ASSUMED DISCOUNTS 25% (SINGLE PERSON DISCOUNT)	0	1,181.78	3,944.33	6,356.72	787.49	529.21	121.65	57.74	0.00	12,978.91	
50% (EMPTY WORK-RELATED AND ALL PERSONS DISREGARDED)	0	1	7	15	0	2	5	7	5	42	
Council Tax Support (Reduction Scheme)	0.69	357.70	1312.66	2298.55	211.94	48.95	11.56	2.77	0.00	4244.82	
total discounts	0.69	1540.48	5263.99	8670.27	999.43	580.16	138.21	67.51	5.00	17265.73	
TOTAL DWELLINGS charged at 100%	0.31	70.36	1297.60	12586.19	2286.21	2546.10	779.69	352.99	3.00	19922.46	
Long term empty premium @ 50%	0.00	4.00	14.00	15.00	4.00	4.00	2.00	0.00	0.00	43.00	
Value of discounted properties		886.83	2961.75	4775.04	590.62	397.91	93.74	46.80	2.50	9755.18	
DWELLINGS AFTER DISCOUNTS	0.31	959.20	4266.35	17368.73	2878.83	2946.01	874.43	399.80	5.50	29699.14	
RATIO TO BAND D	0.56	0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00		
NO OF BAND D EQUIVALENT	0.17	639.46	3318.27	15438.87	2878.83	3600.67	1263.06	666.33	11.00	27816.67	
										TAXBASE	27816.7
										98.25%	27329.9

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**Meeting** EXECUTIVE  
**Portfolio Area** Resources  
**Date** 23 JANUARY 2019



## DRAFT GENERAL FUND AND COUNCIL TAX SETTING 2019/2020

### 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 draft 2019/20 General Fund Budget, Council Tax Support Scheme and draft proposals for the 2019/20 Council Tax.
- 1.2 To consider the projected 2018/19 General Fund Budget

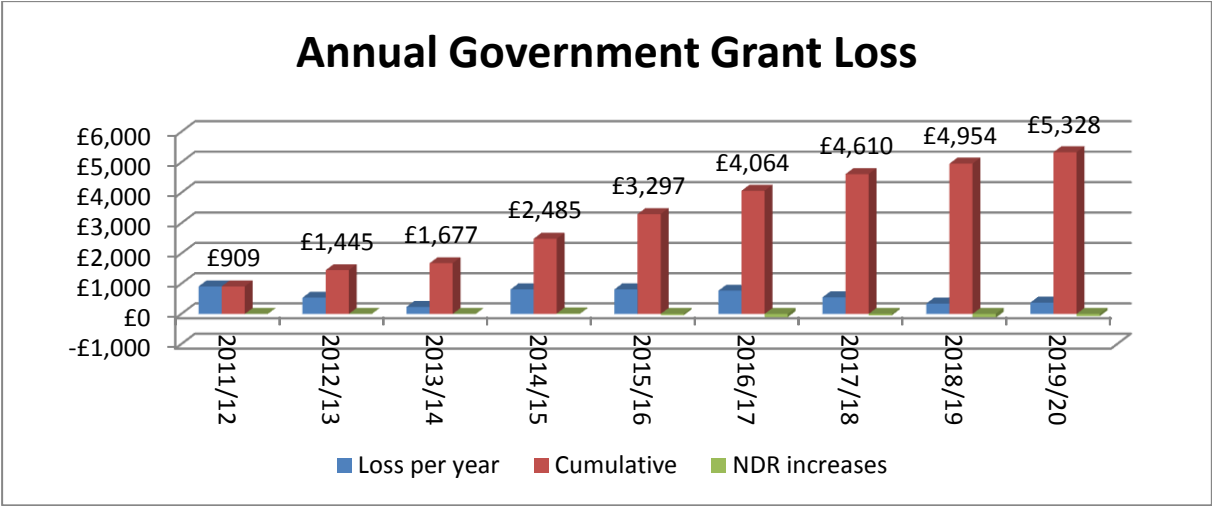
### 2. RECOMMENDATIONS

- 2.1 That the 2018/19 revised net expenditure on the General Fund of £10,119,580 be approved.
- 2.2 That a draft General Fund Budget for 2019/20 of £9,075,590 be proposed for consultation purposes, with a contribution from balances of £95,345 and a Band D Council Tax of £210.57 (assuming a 2.99% increase).
- 2.3 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.
- 2.4 That a minimum level of General Fund reserves of £2,681,537, in line with the 2019/20 risk assessment of balances, as shown at Appendix B to this report, be approved.
- 2.5 That the contingency sum of £400,000 within which the Executive can approve supplementary estimates, be approved for 2019/20, (unchanged from 2018/19).

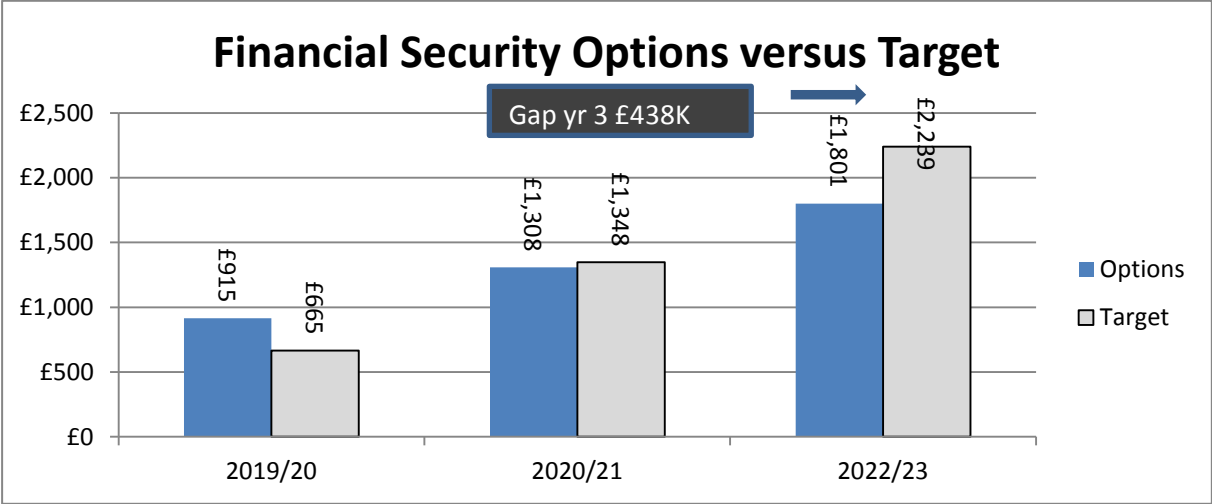
- 2.6 That the 2019/20 proposed Fees and Charges increase of £219,790 (Appendix C to this report) be included in the draft budget.
- 2.7 That the 2019/20 proposed Financial Security Options of £798,552 (Appendix D to this report and including fees and charges detailed in Appendix C) be included in the draft budget for consideration by the Overview & Scrutiny Committee.
- 2.8 That the approval of the level of business rates (NNDR1) for 2019/20 be delegated to the Assistant Director (Finance and Estates), following consultation with the Resources Portfolio Holder (paragraph 4.6.9 of the report refers).
- 2.9 That 2019/20 business rate gains totalling £400,000 above the baseline assessment be ring fenced for town centre regeneration (SG1), paragraph 4.6.5 of the report refers.
- 2.10 That 2019/20 business rate gains totalling £352,600 above the baseline assessment be used to increase General Fund balances for 2019/20, paragraph 4.6.5 of the report refers.
- 2.11 That 2019/20 business rate gains totalling £275,000 above the baseline assessment be transferred to the NDR allocated reserve for 2019/20, paragraph 4.6.8 of the report refers.
- 2.12 That a ICT allocated reserve is created as set out in paragraph 4.3.4
- 2.13 That the 2019/20 Council Tax Support scheme is approved as set out in section 4.8 to this report.
- 2.14 That the decisions taken on recommendations 2.2 – 2.13 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.

### **3. BACKGROUND**

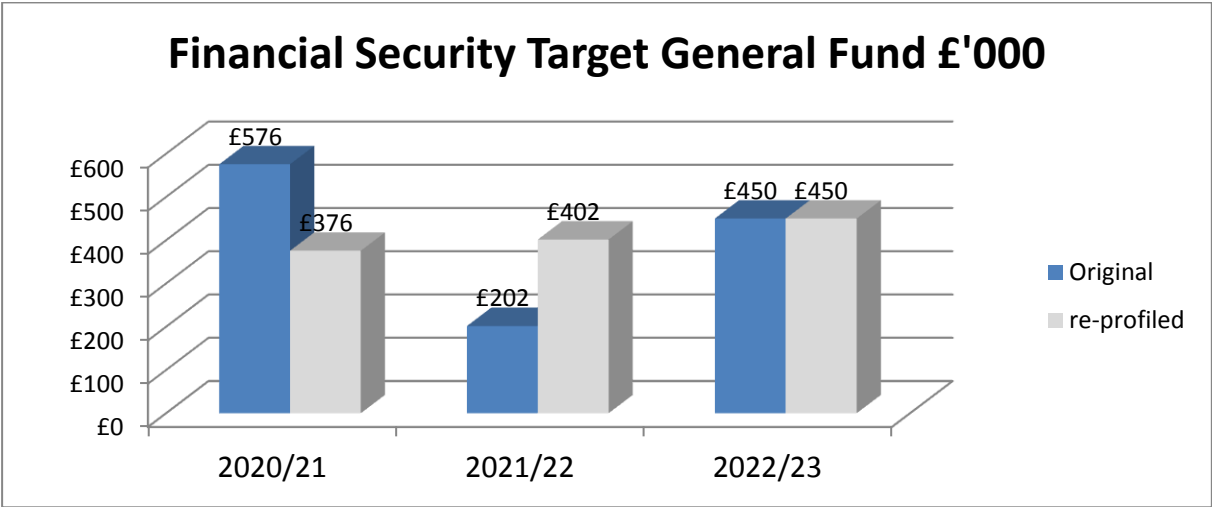
- 3.1 This report presents the Council's draft General Fund net expenditure for 2019/20 taking account of the Financial Security options, fee increases and any pressures. The General Fund Budget forms part of the Council's Budget and Policy Framework. Under Article 4 of the Constitution, the Budget includes: the allocation of financial resources to different services and projects; proposed contingency funds; setting the council tax; the council tax support scheme; decisions relating to the control of the Council's borrowing requirement; the control of its capital expenditure; and the setting of virement limits.
- 3.2 The Council's Financial Strategy (MTFS) was reported to Executive in September 2018 and updated in the November Financial Security report. Both reports highlighted the need for an on-going Financial Security savings target to fund inflation and service pressures compounded by the loss of central government of £5.3Million by 2019/20.



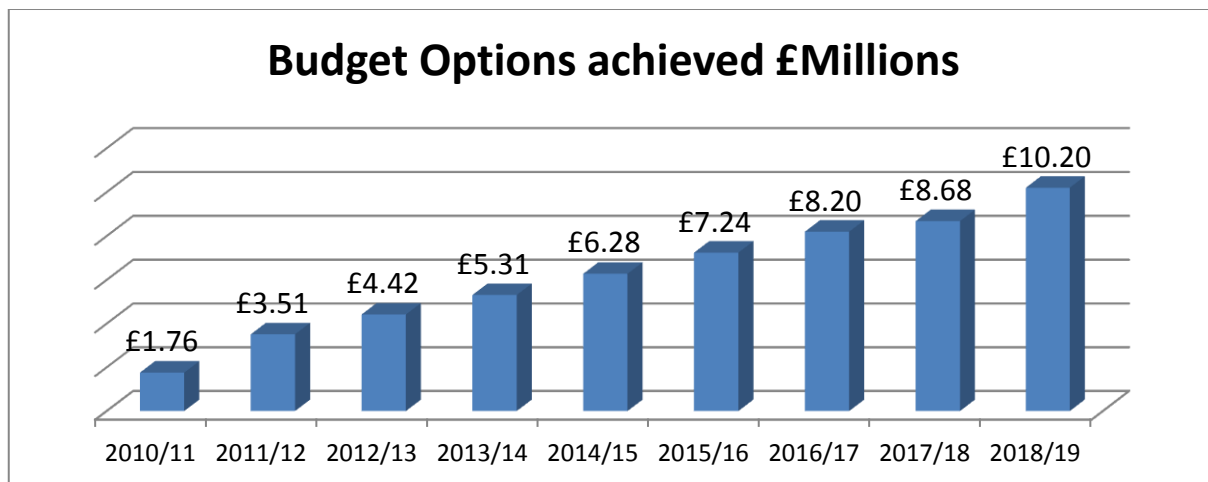
3.3 The November Financial Security report identified that even with the Financial Security options presented to that committee, there was a significant financial shortfall in year three, (2022/23).



3.4 This resulted in a revision to the Financial Security work stream and future targets as set out below and approved by Members as part of the Financial Security report to the November Executive.



- 3.5 The need to find budget reductions since 2010/11 has not just resulted from central government grant reductions, but has been compounded by other government policy changes e.g. apprenticeship levy, national insurance changes, reductions in housing benefit administration grant and service pressures from initiatives such as benefit freezes and other welfare reforms. The total identified savings implemented since 2010/11 is summarised in the chart below.



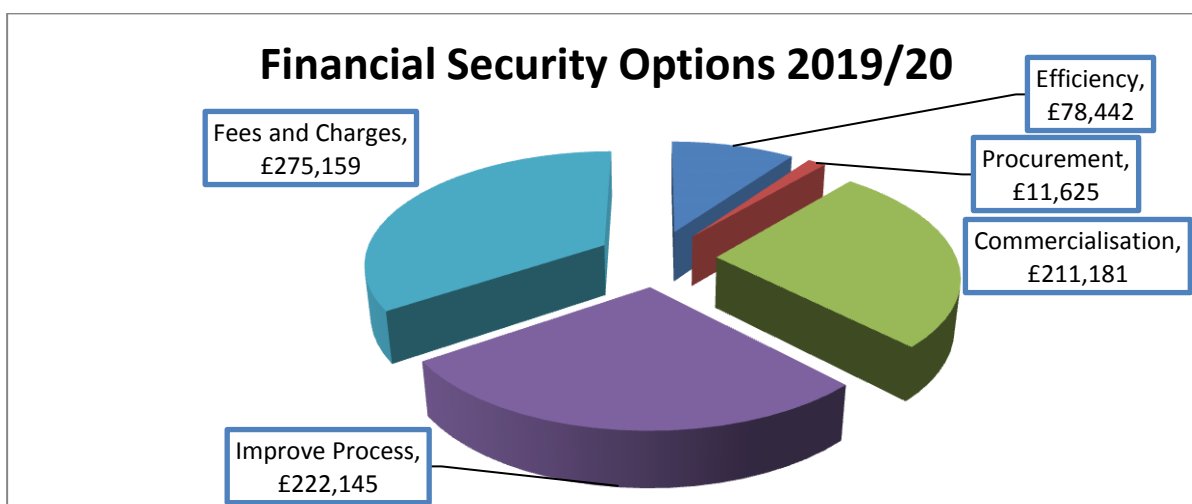
- 3.6 The MTFs as approved by Members in September (2018) had a key principle: 'achieve an on-going balanced budget by 2022/23 by ensuring inflationary pressures are matched by increases in fees and income or reductions in expenditure'. This is critical as the managed use of balances in the MTFs starts to converge with the level of minimum balances.
- 3.7 At the November 2018 meeting, the Executive approved a package of Financial Security budget options, growth and pressures and fee increases to be included in the 2019/20 Budget.
- 3.8 The Council signed up to the four year central government funding settlement deal for the period 2016/17-2019/20, with 2019/20 the final year. Members also approved Stevenage being part of the Hertfordshire business rates pilot for 2019/20, which would mean £275K of business rates in addition to the estimated £631K (Financial Security November report) above the baseline assessment, (the amount the government has estimated we need from business rates). Members have already approved £400K be ring fenced for regeneration, with the remaining £231K to support General Fund balances. Notification of the provisional 2019/20 Finance Settlement and New Homes Bonus (NHB) allocation were received on 13 December 2018 and detailed in section 4.4 and 4.5.
- 3.9 Members were advised in the September MTFs report 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% or up to 3% which ever was the greater.
- 3.10 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 2019	Executive	Draft 2019/20 General Fund budget, Council Tax and Council Tax Support (incorporating Financial Security Options)
	Overview and Scrutiny	Draft 2019/20 General Fund budget, Council Tax and Council Tax Support (incorporating Financial Security Options)
February 2019	Executive	Final 2019/20 General Fund budget, Council Tax and Council Tax Support
	Overview and Scrutiny	Final 2019/20 General Fund budget, Council Tax and Council Tax Support
	Council	Final 2019/20 General Fund budget, Council Tax and Council Tax Support

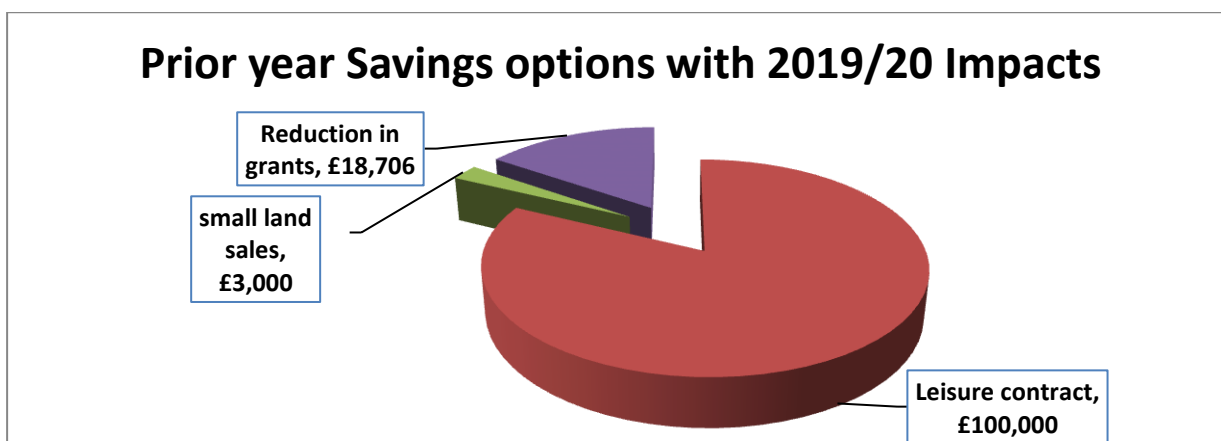
#### 4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

##### 4.1 Financial Security Options

4.1.1 At the November Executive, Members approved General Fund Options of £798,552, and as detailed in Appendix C & D. A summary of the new proposed options is shown below.



4.1.2 There are options from previous years that have an incremental increase on the General Fund. These are summarised below.



4.1.3 Members also previously approved a Commercial Property Investment Strategy with an associated income target of £200,000 per annum, (July Executive 2017). However only one site has been purchased to date, with further options under review. The total net income to be generated in 2018/19 is estimated to be £50,000.

4.1.4 Officers together with the Leaders Financial Security Group (LFSG) will be working towards achieving the unidentified Financial Security target as summarised in paragraph 3.4, which totals £1.2Million for the three years 2020/21-2023/24. Although the Financial Security report to the November Executive only identified a £438K shortfall in the 2019/20-2021/22 Financial Security target, the target has been increased to reflect;

- savings target for 2022/23 **£450K**;
- mainstreaming of funding for priority New Homes Bonus (NHB) services **£100K**;
- removal of NHB contribution to the General Fund as a result of uncertainty around the level and future of the resource **£200K**;
- identified shortfall in the Financial Security Target 2019/20-2021/22 **£438K**

4.1.5 The Financial Security target outlined above includes fees and charges increases and is based on an annual increase in council tax. On-going Financial Security options are required to fund inflationary pressures while at the same time absorbing the impact of reductions in government grants.

## 4.2 Fees and Charges

4.2.1 2019/20 fees, charges and concessions have been reviewed as part of the work of the Corporate Fees and Charges Group, with the results scrutinised and recommendations made for approval by LFSG, as detailed in Appendix C (£219,790) and included in the Financial Security totals in 4.1 above.

## 4.3 Service Pressures

4.3.1 There is no growth allowance in the 2019/20 draft budget and only a small allowance of £75,000 assumed from 2020/21 onwards. However, since the approval of the Financial Security report at the November Executive and the revision of the Financial Security targets, a number of ICT pressures have been identified totalling £122,000 in 2019/20. One of the element is to enable email and general data to move the cloud, which will also add resiliency and flexibility to the email and data provision. The licence brings additional products such as Skype, Teams, Onedrive. In addition moving to Office 365 will be a more cost effective package in the long term as existing software costs will increase significantly. A summary of the pressures are summarised in the table below.

Summary of IT Pressures		£
Move to Microsoft 365 Licences- the Council has had to change licence provision (GF share)	67,000	
System Upgrades 2019/20 – Northgate, Business Objects, Oracle and other smaller	22,320	



Summary of IT Pressures		£
upgrades		
Inflation pressures –(above that reported in the MTFS) mainly due to dollar and Euro exchange rates increasing cost of ICT products		32,790
		<b>£122,110</b>

4.3.2 In addition to costs shown above, there are likely to be other revenue and capital pressures identified by the ICT Board’s long term plan. The Board has identified some staffing pressure costs for the period 2018/19-2020/21 which require funding.

4.3.3 In order to minimise the impact on the General Fund of the ICT pressures, (before a fully costed business case or restructure can be agreed), the CFO recommends the setting aside of monies to deliver this in the interim rather than increasing the General fund base budget. Costs identified to date and recommended by the ICT Partnership Board (and both SBC and EHDC leadership teams) are shown below.

ICT staff costs	2018/19	2019/20	2020/21	Total
Identified costs	£109,972	£225,810	£267,868	£603,650
SBC share (50%)	£54,986	£112,905	£133,934	£301,825
General Fund	<b>£36,841</b>	<b>£75,646</b>	<b>£89,736</b>	<b>£202,223</b>
HRA	£18,145	£37,259	£44,198	£99,602

4.3.4 The CFO has identified that the ICT cost pressures can be funded by taking the projected overachievement of housing benefit overpayment budgets (£100K in 2018/19 and 2019/20) and the residual sums in the FTFC allocated reserve to create an ICT allocated reserve, in the interim period prior to any business case coming forward.

4.3.5 The rationale for not increasing General Fund housing benefit income budgets by £100K is because when claimants on benefit transition to Universal Credit, overpayments will no longer be raised and (the 40% subsidy and potential 100% recovery of overpayments no longer recoverable) and any legacy amounts will be difficult to collect, leading to a potential increase in bad debt provision and an increase in the General Fund net budget.

4.3.6 The CFO had recommended that any overachievement of income be transferred to an allocated reserve, to ‘cap’ the amount of reliance on overpayment income for the General Fund, when/if it reduces for working aged claimants. **The CFO now recommends these monies are ring-fenced to fund ICT pressures until a business case is approved for any mainstreaming of additional ICT budgets.**

4.3.7 There is an impact of the ICT costs on the HRA and it’s share of ICT costs are proposed to be funded from within the transformation budgets already in the HRA budget.

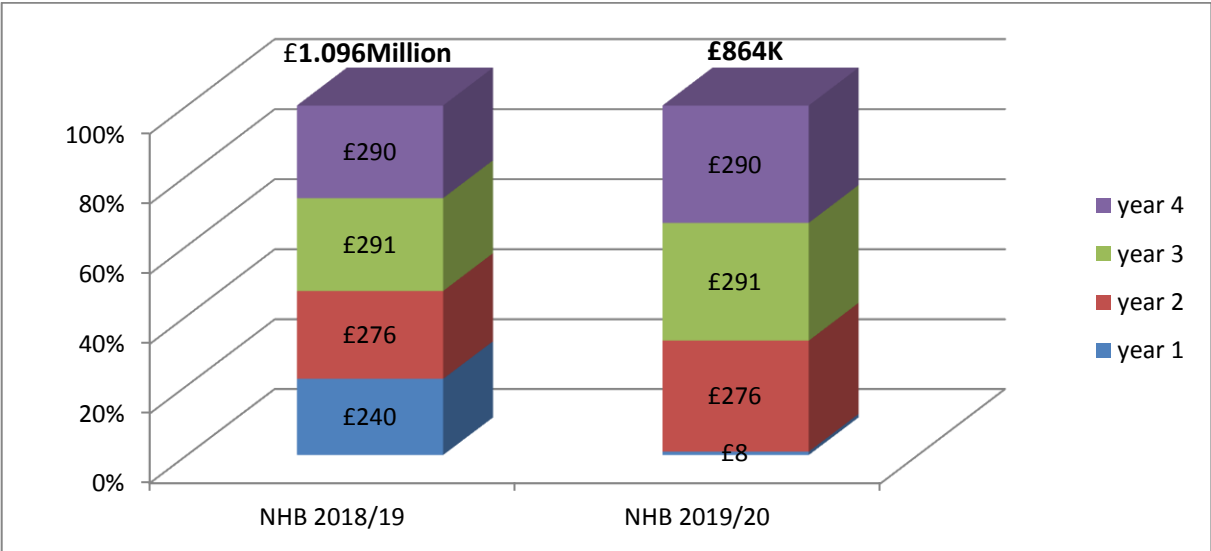
4.3.8 In addition to the pressure identified above ,there are also potential General Fund cost pressures as noted in the Regeneration update report to the December Executive. This report identified the need to fund the new bus station as part of the Town Centre Regeneration scheme (SG1), if the identified Local Enterprise Board (LEP) monies allocated to the bus station are not released. Any use of borrowing will significantly impact on the General Fund at an estimated £52,000 per Million spent.

The Capital Strategy report to this Executive identifies outline proposals to potentially fund the works required in 2019/20 and 2020/21, should the funding not be released.

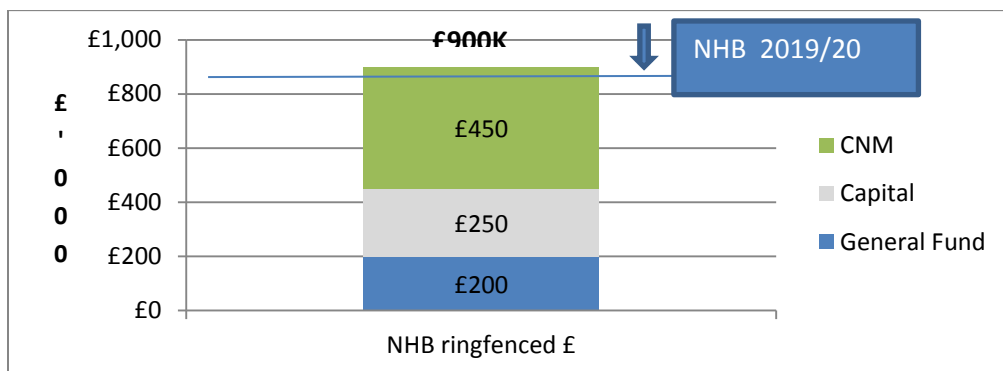
**4.4 New Homes Bonus**

4.4.1 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 2019/20 for four years, (2018/19 five years, 2016/17 and earlier, six years). A threshold of 0.4% of the tax base has to be achieved before any NHB is payable, after changes the government announced for 2017/18. This had the effect of reducing the amount of NHB payable in the current year.

4.4.2 The amount of NHB the Council will receive in 2019/20 is much lower than expected because the council tax base at 1 September 2018 did not increase higher enough above the threshold test, (0.4% of the 1 September 2017 tax base). This means the total allocation for 2019/20 is £864K compared to the £1.096Million received in 2018/19. Future years are likely to be at the same level or less and the government has signalled a change to how NHB will be awarded and some local government observers have suggested that NHB may be removed altogether.



4.4.3 The impact of the reduction in NHB is that the ring fenced allocations from NHB cannot all be met from the 2019/20 allocation, with a shortfall of £36K. However there are unspent prior year balances sufficient to fund the shortfall in 2019/20, with £36K required from balances in 2020/21. With the risk of removal/change to the rules of NHB in the next spending review, the Executive approved the removal of the £200K contribution to the General Fund and increased the Financial Security target (£36K in 2020/21 and £200K in 2021/22) at the November Executive.



4.4.4 In addition to the ring fenced allocations, three high priority services have been supported by NHB, the domestic abuse project (SADA), No More Project and the co-operative neighbourhood wardens. There is sufficient funding in 2019/20 to resource the domestic abuse and no more projects due to the success of attracting external monies and remaining unspent NHB balances for these projects. The four wardens funded from new homes bonus have been incorporated into the community and neighbourhood’s business unit review, (fully from 2020/21) and only require a top up of £7.8K, (was reported as £37K in FS report), in 2019/20 as a one off. Members approved funding the one off shortfall for the fourth Community Neighbourhood warden from General Fund balances in 2019/20. Post 2019/20 Members approved increasing the Financial Security targets by £100K in 2020/21 to meet the on-going costs of the domestic abuse and no more projects.

4.4.5 The 2019/20 reduced NHB monies means there are no funds left for new one off projects. The CFO and Members will also need to review the future funding of the capital and CNM programme once the policy on NHB becomes clear or if the 2020/21 NHB amount does not meet the amounts required as outlined in the chart in 4.4.3.

#### 4.5 Finance Settlement

4.5.1 The finance settlement was published on the 13 December 2018. There is an increase of £40,657 for 2019/20 as a result of the increase in RPI for Business Rates (£1,824) and a return of levy surplus of £38,833.

4.5.2 The 2018/19 settlement financials have increased by £33,839 as a result of a correction by the government to error indexing of business rates, a claim has been submitted for this amount and the CFO has ring fenced this money for any one off initiatives that may have been funded from NHB in the past.

Original Finance Settlement (2018/19)		
	2018/19	2019/20
Revenue Support Grant	£351,230	£0
Business Rates:		
Business Rates	£2,474,490	£2,529,373
Under indexing	£51,552	£77,430
Other adjustments	£5,155	
Total Business Rates	£2,531,197	£2,606,803
<b>Total</b>	<b>£2,882,427</b>	<b>£2,606,803</b>

<b>Original Finance Settlement (2019/20)</b>		
	<b>2018/19</b>	<b>2019/20</b>
Revenue Support Grant	£351,230	£0
Business Rates:		
Business Rates	£2,474,490	£2,531,197
Under indexing	£51,552	£77,430
Other adjustments	£38,994	
Return of levy surplus	£0	£38,833
Total Business Rates	£2,565,036	£2,647,460
<b>Total</b>	<b>£2,916,266</b>	<b>£2,647,460</b>
<b>Variance</b>	<b>£33,839</b>	<b>£40,657</b>

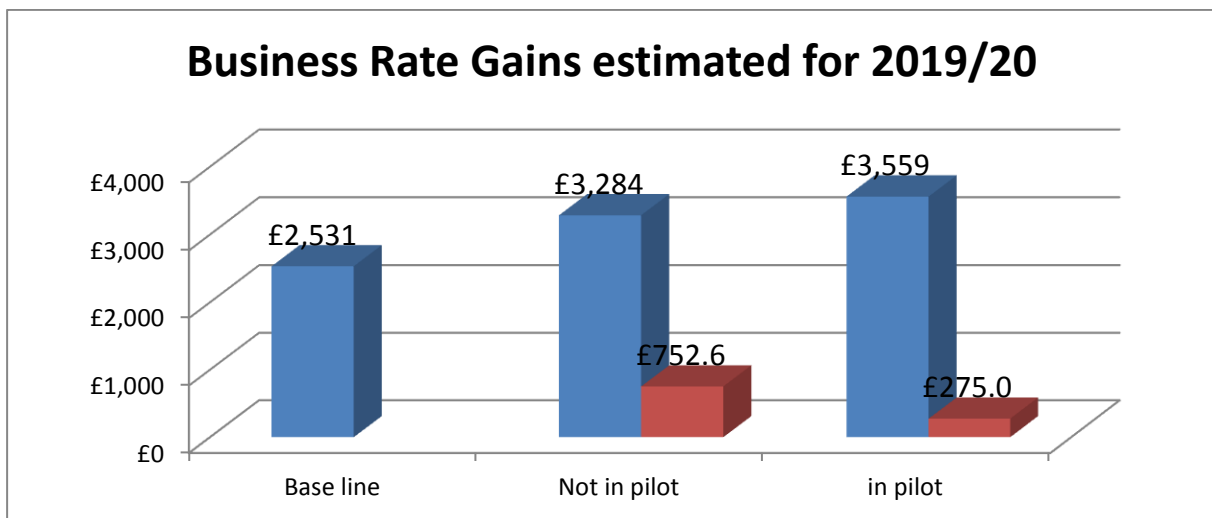
- 4.5.3 Stevenage Borough Council would have had negative Revenue Support Grant (RSG) from 2019/20 of £27,145, however the government signalled in the provisional finance settlement consultation that this would not be a cost to councils in 2019/20.
- 4.5.4 The Government indicated in the Autumn Budget that there will be the next reset of business rates baselines in 2020/21 and a move to 75% business rates retention in 2020/21, which will see RSG and Public Health grant replaced by business rates income, the methodology for this and therefore the impact on SBC has yet to be assessed.
- 4.5.5 In addition to the NDR baseline funding the Council has the opportunity to retain a proportion of business rates growth which currently attracts a levy payment to the government of 50%. However for 2019/20 the countywide bid to retain 75% of all Hertfordshire business rates was successful, as announced as part of the finance settlement on the 13 December 2018. This is discussed in more detail in section 4.6 to this report.

## **4.6 Business Rates and the Pilot**

- 4.6.1 At the November Executive Members delegated to the Assistant Director (Finance and Estates), after consultation with the Resources Portfolio holder the authority to join the Hertfordshire Business Rates Pilot for 2019/20. This required a bid to be submitted to the government by 25 September 2018.
- 4.6.2 All business rates (after the tariff from District authorities has been charged) will be kept in Hertfordshire, which after each LA share is distributed (in line with the bid document), there is an opportunity to bid for a share of a £2.33Million pot of funding.
- 4.6.3 The projection for 2019/20 business rate gains for SBC without the benefit of being in the Hertfordshire pilot is estimated at £752,600. This is based on a review of NDR yield appeals provision, bad debt and the return of levy surplus of £38,800 included in the finance settlement figures.

4.6.4 The Hertfordshire business rates pilot increases the projected NDR income to a gain of £1Million, an increase of £275,000 with the added benefit of bidding for the central pot.

4.6.5 There are risks with spending business rate gains before they materialise, due to the vagaries of the tax system and as such the CFO has never built these into the base budget. **However, should the gains be realised then Members approved at the November Executive that £400,000 would be used to support the Council's regeneration priority, with £352,600 (gains excluding the additional pilot income), being used to increase General Fund balances to allow for any unidentified pressures or delay in FS options being implemented.**



*\*includes return of levy surplus £38K in 2019/20 included in finance settlement*

4.6.6 As stated in para 4.5.5 the Hertfordshire pilot was approved and this means there is a further £275,000 estimated business rates income. However the pilot gains are not guaranteed (along with any of the other gains identified) and have to be realised.

4.6.7 The government has at the same time proposed changes to retail reliefs for businesses with a rateable value under £51,000 and the assumption is that Council's will be compensated via S31 grants. The calculation for 2019/20 business rates is calculated via the NNDR1 form and this has yet to be completed and will take into account changes to the business rate yield since the estimate for the pilot gains were completed.

4.6.8 There are risks to taking all business rate income projections in year such as:

- a recent case at the Supreme Court exempting shop-based cash machines from separate business rates this will if not appealed date back to 2010
- A large appeal was successful totalling £1.5Million of which only 50% had been estimated in the provision
- A number of retail companies have issued profit warnings and/or indicated some store closures still to be announced nationwide

**The CFO recommends that the remaining NDR gains £275,000 are set aside in a business rates allocated reserve until 2020/21, until the actual gains are projected to be achieved.**

4.6.9 The Council (via the Executive) must approve the level of estimated 2019/20 business rates it will receive by 31 January each year. However the timing of the announcement of the Government settlement on the 13 December together with information on the business rates pilots means that there is not enough time to complete a report for the January Executive and therefore it is recommended that this is delegated to the Assistant Director (Finance and Estates) following consultation with the Portfolio Holder for Resources.

#### **4.7 Council Tax**

4.7.1 Part of the budget setting process includes consideration of council tax levels. The November Financial Security report (with updated MTFs) modelled a 2.99% council tax increase for 2019/20 however the government had not published the outcome of the consultation on the settlement or the settlement at that date.

4.7.2 In the Provisional settlement the Government is allowing up to a 3% increase before a referendum on the level of council tax is required or £5.00 on a Band D, whichever is higher. This increases council tax in line with inflation and effectively allows for a 2.99% increase (CPI 2.4%, RPI 3.3% in September 2018).

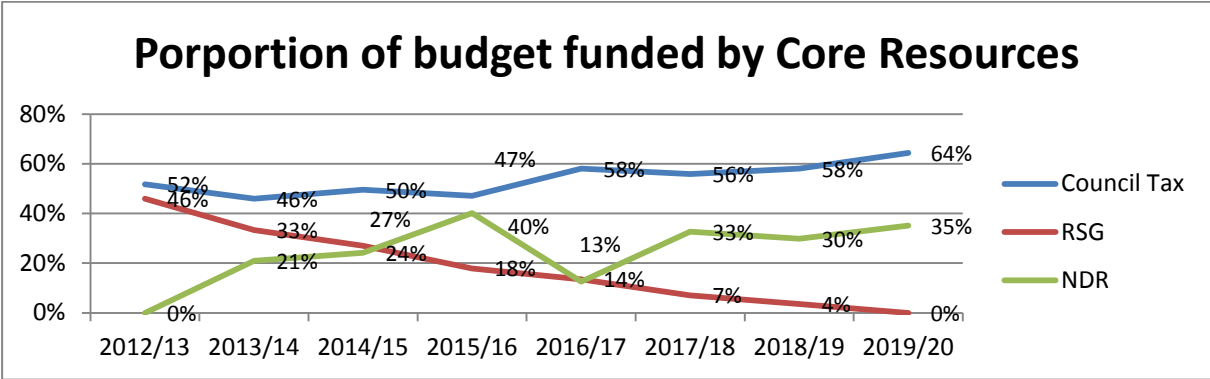
4.7.3 The table below shows the 2.45% and 2.99% increase per year for each council tax property band.

		Increase per year					
Council Tax band	2018/19	2.45%	2019/20 (2.45%)	Total cost per week	2.99%	2019/20 (2.99%)	Total cost per week
A	£136.31	£2.30	£138.61	£2.67	£4.08	£140.39	£2.70
B	£159.02	£3.46	£162.48	£3.12	£4.75	£163.77	£3.15
C	£181.74	£4.44	£186.18	£3.58	£5.43	£187.17	£3.60
D	£204.46	£5.00	£209.46	£4.03	£6.11	£210.57	£4.05
E	£249.90	£6.11	£256.01	£4.92	£7.47	£257.37	£4.95
F	£295.33	£7.22	£302.55	£5.82	£8.83	£304.16	£5.85
G	£340.77	£8.33	£349.10	£6.71	£10.19	£350.96	£6.75
H	£408.92	£10.00	£418.92	£8.06	£12.23	£421.15	£8.10

4.7.4 Increasing council tax by 2.99% compared to say a 1.99% does net the Council an additional £55,878 in 2019/20 per year or £295,000 over a five year period and £135,000 more than increasing council tax by 2.45%. This contributes to meeting Financial Security targets alongside the options contained within this report and protect front line services.

4.7.5 Council tax is a key funding resource and locally raised taxation has become 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 64% of core resources will be generated from council tax.



4.7.6 As in previous years the council tax increase will not be agreed until the February Council meeting. Based on the increasing financial dependency the General Fund budget has on council tax the Assistant Director (Finance and Estates) recommends a 2.99% increase be considered by the Executive and Overview and Scrutiny Committee.

**4.8 Council Tax Support**

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

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

4.8.3 The Council must, in the following order, consult with major precepting authorities (i.e. Hertfordshire County Council and Police and Crime Commissioner for Hertfordshire), publish a draft scheme in such manner as it thinks fit, and consult such other persons as it considers are likely to have an interest in the operation of the scheme. The CFO wrote to both precepting authorities regarding the proposal for 2019/20 and at the date of writing the report HCC had no objections to the scheme proposed and no response had been received from the PCC.

4.8.4 Each year a report is usually brought to members to determine whether any changes should be made to the current scheme as outlined above and if so to start consultation during the summer.

4.8.5 The Local Council Tax support scheme is for working age claimants only. The scheme for elderly residents is still prescribed by central government.

4.8.6 The current **working age** scheme is assessed on 91.5% of maximum liability. It is fully means tested and there is no tolerance for changes in income before impacting on entitlement. Members have previously agreed no additional protection for individual groups, other than that required in law (pensionable aged claimants), and

that built into the original Council Tax Benefit scheme. All working age customers have to pay at least 8.5% of their liability. This is demonstrated below.

**Table 1: Annual value of 8.5% of liability by band**

8.5% per year	2013/14/ 2014/15	2015/16	2016/17	2017/18	2018/19
<b>Band A</b>	£82.46	£83.72	£86.54	£90.46	£ 95.71
<b>Band B</b>	£96.20	£97.67	£100.96	£105.54	£ 111.66
<b>Band C</b>	£109.95	£111.63	£115.38	£120.61	£ 127.61
<b>Band D</b>	£123.69	£125.58	£129.81	£135.69	£ 143.56
<b>Band E</b>	£151.18	£153.49	£158.65	£165.84	£ 175.46
<b>Band F</b>	£178.66	£181.40	£187.50	£196.00	£ 207.36
<b>Band G</b>	£206.15	£209.30	£216.34	£226.15	£ 239.26
<b>Band H</b>	£247.38	£251.16	£259.61	£271.38	£ 287.12

**Table 2 : Weekly value of 8.5% of liability by band**

8.5% per week	2013/14/ 2014/15	2015/16	2016/17	2017/18	2018/19
<b>Band A</b>	1.59	1.61	1.66	1.74	1.84
<b>Band B</b>	1.85	1.88	1.94	2.03	2.14
<b>Band C</b>	2.11	2.15	2.22	2.32	2.45
<b>Band D</b>	2.38	2.42	2.5	2.61	2.75
<b>Band E</b>	2.91	2.95	3.05	3.19	3.36
<b>Band F</b>	3.44	3.49	3.61	3.77	3.98
<b>Band G</b>	3.96	4.03	4.16	4.35	4.59
<b>Band H</b>	4.76	4.83	4.99	5.22	5.51

- 4.8.7 On 8 March 2018 Overview and Scrutiny committee received a presentation on a potential new scheme for 2019/20 based on claimants income bands. The new style of scheme would aim to simplify the criteria for customers as well as mitigating the impact of changes in circumstances on workload and council tax collection, resulting from universal credit reassessments.
- 4.8.8 Customers whose income remained within the band for their circumstances would not have their CTS reassessed for a small change in circumstances. Entitlement for other income levels would be clear and accordingly this would provide increased clarity and stability for those whose income changes regularly or as a result of the monthly reassessment of universal credit entitlement.
- 4.8.9 Members were advised that substantial modelling would need to be carried out to avoid any unintended consequences, as well as enabling full consultation with tax payers and major preceptors. The current software modelling tool is unable to model certain family groups which prevents evaluation of the impact of the



proposed scheme on the existing scheme. A new module is due for release in the autumn and it is proposed to recommence modelling again at that time, for consideration for a scheme from 2020.

4.8.10 The Executive approved the recommendation to keep the existing scheme in place for 2019/20 at its meeting held on the 5 September 2018. **Members are recommended to agree the existing scheme updated for benefit changes for 2019/20.**

#### 4.9 General Fund Net Expenditure

4.9.1 The 2018/19 projected and the 2019/20 draft General Fund net expenditure is summarised in the MTFS at Appendix A, including the changes from the November MTFS update. The 2019/20 budget has increased by £71,451, although this is small increase the on-going impact is much higher at £231,196 of which 50% relates to increased ICT costs. This will inevitably mean that future Financial Security targets will need to be increased. The changes are shown in the table below.

Summary of 2019/20 budget movements	On-going?	£	On-going £
November MTFS (21/11/18 Executive)		9,004,139	
<b>Lower costs/Increased Income:</b>			
Notional Interest relating to Town Square assets funded from internal borrowing (cost met from Town Centre allocated reserve)	Y	(51,900)	(51,900)
Reduction in General Fund contribution to neighbourhood warden funding required in 2019/20 as NHB bonus monies higher than the original estimate in November.	N	(29,200)	0
Return of Business Rate levy surplus (2019/20 settlement)	N	(38,833)	0
Removal of Business Rates levy from General Fund due to Business rates pilot.	N	(562,212)	0
<b>Increased Costs/lower Income:</b>			0
Transfer Hertfordshire pilot gains to allocated reserve	N	275,000	0
Financial Security Implementation costs now budgeted for in 2019/20 (was 2018/19) and reduced by £100K	N	162,500	0
Innovation Fund (one off) to fund initiatives previously funded from NHB	N	33,000	0
IT Pressure – Microsoft Licences Inflation & Upgrades	Y	122,110	122,110
Inflation on increased cost of Shared Services (Revenues and Benefits and ICT based on reallocation of cost base)	Y	25,460	25,460
other Inflation higher than MTFS	Y	14,028	14,028
On-going impact of quarterly monitoring changes	Y	64,230	64,230
Other minor changes	Y	57,268	57,268
<b>Total budget movements</b>		<b>71,451</b>	<b>231,196</b>
<b>Updated General Fund 2019-20 net budget</b>		<b>9,075,590</b>	

4.9.2 **The 2018/19 General Fund working budget** has decreased by £275,665, of which £262,500 is a timing difference relating to the profiling between years of the implementation costs for Financial Security options. A summary is shown in the table below.

Summary of 2018/19 budget movements		
	£	£
November MTFS (23-11-18 Executive)		10,395,245
Financial Security Implementation costs now budgeted for in 2019/20 (was 2018/19)	( 262,500)	
Business rates S31 grant for incorrect indexation of business rates	( 33,839)	
Microsoft licence cost pressure	16,750	
Other changes	3,924	
total changes		( 275,665)
<b>Updated General Fund 2017-18 net budget</b>		<b>10,119,580</b>

#### 4.10 Projected General Fund Balances

4.10.1 The projected General Fund balances and council tax requirement are shown below.

	2018/19 Estimate	2018/19 Projected	2019/20 Estimate
Net Expenditure*	£9,411,453	£10,119,580	£9,075,590
(Use of)/ Contribution to Balances	(£818,821)	(£1,424,720)	(£95,345)
<b>Budget Requirement</b>	<b>£8,592,632</b>	<b>£8,694,860</b>	<b>£8,980,245</b>
RSG	(£351,230)	(£351,230)	£0
Business Rates	(£2,539,149)	(£2,641,378)	(£2,788,752)
<b>Total Government Support</b>	<b>(£2,890,379)</b>	<b>(£2,992,608)</b>	<b>(£2,788,752)</b>
(Return) /Contribution to Collection Fund (NDR)	(£30,293)	(£30,293)	(£380,962)
Collection Fund Surplus (ctax)	(£139,616)	(£139,616)	(£55,621)
Council Tax Requirement	£5,532,344	£5,532,344	£5,754,911
Council Tax Base	27,058	27,058	27,330
Council Tax Band D	£204.46	£204.46	£210.57
Council Tax Band C	£181.74	£181.74	£187.17

\* now includes NDR levy payment which is shown in net expenditure and not in government support (2018/19 only).

4.10.2 General Fund balances are projected to be £3.35Million by 2022/23 a reduction of £3Million from balances as at 1 April 2017.

General Fund Balances £'000	2018/19	2019/20	2020/21	2021/22	2022/23
Opening balance 1 April	(£5,465)	(£4,040)	(£3,945)	(£3,421)	(£3,323)
Use of/ (Contribution to) Balances	£1,425	£95	£524	£98	(£30)
Closing balance 31 March	(£4,040)	(£3,945)	(£3,421)	(£3,323)	(£3,353)

4.10.3 The projected balances for 2019/20 are higher than the minimum level of risk assessed balances but are £545Thousand lower than the November Financial Security report update, by 2022/23 . This is partly due to the increased ICT costs as set out in paragraph 4.3.1 of the report and other pressures identified.

4.10.4 The Council will need to increase future years General Fund reserves to ensure that there are sufficient future resources not only to enable for a sustainable financial position but to also help facilitate the town centre regeneration including the associated risk of funding the bus station if LEP funding is not released, (2017 resident' survey top priority).

4.10.5 There is also financial risk associated with more innovative Financial Security options versus stopping services and cutting spend. While these options are preferable to reducing/stopping services they may be a departure from 'normal' council operations and require careful implementation and monitoring.

4.10.6 To this end the CFO recommends;

- The ring fencing of £400,000 of business rate growth above the baseline assessment to fund regeneration costs in 2019/20, (para. 4.6.5)
- The retention of £352,600 of business rate gains for 2019/20 in the General Fund, (para 4.6.5)
- The transfer of any further business rate gains in addition to that identified above to the business rate reserve for the reasons set out in paragraph 4.6.8
- The creation of the ICT reserve as set out in paragraph 4.3.6.

#### **4.11 Risk Assessment of General Fund balances**

4.11.1 The General Fund balances have been risk assessed for 2019/20 and the minimum level of balances required is £2,681,537

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:

- Increased ICT costs for revenue or capital related over and above that identified in section 4.3.
- Increased capital borrowing costs as a result of the GD3 LEP monies not being released and the bus station requiring funding by SBC due to its key role as a regeneration enabler.
- Reduction in housing overpayment net income as a result of the transition to Universal Credit by claimants.

#### **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 2019/20, this remains unchanged from the current year.

#### **4.13 Allocated Reserves**

4.13.1 The allocated reserves as at 31 March 2020 are estimated to be £1.560 Million, the allocated reserves are summarised in the following table.

Movements to/from Allocated Reserves £'000					
Allocated Reserve	Balance as at 1 April 2018	Anticipated transfer to/from reserves	Forecast balance as at 31 March 2019	Anticipated transfer to/from reserves	Forecast balance as at 31 March 2020
New Homes Bonus	(£ 690)	£ 573	(£ 117)	£ 56	(£ 61)
Future Town Future Council	(£ 263)	£ 209	(£ 54)	£ 54	£ 0
Business Rates Reserve	(£ 172)	£ 0	(£ 172)	(£ 275)	(£ 447)
Regeneration Assets	(£ 847)	£ 25	(£ 821)	(£ 3)	(£ 824)
Insurance Reserve	(£ 124)	£ 89	(£ 34)	£ 15	(£ 19)
Regeneration Fund (SG1)	(£ 603)	£ 603	£ 0	(£ 31)	(£ 31)
Town Centre	(£ 28)	£ 28	£ 0	£ 0	£ 0
ICT Reserve	£ 0	(£ 100)	(£ 100)	(£ 78)	(£ 178)
LAMs reserve	(£ 61)	£ 0	(£ 61)	£ 61	£ 0
Planning Delivery Grant	(£ 61)	£ 20	(£ 41)	£ 41	£ 0
Total	(£ 2,849)	£ 1,447	(£ 1,298)	(£ 160)	(£ 1,560)

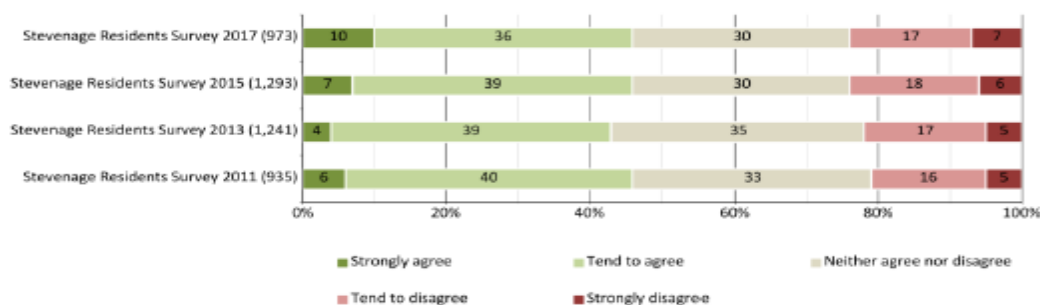
#### 4.14 Consultation

4.14.1 The Council completed the bi-annual resident's survey in 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.

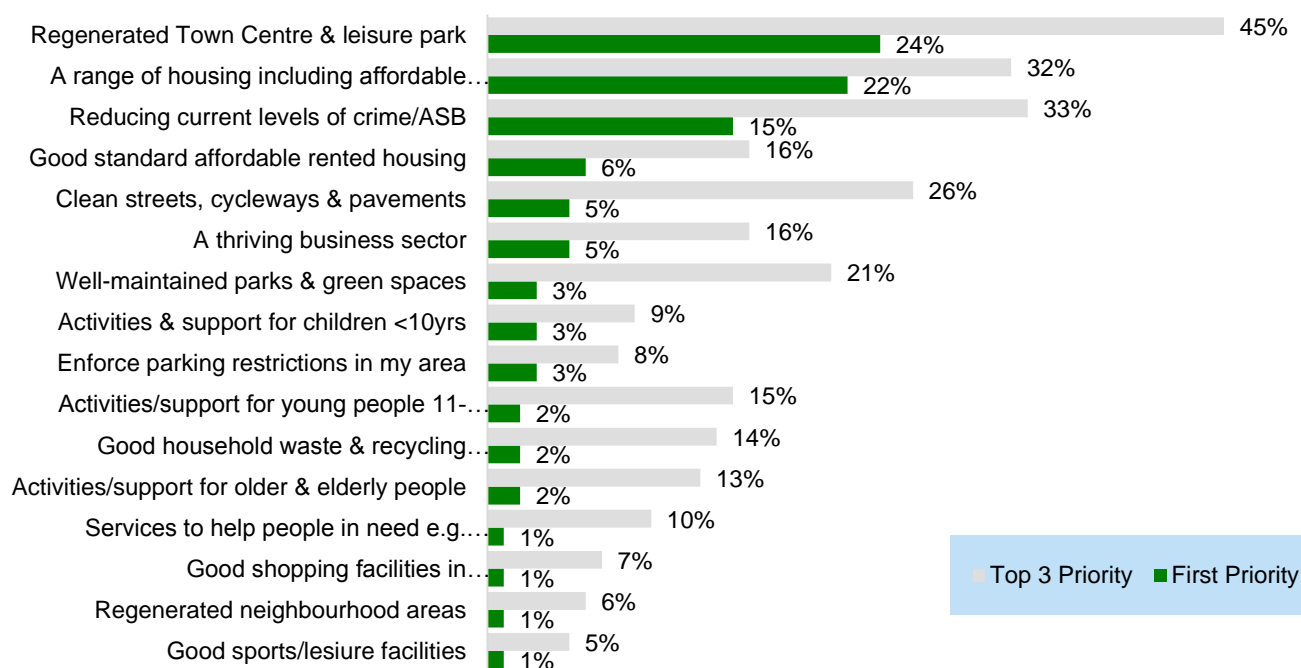
Option	Overall Rank
Reduce time and money spent on paperwork by interacting with more residents and customers online	1
Spend less by reducing or cutting the services that you tell us are not a priority	2
Increase income from fees and chargeable services, to keep the council's element of Council Tax as 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 (2018/19-2019/20) 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 evitable, 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 2019/20 if approved at February Council.

4.14.5 During 2019/20 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.



## **4.15 Chief Finance Officer's Commentary**

- 4.15.1 The Chief Finance Officer is the Council's principal financial advisor and has statutory responsibilities in relation to the administration of the Council's financial affairs (Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988). This commentary is given in light of these statutory responsibilities.
- 4.15.2 The Council has evolved its budget strategy to meet the ongoing challenging economic conditions whether because of funding cuts, welfare reforms or inflationary increases. The financial strategy to deal with this is the 'Financial Security' strand of 'Future Town Future Council'.
- 4.15.3 Officers regularly update the MTFs to ensure that a clear financial position for the Council can be demonstrated over the next five years. This medium term view of the budget gives a mechanism by which future 'budget gaps' can be identified allowing for a measured rather than reactive approach to reducing net expenditure. The Financial Security year round approach to identifying budget options means that work is on-going throughout the year to bridge the gap.
- 4.15.4 The Council has taken significant steps over recent years to balance its budget and one of the principle aims of the MTFs is 'achieve an on-going balanced budget by 2022/23 by ensuring inflationary pressures are matched by increases in fees and income or reductions in expenditure'. This is projected to meet the target by £30,000 return to balances in 2022/23. However there is a significant draw on balances through the MTFs period and a £2Million draw on balances between 2018/19 and 2021/22. This forecast is also reliant on identifying and delivering further savings of £1.2Million currently unidentified for the period 2020/21-2022/23.
- 4.15.5 The Council while trying to ensure financial stability, is also entering one of its most ambitious phases for some considerable time. The Council is looking to redevelop and regenerate the town centre and at the same time improve the housing market in Stevenage. Both these priorities come with the risk of potentially needing to invest more resources. To mitigate some of this risk some business rate gains are recommended to be ring fenced to meet any future regeneration needs are earmarked for the Council's top priorities.
- 4.15.6 The last few years have seen considerable risk passed from central to local government associated with the localisation of business rates (now 75% and not 100%), localisation of council tax support, and the welfare reform programme. Accordingly, the risk assessment of balances has been updated to reflect these risks as our understanding of the impacts is becoming better understood.
- 4.15.7 Members approved growth in 2018/19 for Business Unit Reviews which while increasing the salary bill for the Council was recommended on the basis the right structure would unlock future savings and help meet the Council's Financial Security targets for 2019/20 onwards.

4.15.8 The updated MTFS (Appendix A) shows that in future years there is still a draw on General Fund balances up to 2022/23. This is the impact of on-going increases in inflationary pressures compounded by projected government funding cuts.

#### **4.16 Leaders Financial Security Group**

4.16.1 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 2019/20 onwards saving target
2. Reviewed the GF MTFS assumptions
3. Reviewed the GF 2019/20 Financial Security package
4. Reviewed the GF 2019/20 Fees and charges

4.16.2 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 D) are not achieved and crucially if future options are not found to meet the targets outlined in the report. 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 sections 4.10, 4.11 and 4.13.

## 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.

5.4.2 These duties are non-delegable and must be considered by Council when setting the Budget in February 2019.

5.4.3 To inform the decisions about the Budget 2019/20 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 2019. 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 E** 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.

5.4.4 An overarching EqIA will also be developed once individual EqIAs are finalised for Council in February 2019. This will consider the collective impact of the Budget on people with protected characteristics.

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

### **BACKGROUND DOCUMENTS**

BD1 General Fund Medium Term Financial Strategy (2018/19-2021/22)


### **APPENDICES**

- A Updated Medium Term Financial Strategy
- B Risk Assessment of Balances 2019/20
- C Fees and Charges 2019/20
- D Financial Security Options 2019/20




- E Equalities Impact Assessment General Fund and HRA
- F Equalities Impact Assessment staffing

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Stevenage Borough Council MEDIUM TERM FINANCIAL STRATEGY (MTFS) GENERAL FUND BUDGET J APPENDIX A						UPDATES		
Key= (£0) is under spend or increase in income								
General Fund Forecast	On-Going Cost?	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	Commentary
Base Budget	Y	9,094,186	9,035,232	9,315,644	8,954,624	9,016,533	8,819,129	
<b>(i) BASE ADJUSTMENTS</b>								
Prior Years Savings Options	Y	(79,000)	79,000	0	0	0	0	
Prior Years Growth Options	Y	(1,000)	0	0	0	0	0	
Prior Years Heads of Service Pressures	Y	(161,866)	0	0	0	0	0	
<b>TOTAL PRIOR YEAR BASE ADJUSTMENTS</b>		<b>(241,866)</b>	<b>79,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>(ii) HEADS OF SERVICE PRESSURES/SAVINGS:</b>								
Building Control partnership	Part	(27,082)	2,137	(18,816)	(61,796)	(5,350)	(5,350)	Approved at the October Executive 2015/16, the business case has been updated and the current projections show that a surplus is not achieved in year one as previously anticipated
Funding for graduate scheme	Y	42,469	0	0	0	0	0	This scheme was introduced to fund graduates to 'grow new talent' in the organisation.
Additional hardware and software costs	Y	12,609						Additional expenditure being incurred as new ICT infrastructure goes out of warranty on critical infrastructure items such as servers and storage.
Revenue Impact of capital bids	Y	16,790						impact of capital bids reported at the January Executive.
Return of provisions	N	(18,751)	0	0	0	0	0	Assessment of provisions due to be returned to the General Fund
Return of LAMS allocated reserve to the General Fund	N	0	0	(61,132)	0	0	0	By 2019/20 the period by which the council would have been liable for any defaults ceases.
Funding for waste review	N	16,000	0	0	0	0	0	Additional monies requested by Assistant Director for waste review
Audit Fees	N	0	6,340	0	0	0	0	Increase in audit fees for 2016/17 arbitrated in 2018/19.
Reduction in recycleate prices	Y		105,000	33,900				Reported September Executive
Reduction in Transport Subsidy	N		101,250					
Microsoft ICT licences pressure approved ICT partnership Board	NEW Y		16,750	105,360				
		<b>42,036</b>	<b>231,477</b>	<b>59,312</b>	<b>(61,796)</b>	<b>(5,350)</b>	<b>(5,350)</b>	
<b>(iii) CARRY FORWARDS AND SUPPLEMENTARY ESTIMATES:</b>								
3rd quarter 2016/17	N	347,150						
4th quarter 2016/17	N	449,950						
3rd quarter 2017/18	N	(405,000)	405,000					
4th quarter 2017/18	N	(338,100)	338,100					
		<b>54,000</b>	<b>743,100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>(iv) GOVERNMENT SPENDING CUTS/TAX/INITIATIVES:</b>								
Apprentice levy announced in 2016 budget	Y	56,644	0	0	0	0	0	charged at 0.5% of payrolls in excess of £3Million
Reduction in Housing Benefit admin subsidy	UPDATED Y	30,950	35,270	0	0	0	0	Reduction in housing subsidy notified for 2018/19
New burdens money-planning	N	0	(20,000)	(20,000)	0	0	0	Contribution for planning related e.g. brownfield sites register
Audit Commission refund	N	(6,340)	0	0	0	0	0	
Contribution to Business Rates pooling consultancy costs	N		750					The MTFS seeks approval to enter into a Hertfordshire Pool and retain 75% of Business Rates
removal of New Homes Bonus contribution from the General Fund	Y			0	36,000	164,000	0	Included in Report
One off Funding of Community Warden	UPDATED			7,800		0	0	Included in Report
Main stream funding of Domestic Abuse and No More	Y			0	100,000	0	0	Included in Report
Innovation Fund	UPDATED N			33,000				To fund previous NHB initiatives
Use of brown field site and self build grant	UPDATED N		20,000	41,264				Funded from Planning Reserve
		<b>81,254</b>	<b>36,020</b>	<b>62,064</b>	<b>136,000</b>	<b>164,000</b>	<b>0</b>	
<b>(v) INFLATION ASSUMPTIONS:</b>								
Inflation assumptions:								
Pay inflation salaries	UPDATED Y	302,870	383,593	365,090	432,244	400,000	400,000	Pay inflation 2% PER YEAR
Increase in Superannuation payment for pension deficit	Y	83,820	0	0	54,529	0	0	Increase for 2017/18 will be fixed for three years and not increase annually as per the last tri-annual valuation
Pension opt ins	Y	58,000	0	0	0	0	0	Based on 25% of staff not in the pension remaining in the scheme
Utility inflation	Y	65,700	49,610	72,454	80,612	90,022	96,814	Updated based on current projections
Changes to the 2017 Business Rates revaluation list & inflation increase	Y	65,860	118,721	4,000	31,970	31,190	31,850	This is the impact of the new 2017 rating list on Council buildings.
General Inflation (contractual )	UPDATED Y	181,160	224,391	141,257	125,304	123,504	126,448	updated inflation applied to contractual arrangements.
Less Inflation charged to other funds	UPDATED Y	(139,550)	(226,643)	(15,420)	(48,488)	(42,947)	(43,628)	Proportion rechargeable to the HRA
		<b>617,860</b>	<b>549,672</b>	<b>567,380</b>	<b>676,171</b>	<b>601,770</b>	<b>611,484</b>	
<b>(vi) BUDGET MONITORING ADJUSTMENTS:</b>								
Quarter 2 adjustments 2016/17	Part	0	14,350					As reported at the November 2016 Executive
Budget Setting Adjustments 2017/18	Part	17,472						
Quarter 1 adjustments 2017/18		12,140						
Quarter 2 adjustments 2017/18	N	110,035	(1,010)					Adjustments identified in Appendix K
Budget setting draft/final budget 2018/19	Y	(77,308)	2	0	0	0	0	
Revenue costs for new CCTV cameras (incl MSCP's)	Y	0	7,410	0	0	0	0	New cameras installed incl at MSCP but no budget provision for monitoring
Quarter 3 adjustments 2017/18	Part	37,720	0	0	0	0	0	
Quarter 4 adjustments 2017/18	Part	(550,109)	0					
Quarter 1 adjustments 2018/19	Part		33,160	0				reported September Executive
Quarter 2 adjustments 2018/19	Part		(199,182)	45,800	0	0	0	reported November Executive
Budget Setting Adjustments 2019/20	NEW Y			23,495				
		<b>(450,050)</b>	<b>(145,270)</b>	<b>69,295</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Stevenage Borough Council MEDIUM TERM FINANCIAL STRATEGY (MTFS) GENERAL FUND BUDGET J APPENDIX A						UPDATES		Stevenage BOROUGH COUNCIL	
Key= (£0) is under spend or increase in income									
General Fund Forecast		On-Going Cost?	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	Commentary
<b>(vii) BORROWING COSTS</b>									
Borrowing costs- Garage Strategy		Y	(4,050)	(76,837)	(14,463)	(2,605)	22,355	0	The reduction in borrowing costs post 23 June 2016 has reduced the cost of borrowing for the Garages approved at the July Executive.
Changes to investment interest		Y	20,259	(78,351)	(86,068)	(18,786)	(40,337)	(56,054)	Updated based on revised interest rates and average investment balances.
Minimum Revenue Provision (monies set aside based on the cost of borrowing to pay for the asset divided by the asset life)			744	(28,400)	(38,767)	(79,336)	(1,871)	0	Reduction in MRP for fully depreciated assets
			<b>16,952</b>	<b>(183,588)</b>	<b>(139,297)</b>	<b>(100,727)</b>	<b>(19,853)</b>	<b>(56,054)</b>	
<b>(viii) SAVINGS OPTIONS &amp; BUDGET PROPOSALS :</b>									
Fees and Charges		Y	(190,030)	(134,160)	0				Incorporated into Financial Security totals from 2019/20
Prior Year Savings (2014/15-2015/16)		Y	(77,816)	(18,706)	(18,706)	0	0	0	
2016/17 Savings		Y Year 2	(5,181)	0	0	0	0	0	
savings identified 1 st quarter 2016/17		Y	(23,320)	0	0	0	0	0	Reported as part of the 1st quarter monitoring report to this Executive
Office accommodation savings		Y years	(41,480)	0	0	60,280	0	0	
2017/18 Savings		Y	(226,190)	(9,320)	0	0	0	0	Approved February Council 2017
2018/19 Savings pipeline		Y	0	0	0	0	0	0	Options identified for 2019/20
2018/19 Future Council Business reviews		Y		0					
savings identified 3rd quarter 2016/17		Y	(60,600)						
savings identified 4th quarter 2016/17		Y	(159,550)						
Commercial Property Investment		Y	0	(75,000)	(125,000)				Assumed minimum return included in business case to Council 2017.
New Savings options 2018/19		Y		(342,399)	(103,000)	0			
Options at budget setting 2018/19		Y		(15,000)					
Savings identified 3rd quarter 2017/18 (efficiency)		Y		(56,800)					
Savings identified 4th quarter 2017/18 (efficiency)		Y		(116,970)					
Quarter one monitoring 2018/19		N		0					
2019/20 Financial Security options (2019/20-2021/22)		Y			(798,552)	(115,923)	(227,137)	0	(includes Fees) Appendix C&D
New Savings options 2019/20		Y			(40,570)				
New Savings options 2020/21-2021/22		Y				(276,950)	(265,799)		Reported in the November Financial security Report
Financial Security Savings Target not identified		Y	0	0	0	(375,526)	(401,589)	(450,000)	revised Financial Security target
			<b>(784,167)</b>	<b>(768,355)</b>	<b>(1,085,828)</b>	<b>(708,119)</b>	<b>(894,525)</b>	<b>(450,000)</b>	
<b>(ix) GROWTH BIDS APPROVED:</b>									
2016/17 Growth bids			(10,000)	0	0	0	0	0	Approved as part of 2016/17 budget setting
Future Town Future Council Funding			119,630	13,333	0	0	0	0	
Review of Town Centre Management (July 2016 Executive)			58,000	29,000	0	0	0	0	
Electric Car scheme (July Executive)			(22,750)	(7,500)	0	0	0	0	
Garages Report (July 2016 EXECUTIVE)		Y	18,000	9,241	82,119	82,230	(180,676)	(44,561)	
Business Relationship Manager			65,000	0	0	0	0	0	Approved and signed off by Leader, published August 2016.
Shared Legal Service		Part	130,413	12,238	0	0	0	0	Includes one off implementation costs in 2017/18
			<b>358,293</b>	<b>56,312</b>	<b>82,119</b>	<b>82,230</b>	<b>(180,676)</b>	<b>(44,561)</b>	
<b>(x) NEW GROWTH BIDS 2017/18</b>									
2017/18 Proposed growth bids		Y	143,700	(35,000)	35,000	(35,000)	35,000	(35,000)	
Pump prime Future Town Future Council initiatives		N	100,000	100,000	0	0	0	0	
Costs for compliance contract- May Executive		N	6,500						
Growth 2018/19		Y-year 2	287,443	429,371	(15,482)	(7,200)	21,880	0	
Future Growth bids		Y	0	0	0	75,000	75,000	75,000	Future growth allowance after 2019/20-2022/23 savings package identified.
Implementation costs for Financial Security options		N		37,500	262,500				
			<b>537,643</b>	<b>531,871</b>	<b>282,018</b>	<b>32,800</b>	<b>131,880</b>	<b>40,000</b>	
<b>(xi) USE OF ALLOCATED RESERVES</b>									
Allocated Reserves used to fund Town Centre Manager		N	(29,000)	0	0	0	0	0	Use of Town Centre Management Reserve and NHB reserve
Transfer from Planning Delivery grant reserve		UPDATED		(20,000)	(41,264)				
Transfer to Regeneration Reserve		N	300,000	356,612	400,000				see paragraph 4.6.5 of the report
Transfer to Capital Reserve		N	350,000						
Transfer NDR gains to allocated reserve		N	303,440	0	275,000				See paragraph 4.6.8 of the report
			<b>924,440</b>	<b>336,612</b>	<b>633,736</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>(xii) IMPACT OF BUSINESS RATES ACCOUNTED FOR IN THE GENERAL FUND</b>									
Section 31 grants given by government for changes made NDR reliefs		UPDATED	(593,569)	(686,212)	(770,852)	(270,800)	(270,800)	(270,800)	Reliefs given by government which are reimbursed via grant (S31)
Levy Payment & other adjustments			378,993	303,713	0	0	0	0	A 50% levy is due on gains on NDR.
			<b>(214,576)</b>	<b>(382,499)</b>	<b>(770,852)</b>	<b>(270,800)</b>	<b>(270,800)</b>	<b>(270,800)</b>	
<b>TOTAL GENERAL FUND EXPENDITURE</b>			<b>10,036,005</b>	<b>10,119,585</b>	<b>9,075,590</b>	<b>8,740,383</b>	<b>8,542,979</b>	<b>8,643,848</b>	
<b>Year on Year Change in spend (excluding carry forwards)</b>			<b>741,723</b>	<b>83,579</b>	<b>(1,043,994)</b>	<b>(335,207)</b>	<b>(197,404)</b>	<b>100,869</b>	
<b>Government Support- RSG</b>									
			(689,969)	(351,230)	(0)	27,146	27,146	27,146	Negative RSG of £27,146 removed in 2019/20 based on government consultation on the finance settlement.
<b>NNDR before the levy and excluding s31 grant</b>			(2,569,654)	(2,539,149)	(2,788,752)	(2,325,755)	(2,382,879)	(2,441,260)	Figures beyond 2019/20 do not include any projected gains
Transfer to/From Collection Fund (Business Rates)			(478,057)	(30,293)	(380,962)	0	0	0	Return of funds from the Collection Fund relating to increases surpluses at year end
<b>Total Government Support</b>			<b>(3,737,679)</b>	<b>(2,920,671)</b>	<b>(3,169,714)</b>	<b>(2,298,609)</b>	<b>(2,355,733)</b>	<b>(2,414,114)</b>	
<b>Government Support reduction year on year:</b>			<b>-1.81%</b>	<b>-11.33%</b>	<b>-3.52%</b>	<b>-17.58%</b>	<b>2.49%</b>	<b>2.48%</b>	Reductions in future years excluding NDR surplus transfers.
<b>Government Support as a % of Net General Fund Budget</b>			<b>37.24%</b>	<b>28.86%</b>	<b>34.93%</b>	<b>26.30%</b>	<b>27.58%</b>	<b>27.93%</b>	
<b>Use of Balances</b>									
Transfer to/From Collection Fund (Council Tax)			(139,102)	(139,616)	(55,621)	0	0	0	Return of projected (surpluses)/deficit to the General Fund
District Precept			(5,299,586)	(5,532,344)	(5,754,911)	(5,917,598)	(6,089,600)	(6,259,525)	2019/20 increase based on a 2.99% increase, to be decided February Council
<b>% of Net General Fund Budget</b>			<b>-52.81%</b>	<b>-54.67%</b>	<b>-63.41%</b>	<b>-67.70%</b>	<b>-71.28%</b>	<b>-72.42%</b>	

Stevenage Borough Council MEDIUM TERM FINANCIAL STRATEGY (MTFS) GENERAL FUND BUDGET J APPENDIX A						UPDATES				
Key: (£0) is under spend or increase in income										
General Fund Forecast			On-Going Cost?	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	Commentary
Average Band D Council Tax				198.52	204.46	210.57	214.76	219.04	223.39	2019/20 increase based on a 2.99% increase
Average Band C Council Tax				176.46	181.74	187.18	190.90	194.70	198.57	
Council Tax Increase				2.58%	2.99%	2.99%	1.99%	1.99%	1.99%	
Tax Base				26,695	27,059	27,330	27,554	27,802	28,020	Tax base update to reflect new properties in conjunction with planning projections
<b>GENERAL FUND RESERVES:</b>										
Revised Balances at 31 March each Year:				2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	
General Fund Balance 1 April				(6,426,984)	(5,465,117)	(4,040,393)	(3,945,048)	(3,420,873)	(3,323,227)	
Use of balances in Year			UPDATED	+961,866	+1,424,724	+95,345	+524,176	+97,646	(29,791)	
General Fund Balance 1 March				(5,465,117)	(4,040,393)	(3,945,048)	(3,420,873)	(3,323,227)	(3,353,019)	
November Financial Security Report				(5,465,117)	(3,764,733)	(3,827,253)	(3,518,205)	(3,655,687)	(3,898,607)	
Variance				0	(275,661)	(117,795)	97,332	332,460	545,588	

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**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.		
	<b>Calculated Risk</b>		
Specific Areas	Estimated Income	Likelihood Percentage	Balances Required
Parking Income* (on street/offstreet)	£4,676,870	2.5%	£116,922
Development Control Income	£339,330	10%	£33,933
Land Charges Income	£61,800	20%	£12,360
Recycling Income	£527,990	2.5%	£13,200
Garages	£3,268,000	0.50%	£16,340
Trade Refuse & Skips	£811,180	0.50%	£4,056
Indoor Market	£435,000	2.50%	£10,875
Commercial Property Income	£3,391,050	2.50%	£84,776
NEW Commercial Property Income Property Fund income target not achieved	£875,000	10.00%	£87,500
<b>Total</b>			<b>£379,962</b>

\* 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.		
	<b>Calculated Risk</b>		
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Housing Benefit maximum risk based on not meeting threshold for Local Authority errors.	£165,815	25%	£41,454
Loss of Business Rates yield	£2,529,373	maximum loss (7.5%) less loss of S31 grant	£116,501
Lower S31 Grants than anticipated which means the NDR yield would be higher but would not be returned to the General Fund until 2019/20.	£732,020	10%	£73,202
Increase in bad debts as a result of welfare reform proposals (reduction cap and tax changes)	£608,310	5%	£30,416
Increase in the Apprenticeship levy if TV rate not met and pay costs increase.	£634,420	0.5%	£3,172
NEW: Increased cost of ICT staffing or software to deliver the ICT improvement plan	£2,930,940	5.0%	£146,547

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.		
	<b>Calculated Risk</b>		
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Building Control company costs increase	£99,410	25%	£24,853
NEW :Costs associated with the capital cost of funding the bus station to enable SG1 if LEP monies not released	£145,790	50%	£72,895
Costs associated with Town Centre Regeneration not budgeted for	£400,000	10%	£40,000
Housing Benefit overpayment net income reduces and results in a pressure on the General Fund	£1,565,950	5%	£78,298
<b>Total</b>			<b>£627,336</b>

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.		
	<b>Calculated Risk</b>		
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Transitional Vacancy Rate 4.5%	£634,420	5.00%	£31,721
Less staff time charged to capital than budgeted	£401,040	10.00%	£40,104
Increase in staffing the pension scheme due to auto enrolment (based on % of salary costs not pensioned)	£245,750	5.00%	£12,287
Contractual inflation 1% increase	£220,771	25.00%	£22,255
Utility and fuel inflation usage/costs increase	£817,620	5.00%	£40,881
Borrowing costs will be higher than estimated on new borrowing in Capital Strategy	£0	0.5% increase in basis points	£6,362
Business Unit Reviews (BUR) implementation costs/restructure costs increases the pay bill (% of pay bill for the General Fund)	£18,608,510	0.50%	£93,043
<b>Total</b>			<b>£246,653</b>

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.		
	<b>Calculated Risk</b>		
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Savings Options	£578,762	2.00%	£11,575
<b>Total</b>			<b>£11,575</b>

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		
	<b>Calculated Risk</b>		
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Gross Income (excludes specific income listed above)	£46,233,849	1.50%	£693,508
Gross Expenditure (excludes specific expenditure listed above)	£48,166,887	1.50%	£722,503
<b>Total</b>			<b>£1,416,011</b>

Level of Balances Assumed in General Fund Based on risk

**£2,681,537**

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FEES AND CHARGES -RECOMMENDED FEE INCREASES FOR 2019/20 - 2021/22 APPENDIX F

Service	Fees and Charges for 2019/20	2018/19 Price £	2019/20 Price £	Increase £	% Increase	Total Budget 2018/19 £	Income changes previously reported £	Other Changes or pressures identified (not yet reported) £	Income (Reduction) / Increase	Total Budget 2019/20 £	Fee Principles Applied (Y/N)	Options considered/Rationale	Benchmarking Information	Date of Price Increase	
<b>Car Parks:</b>															
New Town:  Short Stay (The Forum, Marshgate, Westgate, St Georges)	7am-7pm (6am-7pm at St Georges only): Mon-Saturday up to 30 Mins (St Georges & Westgate only)	£0.50	£0.50	£0.00	0.00%							The British Retail Federation is still reporting that nationally there is a continuing reduction in retail activity by shoppers in Town Centres. The enforcement regimes imposed at ASDA and Tesco are intermittent at best and we have seen little positive improvement of short term car park usage. Railway parking continues to be popular with improvements to the train station/platforms complete and should ensure this continues once the new timetables and service delays are resolved. Future regen and the impact on car park spaces will need to be balanced with the demand for railway parking. Our minimum increase is 10p (machine acceptance).	WGC, Bedford, and North Herts short stay charges vary between £1.50 and £2.00 for the first hour and two hour fees. St Albans charge £1.70 up to 1 hr & £3.00 up to 2 hrs, and WGC £1.50 up to 2 hrs. Town Centre Parking 'Long Stay' varies from £4.00 to £8.00 in Bedford depending on distance from the centre. The fees are £5.00 in WGC, £5.00 to £10.90 in St Albans and up to £10.00 in Milton Keynes. Currently in Stevenage, there is demand for long stay parking driven by new residences and some temporary demand from construction workers. Railway Parking is charged at £8.70 in Bedford, £5.40 to £10.90 in St Albans and £10.40 in Milton Keynes. Our offer is still mid-range for the larger stations. It must be stressed that the frequency of services out of London positions Stevenage as the first choice for those returning from London.		
	Mon-Saturday up to 1 hour	£1.70	£1.70	£0.00	0.00%						Y				
	Mon-Saturday up to 2 hours	£2.30	£2.40	£0.10	4.35%				£17,800		Y				
	Mon-Saturday up to 3 hours	£3.00	£3.10	£0.10	3.33%				£7,600		Y				
	Mon-Saturday up to 5 Hours	£3.50	£3.60	£0.10	2.86%				£1,600		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				
<b>Total Short Stay</b>						£1,443,000			£27,000	£1,470,000					
Long stay  Southgate and St Georges' Car Park charge the £4.50 tariff from 6am	Mon-Fri before 8.30am	£7.00	£7.30	£0.30	4.29%						Y				
	Mon-Fri 8.30am to 7pm	£4.50	£4.80	£0.30	6.67%						Y				
	Saturday 6am - 6pm	£4.50	£4.80	£0.30	6.67%						Y				
	Sunday	£2.00	£2.00	£0.00	0.00%						Y				
<b>Total Long Stay</b>						£716,200			£29,800	£746,000					
Railways	Mon-Fri 4am to 4am	£7.50	£8.00	£0.50	6.67%	£712,000			£40,000	£752,000	Y				
Railways	Saturday	£6.50	£6.80	£0.30	4.62%	£65,500			£2,000	£67,500	Y				
Railways	Sunday	£6.00	£6.20	£0.20	3.33%	£74,500			£2,000	£76,500	Y				
<b>Total Railways</b>						£852,000			£44,000	£896,000					
Season Tickets	New Town (price per month)	£80.00	£85.00	£5.00	6.25%						Y				
	Blue Badge Holders (Season Ticket, price per Annum)	£35.00	£38.00	£3.00	8.57%	£379,500			£8,500	£388,000					
	Rail (price per month)	£135.00	£142.00	£7.00	5.19%						Y				
<b>Season Tickets SubTotal</b>						£379,500			£8,500	£388,000					
<b>New Town GRAND TOTAL</b>						£3,390,700	£0	£0	£109,300	£3,500,000					
<b>Old Town:</b>															
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 sustainable and maintains a similar differential to the Railways. (this car park is used by commuters)		01 January 2019	
	up to one hour	£1.00	£1.00	£0.00	0.00%						Y				
	up to two hours	£1.50	£1.50	£0.00	0.00%						Y				
	up to three hours	£1.80	£1.80	£0.00	0.00%						Y				
	More than three hours	£5.00	£5.00	£0.00	0.00%						Y				
	<b>Primett Rd South</b>														
	<b>Monday-Friday</b>														
	0600-1600hrs	£2.80	£2.80	£0.00	0.00%						Y				
	1600-0600hrs	£0.50	£0.50	£0.00	0.00%						Y				
	<b>Saturday 0600-1600:</b>														
up to one hour	£1.00	£1.00	£0.00	0.00%						Y					
up to two hours	£1.50	£1.50	£0.00	0.00%						Y					
up to three hours	£1.80	£1.80	£0.00	0.00%						Y					
More than three hours	£2.60	£2.60	£0.00	0.00%						Y					
Saturday 4pm-Monday 6am	£0.50	£0.50	£0.00	0.00%						Y					
<b>Church Lane North</b>															
<b>Mon-Sat 0600-1600hrs</b>															
up to one hour	£1.00	£1.00	£0.00	0.00%						Y					
up to two hours	£1.50	£1.50	£0.00	0.00%						Y					
up to three hours	£1.80	£1.80	£0.00	0.00%						Y					
More than three hours	£2.60	£2.60	£0.00	0.00%						Y					
Saturday 4pm-Monday 6am	Free	Free								Y					
Season Tickets	Old Town (price per month)	£45.00	£45.00	£0.00	0.00%						Y				
<b>Old Town GRAND TOTAL</b>						£175,400	£0	£0	£0	£175,400					
Car Parks:	Business Tokens/ Commercial Income	various	various			£184,000			£5,000	£189,000	Y	Income from "Business Validations" (Hotels, Mecca Bingo, SLL, Waitrose)			
<b>Loss of income due to price increase</b>					7.75%	-£8,000			-£10,000	-£18,000	Y	Assume 7.75% attrition rate; above inflation increases, pressures on income levels due to recent retail closures; previous years' analysis suggests a higher attrition rate is prudent.			
<b>TOTAL "All Off Street Car Parks"</b>						£3,742,100	£0	£0	£104,300	£3,846,400					

FEEES AND CHARGES -RECOMMENDED FEE INCREASES FOR 2019/20 - 2021/22 APPENDIX F

Service	Fees and Charges for 2019/20	2018/19 Price £	2019/20 Price £	Increase £	% Increase	Total Budget 2018/19 £	Income changes previously reported £	Other Changes or pressures identified (not yet reported) £	Income (Reduction) / Increase	Total Budget 2019/20 £	Fee Principles Applied (Y/N)	Options considered/Rationale	Benchmarking Information	Date of Price Increase																		
<b>On Street Parking</b>																																
Town Centre	up to 30 mins	£0.60	£0.60	£0.00	0.00%	£126,990	£38,010		£0	£165,000	Y	Fees should be frozen for 2019/20, and only increased/reviewed every two years in order to keep the "costs of changing tariffs" down. The fees should be aligned to the fees charged in the car parks for all the tariffs up to three hours. Increasing the fees for longer stays (for on street) would help with turnover and encourage long-stays to use the car parks.		01/01/2019																		
	Up to 1 Hour	£1.70	£1.70	£0.00	0.00%						Y																					
	Up to 2 Hours	£2.50	£2.50	£0.00	0.00%						Y																					
	Up to 3 Hours	£3.20	£3.20	£0.00	0.00%						Y																					
	Up to 4 Hours	£4.00	£4.00	£0.00	0.00%						Y																					
	Up to 5 Hours	£5.00	£5.00	£0.00	0.00%						Y																					
	Over 5 hours	£9.00	£9.00	£0.00	0.00%						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	no change	no change		0.00%	£248,000			£0	£248,000	Y	Fees should remain frozen for the foreseeable future.																				
<b>On Street Parking Total</b>						<b>£374,990</b>	<b>£38,010</b>	<b>£0</b>	<b>£0</b>	<b>£413,000</b>	Y																					
Garages: <small>Prices shown are "NET" of VAT. Housing Tenants generally do not pay VAT but other customers do pay VAT, meaning the actual weekly increase for a Category A garage would be 60p. Around 2/3rd of all customers do pay VAT.</small>	Standard Garage (Category A)	£10.80	£11.30	£0.50	4.63%	£3,214,550	£0	-£35,000	£103,450	£3,283,000	Y	Price increases proposed take into account the Garage Business Plan built-in rent increases, plus the requested inflationary increase to match RPI (approx. 3.3%). 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%. Price increases have been suppressed for Cat B & C garages in order to differentiate these garages during the period of improvement works. The council currently rent out around 45-50 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 2019 (In line with Housing rent increases)																		
	Standard Garage (Category B)	£10.70	£11.10	£0.40	3.74%						Y																					
	Standard Garage (Category C)	£10.50	£10.75	£0.25	2.38%						Y																					
	Road Facing Garages	£11.60	£12.20	£0.60	5.17%						Y																					
	<b>Garages Total</b>										<b>£3,214,550</b>				<b>£0</b>	<b>-£35,000</b>	<b>£103,450</b>	<b>£3,283,000</b>	Y													
Markets:	Across the board increase to match RPI MTFS estimate of 3.3%	various	various		3.30%	£421,260			£13,740	£435,000	Y	RPI based increase in rents across the board proposed. This would increase weekly rents by around £2.25-£3.75 on the vast majority of stalls within the market. Void rates at the market are carefully scrutinised, and efforts are ongoing to reduce void levels.		01/01/2019																		
<b>Markets Total</b>						<b>£421,260</b>	<b>£0</b>	<b>£0</b>	<b>£13,740</b>	<b>£435,000</b>	Y																					
Bulky Waste:	6 Items	£66.00	£68.75	£2.75	4.37%	£101,500		-£20,000	£3,000	£84,500	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 kept increased.	01/01/2019																		
	Cancellation Fee	£10.00	£11.00	£1.00	10.00%						Y																					
<b>Bulky Waste Total</b>						<b>£101,500</b>	<b>£0</b>	<b>-£20,000</b>	<b>£3,000</b>	<b>£84,500</b>	Y																					
Cemeteries:		various	various			£177,000			£23,000	£200,000	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%.	01/01/2019																		
<b>Cemeteries Total</b>						<b>£177,000</b>	<b>£0</b>	<b>£0</b>	<b>£23,000</b>	<b>£200,000</b>	Y																					
Parks and Open Spaces:	3.3% increase on the budget agreed by manager	various	various		3.30%	£118,400			£3,600	£122,000	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.		01/01/2019																		
<b>Parks and Open Spaces Total</b>						<b>£118,400</b>	<b>£0</b>	<b>£0</b>	<b>£3,600</b>	<b>£122,000</b>	Y																					
Allotments:	Price per M <sup>2</sup> (Previously prices were shown per Rod. For reference 1 rod = 25m <sup>2</sup> )	£0.34	£0.35	£0.01	2.94%	£23,120			£680	£23,800	Y	After several years of being frozen, it is now felt that RPI increases can be applied.	<table border="1"> <thead> <tr> <th></th> <th>Cost per m<sup>2</sup></th> </tr> </thead> <tbody> <tr><td>Dacorum</td><td>24p</td></tr> <tr><td>East Herts</td><td>20p</td></tr> <tr><td>Hertsmere</td><td>22p</td></tr> <tr><td>North Herts</td><td>50p</td></tr> <tr><td>St Albans</td><td>19p</td></tr> <tr><td>Stevenage</td><td>33p</td></tr> <tr><td>Watford</td><td>18p</td></tr> <tr><td>Welwyn Hatfield</td><td>44p</td></tr> </tbody> </table>		Cost per m <sup>2</sup>	Dacorum	24p	East Herts	20p	Hertsmere	22p	North Herts	50p	St Albans	19p	Stevenage	33p	Watford	18p	Welwyn Hatfield	44p	01/01/2019
		Cost per m <sup>2</sup>																														
	Dacorum	24p																														
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Stevenage	33p																															
Watford	18p																															
Welwyn Hatfield	44p																															
100M <sup>2</sup> (Previously equiv to 4 Rod)	£34.00	£35.00	£1.00	2.94%	Y																											
250M <sup>2</sup> (Previously equiv to 10 Rod)	£85.00	£87.50	£2.50	2.94%	Y																											
<b>Allotments Total</b>						<b>£23,120</b>	<b>£0</b>	<b>£0</b>	<b>£680</b>	<b>£23,800</b>	Y																					

FEES AND CHARGES -RECOMMENDED FEE INCREASES FOR 2019/20 - 2021/22 APPENDIX F

Service	Fees and Charges for 2019/20	2018/19 Price £	2019/20 Price £	Increase £	% Increase	Total Budget 2018/19 £	Income changes previously reported £	Other Changes or pressures identified (not yet reported) £	Income (Reduction) / Increase	Total Budget 2019/20 £	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%	£5,000				£5,000	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	01/01/2019
	Junior Day Ticket	£6.00	£6.00	£0.00	0.00%						Y			
	Night Fishing	£18.00	£18.00	£0.00	0.00%						Y			
	<b>Average of above</b>	<b>£10.67</b>	<b>£10.67</b>	<b>£0.00</b>	<b>0.00%</b>						Y			
<b>Fishing Total</b>					<b>£5,000</b>	<b>£0</b>	<b>£0</b>	<b>£5,000</b>	Y					
Planning:	<b>Major development</b>					£43,500				£43,500	Y	All of these fees were increased significantly during last year's fees & charges process. It is felt prudent to freeze these fees for 2019/20 and apply RPI increases for the following two years (to be reviewed next year, dependant on how usage/income levels progress.	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.	01/01/2019
	100+ residential units, 6000+sqm of commercial /change of use or where the site is 3ha+ PER 100 units /6000sqm/3ha or part of.	£3,600.00	£3,600.00	£0.00	0.00%						Y			
	25-99 residential units, 2001-5999sqm of commercial /change of use or where the site is 1ha-3ha.	£3,600.00	£3,600.00	£0.00	0.00%						Y			
	Development requiring an EIA if not within the above categories	£3,500.00	£3,500.00	£0.00	0.00%						Y			
	<b>Other Major Developments</b>										Y			
	Provision of 10-24 dwellings or where the site is between 0.5ha and 1ha.	£2,100.00	£2,100.00	£0.00	0.00%						Y			
	Change of use or provision of 1001sqm - 2000sqm of commercial floor space or on a site with an area exceeding 1ha.	£2,100.00	£2,100.00	£0.00	0.00%						Y			
	<b>Minor Development</b>										Y			
	Single dwelling/replacement dwelling	£210.00	£210.00	£0.00	0.00%						Y			
	2-5 dwellings	£420.00	£420.00	£0.00	0.00%						Y			
	6-9 dwellings	£1,075.00	£1,075.00	£0.00	0.00%						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.	£210.00	£210.00	£0.00	0.00%						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	£700.00	£700.00	£0.00	0.00%						Y			
	<b>Householder</b>										Y			
	Domestic extensions, conservatories etc. and alterations to residential properties.	£62.50	£62.50	£0.00	0.00%						Y			
<b>Specialist Advice</b>					Y									
Works to listed buildings Developments affecting a conservation area	£150.00	£150.00	£0.00	0.00%	Y									
<b>Advertisements</b>					Y									
Per Site	£62.50	£62.50	£0.00	0.00%	Y									
<b>Planning Total</b>					<b>£43,500</b>			<b>£43,500</b>	Y					

FEES AND CHARGES -RECOMMENDED FEE INCREASES FOR 2019/20 - 2021/22 APPENDIX F

Service	Fees and Charges for 2019/20	2018/19 Price £	2019/20 Price £	Increase £	% Increase	Total Budget 2018/19 £	Income changes previously reported £	Other Changes or pressures identified (not yet reported) £	Income (Reduction) / Increase	Total Budget 2019/20 £	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)	£19.60	£20.55	£0.95	5.09%	£647,490			£21,510	£669,000	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.	01/01/2019
Clinical Waste:	Increase in fees to cover additional increase in disposal costs example of pricing shown Clinical box )	£11.05	£11.55	£0.50	4.76%	£57,780			£1,720	£59,500	Y	Higher increase to offset any increase in disposal and gate fees.	Latest as at 2016/17 - Benchmarked against SRCL.	01/01/2019
Skips:	Increase in fees to cover additional increase in disposal costs (example of pricing shown 6yard skip)	£262.00	£274.00	£12.00	4.81%	£154,970			£4,030	£159,000	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. <b>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).</b>	Latest as at 2016/17 - Benchmarked against other providers such as Stevenage Skip Hire £235.	01/01/2019
Transfer Station:	Increase in fees to cover additional increase in disposal costs example of pricing shown, medium panel van)	£181.50	£188.50	£7.00	4.04%	£73,560			£2,440	£76,000	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.	01/01/2019
Increase disposal cost of waste for Trade, Clinical, Skips and Transfer Station:					-4.50%	-£360,650			-£14,350	-£375,000	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.		01/01/2019
Hackney Carriages:					3.00%	£23,500			£500	£24,000	Y	Fees are cost recovery. However, costs have been increasing over the last couple of years and fees have remained stable, therefore likely fees will start to gradually increase (in line with rising costs) starting from 2019/20.	Not applicable, cost recovery only.	01/01/2019
Environmental Health & Licensing:	<b>Housing Act 2004</b>				0.00%	£11,750				£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.	01/01/2019
	Licence for Houses in Multiple Occupation (HMO)	£708.00	£708.00	£0.00	0.00%									
	Service of Housing Act Notices	£382.00	£382.00	£0.00	0.00%									
Environmental Health & Licensing:	<b>Food Premises</b>	various	various	£0.00	2.50%	£10,790			£210	£11,000	Y	Cost recovery only		01/01/2019
	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	0.00%	£12,890			£110	£13,000	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.	01/01/2019
Local Land Charges	Residential Property (Con 29)	£60.00	£61.80	£1.80	3.00%									
VAT Is PAYABLE on these fees (fees shown is GROSS of VAT) Integra Code = RC110	Residential Property (LLC1)	£16.00	£16.50	£0.50	3.13%									
	Commercial Property and Areas of Land (Con 29)	£78.00	£80.40	£2.40	3.08%									
	Commercial Property and Areas of Land (LLC1)	£21.00	£21.60	£0.60	2.86%									
No VAT is payable for this service	Additional Enquiry	£10.00	£10.30	£0.30	3.00%	£60,000			£1,800	£61,800				
Housing General Fund:	Careline Alarm- private (Shortfall funded from General Fund)	various	various	various	Approx. 3.30%	£115,950			£5,050	£121,000	Y	This budget relates to private careline tenants and any increase in income means the General Fund subsidy is reduced.		
<b>Sub Totals</b>							£38,010	-£55,000	£274,790			<i>Where there are multiple fees in a service area, an example has been given to demonstrate the price increases</i>		
<b>NET INCREASE from Fees &amp; Charges</b>										<b>£219,790</b>				
<b>Target (as per MTF5)</b>										<b>£296,594</b>				
<b>Variance</b>										<b>-£76,804</b>				

Fund	Implementation costs	Staff	2019/20	2021/22	2022/23
General Fund RECOMMENDED	58,920		798,552	1,094,925	1,500,361
HRA RECOMMENDED	52,080		260,050	312,055	392,573
<b>Total Options</b>	<b>111,000</b>	<b>11</b>	<b>1,058,602</b>	<b>1,406,980</b>	<b>1,892,934</b>

STEVENAGE BOROUGH COUNCIL

APPENDIX D

Ref No	Ranking	Name of Service	Description of Savings Proposal	Implementation costs (any redundancy/capital)	If staff affected indicate no. of staff	Financial Security Option in 2019/20	Financial Security Option in 2020/21	Financial Security Option in 2021/22	Ongoing (Y/N) or No of further years available	Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Barriers/Interdependencies	Requires Capital Investment (Y/N)	Requires ICT Investment (Y/N)	Potential Timing (put the date you estimate it will be implemented, consider any consultation required)	Budget 2018/19	Actual 2017/18
<b>CATEGORY A - IMMEDIATE EFFICIENCY OPTIONS</b>																
SA2	1.60	Insurance	Cease payment of excesses on strimmer claims (between 30-42 claims per year)		0	6,000	6,000	6,000	Y	The Council currently pays out on damage arising from strimmers causing wind screens and windows. Operatives have to survey the area for stones and 'stone pick prior to strimming'. A recent court case (Bristol council) led to judgement that if suitable care is taken regarding stone picking then the liability does not rest with the council.	may get complaints from members of the public. Risk of complainants could take Council to court, however the position has already been defended in the Thomas versus Bristol case (May 2017).	N	N	1 April 2019	£6,000	£6,000
SA3	2.00	Training	Maximising government apprentice levy to give a compensatory reduction in professional training budgets by 15%.		0	26,703	26,703	26,703	Y	There is a risk that the funding is not interchangeable and the levy funding is not applicable for the departmental related training budgets. Professional training budgets for 2018/19 are £117K (GF) and £61K (HRA) and the levy paid in 2017/18 was £76K. In addition there are £74K of corporate training budgets	Requires corporate allocation of apprentice levy and work force planning	N	N	1 April 2019	£75,000	£0
SA5	2.00	Stevenage Direct Services	Historic/Surplus Equipment Sales	14,000	0	64,000	0	0	N	There a number of surplus assets that have been identified for sale. The cost of implementation is to take the plant and equipment to auction	Dependant on market prices	N	N	December 2018	£0	£0
SA11	1.60	Constitutional Services	Reduce non staff budgets that are available to support Scrutiny function from 2.5k to 1k		0	1,500	1,500	1,500	Y	Budget has underspent in previous years.	None identified - not fully spent for a number of years.	N	N	1 April 2019	£2,500	£422
SA12	1.60	Corporate Policy	Undertake the Town wide Residents Survey every three years rather than every two years.		0	17,810	-7,190	17,180	Y	Would require budget to be increased every third year to £25k. Principle could also equally be applied to the HRA Star Survey.	Needs to be considered as part of the future consultation and engagement strategy.	N	N	1 April 2019	£17,810	£20,065
SA14	1.60	Council wide	Withdraw Retirement Gifts to employees (£34.10 for each year of completed service at SBC)		retiring staff										£0	£11,000
SA16	1.80	Planning & Regulation	Changes to Planning Policy Team (net reduction of a 1/3 of Senior Planner) no redundancy implications	0	1	5,000	5,000	5,000	Y	None		N	N	1/4/2019	£235,720	£199,590
SA18	2.00	Stevenage Direct Services	Removal of depot supervisors use of vans for home to depot travel		0	2,750	2,750	2,750	Y	Some supervisors take home a vehicle but attend the depot before starting work, the staff have been notified and the saving is based on fuel savings and could be more in practice removing depot to home mileage.		N	N		£398,310	£307,163
<b>TOTAL</b>				<b>14,000</b>	<b>1</b>	<b>123,763</b>	<b>34,763</b>	<b>59,133</b>							<b>£735,340</b>	<b>£544,240</b>
<b>CATEGORY B - PROCUREMENT OPTIONS</b>																
SB1	2.00	External Audit procurement	Reduction in contract for 2018/19 Audit		0	14,721	14,721	14,721	Y	The reduction in the EY fee is dependent on no additional fees being charged. The Council went to arbitration for the 2016/17 fee and had to pay £9.5K of the £18.5K requested by the Council's external auditors.	Increased fees charged by EY for perceived additional costs incurred on the audit	N	N	1 April 2019	£64,000	£64,000
SB3	2.00	ICT Shared Service	Reduction in MFD (Multi functional Devices) costs / print - estimated 20% decrease in contract cost - current MFD costs for SBC are £46,000 (2017) - delivery for 2019/20		0	2,000	9,000	9,000	Y	Improved service / management information enabling business units to control their own MDF print costs and output	Aligning with HCC MFD supplier contract - Compliance Manager at EHDC in negotiations.	n	n	within 2018/19 and staff briefing needed / training on use	£45,620	£53,000
<b>TOTAL</b>				<b>0</b>	<b>0</b>	<b>16,721</b>	<b>23,721</b>	<b>23,721</b>							<b>£109,620</b>	<b>£117,000</b>
<b>CATEGORY C - NEW INCOME GENERATION/COMMERCIALISATION OPTIONS</b>																
SC3	2.00	Procurement	Shared Service with East Herts- subject to approval by EHDC		3	15,121	15,121	15,121	Y	This is dependent on the type of service EHDC want and is still subject to negotiation.		N	N	1 April 2019	£0	£0
SC6	2.00	Stevenage Direct Services	Sanctum Almonds Lane (see www.welhat.gov.uk for reference pricing)	0	0	2,000	4,000	6,000	Y	Expands the offer for residents. Year one saving is based on three individual sanctums or two family sanctums)		N	N	1 April 2019	£0	£0
SC10	1.80	Stevenage Direct Services	Rationalise & Expand Trade Waste Service includes the appointment of a post to bring in additional customers		0	(6,000)	29,000	64,000	Y	Improve profitability of business- indicative saving improve net surplus by 10%. The saving is net of a establishment post to attract business of £40K per annum.	Assuming day lift capacity and selling this at £19 per lift (1100ltr) excluding churn additional £105k over 3 years net). Implementation cost is for <b>Sales resource for selling service to realise income. Assumes £40k cost (will be ongoing on establishment). Potential risk that business is not available in Stevenage and may require wider sales footprint i.e. out of Borough.</b>			01 April 2019	(£22,940)	(£118,431)

Ref No	Ranking	Name of Service	Description of Savings Proposal	Implementation costs (any redundancy/capital)	If staff affected indicate no. of staff	Financial Security Option in 2019/20	Financial Security Option in 2020/21	Financial Security Option in 2021/22	Ongoing (Y/N) or No of further years available	Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Barriers/Interdependencies	Requires Capital Investment (Y/N)	Requires ICT Investment (Y/N)	Potential Timing (put the date you estimate it will be implemented, consider any consultation required)	Budget 2018/19	Actual 2017/18
SC11	1.60	SDS	Skips/RORO - niche for specific waste types		0	5,000	5,000	5,000	Y	Brokering of skip custom through a partner arrangement with a local business. Will need to consider investing in a sales person resource to pick up business but could be combined with trade waste officer role.		Y	Y - module on waste management system	01 April 2019	£57,110	£65,730
SC23	2.00	Housing & Investment	Charge for retrospective permissions granted		0	5,000	5,000	5,000	Y	£100 per case x 50 cases approx. Policy required to reduce costs to rectify and homes left in a safe condition. <b>LSFG recommended higher charge of £100 to £500 for more serious changes</b>	figures based on assumed numbers of cases			01 April 2019		
SC25	1.90	Human Resources	Introduce a holiday purchase scheme - 1 additional day per year.		all staff	15,000	30,000	30,000	Y	Figures are based on 7.5% of staff taking up the option per year. Could be extended up to 2 or 3 days a year which could further increase this figure. Ideally would be introduced prior to amending the Council's Flexi Scheme. Part of wider employee benefits package	TU consultation and Executive required. Fairly easy to implement - process will be required. Uncertainty is the level of take up. Staff consultation would be required to assess interest in such a scheme.	N	N	Could be introduced in year during 2018/19	£0	£0
SC30	2.00	SLL Leisure Contract	Innovation Group is identifying additional £50,000 deliverable savings for 2018/19 on 12/06/18		0	50,000	100,000	150,000	Y	May result in reduction in investment of in-house productions at GC Theatre.	SLC Scoping Study for FVP	Y	N	December 2018	£864,000	£1,039,038
SC31	1.80	Planning & Regulation	New Commercial Car Park contracts	0	0	90,000	0	0	N	Income agreements with private firms		Y	N	09/2018	(£184,000)	(£215,250)
SC32	1.80	Planning & Regulation	For Note-New contracts	0	0	50,000	50,000	50,000	Y	Estimation of returns realisable on new Council procurements. For Note- will be dependent on the tender prices received in 2019/20.		Y	N	01/04/2019	(£520,670)	(£536,350)
<b>TOTAL</b>				<b>0</b>	<b>3</b>	<b>226,121</b>	<b>238,121</b>	<b>325,121</b>							<b>£193,500</b>	<b>£234,737</b>

Ref No	Ranking	Name of Service	Description of Savings Proposal	Implementation costs (any redundancy/capital)	If staff affected indicate no. of staff	Financial Security Option in 2019/20	Financial Security Option in 2020/21	Financial Security Option in 2021/22	Ongoing (Y/N) or No of further years available	Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Barriers/Interdependencies	Requires Capital Investment (Y/N)	Requires ICT Investment (Y/N)	Potential Timing (put the date you estimate it will be implemented, consider any consultation required)	Budget 2018/19	Actual 2017/18
<b>CATEGORY D - SERVICE REDESIGN/PROCESS CHANGES INCLUDING WORKFORCE PLANNING</b>																
SD1	2.00	Accountancy	Reduce Legal paralegals by 1.5FTE* indicative saving	0	0	58,620	58,620	58,620	Y	There were two posts transferred back to SBC plus non applicable HCC overheads. It is anticipated that 0.5FTE may be required if functions can be successfully transferred to other departments.		maybe a need for new system	maybe a need for new system	1 April 2019	£524,700	part year 2017/18
SD2	2.00	Payroll	Introduce for staff pension (like "AVC wise") scheme.	0	0	12,420	12,420	12,420	Y	The salary sacrifice scheme linked to pensions means no reduction in pension, but savings for the staff/employer on NI. Example based on If 50 Grade 7's made a £150 AVC contribution, keeping their tax and NI saving. Saving on Employer NI with no assumption about investing the tax saving in the AVC. (Portsmouth have introduced)- <b>Employer of choice option</b>	Dependent on staff taking up the option, based on 50 with no tax, Ni savings reinvested. Would require a scheme set up and an AVC provider. May require some up front costs	N	N	1 April 2019	£2,058,820	£1,732,382
SD9	1.70	ICT Shared Service	Print Room review - options appraisal underway to consider viability of the in house shared print service. (Redundancy based on worse case scenario, based on two redundancies out of three posts).	59,000	3	8,750	35,000	35,000	Y	There are Shared service cost savings, (this is across SBC and EHDC). Options could include 1. Reduce cost of existing service (1FTE saving but new equipment required-option being costed). 2. Service delivered through partner 3. Self Serve-bigger machines where needed with some external print as now. Or a combination of the above.	Shared Service Partner - East Herts ICT partner wish to maximise savings opportunities. Timescale based on partnership alignment. This will be dependent on staff consultation and outcome.	n	n	Member consultation - already aware of options appraisal in hand. Statutory staff consultation required for print staff	£94,510	£133,892
SD11	1.80	All	Reduction in paper and print / use of MFD s - move to paperless. Based on a managed reduction in click charges - new MFD contract means this is better enabled with print unit management information. Renegotiate paper contract	0	0	7,500	12,500	12,500	y	Change in culture and requires business unit oversight and management and review of paper contract	Information and records management strategy, digital document management solutions etc.				£45,620	£53,000
SD15	2.00	SDS	Use of Transfer station to do bulk haulage instead of tipping at Watford		0	91,653	91,653	91,653	Y	this initiative will see domestic refuse being transported from the transfer station, rather than being taken to the tip at Watford. While the Council receives a transport subsidy from HCC this is reducing and this proposal should actually see a net reduction in cost to the Council.		Y	N	April 2019	£206,150	£125,600
SD52 (was SA16)	2.00	Housing Policy and Performance	Creation of new Corporate Policy and Business Support Team and housing ICT systems team	38,000	2	100,000	100,000	143,000	Y	There are three managerial posts to be deleted (policy x 2 & performance x1). Proposed restructure of one new post management post. (One post has been vacant during the past 12 months and processes to be streamlined).	TU and Staff consultation would be required. This will be dependent on staff consultation and outcome	N	N	Dec 2018	150,540 (working budget. OB = 0)	?? (HRA code in 17/18??)
SD14	1.80	SDS	Cessation of Welfare Hut use		2	6,250	25,000	25,000	Y	Head count reduction - <b>assumes reduction of overtime for two FTE drivers.</b>	Business Unit Review & Purchase of Crew Cab Vehicles x6. A provision of £150,000 has been made for new crew cab vehicles that will be required*.	Y*	N	January 2020		
SD16	2.00	SDS	Maintenance & Fuel Revenue Saving for three welfare hut hook trucks		0	8,245	32,980	32,980	Y	None savings identified are on maintenance, fuel, licence etc.	As above	Y	N	January 2020		
SD21	2.00	Housing and Investment	Additional Management savings as a result of Senior Management Review (SMR) and Business Unit Reviews (BUR)	0	0	61,000	61,000	61,000	Y	The 4th Tier BUR for housing management has negated the need a management post (Grade 12) as the revised structure has consolidated housing functions				immediate		

			Total Options			111,000	11	1,058,602	1,406,980	1,892,934							
Ref No	Ranking	Name of Service	Description of Savings Proposal	Implementation costs (any redundancy/capital)	If staff affected indicate no. of staff	Financial Security Option in 2019/20	Financial Security Option in 2020/21	Financial Security Option in 2021/22	Ongoing (Y/N) or No of further years available	Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Barriers/Interdependencies	Requires Capital Investment (Y/N)	Requires ICT Investment (Y/N)	Potential Timing (put the date you estimate it will be implemented, consider any consultation required)	Budget 2018/19	Actual 2017/18	
<b>TOTAL</b>				<b>97,000</b>	<b>7</b>	<b>354,438</b>	<b>429,173</b>	<b>472,173</b>							<b>£2,929,800</b>	<b>£2,044,874</b>	

**CATEGORY E - FEES & CHARGES**

SE1	2.00	Estates Service	Use agents to complete rent and lease renewals to a third party to ensure rent renewals enacted	0	0	24,319	27,612	30,996	Y	Recruitment difficulties for a commercial surveyor has lead to a backlog of rent reviews. A tender has awarded to allow for more Estates Management and pro-active look at the Estate holdings and supporting the Locality Review implementation. The estimated rent increase is based on the rent reviews due and a 1% increase per year when the rent review becomes due (so a 4% rent increase every 4 years).	rent reviews may go up and down- costs may be more than the post holder costs but could be netted off increased rental income	N	N	1 April 2019- (backlog to be started in 2018)	(£1,821,290)	(£1,815,631)
SE2	1.90	SDS	Replacement Waste Container Charges - assume £40 wheelie bin, £6box replacement - assumes 2% churn on wheelie bins from 32,000 low rise households.			20,000	20,000	20,000	Y	Negative feedback as non-chargeable currently. Potential for increased fly tipping or bin thefts. In 2017/18 the council spent £46,000 on replacement bins and £30,000 on replacement boxes and glass caddies which equates to 1.4% increase on the council tax. 2016-17 was £81,856. SBC replaced 5,001 recycling boxes and 1,091 refuse wheelie bins in 2015/16.	Will be dependent on customer take up	N	N	April 2019	£30,000	£30,000
SC18	1.90	Supported housing	Increase contribution to support costs to £2 per year rolling as part of phased support costs agreed in 2016/17		0	62,400	124,800	187,200	Y	The service cost was £17.70p in 2016/17. A charge of £2 pw was introduced in that year for those who were previously receiving the service for free (funded previously from supported housing grant), it is proposed that charges will increase by £2 pw per year until the cost of the service is fully recovered. Figures based on 624 users.	Will be dependent on customer take up				£211,900	£143,000
SE8	2.00	Play Centres	Marketing and active promotion of Play Centres for community lets		0	2,000	3,000	3,000	Y	Increase in footfall and community usage	Asset Strategy/ Community Centres Review/ Online bookings system	Y	Y	April 2019	(£4,180)	(£2,215)
SE11	2.00	Garages	Charge an admin fee for managing the VCO garages		0	9,050	9,050	9,050	Y	the Council has let garages on a rent free basis to "Voluntary and Community Sector groups and Organisations" (VCOs) working within Stevenage. As at January 2018, there are 87 garages let to VCOs. The Council is still responsible for maintaining garages that are occupied rent free and there are other costs including administration and inspection. It is recommended that a £2 charge per week plus VAT is levied to cover the cost of administration and inspection.	Will be dependent on customer take up	N	N	April 2019	£0	£0
SE10	1.80		Fees and charges General Fund		0	219,790	496,740	762,540	Y	See Appendix C				January 2019	£16,123,160	£15,015,938
<b>TOTAL</b>				<b>0</b>	<b>0</b>	<b>337,559</b>	<b>681,202</b>	<b>1,012,786</b>				<b>0</b>	<b>0</b>		<b>£14,539,590</b>	<b>£13,371,092</b>

<b>111,000</b>	<b>11</b>	<b>1,058,602</b>	<b>1,406,980</b>	<b>1,892,934</b>												
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### 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.

### Savings Proposals 2019/20

Prior to their consideration at Executive in November 2018, 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 or Full EqIAs. These have been summarised over the following pages and will inform the recommendations made at Executive on 23 January and 13 February 2019. Action to further analyse or mitigate the impact on equality groups is identified where appropriate.

The following activity has been taken / will take place:

- November 2018 – February 2019 EqIAs finalised considering further evidence as necessary
- January and February 2019 Consideration of all completed EqIAs at Council meetings

## Summary Of Equality Impact Assessments Appendix E

Saving Ref	Saving proposed	Summary of impact	Action	Contact Officer
SA2	Cease payment of excesses on strimmer claims	<p><b>Unequal impact:</b></p> <p><b>Socio Economic</b> Lower income households may have only basic car or home insurance that does not provide coverage and/or may find it more difficult to pay the excess.</p>	No further action or EqIA is required	Clare Fletcher
SC23	Charge for retrospective permissions granted	<p><b>Unequal impact</b></p> <p><b>Disability</b> Disabled tenants who need adaptations would apply via Stevenage Borough Council as an OT assessment would need to be carried out before any works are completed. The works are paid from the aids and adaptation budget.</p> <p><b>Socio Economic</b> Tenants on lower incomes may find it more difficult to make the payment. Arrangements could be made to negotiate payment plans on a case by case basis according to circumstances through the concessions policy.</p>	<p>Full EQIA completed</p> <p>Publicise the introduction of the charges as widely as possible in February 2019 before implementation in April 2019.</p> <p>Provide adequate training and support for the Customer Service Centre (CSC) and Housing &amp; Investment Team.</p> <p>Ensure that staff identify low income and vulnerable residents and follow the concessions policy.</p>	Jaine Cresser

SC23  
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Saving Ref	Saving proposed	Summary of impact	Action	Contact Officer
Page 156			<p>Consult on the new terms and conditions of the tenancy agreement, which include recharges of retrospective permissions.</p> <p>Review after 6 months to assess the impact and see if it has adversely affected particular equality group(s).</p> <p>Review of the charges to be undertaken as part of annual fees and charges setting mechanism.</p>	
SE2	Replacement waste container charges	<p><b>Negative impact:</b>  <b>Socio Economic</b>            Replacement container charges may discourage residents to participate with refuse and recycling services if they are charged for a replacement container.</p>	<p>The Council will seek to apply a concessionary rate for those receiving income derived benefit.</p> <p>Replacement containers will be provided free of charge where irreparable damage or loss of a container is the fault of the Council.</p>	Craig Miller

Saving Ref	Saving proposed	Summary of impact	Action	Contact Officer
			The charge will be reviewed alongside corporate fees and charges setting process 2019/20.	
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 157</p> <p>HRA</p>	Rent and service charge setting for 2019/20	<p><b>Positive impact:</b></p> <p><b>Socio Economic</b> The rent decrease will be applied across all tenancies prescribed by the Welfare Reform and Work Act 2016 regardless of circumstances.</p> <p>Those who receive services for which a service charge is made will be charged the actual cost of these services. Some of these service charges will be eligible for Universal Credit (UC) Housing Cost element and Housing Benefit (HB).</p> <p><b>Unequal impact:</b></p> <p><b>Socio Economic</b> The rent reduction applies to all tenants subject to Clause 21 of the Welfare Reform and Work Act 2016. However, properties exempt from this clause will have the rent increased by CPI + 1%. (Currently this is circa 87 Low Start Shared Ownership (LSSO) properties and one shared ownership property – it may also include emergency and temporary accommodation).</p> <p>52% (as at the end of 2017/18) of tenants are reliant on HB to cover the rent and HB eligible service charges. Only some service charges</p>	<p>Full EQIA completed (HRA &amp; SC18 combined).</p> <p>Communicate rent and charges through notification letters, FAQ sheets and the website, giving the opportunity for residents to discuss their concerns with staff and get support in applying for any relevant benefits.</p> <p>Review whether any elements of the independent living service should be eligible for housing benefit.</p>	Jaine Cresser

Saving Ref	Saving proposed	Summary of impact	Action	Contact Officer
		<p>are eligible for UC Housing Cost element and HB. For example heating charges are exempt and tenants and leaseholders are expected to pay this. Water charges are also exempt from the decrease and UC Housing Cost element and HB.</p>		
<p>SC18</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 158</p>	<p>Increase contribution to support costs to £2 per year as part of phased support costs agreed in 2016/17</p>	<p><b>Positive impact:</b></p> <p><b>Socio Economic</b> Results from the STAR survey in 2018 have shown that residents identified the emergency alarm service and the supported housing officer as the 2<sup>nd</sup> and 3<sup>rd</sup> most important priority associated with living in their property. The application of the support charge will help to ensure that the Council can continue to deliver this service.</p> <p><b>Negative impact:</b></p> <p><b>Age</b> Residents of independent living and flexicare schemes who will have to pay the increased charge are predominantly older people. Conversely however, the costs are currently subsidised by the wider tenant population, who have a younger age profile and do not benefit from the service.</p> <p><b>Disability</b> The residents that are charged a support charge are predominantly older and disabled people as this accommodation is for people over 55 years old or for people with a disability.</p> <p><b>Socio Economic</b> The support charge is not eligible for housing benefit and could have</p>		<p>Jaine Cresser</p>

Saving Ref	Saving proposed	Summary of impact	Action	Contact Officer
		<p>a negative impact for those on lower incomes in terms of affordability.</p> <p>This group of residents may also be affected by increases in Hertfordshire County Council (HCC) affecting the overall amount that older and disabled people can afford to pay:</p> <ul style="list-style-type: none"> <li>• HCC now charge for some of their community based adult social care services that they used to provide for free. This has impacted on many people over 60 in the independent living/flexicare schemes as they are in receipt of some care due to their age/medical conditions. The low care band in flexicare doubled and this has had an impact on residents being able to afford care</li> <li>• HCC funding for Flexicare housing related support is due to end on 31<sup>st</sup> March 2019, which would mean more cost to Stevenage Borough Council, which we may need to pass on to residents.</li> </ul> <p>However, the introduction of the charge is considered to be fairer than under current arrangements, whereby support charge costs are subsidised by the wider tenant population who do not benefit from the service.</p> <p>Furthermore, the charge has been introduced on an incremental basis, to mitigate the impact, rather than applying the full amount of £18.30 per week in one 'hit'.</p> <p>For those tenants who are not eligible for HB or who are on partial HB, the rent reduction will to some extent offset the impact of the charge.</p>		

Saving Ref	Saving proposed	Summary of impact	Action	Contact Officer
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 160</p> <p>SE11</p>	<p>Charge an administration fee for managing the VCO garages</p>	<p><b>Possible negative impact</b></p> <p><b>Age, Race, Disability, Religion or belief and Socio Economic characteristics</b> Financial implication associated with £104 annual charge per garage. Cost is considered to be proportionate and reasonable within the context of overall operating costs of VCO's.</p> <p><b>Possible positive impact</b></p> <p><b>Age, Race, Disability, Religion or belief and Socio Economic characteristics</b> Will stimulate review of the organisations actual need for a garage and may provide an opportunity to rationalise liabilities associated with use of a third party resource/asset.</p>	<p>Review of charge application and EQIA to ensure continued applicability.</p>	<p>Craig Miller</p>
<p>SC11</p>	<p>Broker the Council's commercial skip business through a third party provider</p>	<p><b>Socio-economic</b> The Council will continue to ensure that the charges applied for the provision of skips remain proportionate and are reasonable in terms of market conditions at the time of being set.</p>	<p>Charges will be reviewed as part of the annual fees and charges setting mechanism as normal.</p>	<p>Craig Miller</p>
<p>SC 6</p>	<p>Provide Sanctum vaults for ashes interments at the Almonds Lane &amp; Weston Road Cemeteries</p>	<p><b>Positive Impact</b></p> <p><b>Disability</b> Sanctums can be located along path edges and access routes within Cemeteries. These memorial types can as a result be a more accessible memorial solution for mourners who are less mobile.</p> <p><b>Socio Economic</b> Sanctums may provide a more affordable burial option for low</p>	<p>No further action or EqIA is required.</p>	<p>Craig Miller</p>



Saving Ref	Saving proposed	Summary of impact	Action	Contact Officer
		<p>income households when compared to costs associated with standard grave burials.</p> <p><b>Unequal Impact</b></p> <p><b>Religion or Belief</b>  Sanctums would not be a viable option for faith denominations that only utilise grave burials for their deceased.</p>		

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

What is being assessed?	<b>Insurance Claims - Damage Caused To Property owned by Members of the Public by Grasscutting Operatives Using Strimmers</b>	What are the key aims of it?	To enforce the legal protocol/process of dealing with these claims thus saving taxpayers' money.		
Who may be affected by it?	Customers: External				
Date of full EqIA on service area (planned or completed)	N/A				
Form completed by:	Debbie Gibson	Start date	01/10/18	End date	TBA
		Review date		30/04/19	

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What data / information are you using to inform your assessment?	Internal Public Liability (PL) Claims Experience	Have any information gaps been identified along the way? If so, please specify	No
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Explain the <b>potential positive, negative or unequal impact</b> on the following characteristics and <b>how likely</b> this is:			
Age	n/a	Race	n/a
Disability	n/a	Religion or belief	n/a
Gender reassignment	n/a	Sex	n/a
Marriage or civil partnership	n/a	Sexual orientation	n/a
Pregnancy & maternity	n/a	Socio-economic <sup>1</sup>	<b>Unequal impact:</b> Lower income households may have

<sup>1</sup>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.

			only basic car or home insurance that does not provide coverage and/or may find it more difficult to pay the excess
Other	N/A		

Where there is a likely <b>positive impact</b> , please explain how it will help to <b>fulfil our legislative duties</b> 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 - but note that where we have been negligent in not complying with health and safety legislation and risk then liability may be conceded.	Debbie Gibson	Delivered by Insurance Team following due process and monitored by the Insurance Manager (depending on volume of claims and follow on regarding any post claim complaints)	N/A

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**Approved by Assistant Director (Finance and Estates)**  
**Date: 1<sup>st</sup> November 2018**

# Full Equality Impact Assessment

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

<b>What is being assessed?</b>		<b>Introduction of Retrospective Permissions Charge – 1 year pilot</b>	
Lead Assessor	Karen Long		Assessment team
Start date	31 Dec 18	End date	04 Jan 2019
When will the EqIA be reviewed?	4 Jan 2019		Elizabeth Ddamulira

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Who may be affected by it?	Residents who carry out property alteration before applying for permission.
What are the key aims of it?	<p>We reviewed retrospective permissions requested over the last three years and found that this number has increased and this has impacted on current resources.</p> <p>It is proposed that we introduce a charge to all residents that carry out property alteration without permission first, which is a breach of the tenancy terms and conditions.</p> <p>The proposed charge will vary between £100-£500 depending on the extent of the alterations carried out and whether the alterations meet the required regulations and standards.</p> <p>To encourage tenants to request permission before any alterations are made to the property so that we can offer an expert opinion on whether they are viable or compromise the integrity of the building.</p> <p>To generate income to cover the cost of processing and administrative cost incurred by Council.</p>

What <b>positive measures</b> are in place (if any) to help <b>fulfil our legislative duties</b> to:					
Remove discrimination & harassment		Promote equal opportunities	This also aligns to the Council's aim to be financially sufficient and recover costs of services where possible.	Encourage good relations	

What sources of data / information are you using to inform your assessment?	There has not been any direct public consultation with regard to this particular decision; however, it was taken as a proposal to Housing Management Advisory Board (HMAB) on 25 <sup>th</sup> October 2018 and it was supported. HMAB includes resident members. It will also be included as part of the consultation on the revised tenancy agreement in January/early February 2019. It is understood that residents will not welcome the proposal and this is to be expected.
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In assessing the potential impact on people, are there any overall comments that you would like to make?	<p>The proposed charges will apply to all equality groups of Council tenants, although we will be looking at the concessions policy to ensure that this does not impact negatively on vulnerable and low income households as soon as is practicably possible.</p> <p>There are currently no proposals to consider any other exemptions.</p> <p>It is difficult to estimate who could be potentially impacted by this charge. We therefore intend to take all possibilities into consideration when assessing the equality impacts of this charge. We will review the pilot after 6 months to assess the impact and see if it has adversely affected particular equality group(s).</p> <p>We can utilise information primarily from our demographic profile to ensure that any service users that are vulnerable or on low incomes are not adversely impacted by this pilot.</p>
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## Evidence and impact assessment

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

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Age					
Positive impact		Negative impact		Unequal impact	<p>The introduction of a charge will be equally applicable to all users and no potential impact has been identified specific to this equality group.</p> <p>In addition, the proposal does not exclude an individual or group with a protected characteristic from contacting/speaking/emailing/writing with officers regarding their issue.</p>
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

Disability e.g. physical impairment, mental ill health, learning difficulties, long-standing illness					
Positive impact		Negative impact		Unequal impact	The introduction of a charge will be equally applicable to all users and no potential impact has been

					<p>identified specific to this equality group.</p> <p>In addition, the proposal does not exclude an individual or group with a protected characteristic from contacting/speaking/emailing/writing with officers regarding their issue.</p> <p>For those tenants who need adaptations they would apply via Stevenage Borough Council as an OT assessment would need to be carried out before any works are completed. The works are paid from the aids and adaptation budget.</p>
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

<b>Gender reassignment N/A</b>					
Positive impact		Negative impact		Unequal impact	<p>The introduction of a charge will be equally applicable to all users and no potential impact has been identified specific to this equality group.</p> <p>In addition, the proposal does not</p>

					exclude an individual or group with a protected characteristic from contacting/speaking/emailing/writing with officers regarding their issue.
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)			

<b>Marriage or civil partnership N/A</b>					
Positive impact		Negative impact		Unequal impact	<p>The introduction of a charge will be equally applicable to all users and no potential impact has been identified specific to this equality group.</p> <p>In addition, the proposal does not exclude an individual or group with a protected characteristic from contacting/speaking/emailing/writing with officers regarding their issue.</p>
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)			



Pregnancy & maternity – N/A					
Positive impact		Negative impact		Unequal impact	<p>The introduction of a charge will be equally applicable to all users and no potential impact has been identified specific to this equality group.</p> <p>In addition, the proposal does not exclude an individual or group with a protected characteristic from contacting/speaking/emailing/writing with officers regarding their issue.</p>
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

Race – N/A					
Positive impact		Negative impact		Unequal impact	<p>The introduction of a charge will be equally applicable to all users and no potential impact has been identified specific to this equality group.</p> <p>In addition, the proposal does not exclude an individual or group with a protected characteristic from</p>

					contacting/speaking/emailing/writing with officers regarding their issue.
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)			

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Religion or belief – N/A					
Positive impact		Negative impact		Unequal impact	<p>The introduction of a charge will be equally applicable to all users and no potential impact has been identified specific to this equality group.</p> <p>In addition, the proposal does not exclude an individual or group with a protected characteristic from contacting/speaking/emailing/writing with officers regarding their issue.</p>
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)			

**Sex – N/A**

Positive impact		Negative impact		Unequal impact	<p>The introduction of a charge will be equally applicable to all users and no potential impact has been identified specific to this equality group.</p> <p>In addition, the proposal does not exclude an individual or group with a protected characteristic from contacting/speaking/emailing/writing with officers regarding their issue.</p>
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)			

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**Sexual orientation – N/A**  
e.g. straight, lesbian / gay, bisexual

Positive impact		Negative impact		Unequal impact	<p>The introduction of a charge will be equally applicable to all users and no potential impact has been identified specific to this equality group.</p> <p>In addition, the proposal does not exclude an individual or group with a protected characteristic from contacting/speaking/emailing/writing</p>
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					with officers regarding their issue.
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)			

### Socio-economic<sup>2</sup>

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

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Positive impact		Negative impact		Unequal impact	<p>The introduction of a charge will be equally applicable to all users.</p> <p>In addition, the proposal does not exclude an individual or group with a protected characteristic from contacting/speaking/emailing/writing with officers regarding their issue.</p> <p>However, tenants on lower incomes may find it more difficult to make the payment. Arrangements could be made to negotiate payment plans on a case by case basis according to circumstances through the concessions policy.</p>
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<sup>2</sup>Although non-statutory, the Council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.

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

<b>Other – N/A</b>			
please feel free to consider the potential impact on people in any other contexts			
Positive impact		Negative impact	Unequal impact
Please evidence the data and information you used to support this assessment			
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	
Future Review and Monitoring			

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**What are the findings of any consultation with:**

Staff?	None	Residents?	
Voluntary & community sector?		Partners?	
Other stakeholders?			

## Overall conclusion & future activity

Explain the <b>overall findings</b> of the assessment and <b>reasons for outcome (please choose one)</b> :		
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	Consideration will be made in line with the concession policy. Following the 6 month review outcome consider the annual review of the charge.
	2b. Continue as planned	Sustainable service provision is reliant upon us being able to collect income where it is possible to do so.
	2c. Stop and remove	

Detail the <b>actions that are needed</b> as a result of this assessment and how they will help to <b>remove discrimination &amp; harassment, promote equal opportunities</b> and / or <b>encourage good relations</b> :				
Action	Will this help to remove, promote and / or encourage?	Responsible officer	Deadline	How will this be embedded as business as usual?
Publicise the introduction of the charges as widely as possible in February 2019 before implementation in April 2019.	This will help communication and understanding of this charge. It will also encourage proactive permission requests coming through.	Elizabeth Ddamulira	28 Feb 19	
Provide adequate training and support for Customer Service Centres (CSC) and Housing & Investment Team	This will help communication and understanding of this charge.	Elizabeth Ddamulira	28 Feb 19	
Ensure that staff identify low income and vulnerable residents and follow the concessions policy	This will address some of the social economic challenges faced by residents.	Elizabeth Ddamulira	Ongoing	
To consult on the new terms	This will help communication	Keith Wilson	Mid Feb	

and conditions of the tenancy agreement which includes recharges of retrospective permissions	and understanding of this charge. It will also encourage proactive permission requests coming through.		19	
Review after 6 months to assess the impact and see if it has adversely affected particular equality group(s)	To ensure that a particular equality group(s) are not adversely impacting on.	Elizabeth Ddamulira	Oct 19	
Review to be undertaken as part of annual fees and charges setting mechanism as normal	This is to ensure that charges are value for money and transparent.	Elizabeth Ddamulira	July 19	

**Approved by Assistant Director / Strategic Director: Jaïne Cresser, Assistant Director (Housing and Investment)**

**Date: 8<sup>th</sup> January 2019**

Please send this EqIA to [equalities@stevenage.gov.uk](mailto:equalities@stevenage.gov.uk)

## Brief Equality Impact Assessment

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

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What is being assessed?	<b>Proposal to apply a £40 per wheelie bin and £6 per recycling box for replacement waste containers.</b>		<p>The Council is proposing a charging policy for waste containers provide as replacements for those lost or damaged by residents. A charge of £40 for a replacement wheelie bin and £6 for a replacement box is proposed.</p> <p>The Council spent £80,000 on replacement containers in 2017/18.</p> <p>This proposal along with a pilot to implement a more cost effective solution for recycling boxes aims to reduce expenditure on replacement containers.</p> <p>The Council will provide a replacement container free of charge where damage or loss is caused by the collection resource.</p> <p>A concession will be applied for those who receive income derived benefits.</p>		
Who may be affected by it?	All low rise households within Stevenage.				
Date of full EqIA on service area (planned or completed)	A full EqIA will be carried out as part of the second phase of the Business Unit Review of Stevenage Direct Services. This will inform the operating model and ensure services understand who the Council's customers are and their current and future needs.				
Form completed by:	Lloyd Walker	Start date	31/10/18	End date	01/11/18
		Review date	01/11/2020		

What data / information are you using to inform your assessment?	Replacement waste container data and benchmarking data for container charges applied by other local authorities.	Have any information gaps been identified along the way? If so, please specify	None
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Explain the <b>potential positive, negative or unequal impact</b> on the following characteristics and <b>how likely</b> this is:			
Age	n/a	Race	n/a
Disability	n/a	Religion or belief	n/a
Gender reassignment	n/a	Sex	n/a
Marriage or civil partnership	n/a	Sexual orientation	n/a
Pregnancy & maternity	n/a	Socio-economic <sup>3</sup>	<p><b>Negative impact:</b> Replacement container charges may discourage residents to participate with refuse and recycling services if they are charged for a replacement container.</p> <p>The Council will seek to apply a concessionary rate for those receiving income derived benefit. Replacement containers will be provided free of charge where irreparable damage or loss of a container is the fault of the Council.</p>
Other	n/a		

Where there is a likely <b>positive impact</b> , please explain how it will help to <b>fulfil our legislative duties</b> to:					
Remove discrimination & harassment	No	Promote equal opportunities	No	Encourage good relations	No

<sup>3</sup>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.

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

Action	Responsible officer	How will this be delivered and monitored?	Deadline
Review of charge application post application	Lloyd Walker	Review alongside corporate fees and charges setting process.	February 2020

**Approved by Assistant Director (Stevenage Direct Services)**

**Date: 2<sup>nd</sup> November 2018**

# Full Equality Impact Assessment

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

<b>What is being assessed?</b>		<b>HRA Rent and Service Charge (HRA) and Support Charge (SC18)</b>			
Lead Assessor	Karen Long			Assessment team	Kelly Potts Elizabeth Ddamulira Ann Tomlin
Start date	1 Dec 18	End date	31/12/18		
When will the EqIA be reviewed?	4 Jan 2019				

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Who may be affected by it?	<p><b>SC18:</b> Residents living in independent living/flexicare housing that are in receipt of housing benefit, fairer charging, universal credit (UC) or 2003 protected (i.e. those in the service prior to the government supporting people grant funding starting in 2003). As at 1 January 2019 this affects 604 people. The remaining residents in independent living/flexicare already pay the full charge.</p> <p><b>HRA:</b> All tenants paying rent and all tenants and leaseholders paying service charges</p>
What are the key aims of it?	<p><b>SC18:</b> To contribute to the recovery of costs for providing the support/emergency response service to people living in independent living/flexicare schemes that historically have not had to pay anything towards the cost as we received housing related support funding from Hertfordshire County Council (HCC). The support/alarm service is not eligible for housing benefit, but in order to be able to continue this service to residents we needed to introduce the initial weekly contribution of £2.00 in 2018/19 and propose to increase this to £4.00 in 2019/20. The total cost of the support/alarm service will be £18.30 per week so Stevenage Borough Council will still be subsidising the £14.30 per week. This option has the support of the housing portfolio holder.</p> <p><b>HRA:</b> To reduce social rents by 1% until 2020/21 (for the properties as described in the Welfare Reform and Work Act 2016) To increase the rents for all excluded properties by CPI + 1% To set the rent for all new homes or where adaptations or extensions have resulted in the property being increased in size (for example, and additional bedroom), in accordance with the formula rent as detailed in the rent and service charge policy.</p>

	<p>Subject to the Welfare reform and Work Act 2016, the rent payable by new tenants of existing social rent housing will be charged at the higher of the formula rent (i.e. the 'social rent rate'), or the actual rent (i.e. the 'assumed rent rate'), with the appropriate rent reductions applied.</p> <p>To charge actual costs for service charges.</p>
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What <b>positive measures</b> are in place (if any) to help <b>fulfil our legislative duties</b> to:					
Remove discrimination & harassment	<b>SC18:</b> This will remove discrimination against other residents that pay the full cost for not being in receipt of housing benefit or fairer charging.	Promote equal opportunities	<b>SC18 &amp; HRA:</b> This also aligns to the Council's aim to be financially sufficient and recover costs of services where possible.	Encourage good relations	

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What sources of data / information are you using to inform your assessment?	<ul style="list-style-type: none"> <li>• Data of those on full/partial housing, fairer charging, universal credit or those that are protected due to supporting people implementation in 2003.</li> <li>• Age profile of independent/flexicare housing tenants</li> <li>• Northgate - Rent account information</li> <li>• Welfare reform and work Act (<a href="http://services.parliament.uk/Acts/2015-16/welfarereformandwork/documents.html">http://services.parliament.uk/Acts/2015-16/welfarereformandwork/documents.html</a>)</li> <li>• Rents for social housing from 2020-21 - GOV.UK</li> <li>• <a href="http://www.parliament.uk/documents/impact-assessments/IA15-006F.pdf">http://www.parliament.uk/documents/impact-assessments/IA15-006F.pdf</a></li> <li>• Rent and service charge policy agreed by Exec 19 January 2016.</li> <li>• Rent and service charge increase/decrease for all properties (see chart below)</li> <li>• Rent, service charge and support charge increase/decrease per property in independent/flexicare living schemes (see tables below)</li> </ul>
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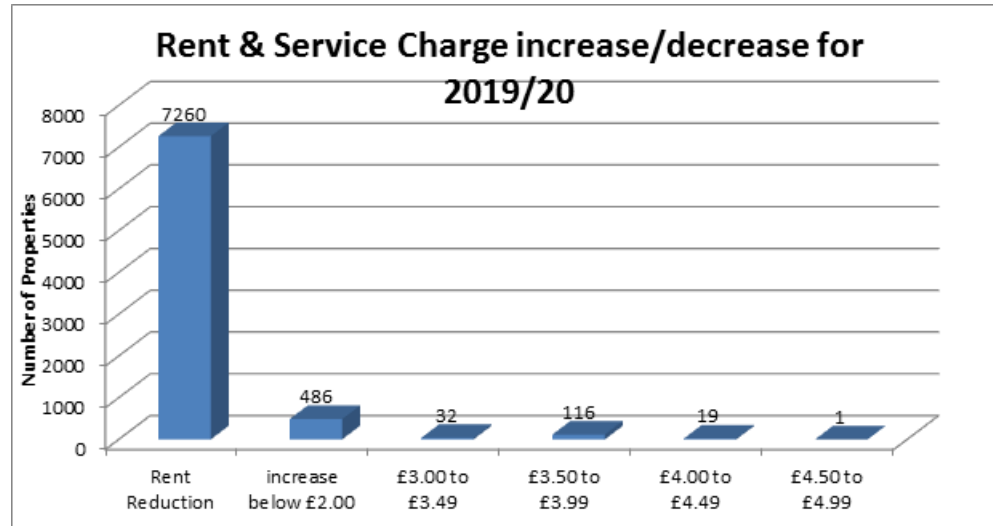
**Independent/Flexicare living schemes – combined rent, service charge & support charge:**

Actual 2019/20 Increases	
<b>Total Change Year on Year Groupings Table A (Including £2 Support Charge Increase)</b>	
<b>Row Labels – weekly amount</b>	<b>Count of Property Ref</b>
£2.00 to £2.49	79
£2.50 to £2.99	127
£3.00 to £3.49	9
increase below £2.00	
Over £5.50	542
Rent Reduction	51
	37
<b>Grand Total</b>	<b>845</b>

If CPI +1% had been applied this year (see table below)

<b>Total Change Year on Year Groupings Table A (if CPI +1% had been applicable)</b>	
<b>Row Labels</b>	<b>Count of Property Ref</b>
£2.00 to £2.49	5
£2.50 to £2.99	196
£3.00 to £3.49	293
£3.50 to £3.99	124
£4.00 to £4.49	125
£4.50 to £4.99	7
Rent Reduction	2
increase below £2.00	35
Over £5.50	51
£5.00 to £5.50	7
<b>Grand Total</b>	<b>845</b>

**All Properties (rent and service charge only):**



In assessing the potential impact on people, are there any overall comments that you would like to make?

**SC18:** 542 properties in independent living/flexicare will have an increase of less than £2 per week (this includes rent, service charges and support charge) However, it should be noted that those residents who are on full Housing Benefit, will still have to pay the additional £2 per week support charge because their Housing Benefit will be adjusted to reflect any rent/service charge reduction.

51 properties are due an increase of over £5.50 per week – this is due to their block charges increasing from last year. 42 of those properties are in receipt of full housing benefit or partial housing benefit which will be adjusted to take account of some of this increase.

**HRA:** 7260 properties will have an overall decrease in rent and service charges. 654 tenants will get a rent and service charge increase (including 87 LSSOs), of which 74% is below £2 per week.

The requirement to decrease rents by 1% for 4 years, including next year, required the HRA business plan to be reviewed which resulted in reprioritising services delivered and investment in

	<p>the housing stock.</p> <p>The 1% per annum decrease from 2016/17 to 2019/20 has led to a £12 million shortfall in the original Business Plan (Nov 14) in the first 4 years, escalating to £225 Million over the 30 year plan.</p> <p>Those who receive services for which there is a service charge payable may have an increase on their weekly charge. This relates to those that live in flats predominantly. We recognise that this may cause financial difficulty and we will provide assistance and support to help those who may have difficulty in making these payments.</p> <p>It is unknown how many tenants are likely to migrate to UC in 2019/20 in line with the Welfare Reform and Work Act 2016. Migration is phased until the scheduled completion date of March 2023.</p>
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## Evidence and impact assessment

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

<b>Age</b>	
<b>Negative impact</b>	
<p><b>SC18:</b> The residents that are charged a support charge are predominantly older and disabled people as this accommodation is for people over 55 years old or for people with a disability.</p> <p>Conversely however, the costs are currently subsidised by the wider tenant population, who have a younger age profile and do not benefit from the service.</p>	
Please evidence the data and	Age profile of independent/flexicare housing residents

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

<b>Disability</b> e.g. physical impairment, mental ill health, learning difficulties, long-standing illness	
<b>Unequal impact</b>	
<b>SC18:</b> The residents that are charged a support charge are predominantly older and disabled people as this accommodation is for people over 55 years old or for people with a disability.	
Please evidence the data and information you used to support this assessment	Northgate report on disability profile for independent/flexicare residents and also whole population living in SBC properties.
What opportunities are there to promote equality and inclusion?	What do you still need to find out? Include in actions (last page)
	Northgate data on tenants relating to tenants with disability was collected a number of years ago and is not up to date. This information was also disclosed at the tenant's discretion so some tenants may not have provided it. We have introduced a support services module on Northgate whereby we are able to collate more data on disability and this will inform future EQIAs.

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<b>Gender reassignment N/A</b>			
Positive impact	Negative impact	Unequal impact	
Please evidence the data and			



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

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

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<b>Pregnancy &amp; maternity – N/A</b>			
Positive impact	Negative impact	Unequal impact	
Please evidence the data and information you used to support this assessment			
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

<b>Race – N/A</b>			
Positive impact	Negative impact	Unequal impact	
Please evidence the data and information you used to support this assessment			

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

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

<b>Sexual orientation – N/A</b> e.g. straight, lesbian / gay, bisexual			
Positive impact		Negative impact	Unequal impact
Please evidence the data and information you used to support this assessment			
What opportunities are		What do you still need	

there to promote equality and inclusion?		to find out? Include in actions (last page)	
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### Socio-economic<sup>4</sup>

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

**Positive Impact:**

**SC18:**

Results from the STAR survey in 2018 have shown that residents identified the emergency alarm service and the supported housing officer as the 2<sup>nd</sup> and 3<sup>rd</sup> most important priority associated with living in their property. The application of the support charge will help to ensure that the Council can continue to deliver this service.

In January 2018 we held drop in sessions at each scheme for residents to come and discuss the charge and for us to explain what it is for. We had a lot of positive comments with the majority understanding the need to pay towards the service. Some residents recognised that housing associations had withdrawn the emergency service and scheme manager and didn't want this to happen to them. One person wanted to pay more.

**HRA:**

The rent decrease will be applied across all tenancies prescribed by the Welfare and Work Act 2016 regardless of circumstances. Those in receipt of Housing Benefit will have their award recalculated.

Those who receive services for which a service charge is made will be charged the actual cost of these services. Some of these service charges will be eligible for UC Housing Cost element and HB.

**Negative Impact:**

**SC18:**

The support charge is not eligible for housing benefit and could have a negative impact for those on lower incomes in terms of

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<sup>4</sup>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.

affordability. However, of 103 residents where we had to chase payment following last year's introduction of the £2 weekly contribution only one resident said they couldn't afford it and was referred to the debt and advice support worker.

This group of residents may also be affected by increases in Hertfordshire County Council (HCC) affecting the overall amount that older and disabled people can afford to pay:

- HCC now charge for some of their community based adult social care services that they used to provide for free. This has impacted on many people over 60 in the independent living/flexicare schemes as they are in receipt of some care due to their age/medical conditions. The low care band in flexicare doubled and this has had an impact on residents being able to afford care and HCC have received a number of complaints.
- HCC funding for Flexicare housing related support is due to end on 31<sup>st</sup> March 2019 which would mean more cost to Stevenage Borough Council, which we may need to pass on to residents.

However, the introduction of the charge is considered to be fairer than under current arrangements, whereby support charge costs are subsidised by the wider tenant population who do not benefit from the service.

Furthermore, the charge has been introduced on an incremental basis, to mitigate the impact, rather than applying the full amount of £18.30 per week in one 'hit'.

For those tenants who are not eligible for Housing Benefit (HB) or who are on partial HB, the rent reduction will to some extent offset the impact of the charge.

During 2019/20, officers will also review whether any elements of the independent living service should in fact be eligible for housing benefit.

#### **Unequal Impact:**

#### **HRA:**

The rent reduction applies to all tenants subject to Clause 21 of the Welfare Reform and Work Act 2016.

Properties exempt from this clause will have the rent increased by CPI + 1%.

(Currently this is circa 87 LSSO properties and one shared ownership property – it may also include emergency and temporary accommodation).

52% (as at the end of 2017/18) of tenants are reliant on HB to cover the rent and HB eligible service charges..

Service charges will be recovered in full and only some service charges are eligible for Universal Credit (UC) Housing Cost element and HB. For example heating charges are exempt and tenants and leaseholders are expected to pay this.

Water charges are also exempt from the decrease and UC Housing Cost element and HB. The rate is set by the Water Authority. SBC collects the water charges on behalf of the Water Authority.

### Communication

The rent notification letter (which is a statutory requirement) sent out at the end of February will offer an explanation of why the rent has decreased and also explain that in most instances there has been an increase in service charges. This notification will also give the opportunity for residents to end their tenancy if they feel they no longer want to pay the charges.

To ensure this is clear, those properties where there is only rent and water charges to pay, may overall see a slight decrease in the weekly amount due i.e. the decrease in the rent element will offset the increase of the water charge.

Where a property has a number of service charges the service charges will be explained, with an overall summary of how the weekly charge has increased overall.

Where support charges are also included (mainly but not exclusively for independent and flexi care schemes) separate notifications will be sent out to these residents to ensure there is clarity of how each element of the weekly charge is made up.

To ensure that this is explained as clearly as possible there will be a FAQ sheet and details on the website.

HMAB will agree and /or make recommendations for the content of the letters on the 17 January 2019, with the portfolio holder signing off the final letters.

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

- Comments from drop in sessions held in January 2018.
- A copy of charges for community based care from HCC
- Spreadsheet detailing those who hadn't paid £2 weekly contribution and their comments.
- Rent and service charge tables

		<ul style="list-style-type: none"> <li>HB figures: 394 of the 604 affected (as at 1 January 2019) are in receipt of full HB, 203 on partial HB and 1 on UC. Of the 51 where their rent, service charge and support charge increases to over £5.50 per week, 42 are either on full or partial HB and their benefits will be adjusted for the new rent and service charges.</li> </ul>	
What opportunities are there to promote equality and inclusion?	<p><b>SC18:</b> We have clearly explained what the support charge covers and the reasons for charging. A notification letter will be sent in January 2019 to explain the increase to contribution of £4 per week.</p> <p><b>HRA:</b> The rent notification letters will offer customers the opportunity to discuss their concerns with staff and get support in applying for any relevant benefits.</p>	What do you still need to find out? Include in actions (last page)	

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<b>Other – N/A</b>					
please feel free to consider the potential impact on people in any other contexts					
Positive impact	Negative impact		Unequal impact	Yes	
Please evidence the data and information you used to support this assessment	<p><b>HRA:</b> Those in properties exempt from the 1% decrease will have their rent increased by CPI +1%. Service charges will also reflect actual charges and the overall impact will be an increase in rent and service charges. Where these tenants are in receipt of UC Housing Cost element and HB, the award will be recalculated and the correct amount of benefit awarded.</p>				
What opportunities are there to promote equality and inclusion?	Rent notification letters, FAQ's and the website	What do you still need to find out? Include in actions (last page)			

**What are the findings of any consultation with:**

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Staff?	None	Residents?	<p><b>SC18:</b> Results from the STAR survey in 2018 have shown that residents identified the emergency alarm service and the support housing officer as the 2<sup>nd</sup> and 3<sup>rd</sup> most important priority associated with living in their property.</p> <p>In January 2018 we held drop in sessions at each scheme for residents to come and discuss the charge and for us to explain what it is for. We had a lot of positive comments with the majority understanding the need to pay towards the service. Some residents recognised that housing associations had withdrawn the emergency service and scheme manager and didn't want it to happen to them. One person wanted to pay more.</p> <p><b>HRA:</b> Letters and FAQ due for HMAB consultation 17 Jan 2019.</p>
Voluntary & community sector?		Partners?	
Other stakeholders?			

## Overall conclusion & future activity

Explain the <b>overall findings</b> of the assessment and <b>reasons for outcome (please choose one)</b> :		
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	<p><b>SC18:</b> The future viability of the support and alarm service in independent/flexicare living is reliant upon us being able to recover the cost of service provision where it is possible to do so. Results from the STAR survey support the value of the service from residents by them rating the emergency alarm and supported housing officer as their 2<sup>nd</sup> and 3<sup>rd</sup> priority (behind the repairs to their property).</p> <p><b>HRA:</b> The HRA business plan relies on an income to be viable.</p>
	2c. Stop and remove	

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Detail the <b>actions that are needed</b> as a result of this assessment and how they will help to <b>remove discrimination &amp; harassment, promote equal opportunities</b> and / or <b>encourage good relations</b> :				
Action	Will this help to remove, promote and / or encourage?	Responsible officer	Deadline	How will this be embedded as business as usual?
Review whether any elements of the independent living service should be eligible for housing benefit	This is to ensure fair charging of service.	Karen Long	Jan 2020	

**Approved by Assistant Director / Strategic Director: Jaine Cresser Assistant Director (Housing and Investment)**  
**Date: 8<sup>th</sup> January 2019**

Please send this EqIA to [equalities@stevenage.gov.uk](mailto:equalities@stevenage.gov.uk)



## Brief Equality Impact Assessment

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

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What is being assessed?	<b>Proposal to apply a £2 per week charge for the administration of supplying a garage 'rent free' to Voluntary and Community Sector Organisations.</b>	What are the key aims of it?	The Council has reviewed its policy regarding the provision of non-charged garages to Voluntary & Community Sector Organisations (VCOs) as part of the annual fees and charges setting process.		
Who may be affected by it?	72 Voluntary and Community Sector Groups and Organisations that currently benefit from a 'rent free' garage(s). A total of 87 garages are provided under this arrangement.		The Council recognises that the current economic climate presents challenges for the operational viability of VCOs. However, the management and administration of providing non-charged garages to VCOs accounts for a significant amount of time, liaising with the organisations to get up to date details, organising repairs and undertaking inspections, which has a cost to the service.		
Date of full EqIA on service area (planned or completed)	A full EqIA was carried out in the following report on the 10/07/12: New Arrangements for Letting Garages to Voluntary and Community Sector Groups and Organisations		This approach is broadly in line with the principles detailed in the "New Arrangements for letting garages to Voluntary and Community Sector Groups and Organisations" report approved by Executive on the 10 July 2012, but proposes that an administration charge is applied as opposed to charging a subsidised rent.  This charge will be applied consistently to all Voluntary and Community Organisations that have a garage.		
Form completed by:	Carlo Perricone	Start date	26/10/18	End date	31/10/18
		Review date	01/11/2019		

What data / information are you using to inform your assessment?	There are 87 Voluntary and Community Sector Groups and Organisations' information held on a spreadsheet and we are using this information to carry out the Brief EqIA.	Have any information gaps been identified along the way? If so, please specify	None
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Explain the <b>potential positive, negative or unequal impact</b> on the following characteristics and <b>how likely</b> this is:			
Age	<p>37 VCO garages are provided to organisations that work with younger persons.</p> <p><b>Possible negative impact –</b> Financial implication associated with £104 annual charge per garage. Cost is considered to be proportionate and reasonable within the context of overall operating costs of VCO's.</p> <p><b>Possible positive impact –</b> Will stimulate review of the organisations' actual need for a garage and may provide an opportunity to rationalise liabilities associated with use of a third party resource/asset.</p>	Race	<p>One VCO garage is provided to an organisation whose work involves race related matters.</p> <p><b>Possible negative impact –</b> Financial implication associated with £104 annual charge per garage. Cost is considered to be proportionate and reasonable within the context of overall operating costs of VCO's.</p> <p><b>Possible positive impact –</b> Will stimulate review of the organisations' actual need for a garage and may provide an opportunity to rationalise liabilities associated with use of a third party resource/asset.</p>
Disability	Four VCO garages are provided to organisations	Religion or belief	Eight VCO garages are provided to organisations

	whose work involves or supports persons with disability. <b>Potential impacts</b> as for “Race” cell above.		whose work involves or supports religious or belief matters. <b>Potential impacts</b> as for “Race” cell above.
Gender reassignment	No VCO garages are provided in this category.	Sex	No VCO garages are provided in this category.
Marriage or civil partnership	No VCO garages are provided in this category.	Sexual orientation	No VCO garages are provided in this category.
Pregnancy & maternity	No VCO garages are provided in this category.	Socio-economic <sup>5</sup>	Seven VCO garages are provided to organisations whose work involve or supports socio-economic matters. <b>Potential impacts</b> as for “Race” cell above.
Other	30 VCO garages are provided to organisations that provide services to all. <b>Potential impacts</b> as for “Race” cell above.		

Where there is a likely <b>positive impact</b> , please explain how it will help to <b>fulfil our legislative duties</b> to:					
Remove discrimination & harassment	No	Promote equal opportunities	No	Encourage good relations	No

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

Action	Responsible officer	How will this be delivered and monitored?	Deadline
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<sup>5</sup>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.



Review of charge application and EQIA to ensure continued applicability.	Carlo Perricone	Review alongside corporate fees and charges setting process.	February 2019
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**Approved by Assistant Director (Stevenage Direct Services)**

**Date: 2nd November 2018**

## Brief Equality Impact Assessment

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

Page 197

What is being assessed?	<b>Proposal to broker the Council's commercial skip business through a third party provider.</b>	What are the key aims of it?	To ensure that the Council's skip business is financially viable and provides a sustainable income into the future.		
Who may be affected by it?	Residents & Commercial Customers		The skip provision industry is hugely competitive and the Council has seen demand reduce over a number of years and profitability reduce. The service is currently projecting a loss due to reduced demand and overhead costs.		
Date of full EqIA on service area (planned or completed)	A full EqIA will be carried out as part of the second phase of the Business Unit Review of Stevenage Direct Services that considers the Council's commercial offering.		This proposal seeks to facilitate continued service provision under the Stevenage Borough Council brand. The operational element of the service will however be delivered on the Council's behalf by a third party under a brokering arrangement.  Skip charges will be offered at competitive market rates.		
Form completed by:	Lloyd Walker	Start date	31/10/18	End date	01/11/18
		Review date			01/11/2020

What data / information are you using to inform your assessment?	SBC skip accounts and business profiles.	Have any information gaps been identified along the way? If so, please specify	None
--	--	--	------

Explain the <b>potential positive, negative or unequal impact</b> on the following characteristics and <b>how likely</b> this is:			
Age	n/a	Race	n/a
Disability	n/a	Religion or belief	n/a
Gender reassignment	n/a	Sex	n/a
Marriage or civil partnership	n/a	Sexual orientation	n/a
Pregnancy & maternity	n/a	Socio-economic <sup>6</sup>	<p>The Council will continue to ensure that the charges applied for the provision of skips remain proportionate and are reasonable in terms of market conditions at the time of being set.</p> <p>Charges will be reviewed as part of the annual fees and charges setting mechanism as normal.</p>
Other	n/a		

Where there is a likely <b>positive impact</b> , please explain how it will help to <b>fulfil our legislative duties</b> to:					
Remove discrimination & harassment	No	Promote equal opportunities	No	Encourage good relations	No

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

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

<sup>6</sup>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

Page 199

What is being assessed?	Proposal to provide Sanctum vaults for ashes interments at the Almonds Lane & Weston Road Cemeteries.	What are the key aims of it?	The Council is seeking to enhance services offered for ashes interment burial at Almonds Lane & Weston Road Cemeteries.			
Who may be affected by it?	All residents, but may provide a more affordable burial solution for low income households.		Sanctums can provide a more affordable and accessible memorial solution for our residents and customers.			
Date of full EqIA on service area (planned or completed)	A full EqIA will be carried out for the Cemetery Service as part of the 2019/20 fees and charges setting process.		Sanctum vaults could be located along pathways at the cemetery site offering capacity that could help provide for future burial demands as the population of the town increases.			
Form completed by:	Claire Skeels	Start date	31/10/18	End date	01/11/19	
		Review date	01/11/2019			

What data / information are you using to inform your assessment?	Existing fees and charges for Cemetery services and benchmarking of other Local Authorities offering Sanctums as a burial option.	Have any information gaps been identified along the way? If so, please specify	None
--	---	--	------

Explain the <b>potential positive, negative or unequal impact</b> on the following characteristics and <b>how likely</b> this is:			
Age	n/a	Race	n/a
Disability	<b>Positive Impact</b> Sanctums can be located along path edges and access routes within Cemeteries. These memorial types can as a result be a more accessible memorial solution for mourners who are less mobile.	Religion or belief	Sanctums would not be a viable option for faith denominations that only utilise grave burials for their deceased.
Gender reassignment	n/a	Sex	n/a
Marriage or civil partnership	n/a	Sexual orientation	n/a
Pregnancy & maternity	n/a	Socio-economic <sup>7</sup>	<b>Positive Impact</b> Sanctums may provide a more affordable burial option for low income households when compared to costs associated with standard grave burials.
Other	n/a		

Where there is a likely <b>positive impact</b> , please explain how it will help to <b>fulfil our legislative duties</b> to:					
Remove discrimination & harassment	No	Promote equal opportunities	No	Encourage good relations	Yes – enhances service offer and potentially accessibility to services for those in low access households and those with disabilities or

<sup>7</sup>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.



				mobility issues.
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**What further work / activity is needed as a result of this assessment?**

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

**Approved by Assistant Director Stevenage Direct Services**

**Date: 2<sup>nd</sup> November 2018**

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# Full Equality Impact Assessment APPENIDX F STAFF EQIA

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

<b>What is being assessed?</b>		<b>Impact of FINANCIAL SECURITY OPTIONS (2019/20) on the workforce profile</b>		
Lead Assessor	HR Manager Employee Resourcing		Assessment team Kirsten Frew Clare Davies Sue Vanneck	
Start date	November 2018	End date		March 2020
When will the EqIA be reviewed?	Ongoing as Business Unit reviews progress through implementation.			

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Who may be affected by it?	<p>Early indications from the proposals for the Budget 2019/20 are that there are likely to be posts deleted, and potentially resultant redundancies, arising from the restructuring of services through Business Unit reviews and the financial security process, 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.</p>
What are the key aims of it?	<p>The purpose of this EqIA is to identify any impact on the workforce profile of the proposed 2019/20 financial security options, specifically in relation to the implementation of Business Unit reviews and implementation of the preferred financial security options. 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.</p> <p>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.</p> <p>During 2018/19 the initial stages of the business unit reviews focused on 4<sup>th</sup> tier management, however, as these reviews are now largely complete, all staff will potentially be affected as review proposals for lower levels are fully implemented throughout 2019/20. Each Business Unit review will include</p>

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 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 the recently revised Organisational Change Policy. 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 <b>positive measures</b> are in place (if any) to help <b>fulfil our legislative duties</b> to:					
Remove discrimination & harassment	The Organisational Change Policy ensure fair an non-discriminatory selection methods are applied to redundancy situations and that suitable alternative employment is offer where ever possible through Redeployment.	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?	<p>Workforce profile data (correct as at November 2018), broken down by protected characteristics including: age, gender, religion, and full time/part time working, ethnicity, disability, sexual orientation and pay grade.</p> <p>Where possible and appropriate, comparisons of the workforce profile are made with the make-up of the local community (Census 2011).</p> <p>Profile data for staff potentially at risk of redundancy, (note this information will be identified inj more detail at business unit level as the proposals progress).</p>
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NB: Where there are less than 10 individuals per protected characteristic, the numbers will be starred out, to protect individual's personal information.

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:

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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					
			Council Staff	Affected Group	
	Under 25		5.35%	0.00%	
	25-29		8.35%	0.00%	
	30-34		11.81%	5.26%	
	35-39		9.92%	21.05%	
	40-44		8.19%	0.00%	
	45-49		12.60%	15.79%	
	50-54		17.48%	31.58%	
	55-59		14.17%	10.53%	
	60-64		10.24%	15.79%	
65 and Over		1.89%	0.00%		
Total		100.00%	100.00%		

All figures quoted are rounded to two decimal places

	<p>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 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.)</p> <p>Comparisons for 16-25s can be misleading as many residents in this age range seek education and training as well as employment. During 2018 the Council has worked closely with youth Connexions Hertfordshire to offer work experience placements to local school aged children, to foster good relations with the community and promote the Council as an employer to individuals within this age bracket in the local area.</p> <p>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).</p> <p>In terms of staff potentially affected by the proposals, it is not yet possible to determine whether the proposals will have any significantly impact, however, initial indications indicate that there are no staff affected by the proposals in these groups.</p> <p>The removal of Retirement gifts may be seen as having a positive impact from an age perspective as previously these payments were only made to those 55 plus with more than 5 years’ service at Stevenage BC, therefore removing these payments could be seen as making our benefits package more equitable for staff of all ages.</p>		
What opportunities are there to promote equality and inclusion?	We will look to retain employees in line with the Redeployment Policy wherever it is possible to identify suitable alternative employment.	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.

<b>Disability</b>					
<b>e.g. physical impairment, mental ill health, learning difficulties, long-standing illness</b>					
Positive impact	We will consider and make reasonable adjustments to support	Negative impact		Unequal impact	

	disabled staff with both selection processes and appointment into available suitable alternative employment opportunities.																						
Please evidence the data and information you used to support this assessment	<table border="1" data-bbox="401 451 1241 691"> <thead> <tr> <th></th> <th>Council Staff</th> <th>Affected Group</th> </tr> </thead> <tbody> <tr> <td>No</td> <td>90.71%</td> <td>94.74%</td> </tr> <tr> <td>Not stated</td> <td>1.89%</td> <td>0.00%</td> </tr> <tr> <td>Prefer not to say</td> <td>0.79%</td> <td>0.00%</td> </tr> <tr> <td>Yes</td> <td>6.61%</td> <td>*</td> </tr> <tr> <td>Total</td> <td>100.00%</td> <td>100.00%</td> </tr> </tbody> </table> <p data-bbox="401 732 1871 800">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.</p> <p data-bbox="401 841 1934 909">In comparison with the local community, 7.5% of residents (aged 16-64) have declared themselves as having a disability.</p>						Council Staff	Affected Group	No	90.71%	94.74%	Not stated	1.89%	0.00%	Prefer not to say	0.79%	0.00%	Yes	6.61%	*	Total	100.00%	100.00%
	Council Staff	Affected Group																					
No	90.71%	94.74%																					
Not stated	1.89%	0.00%																					
Prefer not to say	0.79%	0.00%																					
Yes	6.61%	*																					
Total	100.00%	100.00%																					
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.																				

Gender reassignment			
Positive impact	n/a	Negative impact	n/a
Please evidence the data and information you used to support this assessment		To date, we do not hold enough information on this characteristic to assess either negative or positive impacts.	
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	
Please evidence the data and information you used to support this assessment			Affected Group	
			Council Staff	
		Civil Partnership	0.94%	0.00%
		Divorced	3.15%	0.00%
		Engaged	0.00%	0.00%
		Living with Partner	5.04%	*
		Married	49.29%	*
		Not Stated	8.19%	*
		Prefer not to say	1.26%	0.00%
		Separated	1.73%	0.00%
		Single	29.76%	*
Widowed	0.63%	0.00%		
Total	100.00%	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)		

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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.	Negative impact	Unequal impact



Pregnancy related absence will not form any part of redundancy selection criteria				
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

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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			Council Staff	Affected Group	
			9.61%	*	
			1.89%	*	
			2.05%	*	
			0.79%	*	
			85.67%	*	
			100.00%	100.00%	
Stevenage Borough Council has a combined representation of people from a BME or other background of 9.61%, 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		Council Staff	Affected Group		
	Buddhist	0.16%	*		
	Christian	47.87%	*		
	Hindu	0.94%	*		
	Jewish	0.00%	*		
	Muslim	0.63%	*		
	No Religion	36.38%	*		
	Not Stated	5.04%	*		
	Other	1.73%	*		
	Prefer not to say	6.77%	*		
	Sikh	0.47%	*		
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>			
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.	

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## 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		Council Staff	Affected Group		

used to support this assessment	Female	54.80%	*	
	Male	45.20%	*	
	Total	100.00%	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.	

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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 used to support this assessment			Council Staff	Affected Group	
			0.63%	0.00%	
			0.94%	0.00%	
			89.29%	100.00%	
			0.31%	0.00%	
			5.51%	0.00%	
			3.31%	0.00%	
			100.00%	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<sup>1</sup>

**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 this assessment		Council Staff	Affected Group
	Grade 1	4.88%	*
	Grade 2	10.55%	*
	Grade 3	17.80%	*
	Grade 4	13.23%	*
	Grade 5	11.81%	*
	Grade 6	16.06%	*
	Grade 7	6.30%	*
	Grade 8	4.25%	*
	Grade 9	3.15%	*
	Grade 10	4.09%	*
	Grade 11	1.57%	*
	Grade 12	2.52%	*
	Grade 13	0.94%	*
Chief Officers	1.73%	*	

<sup>1</sup>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

	Other Grades	1.10%	*
	Total	100.00%	100.00%
<p>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.</p>			
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)			

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### What are the findings of any consultation with?

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		

## Overall conclusion & future activity

Explain the <b>overall findings</b> of the assessment and <b>reasons for outcome (please choose one)</b> :		
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 the Organisational Change Policy 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	

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



**Approved by Strategic Director:**  
**Date:**

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**Meeting** EXECUTIVE  
**Portfolio Area** Resources  
**Date** 23 JANUARY 2019



## DRAFT CAPITAL STRATEGY 2018/19-2023/24

### KEY DECISION

**Authors** Clare Fletcher x 2933  
**Contributors** Anita Thomas x 2430  
 Senior Leadership Team  
**Lead Officers** Clare Fletcher x 2933  
**Contact Officer** Clare Fletcher x 2933

### 1. PURPOSE

- 1.1 To approve revisions to the 2018/19 General Fund and Housing Revenue Account Capital Programme and approve the draft Capital Programme for 2019/20 for consideration by the Overview & Scrutiny Committee.
- 1.2 To provide Members with an update on the Council’s draft five Year Capital Strategy and the resources available to fund the Capital Strategy.
- 1.3 To provide Members with an update on government changes to prudential borrowing requirements.
- 1.4 To provide Members with an update on the Council’s investment strategy as required by the updated prudential code.
- 1.5 To set out the Council’s approach to funding its key Future Council priorities.
- 1.6 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 draft 2019/20 onwards Capital Strategy.

### 2. RECOMMENDATIONS

- 2.1 That the revised General Fund and HRA 2018/19 capital programme, as detailed in Appendix B and Appendix C to the report be approved.

- 2.2 That the draft 2019/20 General Fund Capital Programme as detailed in Appendix B to the report be approved for consideration by the Overview and Scrutiny Committee.
- 2.3 That the draft 2019/20 HRA Capital Programme as detailed in Appendix C to the report be approved for consideration by the Overview and Scrutiny Committee.
- 2.4 That the updated forecast of resources as summarised in Appendix B (General Fund) and Appendix C (HRA) to the report be approved.
- 2.5 That the Council's investment strategy for non-treasury assets (section 3.2) be approved for consideration by the Overview and Scrutiny Committee.
- 2.6 That the approach to resourcing the General Fund capital programme as outlined in the report be approved.
- 2.7 That the actions required to ensure the General Fund programme is funded as outlined in paragraph 4.3.10 be noted.
- 2.8 That the approach to funding the cost of the bus station prior to the release of GD3 monies as outlined in section 4.4 be considered.
- 2.9 That the growth bids identified for inclusion in the Capital Strategy (Appendix A to the report) be approved.
- 2.10 That the return of Right to Buy one for one receipts as outlined in section 4.10 be noted.
- 2.11 That the 2019/20 de-minimis expenditure limit (section 4.11 of the report) be approved for consideration by the Overview and Scrutiny Committee.
- 2.12 That the 2018/19 contingency allowance (section 4.8 of the report) be approved for consideration by the Overview and Scrutiny Committee.
- 2.13 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 Introduction**

- 3.1.1 The purpose of the Capital Strategy is to show how the Council determines its priorities for capital investment, how much it can afford to borrow and setting out any associated risks. As a result of changes to the Prudential Code this Strategy now shows how capital financing and treasury management activity contribute to the provision of services and implications for future financial sustainability.
- 3.1.2 The framework the government uses to control how much councils can afford to spend on capital investment is known as the Prudential Framework. The objectives of the Prudential Code, which sets out how this framework is to be applied, are to ensure that local authorities' capital investment plans are:
  - affordable, prudent and sustainable;
  - that treasury management decisions are taken in accordance with good professional practice; and

- that local strategic planning, asset management planning and proper option appraisal are supported.

3.1.3 The Government has issued guidance revising the disclosures required in the Capital Strategy, these include:

- an Investment Strategy
- disclosure of other investments (other than held for treasury management purposes) contribution to service delivery objectives and/or place making role
- indicators that allow Members and the public to assess a local authority's total risk exposure as a result of investment decision, including how these investments have been funded, rate of return and additional debt servicing costs taken on
- the approach to assessing risk of loss before entering and whilst holding an investment
- The steps taken to ensure that elected Members and Statutory officers have the appropriate skills and governance

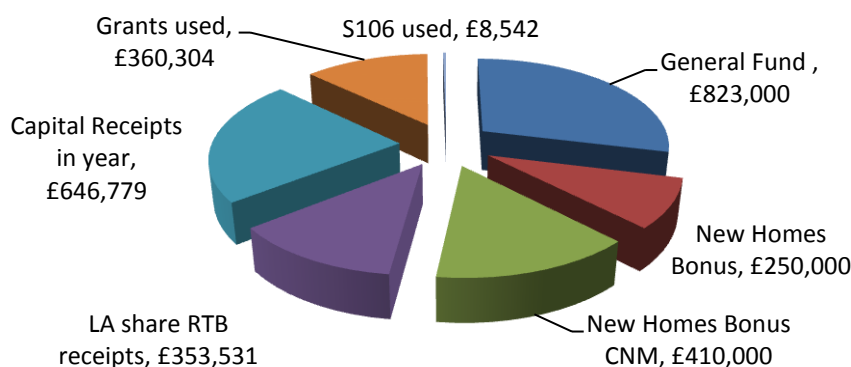
3.1.4 This revision to the Prudential Code came into force from 1 April 2018 and requires the Capital Strategy to be approved by Full Council. This will be the first revision of the Strategy to be presented to the February Council. Some of these disclosures may be shown in the Treasury Management Strategy instead of the Capital Strategy.

### 3.2 **General Fund Investment Strategy**

3.2.1 **General Fund** – The capital programme has had to be rationalised over previous years, as capital resources have remained scarce with limited capital receipts and the General Fund and New Homes Bonus (NHB) funding a significant proportion of the programme. General use of borrowing to fund capital has not been considered as an alternative due to the pressure this puts on the General Fund revenue resources (Minimum Revenue Provision (MRP) and interest payments) as the fund has faced funding cut pressures from central government.

3.2.2 The level of General Fund revenue contributions to the Council's capital reserve in 2017/18 was £823K, in addition a contribution of £250K was made to the reserve from NHB for the Co-operative Neighbourhood Programme (CNM), with a further £410K contribution to CNM programme.

## 2017/18 Revenue contributions and Receipts



- 3.2.3 The level of NHB the Council has received over the last two years has significantly reduced and if reduced/removed this would put an increased funding strain on the capital programme. The CFO will be monitoring the level of receipts available and will make adjustments to the Strategy. In addition further reductions in central funding through any changes to the fair funding review could also impact on revenue resources available for capital.
- 3.2.4 The Council has currently identified limited disposal opportunities for future receipts, with the competing demand of one of the Council's top 'Future Town Future Council' priorities, Housing Development. Unless the Asset Management Strategies 'Locality Reviews' can identify additional sites, alternative funding resources will be needed or the capital programme reduced.
- 3.2.5 There has been a move 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
- 3.2.6 Prudential borrowing would only 'normally' be used to support category 2 schemes (Income generating asset schemes -Financial Security), with capital receipt, external grants and the 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.
- 3.2.7 The Council has recognised that a "fix on fail" with no improvement to assets is not a sustainable position and has introduced the Co-operative

Neighbourhood Management programme, (a 'Future Town Future Council' (FTFC) priority). This was implemented to improve the 'whole place' by improving the assets within a given ward area at the same time. The asset improvements include the playground improvement programme (February 2017 £1.49Million) and the garage improvement programme (July 2016, £9.24Million).

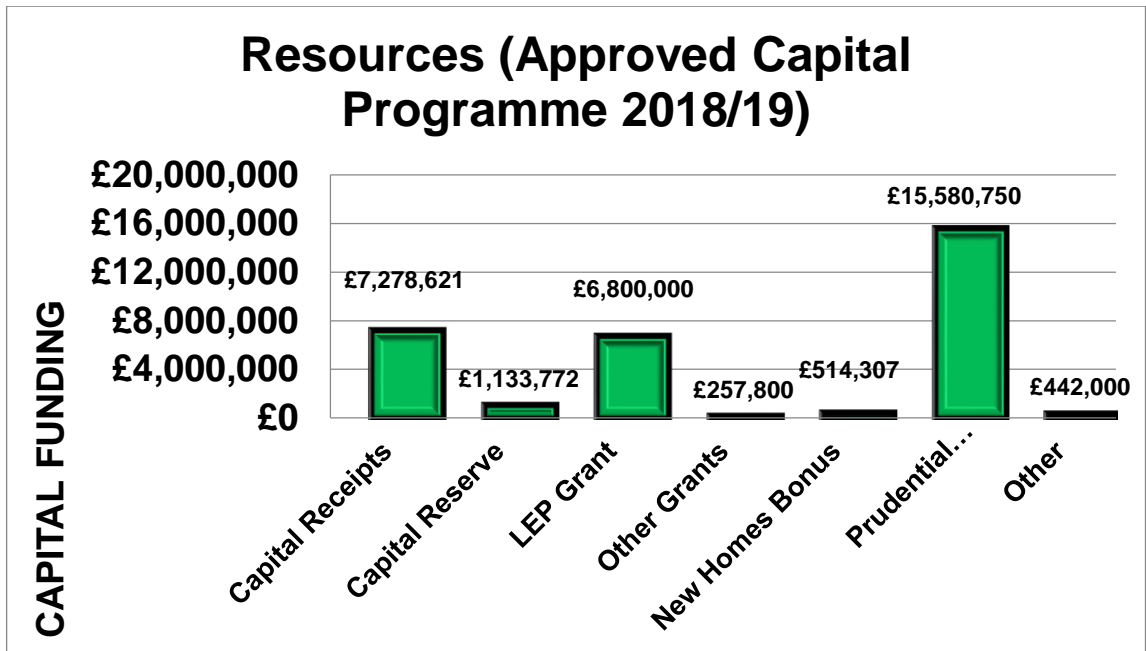
3.2.8 In determining the playground improvement programme, officers recommended to Members which facilities should be provided within Stevenage, based on mapping of need/location. Although some play sites were rationalised, a more imaginative approach has been taken to decommissioned sites which has/will allow significant improvements to a smaller number of play areas, while ensuring decommissioned sites are appropriately landscaped.

3.2.9 The timing of the ward works is summarised below.

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Wards:</b>	Pin Green	St Nicks	Bedwell	Old Town	Symonds Green	Woodfield
	Shephall	Martins Wood	Longmeadow	Roebuck	Manor	Bandley Hill
						Chells

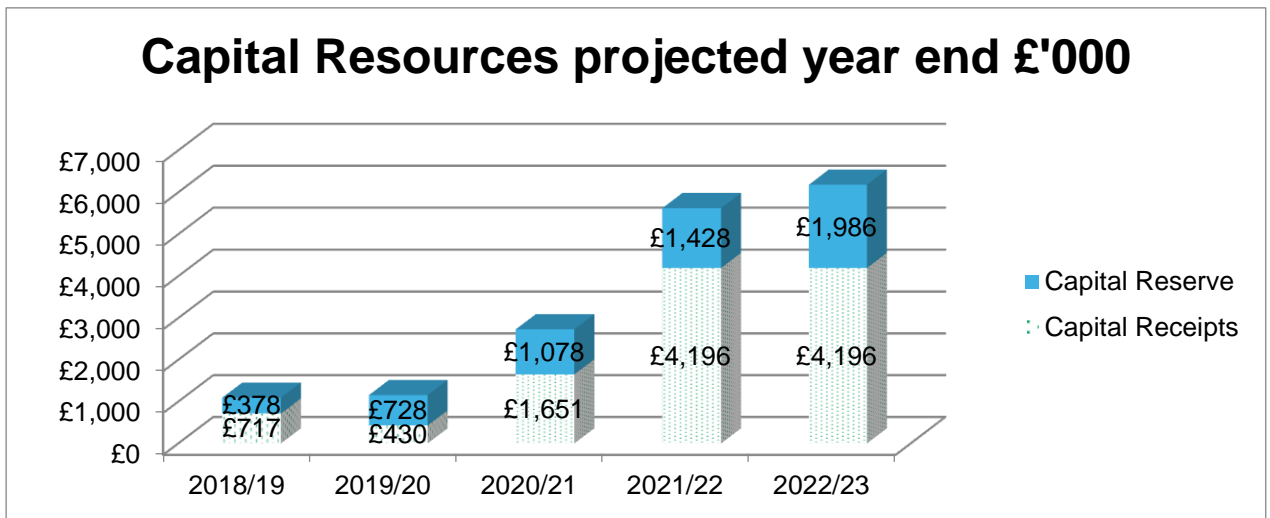
3.2.10 The remaining schemes within the existing Capital Strategy (with the exception of regeneration schemes) are still based on high priority works to keep existing assets operational (without improvement) and the replacement of vehicles over an extended life cycle of seven years. The works to community assets are based on priority works to keep buildings operational until the Community Centre review and the Locality reviews (approved as part of the Asset Management Strategy) are completed. This approach has been taken so as not to invest scarce resources in assets which may be redeveloped or consolidated as part of the outcome of the reviews. This means the current programme has not been developing this type of asset to future proof them, or provide new assets.

3.2.11 The current approved capital programme (approved February 2018 and as amended by quarterly monitoring and supplementary reports) is fully funded and shown in the following chart.



\* Prudential borrowing includes £13.2 Million for commercial property acquisition

3.2.12 The level of resources currently available is also summarised in the chart below.

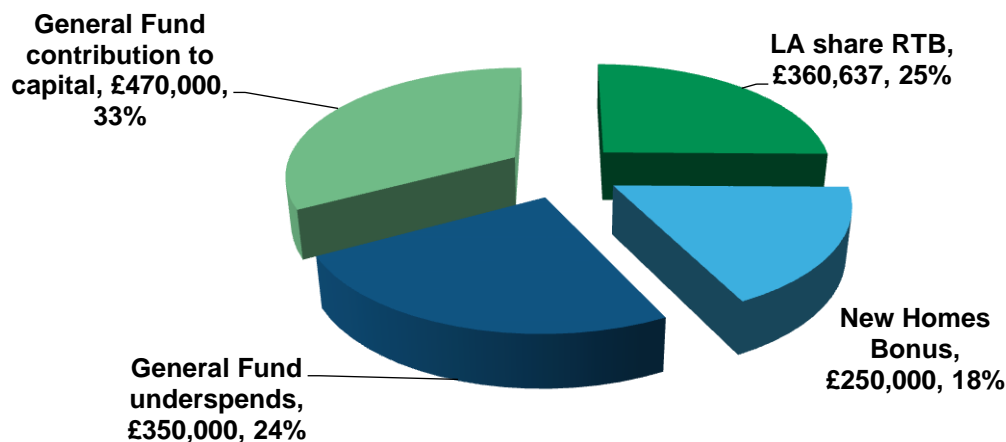


3.2.13 The level of capital resources projected at year end is circa £1 Million for 2018/19-2019/20, however the capital programme spend for the period 2020/21-2022/23 is significantly less than in previous years and new growth bids contained within this report erode these balances.

3.2.14 The 1<sup>st</sup> quarter capital resource projections identify no new receipts after 2021/22 and rely on a contribution from New Homes Bonus of £250K per year in addition to the funding for the CNM programme.

3.2.15 The Capital Reserve, which is a main source of the capital programme funding, will receive a 2019/20 budgeted £470K contribution from the General Fund with potentially up to £350K underspends, (identified at year end), giving a General Fund maximum contribution of £820K. NHB contributes £250K and £360.6K from the Local Authority Share of Right to Buy receipts as shown in the following chart.

## Capital Reserve Funding 2019/20



- 3.2.16 The current General Fund programme includes financial provision for SBC funding elements of the town centre regeneration (SG1). However this does not include the bus station which is currently situated in the centre of the SG1 redevelopment area. Its relocation is pivotal to enable the transformation of the town centre. There has been £8Million of GD3 funding earmarked for this but the monies have not been released as revised governance arrangements submitted to central government have not been approved. No formal response has been provided to Hertfordshire LEP and if funding is not released, SBC will need to allocate a budget of £6.5Million (£5million construction costs and £1.5Million for fees and contingency) which is not currently shown in the capital strategy, nor reflected in the use of resources available, with the exception of £416K of costs already funded in 2018/19.
- 3.2.17 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.
- 3.2.18 To determine spending priorities in line with the Council's priorities, the Leader's Financial Security Group (LFSG) met in November and December to review all General Fund capital bids (2019/20 onwards) and made a number of recommendations and these are contained within this report and summarised in Appendix A.

### 3.3 Housing Revenue Account (HRA) Investment Strategy

- 3.3.1 The HRA capital programme was revised as part of the HRA Business Plan update to the November Executive. The 30 year HRA capital programme totalled £1,283Million, with £483Million being spent over the next 15 years using a projected £105Million of revenue resources. The BP plan was produced prior to the lifting of the debt cap and revenue receipts were utilised as opposed to borrowing, because the HRA had very little room to borrow with the government prescribed debt cap in place.

3.3.2 With the announcement in late 2018 to lift the debt cap, there is scope to convert revenue to borrowing and so increase the size of the capital programme, based on identified need and affordability. As part of the November BP update Members approved an action plan which will come back to Members during 2019/20.

**3.4 Budget and Policy Framework**

3.4.1 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-19	Executive	Draft 2019/20 General Fund and HRA Capital Strategy
	Overview and Scrutiny	Draft 2019/20 General Fund and HRA Capital Strategy
Feb-19	Executive	Final 2019/20 General Fund and HRA Capital Strategy
	Overview and Scrutiny	Final 2019/20 General Fund and HRA Capital Strategy
	Council	Final 2019/20 General Fund and HRA Capital Strategy

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

**4.1 Capital Programme – 2019/20 General Fund**

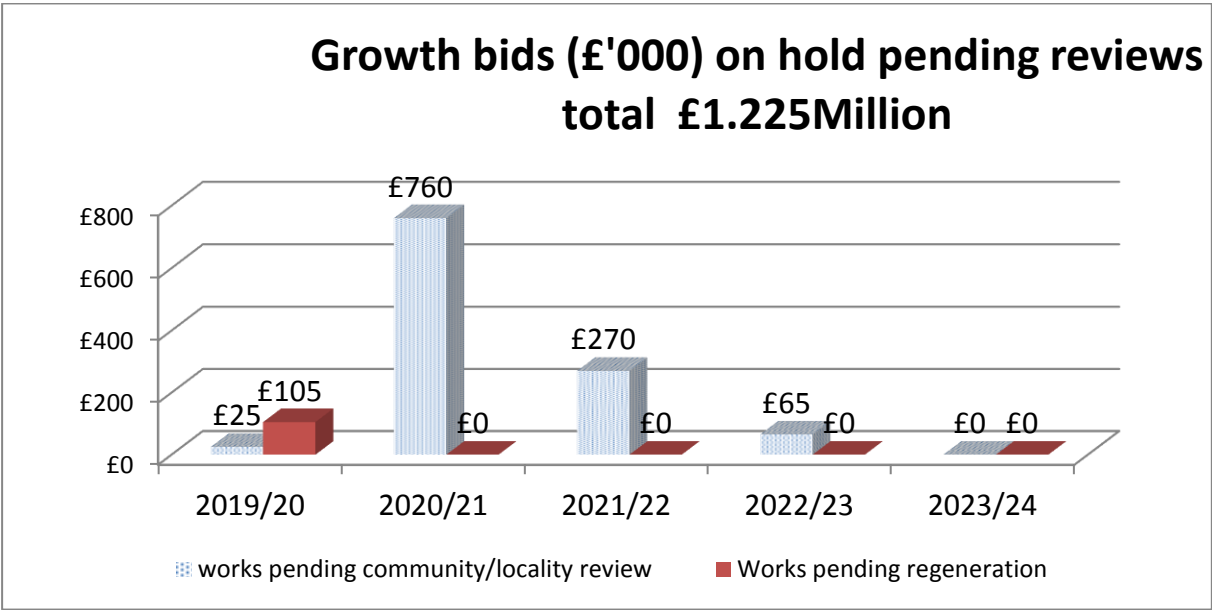
4.1.1 As in previous years the capital programme has been zero based so that Members can consider the on-going relevance of schemes in the programme and manage scarce resources. There were a few exceptions to this which were:

- 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).
- Regeneration schemes already approved as part of SG1, (funded from allocated reserves and LEP funding).
- Works which had commenced in 2018/19 and where part of the scheme spend is due in 2019/20.

4.1.2 Officers were required to submit capital bids with supporting rationale, these are summarised in Appendix A 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).



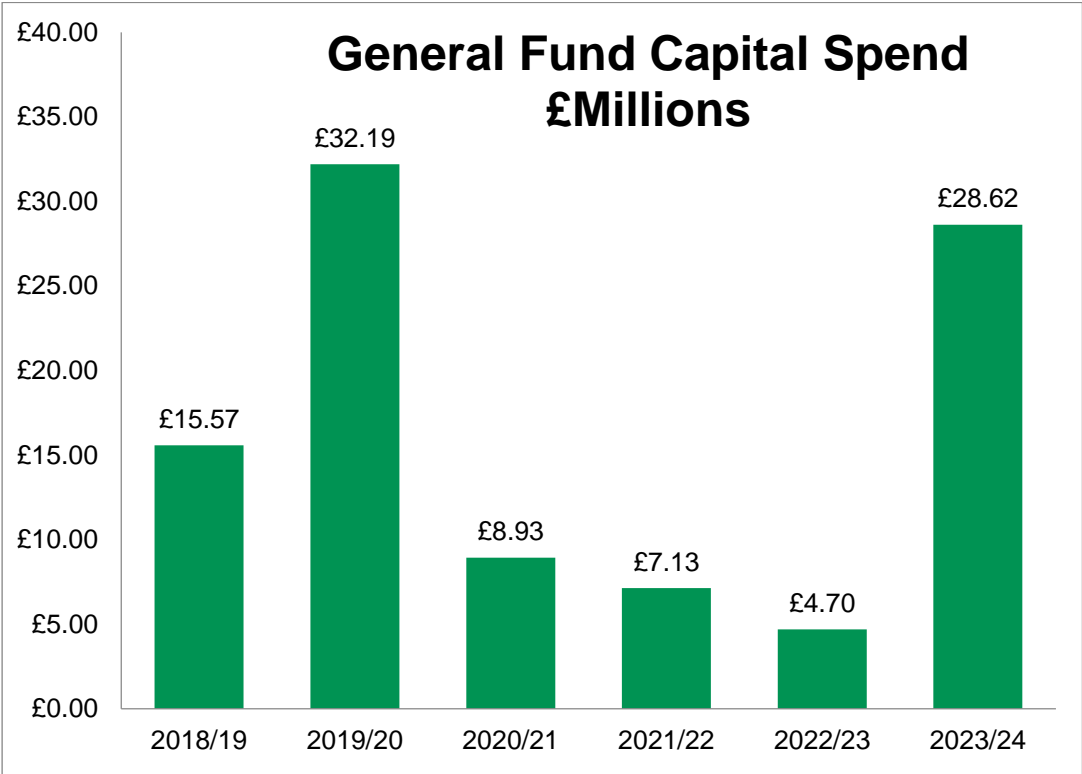
- 4.1.3 The LFSG reviewed and assessed all the capital bids and scored all options between zero (not supported at all) up to three (strongly supported) based on the principles set out in paragraph 3.2.5-3.2.6. All scores were averaged and scores of two or more were considered as supported by the group and are recommended to the Executive for inclusion in the Capital Strategy.
- 4.1.4 There were some options that were not supported or required further reviews of assets prior to their inclusion in the programme. Options on hold pending review are summarised below and included in Appendix A.



- 4.1.5 In addition there are a further capital bids totalling £447K which are not recommended for approval and these are summarised below and included in Appendix A.

	Growth bid in £'000				
	2019/20	2020/21	2021/22	2022/23	2023/24
<b>Home improvement grants- budget not often required- LFSG recommend fund from deferred works reserve</b>	£18	£10	£10	£10	£10
<b>Green Space Furniture- LFSG recommend fund from locality budgets</b>	£8	£8	£8	£0	£0
<b>Stevenage Golf Centre- not supported in 2018/19</b>	£260	£0	£0	£0	£0
<b>Stevenage Golf Centre - Pond-not supported</b>	£80	£0	£0	£0	£0
<b>Parking restrictions- not supported</b>	£0	£0	£0	£0	£25
<b>Total</b>	<b>£366</b>	<b>£18</b>	<b>£18</b>	<b>£10</b>	<b>£35</b>

- 4.1.6 A total of £1.672Million growth bids were not recommended of which the majority (£1.225Million) related to the review of community assets and have been deferred pending the community review outcomes (as outlined in paragraph 4.1.4.)
- 4.1.7 A capital bid which was approved for cladding improvements to the multi storey car park on St Georges way (£1Million) by LSFG, however in recognition of the funding pressures on the Capital Strategy, the **S151 Officer and LFSG recommend that this scheme should not be progressed until suitable funding has been identified.** This scheme is currently not included in the 2019/20 onwards Capital strategy.
- 4.1.8 The 2018/19 capital programme includes a sum of £108,450 for deferred works, which is not currently projected to be spent in 2018/19. This budget will remain in the Capital Strategy and will be sufficient to fund 83% of the 2019/20 community asset bids not recommended for approval (or 22% of the total bids not recommended for approval in 2019/20). The CFO will consider the required level of the deferred provision in the Final Capital Strategy to the February Executive.
- 4.1.9 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 the Council’s shared ICT partner, East Herts. It is expected that further bids will be brought forward to build ICT resilience and facilitate the Council’s Future Town Future Council agenda and will be based on business cases.
- 4.1.10 The General Fund capital programme recommended for 2018/19-2022/23 totals £97.15Million and is detailed in Appendix B and summarised below.



4.1.11 The chart above shows that the programme has significant spend in the first two years of the programme and that there is a likelihood that further bids will be identified for 2020/21 onwards. Further to the approved capital programme and identified growth bids there are a number of other areas that have not been included/fully costed but can/will put additional pressure on capital resources as detailed below:

- Outcomes from asset management strategy and stock condition surveys (including works to community assets £1.2Million as identified in para 4.1.4)
- Works to St Georges Way multi-storey carpark (£1Million awaiting regeneration funding receipt para 4.1.7)
- Funding required to enable Town Centre regeneration (SG1) or GD3 funding for bus station relocation (£6.1Million required in 2019/20-2020/21 see section 4.4)
- Housing Development company activity for the private rented sector (to be presented to the Executive in a separate report)
- Future ICT growth bids.
- Future funding for leisure facilities as part of the Council's regeneration aims

## 4.2 Capital Programme – 2018/19 General Fund

4.2.1 The 2018/19 programme has been reviewed and updated and the changes are summarised in the following table.

Summary of General Fund Capital Programme changes	2018/19 £	Reason
Approved Capital Budget	32,007,250	
<b>Proposed amendments:</b>		
Commercial property portfolio	(13,244,050)	Officers are reviewing potential sites that fulfil the investment criteria, however it is unlikely that these will be completed in this financial year and therefore the budget is slipped to 2019/20.
Garages	(2,376,610)	Members approved changes to the timing of refurbishment works and budget is being re-profiled to the new timetable (Exec report 3rd October 2018)
Town Centre Regeneration Programme (GD1 LEP funded)	(1,400,000)	Negotiations regarding acquisition of town centre sites for SG1 are likely to be completed in 2019/20. Funding for these acquisitions has already approved as part of LEP funding (GD1) and this budget is slipped.
Bus Interchange (RCCO funded)	216,270	Design works started on new bus interchange (see also section 4.4)
Town Square Improvements (GD1 LEP funded)	400,000	Public realm works to the Town Centre and Town Square North block have been brought forward to meet LEP spending requirements and facilitate further works in 2019/20.

Summary of General Fund Capital Programme changes	2018/19 £	Reason
Grants To Registered Providers	(67,280)	Reduced spend required to Housing Associations.
Residential Parking	(60,000)	Following identification of sites and design work earlier in the year it is anticipated that Planning Consent will be determined in February after which orders be raised but works are likely to take place in April 2019 and as such budget will be slipped to 2019/20.
Shephall - Boiler Replacement	45,000	Essential replacement
<b>Deferred Works Reserve</b>	(127,590)	Use of Deferred Works budget to fund schemes that have now become urgent/essential in order to keep buildings operational. These include works to roofs, services and equipment at General Fund properties.
Various sites across Stevenage	127,590	
<b>Insurance reserve (RCCO)</b>		
Cavendish Depot - Road Markings and Barriers	12,750	Use of Insurance reserve to undertake pre-emptive works mitigate insurance claim risk.
Museum Store Roof Replacement	40,000	
<b>Total changes</b>	<b>(16,433,920)</b>	<b>Decrease in 2018/19 budget</b>
<b>Total General Fund</b>	<b>15,573,330</b>	

4.2.2 The General Fund reductions total £16,433,920 of which most relates to the commercial property portfolio, garage investment strategy, and land assembly costs associates with SG1 and LEP funding due to be completed in 2019/20.

4.2.3 The revision to the programme has also identified £127,590 of essential works now required to General Fund properties. Officers propose that these unplanned works are funded from the Deferred Works reserve that was established to fund works which become a high priority to keep buildings operational during the year.

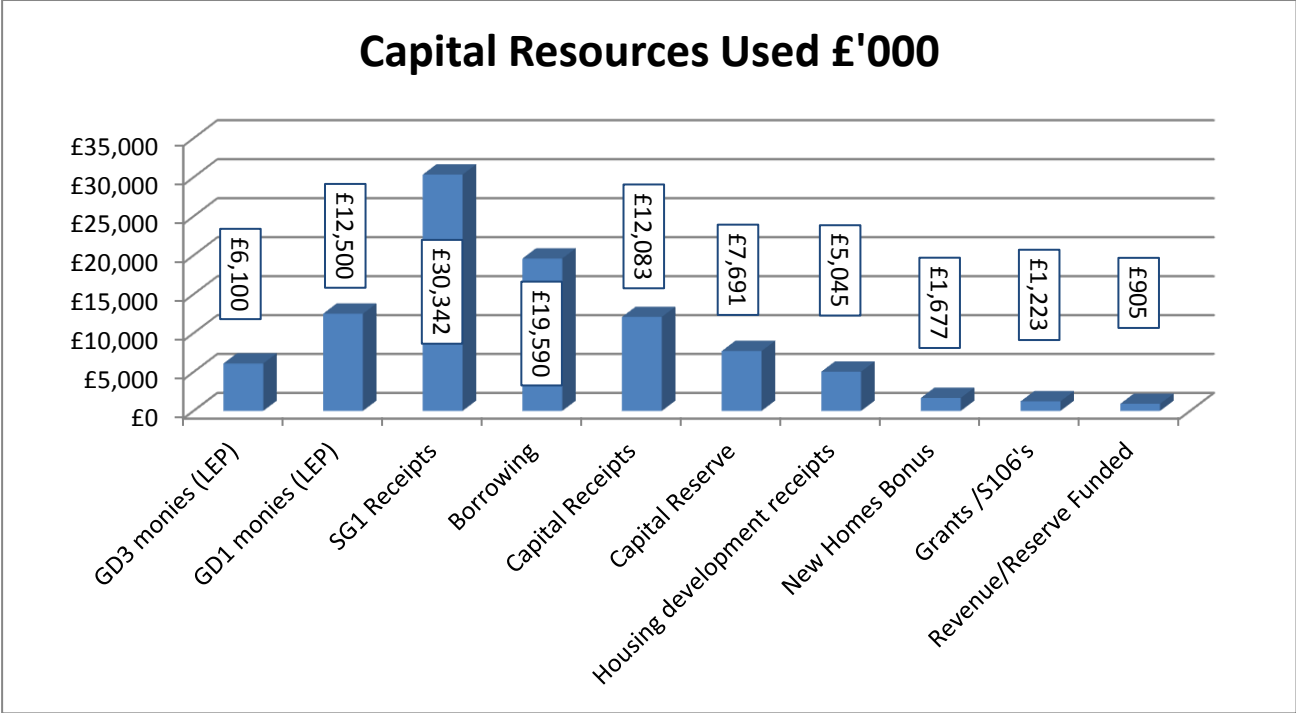
4.2.4 Members have also previously approved the insurance allocated reserve to enable pre-emptive work to be completed to reduce insurance claim risks. Two projects that full fill this aim are; road marking and barrier at Cavendish Depot and repairs to the museum store roof and these schemes, fully funded from the allocated reserve have been added to the 2018/19 capital programme.

#### **4.3 Capital Programme Investment Strategy Update- Resources (2018/19-2023/24)**

4.3.1 The General Fund Capital Strategy has a number of funding resources with £18.6Million relates to LEP or regeneration projects (including £6.4Million of assumed GD3 monies for the bus station) and £30.3Million relating to estimated land value receipts to facilitate the public sector hub, part of the SG1 scheme.

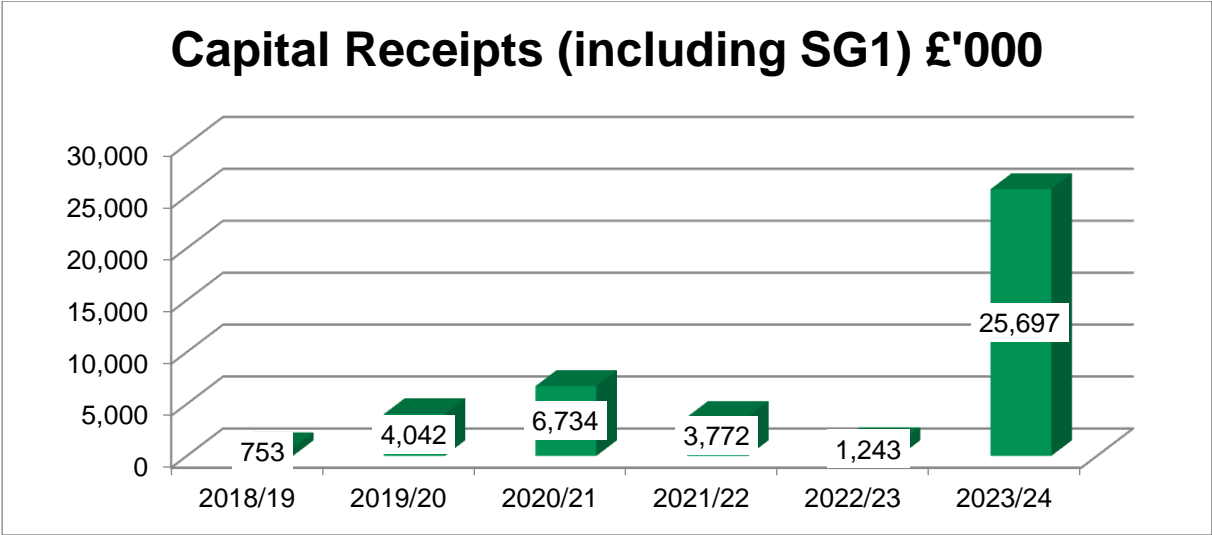
4.3.2 The programme also includes £19.6Million borrowing for the commercial property investment Strategy (£13.2Million) and for the garage programme (£6.4Million).

4.3.3 The rest of the programme is funded from two main funding sources: capital reserve (£7.7Million), (see also paragraph 3.2.15) and capital receipts (£12Million).



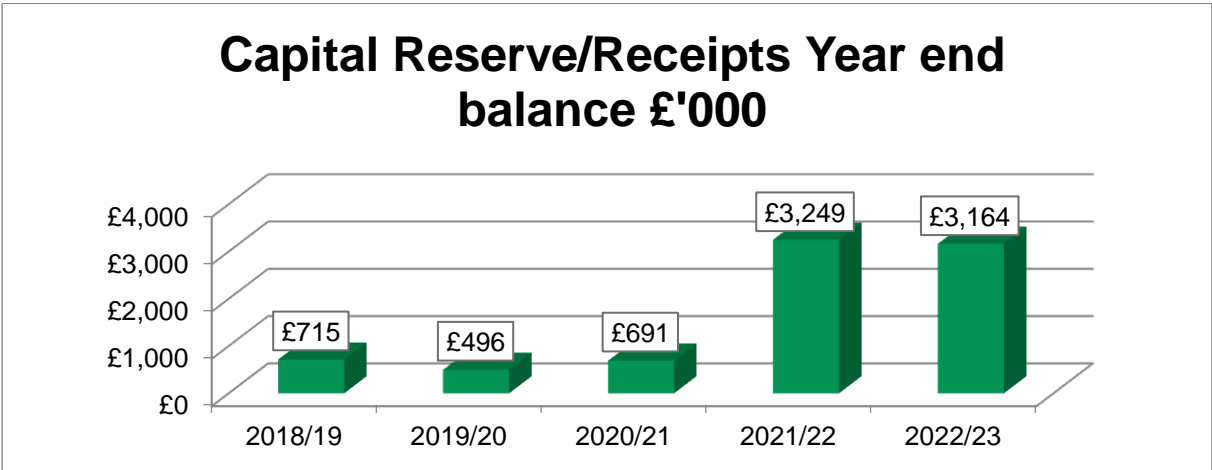
4.3.4 There is potential future risk to the level of Capital Reserve available if NHB funding or rationale for allocation is changed in the future. The government has signalled further changes may be made to NHB which may jeopardise the £250K NHB contribution to the fund. The **Capital Reserve** is also reliant on General Fund underspends of £350K per year (not included in General Fund projected year end balances).

4.3.5 The use of **capital receipts** is also dependent on delivery of the sites to the market and the capital strategy currently assumes sale receipts as set out in the chart below.



4.3.6 The programme also now includes General Fund cost and receipts from Housing Developments, which assume short term borrowing until the sale receipts are realised. This approach has been tested with the Council's External Auditors and may need to be modified based on the final outcome of discussions between the CFO and the External Auditors.

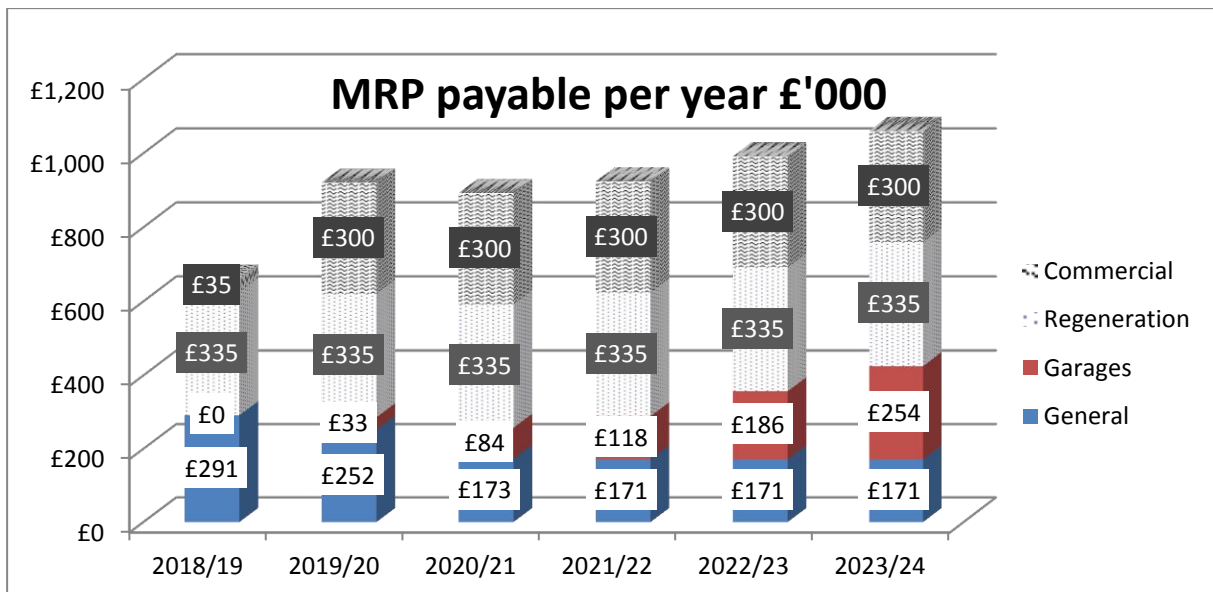
4.3.7 Projected year end unallocated capital resources are shown in the chart below. This shows that there is only £496K of capital balances remaining at the end of 2019/20 includes an assumption that sale receipts will be realised (£4Million in 2019/20) AND there will be General Fund revenue underspends of £350,000 in both 2018/19 and 2019/20, which will be transferred to the capital reserve (if realised). If underspends are not identified, there would be a shortfall of resources at the end of 2019/20. This further underlies the impact on the Capital Strategy of any unplanned spend or need to self-fund schemes such as the bus station.



4.3.8 The amount of available resource increases dramatically from 2021/22 but this is dependent on Housing Development sales and the realisation of land sales as projected, in addition Capital Strategy expenditure in later years looks

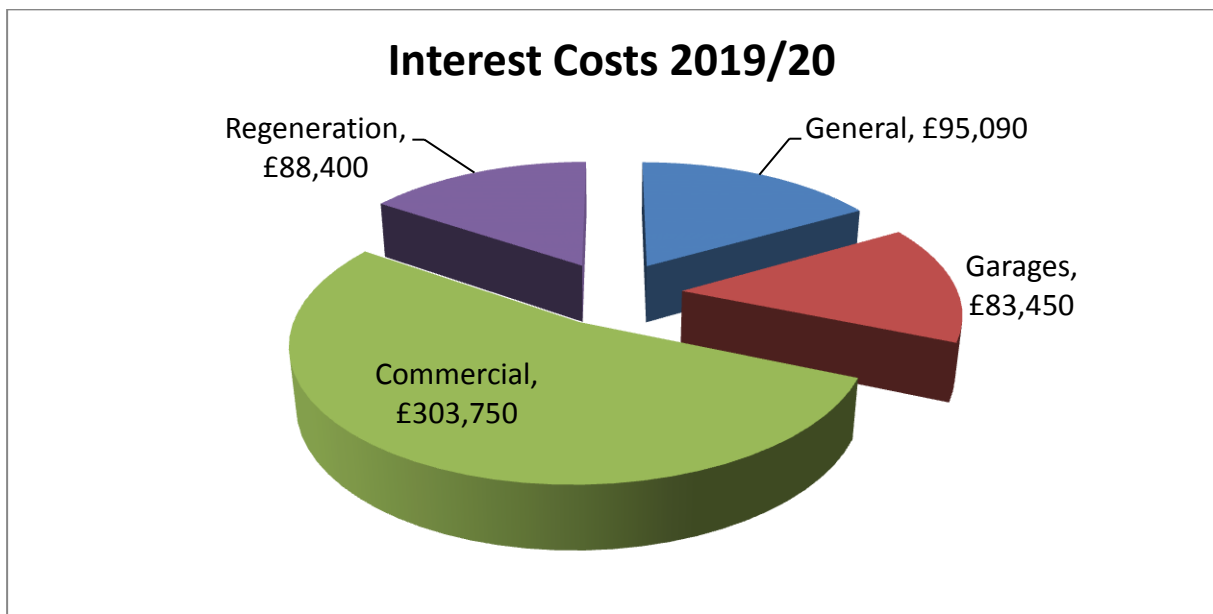
understated and the unallocated balances in the chart above do include the annual assumption of £350K of revenue underspends.

- 4.3.9 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.
- 4.3.10 There needs to be a focus on (and managed from an officer perspective via the Assets and Capital Group):
- Delivery of sites for sale- realised by evaluating how the maximum value can be delivered (Asset Management Strategy). Failure to deliver will lead to either further reductions in the programme or increase in borrowing costs and adverse impact on General Fund resources.- **top priority for the Estates team.**
  - Delivery of financially sustainable assets by reviewing condition and considering whether continued investment represents value for money.
  - Delivery of investment in commercial property primarily to deliver economic sustainability in Stevenage and meet the target income for the General Fund- **to be refocused.**
  - Building up of reserves from windfall revenue balances to be ring fenced to support the SG1 regeneration and future regeneration schemes. – **Currently actioned via Business rate gains**
  - Ensuring that wherever possible all S106 receipts are allocated to capital schemes.-**S106's actively being reviewed**
  - **Consideration of increasing year end underspend to be transferred to the capital reserve to mitigate the relatively low year end balances remaining in 2019/20, review to be included in Final Capital Strategy.**
  - **Review of Capital Programme for the Final Capital Strategy to ensure year end resources are sufficient to cope with unplanned spend.**
- 4.3.11 The alternative to the approach set out in paragraph 4.3.10 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 (MRP) paid in the General Fund is shown in the following table.



4.3.12 All of the commercial and regeneration property MRP (and interest) is funded from income generated from those assets. MRP is payable regardless of whether the borrowing is taken externally or whether internal investment balances are used. The CFO intends to review the lives of the assets funded from borrowing to determine whether the MRP payment in year is appropriate. The maximum life currently used is 25 years over which MRP is calculated, (cost of borrowing divided by the life of the asset). For some buildings it may be more appropriate to use a 40 or 50 year life and so spread the MRP over a longer period and reduce the in year cost to the General Fund. This will be reviewed in 2019/20 and reported back to Members as part of the Treasury Management updates.

4.3.13 The 2019/20 projected interest costs on borrowing is estimated to be £570,690. The 'general' interest budget (shown in the chart below) relates to capital expenditure for the period 2011/12-2013/14 but where external loans have not yet been taken.





- 4.3.14 The total cost of borrowing in 2019/20 is £1.49Million or an estimated 2% of gross General Fund 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 without a corresponding receipt or retained allocated reserve balance, the borrowing costs would fall on the General Fund.
- 4.3.15 Although interest costs are relatively low (2.63% for a 25 year loan as at 3/12/2019), 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 Financial Security target for the next three years is £1.2Million 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.

#### **4.4 Options to Fund the Town Centre Bus Station**

- 4.4.1 The Regeneration report update to the December Executive outlined the issues regarding progression of the SG1 regeneration scheme and the need to progress the bus station works. In summary the government has not confirmed new governance arrangements agreed with the LEP the governance arrangements to allow further growth funding (known as GD3 monies) to be released.

Extract from the December Regeneration Report:

*Recommendation 2.4:*

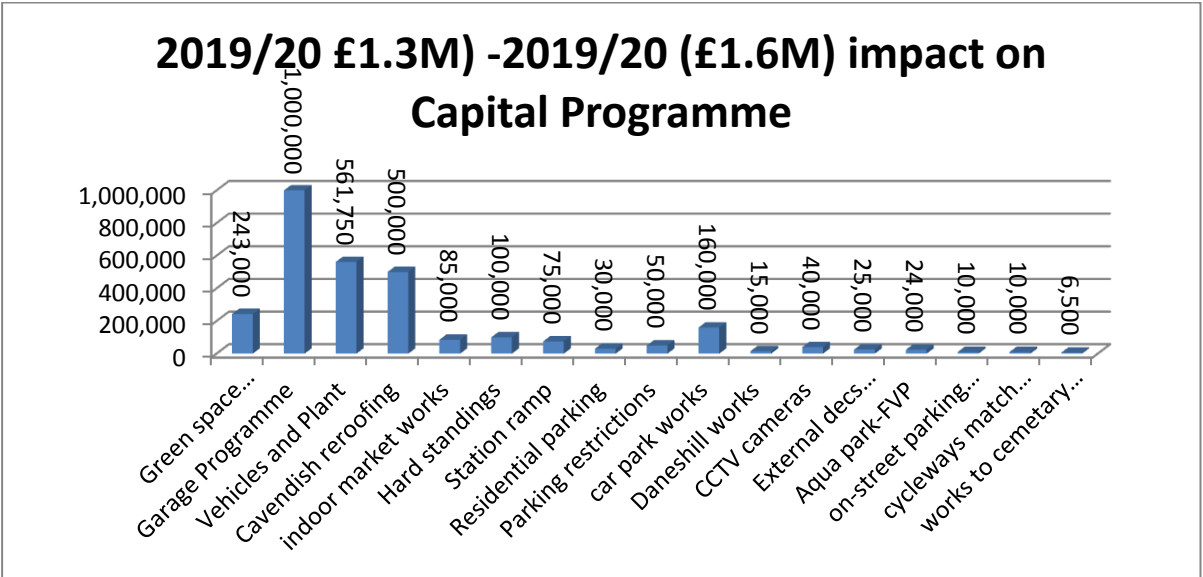
*'Agree to proceed with the next stages of the bus interchange project with an estimated cost in the region of £6.1m, and request Officers to bring forward funding options in the draft Capital Strategy in January 2019 should Growth Deal 3 funding continue to be delayed'*

- 4.4.2 Included in the proposed package of GD3 funding was grant allowance for a new bus station to support the wider regeneration of the town centre. Having funding secured for the design and construction of a new Bus Interchange is one of the Council's obligations to the Council's Development Partner as part of the SG1 agreement, and to enable the delivery of specific phases of delivery.
- 4.4.3 As described in this report, there are already funding pressures on the existing Capital Strategy which has meant the rationalisation of resources. The options available to resource the bus station in the absence of LEP monies becoming available is to utilise a combination of the following options:
- Fund the works from borrowing and an annual increase cost to the General Fund- a £1Million growth is equivalent to circa £52,000 cost PA in interest and minimum revenue provision (MRP) costs.
  - Identify Regeneration earmarked receipts that will be received by 2019/20-2020/21.
  - Review the capital programme and putting on hold part of the programme until resources are released.

4.4.4 **Fund the works from borrowing-** The financial bandwidth within the General Fund to support additional borrowing is limited due to pressures already identified within the Draft General Fund report to this committee. The General Fund budget currently includes an amount of £95,090 for costs relating to historic borrowing prior to 2015/16 which has never been taken from PWLB and has been funded from investment balances. The budget has then been transferred to the Capital Reserve at year end in addition to balances budgeted for. **This funding could be utilised to support £1.7Million of external borrowing costs.**

4.4.5 **Identify Regeneration earmarked receipts –** The potential land value receipts within the SG1 deal support the Council’s financial commitments relating to the public sector hub and have been earmarked for this purpose. Other receipts within the required timeframe that could be used equate to £1.5Million, these receipts had been identified to fund future phases of regeneration and would need to be substituted for LEP funding, when the grant funding is released and would be used on the basis that the Council still require that amount of LEP funding grant

4.4.6 **Review the capital programme-** the Senior Leadership Team has reviewed the capital programme and has identified a number of schemes that could be put on hold but not indefinitely and once again would require the LEP funding to be released to allow the ‘held’ schemes to be released. The total amount of scheme spend, required to be held is £1.3Million and £1.6Million for 2019/20 and 2020/21 respectively. The Senior Leadership Team is currently reviewing the quantum and impact of holding/not completing this level of capital works and schemes that would potentially need to be put on hold are summarised below. **Holding this level of capital spend has significant negative impact on services and subsequent delivery and comes with extreme difficulty.** Members will be further updated as part of the Final Capital strategy to the February Executive.



4.4.7 Taking the approach to funding the bus station as outlined in paragraphs 4.4.3-4.4.6 is summarised in the table below.

<b>Bus Station Funding £'000</b>	<b>2019/20</b>	<b>2020/21</b>	<b>Total</b>
<b>Funding required for the Bus station</b>	£4,500	£1,600	£6,100
<b>Funding from General Fund borrowing provision</b>	£1,700		£1,700
<b>Funding from Regeneration earmarked Receipts</b>	£1,500		£1,500
<b>Funding from holding capital schemes</b>	£1,300	£1,600	£2,900
<b>Total</b>	<b>£4,500</b>	<b>£1,600</b>	<b>£6,100</b>

4.4.8 The type of approach is dependent on the perceived risk of the funding being released/not released by the government. An alternative approach could be to fund the whole of the scheme from internal borrowing so minimising the cost to the General Fund and disruption to the Capital Strategy. However this would require sufficient investment balances being available until the funding was released, (avoiding external borrowing costs) and would put a pressure of £100K on the General Fund once the asset was completed unless further budget savings could be found.

4.4.9 Members are recommended to consider the approach to the funding as outlined above. It should be noted that none of the options above are funded easily and require the grant funding to substitute the interim funding identified above so as not to cause significant financial hardship to the Council. This approach would need to be agreed with the Council's External Auditors.

#### **4.5 Investment in Commercial Property**

4.5.1 The changes to the Prudential Code outlined in 3.1.3-3.1.4 require the disclosure of other investments (other than held for treasury management purposes) contribution to service delivery objectives and/or place making role and any indicators used to measure this.

4.5.2 The Council approved 28 February 2017, a Commercial Property Investment Strategy which, while making a contribution to the General Fund of an estimated £200,000 per year (1.6% of total General Fund rental income), helps create renewed confidence and a positive message to other investors. The Strategy focuses on the acquisition of property investments within the Borough boundary as part of the first phase. This boundary includes the "functional economic market areas" which are linked to employment areas within the emerging Local Plan. This is 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 enable the Council to be more financially resilient by delivering on our Financial Security aims.

4.5.3 To date only one property has been purchased (other options are being pursued) and is projected to make a net return of £49,000 for the General Fund in 2019/20. The General Fund assumes a £200,000 net return per year for 2019/20 (2.2% of net budget for 2019/20).

- 4.5.4 In considering further investment opportunities the site has to meet the council's investment criteria as set out in the Property Investment Strategy (Report Executive 21 February 2017). In addition, in setting the General Fund risk assessment of balances an allowance of 10% is made, (compared to 2.5% of other commercial rental income) to accommodate any loss of income from this new source.
- 4.5.5 In determining whether statutory officers and elected members involved in the investment decision making have appropriate capacity, skills and information to take informed decisions and the approach to assessing loss, the following steps are taken:
- A commercial property purchase has to be in accordance with the Strategy approved by Members
  - Based on a set of due diligence carried out by a qualified surveyor with external expertise if required.
  - The financial calculation is completed by a qualified accountant and includes a central, optimistic and pessimistic scenario, which is then reviewed by the 151 officer or her deputy and meets the threshold for financial return as set out in the Strategy.
  - Member sign off in the process is based on the suite of documents as outlined above in order to conclude that the investment decision is sound.
  - A detailed business case with financial forecast will also be required for complex transactions.

#### **4.6 Other capital investments.**

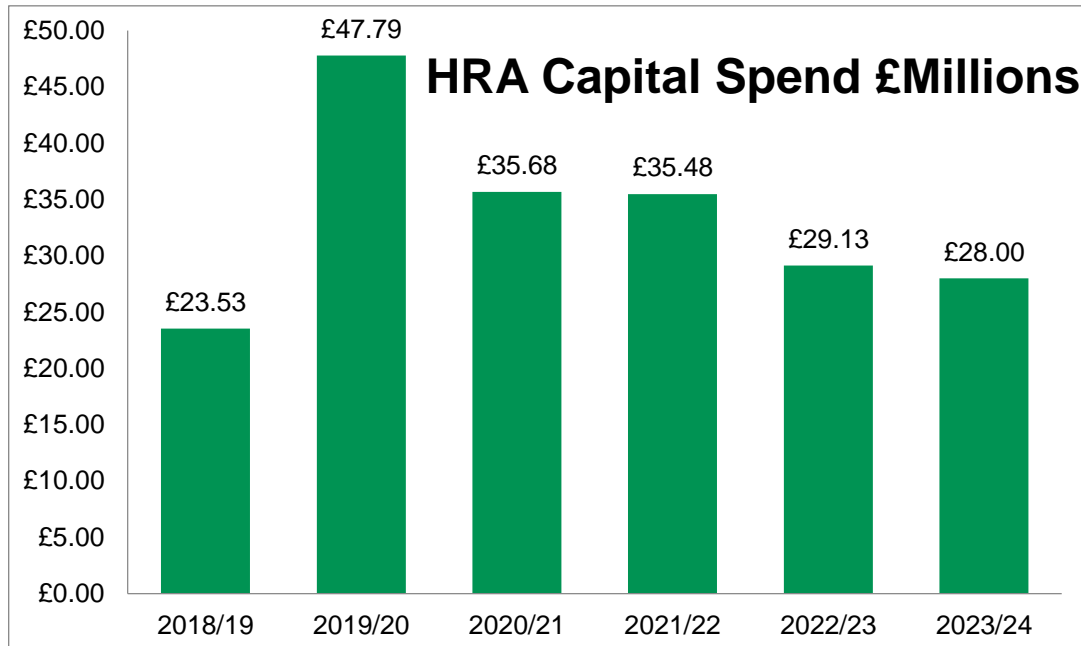
- 4.6.1 The Council has purchased a number of properties in the town centre to enable it to meet its regeneration aims. These properties were purchased using LEP funding and totalled £1.26Million in 2018/19 and a further £1.40Million in 2019/20. These properties have been purchased for regeneration purposes and therefore do not fall under the Property Investment Strategy. However in making these strategic acquisitions a full risk assessment is undertaken to ensure the cost of carrying these assets in the short to medium term can be met by the Council. The Regeneration Asset allocated reserve has been setup specifically to cover these costs.
- 4.6.2 The Council has undertaken a long term lease for a mixed development scheme on Queensway in the town centre. This is a lease arrangement and falls outside the scope of capital investment. As part of the decision making process a risk assessment was undertaken and presented to Members. Key Officers were given training on their roles and responsibilities for the new governance arrangements for the Limited Liability Partnership.
- 4.6.3 External legal, financial and commercial advice was procured to ensure the validity and viability of the business case presented to Members.

#### **4.7 Capital Programme – Housing Revenue Account (2018/19-2023/24)**

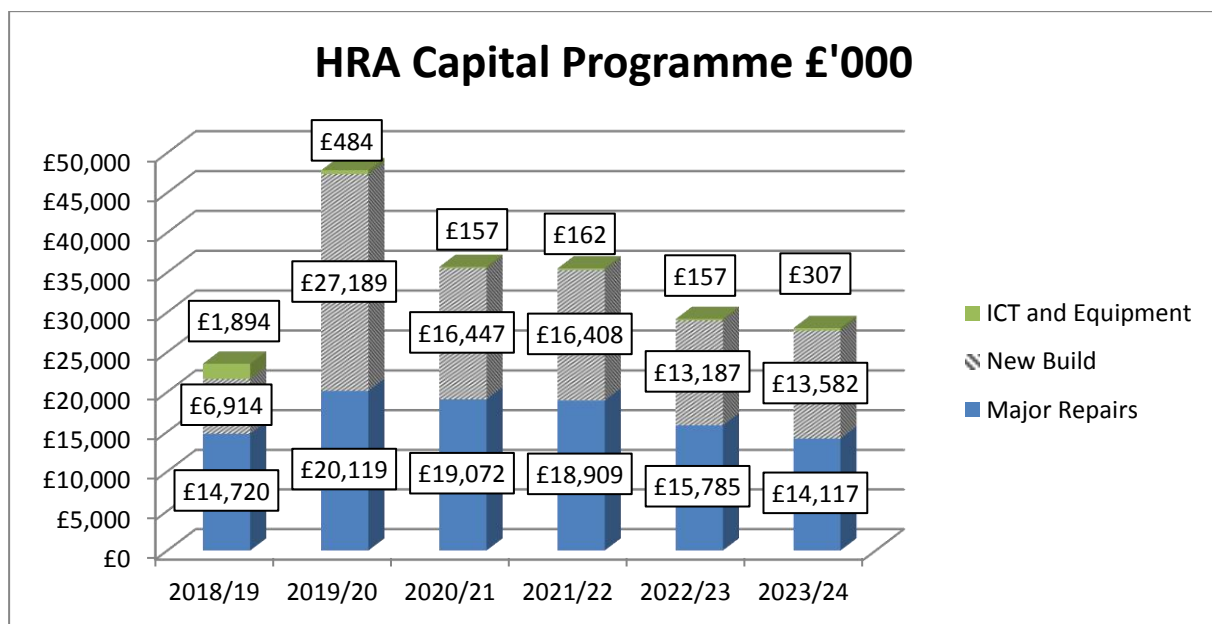
- 4.7.1 The HRA Business Plan update to the November 2018 Executive identified that in light of the lifting of the HRA borrowing cap by the Chancellor, the HRA would not be constrained by the £217.685Million borrowing cap set as part of

the self-financing settlement. The HRA Business Plan needed to look at a revised approach to borrowing, versus using revenue contributions to capital. This will be based on the HRA need to borrow and affordability as identified in the action plan, (Appendix A to the November Executive report).

4.7.2 A summary of the capital programme included in the Appendix C of the Capital Strategy is summarised below and totals £199.61Million.



4.7.3 The increase in 2018/19 onwards reflects the investment with the major works contract and a significant increase in new build costs. The split between major works, new build and other is shown in the following chart



#### 4.8 Capital Programme Investment Strategy Update – Housing Revenue Account 2018/19

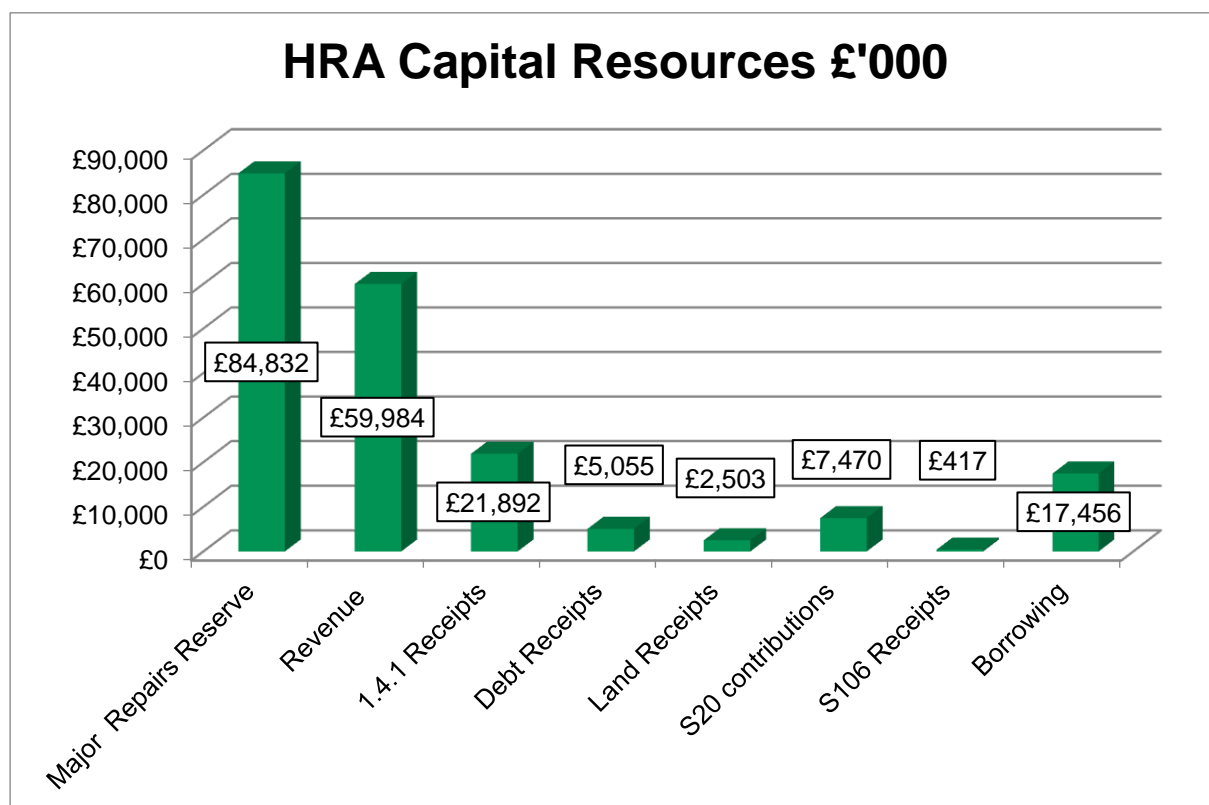
4.8.1 The 2018/19 programme has been reviewed and updated, the only change being the phasing of works, summarised in the table below.

Summary of Housing Revenue Account Capital Programme changes	2018/19 £	2019/20 £	2020/21 £	2021/22 £
Approved capital programme	26,127,800			
<b>Proposed Re phasing amendments:</b>				
Sprinkler Systems - Flat Blocks	(1,700,000)	1,700,000		
Temporary Lift Provision - Flat Blocks	(900,000)		450,000	450,000
<b>Total changes</b>	<b>(2,600,000)</b>	<b>1,700,000</b>	<b>450,000</b>	<b>450,000</b>
<b>Revised capital programme for 2018/19</b>	<b>23,527,800</b>			

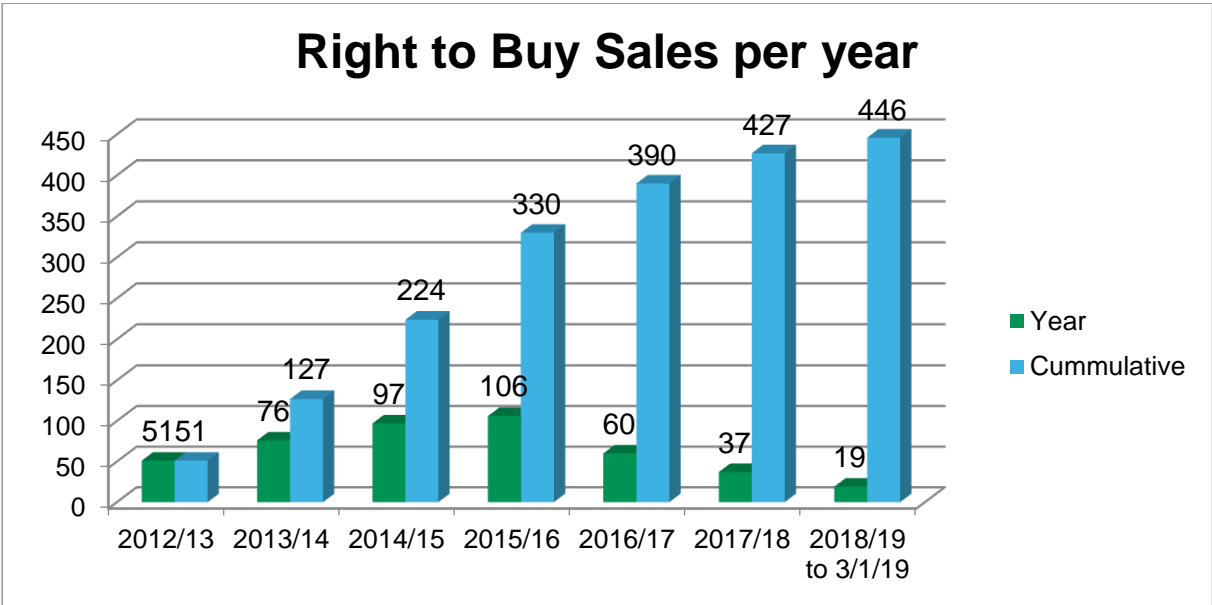
4.8.2 In July Members approved a budget for retrospective fitting of sprinklers to flat blocks. This contract specification has been written and will go out to mini competition shortly with contract mobilisation expected in 2019/20. Budgets have been profiled based on the expected work programme post contract award.

#### 4.9 Capital Programme – HRA Resources (2018/19-2023/24)

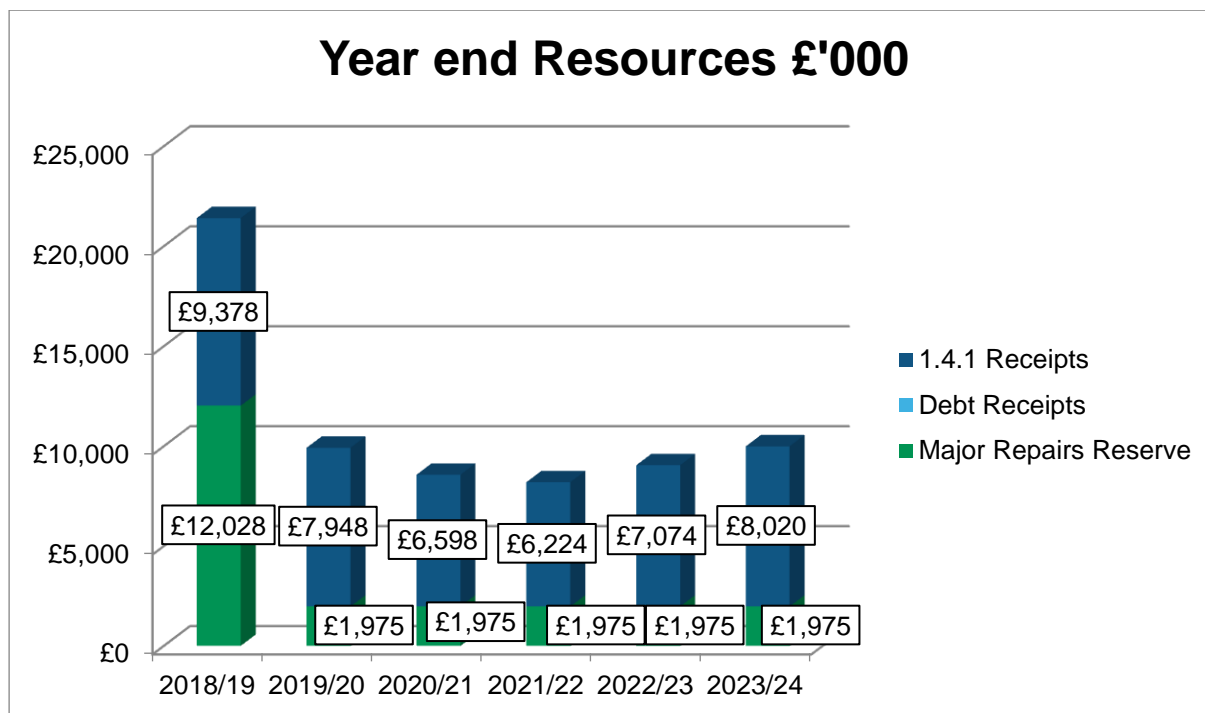
4.9.1 The HRA capital programme is funded from four funding sources, of which the majority is funded from the HRA (via depreciation charges or revenue contributions to capital), this accounts for 73% of total funding. Capital receipts from the sale of council houses totals £26.946Million or 13.5% of total funding; however as Members will be aware the 1.4.1 receipts have restricted use.



- 4.9.2 The dependency on HRA revenue budgets to fund the programme means that the HRA balances are projected to be at minimum levels by 2022 which precludes the ability to afford new borrowing. The HRA BP action plan will review revenue contributions to capital, looking at affordable opportunities available to fund the capital programme following removal of the debt cap. This review will be brought back to Members in 2019/20. The level of revenue contribution for 2018/19 and 2019/20 are £7,675,440 (unchanged from the working budget) and £13,946,930 respectively.
- 4.9.3 The funding of the capital programme may change as a result of the actions outlined in paragraph 4.9.2, the level of revenue contributions is estimated at £59.9Million for the period 2018/19-2023/24.
- 4.9.4 The HRA capital programme funding is based on 35 RTB sales per year (2019/20 onwards), RTB's have fluctuated since self-financing was introduced and in 2018/19 (up to 3/1/2019) there have been 19 RTB sales compared to the revised projection of 25 sales (for 2018/19).



- 4.9.5 HRA capital resources have been subject to a number of government policy changes impacting on the level of rents raised (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 £80,900 in 2018/19.
- 4.9.6 The 2018/19 and 2019/20 HRA budget assumes new loans totalling £3.8Million and £4.7Million respectively. The interest payable in 2018/19 and 2019/20 is estimated to be £6,866,152 and £6,960,900 respectively.
- 4.9.7 The majority of resources available at year end are restricted use 1-4-1 receipts as shown in the following table;



#### 4.10 Return of One for One Receipts

4.10.1 Members have been previously advised that receipts may need to be returned in 2018/19 and this is now estimated to be £346,232 for April-December 2018. There are estimated interest payments of £55,383 to be paid which can be funded from the debt receipt portion of RTB receipts. The projection for the remainder of the year is that if all spend is incurred as profiled no further receipts need to be returned for 2018/19.

4.10.2 The government did indicate in their consultation on RTB receipts that existing receipts may be able to be kept for five years and that interest may not be chargeable on existing returned receipts, however no announcement on the governments intentions have yet been made.

#### 4.11 De Minimis Level for Capital Expenditure 2019/20

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

4.11.2 The limit set for 2018/19 remains unchanged at £5,000 in the Draft Capital Strategy, this applies to a scheme value rather than an individual transaction.

#### 4.12 Contingency Allowance for 2018/19

4.12.1 The contingency allowance for 2018/19 is £250,000 reflecting the resourcing pressures facing the capital programme. The contingency proposed for 2019/20 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.

## **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 significant risks around achieving the level of disposals or land sales budgeted for, failure to do so could lead to reducing the capital programme in year. 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 As part of the council's obligations to its regeneration partner, Mace, the bus station needs to be relocated as part of SG1. Funding for the bus relocation has been approved as part of the Growth Deal 3 package, however no response has been received to the new governance arrangements and as yet funds have not been released. If funding is not available to costs of £6.1Million will need to be funded by the Council.

5.3.3 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.

5.3.4 There are a number of deferrals in the capital programme and schemes not approved in Appendix A. An amount of £108,450 is included in the General Fund programme to address any additional unavoidable capital spend, however there is a risk that this may not be sufficient.

5.3.5 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.

5.3.6 The Council's ambition around regeneration, housing delivery and Neighbourhood regeneration could increase pressure on scarce capital resources.

5.3.7 The level of RTB receipts if reduced does contribute to HRA balances in terms of rent and meets the Council's council homes waiting list need, 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**

1st Quarter Capital Monitoring report (September 2018 Executive)

Final HRA Rent Setting and Budget Report (January 2019 Executive) – elsewhere on this agenda

Housing Revenue Account Business Plan November Executive

## **APPENDICES**

- A - General Fund Capital Bids for consideration -
- B - General Fund Capital Strategy
- C - HRA Capital Strategy

Ref No	Priority (1-5) (see list below)	Description of Growth Proposal	Est life of asset	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Capital in 2023/24	Reason for Spend	Consequence of delaying spend/alternative course of action	Funding available	Average Score LSGF
<b>RECOMMENDED FOR APPROVAL- GENERAL FUND</b>												
C REG1	1,2	CCTV relocation / Swingate(KE467)		£1,400,000					This expenditure is part of the LEP monies that have been allocated to Stevenage for the SG1 regeneration scheme and have been approved by the LEP board and are required in order to bring the SG1 scheme forward as Swingate house site is in the early phases of the Regeneration scheme.	The building need to be vacated and the CCTV function would thus need to move from this site.	£1,400,000	<b>3.00</b>
C REG2	1,2	Land Assembly (Previously known as TC Regeneration KE454)		£100,000					This expenditure is part of the LEP monies that have been allocated to Stevenage for the SG1 regeneration scheme and have been approved by the LEP board and are required in order to bring the SG1 scheme forward. LEP Funded £5.6m of loan funding allocated by the Herts LEP for land acquisition and this is part to facilitate land acquisition required to enable SG1 in 2019/20.	This is fully funded from the LEP ad has been approved by the LEP Board	£100,000	<b>3.00</b>
C REG3	1,2	Townsquare improvements (Units 3-29)			£200,000	£300,000			This expenditure is part of the LEP monies that have been allocated to Stevenage for the SG1 regeneration scheme and have been approved by the LEP board and are required in order to bring the SG1 scheme forward. This remaining grant funding reallocated by Herts LEP towards Town Square project.	This is fully funded from the LEP and has been approved by the LEP Board	£1,800,000	<b>3.00</b>
C REG6	1,2	Public Sector Hub		£1,100,000	£0	£1,179,000	£1,295,000	£26,768,000	The Public Sector Hub is a vital part of the SG1 scheme and forms one of the conditions within the SG1 development agreement. The hub is funded from assumed land values received through the SG1 scheme. (There is a further £5.410Million spend expected in 2024/25). This is part of the scheme approved by Members as part of the approval of the SG1 Development Partner.	The new public sector hub is an essential part of the SG1 scheme and needs to be built in order to free up under utilised sites for redevelopment.	£30,342,000	<b>3.00</b>
C HD2	2 - HD	Housing Development Scheme	50	£3,020,448	£1,703,788	£190,457	£0	£0	This is the General Fund portion of a housing development scheme including reprovion of retail and community centres and private housing.	The scheme is subject to planning approval, however if the private housing were not sold the cost of redeveloping the retail units (General Fund) would be need to be funded from existing General Fund resources.	£3,204,760	<b>3.00</b>
C HD7	2 - HD	Private sale schemes - Wedgewoodway		£350,000					For acquisition of four properties at Wedgewood Way from Metropolitan Housing Association. These properties are expected to be sold in the open market by 31 March 2019	This generates a net receipt of £650K to the General Fund.	£1,200,000	<b>3.00</b>
C C&N6	1	St Georges Multi Storey Car Park - resurfacing works	50 Years	£0	£0	£0	£0	£220,000	The expenditure for years 2019/20-2022/23 has previously been approved and is required to maintain structural integrity resurfacing and refurbishment works at MSCP.	Concrete Cancer/Structural Failure		<b>3.00</b>
C C&N9	5	Cycleways Installations: <b>10% Match Funding</b> for Arts Council bid of £100,000 to animate and improve cycle routes leading to town centre.	10 years	£10,000					Town Centre Regen and Cultural Strategy	SBC only going to provide 10% match funding to Arts Council. This should link in with Cycle path bid submitted by Regeneration		<b>3.00</b>
C SDS7	1	Trade Waste Containers	7 Years	£20,000	£20,000	£20,000	£20,000	20,000	Container supply to allow the expansion of the council's trade waste business. This is in addition to the revenue budget that the service already has for replacement domestic waste containers.	Inability to expand trade waste services and yield greater income.		<b>2.83</b>

Ref No	Priority (1-5) (see list below)	Description of Growth Proposal	Est life of asset	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Capital in 2023/24	Reason for Spend	Consequence of delaying spend/alternative course of action	Funding available	Average Score LSFG
C SDS8	1	Cavendish Road - Cardboard Baler	10 Years	£30,000	£0	£0	£0	£0	Card is currently loaded and hauled in loose loads. Baling the card will allow operational efficiency due to higher volumes on haulage vehicles and the potential to yield higher return from income per tonne.	Inability to realise operational efficiencies and maximise income potential.		2.83
C SDS9	1	Cavendish Road - 2 x Can balers	10 Years	£0	£20,000	£0	£0	£0	Replacement of existing can balers that will have reached the end of their serviceable life.	Inability to yield high income streams from the sale of aluminium and steel can bales.		2.83
C IT1	2	IT growth projects (incl. Office 365, Storage solutions, GDPR, Next Generation telephony and Database upgrades Win 2008/SQL 2008)	5	£221,100				£300,000	The expenditure for years 2019/20-2022/23 has previously been approved and required as part of the Partnership agreement to fund capital works.	Failure to meet regulatory requirements and increasing downtime of systems due to aging hardware causing downtime causing lack of productivity, or complete failure of systems		2.80
C C&N4	4	Pin Green Play Centre	10 years	£35,000	£0	£0	£0	£0	Maintain play offer at Pin Green Play Centre. Replace wooden platforms. This is a focal point of equipment at Pin Green Play centre, and provides the children with an opportunity for risky play. Two platforms on large outside equipment that are showing signs of rot. It has been highlighted by Timberplay last summer and came up in the most recent ROSPA report	Delaying the replacement would potentially mean the equipment would deteriorate and have to be taken out.		2.80
C C&N5	4	Bandley Hill play centre - replace fencing	10 years	£23,000	£0	£0	£0	£0	Safeguard children who use Bandley Hill Play Centre. Replace fencing at the front entrance of Bandley Hill playcentre. Bandley hill Playcentre is open access and caters for children aged 5 – 14 years	Due to safeguarding issues around adults accessing the site during opening times, a temporary fence line to ensure all adults come through the playcentre building and make themselves known before entering the playcentre grounds a temporary fence has been erected. A permanent fence is required in order to fully safeguard the children in SBC care.		2.80
C C&N7	4	New Entrances/resurfacing	50 Years	£15,000	£25,000	£25,000	£25,000	£25,000	Ongoing resurfacing It is anticipated that 4/5 car parks will require this in 2019/20 .The Tree and lighting protection bollards in both Marshgate and Forum require replacement, and we anticipate a slurry coat at Church Lane North and works in Waitrose. The budget has been reduced for 2019/20 to £15,000 based on the works identified.	Surface Damage		2.80
C C&N8	1	CCTV Cameras Replacement	1-5yrs					£20,000	The expenditure for years 2019/20-2022/23 has previously been approved and required. The money is to migrate IP addressable Cameras and is a rolling programme.	There is a risk of obsolescence		2.80
C H&I 39	1&4	Indoor Market - New LED General & Lighting.			£65,000.00				Energy Conservation Survey Findings in 2016/2017 identified cost saving in running cost at £1000 pa/Existing fittings becoming outdated/replacement will enhance lighting levels	Loss of Potential Income/ Illumination Levels will Reduce in the short term future due to system deterioration		2.80
C SDS10	1	Cavendish Road Depot Yard Drainage renovation.	20 Years	£100,000	£0	£0	£0	£0	Current drainage is failing and will lead to non-compliance with the requirements of the sites waste permit to operate.	Inability to use waste site if infrastructure does not comply with the requirements for the waste permit.		2.67
C FE1	1	Refurbishment works to Commercial Properties (shops) - MRC Programme	50	£387,120	£226,100			£61,020	The Major Repairs contract works have identified that some of the capital spend relates to properties above shops. The shops are General Fund assets and therefore should pay an appropriate amount of the cost of the common areas and roofing works.	The assets are split over two funds the HRA and the General Fund and each fund would need to resource their share, the alternative would be not to do the works to the HRA homes.		2.60

Ref No	Priority (1-5) (see list below)	Description of Growth Proposal	Est life of asset	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Capital in 2023/24	Reason for Spend	Consequence of delaying spend/alternative course of action	Funding available	Average Score LSFG
C H&I 38	1&4	Indoor Market - New Hot Air Curtains to 3 Shoppers Entrances.		£20,000					Radiant Heating Refurbished in 2017/2018 -3 Main Public Entrances to Market have no supplemental heating to limit Heat Loss	Operational Efficiency of Building will be further prejudiced -Premature failure of overworked refurbished radiant heating to area which is principle heating medium		2.60
C SDS6	3	3 x domestic recycling collection vehicles	7 years	£0	£0	£0	£0	£705,000	Replacement of existing vehicles that will have reached the end of their serviceable life- (£10,000 expected as " trade- in" value per vehicle)	Inability to fulfil statutory obligation to collect domestic recycling.		2.50
C PR3	4	Onstreet - Contactless Pay		£10,000					Machines upgraded to accept contactless pay, this will increase the functionality and options for payment from cash and Ringo to include contactless.			2.50
C H&I 42	3&4	Test and risk assessment remedial works		£15,000.00					Essential Health and safety works required resulting from compliance testing and risk assessment reports	Building will become non compliant leading to risk to health and safety of the occupants and users of the building		2.50
C H&I 3	1&4	Oval CC - Replace Windows		£15,000.00					Flat Roofing Renewed in 2017/2018 - Historic Windows are the sole external element remaining in a deteriorated condition -Replacement will complete recent external waterproofing of external parts of the Building. .	Operational Efficiency of Building will be further prejudiced/ Security & Building Integrity both compromised/Risk of water penetration and consequential damage. The works to community centres and pavilions in 2019/20 are only high priority works designed to ensure the buildings remain operation in advance of the locality reviews which were recommended as part of the Asset Management Strategy		2.40
C H&I 28	4	Ridlins Pavilion - M&E Refurbishment of AHU Plant & Controls.		£25,000.00			£0.00		Essential Major Works to Plant controlling Heating/Hot Water & Mechanical Intake & Extract Ventilation-15 Year identified Refurbishment to ensure Adequate Facilities & Heating are provided. Following M&E condition survey carried out in Sep 2018, urgent works have been identified for 2019/20.	Failure of Plant & Equipment will render building and facilities unusable. The works to community centres and pavilions in 2019/20 are only high priority works designed to ensure the buildings remain operation in advance of the locality reviews which were recommended as part of the Asset Management Strategy.		2.40
C H&I 34	1&4	Bandley Hill Play Centre - Replace Fenestration		£0.00	£30,000.00				Identified in 2012/13 stock condition survey as reaching end of safe & serviceable life-Further deterioration has occurred in 5 years which have since elapsed to the 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	Operational Efficiency of Building will be further prejudiced//Poor Thermal Insulation with resulting heat losses/sealed units failing/risk of water ingress.		2.40
C C&N3	4	Stevenage Leisure Centre	10 years	£0	£0	£0	£150,000	£0	Leisure management - end of contract capital provision. It is likely that SBC may have some liabilities for the end of contract term, primarily to improve the facilities to make them more attractive to the market. Planning for end of contract	SBC would have liabilities in relation to the conditions of the buildings, spend would be required to ensure that income opportunities are maximised for any potential bidding contractor. SBC is intending to build a new wet and dry leisure facility and a new or refurbished theatre however some spend will still be required for Fairlands Valley Park Sailing Centre and Stevenage Golf Centre		2.20

Ref No	Priority (1-5) (see list below)	Description of Growth Proposal	Est life of asset	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Capital in 2023/24	Reason for Spend	Consequence of delaying spend/alternative course of action	Funding available	Average Score LSFG
C H&I 33	4	Bandley Hill Play Centre - Replace Hall Floor Covering		£25,000.00					Identified in 2012/13 SCS as reaching end of safe & serviceable life-Further deterioration has occurred in 5 years which have since elapsed, and this is a very well used facility.	Increased risk of trips, the area will become unusable which is the principle facility within the building. The works to community centres and pavilions in 2019/20 are only high priority works designed to ensure the buildings remain operation in advance of the locality reviews which were recommended as part of the Asset Management Strategy.		2.20
C H&I 29	1&4	Pin Green Play Centre - Recover Flat Roof		£35,000					Identified in 2012/2013 SCS as a major element with a limited future life expectancy -The roof was re-inspected by one of our qualified Building Surveyors last year, there is clear evidence of patch repairs undertaken in the recent past and further deterioration to the general covering and at details have occurred. The roof is not insulated and works must include incorporation of insulation to meet current Building Regulations standards. Identified in 2012/13 SCS as reaching end of watertight life-Further deterioration has occurred in 5 years which have since elapsed	Operational Efficiency of Building will be further prejudiced/Risk of building closure due to water penetration and damage to building structure & fabric		2.17
C SDS1	3	Green Space Access Infrastructure	10 yrs	£95,000	£148,000	£153,000	£128,000	£128,000	There is no formal programme for resurfacing of parks footpaths, car parks and access roads. officers currently rely on ad hoc works being undertaken when we become aware of H&S concerns. However, a recent technical inspection of our parks access infrastructure indicates that our parks access infrastructure is deteriorating, and we can no longer rely on ad hoc patching repairs, funded from revenue.	There has not been a regular programme of surfacing to the parks access infrastructure for many years. Existing surfaces are beginning to fail and will lead to an increase in the likelihood of accidents. The longer it is left the more expensive the job will become - spend to save.		2.00
C SDS3	2 - CNM	Play Areas Fixed Play	15 yrs	£20,000	£10,000	£10,000			To enable the delivery of minor improvements to existing equipped play areas to ensure they remain safe and accessible to the children and young people.- Use S106 receipts from various sites which can be used on play will fund the expenditure	Damaged equipment and/or surfacing cannot be replaced until funding is available for that play area within the CNM programme of major play area improvements	£40,000	2.00
C PR1	4	Hard Standings	40					£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.(There is an existing rolling budget for Hardstandings (2019/20- 2022/23) in the approved programme)	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		2.00
C H&I 6	4	Bedwell CC Boiler / Hot Water & Plant System Controls & Fittings Upgrade			£100,000				Ongoing Issues with Performance of Heating System in this well used Community Centre. The expenditure for years 2019/20-2022/23 has previously been approved.	Operational Efficiency of Building/Rooms may become unusable		2.00

Ref No	Priority (1-5) (see list below)	Description of Growth Proposal	Est life of asset	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Capital in 2023/24	Reason for Spend	Consequence of delaying spend/alternative course of action	Funding available	Average Score LSFG
C H&I 7	1&4	Timebridge CC - Resurface Felt Flat Roofs (60% of stated cost is SBC; 40% for HCC)		£0	£60,000				Flat Roof Covering not covered by Warranted Guarantee -Indications of initial failure in the covering with patch repairs carried out in 2017/2018. Improvement of the thermal properties by the inclusion of insulation to comply with Building regulations.	Water Penetration risk and consequential damage to structure & fabric/Area could become unusable. The works to community centres and pavilions in 2019/20 are only high priority works designed to ensure the buildings remain operation in advance of the locality reviews which were recommended as part of the Asset Management Strategy.		2.00
C H&I 12	4	Symonds Green CC - Replacement Softwood Windows & Doors to Original Hall			£25,000				Original treated softwood in poor condition with limited future life expectancy	Accelerating costs for ongoing repairs/Water penetration and consequential damage to building/Security prejudiced. The works to community centres and pavilions in 2019/20 are only high priority works designed to ensure the buildings remain operation in advance of the locality reviews which were recommended as part of the Asset Management Strategy.		2.00
C H&I 14	1,2&4	St Nicholas CC - Replacement Doors & Windows*Subject to locality review				£30,000			Identified in the 2013 stock condition survey and reviewed recently by Building Surveyor the single glazed timber and metal Doors & Windows are in Poor Condition and beyond economic repair. Some of the windows are displaying beading disrepair, corrosion and paint failure.	Premature Deterioration to Woodwork/metal frames leading to risk of reduction in Security to Building and continued poor Thermal Insulation with resulting higher heat losses to the building and higher running costs.		2.00
C H&I 27	4	Ridlins Pavilion - Changing Room Showers Refurbishment.					£35,000		Identified Refit/Refurbishment of 15 Changing Room Showers	H&S Risk for unsanitary facilities/Closure of Showers & Changing Rooms		2.00
C H&I 35	4	St Nicholas Play Centre - 2 x Replacement External Double Leaf Door sets			£10,000				Remaining Balance of Phased Implemented Capital Works to External Elevation of Modular Building to Restore and Enhance Integrity & Security	Operational Efficiency of Building will be further prejudiced/ Security & Building Integrity both compromised		2.00
C H&I 40	4	Station ramp - replace flooring		£7,500	£75,000				Existing resin finish floor failed and is now hazardous. Phased works replace upper level 2019/20 all other areas, treads and nosings 2020/21	Risk of tripping and claims against the Council		2.00
C H&I 41	4	Cavendish Road Depot - Reroofing and guttering -		£15,000	£500,000				Metal gutters waterproofed during 2017/18.Detailed inspection / survey and temporary waterproofing works to be carried out in 2019/20. Major reroofing / waterproofing works estimated to be required in 2020/21 Metal profiled roof with initial failure at sheet laps and bolt fasteners and failure of internal gutter	Water Penetration risk and consequential damage to structure & fabric/Building could become unusable. Potential claims or damage of loss of Business from Travis Perkins and CCTV when relocated		2.00
C H&I 43		Energy Performance Survey and proposed building works (on commercial properties)						£10,000	Under the current approved programme, £15kpa is included for the same. However, the resulting testing and minor electrical works carried out are deminimus and therefore being charged to revenue as maintenance cost. In 2023/24 , due to legislation change there will be requirement to carry these out (including for Community Centres), it may be worth revisiting the same nearer the time to decide whether future capital works may be required.			2.00
<b>Total for rating 2 and above</b>				<b>£7,100,668</b>	<b>£3,217,888</b>	<b>£1,907,457</b>	<b>£1,714,020</b>	<b>£28,246,000</b>			<b>£38,086,760</b>	
<b>RECOMMENDED FOR APPROVAL- HOUSING REVENUE ACCOUNT</b>				<b>£7,100,668</b>	<b>£3,217,888</b>	<b>£1,907,457</b>	<b>£1,714,020</b>	<b>£28,246,000</b>			<b>£4,099,273</b>	
C H&I 1	4	Keystone module to support fire safety	20	£32,000					To support the effective management of fire safety within the housing stock. Will provide mobile working solution and workflow solution for addressing actions from fire risk assessments.	Delays in completing fire risk assessments and the associated actions.	£0	2.80

Ref No	Priority (1-5) (see list below)	Description of Growth Proposal	Est life of asset	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Capital in 2023/24	Reason for Spend	Consequence of delaying spend/alternative course of action	Funding available	Average Score LSF
C H&I 2	4	Tablets for staff (144 Nos)	5	£5,330	£5,330	£5,330			Original Bid was for £24k per year, based on £500 per tablet. <b>Following LFSG queries a revised figure of £111 per tablet resulting in an annual budget required of £5,330.</b>		£0	<b>2.00</b>
C IT1	2	IT growth projects (incl. Office 365, Storage solutions, GDPR,Next Generation telephony and Database upgrades Win 2008/SQL 2008)	5	£108,900				£150,000	The expenditure for years 2019/20-2022/23 has previously been approved and required as part of the Partnership agreement to fund capital works. Regulatory compliance (GDPR and other regulations), replacement of out of date and failing hardware, updating email solution to latest product for productivity and resilience	Failure to meet regulatory requirements and increasing downtime of systems due to aging hardware causing downtime causing lack of productivity, or complete failure of systems	£0	<b>2.80</b>
<b>Total for rating 2 and above</b>				<b>£146,230</b>	<b>£5,330</b>	<b>£5,330</b>	<b>£0</b>	<b>£150,000</b>			<b>£0</b>	
<b>RECOMMENDED FOR APPROVAL WHN FUNDING AVAILABLE GENERAL FUND</b>												
C REG5	1,2	Multi Storey Car Park (MSCP) - St Georges	40	£1,000,000					St Georges multi storey car park will have an increasingly significant role to play in the town as other surface level car parks are redeveloped. The Park Place scheme will clad and help improve the appearance of one of the sides of this car park but the others will be left still to be addressed. This funding will tackle the issues such as the perception of safety and look of the outside of the car park to give a great look and feel appropriate for a regenerated town centre.		£0	<b>2.08</b>
											<b>-£306,890</b>	
<b>NOT RECOMMENDED FOR APPROVAL SUBJECT TO LOCALITY/COMMUNITY CENTRE REVIEW/REGENERATION OR HOME IMPROVEMENT GRANTS</b>												
C H&I 31	4	Pin Green Play Centre - Refurbish Washroom			£25,000				Identified in 2012/2013 SCS as an internal element being essential for use & occupation with a limited remaining lifespan predicted -The area was reinspected recently 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.	Operational Efficiency of Building will be further prejudiced-Health & Safety implications from unhygienic conditions		<b>1.83</b>
C H&I 4	4	Oval CC - Reception Lighting & Suspended Ceiling refurbishment			£0	£50,000			Ceiling Tiles Aged with areas water stained from historic water leakage resultant from flat roofs over [now recovered] /Lighting is traditional fluorescent and would benefit from LED Scheme	Operational Efficiency of Building		<b>1.80</b>
C H&I 5	1&4	Bedwell CC - Resurface Flat Roofs* <b>Subject to Lease Responsibility&amp; CC Buildings Review</b>		£0	£150,000				Identified in 2012/13 SCS as reaching end of watertight life-Further deterioration has occurred in 5 years which have since elapsed. Increase the thermal properties by the inclusion of insulation to comply with Building Regulations	Operational Efficiency of Building will be further prejudiced/Risk of building closure due to water penetration and damage to building structure & fabric		<b>1.80</b>
C H&I 13	4	St Nicholas CC -Toilets & Reception Refurbishment* <b>Subject to CC Buildings Review[ Future Life of Building]</b>		£0	£75,000				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. Designs for new refurbishment / extension providing an enhanced layout arrangement/upgrade to suit modern needs has been carried out. This offers basic Dated Facilities offering inadequate conditions	Operational Efficiency of Building will be further prejudiced -Health & Safety implications from unhygienic conditions and increased uneconomic ongoing repairs and replacement		<b>1.80</b>



Ref No	Priority (1-5) (see list below)	Description of Growth Proposal	Est life of asset	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Capital in 2023/24	Reason for Spend	Consequence of delaying spend/alternative course of action	Funding available	Average Score LSFG
C H&I 15	4	Springfield House CC -Toilets					£25,000		Toilet of Aged Appearance & Condition in Well used Centre	Operational Efficiency of Building		1.80
C H&I 16	4	Springfield House CC - replacement of Historic Column Radiators *Subject to CC Buildings Review[ Future Life of Building]		£0	£35,000				Boiler & Plant Replaced. Original Column/Hospital type cast iron radiators were flushed .Radiators have very limited future life expectancy- Replacements would logically be the required second phase of heating enhancement works.	Risk of leaks leading to Water Damage/Inadequate Heating/Loss of Amenities [Rooms unable to be occupied]		1.80
C H&I 8	4	Timebridge CC - Replace Main Hall Floor *Subject to Lease Responsibility& CC Buildings Review; ONLY 60% of stated cost is SBC; 40% for HCC to agree to pay; reduced cost shown in blue cell			£15,000				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 requiring new surface.	Operational Efficiency of Building/Risk of Tripping rendering this area unusable		1.75
C H&I 30	4	Pin Green Play Centre - External works & Redecoration of Modular Building including Replacement Front Entrance Door		£25,000	£0				Restoration Work to a Deteriorated Modular Building in Full Use to extend future life expectancy. This has been linked to the reroofing works.	Operational Efficiency of Building will be further prejudiced/ Security & Building Integrity both compromised/Increased risk of consequential damage to structure and fabric of building		1.58
C H&I 17	4	Chells Manor CC -External Joinery & Cladding Renewals				£45,000			Original treated softwood in poor condition with limited future life expectancy	Accelerating costs for ongoing repairs/Water penetration and consequential damage to building		1.50
C H&I 36	4	Daneshill House - Recover Flat Roof over Mayors Office/Kadoma Room - Subject to Future Building Lifespan & Occupation		£40,000					Ongoing periodic Leakage occurs/ Existing Finish was highlighted in 2012/2013 SCS as reaching end of waterproof life. Alternative continue with patch repairs but no guarantee that this will be successful	Operational Efficiency of Building will be further prejudiced		1.50
C H&I 24	4	Peartree Park Pavilion - Replace Pitched Roof Covering			£50,000				Roof covering aged at nearing end of watertight life	Water Damage resulting in damage to structure and fabric / Areas will become unusable		1.33
C H&I 9	4	Shephall CC - Replacement External Screen Walling and Older Windows *Subject to CC Buildings Review[ Future Life of Building]		£0	£65,000				Substantial Metal Single Glazed Screen Wall & Historic Windows[to parts of building] noted in SCS to have limited remaining life - No works carried out since	High Thermal Losses / Security & Building Integrity both compromised		1.25
C H&I 10	4	Shephall CC - Resurface All Flat Roofs			£95,000	£0			SCS in 2012/2023 recommended replacement covering - Since this time limited patch repairs only have been undertaken-Coverings are realistically at end of watertight life	Operational Efficiency of Building/Potential of Damage occurring to Building Fabric if no work undertaken		1.25
C H&I 18	4	Chells Manor CC -Boiler & Hot Water					£40,000		Aged boiler reaching end of economic/serviceable life	Building Areas may become unusable		1.25
C H&I 26	4	Chell Park Pavilion - Replace Boilers & Calorifiers[2] / Refurbish System Controls- *Dependant upon P&P Buildings Review				£150,000			Essential Major Works to Plant controlling Heating/Hot Water Refurbishment to ensure Adequate Facilities & Heating are provided	Operational Efficiency of Building		1.25
C H&I 11	4	Shephall CC - Replace Wood Block Main Hall Floor*Subject to CC Buildings Review[ Future Life of Building]		£0	£25,000				Wood Block Flooring at End of Life Expectancy -No further repairs are practicable-The current floor thickness remaining to this interlocked floor system cannot be resanded further as the layered wood thickness is insufficient requiring new surface.	Operational Efficiency of Building		1.00
C H&I 19	4	St Nicholas Pavilion - Replace External Doors -				£25,000			Replacement Doors to Building Elevations-Past Repairs carried out to softwood painted doors now reaching end of serviceable life	Security & Integrity of Building Prejudiced		1.00

Ref No	Priority (1-5) (see list below)	Description of Growth Proposal	Est life of asset	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Capital in 2023/24	Reason for Spend	Consequence of delaying spend/alternative course of action	Funding available	Average Score LSFG
C H&I 20	4	St Nicholas Pavilion - Replace Low Level Felt Flat Roofing to Rear Building Area - PHASE 1 <i>*Subject to P&amp;P Buildings Review</i>		£0	£85,000				Flat Roof Covering Poor Condition highlighted in SCS 2012/2013 -No Works Since-Patch Repairs carried out in 2018 following Vandalism	Operational Efficiency of Building will be further prejudiced/ Security & Building Integrity both compromised/Risk of water penetration and consequential damage to the fabric and structure of the building		1.00
C H&I 21	4	St Nicholas Pavilion - Replace High Level Pitched Felt Roofing to Main Hall - PHASE 2 <i>*Subject to P&amp;P Buildings Review</i>			£50,000				Flat Roof Covering Poor Condition highlighted in SCS 2012/2013 -No Works Since-Patch Repairs carried out in 2018 following Vandalism	Operational Efficiency of Building will be further prejudiced/ Security & Building Integrity both compromised/Risk of water penetration and consequential damage		1.00
C H&I 22	4	St Nicholas Pavilion - Reconfigure Rear Core of Building for Alternative Use - <i>*Subject to P&amp;P Buildings Review</i>		£0	£20,000				Changing Rooms are Now Defunct & Large Floor Area is Unused - Area could be 'Mothballed' until decision is made	Operational Efficiency of Building		1.00
C H&I 23	4	St Nicholas Pavilion - High level roof ply fascias and soffits replacement works, including window works. - to be carried out at same time as reroofing to this area		£0	£40,000				Panels and fascias in very poor condition and have failed.	Water ingress causing increased risk of structural damage and area becoming unusable		1.00
C H&I 25	4	Peartree Park Pavilion Refurbish Showers & Changing Rooms- <i>*Subject to P&amp;P Buildings Review</i>		£0.00	£30,000				Identified in 2012/13 condition survey / recent inspections identified the generally dilapidated and progressively poor condition of the showers. Refurbishment is required to ensure that the building remains in a condition acceptable for ongoing occupation. Currently Showers facility offers inadequate hygienic washing conditions for an active Sports Pavilion.	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. Operational Efficiency of Building will be further prejudiced/Health & Safety implications from unhygienic conditions		1.00
C H&I 37	4	Town Centre toilets roofing works. <i>Extent of works subject to confirmed life of the building</i>		£65,000					£20K in the 2018/19 budget to carry our upgrade works to the parapet to resolve water ingress through the roof. These works to be considered depending on the anticipated life of the building The success on 2018/19 works can not be guaranteed. To ensure that the building remains fully watertight full reroofing is required	Risk of water ingress causing damage to the fabric and structure of the building. Historically water ingress through the roof has resulted in damage to the electrics. There is a risk that this could occur in future requiring the building to be closed for a period of time until electrics and roof is repaired		1.00
C PR4	4	Home improvement grants	n/a	£18,000	£10,000	£10,000	£10,000	£10,000	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. There's an existing rolling budget of £18,000 in the current approved programme ,however, due the infrequency of grants given <b>LSFG recommended that this capital spend should it be required is funded from the deferred works reserve</b>	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.		0.17
<b>NOT RECOMMENDED FOR APPROVAL</b>												
C SDS2	2 - CNM	Green Space Furniture	10yrs	£8,000	£8,000	£8,000			To enable the delivery of seats and picnic benches etc. to ensure that our open spaces remain clean, tidy, and accessible to the whole community. <b>LSFG-recommend this is funded from LCB budgets.</b>	Our green spaces are increasingly well used following capital improvements to play areas and other parks facilities. Spaces that previously had no demand for seating and picnic opportunities now do so, and we are receiving more requests for additional seating etc.		1.33

Ref No	Priority (1-5) (see list below)	Description of Growth Proposal	Est life of asset	Capital in 2019/20	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Capital in 2023/24	Reason for Spend	Consequence of delaying spend/alternative course of action	Funding available	Average Score LSFG
C C&N1	3	Stevenage Golf Centre	In excess of 30 years	£260,000	£0	£0	£0	£0	To avoid future flood damage to Golf Course. The brook at the Golf Course is approximately half a mile long (both sides of the bank account for 1 mile in total). During prolonged periods and high levels of rain the brook overflows on to the course this has the effect of making some of the course unplayable greens 12 -16. This has not been a significant problem since 2012 which was the last period of prolonged and heavy rainfall. There is also continuing erosion of the soft verge banks which widens the brook, reduces the flow of water and a consequential risk of significant damage to 10 crossing bridges. SBC Officers have consulted with the Environment Agency (EA) who agreed that a proposal for two overflow ponds and bank widening and reinforcement would be appropriate. The Brook is used by the EA as an outflow for the adjacent reservoirs. <b>This item was first requested for 17\18 then 18\19 and not recommended by LSFG</b>	Further delay will cause further erosion of the brook, the EA may require SBC to undertake the works. There is no adverse effect on adjacent property.		1.00
C C&N2	4	Stevenage Golf Centre - Pond	In excess of 30 years	£80,000	£0	£0	£0	£0	Aesthetic improvement to Golf Centre pond. Golf Pond, the feature pond at the top of the course needs to be dredged and a liner placed into it. The pond used to be populated with fish and was a high profile visible feature of the course. Now it is dry most of the year and is an eyesore on the course	This will continue to be an eyesore, the alternative is to fill in the pond although some remedial works will have to be done to ensure that water flows are correctly diverted. I would estimate the cost of filling in the pond and water divert works at a cost of £15,000		1.00
C PR2	4	Parking restrictions						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.		1.67
		<b>Total Bids Below Line (score&lt;2)</b>	<b>0</b>	<b>£496,000</b>	<b>£778,000</b>	<b>£288,000</b>	<b>£75,000</b>	<b>£35,000</b>				
		<b>Withdrawn Bids</b>										

Priorities:  
Priority 1  
Priority 2  
Priority 3  
Priority 4  
Priority 5

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APPENDIX B GENERAL FUND CAPITAL STRATEGY

Cost Centre	Scheme	2018/2019			2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
		Q1 Working Budget	January Revised Budget	Variance Q1 Working v January Revised	January Projection	January Projection	January Projection	January Projection	January Projection
		£	£	£	£	£	£	£	£
<b>General Fund - Schemes</b>									
	Stevenage Direct Services	5,702,310	3,366,450	(2,335,860)	3,339,400	2,676,400	2,650,900	2,505,000	1,228,000
	Housing Development	1,007,950	940,670	(67,280)	4,050,450	1,703,790	190,460		
	Finance and Estates	13,723,270	384,220	(13,339,050)	13,646,170	241,100	15,000	76,020	10,000
	Corporate Projects, Customer Services & Technology	847,610	847,610		521,100	300,000	300,000	300,000	300,000
	Housing and Investment	1,380,440	1,512,440	132,000	177,500	870,000	30,000	35,000	
	Regeneration	8,083,410	7,299,680	(783,730)	9,900,000	2,800,000	3,579,000	1,295,000	26,768,000
	Communities and Neighbourhoods	205,260	225,260	20,000	112,000	20,000	40,000	170,000	20,000
	Planning and Regulatory	1,057,000	997,000	(60,000)	441,000	325,000	325,000	325,000	295,000
	<b>Total Schemes with Growth Added</b>	<b>32,007,250</b>	<b>15,573,330</b>	<b>(16,433,920)</b>	<b>32,187,620</b>	<b>8,936,290</b>	<b>7,130,360</b>	<b>4,706,020</b>	<b>28,621,000</b>
<b>General Fund -Resources</b>									
	Capital Receipts	6,564,791	5,691,520	(873,271)	3,270,544	2,733,750	1,179,000	1,295,000	27,514,528
	New Build 1-4-1 Receipts - Additional Funding from HRA for RP Grants	701,330	728,170	26,840					
	Unpooled Receipts	12,500	12,500						
	Grants	257,800	257,800		814,420	85,580			
	S106's	25,000	25,000		20,000	10,000	10,000		
	LEP	6,800,000	5,600,000	(1,200,000)	8,800,000	1,800,000	2,400,000		
	RCCO	417,000	531,750	114,750	4,000	4,000	4,000	4,000	
	Regeneration Asset Reserve	140,500	356,770	216,270					
	Capital Reserve (BG916 Revenue Savings)	619,959	664,247	44,288	907,539	1,174,106	914,114	1,103,056	731,191
	Capital Reserve (BG903 Housing Receipts)	373,313	357,066	(16,247)	360,637	364,244	367,886	371,564	375,281
	New Homes Bonus	514,307	514,307		258,000	312,000	362,500	230,000	
	Prudential Borrowing Approved	15,580,750	834,200	(14,746,550)	14,516,450	834,400	1,702,400	1,702,400	
	Housing GF development short term borrowing- and funded from private sale				2,084,030				
	Housing GF development Ringfenced receipt from private sale				1,152,000	1,618,210	190,460		
	<b>Total Resources (General Fund)</b>	<b>32,007,250</b>	<b>15,573,330</b>	<b>(16,433,920)</b>	<b>32,187,620</b>	<b>8,936,290</b>	<b>7,130,360</b>	<b>4,706,020</b>	<b>28,621,000</b>
<b>General Funds Receipts</b>									
	<b>Unallocated B/fwd</b>	<b>(5,319,964)</b>	<b>(5,319,964)</b>		<b>(380,944)</b>		<b>(298,410)</b>	<b>(2,700,790)</b>	<b>(2,648,990)</b>
	In Year Receipts	(1,664,600)	(752,500)	912,100	(4,041,600)	(6,734,400)	(3,771,840)	(1,243,200)	(25,697,280)
	Used in Year	6,564,791	5,691,520	(873,271)	3,270,544	2,733,750	1,179,000	1,295,000	27,514,528
	Ring Fenced Receipts Used to Repay Short Term Borrowing				1,152,000	3,702,240	190,460		
	<b>General Fund Receipts Unallocated C/fwd</b>	<b>(419,773)</b>	<b>(380,944)</b>	<b>38,829</b>		<b>(298,410)</b>	<b>(2,700,790)</b>	<b>(2,648,990)</b>	<b>(831,742)</b>
<b>Capital Reserve Resource</b>									
	<b>Unallocated B/fwd</b>				<b>(333,753)</b>	<b>(496,214)</b>	<b>(392,108)</b>	<b>(547,994)</b>	<b>(514,939)</b>
	In Year Resource	(1,371,313)	(1,355,066)	16,247	(1,430,637)	(1,434,243)	(1,437,886)	(1,441,565)	(1,445,280)
	Used in Year	993,272	1,021,313	28,041	1,268,176	1,538,350	1,282,000	1,474,620	1,106,472
	<b>Capital Reserve Unallocated C/fwd</b>	<b>(378,041)</b>	<b>(333,753)</b>	<b>44,288</b>	<b>(496,215)</b>	<b>(392,108)</b>	<b>(547,994)</b>	<b>(514,939)</b>	<b>(853,747)</b>

APPENDIX B GENERAL FUND CAPITAL STRATEGY



Cost Centre	Scheme	2018/2019			2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
		Q1 Working Budget	January Revised Budget	Variance Q1 Working v January Revised	January Projection	January Projection	January Projection	January Projection	January Projection
		£	£	£	£	£	£	£	£
	<b>Stevenage Direct Services</b>								
	<b>Parks &amp; Open Spaces</b>								
KC218	Hertford Road Play Area (S106 Funded)	25,000	25,000						
KE911	Play Area Improvement Programme	286,260	286,260		137,000	243,000	283,500	220,000	
KE097	Litter bins	68,640	68,640		125,000	73,000	83,000	10,000	
KE329	Play Areas Fixed Play	17,000	17,000						
<b>Growth</b>	<b>Play Areas Fixed Play</b>				<b>20,000</b>	<b>10,000</b>	<b>10,000</b>		
<b>Growth</b>	<b>Green Space Access Infrastructure</b>				<b>95,000</b>	<b>148,000</b>	<b>153,000</b>	<b>128,000</b>	<b>128,000</b>
	<b>Other</b>								
KG002	Garages	3,430,810	1,054,200	(2,376,610)	2,047,400	1,957,400	1,952,400	1,952,400	375,000
KE487	Cavendish Depot - Road Markings and Barriers		12,750	12,750					
<b>Growth</b>	<b>Cavendish Depot - Renovation/Yard Drainage</b>				<b>100,000</b>				
<b>Growth</b>	<b>Refurbishment of Western Rd Cemetery Office</b>				<b>6,500</b>				
	<b>Vehicles,Plant,Equipment</b>								
KE349	Waste Receptacles	30,000	30,000		15,000	15,000			
<b>Growth</b>	<b>Trade Waste Containers</b>				<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
Various	Vehicle/Plant replacement Programme - See Appendix A1 for details	1,844,600	1,872,600	28,000	743,500	190,000	149,000	174,600	
<b>Growth</b>	<b>Vehicle/Plant replacement Programme - See Appendix A1 for details</b>				<b>30,000</b>	<b>20,000</b>			<b>705,000</b>
	<b>Total Stevenage Direct Services</b>	<b>5,702,310</b>	<b>3,366,450</b>	<b>(2,335,860)</b>	<b>3,339,400</b>	<b>2,676,400</b>	<b>2,650,900</b>	<b>2,505,000</b>	<b>1,228,000</b>
	<b>Housing Development</b>								
KG030	Grants To Registered Providers	795,450	728,170	(67,280)					
KE328	Archer Road Neighbourhood Centre 2014 (General Fund)	12,500	12,500						
KG032	Building Conversion into New Homes - Ditchmore Lane	200,000	200,000		680,000				
<b>Growth</b>	<b>Housing Development Scheme (Joint GF/HRA)</b>				<b>3,020,450</b>	<b>1,703,790</b>	<b>190,460</b>		
<b>Growth</b>	<b>Private Sales Schemes - Wedgwood Way</b>				<b>350,000</b>				
	<b>Total Housing Development (including grants to Registered Providers)</b>	<b>1,007,950</b>	<b>940,670</b>	<b>(67,280)</b>	<b>4,050,450</b>	<b>1,703,790</b>	<b>190,460</b>		
	<b>Finance &amp; Estates</b>								
KG025	Garage Site Assembly	180,000	180,000						
KR911	Deferred Works Reserve	236,040	108,450	(127,590)					
KR912	Investment Property	13,244,050		(13,244,050)	13,244,050				
KR914	IDOX Property Management Software	21,180	21,180						
KR915	Energy Performance Surveys and Proposed Building Works	42,000	42,000		15,000	15,000	15,000	15,000	
<b>Growth</b>	<b>Energy Performance Surveys and Proposed Building Works</b>								<b>10,000</b>
<b>Growth</b>	<b>Commercial Properties Refurbishment (MRC Programme)</b>				<b>387,120</b>	<b>226,100</b>		<b>61,020</b>	
KR147	Commercial Properties - Asbestos Removal		20,410	20,410					
KR148	15 The Hyde - Reroofing		12,180	12,180					
	<b>Total Finance &amp; Estates</b>	<b>13,723,270</b>	<b>384,220</b>	<b>(13,339,050)</b>	<b>13,646,170</b>	<b>241,100</b>	<b>15,000</b>	<b>76,020</b>	<b>10,000</b>

APPENDIX B GENERAL FUND CAPITAL STRATEGY

Cost Centre	Scheme	2018/2019			2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
		Q1 Working Budget	January Revised Budget	Variance Q1 Working v January Revised	January Projection	January Projection	January Projection	January Projection	January Projection
		£	£	£	£	£	£	£	£
	<b>Corporate Projects, Customer Services &amp; Technology</b>								
	<b>IT General</b>								
KS251	Harmonising Infrastructure Technology (for shared service)	32,240	32,240						
KS268	Infrastructure Investment	250,450	250,450		200,000	300,000	300,000	300,000	
<b>Growth</b>	<b>Infrastructure Investment</b>				<b>221,100</b>				<b>300,000</b>
	<b>Total IT General</b>	<b>282,690</b>	<b>282,690</b>		<b>421,100</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>
	<b>Employer of Choice (EOC)</b>								
KS260	Replacement HR & Payroll System	23,520	23,520						
KS269	New Intranet	74,150	74,150						
	<b>Total EOC</b>	<b>97,670</b>	<b>97,670</b>						
	<b>Connected to Our Customer (CTOC)</b>								
KS270	Online Customer Account (formerly Capita Advantage Digital)	100,000	100,000						
KS271	Corporate Website - Redesign	99,000	99,000						
KS256	Uniform Implementation	10,000	10,000						
KS263	Waste and Recycling System	80,000	80,000						
KS272	Electronic SMB Reports System								
KS273	Call Recording	46,000	46,000						
KS264	Civica Icon Payments (Car Park Season Ticket Online Solution	10,000	10,000						
KS274	New CRM Technology	99,000	99,000						
KS275	Future Online Development of Civica Icon Payments	20,000	20,000						
TBA	Next Generation Telephony				100,000				
	<b>Total CTOC</b>	<b>464,000</b>	<b>464,000</b>		<b>100,000</b>				
	<b>Housing All Under One Roof Programme</b>								
KS262	On-Line Housing Application Form	3,250	3,250						
	<b>Total Corporate Projects, Customer Services &amp; Technology</b>	<b>847,610</b>	<b>847,610</b>		<b>521,100</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>
	<b>Housing and Investment</b>								
KG024	Asbestos Surveyor for Garages (one year contract)	26,720	26,720						
	<b>Play Centres</b>								
KC910	Pin Green - New Storage Heaters	8,500	8,500						
KC911	Pin green - Replace External lighting	12,000	12,000						
KC912	Pin Green - Replace Hall Lighting	10,000	10,000						
<b>Growth</b>	<b>Pin Green - Recover Flat Roof</b>				<b>35,000</b>				
KC913	Bandley Hill - Replace External Door Sets	6,000	6,000						
<b>Growth</b>	<b>Bandley Hill - Replace Fenestration</b>					<b>30,000</b>			
<b>Growth</b>	<b>Bandley Hill - Replace Hall Floor Covering</b>				<b>25,000</b>				
<b>Growth</b>	<b>St Nicholas - Replacement Doors</b>					<b>10,000</b>			

APPENDIX B GENERAL FUND CAPITAL STRATEGY

Cost Centre	Scheme	2018/2019			2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
		Q1 Working Budget	January Revised Budget	Variance Q1 Working v January Revised	January Projection	January Projection	January Projection	January Projection	January Projection
		£	£	£	£	£	£	£	£
	<b>Housing and Investment (cont'd)</b>								
	<b>Community Centres</b>								
KE902	Community Centres General	32,000	32,000						
	<b>Community Centres</b>								
<b>Growth</b>	<b>St Nicholas - Replacemement Windows &amp; Doors</b>						30,000		
KE471	St Nicholas - Boiler and Hot Water Installation Upgrade	42,000	42,000						
New	St Nicholas Annexe - External Decorations				20,000				
New	Bedwell - External Cedar Cladding Works					5,000			
<b>Growth</b>	<b>Bedwell - Boiler Upgrade</b>					100,000			
KE492	Shephall - Boiler Replacement		45,000	45,000					
KE472	The Oval - Replace Radiators	8,000	8,000						
<b>Growth</b>	<b>The Oval - Replace Windows</b>				15,000				
KE473	Springfield House - Works to External Envelope.	15,000	15,000						
KE484	Springfield House - Boiler upgrade	30,000	30,000						
KE488	Springfield House - Boundary Wall		20,000	20,000					
KE474	Timebridge - Boiler and Hot Water replacement (3/5th of Cost to SBC)	108,000	108,000						
<b>Growth</b>	<b>Timebridge - Resurface Felt Flat Roofs</b>					60,000			
<b>Growth</b>	<b>Symonds Green - Replacement Windowa &amp; Doors</b>					25,000			
	<b>Park Pavilions</b>								
KE907	Park Pavilions General	9,000	9,000						
KE475	Chells - Decommission Shower & Provide Hot Water To Changing Rooms	25,000	25,000						
KE476	Shephalbury Bowls - Reroofing	18,000	18,000						
KE477	Ridlins - Upgrade Heating and Ventilating Equipment	7,500	7,500						
<b>Growth</b>	<b>Ridlins - M&amp;E Refurbishment of AHU Plant &amp; Controls</b>				25,000				
KE478	St Nicholas - Electric Heating Replacement	8,000	8,000						
KE479	Canterbury Way - Demolition	12,000	12,000						
KE493	King George V - Electrical Mains Intake & Supply Head		20,000	20,000					
	<b>Other</b>								
<b>Growth</b>	<b>Ridlins running track refurbishment</b>							35,000	
	<b>Depots</b>								
KE903	Depots	15,000	15,000						
KE480	Cavendish Rd - Office Alterations	35,000	35,000						
<b>Growth</b>	<b>CavendishRd - Re-roofing</b>				15,000	500,000			
	<b>Museum</b>								
KE489	Museum Store Roof Replacement		40,000	40,000					
	<b>Cemeteries</b>								
KE904	Cemetery Buildings	15,000	15,000						
KE481	Weston Road - Replace / Upgrade Electric Space Heating.	25,000	25,000						
KE482	Weston road - External Joinery Decorations	10,000	10,000						



APPENDIX B GENERAL FUND CAPITAL STRATEGY

Cost Centre	Scheme	2018/2019			2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
		Q1 Working Budget	January Revised Budget	Variance Q1 Working v January Revised	January Projection	January Projection	January Projection	January Projection	January Projection
		£	£	£	£	£	£	£	£
	<b>Housing and Investment (cont'd)</b>								
	<b>Council Offices</b>								
KR900	Council Offices	23,710	23,710						
KR139	Swingate House - Reroofing	3,360	3,360						
KR141	Corporate Buildings - Essential Health & Safety Electrical Works	25,000	25,000						
KR142	Corporate and Commercial Buildings - Condition survey	30,000	30,000						
<b>Growth</b>	<b>Daneshill House - Test &amp; Risk Assessment Remedial Works</b>				15,000				
	<b>Operational Buildings</b>								
KE448	Indoor Market Essential Health & Safety Works	113,000	113,000						
KE449	Indoor Market - Fire Alarm Replacement	75,000	75,000						
KE450	Indoor Market Toilet Refurbishment	24,650	24,650						
<b>Growth</b>	<b>Indoor Market - New Hot Air Curtains</b>				20,000				
<b>Growth</b>	<b>Indoor Market - New LED &amp; Lighting</b>					65,000			
	<b>Town Centre</b>								
KR136	Preparation Works to Units 1,4,5 of the former QD Building	57,500	57,500						
KR137	Works to 29 Town Square	27,500	27,500						
KR138	Town Square Assets - Condition Survey	113,000	113,000						
KE033	Town Centre Toilets - Reroofing / Remedial Works	20,000	27,000	7,000					
<b>Growth</b>	<b>Station Ramp</b>				7,500	75,000			
KR143	Town Chambers - Reroofing, Guttering, Rainwater Pipe Replacement. Safe roof access	200,000	200,000						
KR144	Town Chambers - Essential Works to Existing Windows	50,000	50,000						
KR145	Town Chambers / Square - External Facade Structural Repairs	110,000	110,000						
KR146	Town Chambers - Landlords Electrical Inspection and Remedial Works	30,000	30,000						
	<b>Total Housing and Investment</b>	<b>1,380,440</b>	<b>1,512,440</b>	<b>132,000</b>	<b>177,500</b>	<b>870,000</b>	<b>30,000</b>	<b>35,000</b>	
	<b>Regeneration</b>								
KE384	Town Centre Improvements Phase 2 incl wayfinding signage	235,410	235,410						
KE438	Public Realm Improvements to Market Place	503,000	503,000						
KE439	Town Square Improvements (GD1)	545,000	545,000			1,000,000			
<b>Growth</b>	<b>Town Square Improvements (units 3 to 29)</b>					200,000	300,000		
KE454	Town Centre Regeneration Programme (GD1)	5,500,000	4,100,000	(1,400,000)	1,400,000				
<b>Growth</b>	<b>Town Centre Regeneration - Land Assembly (GD1)</b>				100,000				
KE466	Bus Interchange (GD3)	200,000	416,270	216,270	4,500,000	1,600,000			
KE467	CCTV Relocation (GD1)	1,000,000	1,000,000						
<b>Growth</b>	<b>CCTV Relocation (GD1)</b>				1,400,000				
KE439	Town Square Improvements		400,000	400,000			2,100,000		
KE469	Leisure Centre (GD1)	100,000	100,000		1,400,000				
<b>Growth</b>	<b>Public Sector Hub</b>				1,100,000		1,179,000	1,295,000	26,768,000
	<b>Total Regeneration</b>	<b>8,083,410</b>	<b>7,299,680</b>	<b>(783,730)</b>	<b>9,900,000</b>	<b>2,800,000</b>	<b>3,579,000</b>	<b>1,295,000</b>	<b>26,768,000</b>

APPENDIX B GENERAL FUND CAPITAL STRATEGY

Cost Centre	Scheme	2018/2019			2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
		Q1 Working Budget	January Revised Budget	Variance Q1 Working v January Revised	January Projection	January Projection	January Projection	January Projection	January Projection
		£	£	£	£	£	£	£	£
	<b>Community &amp; Neighbourhoods</b>								
KC900	Arts and Leisure Centre - Improvements	29,330	29,330						
<b>Growth</b>	<b>Arts and Leisure Centre - Improvements</b>							150,000	
KC901	Stevenage Swimming Centre	9,220	9,220						
KC202	Fairlands Valley Park - Aqua	7,000	7,000		24,000				
KC226	Fairlands Valley Park - Boathouse Roof Replacement	12,000	12,000						
KC227	Fairlands Valley Park - New Rowing boats/Pedaloos	23,000	23,000						
	Stevenage Golf Centre - Boiler Replacement		20,000	20,000					
KC224	Leisure Stock Condition	40,000	40,000				20,000		
KC221	St Nicholas Play Centre Equipment	19,200	19,200						
KC225	Bandley Hill Play Centre - Treehouse	30,000	30,000						
<b>Growth</b>	<b>Bandley Hill Play Centre - Fencing Replacement</b>				23,000				
<b>Growth</b>	<b>Pin Green Play Centre Equipment</b>				35,000				
KE452	Mobile CCTV Cameras	19,760	19,760						
KE224	CCTV - Replacement Cameras	15,750	15,750		20,000	20,000	20,000	20,000	
<b>Growth</b>	<b>CCTV - Replacement Cameras</b>								20,000
<b>Growth</b>	<b>Cycleways Installations (contribution to £100k Arts Council grant bid)</b>				10,000				
	<b>Total Community &amp; Neighbourhoods</b>	<b>205,260</b>	<b>225,260</b>	<b>20,000</b>	<b>112,000</b>	<b>20,000</b>	<b>40,000</b>	<b>170,000</b>	<b>20,000</b>
	<b>Planning &amp; Regulatory</b>								
KE119	Off Street Car Parks (Multi Storey Car Parks)	389,640	389,640		180,000	225,000	225,000	225,000	220,000
<b>Growth</b>	<b>Multi-storey Car Park - New Entrances/Resurfacing</b>				15,000	25,000	25,000	25,000	25,000
KE900	Off Street Car Parks (Surface Car Parks)	31,910	31,910						
KE122	MSCP's Lighting Improvements	80,000	80,000		20,000				
KE486	CCTV Cameras (en route to MSCP)	10,000	10,000						
KE201	Hard standings	73,810	73,810		50,000	50,000	50,000	50,000	
<b>Growth</b>	<b>Hard standings</b>								50,000
KE100	Residential Parking	78,610	18,610	(60,000)	130,000				
KE470	Electric Car Charging Points	15,000	15,000						
KE217	Parking Restrictions	44,700	44,700		25,000	25,000	25,000	25,000	
<b>Growth</b>	<b>Onstreet Contactless pay</b>				10,000				
KE441	Parking Enforcement - Phased replacement pay & display machines	22,000	22,000						
KE442	Parking Enforcement - Burymead Permit Parking Area Implementation	10,000	10,000						
KE443	Parking Enforcement - Old Town Permit Parking Area Implementation	1,000	1,000		11,000				
KE444	Coreys Mill Lane - Additional Parking Capacity	24,530	24,530						
KG010	House Renovation/Improvement Grants	18,000	18,000						
KG011	Disabled Facilities Grants	257,800	257,800						
	<b>Total Planning &amp; Regulatory</b>	<b>1,057,000</b>	<b>997,000</b>	<b>(60,000)</b>	<b>441,000</b>	<b>325,000</b>	<b>325,000</b>	<b>325,000</b>	<b>295,000</b>

APPENDIX C - HOUSING CAPITAL STRATEGY

Cost Centre	Scheme	2018/2019			2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
		Q1 Working Budget £	January Revised Budget £	Variance Q1 Working Budget v Q2 Revised Budget £	January Projection £	January Projection £	January Projection £	January Projection £	January Projection £
	<b>SUMMARY</b>								
	Capital Programme Excluding New Build	17,319,530	14,719,530	(2,600,000)	20,118,760	19,071,510	18,908,690	15,785,058	14,116,760
	New Build	6,914,130	6,914,130	(0)	27,188,698	16,447,029	16,407,642	13,186,720	13,582,310
	Special Projects & Equipment	784,570	784,570		55,000				
	IT Including Digital Agenda	1,109,570	1,109,570		429,300	157,220	162,310	156,980	306,980
	<b>TOTAL HRA CAPITAL PROGRAMME</b>	<b>26,127,800</b>	<b>23,527,799</b>	<b>(2,600,000)</b>	<b>47,791,758</b>	<b>35,675,759</b>	<b>35,478,642</b>	<b>29,128,758</b>	<b>28,006,050</b>
	<b>HRA USE OF RESOURCES</b>								
	MRR (Self Financing Depreciation)	9,028,270	9,876,416	848,146	22,210,158	12,230,305	13,072,054	13,509,249	13,933,632
	Revenue Contribution to Capital	7,675,440	7,730,823	55,383	13,946,930	11,717,988	10,202,736	8,840,763	7,545,000
	Unpooled Receipts (BH902)								
	New Build Receipts (BH901)	1,866,400	1,709,966	(156,434)	4,825,017	4,934,109	4,139,313	3,095,324	3,188,183
	Debt Provision Receipts (BH903)	1,157,691	410,596	(747,095)	855,393	892,010	928,576	965,007	1,003,000
	Section 20 Contribution (BH905)				797,752	1,681,413	2,039,624	1,798,942	1,152,414
	Land Receipts				400,000			919,473	1,183,821
	S106					417,264			
	Borrowing	6,400,000	3,800,000	(2,600,000)	4,756,508	3,802,670	5,096,339		
	<b>TOTAL HRA RESOURCES FOR CAPITAL</b>	<b>26,127,800</b>	<b>23,527,799</b>	<b>(2,600,000)</b>	<b>47,791,758</b>	<b>35,675,759</b>	<b>35,478,642</b>	<b>29,128,758</b>	<b>28,006,050</b>
	Major Repair Reserve Bought Forward (BH930)	(9,264,380)	(9,264,380)		(12,028,306)	(1,974,598)	(2,347,525)	(2,280,986)	(2,225,363)
	Depreciation (increasing MRR)	(11,792,195)	(11,792,195)		(12,156,450)	(12,603,233)	(13,005,515)	(13,453,626)	(13,934,473)
	MRR Used (decreasing MRR)	9,028,270	9,028,270		22,210,158	12,230,305	13,072,054	13,509,249	13,933,632
	Major Repair Reserve Carried Forward	<b>(12,028,306)</b>	<b>(12,028,306)</b>	<b>(0)</b>	<b>(1,974,598)</b>	<b>(2,347,525)</b>	<b>(2,280,986)</b>	<b>(2,225,363)</b>	<b>(2,226,204)</b>
	Total RTB Receipts Bought Forward	(10,102,359)	(10,102,359)		(9,378,928)	(7,948,665)	(6,598,199)	(6,223,578)	(7,074,341)
	Total RTB Receipts Received	(5,973,640)	(2,526,917)	3,446,723	(4,650,147)	(4,475,653)	(4,693,268)	(4,911,095)	(5,136,032)
	Total RTB Receipts Used by General Fund (RP)	701,330	728,172	26,842					
	Receipts used for Registered Providers								
	Repayment of One for One Receipts		346,232	346,232					
	Debt Provision Receipts Used for Provision of Interest on Repaid One for One Receipts		55,383	55,383					
	Total RTB Receipts Used by HRA & General Fund (for RP)	3,024,091	2,120,562	(903,529)	6,080,410	5,826,119	5,067,889	4,060,331	4,190,800
	Total RTB Receipts Carried Forward	<b>(12,350,578)</b>	<b>(9,378,927)</b>	<b>2,971,651</b>	<b>(7,948,665)</b>	<b>(6,598,199)</b>	<b>(6,223,578)</b>	<b>(7,074,341)</b>	<b>(8,019,573)</b>

APPENDIX C - HOUSING CAPITAL STRATEGY

Cost Centre	Scheme	2018/2019			2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
		Q1 Working Budget £	January Revised Budget £	Variance Q1 Working Budget v Q2 Revised Budget £	January Projection £	January Projection £	January Projection £	January Projection £	January Projection £
	<b>CAPITAL PROGRAMME EXCL. NEW BUILD</b>								
	<b>Planned Investment including Decent Homes</b>								
KH157	Decent Homes - Redecs	20,000	20,000		20,000	20,000	20,000	20,000	20,000
Various1	Decent Homes - Internal Works	2,098,900	2,098,900		1,731,290	1,705,670	1,802,910	1,779,870	14,096,760
Various2	Decent Homes External Works								
Various3	Decent Homes - Roofing								
Various4	Decent Homes - Flat Blocks	5,748,870	5,748,870		12,248,020	12,602,600	12,852,780	11,780,398	
KH205	Communal Heating	1,331,320	1,331,320		1,333,030	1,313,300	1,316,820		
KH092	Lift Installation - Inspection & Remedial Works	307,230	307,230		307,620	303,070	265,390		
KH287	Temporary Lift Provision - Flat Blocks	900,000		(900,000)		450,000	450,000		
KH291	Sprinkler Systems - Flat Blocks	2,000,000	300,000	(1,700,000)	1,700,000				
	High Rises - Preliminary Works				190,000				
	<b>External Works (MRC Programme)</b>								
KH284	Door Replacement	750,000	750,000						
KH285	Window Replacement	900,000	900,000						
	<b>Health &amp; Safety</b>								
KH085	Fire Safety	81,740	81,740		81,400	80,190	80,410	79,380	
KH112	Asbestos Management	381,470	381,470		379,870	374,250	375,250	370,460	
KH114	Subsidence	150,000	150,000		102,540	101,020	101,290	100,000	
KH144	Contingent Major Repairs	450,000	450,000		420,420	425,480	435,560	440,000	
	<b>Estate &amp; Communal Area</b>								
KH223	Asset Review - Challenging Assets	814,460	814,460		615,240	606,140	607,770	600,000	
KH224	Asset Review - Sheltered (non RED)	812,050	812,050		410,160	505,120			
	<b>Other HRA Schemes</b>								
KH174	Energy Efficiency Pilot Projects	25,600	25,600		15,200	15,150	15,190	15,000	
KH094	Disabled Adaptations	547,890	547,890		563,970	569,520	585,320	599,950	
	<b>TOTAL CAPITAL PROGRAMME EXCL. NEW BUILD</b>	<b>17,319,530</b>	<b>14,719,530</b>	<b>(2,600,000)</b>	<b>20,118,760</b>	<b>19,071,510</b>	<b>18,908,690</b>	<b>15,785,058</b>	<b>14,116,760</b>

**APPENDIX C - HOUSING CAPITAL STRATEGY**



		2018/2019			2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Cost Centre	Scheme	Q1 Working Budget £	January Revised Budget £	Variance Q1 Working Budget v Q2 Revised Budget £	January Projection £	January Projection £	January Projection £	January Projection £	January Projection £
	<b>CAPITAL PROGRAMME NEW BUILD</b>								
KH233	New Build Programme	6,914,130	6,914,130	(0)	27,188,698	16,447,029	16,407,642	13,186,720	13,582,310
	<b>TOTAL CAPITAL PROGRAMME NEW BUILD</b>	<b>6,914,130</b>	<b>6,914,130</b>	<b>(0)</b>	<b>27,188,698</b>	<b>16,447,029</b>	<b>16,407,642</b>	<b>13,186,720</b>	<b>13,582,310</b>

APPENDIX C - HOUSING CAPITAL STRATEGY



Cost Centre	Scheme	2018/2019			2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
		Q1 Working Budget £	January Revised Budget £	Variance Q1 Working Budget v Q2 Revised Budget £	January Projection £	January Projection £	January Projection £	January Projection £	January Projection £
TBA	<b>HIGH VALUE VOIDS LEVY</b> High Value Voids Levy								
	<b>SPECIAL PROJECTS &amp; EQUIPMENT</b>								
	<b>HRA Resurfacing</b>								
KH276	Skipton Close - Resurfacing Parking Areas	23,300	23,300						
KH277	Kimbolton Crescent - Resurfacing Footpaths/Parking Areas	11,920	11,920						
	<b>HRA Equipment</b>								
KH015	Capital Equipment (including Supported Housing Equipments)	94,460	94,460		55,000				
KH278	Vans for RVS	654,890	654,890						
	<b>Sub Total Special Projects &amp; Equipment</b>	<b>784,570</b>	<b>784,570</b>		<b>55,000</b>				

APPENDIX C - HOUSING CAPITAL STRATEGY

Cost Centre	Scheme	2018/2019			2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
		Q1 Working Budget £	January Revised Budget £	Variance Q1 Working Budget v Q2 Revised Budget £	January Projection £	January Projection £	January Projection £	January Projection £	January Projection £
	<b>INFORMATION TECHNOLOGY</b>								
KH217	Northgate Additional Modules								
	<b>IT General (IT)</b>								
KH218	ICT Programme (Business Plan)	90,810	133,760	42,950	81,970	151,890	156,980	156,980	156,980
KH235	ICT Equipment	23,650		(23,650)	10,000				
KH251	Harmonising Infrastructure Technology (for shared service)	23,920	23,920						
KH268	Infrastructure Investment	125,240	125,240						
<b>Growth</b>	<b>Keystone Module (to support fire safety)</b>				<b>32,000</b>				
<b>Growth</b>	<b>Tablets (x144)</b>				<b>5,330</b>	<b>5,330</b>	<b>5,330</b>		
<b>KH268</b>	<b>Infrastructure Investment</b>				<b>110,000</b>				<b>150,000</b>
	<b>Total General IT</b>	<b>263,620</b>	<b>282,920</b>	<b>19,300</b>	<b>239,300</b>	<b>157,220</b>	<b>162,310</b>	<b>156,980</b>	<b>306,980</b>
	<b>Employer Of Choice (EOC)</b>								
KH259	Replacement HR & Payroll System	11,780	11,780						
KH269	New Intranet	37,120	37,120						
	<b>Total EOC</b>	<b>48,900</b>	<b>48,900</b>						
	<b>Connected To Our Customers (CTOC)</b>								
KH270	Online Customer Account (formerly Capita Advantage Digital)	100,000	100,000						
KH271	Corporate Website - Redesign	51,000	51,000						
KH272	Electronic SMB Reports System								
KH273	Call Recording	12,000	12,000						
KH288	New CRM Technology		99,000	99,000					
KH289	Future Online Development of Civica Icon Payments		20,000	20,000					
	<b>Total CTOC</b>	<b>163,000</b>	<b>282,000</b>	<b>119,000</b>					
	<b>Housing All Under One Roof programme (HAUOR)</b>								
KH256	Automated Tenancy Contracts TA	6,000		(6,000)					
KH261	Mobile Working - Housing Management	9,180		(9,180)					
KH265	Planned Maintenance Software	4,120		(4,120)					
KH283	Housing Improvements	568,000	84,000	(484,000)	190,000				
KH260	On-Line Housing Application Form	46,750	46,750						
KH286	Housing Document Management System		240,000	240,000					
	Online Tenants Self-Service		125,000	125,000					
	<b>Total HAUOR</b>	<b>634,050</b>	<b>495,750</b>	<b>(138,300)</b>	<b>190,000</b>				
	<b>TOTAL ICT INCLUDING DIGITAL AGENDA</b>	<b>1,109,570</b>	<b>1,109,570</b>		<b>429,300</b>	<b>157,220</b>	<b>162,310</b>	<b>156,980</b>	<b>306,980</b>

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**Meeting** EXECUTIVE  
**Portfolio Area** All  
**Date** 23 January 2019



## POTENTIAL IMPACT OF THE UK'S WITHDRAWAL FROM THE EUROPEAN UNION

### NON KEY DECISION

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### 1 PURPOSE

- 1.1 To update Members on the potential impact on Stevenage and Stevenage Borough Council in the event of a 'no deal' European Union (EU) Exit.
- 1.2 To advise Members of ongoing planning activities and future work required to mitigate the impact.

### 2 RECOMMENDATIONS

- 2.1 That the Executive notes the complex and uncertain situation created by the EU Exit and the mitigations being prepared by officers to ensure vital services continue to work effectively in the event of a no deal EU withdrawal.

- 2.2 That the Executive requests that the Local Strategic Partnership (Stevenage Together) prepares to re-establish the economic taskforce, to consider the potential impact of the EU withdrawal on local residents and businesses and to develop an appropriate response.
- 2.3 That officers report back to Executive portfolio holders once there is more certainty about the EU withdrawal on additional mitigation or actions required.

### **3 BACKGROUND**

- 3.1 On 23 June 2016, the UK voted, through a referendum, to leave the EU. In March 2017, the Prime Minister invoked Article 50 of the Lisbon Treaty, formally notifying the European Council of the UK's intention to leave. This provided a two year negotiation period in which to agree future ties, with the UK exiting the EU on 29th March 2019.

#### **Withdrawal from the EU**

- 3.2 The European Union (Withdrawal) Act 2018 (BD1) received Royal Assent on 26 June 2018. The Act repeals the European Communities Act 1972 (ECA) on the day the United Kingdom leaves the European Union. Its principal purpose is to provide a functioning statute book on the day the UK leaves the EU. As a general rule, the same rules and laws will apply on the day after exit as on the day before. It will then be for Parliament and, where appropriate, the devolved legislatures to make any future changes. The Act also enables domestic law to reflect the content of a withdrawal agreement under Article 50 of the Treaty on European Union once the UK leaves the EU, subject to the prior enactment of a statute by Parliament approving the final terms of withdrawal.
- 3.3 Negotiation between the UK and EU led to a proposed Withdrawal Agreement which was due to be voted on by the House of Commons on 11 December 2018. However, on 10 December, the Prime Minister told the House of Commons she would postpone the vote, stating: 'it is clear that while there is broad support for many of the key aspects of the deal, on one issue, the Northern Ireland backstop, there remains widespread and deep concern'. She advised that: 'In advance of the European Council I will go to see my counterparts in other member states and the leadership of the Council and the Commission. I will discuss with them the clear concerns that this House has expressed.' (BD2). The vote has since been re-scheduled for 15 January 2019.
- 3.4 If Parliament approves the Withdrawal Agreement and framework for the UK's future relationship with the EU, the Government will bring forward the EU (Withdrawal Agreement) Bill to give the Withdrawal Agreement domestic legal effect. There would then be a transitional phase after the UK leaves the EU to enable the new political and economic relationship to be put into place, which is due to end in December 2020.
- 3.5 However, at the time of finalising this Executive report (10 January 2019), a no deal scenario remains a possibility, whereby the UK leaves the EU and becomes a third country on 29 March 2019, without a Withdrawal Agreement and a framework for a future relationship between the two parties. Whilst the

Government's stated priority is to deliver the Withdrawal Agreement, it is also preparing for alternative scenarios and on 18 December, the Cabinet agreed to proceed with the Government's next phase of no deal planning as an 'operational priority', by accelerating and intensifying these preparations.

### **The Post-EU Exit Economy**

- 3.6 The economic consequences of the EU Exit for the Council and for local residents and businesses will be key to understanding its impact on Stevenage as a place over the short to medium-term. However, these consequences are extremely difficult to predict.
- 3.7 In November 2018, the Bank of England published a report (BD3) at the request of the House of Commons Treasury Committee that set out a number of withdrawal scenarios. The report confirms that 'the outlook for inflation, growth and employment depends significantly on the nature of EU withdrawal, in particular: the form of new trading arrangements between the EU and UK; whether the transition to them is abrupt or smooth; and how households, businesses and financial markets respond.' However, it indicates that in the event of a no deal, and in the worst case scenario, economic outcomes could include: falls in output; a slowdown in productivity growth; a reduction in net inward migration; a rise in structural unemployment; a rise in inflation; exchange rate deterioration; and households and firms adjusting behaviours in response to expectations of lower incomes.
- 3.8 At the Hertfordshire level, the Local Economic Partnership (LEP) has considered several analyses of the impact of EU Exit on the county and published a report (available in BD4) that reviews their results. The report reaches several conclusions that are of particular relevance to Stevenage.
- 3.9 Overall, the LEP concludes that while there are some positive opportunities from EU Exit, negative economic consequences are predicted in every scenario.
- 3.10 The LEP identifies an analysis by the London School of Economics (LSE) as particularly useful in understanding local impacts, as it makes modelled predictions of the economic impact for each district (available in BD5) using a measure called Gross Value Add (GVA). GVA is the measure of goods and services produced and is linked to measurement of GDP. The LSE predicts some Hertfordshire districts (Watford and East Hertfordshire) as being amongst the most negatively impacted in the country, whilst Stevenage is ranked 98 out of 380 local authorities considered, with a Soft Brexit GVA impact of -1.3%, and Hard Brexit GVA impact of -2.4%. In comparison the LEP state the countywide impact of the 2009 recession as -4.1%.

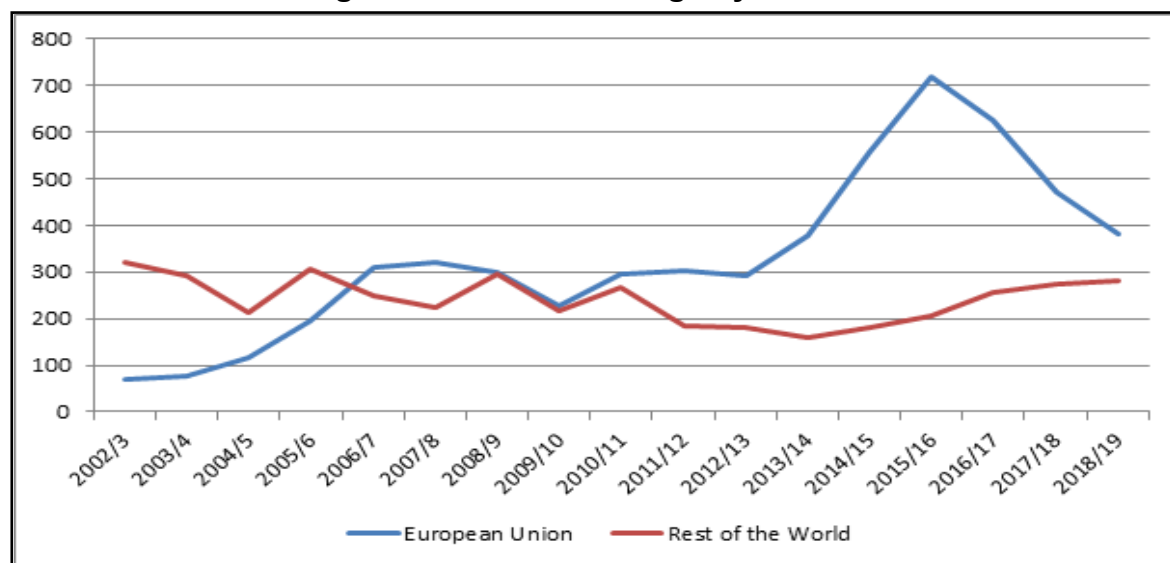
## LSE CEP Analysis of Local Impacts: Potential GVA Loss in Hertfordshire

Ranking by severity of GVA contraction under hard Brexit	Local Authority	Soft Brexit	Hard Brexit
4	Watford	-1.5	-3.1
6	East Hertfordshire	-1.5	-2.8
14	Three Rivers	-1.4	-2.8
18	St Albans	-1.3	-2.7
21	Hertsmere	-1.4	-2.7
58	Broxbourne	-1.3	-2.5
60	Welwyn Hatfield	-1.3	-2.5
63	Dacorum	-1.3	-2.5
98	Stevenage	-1.3	-2.4
130	North Hertfordshire	-1.3	-2.3

Source: S. Dhingra, S. Machin & H. G. Overman (2017) *The Local Economic Effects of Brexit*, LSE CEP Brexit Paper 10

- 3.11 The LEP identifies industries with the greatest supply chain risk due to trade and customs disruption with the EU as being chemicals, pharmaceuticals, aerospace, automotive and financial services. The report highlights that Hertfordshire has a significant number of employees in financial services (12,400) and aerospace (2,000) and that aerospace employment is particularly concentrated in Stevenage (1,300 employees).
- 3.12 The report finds that, for the UK as a whole, the most exposed broad industrial group to the withdrawal of EU migrant workers is the financial and business services sector, in which 4.1% of employees were born in an EU country. National Insurance registrations by EU nationals have already fallen considerably in Stevenage since a peak of 720 in 2015/16, and are likely to be around half that in 2018/19 based on the year to date (see chart below). This reduction in EU migrant workers may impact on the Stevenage economy.

### National Insurance registrations in Stevenage by Overseas Nationals

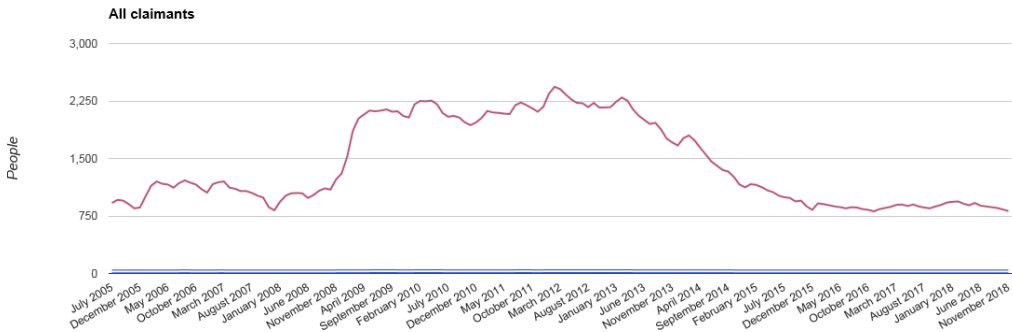


\* 2018/19 figures pro-rata based on first two quarters Source: DWP Stat-Xplore

3.13 A further area considered within the LEP report is the potential for prices to rise as a result of depreciation of sterling, trade tariffs, and labour cost increases. This is likely to affect household real incomes and welfare, with low income groups and deprived neighbourhoods being particularly vulnerable. Bedwell and the South-Eastern part of Bandle Hill are identified as particularly at risk as they are amongst the most deprived parts of Hertfordshire identified in the Index of Multiple Deprivation (IMD) 2015 analysis by the Ministry of Housing Communities and Local Government (MHCLG).

3.14 This situation is reminiscent of the period following the recession in 2009, when price rises led to reduced real incomes, with associated impacts on financial hardship and consumer spending. That period also saw an increase in the number of benefit claimants in Stevenage, as is illustrated in the graph below, and may be repeated if the EU Exit leads to rising levels of unemployment in the town:

**Out-of-work claimant count in Stevenage 2005-2018**



Source: Office for National Statistics (ONS claimant count by sex and age)

3.15 At the time of the last recession, the Stevenage Local Strategic Partnership responded through the work of the So Stevenage Economic Taskforce. The taskforce, which had been set up in 2008 to look at income maximisation and assist people to manage their finances effectively, expanded its role in 2009, seeking to address wider issues of recession on individuals, families and businesses. It continued to operate until 2015/16.

3.16 In 2013, the Welfare Reform Steering Group was also established, specifically to co-ordinate and oversee joint action in response to the impact of welfare reforms on local residents.

**State of Readiness**

3.17 The Ministry of Housing, Communities and Local Government (MHCLG) wrote to all Chief Executives of Local Authorities on 19 October 2018 regarding their preparations and readiness for the EU Exit, stating that ‘the government is confident it will secure a good deal but believes it to be responsible and prudent to also prepare for a no deal scenario.’ This was followed by a series of engagement events for senior local authority officers, aimed at discussing preparations and providing support. The Assistant

Director (Corporate Services and Transformation) attended one of these events on 18 December 2018.

- 3.18 The Local Government Association (LGA), of which Stevenage Borough Council is a member, has represented local government at the national level during the EU Exit negotiations and preparations. The association regularly briefs parliamentarians on issues of concern to local government and continues to seek assurances from the Government in relation to the impact of the EU Exit on its members. The LGA has established a Brexit Advice Hub on its website, to support local authorities in mitigating risks and capturing the opportunities associated with the EU Exit.
- 3.19 A significant amount of parliamentary time and government departmental effort is currently focused on Brexit and this can be expected to continue after the UK exits the EU. This is likely to impact on the capacity of the Government to take forward other policy matters in the short to medium term, which in turn could affect progress in the local government sector.

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

- 4.1 In response to the considerable uncertainty and Government communication with local authorities as outlined above, officers have worked on plans for a no deal EU Exit, both from a business continuity perspective and in terms of the Council's response to potential economic, service demand, regulatory, workforce and community cohesion impacts.
- 4.2 In addition, the Leader wrote to the Secretary of State for Exiting the European Union in October 2018, seeking clarity on the impact the UK's withdrawal from the EU could have on Stevenage. A response was received from the Department on 20 December 2018, acknowledging concerns of local councils, making reference to Ministers' engagement with businesses, industry bodies and civil society groups and re-iterating previous advice regarding the need to prepare for all eventualities (including the no deal scenario). The Government will continue to publish Impact Assessments to accompany legislation where appropriate.
- 4.3 The no deal scenario is the only one examined by officers for several reasons. Firstly, it is the scenario with the greatest degree of change compared to now, so even if a deal is agreed, its impacts will likely have been considered as part of no deal planning. Secondly, at the time of finalising this report, a deal has not been agreed, which officers can effectively consider and plan for.
- 4.4 Over the course of August, September and October 2018, the Government published 106 technical notices providing information to citizens, businesses and organisations on how to prepare if the UK leaves the EU with no deal (BD6). The Local Government Association issued a Brexit 'No Deal' Briefing in October, including a checklist of issues, impacts and actions arising from the technical notes, highlighting those with direct implications for local authority services, programmes and systems (BD7). Officers have used this

information to understand the implications and to design mitigations and have also drawn on advice being given by professional and industry bodies.

- 4.5 Executive portfolio holders have been briefed as to the risks associated with their portfolios and the Senior Leadership Team is actively monitoring mitigation actions against these risks. A summary of the key issues identified through the impact assessment undertaken by officers is presented in paragraphs 4.6 to 4.44 below. The Executive is recommended to note the complex and uncertain situation created by the EU Exit and the mitigations being prepared by officers to ensure vital services continue to work effectively in the event of a no deal EU withdrawal.

### **Financial issues associated with a potential economic downturn**

#### *Treasury management*

- 4.6 The impact of a no deal EU exit on the pound may result in higher borrowing costs in future as PWLB (Public Works Loan Board) rates are linked to gilts. The HRA Business Plan includes significant borrowing over the next few years and this could have a negative impact.
- 4.7 Officers continue to monitor movements in borrowing rates and will integrate EU Exit considerations into reviews of borrowing rates for the HRA.

#### *Business rates & fees and charges*

- 4.8 Business rates form a significant proportion of the Council's income and the re-location of any of the major businesses away from Stevenage would have a detrimental impact. In particular, in recent years the Council has ringfenced business rates gains (i.e. those above a baseline amount) to support its regeneration plans.
- 4.9 Further losses in fees and charges income (e.g. from garages, car-parking charges and commercial buildings) may arise as a result of lower consumer spending or cost inflation.
- 4.10 In respect of business rate income, there is a safety net which means that the Government would step in to top up any losses above £180k. The General Fund budget includes a ring-fenced reserve of £172k for one year. Any losses of business rates and income from fees and charges above that budgeted for would require an increase in the savings target for the General Fund and/or a reduction in expenditure by stopping services.
- 4.11 Officers will continue to liaise with businesses in the town to understand their challenges and future plans in the changing economic environment.

#### *Contractual costs*

- 4.13 The Council is a significant procurer of goods, works and services, with a number of current contracts and planned procurements involving a significant amount of spend, particularly in relation to investment and development schemes. Several of the potential economic outcomes identified in the Bank of England analysis referred to in paragraph 3.7 above could impact on the costs associated with existing and future council contracts. Those contracts which are index linked to inflation or are priced in dollars/euros could be vulnerable to inflationary rises or exchange rate deterioration, whilst

contractors may also be affected by the impact of increased tariffs on material supplies.

- 4.14 Officers will continue to monitor the effect on particular contracts through established contract procurement and management arrangements and by monitoring fluctuations in currency exchanges and inflation. In the event of significant price increases, options would include value engineering specifications, re-prioritising works and services or finding savings elsewhere to cover the increased costs.

*Recycling income and disposal*

- 4.15 The Council's arrangements for the sale and processing of its dry mixed recycling streams are potentially exposed to any volatility in the market, be that the availability of processing capacity or fluctuating income rates.
- 4.16 The UK recyclable material processing industry does not have sufficient capacity to absorb all of the dry mixed recyclables the UK collects and trades dry recyclables on the international market in order to achieve the best income streams and/or lowest costs. Recent trade restrictions implemented by China on waste and recycle imports has affected UK markets and this could be exacerbated by trade restrictions with EU countries.
- 4.17 SBC currently utilises UK based recycle processing companies but it is possible that their capacity for off contract processing arrangements reduces in the future, which could affect the Council's outlets for domestic recyclables it has collected.
- 4.18 Contractual arrangements are currently under review, with a view to provide a degree of security that mitigates against the level of turbulence and uncertainty.

*Financial hardship*

- 4.19 As set out in section 3 above, in the event of an economic downturn and rising prices, employment levels and real incomes could be impacted. Households on low incomes and welfare benefits are likely to be especially hard hit by rising inflation and the increased cost of basic goods and services. This can be expected to result in increased demand for council services and the need for a joined up, partnership approach to supporting those experiencing financial hardship.
- 4.20 In view of the risk of an economic downturn in the event of a no deal Brexit, it is recommended that the Executive requests that the Local Strategic Partnership (Stevenage Together) prepares to re-establish the Stevenage Economic Taskforce with appropriate representatives from the public, private and third sectors. The taskforce would consider the potential impact of the EU withdrawal on local residents and businesses to develop an appropriate response. This work would be supported by the other three Stevenage Together partnership groups (i.e. the Health and Wellbeing, Social Inclusion and Community Safety partnerships) as well as the Welfare Reform Steering Group. The Homelessness and Rough Sleeping Strategy that is under review will also incorporate consideration of these impacts.



## **Development and Investment Plans**

### *Regeneration, housing delivery and housing investment plans*

- 4.21 The Council's key priorities incorporate significant investment plans for Stevenage, including town centre regeneration, an ambitious new build housing programme and major improvements to the council housing stock. Delivery of these plans could be impacted in the event of a no deal by rising contract values (as discussed above), land value fluctuations and the ability to retain contracts in an economically unstable environment.
- 4.22 Officers continue to maintain ongoing dialogue with construction contractors and developers to understand their perspective of the impact of the EU Exit. The corporate contracts and procurement group will co-ordinate activity in relation to contract management controls and consideration of the issue of retention when procuring future contracts.

### *Local planning targets and infrastructure*

- 4.23 Economic conditions directly affect investor confidence and construction activity and in the event of an economic downturn, it may become more difficult to meet local planning targets to deliver new homes and jobs. In addition, the planned introduction of the Housing Delivery Test will link Government funding to housing completions, and any reduction in development activity would directly affect the Council's available resources.
- 4.24 Local infrastructure investment projects can be reliant on European funding streams. Although Stevenage Borough Council is not currently in receipt of any direct funding, the LEP has been allocated several EU funding streams, some of which may impact on Stevenage. In the event of a no deal, the Government has guaranteed projects that would have been funded by the EU under its 2014-2020 funding programmes. Thereafter, the Government is making plans for alternative UK-based funding programmes but the details of these are yet to be confirmed.

## **Regulatory & Border Control Issues**

### *Procurement and State Aid*

- 4.25 European procurement rules are enshrined in UK law and legislation would be required to amend this. In the event of a no deal, the Government plans to make available a UK-specific e-notification service to replace the EU system. The advice is that the new system will be operational on the day of the exit, but it may be prudent to avoid planning to advertise procurements above the OJEU thresholds early in the 2019/20 financial year, in case of any system issues. The Corporate Procurement Manager has attended a meeting set up by the East of England LGA about public procurement post Brexit and officers across the Council are being kept informed of the procurement implications of the EU Exit through the Council's corporate contract and procurement group.
- 4.26 The Government has indicated its support for a rigorous state aid system and its intention to transpose the EU state aid rules into domestic legislation even if the UK exits the EU without a Withdrawal Agreement. The Competition and Markets Authority will take on the role of enforcement and supervision of the state aid regime for the UK from March 2019 if there is no deal.

### *Environmental Health inspection burdens*

- 4.27 With very few exceptions (e.g. lack of secondary legislation to control industrial emissions standards) the EU Withdrawal Act 2018 will ensure all existing EU environmental health law continues to operate in UK law, even in a no deal situation. However, changes to enforcement priorities may ensue in the short to medium term. Also the movement of foodstuffs across borders may result in increased inspection and certification of products for export or import. The enforcement of food safety and standards falls not only on district councils but also on Trading Standards at Hertfordshire County Council and a cross-boundary response will be required, through existing joint liaison arrangements.

### *Data protection*

- 4.28 A no deal exit would break the legal framework for cross-border personal data transfer with the EU. The UK Government has said it is a high priority to replace this post-Brexit, but there are no clear timescales. The EU has a mechanism to allow the flow of personal data to countries outside the EU (an 'adequacy decision'). If the EU does not make a decision regarding the UK at the point of exit, the Council would need to identify a legal basis for data transfers, which is likely to require standard contractual clauses or use of applicable exemptions listed under the GDPR to cover data transfers from the EU to the UK.
- 4.29 Primarily this would impact cloud-based systems (e.g. "traditional" IT systems, free apps, telephony etc.) that are hosted abroad, although further impact could occur on broader contracts and arrangements entered into by council service teams that involve transfers of personal data.
- 4.30 Some agreements may also currently rely on the EU/US privacy shield for GDPR compliance. The US Department of Commerce has updated its advice to Privacy Shield participants (i.e. US companies), who will have to update any language regarding their public commitment to comply with the Privacy Shield if they wish to continue to receive personal data from the UK following the withdrawal from the EU in March 2019.
- 4.31 Officers have commenced an audit of the location of all transferred data handled across council services and the specific safeguards used/required to protect transferred data in line with GDPR requirements.

### **Business Continuity**

#### *Fuel supplies*

- 4.32 The Council's fuel supplies are purchased through the Crown Commercial Service (CCS) Framework and the CCS is in dialogue with their suppliers regarding contingency plans. Whilst supply shortages are not currently anticipated, officers will keep CCS updates under review. The Council's diesel stocks will last for a limited period in the event of a shortage of supply and will be replenished as close to the Brexit date as possible. Limited fuel supplies could also impact on members of staff who use their own vehicles to travel to work and to undertake council business.
- 4.33 Regional or national contingency measures would be implemented in the event of wider supply impacts. It is anticipated that supplies would in this

case be allocated and released based on priority of the service. Certain reductions in non-critical services may have to be implemented if regional or national contingency measures are implemented.

## **EU Residents and Workforce**

### *EU resident status*

- 4.34 In December 2017 the UK Government reached an agreement with the EU on citizens' rights, which protects the rights of EU citizens and their close family members after the UK leaves the EU. In March 2018 this was extended to cover those arriving during the implementation period (i.e. to end 2020).
- 4.35 A House of Commons Briefing Paper published on 28 December 2018 (BD8) explains that EU nationals resident in the UK at the moment of withdrawal will be covered by one of two legal regimes in the absence of a concluded Withdrawal Agreement. This is dependent on the speed with which the UK Parliament legislates to bring the negotiated 'citizens' rights' chapter of the Withdrawal Agreement into force in the UK – which it can do entirely separately from actually concluding that agreement with the EU.
- 4.36 If the 'citizens' rights' legislation is domestically implemented by 29 March 2019, all EU nationals resident in the UK at the date of withdrawal will be eligible for either 'settled status' or for the pathway to 'settled status', called 'pre-settled status'. EU citizens and their family members in the UK will need to apply to secure their rights through a digital system. The EU Settlement Scheme will be open fully by 30 March 2019 and the deadline for applying will be 30 June 2021.
- 4.37 If the legislation is not introduced by 29 March, then the status of EU nationals resident in the UK on exit day will continue to be determined by the current legislation applicable to EU and EEA nationals.
- 4.38 The Government is developing a vulnerability strategy for vulnerable EU citizens, such as those who may be homeless. The Government is to make available grant funding totalling £9million for local community and voluntary groups so they can support vulnerable EU nationals to apply for either 'pre-settled status' or 'settled status'. In addition the Government is planning to put in place an assisted digital service that will be provided through 100 centres across the country. Some local authorities across the country will also be offering passport and ID card verification services. This is currently being piloted across 12 local authority areas.
- 4.39 Arrangements will be put into place to signpost Stevenage residents and employees who are EU citizens to the information held on the Government's website advice in relation to the Settlement Scheme. It will also be important to communicate with EU citizens on the electoral register regarding their continuing eligibility to vote in the local elections.

### *EU workforce*

- 4.40 Based on the information employees provide, there are only a small number of council employees who are EU citizens and may be impacted by EU withdrawal. As outlined above, there will be no immediate impact on their right to work and arrangements will be put into place to provide support and

signpost impacted staff to the Settlement Scheme. The Council may be required to put arrangements into place to verify the right to work status of all employees.

- 4.41 Hertfordshire County Council (HCC) has reported (BD9) that approximately 16% of the care workforce in Hertfordshire is from the EU and there is evidence that the decision to leave the UK has already impacted the county's homecare workforce. There are concerns that following the EU withdrawal, it may become more difficult to fill careworker positions with workers from outside of the UK and this could in turn impact on Stevenage residents and the support required by vulnerable council tenants. HCC's Human Resources is conducting an analysis of the County Council's workforce with a view to producing an overall workforce strategy to address key priority areas.
- 4.42 However, in terms of the care provided at Stevenage Borough Council's flexicare schemes, officers have confirmed with care providers at the schemes that they do not currently employ a significant number of EU citizens.

#### **Community cohesion**

- 4.43 The police have existing arrangements in place to monitor community tension. The Council will continue to liaise with the police to keep the outcomes of this monitoring under review throughout the EU Exit period, to ensure there is a co-ordinated response through the Community Safety Partnership should any community cohesion issues arise.

#### **Electoral issues**

- 4.44 As a result of the unprecedented uncertainty that currently exists, there is the potential for unanticipated elections and/a second referendum taking place over the coming months if the Withdrawal Agreement is not approved. This would put pressure on resources and could cause some disruption to ongoing council business.

#### **Communications**

- 4.45 The Council has a critical role to ensure that local residents, community and local groups and businesses have access to up to date governmental advice on preparations for Brexit. A new Brexit information hub on the Council's website is in development to ensure that all stakeholders have access to timely advice and support. This will include advice on the EU Settlement Scheme, EU national electoral status and links to key technical notes. A communication plan is also to be produced to ensure key stakeholders are made aware of the hub and where to access advice and support services.

## **5 IMPLICATIONS**

### **Financial Implications**

- 5.1 As outlined in the body of this report, the Council's financial position could be negatively impacted if the EU Exit leads to an economic downturn. However, it is not possible at this time to quantify the level of this impact, given the

considerable uncertainty surrounding the EU Exit and the difficulty associated with forecasting the economic outcomes of different scenarios. As stated in paragraph 4.5, the Senior Leadership Team is actively monitoring EU Exit risks, and will keep the potential financial impacts under review as part of this process. The Executive will be kept informed through the quarterly budget monitoring reports.

### **Legal Implications**

- 5.2 The European Union (Withdrawal) Act 2018 received Royal Assent on 26 June 2018. The Act repeals the European Communities Act 1972 (ECA) on the day the United Kingdom leaves the European Union. The Act ends the supremacy of European Union (EU) law in UK law, converts EU law as it stands at the moment of exit into domestic law, and preserves laws made in the UK to implement EU obligations. It also creates temporary powers to make secondary legislation to enable corrections to be made to the laws that would otherwise no longer operate appropriately once the UK has left, so that the domestic legal system continues to function correctly outside the EU. The Act also enables domestic law to reflect the content of a withdrawal agreement under Article 50 of the Treaty on European Union once the UK leaves the EU, subject to the prior enactment of a statute by Parliament approving the final terms of withdrawal.

### **Risk Implications**

- 5.3 The risks associated with the EU Exit in a no deal scenario form the main subject matter of this Executive report. As referred to in paragraph 4.5, the Senior Leadership Team is actively monitoring mitigations and the Corporate Risk Group will be kept informed through its regular reviews of the Strategic and Business Unit Risk Registers.

### **Equalities and Diversity Implications**

- 5.4 As referred to elsewhere in this report, the general effect of the EU Withdrawal Act 2018 is to preserve existing domestic legislation which implements EU obligations and to convert EU law as it applies in the UK at the point of leaving the EU into domestic law. The Equality Act 2010 consolidated decades of domestic legislation and transposed EU law and will continue to apply at the point of leaving the EU.
- 5.5 The recommendation to re-establish the Stevenage Economic Taskforce aims to ensure that the impact of the EU Exit on Stevenage residents is properly understood and that appropriate support is given particularly to people on low incomes who would be most vulnerable in the event of an economic downturn.
- 5.6 The Council will continue to liaise with the Police and other partners both directly and through the Community Safety Partnership and the Social Inclusion Partnership, to ensure that community cohesion issues that arise are identified and addressed.
- 5.7 There will be no change to the rights and status of EU citizens living in the UK until 2021. Current and prospective employers have a duty not to

discriminate against EU citizens in light of the UK's decision to leave the EU. Current 'right to work' checks (e.g. EU passport and / or national ID card) apply until the end of 2020. As referred to in paragraph 4.40, arrangements will be put into place to provide support and signpost impacted staff to the "Settlement Scheme".

## **BACKGROUND DOCUMENTS**

- BD1 The European (Withdrawal) Act 2018, HMSO, 2018, <http://www.legislation.gov.uk/ukpga/2018/16/contents/enacted>
- BD2 Exiting the EU, Hansard vol. 651, 10 December 2018, <https://hansard.parliament.uk/Commons/2018-12-10/debates/45B04B71-E595-4C17-AA41-686E96BF70E3/ExitingTheEuropeanUnion>
- BD3 EU withdrawal scenarios and monetary and financial stability: A response to the House of Commons Treasury Committee, Bank of England, November 2018, <https://www.bankofengland.co.uk/report/2018/eu-withdrawal-scenarios-and-monetary-and-financial-stability>
- BD4 Brexit and Hertfordshire: Understanding the risks and potential impacts, Hertfordshire Local Economic Partnership, 2018, <https://www.hertfordshirelep.com/media/6882/brexit-hertfordshire-2018.pdf>
- BD5 The Local Economic Effects of Brexit; CEP Brexit Analysis no.10, London School of Economics 2017, <http://cep.lse.ac.uk/pubs/download/brexit10.pdf>
- BD6 How to prepare if the UK leaves the EU with no deal, Department for Exiting the European Union, August-October 2018, [www.gov.uk](http://www.gov.uk)
- BD7 Brexit 'no deal' briefing for councils, Local Government Association, October 2018, <https://www.local.gov.uk/parliament/briefings-and-responses/brexit-no-deal-briefing-councils>
- BD8 Briefing paper: What if there's a no Brexit deal?, House of Commons Library, December 2018, <http://researchbriefings.files.parliament.uk/documents/CBP-8397/CBP-8397.pdf>
- BD9 Reports to the Resources and Performance Cabinet Panel, Hertfordshire County Council, 6 June 2018 and 16 November 2018, [www.hertfordshire.gov.uk](http://www.hertfordshire.gov.uk)

## **APPENDICES**

None

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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