

# Public Document Pack



## EXECUTIVE

**Date: Wednesday, 20 November 2019**

**Time: 2.00pm**

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

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

**committees@stevenage.gov.uk**

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

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## AGENDA

### PART 1

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

**2. MINUTES - 9 OCTOBER 2019**

To approve as a correct record the Minutes of the meeting of the Executive held on 9 October 2019 for signature by the Chair.

Page Nos. 5 - 14

**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 – 15 October 2019

Page Nos. 15 - 20

**4. HOMELESSNESS AND ROUGH SLEEPER STRATEGY**

To consider the proposed Homelessness and Rough Sleeper Strategy.

Page Nos. 21 - 94

**5. COUNCIL TAX SUPPORT SCHEME 2020/21**

To consider and recommend to Council the proposed Council Tax Support Scheme for 2020/21.

Page Nos. 95 – 108

**6. 2019/20 MID YEAR TREASURY MANAGEMENT REVIEW**

To consider and recommend to Council the Mid Year review of the 2019/20 Treasury Management Strategy.

Page Nos. 109 - 134

**7. SECOND QUARTER REVENUE MONITORING REPORT 2019/20 - GENERAL FUND AND HOUSING REVENUE ACCOUNT**

To consider the Second Quarter Revenue Monitoring report 2019/20 - General Fund and Housing Revenue Account.

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**8. SECOND QUARTER CAPITAL MONITORING REPORT 2019/20 - GENERAL FUND AND HOUSING REVENUE ACCOUNT**

To consider the Second Quarter Capital Monitoring Report 2019/20 – General Fund and Housing Revenue Account.

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**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. FINANCIAL SECURITY OPTIONS 2020/21 - 2022/23**

To consider Financial Security Options for 2020/21 - 2022/23.

Pages 167 - 288

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

Agenda Published 12 November 2019

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## STEVENAGE BOROUGH COUNCIL

### EXECUTIVE MINUTES

**Date: Wednesday, 9 October 2019**

**Time: 2.00pm**

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

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

**Start / End Time:** Start Time: 2.00pm  
End Time: 3.44pm

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

Apologies for absence were received from Councillor Lloyd Briscoe.

There were no declarations of interest.

#### **2 MINUTES - 11 SEPTEMBER 2019**

It was **RESOLVED** that the Minutes of the meeting of the Executive held on 11 September 2019 be approved as a correct record for signature by the Chair.

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

In respect of the Minutes of the meeting of the Environment & Economy Select Committee held on 3 September 2019, the Leader welcomed the recent announcement of the imminent opening of a new Post Office at Bedwell Shops and looked forward to hearing about a venue for a replacement Post Office in Stevenage High Street.

In relation to the Minutes of the meeting of the Overview & Scrutiny Committee held on 16 September 2019, the Assistant Director (Planning & Regulatory) advised that the Independent Examiner's report into the Community Infrastructure Levy (CIL) was expected at the end of October 2019, and it was intended to be reported to the Executive in December 2019 and Council in January 2020. The Portfolio Holder for Resources commented that the FirstCare Sickness Management Service for SBC employees had commenced on 7 October 2019.

With regard to the Minutes of the meeting of the Community Select Committee held on 17 September 2019, the Portfolio Holder for Children, Young People and Leisure thanked Members of the Select Committee for their helpful views and comments on the Sports and Leisure review and encouraged them to continue their involvement going forward.

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

Environment & Economy Select Committee – 3 September 2019

Overview & Scrutiny Committee – 16 September 2019

Community Select Committee – 17 September 2019

Overview & Scrutiny Committee (sitting as a Select Committee) – 23 September 2019

#### **4 FUTURE TOWN, FUTURE TRANSPORT: ADOPTION OF A TRANSPORT STRATEGY FOR STEVENAGE**

In the absence of the Portfolio Holder for Economy, Enterprise & Transport, the Portfolio Holder for Environment & Regeneration presented a report on the Future Town, Future Transport Strategy.

The Portfolio Holder for Environment & Regeneration advised that, following Executive approval in October 2018, a draft Transport Strategy for the borough, called Future Town, Future Transport (FTFT), underwent public consultation between January and July 2019. The final Strategy, incorporating minor amendments to take account of respondents' comments, was now being presented to the Executive for approval. The strategy received a strong level of support, including for concepts such as the liveable streets project and promotion of cycling initiatives. The strategy and accompanying report clarified where SBC could develop and deliver projects, but also noted where third parties were responsible for projects (such as the Railway Station fifth platform) and where the Council could use a lobbying and preparatory approach to make the case for longer-term investment.

The Executive was informed that the draft strategy established the key local transport issues and opportunities that existed in Stevenage, and included a vision and objectives for what would be delivered in the future, focussing around the four key themes of Connectivity; Liveable streets; Active and healthy travel; and Green travel.

The Portfolio Holder for Environment & Regeneration stated that, as a strategic document, FTFT served to establish the Council's position on transport matters when working and negotiating with infrastructure providers, developers, and other delivery partners to promote the use of sustainable forms of transport across the Borough. The report noted that not all the strategy was funded and in a number of cases bids would need to be developed to secure external funding - having a clear and well-articulated strategy aided this position.

The Portfolio Holder for Environment & Regeneration explained that the Council had submitted an initial bid to be designated as a Sustainable Travel Town and would continue to seek entry onto the programme. If successful, a range of programmes to be delivered would be selected through discussions between Hertfordshire County Council (HCC) and the Council, utilising evidential studies including the HCC North Central Growth and Transport Plan, the SBC Local Cycling and Walking Infrastructure Plan, the SBC Cycle Strategy and this Transport Strategy.

The Assistant Director (Planning & Regulatory) referred to the replacement report pages tabled at the meeting, which included the correct information for the locations of streets within wards in the town.

Members made the following comments and suggested amendments to the Strategy:

- The Council's carbon neutral target should be amended from "2050" to "2030", in line with the recent Climate Change Emergency resolution;
- Officers were requested to ensure that the next iteration of the Strategy included some form of consolidation with other inter-related Council strategies/policies;
- It should be made clear in the Strategy that the Council's established approach was to support a widening of the A1(M) rather than a SMART motorway;
- For clarity, either of the terms "living streets" or "liveable streets" should be used throughout the document, not both;
- The Strategy needed to flag up that there were no evening bus services in some parts of the town, and that the Council wished these to be re-instated, along with a circulatory route which served the Lister Hospital;
- The Strategy should include an objective to prevent the idling of bus engines once the proposed new Bus Station comes into operation;
- The Assistant Director (Planning & Regulatory) undertook to provide Executive Members with details of the membership and frequency of meetings of the Disability Panel;
- In terms of disability issues, consideration be given to a limitation on the speed of mobility scooters and electric wheelchairs in the Town Centre to 4mph;
- Clarification be provided on precisely which vehicles were permitted to use the Stevenage cycleway system;
- Going forward, consideration be given to the use of some of the Council's garage blocks as charging points for electric vehicles; and
- Officers were requested to review the 2023 targets contained in the document relating to "Park and Ride" and "Electric Bike" schemes.

The Leader asked the Assistant Director (Planning & Regulatory) to meet with a Member who had raised issues with regard to roads crossing cycleways, and whether the Strategy could include an objective striving for reduced bus fares, in order to encourage residents toward a modal shift away from car use.

Members supported an additional recommendation proposed by the Leader that the Strategy be reviewed by the Executive in 12 months' time, particularly in the light of potential developments during that time with the Climate Change Strategy, including the proposed Citizens' Panel and People's Assembly.

It was **RESOLVED**:

1. That the responses to the consultation on the draft "Future Town, Future Transport" Strategy be noted.
2. That the proposed amendments to the draft "Future Town, Future Transport" Strategy made following public consultation be approved.

3. That the revised “Future Town, Future Transport” Strategy, attached at Appendix B to the report, be adopted as the transport strategy for Stevenage, sitting under the Future Town Future Council Corporate Plan as one of the “Place of Choice” strategies.
4. That the Strategy be reviewed by the Executive in 12 months’ time, particularly in the light of potential developments during that time with the Climate Change Strategy, including the proposed Citizens’ Panel and People’s Assembly.

*Reason for Decision: As contained in the report; and 4. To ensure a robust monitoring and review of the Strategy.*

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

## 5 DOMESTIC AND COMMUNAL GAS CONTRACTS

The Portfolio Holder for Housing, Health & Older People introduced a report regarding the Domestic and Communal Gas Contracts.

The Portfolio Holder for Housing, Health & Older People advised that the report sought approval to commence the procurement for new Domestic and Communal Gas Servicing and Repair Contract(s), with options to include other related services for the period 2020 to 2024, with an optional extension of two years to 2026 and a further two year option to extend to 2028.

The Portfolio Holder for Housing, Health & Older People commented that the current contract had been extended to Summer 2020 to ensure that the Council did not mobilise the new contract during the winter months when the contractors were at their busiest. Robust mobilisation processes had been included, as well as de-mobilisation processes to ensure a smooth start and also a smooth handover at the end of the contract, keeping the customer experience at the forefront. The contract would also include Legionella testing and would make good use of technology through web portals to ensure that the Council had robust and accurate reporting. In a change to previous contracts, the contractors would be asked to let the Council know if they came across any tenancy issues which may require support from officers, as it was known that the gas contractors had a 100% success rate in gaining access.

It was clarified that it would be the responsibility of the Housing Tenancy Team to liaise with tenants over any issues identified by the Gas Contractors.

It was **RESOLVED:**

1. That the procurement approach outlined in the report be agreed.
2. That the procurement process be commenced.
3. That a third-party procurement consultant be procured and appointed to support the procurement process.



4. That the current contracts are extended to July 2020 to allow the incoming contractors to mobilise effectively, paid for from within the existing HRA budget.
5. That the services are procured as two lots within the same open OJEU procurement, with bidders being permitted to bid for either or both, with the lots to be evaluated separately.
6. That the Strategic Director (RP) be given delegated authority to award and finalise the terms of the contract(s) with the winning bidders after an officer panel has concluded an evaluation of tenders received and having consulted the Portfolio Holder for Housing, Health and Older People.

*Reason for Decision: As contained in report.*

*Other Options considered: As contained in report.*

## **6 INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) JOINT STRATEGY**

The Portfolio Holder for Neighbourhoods & Co-operative Working presented a report which sought approval for a new Information, Communications and Technology (ICT) Joint Strategy 2019-22; and to delegate authority to finalise an updated ICT Shared Service Agreement with East Herts District Council (EHDC).

The Executive noted that the report acknowledged the work that had been undertaken since the ICT Improvement Plan was agreed by the Executive in November 2017, including the decommissioning of outdated and unsupported hardware and software, the recruitment of an ICT Strategic Partnership Manager who had the right technical expertise, the establishment of a new Security and Networking Team, improved power resilience and securing the Public Sector Network Accreditation which enabled data to be stored and exchanged securely.

The Portfolio Holder for Neighbourhoods & Co-operative Working drew attention to the Background section of the report, which highlighted the ICT challenges both SBC and EHDC continue to face. The Strategy identified the need to take a more strategic approach to ICT to ensure both councils harnessed the potential of ICT to help maintain priority services and enable changes to service delivery all within the context of reducing resources.

The Portfolio Holder for Neighbourhoods & Co-operative Working explained that a series of independent reviews and support from a number of external partners, including Socitm and Microsoft, had helped to inform the development of the strategy. The strategy introduced a framework for technological change and adoption and was underpinned by four Strategic Ambitions, namely Empowered Customers; Consolidation, simplification and standardisation of the ICT and digital estate; Working Smarter; and Improved ICT Governance and Security.

The Portfolio Holder for Neighbourhoods & Co-operative Working stated that an implementation plan was appended to the report and its delivery would be monitored through a new ICT Members Group and the ICT Partnership Board. The Executive and the Audit Committee would receive regular quarterly progress updates.

The Portfolio Holder for Neighbourhoods & Co-operative Working stated that Members had been made aware of the future (known) revenue pressures and capital requirements associated with the ICT Strategy through the Quarter 1 Revenue and Capital Monitoring Reports and the General Fund Medium Term Financial Strategy, all of which were all considered by the Executive in September 2019.

The Interim Strategic Director commented that the draft Strategy would be submitted to East Herts District Council for approval in December 2019.

In response to questions raised by Members on the proposed Strategy:

- The Assistant Director (Finance & Estates) confirmed that ICT costs were generally shared 50/50 between SBC and East Hertfordshire District Council, although for some specific services that related to volume of demand, SBC contributed a slightly higher proportion due to its larger workforce;
- The Assistant Director (Finance & Estates) advised that the Revenue costs had been built into the Medium Term Financial Strategy; and that the Capital costs would need to be re-profiled as part of the Capital Strategy;
- The Chief Executive confirmed that he supported the direction of travel and the level of investment set out in the ICT Strategy, as a root and branch review of ICT provision had been carried out to identify the improvements required;
- The Strategic Director confirmed that the permanent recruitment process for an Assistant Director post responsible for Transformation and Digital would commence in the coming months;
- Assurances were given that the new ICT equipment would be fully tested before the existing equipment was de-commissioned;
- Monitoring of the Strategy would be carried out by the ICT Partnership Board and the Audit Committee, including the monitoring of efficiencies and savings achieved; and
- IT system providers would be encouraged to move towards cloud based information storage systems, in advance of the Council's planned move to the Civic Hub.

The Leader stated that improvements to the Council's IT system was a priority and that significant investment was required to enable the development of a sustainable and resilient IT network to properly serve the residents of Stevenage. In order to bring this about, Members were informed that the level of investment could result in other priorities being re-profiled or deferred.

The Leader thanked the Portfolio Holder for Neighbourhood & Co-operative Working, the Strategic ICT & Partnership Manager and the IT Team for their work in producing the Strategy.

It was **RESOLVED**:

1. That the ICT Partnership's ICT Strategy 2019 – 2022, attached at Appendix A to the report, be approved.

2. That delegated authority be granted to the Strategic Director (RP), having consulted the Portfolio Holder for Neighbourhoods and Co-operative Working, to make any further amendments to the ICT Strategy.
3. That the ICT funding challenges be noted, and the currently known ICT capital investments be prioritised, as summarised in Table 2 at Paragraph 5.1.7 of the report, subject to available funds and the Council's agreement to their inclusion in the Capital Strategy 2020/21.
4. That Council be recommended to approve the re-profiling of the ICT Capital Programme over the next five years, as summarised in Table 2 at Paragraph 5.1.7 of the report, as part of the Capital Strategy for 2020/21.
5. That Council be recommended to prioritise the currently known revenue pressures relating to the ICT Strategy (subject to available funds) through the General Fund and Housing Revenue Account annual budget setting process for 2020/21.
6. That delegated authority be given to the Strategic Director (TP), having consulted the Portfolio Holders for Neighbourhoods & Co-operative Working and Resources, to negotiate and agree a new ICT Shared Service Agreement with East Hertfordshire District Council.

*Reason for Decision: As contained in report.*

*Other Options considered: As contained in report.*

## **7 URGENT PART I BUSINESS**

The Chair advised she had accepted urgent Part I business items in respect of the Public Works Loan Board and Brexit Update.

### **(1) Public Works Loan Board**

The Assistant Director (Finance & Estates) advised that the Government had, without any prior warning, announced an increase of 1% in the Public Works Loan Board (PWLB) interest rates. This meant that the financial information contained in the emerging Housing Revenue Account Business Plan and the Wholly Owned Housing Company would need significant revision.

The Executive was extremely disappointed at this announcement, especially as there had been no consultation with the Local Government Association (LGA) or local authorities, and as the Government had encouraged councils to borrow at the previously lower interest rates.

The Leader would be raising the matter with the Chair of the LGA Resources Board, and asked the Assistant Director (Finance & Estates) to feed back the Executive's extreme disappointment to the Local Government Minister and the Treasury and the significant implications for the delivery of new homes.

(2) Brexit Update

The Interim Strategic Director updated Members on the Council's "No Deal" Brexit preparations.

The Interim Strategic Director advised that it was anticipated that Parliament would be sitting on Saturday, 19 October 2019 to discuss Brexit, following on from the EU Summit on 17/18 October 2019.

The Interim Strategic Director stated that the Hertfordshire Resilience Forum Brexit Plan had been submitted to the Government, who would be testing it in the near future. The Plan focussed on regional and countywide key risk areas, including the impacts on transport links, food and water, fuel supplies, the local economy and health care/social care issues. It acknowledged the potential impact on community safety should policing resources be diverted towards support to key ports.

In respect of SBC, the Interim Strategic Director commented that the Brexit Working Group was meeting on a weekly basis. Activities included the following:

- An Action Plan had been prepared based on the UK exiting the EU on 31 October 2019;
- The SBC website had been updated with links to Government Guidance on community engagement;
- SBC was working with an Eastern European Group and the Citizens' Advice Bureau on an EU Nationals Plan re: pre-settled/settled status;
- Officers liaising with local food banks regarding potential increased demand on these services;
- Communication with all Community/Voluntary Sector partners to gather intelligence on the impact of Brexit on the community;
- Communication with local businesses raising awareness of Brexit preparedness, including signposting to Government advice/funding, and to gather intelligence regarding business concerns;
- Communication with the Chamber of Commerce and Trading Standards, with a view to holding an event for businesses.

In relation to new burdens, the Interim Strategic Director explained that there may be a need for increased food inspections, especially at any "inland" ports, although there was no clear direction from the Government as to the level of support expected from local authorities at this stage. SBC was assessing all its contracts in liaison with contractors to ensure that contingency plans were in place and it was confirmed that SBC had a level of fuel supply provision in the event of a possible "No Deal" Brexit.

The Interim Strategic Director was requested to:

- Circulate the key points of the Government's "No Deal Brexit Readiness" report to all Members, with a link for them to access the whole document;

- Keep a close monitor of the expenditure associated with the Council's Brexit preparations;
- Provide a weekly summary of developments to Executive Members;
- Provide regular monthly updates to all Members; and
- Provide a list of the officer leads for each of the Brexit preparation work areas to Executive Members.

## **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 involve 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 - 11 SEPTEMBER 2019**

It was **RESOLVED** that the Part II Minutes of the meeting of the Executive held on 11 September 2019 be approved as a correct record for signature by the Chair.

## **10 URGENT PART II BUSINESS**

None.

## **CHAIR**

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## STEVENAGE BOROUGH COUNCIL

### OVERVIEW AND SCRUTINY COMMITTEE MINUTES

Date: Tuesday, 15 October 2019

Time: 6.00pm

Place: Shimkent Room, Daneshill House, Danestrete

**Present:** Councillors: Lin Martin-Haugh (Chair), Philip Bibby CC (Vice-Chair) , Jim Brown, Michael Downing, Michelle Gardner, Sarah Mead, Adam Mitchell CC, Robin Parker CC and Claire Parris.

**Start / End**      Start Time:    6.00pm  
**Time:**            End Time:      8.11pm

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

Apologies for absence were received from Councillors Sandra Barr, Laurie Chester, Sarah-Jane McDonough, Andy McGuinness and John Mead.

Councillor Michael Downing declared a non-pecuniary interest in Item 3 – Part I Decisions of the Executive - Future Town Future Transport: Adoption of a Transport Strategy for Stevenage, as he had submitted the response from the Bus Users' Group as part of the consultation on the Strategy document.

#### 2      **MINUTES - 16 SEPTEMBER 2019 AND 23 SEPTEMBER 2019**

It was **RESOLVED** that the Minutes of the meetings of the Overview & Scrutiny Committee held on 16 September 2019 and 23 September 2019 be approved as correct records for signature by the Chair.

#### 3      **PART I DECISIONS OF THE EXECUTIVE**

The Committee considered the decisions on the following matters arising from the Executive held on 9 October 2019.

##### **Minutes of the Executive – 11 September 2019**

Noted.

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

The Interim Strategic Director undertook to provide Members of the Committee with an update on the latest position in respect of the re-provision of a Post Office in the High Street following the closure of Waitrose.

## **Future Town, Future Transport: Adoption of a Transport Strategy for Stevenage**

The Assistant Director (Planning & Regulatory) advised that the Executive had made a number of comments/suggested amendments to the Future Town, Future Transport Strategy, and had agreed to an additional resolution regarding a review of the Strategy in 12 months' time, particularly in the light of potential developments during that time with the Climate Change Strategy, including the proposed Citizens' Panel and People's Assembly.

In response to a query regarding consideration being given to a limitation on the speed of mobility scooters and electric wheelchairs in the Town Centre to 4mph, the Assistant Director (Planning & Regulatory) confirmed that this would be an aspirational objective achieved through signage and raised awareness of users, rather than through an enforcement regime.

It was further confirmed that the existing use of the Borough's cycleways was limited to cycles and mopeds up to 49cc. However, Hertfordshire County Council was investigating an expansion of use in the light of new National Rules on Electric bikes/scooters.

There was general support from the Committee to the imposition of a cycling ban in the Town Centre, although it was recognised that this may need to be achieved through the approval of a By-Law, and that consideration would need to be given to the resourcing of the enforcement of any ban.

The Assistant Director (Planning & Regulatory) stated that the Strategy would be a foundation document as part of any future bids for Stevenage to become a Sustainable Travel Town. He added that Section 106 monies could be used to contribute towards the transport aspirations set out in the Strategy, provided the each required contribution was relevant to individual planning applications.

A Member commented that, legally, the speed limit on cycleways which ran parallel to major roads was the same limit as that which applied on those roads. He questioned the safety for cyclists of mopeds and electronic bikes sharing cycleways with those speed limits in place.

A Member was not supportive of the Executive's comment that the Council's established approach was for a widening of the A1(M) rather than a SMART motorway, as he felt that this was contradictory to the whole thrust of the Transport Strategy.

A Member strongly endorsed the Executive's comments regarding a desire for evening bus services to be re-instated in all areas of the town, along with the re-instatement of the circulatory route which served the Lister Hospital.

In terms of the idling of bus engines, the Assistant Director (Planning & Regulatory) explained that the problems had been alleviated over recent months due to the presence in the Bus Station of an operative from the bus company dedicated to minimising the idling of engines.



It was recognised that charging points for electric vehicles would be a future priority, and that appropriate sites should be found outside of the Town Centre. As well as the possibility of these being installed in some garage blocks, a Member asked if consideration could be given to their installation as part of the new Kenilworth redevelopment scheme.

A member was concerned that there was no hierarchy of travel included in the Strategy. If the need to travel by car was reduced, then a modal shift could result. He felt that this could be achieved through cheaper public transport and greater encouragement for residents to use cycling or walking as alternatives to the car.

### **Domestic and Communal Gas Contracts**

The Housing & Investment Operations Manager (IHP) advised that the Executive had approved a procurement process for new Domestic and Communal Gas Contracts, and had agreed to extend the current contracts to July 2020 to allow the incoming contractors to mobilise effectively during the summer months.

In response to a series of Members' questions, the Housing & Investment Operations Manager (IHP) replied as follows:

- The appointed contractors would need to demonstrate that they had experience relating to dealing with the heating and water supply elements of gas-fired systems;
- Although the number of complaints had reduced and satisfaction levels had increased, lessons had been learnt over the lifetime of the current contract (3 years) and improvements had been built into the new contract specification;
- Performance of the new contractor(s) would be monitored through a series of Key Performance Indicators, with a residents' compensation scheme to tackle any poor performance in place and communicated to residents in advance of any gas-related work being carried out;
- It might be possible to embed in the new contract(s), as part of the "Home MOT" style service, the use of before and after photographs as an aid to ensuring that work had been carried out to appropriate standards.

### **Information and Communications Technology (ICT) Joint Strategy**

The Interim Strategic Director advised that the Executive had approved a Joint SBC/East Hertfordshire District Council (EHDC) ICT Strategy. EHDC would be considering the Strategy in December 2019. The report to the Executive also detailed the capital and revenue budgetary requirements relating to the Strategy.

In reply to a question regarding the surplus capital funding at the end of 2023/24, the Interim Strategic Director advised that during the lifetime of the Strategy there would most likely be a call on this surplus for expenditure on Enterprise Architecture and Digital Strategy items. He confirmed that, as the Council moved towards "cloud" technology, expenditure on the Strategy would move from capital to revenue budgets.

The Interim Strategic Director commented that the Strategy aimed to achieve financial savings and efficiencies, including the aspiration to reduce the number of SBC/EHDC software systems from 152 to under 100. A rationalised IT system procurement method should also lead to increased efficiencies.

The Interim Strategic Director explained that, although the intention was to move towards cloud technology, this would be a phased approach, as not all the business systems used by SBC/EHDC were currently compatible. It was important that the capability of the ICT Team remained robust, with sufficient staff to provide resilience in the IT Programme Management, IT Systems and IT Service Desk Teams.

A Member asked the Interim Strategic Director to look again at the approximate 50/50 split in IT costs between SBC and EHDC, in view of EHDC's higher Council Tax base.

It was acknowledged that all technology had a limited lifecycle, especially ICT hardware and software. In recent times, SBC had spent in the region of £450,000 per annum on IT, whereas Socitm and Microsoft had advised that the Council should be spending double this amount to keep up to date with latest IT developments. A root and branch review of IT had been carried out, which had highlighted the lack of investment over the years, with some equipment up to 13 years old, when it should be replaced every 5 years. The intention going forward would be to introduce a rolling replacement programme, in order to keep pace with ever-changing technology.

At the request of a Member, the Interim Strategic Director undertook to provide Committee Members with the latest position with regard to the new SBC website project, including an estimated date for the new website coming into operation.

### **Urgent Part I Business**

#### (1) Public Works Loan Board

The Committee supported the Executive's extreme disappointment in the Government's recent announcement of a 1% increase in the Public Works Loan Board's interest rates.

#### (2) Brexit Update

The Interim Strategic Director referred to a Brexit update e-mail he had circulated to Members earlier in the day. At the Committee's request, he undertook to circulate the weekly Brexit update bulletins to all other Members of the Council, in addition to the Executive Members.

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

None.

**5 URGENT PART I BUSINESS**

None.

**6 EXCLUSION OF PRESS AND PUBLIC**

It was **RESOLVED**:

1. That, under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as described in paragraphs 1 to 7 of Part 1 of Schedule 12A of the Act, as amended by SI 2006 No. 88.

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

**7 PART II DECISIONS OF THE EXECUTIVE**

The Committee considered the Part II decisions on the following matter arising from the Executive held on 9 October 2019.

**Part II Minutes – Executive – 11 September 2019**

Noted.

**8 URGENT PART II DECISIONS AUTHORISED BY THE CHAIR OF THE OVERVIEW & SCRUTINY COMMITTEE**

None.

**9 URGENT PART II BUSINESS**

None.

**CHAIR**

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**Meeting** Executive  
**Portfolio Area** Housing & Investment  
**Date** 20 November 2019



## HOMELESSNESS & ROUGH SLEEPER STRATEGY

**Authors** Hannah Morris |2727  
**Contributor** Alison Baggott  
**Lead Officers** Jaine Cresser |2028

### 1 PURPOSE

- 1.1 To seek adoption of the Homelessness and Rough Sleeper Strategy 2019 - 2024. It is a statutory requirement to publish this strategy and it has been agreed with the Ministry of Communities Housing and Local Government that the Council will publish its new strategy by 31 December 2019.
- 1.2 The priorities for this strategy are;
  - a. Prevention and Relief of Homelessness
  - b. Provision of Temporary Accommodation
  - c. Housing Development
  - d. Support of Homeless Households

These priorities will be met through the actions detailed in the action plan at Appendix 1 of the strategy and in Executive summary on pages 4-7 in the strategy. This Executive Summary will be provided as short 4 page document for the public.

### 2 RECOMMENDATIONS

- 2.1 That the Homelessness and Rough Sleeper Strategy 2019-2024, attached as Appendix A to this report, be adopted.

- 2.2 That delegated authority is given to the Strategic Director (RP) to make minor revisions to the draft Strategy, having consulted the Leader and the Portfolio Holder for Housing, Health & Older People.

### **3 BACKGROUND**

- 3.1 Local Authorities have a statutory duty, under the Homelessness Act 2002, to carry out a review of homelessness in their local area and to formulate a homelessness strategy every five years. Detailed guidance on this is provided in the Homelessness Code of Guidance for Local Authorities.
- 3.2 The Homelessness Code of Guidance was last updated in April 2019 and gives detail to assist the introduction of the Homelessness Reduction Act 2017 (HRA17)
- 3.3 The HRA17 introduced additional powers and duties for Local Authorities for the prevention and relief of homelessness and augmented the requirements of the Housing Act 1996 (as amended) In particular the HRA17 introduced additional duties to prevent and relieve homelessness.
- 3.4 The period of time when a prevention duty is owed to a homeless applicant was increased from 28 days to a minimum of 56 days. This means that the period in which a person at threat of homelessness can approach the Council for assistance would start earlier.
- 3.5 If alternative accommodation is not found during this 56 day period, and/or the applicant becomes homeless, the duty to relieve homelessness is triggered. This applies for a minimum of 56 days from the date the Council is satisfied that the applicant is homeless and eligible for assistance. At this point if the applicant is assessed as being in priority need they are placed into Emergency Accommodation. This extended duty period increases the length of time the Council has to accommodate applicants whilst a decision is made on their homelessness.
- 3.6 Local Authority homelessness acceptances have continued to rise nationally and since 2011, the long-term downward trend in the number of households in temporary accommodation has ended.<sup>1</sup>
- 3.7 Government figures show that the number of families considered homeless in England has increased by 11% in a year. In the first three months of financial year 2019/2020, there were 25,130 families with children identified as homeless, compared with 22,700 the previous quarter. The data also reveals that the number of children living in temporary accommodation hit a 13-year high at 126,020, up 83% since its lowest point in June 2011. Stevenage has a high level of housing need with a number of demand and supply pressures contributing to a growing difficulty in meeting need. The HRA17 has increased this pressure with a 33% increase in customers requiring Housing Advice or

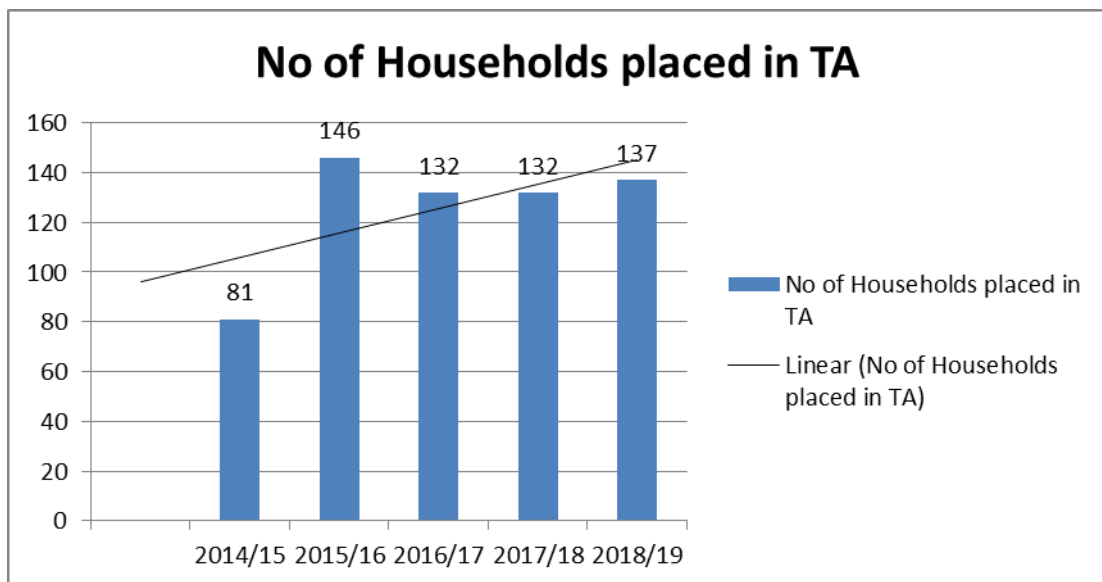
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<sup>1</sup> <https://www.local.gov.uk/about/news/lga-councils-warn-rise-temporary-accommodation-use-homelessness-reduction-act>

<sup>2</sup> <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

presenting as homeless compared to the year prior to the implementation of the HRA17.

- 3.8 The estimated Objectively Assessed Housing Need for Stevenage is 7,656 dwellings over the period 2011-2031.<sup>2</sup> This report was commissioned in 2015 and updated in August 2016
- 3.9 The current Homelessness Strategy indicates an upward trajectory of homelessness acceptances in Stevenage and a significant increase in the number of people in the Council's temporary accommodation. There was an increase in placements from 2014/2015 to 2015/2016 and since this time there has been a steady level of Temporary Accommodation placements. Although placement numbers may not have greatly increased for 2018/2019, applicants are staying in temporary accommodation for longer periods of time and this is owing to the 56 day relief period.



- 3.10 Whilst Stevenage has an ambitious new build programme, with additional social rented units being provided by 2030 this does not provide enough affordable housing to meet the demand and consideration will be given to how best to provide emergency and temporary accommodation for the future.
- 3.11 The number of prevention of homelessness cases that has been achieved since the implementation of the HRA17 has increased by 73% across the Prevention and Relief duty periods. Based on the H-CLIC data (see paragraph 4.7 below), which has been listed as experimental data, the Council appears to out-perform other local authorities in its region and nationally in terms of homelessness prevention.

<sup>2</sup> <https://www.north-herts.gov.uk/sites/northherts-cms/files/Stevenage%20%20North%20Herts%20Vol%20%20August%202016.pdf>

<sup>3</sup> <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

<sup>4</sup> <https://www.gov.uk/government/statistics/rough-sleeping-in-england-autumn-2018>

- 3.12 The Prevention figures for the service evidence the hard work that has been completed. There were **231** cases where homelessness was prevented in 2017/2018 and **399** cases where homelessness was prevented in 2018/2019
- 3.13 Following the publication of the Rough Sleeper Initiative the Council has incorporated Rough Sleeping into the 2019 – 2014 strategy; the aim is to eradicate rough sleeping within Stevenage. The table below shows the number of people estimated as sleeping rough in the last five years <sup>4</sup>. This estimated count has been verified by Homelesslink, the charity that submits Local Authority rough sleeper findings to MHCLG.

| Year | Estimated Count |
|------|-----------------|
| 2014 | 8               |
| 2015 | 5               |
| 2016 | 17              |
| 2017 | 6               |
| 2018 | 11              |

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

- 4.1 Stevenage Borough Council has a statutory duty to develop and publish a strategy for tackling and preventing homelessness in its area.
- 4.2 The Council’s current Homelessness Strategy is due to expire at the end of December 2020 however needs to be updated prior to this to comply with the deadline set by MHCLG following the implementation of the Homelessness Reduction Act 2017 and the Rough Sleeper Initiative 2018.
- 4.3 The main changes in this updated strategy is a focus on rough sleeping, innovative work, and an emphasis on working with customers to inform service provision. The priorities are to reduce homelessness, ensure there is an increase in the provision of accommodation and to ensure there is support for homeless households. These priorities are themes that have been carried forward from the previous strategy.
- 4.4. To ensure the service delivery model was fit for purpose to deliver the requirements of the HRA17, the Homelessness and Housing Advice service was redesigned to provide a more personalised approach where the client has one case worker from their first approach to the Council to the point where they are accommodated. The structure of the Housing Options and Housing Supply team and change in approach has reduced the number of complaints received in relation to handover and the client feeling that they have received varying information.



- 4.5 Knowing that the team would require additional resources to meet the additional demands placed on the authority by the HRA17, the Flexible Homelessness Support Grant has been used to fund 3 extra posts within the team. These posts are on fixed term contracts until March 2020 as the grant funding is only guaranteed until this point.
- 4.6 The proposed Strategy is linked to the Council's budget setting process and the pressure of unconfirmed funding has been highlighted as a risk. A review of the team is currently being undertaken to ensure that adequate resources are in place and the evidence of the demands on the service will be considered. This may include further growth in resources if the increase in presentations continues as well as continuing with the Rough Sleeper post if the pilot initially funded by government is successful to continue for a second year.
- 4.7 To enable the reporting on the HRA17 to be more informative to local authorities as well as to Government, a new reporting system has been put in place. This is called H-CLIC and is more of an automated process than the previous P1E returns. The information that is provided includes data not previously submitted – particularly relating to applicants' Support needs. This will hopefully influence decisions made in funding of support services going forward such as Mental Health and Drug/Alcohol services.
- 4.8 As a co-operative Council, in producing the 2019 – 24 strategy, consultation has been carried out with stakeholders, users of the service, those in temporary accommodation, residents in Stevenage's single person homeless hostel (Haven) including those who have previously slept rough and those that approached SBC for housing assistance who have had no fixed address or have slept rough.
- 4.9 The consultation sought to identify the priorities that the Council should focus on over the period of the strategy. Analysis of the results indicated that the priorities should be:
- Prevention and Relief of Homelessness
  - Provision of Temporary accommodation
  - Housing Development
  - Support for Homeless Households
- 4.10 These priorities are to achieve the outcomes detailed on the Plan on a Page at Appendix B.
- 4.11 The Strategy's aims and outcomes will be monitored via the action plan shown at Appendix 1 of the Strategy.
- 4.12 The strategy seeks to consider innovative approaches to reach the Council's aspiration to eradicate homelessness. The Council will explore the implementation of a Housing First approach based on the Finland Model and the investigations into the feasibility of this will start in financial year

2020/2021. This model is an approach to housing provision however the actual provision will remain the same.

4.13 The Strategy has been developed giving consideration to the following:

- Stevenage Homelessness Strategy 2015-2020
- Various Government Legislation
- Central Government Guidance
- The Corporate Plan, “Future Town Future Council”
- SBC Allocations Policy last updated 1<sup>st</sup> June 2018
- SBC Tenancy Strategy 2013 onwards

4.14 The Strategy has been presented to the Portfolio Holder Advisory Group on 11 July 2019 and the Housing Management Advisory Board on 18 July 2019. Both groups were broadly supportive of the proposed strategy and their feedback has been incorporated into the strategy.

In addition to consulting with both these groups, consultation has been undertaken with service users and professional stakeholders as identified in the glossary of the strategy and mentioned at paragraph 4.8 above. Delivery of the Strategy will be monitored and evaluated at Operational Manager level and through regular meetings such as the Providing Homes managers’ meetings, the joint Homelessness forum meetings with partners and by the Housing Management Advisory Board (HMAB). This will be achieved by reporting progress against the action plan detailed in Appendix 1 of the strategy.

## **5 IMPLICATIONS**

### **5.1 Financial Implications**

5.1.1 The Homelessness function is a cost to the General Fund and as such the net cost of the service is funded via Council Tax.

5.1.2 There are a number of posts which are currently funded through the flexible homelessness support grant funding. There are 4 fixed term posts (1 Housing Supply Co-coordinator, 1 Reviewing Officer and 2 Housing Options Caseworkers) are currently funded using the grant. The government announced on the 6 November 2019 that the 2020/21 funding levels will be maintained in line with the 2019/20 award, however there is no certainty beyond March 2021.

5.1.3 In October 2019 an informal review was completed of the service and has identified that a further post of a Housing Options Case Supervisor is required to meet the demands on the service and this will also be funded from the Flexible Homeless Support Grant for a 12 month period. .

5.1.4 In addition the Rough Sleeper co-ordinator started in October 2019 and is a one year post funded by central government. Subject to the success of this post in delivering the aspiration to eliminate rough sleeping in Stevenage, there is the option to bid for a second year’s funding.

5.1.5 In the Temporary Accommodation and Lettings service the demand for accommodation provision and the management of additional accommodation

has also meant that an additional fixed term Tenancy Support Officer has been required and will be recruited to this financial year and funded from grant funding available.

- 5.1.6 If funding does not go beyond 2020/21 then the impact on the service and any consequent growth bid will need to be
- 5.1.7 Whilst looking to increase the accommodation level generally within Stevenage it should be noted that research shows, as expected, that another hostel or equivalent is required. This could divert money from delivering increased general needs accommodation paid for by the Housing Revenue Account however would be a lesser spend than long term placement into Bed and Breakfast accommodation. Investigations are currently being completed in order to inform the best structure and accommodation type to meet the demands for the service. Hostel accommodation will be built or provided and other options for provision will also be explored bearing in mind that how this accommodation is structured and the length of tenure given to residents will dictate how it is funded.
- 5.1.8 The EA/ TA action plan identifies what steps are being taken to reduce the spend for Bed and Breakfast accommodation and to increase supply of EA/ TA. The long term plan to build a hostel or equivalent would be far more cost effective than continuing to use costly bed and breakfast accommodation which also poses a legal challenge to the authority. The cost of growth would be against the general fund as this is work relating to homelessness provision.

## **5.2 Legal Implications**

- 5.2.1 Section 3 Homelessness Act 2002 requires the Council to develop and publish a Homelessness Strategy for:
  - (a) preventing homelessness in its district;
  - (b) securing that sufficient accommodation is and will be available for people in its district who are or may become homeless;
  - (c) securing the satisfactory provision of support for people in their district—
    - (i) who are or may become homeless; or
    - (ii) who have been homeless and need support to prevent them becoming homeless againand to keep the strategy under review
- 5.2.2 Section 3 (7A) Homelessness Act 2002 provides that in formulating or modifying a homelessness strategy, the Council must have regard to
  - (a) its current allocation scheme under section 166A of the Housing Act 1996,
  - (b) its current tenancy strategy under section 150 of the Localism Act 2011
- 5.2.3 Section 3 (8) Homelessness Act 2002 provides that before adopting or modifying a homelessness strategy the authority shall consult such public or local authorities, voluntary organisations or other persons as they consider appropriate.

- 5.2.4 In exercising its functions relating to homelessness and the prevention of homelessness, including the development of its Homelessness Strategy, the Council must have regard to the Homelessness Code of Guidance Guide for Local Authorities issued by the Ministry of Housing, Communities & Local Government.

### **5.3 Risk Implications**

- 5.3.1 The identified risk within the strategy relates to the budgets available and continuing government funding. If funding is no longer available and there is no growth in relation to the staffing levels that are currently being covered by grant money the Council would not be able to maintain a staffing level which can match the current case level demands. This will affect the Council's ability to provide a full service which is a statutory obligation.

Due to Stevenage's location and good transport links there is a risk of an increase of homeless people coming to the area from London including those placed here by other local authorities. This could reduce the number of properties available in the private sector and could create a shortfall and consequently increase of cost of supply.

### **5.4 Policy Implications**

- 5.4.1 The Homelessness & Rough Sleeper Strategy outlines the Council' approach to tackling homelessness in its local area. It is consistent with the Council's Corporate Plan objectives to promote sustained economic growth, job creation, provision of affordable homes and housing growth and to deliver value for money. The strategy also fulfils the Council's co-operative principles through partnership working and inclusivity; and upholds the Council's values by responding to homelessness through group problem solving, innovation and openness.

### **5.5 Staffing and Accommodation Implications**

- 5.5.1 Staffing implications relate to funding and growth bids - reduced staff levels could lead to increased caseloads, failure to deliver an effective service and staff dissatisfaction.

### **5.6 Equalities and Diversity Implications**

- 5.6.1 A full Equalities Impact Assessment has been completed, considering the implications of the Strategy for all communities. A copy of this Assessment is attached at Appendix C.

### **5.7 Service Delivery Implications**

- 5.7.1 Service delivery relies on grant funding. If this grant funding is reduced, the delivery model may need to be reviewed and the service tailored accordingly. This in turn may impact on service delivery and the Council's ability to retain staff.

## **5.8 Community Safety Implications**

5.8.1 Rough Sleepers tend to be more obvious in the Town Centre and Old Town during the winter months. Members of the public frequently raise their concerns and the team have a dedicated resource in the Rough Sleeper Coordinator post to regularly walk the town to offer support and advice. Concern has been raised around doorways of unused shops being used as places to bed down for the night. As the town begins to gain momentum through the regeneration programme it is unlikely that this will offer such an attractive place to sleep. The Housing Options team is also working with Operation Urban which is a Hertfordshire Police and Stevenage Borough Council initiative which seeks to better connect local services to help combat homelessness and the associated crime and anti-social behavior.

## **5.9 Information Technology Implications**

5.9.1 Through the transformation work in the Housing and Investment team “forms” are being developed to enable staff to provide an agile service with access to Northgate data whilst out delivering services in the field. There is no additional cost to enhancing service delivery through IT aside from the tablets/laptops which will be covered through Housing budgets. It is anticipated that use of technology will eliminate duplication of effort.

## **BACKGROUND DOCUMENTS**

**All documents that have been used in compiling this report, that may be available to the public, i.e. they do not contain exempt information, should be listed here:**

- BD1 Housing Act 1996
- BD2 Homelessness Act 2002
- BD3 Localism Act 2011
- BD4 Homelessness Reduction Act 2017
- BD5 Homelessness Code of Guidance for local authorities 2019

## **APPENDICES**

- A Homelessness and Rough Sleeper Strategy 2019-2024 (including Action Plan at Appendix 1)
- B Plan on a Page
- C Equality and Diversity Impact Assessment

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# Homelessness and Rough Sleeper Strategy

2019-2024

**INSERT PHOTOS- St Georges way  
photo**

**LAYOUT similar to resident involvement  
report- coloured tabs and sections**

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**Foreword from the Portfolio Holder for Housing, Health and Older People- TO INSERT AFTER ELECTION**

## 1.1 Executive Summary

Stevenage Homelessness and Rough Sleeping Strategy 2019-2024 sets out the Council's priorities to prevent homelessness, eradicate rough sleeping and stresses the importance of working in partnership to address the wide range of issues that can be linked to homelessness.

### Our Priorities

This 2019-2024 strategy identifies our four priorities;

- 1. Prevention and Relief of Homelessness (pages 28-32)**
- 2. Provision of Temporary Accommodation (pages 33-34)**
- 3. Housing Development (pages 35-37)**
- 4. Support of Homeless Households (pages 38-40)**

The strategy sets out Stevenage priorities in order to achieve these aims and will be supported by an action plan to implement and drive forward the strategy. This strategy will be the basis in which we will achieve our vision.

A glossary of terms is included at the end of this strategy for ease of reference.

### Our Vision

**Working co-operatively to prevent and reduce homelessness, and end the need for anyone to sleep rough in Stevenage**

## Stevenage context

Stevenage was built as a New Town in the 1940's and 1950's. We are one of four of ten local authorities in Hertfordshire to retain our own housing stock, albeit one that has been significantly reduced by the Right to Buy.

We are currently going through an ambitious development and regeneration plan and we are confident that it reflects the aspirations of our residents and community.

Government figures show that the number of families considered homeless in England has increased by 11% in a year.<sup>1</sup> In the first three months of financial year 2019/2020, there were 25,130 families with children identified as homeless, compared with 22,700 the previous quarter.<sup>2</sup> The data also reveals that the number of children living in temporary accommodation hit a 13-year high at 126,020, up 83% since its lowest point in June 2011. Separate analysis by the Campaign to Protect Rural England suggests the number of households classified as homeless in rural England almost doubled over the past year. The group said 173,584 families were on

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<sup>1</sup> Ministry of Housing, Communities & Local Government Homelessness statistics  
[www.gov.uk/government/collections/homelessness-statistics](http://www.gov.uk/government/collections/homelessness-statistics)

<sup>2</sup> The Independent 12 September 2019 [www.independent.co.uk/news/uk/home-news/homeless-families-children-housing-temporary-accommodation-a9102416.html](http://www.independent.co.uk/news/uk/home-news/homeless-families-children-housing-temporary-accommodation-a9102416.html)

waiting lists for social housing in areas where councils built just 1,336 homes for social rent in 2018.<sup>3</sup>

Homelessness is rising locally as well as nationally. In Stevenage, the last financial year 2018/2019 saw a year on year increase of 33% in the number of households approaching the Council as homeless.

This strategy continues the work guided by the 2015-2020 Stevenage Homeless Strategy and looks to go further to achieve the governments aims of eradicating homelessness. Since the 2015-2000 priorities were set there has been a lot achieved and we will detail our successes in the next section.

The Corporate Plan, “Future Town Future Council (2016-21)”, is our main strategic planning document. It is the key five year plan for Stevenage Borough Council and outlines our vision and the outcomes and objectives we wish to achieve whilst working co-operatively with and for our residents.

There are five ambitions in the FTFC strategy, of which the three priorities for Housing Development, Connected to our Customers, and Co-operative Neighbourhood Management have been identified in this Homelessness and Rough Sleeper strategy. These reflect our ambitions by increasing the number of homes in the town, improving the customer experience and to having a better understanding of our community’s needs and priorities, including co-operative working with our customers to design and deliver services.

## **Homelessness Review**

This strategy is based on a review of the current and likely future levels of homelessness in Stevenage and the activities and resources available to prevent homelessness and support homeless people. The strategy acknowledges that homeless is on the rise, whilst noting that predicting and analysing future levels is problematic, particularly when trying to forecast the levels of rough sleeping.

The review included the following:

- the most common reason for applying to the Council as homeless was eviction from private rented accommodation, followed by eviction by friends or family
- the Council has implemented a number of partnership and multiagency initiatives and more effective ways of working together that have been very successful in securing appropriate accommodation and support for people who are homeless or at risk of homelessness
- There has been a substantial increase in the emergency use of bed and breakfast accommodation

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<sup>3</sup> Campaign to Protect Rural England [www.cpre.org.uk/media-centre/latest-news-releases/item/5181-the-hidden-housing-crisis-rural-homelessness-on-the-rise](http://www.cpre.org.uk/media-centre/latest-news-releases/item/5181-the-hidden-housing-crisis-rural-homelessness-on-the-rise)

The 'plan on a page' detailed in appendix ii outlines how the action plan outcomes will achieve our priorities in this strategy and our priorities identified in our Future Town Future Council strategy.

The Council will use this strategy in striving to eradicate rough sleeping, minimise any use of Bed and Breakfast accommodation, reduce time spent in emergency and temporary accommodation and achieve our priorities through taking steps identified in the action plan. We aim to turn the curve for the number of cases requiring homelessness assistance by increasing our prevention work. This action plan will be monitored against the measure details on p44 of this strategy.

### **How we will achieve this**

The action plan on pages 41-46 details the actions the council which will undertake to achieve these priorities, as well as how this will be measured. The strategy will be reviewed on an annual basis and, as a cooperative council, we will ensure that we include feedback from our customers as well as other stakeholders, and this will continue to inform our action plan going forward.

### **Strategic Priorities**

Customer and other stakeholder questionnaires along with extensive analysis of demand and trends in the causes of homelessness, opportunities for homelessness prevention, service provision and gaps in services has informed the basis for our priorities for Stevenage's Homelessness Strategy 2019-2024.

### **Priority 1 Prevention and Relief of Homelessness**

#### **We will;**

- Continue to improve our homelessness prevention and relief work
- Continued collaborative working with our partners at strategic and operational level
- Avoid unnecessary evictions and recurring homelessness by maintaining a dedicated resource – private rented sector "PRS" tenancy sustainment
- Ensure that all customer contact is effectively managed and appropriate housing and homelessness advice is provided in a timely manor
- Effective liaison with Housing Associations to prevent and relieve homelessness
- Explore the implementation of a 'Housing First' approach model within Stevenage
- Effective communication with the public on homelessness and rough sleeping including myth busting
- Continuous provision of Advice and Support to single non-priority homeless applicants
- Provision of advice on housing affordability to ensure sustainability outcomes for all customers
- A streamlined and effective experience for all customers whilst they are given appropriate housing and homelessness advice

- We aim to reduce the number of days applicants are waiting in TA by utilising the option to discharge cases owed a duty by the Council into the Private Rented Sector where suitable
- Effective working with our partners via the Homelessness forum

## **Priority 2- Provision of Temporary Accommodation**

### **We will;**

- Increase our portfolio of temporary accommodation options of a size & types including the provision of a Local Authority hostel in conjunction with our Housing Development aspirations
- Increased supply of interim Emergency and Temporary Accommodation using properties that are pending redevelopment
- Minimise the use of Bed and Breakfast
- Value for money and transparency of service charges

## **Priority 3- Housing Development**

### **We will;**

- Provide 500 new affordable homes over 10 years with 300 of these homes being built by 2020/21
- The development of specialist emergency and temporary accommodation
- The development of high quality accommodation that will create necessary churn within the existing housing stock to allow for move on accommodation
- To provide new accommodation which offers security of tenure, sustainability and reduced running costs
- To utilise private sale schemes within the Housing Revenue Account (HRA) to cross subsidise further development of affordable accommodation

## **Priority 4 - Support of Homeless Households**

### **We will;**

- Ensure effective tenancy sustainment to reduce incidences of homelessness
- Better cross-tenure support between interim and permanent accommodation
- Continued partnership working with Hertfordshire County Council "HCC" for the provision of support for homeless families
- Continue to support families and vulnerable adults to maximise their income and mitigate the effects of welfare reform
- Develop our support services to become income generating - thus helping to sustain tenancies

Improved working with a wide range of external support providers to address the needs of customers

## 1.2 Our key achievements since the 2015-2020 strategy

Since the introduction of the 2015-2020 strategy the council has worked to prevent and reduce homelessness within the borough by working with partners and stakeholders as follows;

### Stevenage Borough Council achievements

- 174 new homes have been built within Stevenage
- Increase in the number of homeless preventions
- Increased use of properties in the Private Rented Sector (PRS) in order to prevent homelessness
- Regular and varied training on homelessness, case law and support provided for staff members
- A Business Unit review of the Housing Advice and Homeless service was completed in March 2018. The outcome of this review was to redesign the service into two strands: Housing Options and Housing Supply. Housing Options support applicants through out the process from the initial approach, to decision, to rehousing. The Housing Supply team source properties in the private rented sector in order to aid homeless prevention and maximise access to stock. The team then provides ongoing support to customers in private sector accommodation in order to sustain tenancies and reduce any repeat homelessness

### Partnership Achievements

- We have been actively involved in the development and monitoring of the Joint Housing Protocol (JHP) across Hertfordshire to ensure that there is an effective partnership working approach to cases. The JHP introduced effective pathways for specific groups who will access services across both the county and districts
- An increase in effective partnership working practices with internal and external partners including;
  - The Council's No More service and Hertfordshire Constabulary's Operation Urban
  - Herts Young Homeless (HYH) young person's education programme
  - Stevenage Against Domestic Abuse (SADA) and the safe spaces
  - Working with the Haven to assist their residents into the PRS
  - Update to the Joint Housing Protocol (JHP) with Hertfordshire County Council
- National Landlord Association (NLA) attends and contributes to our regular council lead landlord forum
- Stevenage Borough Council and North Herts District Council (NHDC) hold a joint Homelessness Forum in which a variety of partners attend

## 1.3 Consultation

Throughout 2019, and in preparation for this strategy to be devised, the Council consulted with our stakeholders including professional partners and customers.

During the Spring and Summer of 2019 we carried out an online survey with our professional stakeholders, as identified in the glossary.

In July 2019 we completed face to face surveys with customers of the service including those currently resident in council emergency/temporary accommodation. We also interviewed some residents living in the Stevenage Haven, our local night shelter. Those consulted with at the Haven included those who had also had a period of rough sleeping.

In September 2019 we completed a survey over the phone with some cases currently open to the Housing Options Service and with applicants who had approached the service since 1<sup>st</sup> April 2019 stating that they had “no fixed abode”.

Our aim of the surveys was to seek customer feedback on what they felt the Council’s priorities should be to eradicate homelessness, as well as what the barriers to accessing housing that they faced.

### Professionals’ Feedback

Just over 30% of the professionals that were approached responded to the online survey and identified the following:

The top four priorities (two priorities scored the same) identified by our professional stakeholders are as follows;

1. Continuous improvement in our homelessness prevention work
2. Avoid unnecessary evictions and recurring homelessness by maintaining a dedicated resource for private rented sector tenancy sustainment
3. To ensure that all customer contact is effectively managed and appropriate housing and homelessness advice is provided
4. Closer working with our partners

The top three barriers to achieving our strategic outcomes were identified as:

1. Lack of affordable housing
2. Reduced funding from Government
3. Welfare reform impacts

### Face to face customer feedback

During July 2019 we completed the face to face consultation with customers at the Stevenage Haven and those currently residing in the Council’s emergency and temporary accommodation and we asked them what they felt should be the Council’s priority around homelessness. The main priorities identified were:

1. Clear and consistent communication during casework
2. More social housing and hostel places – in particular for those that are single and classed as non-priority homeless
3. Education in relation to life skills

The top four barriers identified (two barriers scored the same) were:

1. Lack of social housing accommodation and high rents in the private rented sector
2. Number of different proofs required by the Council to confirm local connection as well five out of seven years resident in the borough
3. Fewer services available – mental health/drug/alcohol support
4. Sofa surfing not recognised as being homeless.

### **Telephone customer feedback**

In September 2019 we completed consultation with applicants who had approached the service from 1<sup>st</sup> April 2019 stating that they had “no fixed abode” and further consultation with some cases that were currently open to the Housing Options service.

Top four priorities (two priorities scored the same) identified are as follows;

1. To ensure that all customer contact is effectively managed and appropriate housing and homelessness advice is provided
2. Continuous improvement in our homelessness prevention work
3. Closer working with our partners
4. Avoid unnecessary evictions and recurring homelessness by maintaining a dedicated resource for private rented sector tenancy sustainment

The top three barriers to achieving our strategic outcomes were identified as:

1. Reduced funding from Government
2. Lack of Affordable Housing
3. Welfare Reform impacts such as the ‘Benefit Cap’ and ‘Local Housing Allowance’ (LHA) rates

A copy of the consultation survey and questions can be found at appendix iii.

All the priorities identified above have been incorporated into our action plan, and it became clear from across all of the consultation that the priorities to complete continuous improvement in our homelessness prevention work, and to have clear and consistent communication with customers were felt especially important. Additionally, the one barrier identified by all consulted groups was the lack of affordable housing. These three main themes therefore formed the basis for our priorities in this strategy.



## 1.4 Innovation

### Stevenage Borough Council Innovation

- **Working with our customers to design and deliver services-** In order to meet the demands placed on the Council by the Homelessness Reduction Act 2017 (HRA17), a service redesign was completed for the Housing Advice and Homeless service in 2018, and in order to decide on how the services would be provided, we used information captured by our Customer Feedback team. This highlighted that many customers felt they had to explain their story numerous times and that it was not clear who they needed to speak to about their case. Therefore, as part of the new Housing Options and Housing Supply services, a customer is now allocated a caseworker who will deal with the case from start to finish. This has resulted in more streamlined working, fewer hand offs and a more consistent approach.
- **Operation Urban-** was introduced to address rough sleeping and begging issues within the town. The findings so far from this operation have been that not all individuals that have been reported to be rough sleeping are actually “homeless” but, however, choose to identify as a rough sleeper in the process of begging. The Vagrancy Act 1924 introduced powers for Police to take action in relation to rough sleeping and begging, such as Community Protection Notices being issued. Hotspot areas have been identified by the Police, which has highlighted that to address the issues of rough sleeping and homelessness within Stevenage it is important for the council and police to work jointly.
- **Stevenage Against Domestic Abuse (SADA) service-** In March 2019 the Communities and Neighbourhoods team launched a resource pack for partner agencies and a Survivors Handbook which is available on our website and websites of our partners. This resource aids our residents in receiving the necessary support and our partners to support our residents.
- **Best use of stock-** In order to meet the demands across our services the Council has utilised stock to allocate the use for emergency, temporary or general needs. This is further supported through the link with the Open Market acquisition (OMA) programme which is detailed on page 23 of this strategy allowing for additional emergency/ temporary accommodation units to be provided.
- **Rough Sleeper Outreach Worker-** funding secured through the Rough Sleeper Initiative has provided additional resource in the form of an Outreach Worker to engage with rough sleepers in Stevenage in order to prevent homelessness.

We regularly review our provisions for rough sleepers and have considered an initiative to provide lockers to store their belongings in. Winter Comfort, a day centre based in Cambridge, do provide this service, however, it is only

available during restricted opening hours and the service user has to remain on the property whilst items are stored.

After discussions with our Community Safety team concerns have been raised in relation to the feasibility of managing this, particularly in relation to locations as we enter a period of regeneration of the town; we will, however, continue investigate other innovative solutions.

- **Cold weather provision-** The Council provides short term cold weather provision for rough sleepers regardless of priority need during the time of year where the temperature drops below freezing. The local night shelter, Stevenage Haven, provide eight bed spaces for this provision and have the option to use our EA/TA stock. For additional provision, the Council is exploring partnership working with local churches in order to increase our access to accommodation without it having an impact on the provision available to the applicants in which we have a duty to accommodate.
- **Housing First-** The council will explore the implementation of a Housing First approach and the implementation investigations will start in financial year 2020/2021. The Housing First model uses independent, stable housing as a platform to enable individuals with multiple and complex needs to begin recovery and move away from homelessness.<sup>4</sup>

## National Innovation

- National initiatives include the Housing First pilot. This is based on the Finland model where accommodation is provided first then wrap around support is put in in to sustain the tenancies/licenses. The Finland model is based on the principle that the customer does not need to solve their problems first before they are provided with accommodation. Since taking this approach, Finland has been the first EU country to see a decrease in homelessness. Housing First pilots are running during 2019/2020 in Tower Hamlets, Manchester, Welywn/Hatfield, Hertsmere and in a joint project between Dacorum and St Albans, in addition to other Local Authorities.
- Manchester in particular demonstrates good practice in relation to homelessness and rough sleeping – not only do they have a dedicated Rough Sleeping team separate to their Housing Options team, the Mayor of Manchester has launched a fund to tackle homelessness.<sup>5</sup> The aim of the fund is to support schemes such as
  - Bringing empty properties back into use
  - Building specialised supported accommodation for young people with access to education, volunteering and employment opportunities
  - Expanding mental health and rehabilitation programs.

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<sup>4</sup> Housing First England 'About housing first' <https://hfe.homeless.org.uk/about-housing-first>

<sup>5</sup> [www.greatermanchester-ca.gov.uk/news/a-bed-every-night-campaign-helps-more-than-700-rough-sleepers-into-accommodation](http://www.greatermanchester-ca.gov.uk/news/a-bed-every-night-campaign-helps-more-than-700-rough-sleepers-into-accommodation)

- A number of Local Authorities provide various schemes such as No Second Night Out.<sup>6</sup> Manchester's 'A Bed Every Night' campaign<sup>7</sup> has helped more than 700 Rough Sleepers during November 2018 – January 2019 into accommodation as part of their Cold Weather Provision. This campaign is open to the public/corporations to donate to and as at April 2019 the total raised is over £233,000.

## 1.5 Background and Legislation

Local Authorities are required to work in line with the Housing Act 1996 (as amended). This strategy has been published in line with Section 3 of Homelessness Act 2002 which requires Local Authorities to develop and publish a Homelessness Strategy.

The Council is required to provide a Housing Advice and Homeless service alongside a number of other statutory functions such as the provision of an allocations policy.

As per section 2(1) of the 2002 Act, a local authority is required to complete a homelessness review which means a review by a housing authority of:

- (a) the levels, and likely future levels, of homelessness in their district;
- (b) the activities which are carried out for any the following purposes (or which contribute to achieving any of them):
  - (i) preventing homelessness in the housing authority's district;
  - (ii) securing that accommodation is, or will be, available for people in the district who are, or may become, homeless; and
  - (iii) providing support for people in the district who are homeless or who may become at risk of homelessness; or who have been homeless and need support to prevent them becoming homeless again; and,
- (c) the resources available to the housing authority, the social services authority for the district, other public authorities, voluntary organisations and other persons for the activities outlined in (b) above.

The above considerations have been addressed when setting our priorities based on the consultation undertaken with stakeholders.

The work completed by the Housing team is bound by legislation and therefore the terminology used in legal, decision letters are as a result of this. These decision letters are a requirement in order to ensure compliance with the law.

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<sup>6</sup> [www.nosecondnightout.org.uk](http://www.nosecondnightout.org.uk)

<sup>7</sup> <https://bedeverynight.co.uk>

## **Homelessness Reduction Act 2017**

The Housing Act 1996 (as amended) defines the responsibilities required by a Local Authority under part 6 and part 7. The legislation that has been introduced further to the Housing Act has amended requirements and added to them.

The Homelessness Reduction Act 2017 (HRA17), was implemented in April 2018 and the Rough Sleeper Initiative Strategy published in the Autumn of 2018 have prompted our review of the 2015-2020 strategy in order to set out our strategic priorities for 2019-2024.

The HRA17 introduced additional powers and duties for Local Authorities for the prevention and relief of Homelessness. The Housing Act 1996 (as amended) details the duties and powers placed on Local Authorities. These were augmented by the requirements placed on Local Authorities through the HRA17 in relation to prevention and relief duties.

The prevention duty is triggered when an applicant is threatened with homelessness within 56 days of their approach to the service and is eligible for assistance. This duty is applicable regardless of local connection. If a duty is triggered, to complete an assessment of the applicant's needs a Personalised Housing Plan (PHP) must be produced detailing what the applicant must do, and what the Local Authority will do, in an attempt to prevent the applicant's homelessness.

This duty will last for at least 56 days and if the applicant's homelessness cannot be prevented, and an applicant actually becomes homeless, the Relief duty is triggered and lasts for at least another 56 days. A revised PHP must be completed under the relief duty as soon as possible. If at the end of this second 56 day period, or later if the Council's enquiries are not completed, the applicant's homelessness cannot be relieved and the Council have an obligations to issue a s184 decision under Part VI of the Housing Act 1996 in the same way as prior to the implementation of the HRA17.

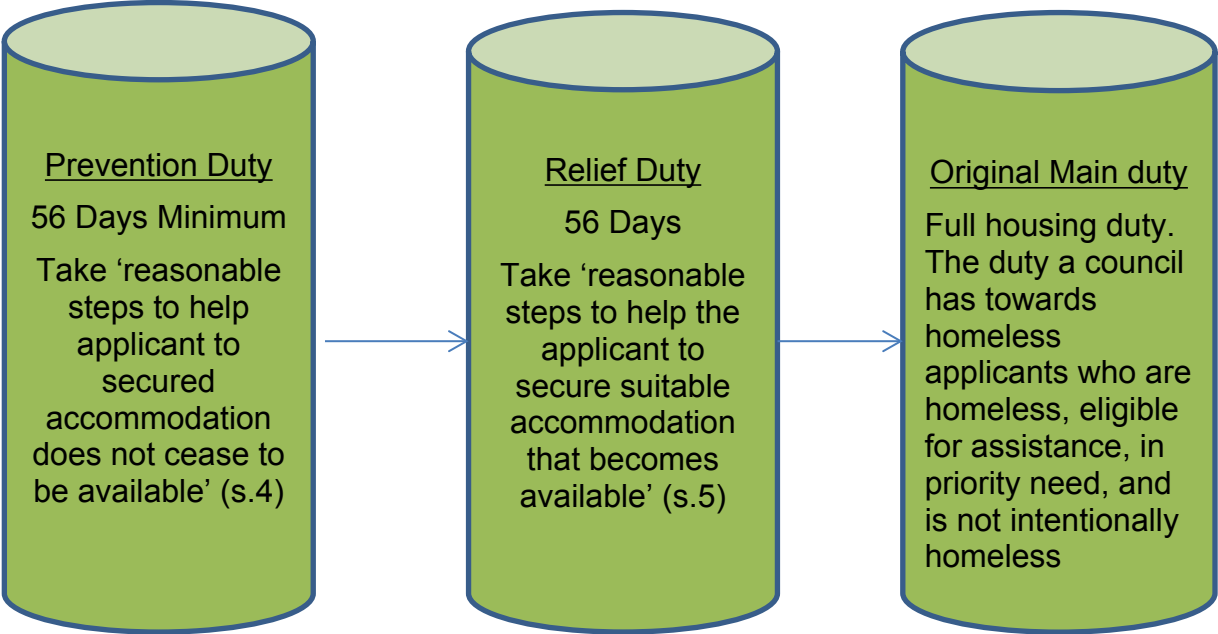
The Act put an emphasis on a joint responsibility between Local Authorities (LA's) and applicants to assist in finding suitable accommodation for applicants. The Act empowers Local Authorities to assist applicants threatened with, or that are homeless, into accommodation in the Private Rented Sector "PRS", which maximises access to accommodation. The Act acknowledges that Social Housing is not always available at sufficient levels to meet the demands of homeless households. This is supported by the changes introduced in The Localism Act 2011 which gave the opportunity to discharge the main duty into the PRS in order to meet the demand for housing.

The introduction of the HRA17 has had an impact on the time taken dealing with a case, the number of cases each caseworker has, as well as an impact on our emergency and temporary accommodation availability, as applicants can be in emergency accommodation or temporary accommodation for a longer period than previously. This is mainly due to those cases that cannot be prevented or relieved as no main duty can be accepted to an applicant until the 56 day relief duty has ended. Local Authorities have the responsibility to provide emergency accommodation

during the full relief duty, if the applicant is homeless, eligible and in 'priority need'. If a main duty is owed TA will be provided beyond the 56 days.

Overall, the HRA17 builds on the existing provisions of Part 7 of the 1996 Housing Act (as amended by Homelessness Act 2002), as it extends the Council's duties to those who are homeless and focusses on prevention. The key changes brought about by the Act include:

- Improving the advice and information available to all homeless applicants and the prevention of homelessness.
- Extending the period that a household is 'threatened with homelessness' from 28 days to 56 days
- Introducing new duties to prevent and relieve homelessness for all eligible applicants, regardless of priority need, intentionality and local connection
- Introducing needs assessments for those homeless and threatened with homelessness by completing Personal Housing Plans which set out the actions authorities and individuals will take to secure accommodation.
- Encouraging public bodies to work together to prevent and relieve homelessness through a Duty to Refer, which commenced in October 2018.



The Government has provided Local Authorities with varying amounts of grant funding to meet the demands placed on them by the HRA17. Due to the increased demands placed on the Housing Options and Supply team we are currently using a

portion of this funding to ensure there are adequate staffing levels for the service. There is no guarantee of this government funding continuing after March 2020.

## **The Rough Sleeper Initiative 2018**

The Rough Sleeper Initiative Strategy (RSI) was published in the autumn of 2018 and although it hasn't given the Local Authority any additional powers in relation to legislation, it has made funding available to address rough sleeping. The Government has committed to halving rough sleeping in this parliament and to end it for good by 2027. The Council and its partners will endeavor to ensure rough sleepers are supported to access the right help and support. Local Authorities also need to consider the lack of services available to assist these 'difficult to reach' customers as many may have complex needs that have not been previously acknowledged. These issues can often be masked by self-medication in respect of drugs and/or alcohol.

The Council completed a funding bid in 2019 for a Rough Sleeper Co-coordinator and Support Worker post which was successful. The project is funded for one year from 7<sup>th</sup> October 2019 and this worker will engage with the town's identified rough sleepers to support them into sustainable housing. Their objective as part of this pilot will be to halve the town's rough sleeper population, however we will strive to eradicate rough sleeping completely within Stevenage.

Customer feedback on the Rough Sleeper initiative

"I cannot go through another winter, I don't think I have it in me."

The project worker completed a referral to the Housing Supply team who sourced accommodation in the private rented sector and offered sustainment in the prevention of homelessness. The Housing Supply team assisted the resident in sourcing the property and provided a deposit, and further to this, the rough sleeper project worker assisted with the viewing and in claiming Universal credit. This is a positive example of joint working and successful prevention.

The Rough Sleeper Co-coordinator and Support Worker and the Housing Options team will continue to work with partners such as the No More service and Hertfordshire Constabulary on projects such as Operation Urban.

There have been a number of successful outcomes for cases dealt with through Operation Urban. In one case a resident with a history of drug use, offending and anti-social behavior who was regularly found to be rough sleeping was referred to the Council's No More Service (NMS) who provided intensive support and found him accommodation in the local night shelter; Stevenage Haven. The resident has complex needs and is being provided with ongoing support.

## 1.6 Homelessness and Rough Sleeper definitions

The legal definition of homelessness is broad and does not just apply to people without a roof over their heads or who are sleeping rough. There are several categories as detailed below:

|                    |  |
|--------------------|--|
| Statutory homeless | Households deemed to be homeless, eligible for support from their local council and in priority need.  |
| Single homeless    | Those who are homeless but do not meet the priority need criteria to be housed by their local authority under homelessness legislation.  |
| Vulnerably housed  | People without accommodation, people in temporary, insecure or poor quality accommodation including those that are overcrowded, or those threatened with homelessness.   |
| Rough Sleeping     | People sleeping, about to bed down (sitting on/In or standing next to their bedding) or actually bedded down in the open air. People in buildings or other places not designed for habitation (such as stairwells, garages, car parks, cars or stations) |
| Hidden homeless    | People not recorded in official statistics, who tend to sleep on the floors or sofas of friends and families, or sleep rough in concealed locations.   |

## 1.7 Health & Wellbeing

Stevenage takes the health of its residents seriously and has had a Health and Wellbeing partnership as a thematic group of the local strategic partnership for several years.<sup>8</sup> The health and wellbeing of the homeless or rough sleepers is one focus of this strategy which links into the Health and Wellbeing strategy described below.

The Healthy Stevenage Partnership is a multi-agency forum which includes the representatives of the following organisations; Stevenage Borough Council, Hertfordshire County Council, Public Health, East and North Herts Clinical Commissioning Group, East and North Herts NHS Trust, Mind in Mid Herts, Healthwatch, Stevenage Football Club Foundation, Citizens Advice Stevenage, Children Centres, Stevenage Leisure Limited, Stevenage Sporting Futures among many others.

The purpose of the partnership is to

- Achieve better alignment of partners and their efforts to address shared priorities for health and wellbeing
- Work together to maximise resources, skills, knowledge and evidence
- Deliver or commission local projects based on evidence and needs of the local population
- Increase opportunities to improve health wellbeing for local residents
- Champion health and wellbeing and promote positive health-related behaviours
- Secure additional resources and investment for health and wellbeing projects in Stevenage

The partnership has worked together to developed a four year strategy (2018-2022) which sets out their priorities.<sup>9</sup> The strategy action plan sets out some of the key projects to be delivered over this period. It is important to note that the strategy and action plan will be a live document which will develop as the health and wellbeing agenda evolves. It will reflect local needs based on evidence and take account of changing aspirations over time.

As mentioned above, one of the purposes of the Healthy Stevenage Strategy is to commission local projects based on evidence as to the needs of the local population.

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<sup>8</sup> [www.local.gov.uk/stevenage-borough-council-public-health-transformation-six-years](http://www.local.gov.uk/stevenage-borough-council-public-health-transformation-six-years)

<sup>9</sup> [www.stevenage.gov.uk/content/committees/182083/182087/182091/Executive-14-February-2018-Item5-AppA.pdf](http://www.stevenage.gov.uk/content/committees/182083/182087/182091/Executive-14-February-2018-Item5-AppA.pdf)



Stevenage contributes £5k per financial year to the Herts Young Homeless “Home truths” programme which educates school children across Hertfordshire on a variety of health and wellbeing aspects, including homelessness and housing options. This is to ensure the young people of Stevenage can make well informed choices for the future and aims to reduce risk of homelessness.

Herts Insight have published the projected population growth of Stevenage and other Hertfordshire Districts over the next 25 years.<sup>10</sup> The projection is that there will be a population increase of 13.8%. We should therefore expect that for Stevenage the number of presentations of homelessness and Housing Register applicants to increase. The table below (produced by Herts Insight) indicates the projected population increase over the 25 year period (2016-2041) at District level.

| <b>District</b>  | <b>Projected population – all persons, all ages 2016-2041</b> |
|------------------|---|
| Broxbourne       | 13.62%  |
| Dacorum          | 16.14%  |
| East Herts       | 18.89%  |
| Hertsmere        | 12.83%  |
| North Herts      | 15.75%  |
| St Albans        | 12.18%  |
| <b>Stevenage</b> | <b>13.75%</b>   |
| Three Rivers     | 15.86%  |
| Watford          | 17.39%  |
| Welwyn Hatfield  | 22.07%  |

In order to focus on health and wellbeing of applicants who have experienced domestic abuse and/or domestic violence, the Council’s Community Safety service provide the safeguarding Stevenage Against Domestic Abuse (“SADA) service. SADA works with survivors of domestic abuse and their families. The service offers crisis intervention along with customer led support and signposting to other agencies to suit the individual’s needs. Over the last year we have seen the service grow and gain recognition for its work.<sup>11</sup> The SADA Domestic Abuse Forum is run by survivors of who want to make a difference, the drop-in service which runs weekly in Stevenage and North Herts offers extra support to victims, survivors and their families.

<sup>10</sup> [www.hertfordshire.gov.uk/microsites/herts-insight/topics/population.aspx](http://www.hertfordshire.gov.uk/microsites/herts-insight/topics/population.aspx)

<sup>11</sup> [www.local.gov.uk/sites/default/files/documents/22.39%20Modern%20slavery%20case%20studies\\_web.pdf](http://www.local.gov.uk/sites/default/files/documents/22.39%20Modern%20slavery%20case%20studies_web.pdf)  
Homelessness & Rough Sleeper Strategy 2019-2024

SADA continues to source external funding to enhance the work with domestic abuse survivors and their families in Stevenage and North Herts. We have expanded our work further following a successful funding bid from Letchworth Heritage Foundation and Violence against women and girls “VAWG”. This funding has enabled the service to offer one to one support for those people that have experienced complex needs including self-medicating with drugs and alcohol and to access support for those experiences mental health issues. The service will continue to work with partners and seek further funding to secure and expand the service past 2020.

The council’s Community Safety service launched its Modern Slavery Service in October 2018 and has been working closely with partners to offer training to front line staff and held a conference in February 2019 enhance the learning

The service has two “Safe Space” properties which can give respite for those people who are fleeing domestic abuse or need time to consider their options. The properties are available fully furnished and referrals are received through the SADA Service. The service is currently looking to further expand its accommodation provision with more support for survivors who need further assistance including those with no recourse to public funds.

This work is completed in partnership with the Housing Options team to ensure applicants have access to resources that will improve their health and wellbeing alongside the prevention and relief of homelessness.

## 1.8 Statistics and context

The estimated number of rough sleepers in England has also increased every year since 2010, Stevenage has seen an increase of 63% in rough sleepers since 2010. In 2018 our count was 11 rough sleepers – compared to the previous year of 6; this indicates an increase of 83%.

The table below details the rough sleeper Count since 2014.<sup>3</sup>

| Year | Estimated Count |
|------|-----------------|
| 2014 | 8               |
| 2015 | 5               |
| 2016 | 17              |
| 2017 | 6               |
| 2018 | 11              |

Under the HRA17 the statistical returns that the Council is required to make has changed. A number of Local Authorities, including Stevenage, have had challenges relating to the implementation of the new format owing to IT systems and our need to adapt these. We have implemented new systems within the service to accommodate the requirements of the HRA17, however, as a consequence of this, we are currently unable to produce a like for like analysis with our peers.

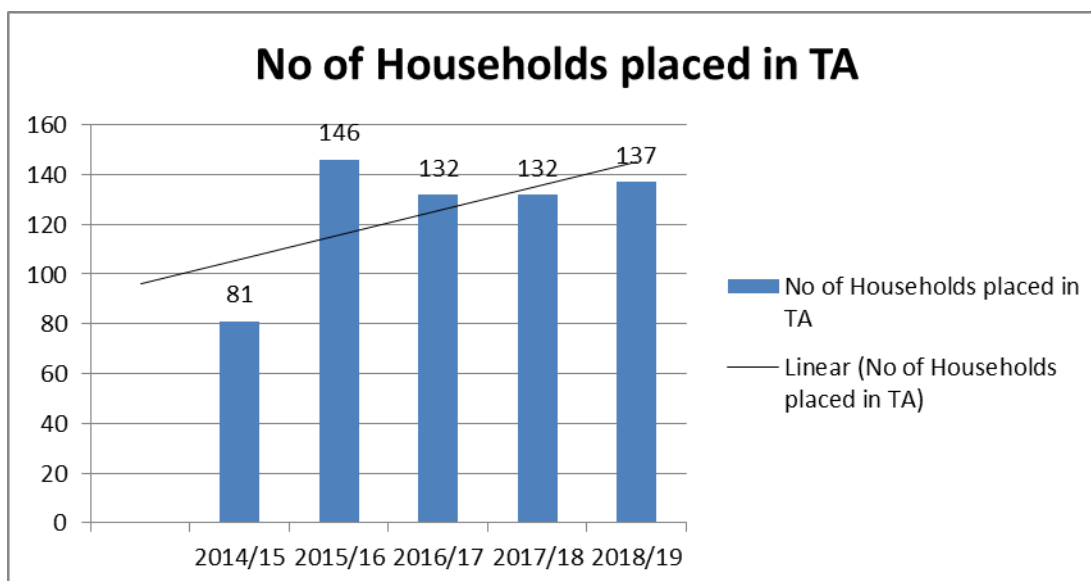
This is equivalent to our reporting Q1 as the MHCLG run their reporting on a calendar year rather than a fiscal year. A caveat on this data on the .Gov website also advised that it is experimental statistical release data and based on full or partial information from Local Authorities.

The data obtained through the previous national data report system is detailed below.

### Temporary Accommodation

It has been noted that in the 1<sup>st</sup> quarter of the HRA17 the number of households in "TA" was up nationally by 5% based on the previous year and since 2010 it is increased by 70%.<sup>4</sup>

Stevenage has seen a 69% increase from 2014/15 to 2018/19 as evidenced by the table below when reviewing those placed in TA.



The increase in temporary accommodation is not just local issue to Stevenage as discussed by Association of Retained Council Housing (ARCH) following the latest Government figures<sup>12</sup> released on 12 September 2019 showing that, despite the introduction of the **Homeless Reduction Act 2017**, the number of homeless households living in temporary accommodation has risen again and is at its highest since 2010.

On 31 March 2019 the Ministry for Housing, Communities and Local Government (MHCLG) published<sup>13</sup> that the number of households living in temporary accommodation across England was 84,740 - up 4.7% from 80,720 on 31 March 2018 and up by a huge 76.5% 48,010 on 31 December 2010. There were 62,010 households in temporary accommodation with dependent children, including 2,190 households in Bed & Breakfast accommodation. In total there were 126,020 dependent children in temporary accommodation at 31 March 2019.

The Council regularly monitors the demands and trends on services and one of the main demands for the service is the numbers of applicants requiring temporary accommodation.

Since 2017 the housing service has been required to utilise Bed and Breakfast and hotels when all council owned emergency (EA) and temporary accommodation (TA) units are in use in order to provide applicants owed an s188 interim or s193 main duty with temporary accommodation as per the Housing Act 1996 (as amended).

There are 90 units of accommodation allocated for the use emergency/temporary accommodation for the Council. These units have been running at full capacity for a substantial period and the length of stay has increased since the introduction of the Homeless Reduction Act in 2018. We have been required to use Bed and Breakfast

<sup>12</sup> [www.arch-housing.org.uk/news/latest-news/households-in-temporary-accommodation-highest-since-2010.aspx](http://www.arch-housing.org.uk/news/latest-news/households-in-temporary-accommodation-highest-since-2010.aspx)

<sup>13</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/831246/Statutory\\_Homelessness\\_Statistics\\_Release\\_Jan\\_to\\_March\\_2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/831246/Statutory_Homelessness_Statistics_Release_Jan_to_March_2019.pdf)

accommodation to deal with the impact of the demand for accommodation which is not a sustainable option.

The cost of Bed and Breakfast placements is high and due to the increase in placement required, the *projected* cost of this is £220k for financial year 2019/2020. The approx. spend for Q1 and Q2 for financial year 2019/2020 is approx. £60k for Bed and Breakfast placements, compared to approx. £5k in 2018/2019.

Despite the hard work of the teams in preventing and assisting homeless applicants there is a constant and increasing demand for temporary accommodation and applicants are in temporary accommodation for longer periods.

At the time of writing there are 9 cases placed into Bed and Breakfast in addition to the 90 cases placed in EA/TA. At its peak on 7<sup>th</sup> October 2019, the Council had 26 cases placed into Bed and Breakfast

Therefore, we must consider how to increase of our access to more stock for emergency/ temporary accommodation to meet the demand and we have taken short term, medium term and long term steps to address this.

We have already completed a conversion of a general needs property into shared facility giving additional six units and there are further conversions of stock agreed in order to provide additional units which has been funded from the Flexible Homeless Support Grant (FHSG). The FHSG was issued to Local Authorities in place of the nightly let management fee in order to prevent and relief homelessness. There is no guarantee that this grant will continue past 2020 however we have received two rounds of this grant for 2018/2019 and 2019/2020 which has paid for fixed term contracts within the Providing Homes service in order to prevent and relieve homelessness.

Some properties that have been purchased through Open Market Acquisitions (OMA) programme using Right to Buy receipts, have been provided for the use of TA. Using these properties for TA over any other option does not impact the Housing Revenue Account as the rents received will balance the spend from the Council purchasing these properties.

The conversion of general needs units and properties allocated from OMA's will provide an additional 26 units for the provision of TA in order to meet the demand for accommodation.

We have monitored the demand for EA/TA and have short term, medium term and long term solutions in place to deal with this including the medium/long term provision of additional hostel type accommodation to be provided within Stevenage. The EA/ TA action is plan is being reviewed on a monthly basis to ensure that we are on track to meet our target to have no families placed into Bed and Breakfast accommodation. This will also be reviewed in the quarterly internal KPIs.

Our target is to ensure that there are no families with dependent children, expectant mothers and 16/17year olds placed into Bed and Breakfast accommodation by the start of financial year 2020/2021.

### **Homelessness Decisions**

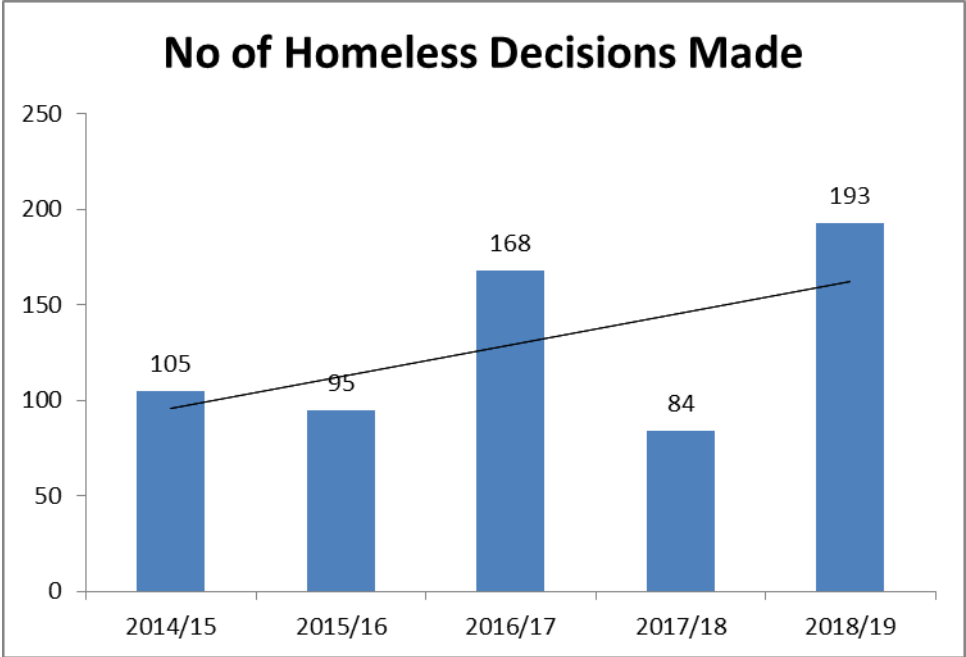
The graph below shows the number of decision that have been made by the Stevenage Housing Options team (formerly known as the Housing Advice and Homelessness & Rough Sleeper Strategy 2019-2024

23 / 50

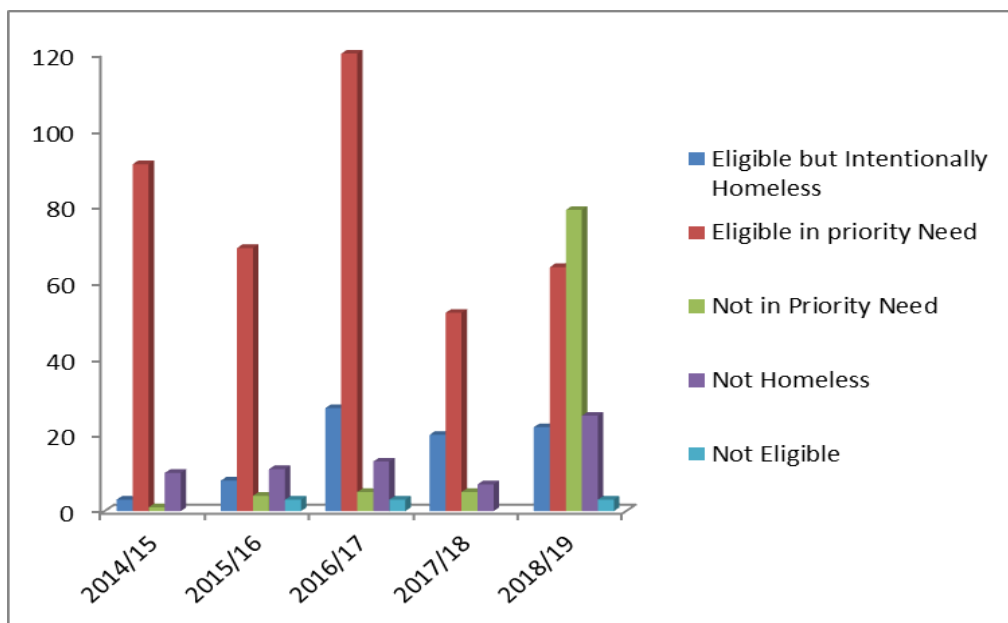
Homelessness team) over the last 5 years. The decisions referenced are those made under Section 184 of the Housing Act 1996 (as amended) which relate to whether the applicant falls under the following criteria:

- Eligible but intentionally homeless
- Eligible and in priority need
- Not in priority need
- Not homeless
- Not eligible

There is an increase of 84% between 2014/15 and 2018/19. Comparing just 2017/18 to 2018/19 there is an increase of 230%.



The graph below show the reasons for the decisions taken over the last 5 years



The above table evidences that there has been a substantial increase in the number of 'not in priority need' and 'not homeless' decisions issued from 2018/2019. The reason for this increase can be attributed to the approach to cases by officers and further the change in legislation putting an emphasis on a decisions being made at the very start of an applicant's journey.

The length of time taken to make a decision will vary on a case by case basis however cases that are found 'intentionally homeless' will generally take a longer period of time based on the complexity of the investigations required to be evidenced in the decision letter.

Analysis of decisions made by Hertfordshire Local Authorities is detailed below. The information shows that Stevenage rank 8<sup>th</sup> in the volume of total decisions made between 2014/15 and 2017/18

The information below has been obtained for the P1E data submitted by each LA.

|  | Broxbourne | Dacorum | East Herts | Hertsmere | North Herts | St Albans | Stevenage  | Three Rivers | Watford | Welwyn Hatfield |
|--|------------|---------|------------|-----------|-------------|-----------|------------|--------------|---------|-----------------|
| Eligible, Homeless, In Priority but IH                         | 33         | 80      |            | 60        | 60          | 70        | <b>58</b>  | 30           | 73      | 87              |
| Eligible, homeless not in priority need                        | 42         | 176     |            | 66        | 62          | 33        | <b>15</b>  | 22           | 62      | 64              |
| Eligible not homeless  | 372        | 108     | 88         | 198       | 119         | 57        | <b>41</b>  | 15           | 121     | 70              |
| Eligible and priority need                                     | 803        | 692     | 308        | 534       | 318         | 511       | <b>332</b> | 296          | 629     | 614             |
| Total Decision made over 4 year period between 2014/15 - 17/18 | 1250       | 1056    | 396        | 858       | 559         | 671       | <b>446</b> | 363          | 885     | 835             |

Stevenage continues to work with partner agencies to encourage a duty to refer approach to the service and is continuing to work with partners to address the complex and multiple needs of customers. A large amount of training has been provided to partner agencies in order to educate them about the HRA17 and the duty

to refer that it has introduced. The ten Hertfordshire Local Authorities have also agreed referral procedures between Local Authorities in order to prevent any one Local Authority facing the brunt of the HRA demands locally.

Work continues proactively with partner Local Authorities and Social Services on the Hertfordshire Joint Housing Protocol (JHP) and partnership working. Hertfordshire County Council and the ten districts within Hertfordshire operate a two tier system and therefore this JHP was put in place to ensure that service users and staff have a streamlined approach across Hertfordshire. This is in place for a number of target groups: '16/17 year old' homeless, 'Intentionally Homeless Families', 'Families with no recourse to Public Funds' and 'Care Leavers'. The JHP has a steering group which focusses on the strategic vision through liaison meetings to discuss any issues with specific cases; this enables us to focus on specific cases to come up with a resolution.

As discussed in the national homeless charity Crisis's 8<sup>th</sup> annual homelessness monitor England report<sup>14</sup> it has been identified there has been an extraordinary rise since 2010 in the number of households in the UK made homeless by the ending of private tenancies, this, however, seems to have finally to have peaked. Homelessness temporary accommodation placements, however, have continued to rise, and now stand 71% higher than in 2011, with a disproportionate rise in Bed and Breakfast use also ongoing.

It is identified by Homelesslink<sup>15</sup> and evidenced in the P1E national data returns the most common main report reason for losing accommodation is that a friend or relatives are no longer able to provide support or because of relationship breakdown.

For Stevenage the main reasons reported for homeless approaches are overwhelmingly: relationship breakdown, friends and family no longer able to accommodate, and the loss of Assured Shorthold Tenancies "AST" which are tenancies in the private rented sector. The Housing Supply team is focusing on addressing the access to properties in the PRS and the Housing Options team work with parental/ family evictions to try and keep the applicants within the family home whilst assisting the applicants to seek their own independent accommodation.

The prevention figures for the service evidence the hard work that has been completed. There were **231** cases where their homelessness was prevented in 2017/2018 and **399** cases where homelessness was prevented in 2018/2019.

The number of preventions of homelessness cases that have been achieved since the implementation of the HRA17 has increased by 73% across the Prevention and Relief duty periods. Based on the H-CLIC data which has been listed as experimental data, the Council appears to out-perform other local authorities in its region and nationally in terms of homelessness prevention.

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<sup>14</sup> [www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/england/the-homelessness-monitor-england-2019/](http://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/england/the-homelessness-monitor-england-2019/)

<sup>15</sup> [www.homeless.org.uk/facts/understanding-homelessness/causes-of-homelessness](http://www.homeless.org.uk/facts/understanding-homelessness/causes-of-homelessness)

Homelessness & Rough Sleeper Strategy 2019-2024



There is a crisis in the provision of housing on a national level meaning there is not enough stock to meet the demand. In order to eradicate homelessness and meet housing demand, sufficient additional accommodation would be needed. The options for home seekers are to buy properties, which could include shared equity, or to rent whether it is in the social/ affordable or private sector.

Challenges such as the recent welfare reform changes, particularly the introduction of Universal Credit which is paid in arrears causing a delay with receiving payments. Further, Local Housing Allowance rates do not match the rents charged in the private rented sector meaning there is a substantial gap that would need to be met by the applicant which can cause the private rented sector to be unaffordable for many households.

In order for home seekers to be eligible to buy they would need to have the income to support this, again meaning this can be unachievable for some groups

There is not, however, enough social/ affordable housing to meet the demand alone and therefore in order to reduce homelessness it is imperative that we utilise the PRS and encourage landlords to accept applicants open to our service and to charge reasonable rents.

Stevenage has always provided Housing Advice for Single Non-Priority homeless customers, (these are customers who we as a Local Authority are not required to accommodate in temporary or permanent accommodation under the homeless legislation). We continue to support this customer group by providing advice and assistance. We assist with areas such as;

- Applications to our Housing Register where they meet the local connection criteria
- Referrals to other accommodation providers such as Stevenage Haven, YMCA, Hutton House
- Referrals to support providers such as CMHT, No More Service, Social Services,
- Helping customers into the Private Rented Sector

## Our priorities

### **Priority 1: Prevention and Relief of Homelessness**

Our Housing Options team provide an impartial, confidential and free advice service. Caseworkers are given scope to explore a wide range of prevention options; an approach which has a positive impact in increasing the number of successful outcomes relating to prevention and relief of Homelessness. Since the implementation of the HRA17, Stevenage has extended the offer of financial assistance for deposits and rent in advance where possible to all applicants where the PRS is affordable. We will continue to monitor the funds available to provide this assistance.

In order to reduce homelessness, early prevention work is needed at the point the prevention duty is triggered and even before this to resolve housing issues before they reach crisis point. However, we continue to have a high number of presentations at the point of homelessness where the relief duty is triggered, this could be due to customers not realising there is a problem until the last minute, or not being aware of the possible support in advance of becoming homeless.

We continue to work with partner agencies to encourage duty to refer approaches to the service, and are continuing to work jointly with partners to address the complex and multiple needs of customers. A large amount of training has been provided to partner agencies in order to educate them about the HRA17 and the duty to refer that it has introduced. The ten Hertfordshire Local Authorities have also agreed referral procedures between the authorities in order that they have the chance to address their own Homelessness issues.

The Housing Options team work closely with the Stevenage Against Domestic Abuse (SADA) team as well as the Community Safety team generally, liaising with various agencies that support victims, the public, and residents.

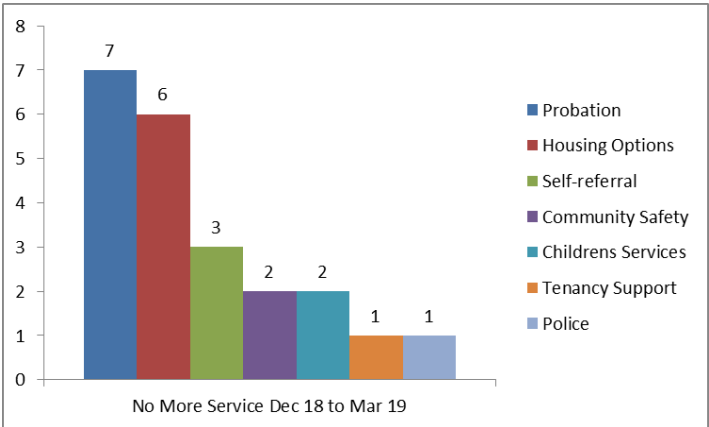
We ensure that we apply the Public Sector Equality duty when working with our customers and have due regard to the need to eliminate discrimination and to advance equality. The equality duty covers nine protected characteristics: age, disability, gender, reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Although non-statutory, the Council has additionally chosen to implement the Socio-Economic Duty and so we also consider the impact of all our policies and activities on people with a socio-economic disadvantage.

During 2018-2019 the Housing Options service contributed £15k from the Homeless Prevention Grant to the 'No More' service "NMS" based within the Council's Communities and Neighbourhood team to fund an additional No More service worker to focus on rough sleeping and outreach work. During this pilot the outcomes demonstrated that that post would sit better within Housing Options service to work more closely with the Housing Options caseworkers. The Housing Options team continue to work very closely with the No More service to ensure there is effective joint working, creating better outcomes for customers.

We had successfully bid and have received funding from the Rough Sleeper Strategy and a rough sleeper support worker has been recruited who will engage with this cohort and continue to work closely with both our internal Housing Options team and the No More Service to address the needs of rough sleepers. The worker will build relationship with external partners who have experience of working with Rough Sleepers. We will be bidding for additional funding for this provision for period 20/21.

Since December 2018 the No More service received 22 referrals from the following service areas:

- Probation
- Housing Options team
- Self- referrals
- Community Safety
- Children’s Services
- Tenancy Support
- Police



It should be noted that these referrals were not only for rough sleepers but also those that were at risk of becoming homeless and met the No More service referral criteria.

As a Local Authority, we know that social housing alone cannot meet the demand from those residents in Stevenage who are in housing need. The private rented sector can provide an effective solution for many households, although we recognise that it may not meet the needs of some of our more vulnerable residents. One of the challenges we face is sourcing suitable and affordable accommodation for residents, this is compounded by the price gap between Private Sector Rents and Local Housing Allowance (LHA) rates.

In April 2018 Stevenage formally reviewed its Housing Advice and Homeless services to ensure it continues to meet the new legal duties placed on Councils by the HRA17. The new structure went live at the end of July 2018. The Housing Supply Team assists the Housing Options Team with the supply of Private Rented accommodation.

Every customer for whom a prevention or relief duty is owed is assessed as to whether their housing need can be met within the Private Rented Section (PRS) and whether this is an affordable option for them.

Customers will be given advice on securing their own accommodation and, where possible, many will be assisted into privately rented accommodation sourced through the Housing Supply Team. The review of the service has resulted in an increase in the number of new assisted private sector lets. The target set in the last Homelessness strategy was for an average of 20 new private sector lets per quarter – 80 for the year. In financial year 2018/19 this was exceeded by at least an additional 4 lettings per quarter, totaling 97 in the 2018/2019 financial year.

The figures are provided below;

Number of new tenancies assisted by the Council:

| Financial year | Total number of new tenancies created |
|----------------|---------------------------------------|
| 14/15          | 47                                    |
| 15/16          | 50                                    |
| 16/17          | 46                                    |
| 17/18          | 57                                    |
| 18/19          | 97                                    |

The Council’s Tenancy Deposit Scheme continues to help the majority of households using the service who would not otherwise have the funds to meet the upfront rent and deposit costs. Throughout the length of these tenancies, the Housing Supply Team supports both the tenants and landlords to maintain the tenancy.

We need to take into account the needs and aspirations of both landlords and tenants to ensure a successful and sustainable working relationship that is beneficial to all parties and which overcomes financial and other barriers.

**What we aim to achieve**

- A streamlined and effective experience for customers whilst they are given the appropriate housing and homelessness advice
- Continuous improvement in our homelessness prevention and relief work
- Continued collaborative working with our partners at strategic and operational level
- Explore the implementation of a ‘Housing First’ approach model within Stevenage
- An aspiration to eradicate rough sleeping within Stevenage on a long term basis
- An increase in the number of PRS properties by engaging with private landlords
- We aim to reduce the number of days applicants are waiting in temporary accommodation by utilising the option to discharge cases owed a duty by the council into Private Sector Accommodation where suitable

- Continuous provision of advice and support to single non-priority homeless applicants
- Provision of advice on housing affordability to ensure sustainability outcomes for all customers
- Effective liaison with Housing Associations to prevent and relieve homelessness
- Effective communication with the public on the subject of homelessness and rough sleeping including figures and myth busting using a variety of media

**This will be achieved by:**

- Adopting a corporate commitment to prevent homelessness supported by all Local Authority services
- Liaising with all internal teams within the Council such as Income Services to prevent homelessness within our own housing stock.
- Promoting the commitment to refer to other housing providers to ensure early intervention and reduce the risk of homelessness
- Adopting a more integrated approach between both internal and external partners/services with regular strategic homeless prevention meetings such as the homelessness forum. This will ensure a cooperative approach towards Health and Wellbeing in Stevenage
- Monitoring the progress of our partners currently providing the Housing First pilots and research the requirements and financial commitment for Stevenage to provide a Housing First project.
- Providing high quality training across all our homelessness prevention services
- Seeking better ways of fully engaging with our partners to address homelessness
- Keeping up to date with best practice across the country to ensure that we are providing the best possible service in relation to Homeless and Rough Sleeper prevention.
- Seeking ways to improve attendance of key agencies at the Homelessness Forum
- Working closely with our accommodation providing partners such as the Haven, Aldwyck, YMCA to prevent the homelessness of single people
- Working with and supporting Herts Young Homeless to deliver training in schools around housing and homelessness.

- Review the Council's Allocation policy to ensure that the banding scheme prioritises the move on needs of customers living in supported and temporary accommodation. Therefore ensuring that we make best use of these valuable resources by moving those that no longer need support
- Building on our partnership working with Local Authorities in Hertfordshire and the County Council to keep the Joint Housing Protocol up to date and relevant.
- Using Rough Sleeper Funding gained from MHCLG to achieve the reduction in the number of customers sleeping rough and achieve sustainable housing solutions.
- Continuing to train and develop staff to ensure that all Personal Housing Plans (PHP) are relevant and achievable and customers have clarity on their own responsibilities to resolving their housing needs.
- Reviewing our Cold Weather Provision interventions to ensure that they are fit for purpose and avoid the use of B&B provision.
- Increasing the number of tenancies in PRS to reduce the demands on the social housing provision.
- Producing a feasibility study for Stevenage for setting up a social lettings agency as part of this we will seek feedback from Landlords. This would incorporate our current tenancy deposit scheme and include new incentives for landlords to let their properties to households who are homeless or threatened with homelessness
- Avoiding unnecessary PRS evictions and recurring homelessness by maintaining a dedicated staffing resource for private sector tenancy sustainment
- Promoting high standards of accommodation by providing landlords and tenants with easy access to other Council services involved in the private rented sector such as Environmental Health which have a role in ensuring quality provision in PRS
- Delivering clear accounting of the all costs involved in delivering our assisted lets model by maintaining robust financial monitoring

## Our Priorities

### **Priority 2: Provision of Temporary Accommodation**

#### **Overview**

At present all of our interim (EA & TA) accommodation is council owned accommodation. The majority of the accommodation is self-contained; less than 23% per cent of our designated interim accommodation has shared facilities. At 30<sup>th</sup> October 2019 we have 90 units of designated emergency and temporary accommodation in use.

In order to meet the significant increase in the demand of for interim accommodation, we have converted some of our general needs stock for this use. We are using general needs stock as additional interim accommodation. The Housing Revenue Account business plan also recognises the need for additional units to support this strategy. There are further general needs units identified for adaptation for the use of temporary accommodation which has been funded from the Flexible Homeless Support Grant.

We must plan for a downturn in the economy which could impact on the number of EA/ TA units required to meet the demand. If in the future we have an excess of EA/ TA stock we can be flexible and look to use this an income generating option. . We have an arrangement in place with Welwyn Hatfield Borough Council to use their excess temporary accommodation and should we be in a position to offer this in the future we can offer this across the Hertfordshire Authorities.

During 2018 – 2019 the impact from the Homeless Reduction Act has resulted in an increase in demand for emergency and temporary accommodation as detailed in section 1.7 of this strategy, which has resulted in the increased use of bed and breakfast accommodation. We will have further units becoming available by October 2019 which have been procured by open market acquisitions, working with colleagues in Investment and Development. There will be additional units provided following general needs conversation works and we will utilise any additional properties as required to meet the demand for EA/TA and avoid the need to use costly bed and breakfast accommodation. Further enquiries are being made into provision in the private rented sector and exploring the options of Private Sector Leasing “PSL” properties that can be utilised if there is a required demand for this.

The Housing Supply team is completing enquiries into what can be done to increase access to the private rented sector in order to assist in the provision of accommodation and provide a mixed tenure offer to those seeking housing. One initiative that will be piloted is an insurance scheme where the Local Authority obtains an insurance policy for a property, which can be accessed by the tenant and/ or landlord. The aim of this is to provide assurance to the landlords that there is assistance available for damage or loss of rent for the property.

SBC aim to introduce innovative housing solutions and investigations will be carried out in order to determine the most effective options.

### **What we aim to achieve:**

- An increased portfolio of temporary accommodation properties of various sizes and types including the provision of a LA hostel in conjunction with our Housing Development aspirations
- Increased supply of temporary accommodation using properties that are currently void pending redevelopment
- Minimise the use of bed and breakfast
- Value for money in the provision of our emergency & temporary accommodation

### **How we will achieve this:**

- By adapting our current designated temporary accommodation where possible, to increase the number and flexibility of units by liaising with our Housing Development team on planned redevelopment
- Looking at flexible and innovative ways to reduce any void periods in our designated temporary accommodation scheme using the accommodation in more flexible ways
- To investigate Private Sector Lease provision to enable us to avoid the use of Bed and Breakfast
- By identifying development opportunities working with the Council's Development Team in its planning and delivery of the Council's housebuilding and acquisitions programme
- Identify general needs stock that can be adapted and used for the provision of temporary accommodation including hard to let properties in order to meet the demand in the short term.
- Build/provide a bespoke hostel type accommodation within Stevenage to provide 10-20 bed spaces for homeless applicants
- Reviewing our temporary accommodation placement and procurement policy to ensure it is fit for purpose
- Maximising the collection of revenue in respect of chargeable services
- Exploring commercialisation of our TA and rent surplus units with other LA's



## Our priorities

### Priority 3: Housing Development

#### Overview

The development of new affordable housing within Stevenage evidences the significant investment that has been allocated to increase the number of social rented and affordable rented homes in the borough. This is working towards the ambition that everyone should have access to supportable housing.

One of the Council's main priorities is to develop new affordable housing and this is enshrined in the corporate Future Town Future Council "FTFC" framework that details the nine strategic priorities. The development of new affordable housing by Stevenage Borough Council helps provide long term social and genuinely affordable rents and assists people to establish a home, build links and support networks that aid resilience and contribute towards community life, and therefore reduce the risk of homelessness.

To date, the Council has delivered 211 new homes and is either on site or has planning permission for a further 320 homes. This includes sites such as Kenilworth Close, which includes plans to deliver a state of the art independent living scheme. Schemes such as this help to create churn within the existing housing stock, which in turn helps free up move on accommodation for those waiting to be housed in existing EA / TA accommodation.

Subject to Executive approval, the 30 year HRA business plan identifies 2425 homes to be built over the life of the plan, including a proposed additional 510 homes over the next five years which will help to meet the housing needs of the town. Future housing development targets will aim to make the most of brownfield opportunities and asset redevelopment, along with partnership working with the voluntary, public and private sector agencies.

To deliver on this, the Council has established a development programme that is led by the Council's Housing Development team.

The team utilise internal Housing Revenue Account (HRA) resources, public subsidy and income generated from private sale to deliver a programme of affordable housing schemes.

This programme presents a number of opportunities that can help to fulfil the strategic aims of the homelessness strategy and work is underway to ensure alignment of effort in both departments.

The redevelopment of existing housing stock can provide opportunities for short term accommodation that can be used to alleviate short term and acute housing need created by the threat of homelessness. Therefore both teams will work to forecast such opportunities that can be utilised to create additional short term accommodation.

It is important that development opportunities are exploited to the fullest to meet the wide array of housing needs that are present in Stevenage as a result of a fractured housing market that is not delivering for all. In order to ensure both teams are aware of the need and the opportunities within the town, they will liaise closely as well as sharing staff resources via secondment, where appropriate, to ensure priorities are translated into practise.

The Housing Development programme will also ensure that concerns regarding climate change are addressed through a sustainable development programme which meets the need for adequate affordable housing as well as addresses the importance of averting climate change. This can also provide savings for the tenant by improving the cost of running their homes which helps to sustain their tenancies.

#### **What we aim to achieve:**

- The provision of 500 new affordable homes over 10 years with 300 of these homes being built over by 2020/21.
- The development of specialist emergency and temporary accommodation that is built to modern standards, providing additional comfort and respite to those facing the threat of homelessness. Such as the development of bespoke medium sized developments that offer 8-10 bed spaces for the homeless as well as larger supported housing schemes.
- The development of high quality accommodation that will create necessary churn within the existing housing stock to allow for move on accommodation for those in temporary accommodation.
- To provide new accommodation which offers security of tenure to the tenants as well as aiding sustainability by offering reduced running cost as a result of designs that allow for better insulated properties.
- To utilise private sale schemes within the HRA to cross subsidise further development of affordable accommodation.

#### **How we will achieve this:**

- By building 500 new affordable homes as outlined in the Housing Revenue Account Business Plan over 10 years. This will be delivered by the Housing Development team through their acquisition and development programme.
- Identify schemes and sites that allow for the development of specialist accommodation.

- Work with architects to make sure that schemes are designed to a standard that will aid in the reduction of running costs for end users.
- Develop private sale schemes and properties to maximise returns for the HRA to allow for greater development of affordable schemes.

## Our priorities

### **Priority 4: Support for Homeless Households**

Housing support is key to be able to sustain tenancies going forward, the Council currently provides:

- Support and assistance to older and vulnerable people in the Council's own accommodation
- Support and assistance to leaseholders
- Support to homeless applicants through their transition from temporary and supported accommodation to permanent housing.
- Support to care leavers both prior to and post housing

We acknowledge that people need support at different stages in their lives and that the intensity of support needed will vary, both by the customer and the stage of that customer's life and circumstances.

It has been recognised that there is an increased need for support to be targeted at households living in all types of tenures. Our service data shows a particular need for increased support for those households in the expanding private rented sector.

The Tenancy Support team already offer floating support; this is offered to people in their own homes. All customers based in interim accommodation receive an initial visit from a support worker who carries out a needs assessment to identify support and, where necessary, sign post the customer to a specialist support service. A further assessment is carried out to ascertain that the household is ready to move on and able to sustain a tenancy. It is important to recognise that some of the applicants we see have quite intense support needs and we need to ensure that we can work with partners to meet this demand together going forward.

The support work is delivered in conjunction with our Debt Advice and Support Workers. Help is provided with issues such as:

- Health and education
- Employment and training
- Access to financial services, financial and debt management
- Benefits
- Family mediation
- Support with the development of life skills.
- Domestic Abuse survivors
- Modern Slavery cases

Referrals are accepted from a wide range of voluntary and public sector agencies for these support services.

Stevenage is able to offer this comprehensive support service through collaborative partnership with Hertfordshire County Council. As part of this partnership, we deliver

and manage Hertfordshire County Council's housing related support contract for homeless families and those in supported housing. In providing these services our Tenancy Support team operates within the framework of the Council's Safeguarding Children Policy and the inter agency Joint Housing Protocol for young people. We also work in partnership with Herts Young Homeless; a charitable organisation which provides floating support to young people including care leavers.

In addition to the support provided by the council, we work in partnership with various support providers across Stevenage and Hertfordshire who can assist in the provision of support for specific groups who have specific support needs such as;

- Turning Point- Provide support with drug or alcohol issues, a mental health concern or a learning disability, we'll give you the individual support you need.
- Hertfordshire Complex Needs Service "CNS"- provides community support to adults of working age who are recovering from mental health issues, and additional complex needs including drug and alcohol misuse, housing issues, and learning disability. They also provide support directly to carers.
- Aldwyck Hertfordshire Floating Support Service- provide a holistic package of support to vulnerable people to enable them to maintain their tenancy and independence. The service offers flexible, short-term housing support to people for a maximum of two years.

**What we aim to achieve:**

- Better tenancy sustainment to reduce incidences of homelessness
- Better cross-tenure support
- Increased and innovative partnership working with Hertfordshire County Council in the provision of support for homeless families
- Continued mitigation of the effects of welfare reform on families and vulnerable adults
- The development of our support services to become income generating
- Improved working with a wide range of external support providers to address the needs of customers

**This will be achieved by:**

- A robust pre-tenancy support process which is cross-tenure

- Developing a tool to analyse our tenant data to identify tenancies that may be at risk and may need support.
- Providing additional support/sustainment resources for private sector tenants
- Regular strategic meetings with Hertfordshire County Council (Children's Services, Adult Services and Commissioning) and ensuring that staff at all levels have both knowledge and commitment to agreed protocols/service level agreements
- Continued representation at multi-agency meetings
- Continuing professional development of all Temporary Accommodation and support staff
- Continued specialist Money and Debt advice being offered to all residents
- Offering income management and life skills training for tenants through IT systems

## 1.9 Measures of success

The strategy will be reviewed against the strategy action plan on an annual basis which details what the aim is, whom is responsible and how each aim will be measured.

Performance will continually be monitored through the Corporate Performance Monitoring Key Performance Indicators (KPI's) as well as the Government Statistical returns, HCLIC.<sup>9</sup>

Key KPI's that are related to the Strategy are:

- No of approaches to the Council
- No of Preventions achieved
- No of Preventions achieved during Prevention duty
- No of Preventions achieved during Relief Duty
- No of Household helped into PRS
- Engagement and reduction of Rough Sleepers within Stevenage
- Reduction of complaints into the service

However we recognise that these need to be reviewed in line with annual corporate performance indicator setting timelines.

### Benchmarking

We will also be benchmarking against returns which are published on as well as Housemark data where comparison data is available.

## Appendix 1 – Action Plan (to be reviewed on an annual basis)

### Priority 1 – Prevention, Relief and Homelessness

| Aim   | Whom   | Measure   |
|---|--|---|
| <b>Continuous improvement in our homelessness prevention and relief work</b>  | <ul style="list-style-type: none"> <li>• Housing Options</li> <li>• Housing Supply</li> <li>• Lettings &amp; TA Teams</li> </ul>   | <ul style="list-style-type: none"> <li>• Measured by less repeat homelessness</li> <li>• Government statistical returns (HCLIC)</li> </ul>  |
| <b>Continued collaborative working with our partners at strategic and operational level</b>   | <ul style="list-style-type: none"> <li>• Hertfordshire CC</li> <li>• Local Authorities within Hertfordshire</li> <li>• Multi-agency such as Mental Health, Police, Stevenage Haven, etc</li> </ul> | <ul style="list-style-type: none"> <li>• Homelessness forum which incorporates Health partners</li> <li>• Joint Housing Protocol meetings</li> </ul>                                  |
| <b>Avoid unnecessary PRS evictions and recurring homelessness by maintaining a dedicated staffing resource for private sector tenancy sustainment</b> | <ul style="list-style-type: none"> <li>• Housing Options</li> <li>• Housing Supply</li> </ul>  | <ul style="list-style-type: none"> <li>• Measured by the reduction of approaches from Housing Options to Housing Supply</li> <li>• Measured by internal KPI's via In Phase</li> </ul> |
| <b>A streamlined and effective experience for all customers whilst they are given appropriate housing and homelessness advice.</b>                    | <ul style="list-style-type: none"> <li>• Housing Options</li> <li>• Housing Supply</li> <li>• Customer Service Centre</li> </ul>   | <ul style="list-style-type: none"> <li>• Measured by less complaints received via 'Yoursay'</li> </ul>  |



|   |   |  |
|---|---|--|
| <p><b>Continuous provision of advice and support to single non-priority homeless applicants</b></p>   | <ul style="list-style-type: none"> <li>• Housing Options</li> <li>• Housing Supply Teams</li> <li>• Customer Service Centre</li> </ul>  | <ul style="list-style-type: none"> <li>• Measured by reduction in Rough Sleeping via the Rough Sleeper count</li> </ul>  |
| <p><b>Sustainable housing outcomes for all and an increase the number of PRS properties by engaging with Private Landlords</b></p>                                | <ul style="list-style-type: none"> <li>• Housing Options</li> <li>• Housing Supply</li> <li>• Lettings</li> <li>• Development</li> <li>• Private Sector Landlords</li> </ul>                  | <ul style="list-style-type: none"> <li>• Measured by internal KPI's relating to no of tenancies set-up within the Private Rented Sector as well as new properties becoming available.</li> </ul> |
| <p><b>A reduction in the numbers of those rough sleeping with the ambition to eradicate sleeping rough within Stevenage</b></p>                                   | <ul style="list-style-type: none"> <li>• Housing Options</li> <li>• No More Service</li> <li>• Multi-agency such as Mental Health, Police, Stevenage Haven, etc</li> </ul>                    | <ul style="list-style-type: none"> <li>• Measured by Rough Sleeper Count and verified by Homelesslink.</li> </ul>  |
| <p><b>Explore the implementation of a 'Housing First' approach model within Stevenage</b></p>   | <ul style="list-style-type: none"> <li>• Housing Options</li> <li>• No More Service</li> <li>• Finance</li> <li>• Multi-agency such as Mental Health, Police, Stevenage Haven, etc</li> </ul> | <ul style="list-style-type: none"> <li>• Implementation investigations to be completed 2020/2021</li> </ul>  |
| <p><b>Aim to reduce the number of days applicants are waiting in TA by utilising the option to discharge cases owed a duty into the private rented sector</b></p> | <ul style="list-style-type: none"> <li>• Housing Options</li> <li>• Housing Supply Teams</li> <li>• Lettings &amp; TA Team</li> </ul>   | <ul style="list-style-type: none"> <li>• Increase in the numbers of cases discharged into the PRS</li> </ul>   |

|   |   |  |
|---|---|--|
| <b>Provision of advice on housing affordability to ensure sustainability outcomes for all customers</b> | <ul style="list-style-type: none"> <li>• Housing Options</li> <li>• Housing Supply</li> </ul> | <ul style="list-style-type: none"> <li>• Income maximisation shown in internal KPIs</li> </ul> |
|---|---|--|

## Priority 2: Provision of Temporary Accommodation

| Aim   | Whom   | Measure   |
|---|--|---|
| <b>An increased portfolio of temporary accommodation properties of various sizes and types including the provision of a LA hostel in conjunction with our Housing Development aspirations</b> | <ul style="list-style-type: none"> <li>• Lettings &amp; TA</li> <li>• Development</li> </ul>                               | <ul style="list-style-type: none"> <li>• More EA/TA accommodation available</li> </ul>  |
| <b>Increased supply of interim (EA/TA) accommodation using properties that are pending development</b>  | <ul style="list-style-type: none"> <li>• Lettings &amp; TA</li> <li>• Development</li> </ul>                               | <ul style="list-style-type: none"> <li>• Measured by the reduction of Bed &amp; Breakfast usage</li> </ul>  |
| <b>Minimise the use of Bed and Breakfast</b>  | <ul style="list-style-type: none"> <li>• Lettings &amp; TA</li> <li>• Housing Options</li> <li>• Housing Supply</li> </ul> | <ul style="list-style-type: none"> <li>• Measured by the Government Statistical Return HCLIC</li> <li>• Monthly monitoring of B+B spends</li> </ul> |
| <b>Value for money and transparency of services charges</b>   | <ul style="list-style-type: none"> <li>• Lettings &amp; TA</li> <li>• Income Services</li> <li>• Finance</li> </ul>        | <ul style="list-style-type: none"> <li>• Increase in Customer satisfaction</li> </ul>   |

### Priority 3: Housing Development

| Aim  | Whom  | Measure   |
|--|---|---|
| <ul style="list-style-type: none"> <li>The provision of 500 new affordable homes over 10 years with 300 of these homes being built over by 2020/21.</li> </ul>   | <ul style="list-style-type: none"> <li>Housing Development</li> </ul>                                 | <ul style="list-style-type: none"> <li>More accommodation available</li> </ul>  |
| <ul style="list-style-type: none"> <li>The development of specialist emergency and temporary accommodation that is built to modern standards providing additional comfort and respite to those facing the threat of homelessness. Such as for example the development of bespoke medium sized developments that offer 8-10 bed spaces for the homeless as well as larger supported housing schemes.</li> </ul> | <ul style="list-style-type: none"> <li>Housing Development</li> <li>Housing Options and TA</li> </ul> | <ul style="list-style-type: none"> <li>Reduction of cases placed into B+B due to additional EA/TA being available.</li> </ul> |
| <ul style="list-style-type: none"> <li>The development of high quality accommodation that will create necessary churn within the existing housing stock to allow for move on accommodation for those in temporary accommodation.</li> </ul>  | <ul style="list-style-type: none"> <li>Housing Development</li> <li>Housing Options and TA</li> </ul> | <ul style="list-style-type: none"> <li>Less time spent in EA/TA monitored by business unit KPI's</li> </ul>                   |
| <ul style="list-style-type: none"> <li>To provide new accommodation which offers security of tenure to the tenants as well as aiding sustainability by offering reduced running costs as a result of designs that allow for better insulated properties.</li> </ul>  | <ul style="list-style-type: none"> <li>Housing Development</li> </ul>                                 | <ul style="list-style-type: none"> <li>Increase in Customer satisfaction</li> <li></li> </ul>                                 |

|  |  |   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• To utilise private sale schemes within the HRA to cross subsidise further development of affordable accommodation.</li> </ul> | <ul style="list-style-type: none"> <li>• Housing Development</li> <li>• Finance</li> </ul> | <ul style="list-style-type: none"> <li>• Less spends</li> </ul> |
|--|--|---|

## Priority 4: Support for Homeless Households

| Aim  | Whom  | Measure   |
|--|---|---|
| <b>Effective tenancy sustainment to reduce incidences of homelessness</b>  | <ul style="list-style-type: none"> <li>• Housing Options</li> <li>• Housing Supply</li> <li>• Income Services</li> </ul>  | <ul style="list-style-type: none"> <li>• Measured by less approaches and repeat homelessness</li> </ul> |
| <b>Better cross-tenure support from temporary accommodation to permanent accommodation</b>   | <ul style="list-style-type: none"> <li>• Tenancy Services</li> <li>• Community Safety</li> <li>• Income Services</li> <li>• Specialist Support Services</li> </ul>                                | <ul style="list-style-type: none"> <li>• Increase on sustained tenancies.</li> </ul>                    |
| <b>Increased and innovative partnership working with Hertfordshire County Council in the provision of support for homeless families</b>                            | <ul style="list-style-type: none"> <li>• Hertfordshire CC</li> <li>• Specialist Support Services</li> <li>• Lettings &amp; TA</li> <li>• Housing Options</li> <li>• Homelessness Forum</li> </ul> | <ul style="list-style-type: none"> <li>• Additional partnership practices introduced</li> </ul>         |
| <b>Continue to support families and vulnerable adults to maximise their income and mitigate the effects of welfare reform</b>                                      | <ul style="list-style-type: none"> <li>• Housing Options</li> <li>• Income Service</li> <li>• Specialist Support Services</li> <li>• Tenancy Services</li> </ul>                                  | <ul style="list-style-type: none"> <li>• Income maximisation shown by KPIs</li> </ul>                   |
| <b>Develop our support services to become income generating – thus helping to sustain tenancies by offering budgeting and life style training to our residents</b> | <ul style="list-style-type: none"> <li>• Housing Options</li> <li>• Lettings &amp; TA</li> <li>• Specialist Support Services</li> </ul>   | <ul style="list-style-type: none"> <li>• Introduction of training courses</li> </ul>                    |

|   |   |   |
|---|---|---|
|   | <ul style="list-style-type: none"> <li>• Income Services</li> </ul>   |   |
| <p>Improved working with a wide range of external support providers to address the needs of customers</p> | <ul style="list-style-type: none"> <li>• Lettings &amp; TA</li> <li>• Housing Options</li> <li>• Housing Supply</li> <li>• Income Services</li> </ul> | <ul style="list-style-type: none"> <li>• Recording of cases supported by external providers</li> <li>• Increase in tenancy sustainment</li> </ul> |

## Glossary of terms

|                       |  |
|-----------------------|--|
| HRA17                 | Homelessness Reduction Act 2017 implemented from April 2018 amending the Housing Act 1996 in relation to Homelessness legislation  |
| Prevention Duty       | Triggered when an applicant is threatened with homelessness within 56 days. Applicants are assisted to remain in the current home or assist in finding alternative accommodation in order to stop them becoming homeless |
| Relief Duty           | For households that are already homeless and need help finding settled accommodation   |
| Main duty             | Full housing duty accepted by the Council under s193 of the HA 96 (as amended)   |
| PHP                   | Personal Housing Plan which shows what the customer and the council will do to prevent or relieve homelessness   |
| PRS                   | Private rented sector  |
| Interim Accommodation | This relates to either Emergency or Temporary accommodation  |
| EA                    | Emergency accommodation provided under s188 of the Housing Act 1996 (as amended) by the Council whilst investigations are made whilst a homeless applicant is in relief duty   |
| TA                    | Temporary accommodation provided under s193 of the Housing Act 1996 (as amended) whilst sourcing permanent accommodation when a main duty accepted   |
| Priority Need         | When a homeless applicant meets the criteria defined by Homelessness legislation and case law test therefore EA has to be provided   |
| Non-Priority          | When a homeless applicant does not meet the criteria defined by homelessness legislation and is not owed a s188 or s193 duty.  |
| Landlord Forum        | Group of Private Sector landlords that Stevenagework with to relieve homelessness  |
| HRS                   | Housing Related Support Grant provided by Hertfordshire County Council   |
| FHSG                  | Flexible Homeless Support Grant provided by Central Government   |
| JHP                   | Joint Housing Protocol – agreed housing protocol across all 10 Hertfordshire districts   |

HRA Housing Revenue Account is the **account** in which a council's **housing revenue** (e.g. tenants' rent) and **housing costs** (e.g. property management and maintenance) are kept. By law this **account** is separate from the 'General Fund' that councils use for other.

A General fund is the primary fund used by a government entity. This fund is used to record all resource inflows and outflows that are not associated with special-purpose funds. The activities being paid for through the general fund constitute the core administrative and operational tasks of the government entity

HCLIC Homelessness Case Level Information Collection- national data returns for cases with all Local Authorities in the UK

## Glossary of terms

### List of Partners

HCC – Hertfordshire County Council

Districts – other Council's within Hertfordshire

HHOH- Herts Heads of Housing

NMS- No More Service

SADA – Stevenage against Domestic Abuse

Hertfordshire Constabulary- Police

DWP – Department of work and pensions

Hospital Discharge Coordinators

ACS- Adult Social Services

Children Social Services

Hertfordshire Constabulary

Herts Mind

Homelessness Forum – Partnership meeting chaired by Stevenage and North Herts Council focusing on the prevention of homelessness

Housing Options

Saffron Ground – Community Mental Health

Stevenage Haven

HYH- Herts Young Homeless

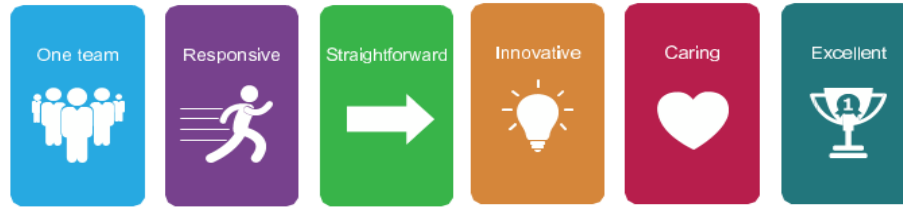
Aldwyck Housing Group

YMCA – Hostel

Housing Associations with stock within Stevenage

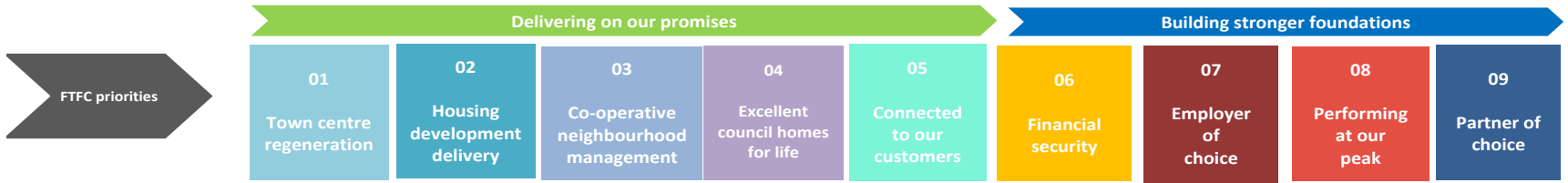


# Homelessness & Rough Sleeper Strategy - PLAN ON A PAGE



Our values

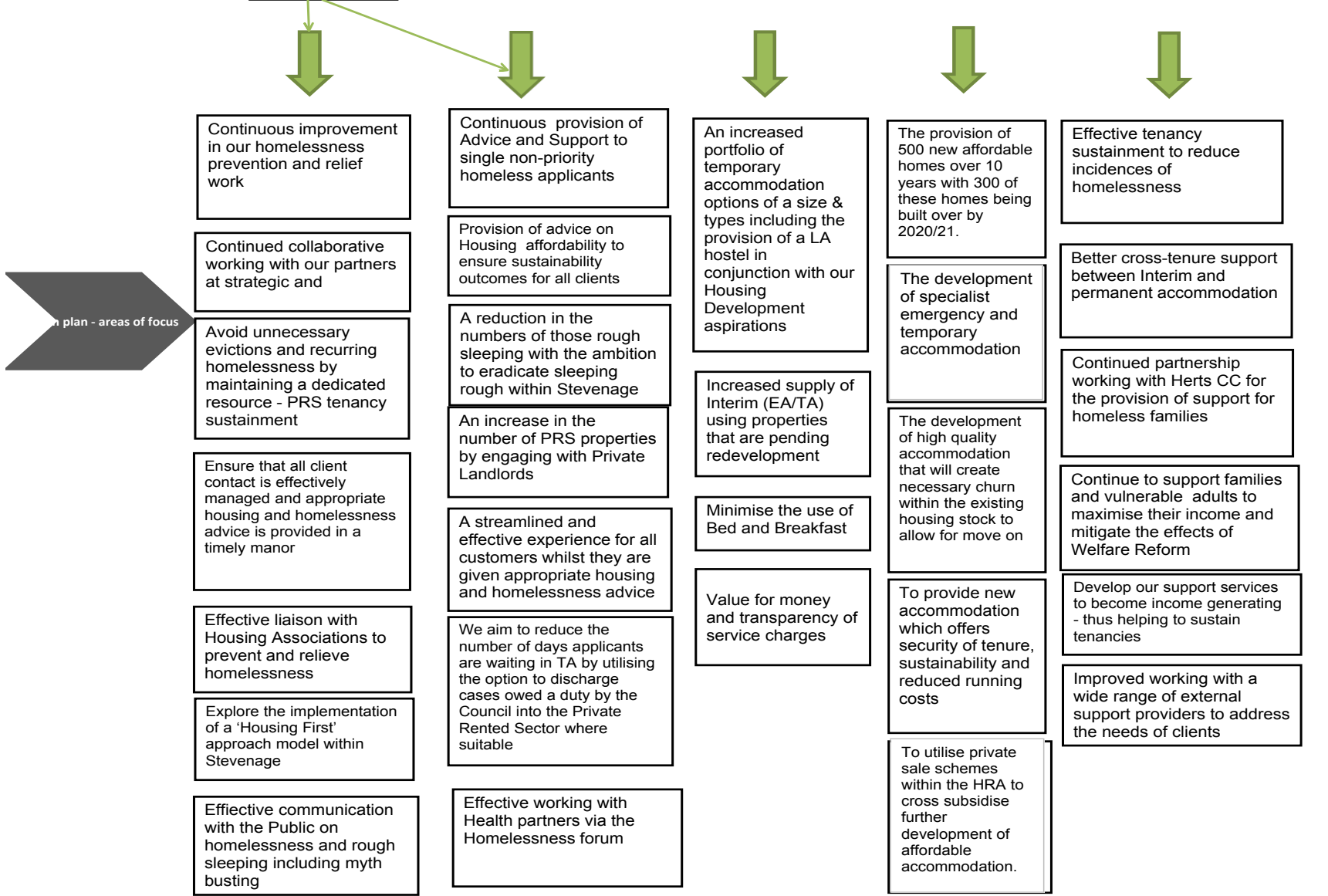
## Future town future council



03 Better understand our communities needs and priorities. Invest and improve our neighbourhoods. Work with residents to design and deliver services.

Strategy Aims: Reduce Homelessness and Eradicate Rough Sleeping within Stevenage

Objectives - areas of focus: Prevention and Relief of Homelessness, Provision of Accommodation, Housing Development, Support for Homeless Households



### Action plan outcomes

Risks: Reduced Government Funding, Lack of affordable housing, Insufficient resource to provide specialist homeless and advice services, Further legislative changes, Lack of supported accommodation

Performance management & governance: HCLIC - Government statistical reporting, Inphase KPI's- No of approaches and cases relieved during prevention or relief, Monthly case work reviews, Yoursay- Reduced number of complaints, No of Reviews that are not overturned

Finance: Flexible Homeless Support Grant (only confirmed for 19/20) Rough Sleeper Initiate fund (1 Year funding from 2019), HRA Business Plan forecast for additional TA

Our Vision: Working co-operatively to prevent and reduce homelessness, and end the need for anyone to sleep rough in Stevenage

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# 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>Homelessness &amp; Rough Sleeper Strategy 2019-2024</b> |                                 |
| Lead Assessor                   | Penny Harris   |  | Assessment team                 |
| Start date                      | September 2019 | End date   | September 2024                  |
| When will the EqIA be reviewed? | September 2020 |  | Hannah Morris<br>Alison Baggott |

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|                              |  |
|------------------------------|--|
| Who may be affected by it?   | Users of our Housing Options and Housing Supply Team<br>Households that are in our Emergency and Temporary Accommodation<br>Professional Stakeholders and those in our Co-operative Communities  |
| What are the key aims of it? | <p>The key aims of the Strategy are to reduce Homelessness and Rough Sleeping within Stevenage, through prevention and relief duties as per the Homeless Reduction Act 2017 (HRA17).</p> <p>Under the Homelessness Act 2002 every Local Authority is required to develop a Homelessness Strategy and following the introduction of the Homeless Reduction Act 2017 and the publication of the Rough Sleeper initiative the Ministry of Housing Communities and Local Government have instructed Local Authorities to update their strategies and publish online by the 31 December 2019.</p> <p>The three aims in the Strategy are set out as:</p> <ul style="list-style-type: none"> <li>Prevention and Relief of Homelessness</li> <li>Provision of Accommodation</li> <li>Support for Homeless Household</li> </ul> |

| What <b>positive measures</b> are in place (if any) to help <b>fulfil our legislative duties</b> to: |  |                             |  |                          |  |
|--|--|-----------------------------|--|--------------------------|--|
| Remove discrimination & harassment   | Current Corporate policy on Equality and Diversity | Promote equal opportunities | Current Corporate policy on Equality and Diversity | Encourage good relations | Current Corporate policy on Equality and Diversity |

|  |   |
|--|---|
| <p>What sources of data / information are you using to inform your assessment?</p> | <p>We have used data/information available both locally and nationally, assessments are up to-date. Information relating to the different groups have been reviewed. Development of this Strategy follows the implementation of the Homeless Reduction Act 2017 (HRA17) and the publication of the Governments Rough Sleeper Initiative and is referenced against the Homelessness code of guidance. <a href="https://www.gov.uk/guidance/homelessness-code-of-guidance-for-local-authorities">https://www.gov.uk/guidance/homelessness-code-of-guidance-for-local-authorities</a></p> <p>The following has contributed to the Strategy and Eq1A</p> <ul style="list-style-type: none"> <li>• Review of P1E submissions over the last 5 years. (P1E data was the national homelessness performance return, since the implementation of the HRA17, this has been replaced by H-CLIC) Information included in these submissions are relating to Preventions and Relief of homeless, number of those that become homeless, the reason for homelessness, ethnicity of those that become homeless and whether there are support needs.</li> <li>• Information relating to Housing Options service data on those that have approached the Council for Housing Advice or actually homeless, published within our own KPI's reporting system – In Phase</li> <li>• Review of data relating to population increases with Hertfordshire 'Herts Insight'</li> <li>• Consultation with professional stakeholders and residents that are in our Temporary Accommodation or residing in the Stevenage Haven.</li> <li>• A review of published strategies around the UK as well as within Hertfordshire</li> <li>• Desktop review of the previous Homelessness Strategy 2015-2020</li> </ul> |
|--|---|

|   |  |
|---|--|
| <p>In assessing the potential impact on people, are there any overall comments that you would like to make?</p> | <p>As a Local Authority we need to monitor and assess the impact of the Strategy in terms of homeless applicants generally, during the homeless presentation a vulnerability assessment is completed thus ensuring that there is no indirect discrimination contrary to our public sector equality duty.</p> |
|---|--|

## 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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| <b>Age</b>   |   |  |      |                |      |
|--|---|--|------|----------------|------|
| Positive impact  | None  | Negative impact  | None | Unequal impact | None |
|  | <p>Please evidence the data and information you used to support this assessment</p>                             | <p>Any vulnerable applicant aged over 55 may benefit from the availability of Independent Living properties this has enabled some homelessness to be prevented through an offer under part 6. This is monitored in relation to the availability of these properties.</p> <p>Our independent Living team are committed to support residents within their own home to live independently, with the development of the Housing Older People Strategy further options will be explored</p> |      |                |      |
| <p>What opportunities are there to promote equality and inclusion?</p> | <p>Support is provided to those of all ages who are housed within our Emergency and Temporary Accommodation</p> | <p>What do you still need to find out? Include in actions (last page)</p>  |      |                |      |

## Disability

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

| Positive impact  | Yes  | Negative impact  | None  | Unequal impact | None |
|--|--|--|---|----------------|------|
| Please evidence the data and information you used to support this assessment | <p>Facts and Statistics published by Mind indicate that 1-4 people will experience a mental health problem each year, these range from Anxiety, Depression, Phobias, OCD, PTSD etc, every seven years Mind run a survey measure the number of people who have different types of mental health. The most recent survey was published in 2016. As the reporting on HCLIC becomes available we will be able to monitor better the number of approaches we receive from those that have support needs in this area, the homelessness forum which meets every two months brings together those who work within mental health services as well as those who work with the homeless.</p> <p>Work continues with HCC and we will shortly have available units in a new development where those with specific disabilities will be able live as independently as possible in order to lead normal lives.</p> <p>Training continues to be provided to staff on the effects of disabilities has – such as depression recent suicide awareness training has recently taken place.</p> |  |   |                |      |
| What opportunities are there to promote equality and inclusion?              | Publish with Specialist Support Service how the new units provided at Gresley Way are providing independent living to the residents  | What do you still need to find out? Include in actions (last page) | Analysis of information that will be submitted via HCLIC on the numbers and types of support those approaching the service have/require |                |      |

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## Gender reassignment

| Positive impact  | None   | Negative impact | None | Unequal impact | None |
|--|--|-----------------|------|----------------|------|
| Please evidence the data and information you used to support this assessment | <p>Within the last year we have not had any service data to show that there would be any impact on this group. Staff do have an awareness of this particular group and as with any other group will ensure that no group is disadvantaged.</p> |                 |      |                |      |

|   |  |  |  |
|---|--|--|--|
| 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</b>   |      |  |      |
|--|------|--|------|
| Positive impact  | None | Negative impact  | None |
| Please evidence the data and information you used to support this assessment |      | Any individual approaching the Housing Options team for advice and indicate that there might be implications relating to their rights in relation to a marriage or civil partnership will be signposted to legal advice – usually via the Citizen Advice Service |      |
| What opportunities are there to promote equality and inclusion?              |      | What do you still need to find out? Include in actions (last page)   |      |

| <b>Pregnancy &amp; maternity</b>   |     |   |      |
|--|-----|---|------|
| Positive impact  | Yes | Negative impact   | None |
| Please evidence the data and information you used to support this assessment |     | Legislation protects those who present as pregnant and are classed as priority need if presenting as homeless. Individuals will be provided with Interim Accommodation and support is provided by our Tenancy Support team which includes assistance in applying for any maternity benefits that are available. |      |
| What opportunities are there to promote equality and inclusion?              |     | What do you still need to find out? Include in actions (last page)  |      |

### Race

|  |      |  |      |                |      |
|--|------|--|------|----------------|------|
| Positive impact  | None | Negative impact  | None | Unequal impact | None |
| Please evidence the data and information you used to support this assessment |      | This strategy will be for all those living within Stevenage, including BME groups. There is no evidence that shows that this group is disproportionately represented in terms of the homelessness acceptances. |      |                |      |
| What opportunities are there to promote equality and inclusion?              |      | What do you still need to find out? Include in actions (last page)   |      |                |      |

### Religion or belief

|  |      |  |      |                |      |
|--|------|--|------|----------------|------|
| Positive impact  | None | Negative impact  | None | Unequal impact | None |
| Please evidence the data and information you used to support this assessment |      | The strategy is for all within Stevenage irrespective of religion or beliefs. When working with individuals consideration is taken on whether shared accommodation is suitable and where it is not we will provide self-contained interim accommodation. |      |                |      |
| What opportunities are there to promote equality and inclusion?              |      | What do you still need to find out? Include in actions (last page)   |      |                |      |

### Sex

|  |     |   |      |                |      |
|--|-----|---|------|----------------|------|
| Positive impact  | Yes | Negative impact   | None | Unequal impact | None |
| Please evidence the data and information you used to support this assessment |     | <p>Although the Strategy does not refer to domestic abuse specifically, the Housing Options team work closely with the Council's Community Safety team and the Police. Where required and available we will ensure clients are offered Refuge places and if required recommend out of area placements if the client is at risk within Stevenage.</p> <p>While data shows that the majority of approaches are from women, the team are aware that men can also be at risk of domestic abuse and the same consideration should be given to them as well as women.</p> |      |                |      |



|   |  |  |   |
|---|--|--|---|
| What opportunities are there to promote equality and inclusion? |  | What do you still need to find out? Include in actions (last page) | Availability and location of any male refuge places |
|---|--|--|---|

| <b>Sexual orientation</b><br>e.g. straight, lesbian / gay, bisexual          |      |  |      |                |      |
|--|------|--|------|----------------|------|
| Positive impact  | None | Negative impact  | None | Unequal impact | None |
| Please evidence the data and information you used to support this assessment |      | The strategy will be for all communities within Stevenage irrespective of sexual orientation |      |                |      |
| What opportunities are there to promote equality and inclusion?              |      | What do you still need to find out? Include in actions (last page)                           |      |                |      |

| <b>Socio-economic<sup>1</sup></b><br>e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users, social value in procurement |     |  |      |                |      |
|--|-----|--|------|----------------|------|
| Positive impact  | Yes | Negative impact  | None | Unequal impact | None |
| Please evidence the data and information you used to support this assessment   |     | <p>A barrier highlighted by the consultation with both professionals as well as clients of the service related to the continued effects of Welfare Reform, this relates to the benefit cap and the Local Housing Allowance. The strategy recognises this and we ensure that an affordability assessment is completed with all clients whether their homelessness will be discharged into the Private Sector or not.</p> <p>We also continue to support all clients with Debt Advice and Support relating to this and assist with applications for any unclaimed benefits as well as discretionary housing payments</p> |      |                |      |

<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.

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

### Other – Joint Housing Protocol

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

| Positive impact  | Yes   | Negative impact  | None   | Unequal impact  | None |
|--|---|--|--|---|------|
| Please evidence the data and information you used to support this assessment |   | The strategy refers to the Hertfordshire Joint Housing Protocol, it shows the close working relationship between all 10 Hertfordshire districts and promotes the pathway between housing and care leavers. It shows a housing pathway for care leavers and the support available. HCC are currently employing a housing professional to work with care leavers who end up sleeping rough |  |   |      |
| What opportunities are there to promote equality and inclusion?              | Continued funding in relation to Educations in schools. This is carried out by Herts Young Homeless |  | What do you still need to find out? Include in actions (last page) | Impact of specialist housing professional working with care leavers sleeping rough or at risk of sleeping rough |      |

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

|        |  |            |   |
|--------|--|------------|---|
| Staff? | <p>Staff have raised concerns relating to the length of time it now takes to resolve a homelessness case – particularly relating to the changes highlighted in the Homeless Reduction Act 2017 in completing personal housing plans – all seen as a good thing, due to the increase in cases levels it has an impact.</p> <p>Staff have also welcomed the ability to discharge the Council's duty into the</p> | Residents? | <p>Consultation was taken with community those who have used our service and currently in the Council's interim accommodation and those residing into the single persons hostel 'Stevenage Haven' findings of this consultation are referred to in the strategy</p> |
|--------|--|------------|---|

|  |  |                  |  |
|--|--|------------------|--|
|  | <p>Private Sector and where affordable properties are available.</p> <p>Also concerns raised about not having enough interim accommodation for those presenting as homeless and the increased use of Hotel accommodation. This is addressed within the Strategy.</p> |                  |  |
| <p>Voluntary &amp; community sector?</p> | <p>Consultation took place by a on line survey in May/June 2019. Results of this survey are shown in the strategy</p>  | <p>Partners?</p> | <p>Over 30% responded to the online survey sent on in May/June 2019. The survey asked what priorities and what barriers there were to reduce/prevent homelessness in Stevenage.</p> <p>The top 4 priorities and top 3 barriers are shown within the strategy and inform the action plan.</p> <p>We continue to work closely with partners and meet them regularly.</p> <p>Meetings held relate to the following</p> <p>CAB – service provision liaison</p> <p>Homelessness Forum – partners across the borough meet, these include those working in the mental health and drug/alcohol, Police and Probation.</p> <p>Joint Housing Protocol task and finish groups which includes care leavers.</p> <p>Housing Supply team hold a Landlord Forum where we liaise with Private Sector</p> |

|                     |  |  |  |
|---------------------|--|--|--|
|                     |  |  | Landlords to ensure clear communication and support is provided.                 |
|                     |  |  | Joint working with Stevenage Haven to secure a pathway to move on where required |
| Other stakeholders? |  |  |  |

### Overall conclusion & future activity

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| 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 | x |  |
|  | 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?     |
| Improve statistical reporting tools to enable more information relating to advice and support given to those presenting as threatened with homelessness relating to all groups.  | This will ensure that we have data on any groups and that there is not direct/indirect discrimination to any particular group | Operations Manager and Housing Options Manager | December 2019 | Will become part of the normal monitoring processes |

|  |  |  |                   |  |
|--|--|--|-------------------|--|
| <p>Update all policies and procedures relating to Homelessness and Temporary Accommodation ensuring that out of area placements is included. Allocation Policy- review to ensure does not discriminate against those in protected groups but also that may have had a criminal history</p> | <p>Promote confidence in both staff members and the public that the correct decisions are made and do not directly or indirectly discriminate.</p> | <p>Housing Options/Supply Manager Lettings and Temporary Accommodation Manager</p> | <p>March 2020</p> | <p>Through policy implementation be corporate policy</p> |
|--|--|--|-------------------|--|

**Approved by Assistant Director - Jaine Cresser**  
**Date: August 2019**

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

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**Meeting:** EXECUTIVE

**Portfolio Area:** RESOURCES

**Date:** 20 November 2019

## **TITLE OF REPORT: COUNCIL TAX SUPPORT SCHEME 2020/21**

**Authors** Su Tarran Ext. 01279 502076

**Contributor** Clare Fletcher Ext. 2933

**Lead /Contact Officers** as above

### **1 PURPOSE**

1.1 To propose a Council Tax Support scheme for 2020/21.

### **2 RECOMMENDATIONS**

2.1 That the Executive recommend to the January 2020 Council meeting that the 2020/21 Council Tax Support Scheme, as proposed within the report, be approved.

### **3 BACKGROUND**

3.1 The Government made provision within the Local Government Finance Bill to replace the former national Council Tax Benefit (CTB) scheme from 1st April 2013 with localised schemes for Council Tax Reduction (CTS) devised by individual local authorities (LA's). The schemes are valid for one year and must be approved by Council before the 11<sup>th</sup> March immediately preceding the financial year in which it is to take effect.

3.2 The Government require that major preceptors (County and Police) are consulted each year, and if there is any change to the scheme a full consultation open to all tax payers in the district is required. There is no specific timescale prescribed but the period must allow for meaningful consultation.

3.3 Additionally, consideration must be given to providing transitional protection where the support is to be reduced or removed. The financial impact of any decision on Council Tax Support also needs to be included when setting the budget and Council tax levels at the same time.

- 3.4 Since the introduction of CTS in April 2013 various changes have been considered but the scheme has remained the same. The history of Council Tax support at Stevenage is detailed in Appendix A.
- 3.5 The cost of the scheme is reflected in the tax base, in the same way as other discounts which reduce the council tax collectable debit.
- 3.6 Council tax support 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.
- 3.7 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  |
|---------------|-----------------------|---|
| November 2019 | Executive             | Draft 2020/21 Council Tax Support scheme                                      |
|               | Overview and Scrutiny | Draft 2020/21 Council Tax Support scheme                                      |
| February 2020 | Executive             | Final 2020/21 General Fund budget, Council Tax and <b>Council Tax Support</b> |
|               | Overview and Scrutiny | Final 2020/21 General Fund budget, Council Tax and <b>Council Tax Support</b> |
|               | Council               | Final 2020/21 General Fund budget, Council Tax and <b>Council Tax Support</b> |

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

### 4.1 The Proposals for the 2020/21 scheme

- 4.1.1 This report details the current position on Council Tax Support, and seeks support to continue the current scheme for 2020/21.
- 4.1.2 The Portfolio Holder Advisory Group received a presentation on 23 July 2019 and agreed to recommend to Council that the scheme remains unchanged for 2020/21.
- 4.1.3 The CTS scheme for 2019/20 can be summarised as follows:
- **That the CTS scheme for all working age claimants will be based on 91.5% of their council tax liability (so those on maximum benefit will only pay 8.5% of their council tax bill);**



- All local discretions currently in place continue e.g. war pension disregards;
- All other aspects of the Council Tax Support scheme mirror the previous Council Tax Benefit scheme.

4.1.4 The current CTS scheme works and protects the most vulnerable customers by the use of applicable amounts and income disregards. However the challenges and opportunities introduced by Universal Credit (UC) prompted a review of the structure of the scheme, but conclude that until the majority of claimants are in receipt of UC, any alternative would add further complexity.

## **4.2 The impact of Universal Credit on Council Tax Support.**

4.2.1 Universal credit full service roll out took effect in this area in October 2018. This means that customers who would previously have applied for Housing Benefit (HB) and CTS are now applying for UC and CTS. The DWP are due to pilot moving existing HB claimants on to UC from July 2019, but are only planning to do this with 10k cases nationally, before seeking government approval for further managed migration.

4.2.2 There are certain groups of HB claimant that will not, in the foreseeable future migrate to UC, as they are deemed too complex. This means that in addition to the pensioner case load there will be a residual working age caseload to manage.

4.2.3 There is therefore no information available currently to determine when this councils existing working age HB caseload will move to UC.

4.2.4 Customers claiming UC who apply for Council Tax Support do not require the Council to carry out means testing on their circumstances. They need only provide their UC entitlement letters (details of which can be confirmed through LA's access to the DWP systems). These claims are already means tested and have differential applicable amounts applied by the DWP, and the only income element that is needed for an award of CTS is earnings. Consideration has to be taken of any deductions being made for overpayments or recovery of advances, but these lend themselves to a simplified assessment and processing system, and could be incorporated into a discount scheme.

4.2.5 The reduction in new claims for HB might seem to reduce the services workload, however as the current scheme requires the same preparation and processing to award a CTS claim as an HB one, there is no saving. Currently claims or changes in circumstances are prepared and input and both awards (HB & CTS) are processed simultaneously. Claims not requiring an HB assessment simply produce one output (CTS award) rather than two.

4.2.6 UC claimants have to apply to the council for CTS entitlement, UC does not include CTS. The Council therefore often only gets to engage with

new UC customers when their council tax account is in arrears, and additional recovery action has to be taken.

4.2.7 UC is reassessed monthly, and those customers who are working (nationally this is estimated at more than 40%) are likely to experience variations in the UC entitlement each month. This is attributed to salary and wages frequencies affecting the 'monthly' assessments. Each time there is a change in the UC award, their entitlement to CTS has to be reassessed. Every time the CTS is reassessed, it produces a new Council Tax Bill. These monthly changes are received electronically from the DWP using an existing process called ATLAS.

### **4.3 Changing the scheme**

4.3.1 Work has been carried out over a period of time on developing a banded scheme for all working age claimants to avoid the numerous changes to council tax bills for UC claimants. This has included modelling of current claimants into a banded scheme, to assess the impact and identify any unintended consequences.

4.3.2 As it is not currently possible to have a separate scheme for just UC cases, all current working age claimants would have to be included. After testing the data it is clear that the intended simplicity of a banded scheme would be compromised as the need to differentiate between all the many and varied disability premiums and incomes would require too many bands for each category of household, to ensure sufficient protection for these non UC groups.

4.3.3 In addition there would be all the costs of changing the scheme but no savings in administration, or increased simplicity for the customer.

4.3.4 As the number of UC cases is still quite low the number of monthly changes, whilst increasing and complex is not yet an issue. It is recommended therefore that a two stage approach be adopted for the future. Firstly, instead of looking to change the current scheme in the short term, that efforts instead be directed at the software supplier to design and introduce reliable and accurate automation of UC change notices, recognising the difficulties they experience with the output from the DWP. Secondly, once actual caseload migration is timetabled, consideration of a banded scheme or a discount scheme is revisited.

**4.3.5 The current 2019/20 scheme is updated in line with the changes in Housing benefits and the 8.5% liability remains as the CTS scheme for 2020/21.**

### **4.4 Other options that could be considered in redesigning a scheme**

4.4.1 There are a number of options that could be considered when redesigning the current scheme, although all revisions would affect working age

customers only, given that pensioners have to be fully protected by our scheme.

- 4.4.2 The Government continues to make changes to the Housing Benefit regulations which are not currently mirrored in the CTS regulations. This means the schemes are no longer aligned. The frequency of changes to Housing Benefit and Universal Credit schemes, make it almost impossible to mirror these in the CTS scheme, not least of which because of the difference in timing. The Housing Benefit and Universal Credit schemes are changed when needed during the year, and the CTS scheme can only be revised annually.
- 4.4.3 Consideration was been given previously to align some of the more significant differences between Housing Benefit and Council Tax support but the financial implications across the caseload have been assessed as small, and the changes would have required a full consultation exercise, to achieve only a temporary alignment, and therefore these were not recommended by members.
- 4.4.4 Last year, consideration was given to an income-band scheme which appeared to offer an opportunity to simplify entitlement criteria and the treatment of income and capital. This was driven by the imminent roll out of 'full service' Universal Credit, (impacting in Stevenage from October 2018) so there was a need to look to reduce the impact of monthly changes in universal credit on entitlement to CTS and Council tax collection.
- 4.4.5 Consideration has also previously been given to each of the following changes, but each relies on the basic scheme construction remaining the same and consultation with members has not recommend any of these.

a) Changing the level of "minimum payment" for all working age customers

- I. The current scheme assumes that all working age customers are asked to pay at least something towards their Council Tax, and as described earlier the minimum payment is 8.5% of liability. The Council could consider making a change to that amount but in doing so, the full impact of that decision needs to be considered.
- II. If the Council chose to increase this minimum payment to say 10%, this does not mean a straight line reduction in the amount that the Council will spend out. For individuals already finding it difficult to pay at the current level, it can be seen that increasing this amount could increase their hardship levels further, especially as these customers are likely to be receiving other benefits, which have been affected by the on-going Welfare reforms.
- III. Given our latest information shows that the collection rate for those working age customers in receipt of CTS is already significantly lower than the overall rate, we would need to consider adding further amounts to our bad debt provision in respect of potential non-collection of our debts.

Having done some indicative modelling, we estimate that increasing the minimum payment to 10% could result in a decrease in Council Tax spend of approximately £80k. This would be virtually wiped out by the need to increase bad debt provision.

- IV. Conversely, if we were to consider reducing the minimum amount to be paid by the claimant, we would need to consider where we would find the additional amount that we would need to fund Council Tax Support and the impact upon the totality of the funding for the Council and importantly, other precepting bodies too. These impact on their overall funding levels, and given we represent under 14% of the total cost of the scheme, SBC needs to consider the significant financial impact this could have on others. There would still be costs associated with administering the scheme whatever the level of award, as not everyone gets the full benefit so this would not mitigate the additional cost to the Council. On current estimates, we believe the additional burden could be around £300k.

b) Introducing a band cap (so limiting the amount that we would pay to a value of a lower property band, for example Band D)

In some Local Authorities, they have introduced a band cap where the scheme will only pay up to the equivalent of say a Band D property, even if you are in a higher banded property.

This could disproportionately affect those with a requirement for a larger property as they have children, other dependents due to caring responsibilities or a disability. These groups could already have been hit by other areas of Welfare reform including the Benefit Cap and the Spare Room subsidy limitation.

c) Introducing a minimum amount that would be paid out

Some Councils have introduced a minimum level at which they will support residents. An example is that you have to be entitled to at least £5 a week to be supported. This means someone who is currently entitled to a lower amount, would not receive it, despite the fact that we have assessed them as currently requiring support. There are no real savings in terms of administrative costs because we would still have to undertake an assessment to find out that we wouldn't award. In addition, the fact that they are currently entitled to support indicates that they are financially vulnerable and the likelihood of being able to collect that additional amount from those residents is low. Therefore the potential reduction in costs overall is minimal and outweighed by an increase in bad debt provision and recovery costs.

d) Changes around discretions for Disability, Children and other Dependents

- I. This would change the nature of the scheme overall. Stevenage, when setting its original scheme were clear that all would contribute equally as

the core scheme already differentiates preferentially to those with disabilities, children etc.

- II. Any complexity that is added to the way in which we calculate entitlement, will make the administration of the scheme both more complex for our officers to manage both in terms of calculation but more importantly, to explain to our residents.
- III. This would also mean that the general working age population may need to pick up an even greater share of the cost if the scheme is to remain affordable and equitable.

e) Other adjustments

There include; income tapers, non-dependent deductions, income disregards etc. but all carry the same risk to bad debt provisions, potential recovery costs and costs of administration. The more complex the scheme, the more difficult it is to comply with and customers' levels of understanding could be compromised.

#### **4.5 What others are doing**

- Some councils have moved to a banded scheme, but they still require substantial means testing of each claim.
- St Albans are with a different software supplier and have introducing a banded scheme for UC claimants only from April 2019, which will run alongside a scheme similar to our existing scheme for all other claimants. This is an interesting option which rather than dealing in % entitlements, specifies how much the customer will pay towards their Council Tax. This means customers on the same income pay the same towards their council tax, regardless of the size of the property they occupy. This also provides a scheme for customers to transition into when migrated from HB.
- Unfortunately we cannot replicate a scheme like this currently as we are unable to have two different live working age CTS schemes at the same time. This limitation is being discussed with our software supplier.
- Other councils are considering various options but anecdotally are awaiting more information around migration before changing current schemes.

#### **4.6 Other considerations in addition to the impact of universal credit.**

4.61 The reducing cost of CTS on the taxbase is demonstrated below, which has supported the recommendation to retain the current scheme.

|                | Actual cost | Change  |
|----------------|-------------|---------|
| <b>2013/14</b> | £ 6,605,773 |         |
| <b>2014/15</b> | £ 6,137,922 | -7.08%  |
| <b>2015/16</b> | £ 5,755,876 | -6.22%  |
| <b>2016/17</b> | £ 5,683,162 | -1.26%  |
| <b>2017/18</b> | £ 5,828,125 | 2.55%*  |
| <b>2018/19</b> | £ 5,935,167 | 1.84%** |

\* The Band D value of the 2017/18 taxbase increased by 4.5% on 2016/17,

\*\*The Band D value of the 2018/19 taxbase increased by 5.8% on 2017/18

#### 4.7 The impact of other welfare benefits reforms on the ability to pay.

4.7.1 The overall in-year collection rate for all working age CTS customers was 76.69% in 2018/19. In contrast to the all tax payers in-year collection rate of 96.2%.

4.7.2 The actual cost per week of Council Tax for those customers required to pay the minimum 8.5% contribution is demonstrated below.

| BEFORE OTHER DISCOUNTS<br>( e.g single person) |                    |                    |                |
|--|--------------------|--------------------|----------------|
| BAND   | Annual full charge | 8.5% Weekly charge | 8.5% Per annum |
| A  | £ 1,172.34         | £ 1.92             | £ 99.65        |
| B  | £ 1,367.73         | £ 2.24             | £ 116.26       |
| C  | £ 1,563.12         | £ 2.56             | £ 132.87       |
| D  | £ 1,758.51         | £ 2.87             | £ 149.47       |
| E  | £ 2,149.29         | £ 3.51             | £ 182.69       |
| F  | £ 2,540.08         | £ 4.15             | £ 215.91       |
| G  | £ 2,930.85         | £ 4.79             | £ 249.12       |
| H  | £ 3,517.02         | £ 5.75             | £ 298.95       |

## 5 IMPLICATIONS

### 5.1 Financial Implications

5.1.1 As detailed in the report.

### 5.2 Legal Implications

5.2.1 As detailed in the report

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

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

### **5.4 Risk Implications**

5.4.1 As detailed in the report

### **5.5 Policy Implications**

5.5.1 As detailed in the report

## **BACKGROUND PAPERS**

- Briefing note and presentation from March 2019 Portfolio Holder Policy Advisory Group

## **GLOSSARY**

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

## **Appendix A The history of Council Tax Support (CTS)**

### **1. The history of Council Tax Support (CTS)**

- 1.1 Before April 2013, local authorities (LA) administered Council Tax Benefit on behalf of the Government. This national scheme was specified in legislation and LA's were reimbursed by the Department of Work and Pensions (DWP) through a subsidy claim submitted annually and subject to audit.
- 1.2 The level of subsidy reimbursement varied dependant on whether benefit had been awarded, backdated or overpaid, but the point to note is that entitlement and subsidy were based on assessing entitlement on 100% of somebodies council tax liability, net of discounts (like a single person discount).
- 1.3 The scheme was means tested and whilst the scheme differentiated between different client groups (providing extra support for disabled groups for example) there was little differential between Elderly and Working Age clients.
- 1.4 Clients fell into one of two groups, "passported" and "standard claims." A passported claim was one in which the DWP had already carried out a means test and then notified the council that the customers income was at or below the minimum income level for their household composition. They would be automatically entitled to 100% of their Council Tax to be paid by Council Tax Benefit. A deduction would however be made from this entitlement where there were non dependants living in the home.
- 1.5 The second group were called 'standard claims'. These customers had their means testing done by the council and awarded Council Tax benefit in accordance with the national scheme criteria. These customers had income above the minimum requirements and would be required to pay something towards their council tax liability. A deduction would also be made from this entitlement where there were non dependants living in the home.
- 1.6 In very simple terms entitlement was determined by comparing eligible incomes against relevant applicable amounts. When income equalled or fell below applicable amounts, the maximum entitlement is achieved. If income exceeded applicable amounts, entitlement was reduced by 20% of the excess. The applicable amounts were determined by the DWP in respect of Housing Benefit claims.
- 1.7 In more complex terms, every income and capital source had to be assessed in accordance with its type, and then determined if it was included in the assessment. Child benefit, maintenance paid to a child, PiP and DLA, war pensions etc were fully disregarded, whilst earned income was calculated after tax & NI, and 50% of pension contributions,



averaged over the relevant period. Payments to certain child care providers were disregarded, whilst capital (excluding the property occupied) included savings, shares etc and if the total exceeded £16k, the customer was excluded from entitlement.

1.8 In very general terms the full expenditure on the scheme was reimbursed by the DWP.

## **2 The impact of changes from 1<sup>st</sup> April 2013**

2.1 The national scheme for Council Tax Benefit ceased, and Councils had to devise their own Council Tax Reduction Schemes for working age claimants. The Government continues to specify the scheme for Elderly customers through prescribed regulations.

2.2 Instead of the scheme being funded through a subsidy claim based on actual expenditure, the Government moved the funding into the Revenue Support Grant (RSG) settlement, fixing it at only 90% of the subsidy paid in a previous year. RSG was the amount of grant that Government gave to Councils to support their wider service delivery, and made up one part of the income of the Council in addition to Council Tax receipts, fees and charges and an element of Business rate collection. However the move away from RSG makes this funding element less obvious.

2.3 Each Council had to consider how to fund 100% of the cost of the Elderly 'national' scheme and provide a Working age scheme, whilst receiving 10% less funding.

2.4 Elderly (Pensioner) claimants are protected from changes through the provision of a statutory scheme.

2.5 Schemes must support work incentives.

2.6 The DCLG Policy Statement of Intent did not give a recommended approach to be taken, but indicated the scheme should not contain features which create dis-incentives to find employment. The current Stevenage scheme complies with this statement.

2.7 Local authorities must ensure that appropriate consideration has been given to support for other vulnerable groups, including those which may require protection under other statutory provisions including the Child Poverty Act 2010, the Disabled Persons Act 1986 and the Equality Act 2010, amongst others.

2.8 The DCLG issued Policy Statements that addressed a range of issues including the following:

- Vulnerable People and Key Local Authority Duties;
- Taking work incentives into account;

- Information Sharing and Powers to Tackle Fraud.

2.9 The Local Government Finance Bill stated that a Billing Authority must have regard to any guidance issued by the Secretary of State. The current scheme has sought to address these requirements.

### 3 Stevenage's Council Tax Reduction Scheme (CTS)

3.1 The Council initially devised a scheme which replicated the previous national scheme but limited the Council Tax liability that was used to assess entitlement to 90% for working age customers. The Government offered a one off transitional grant to Councils who would restrict the reduction to 91.5%, and accordingly the Council amended the proposal and took the one off transitional grant. The Council has maintained this position for the first 7 years of the scheme.

3.2 From 2014/15 the 90% grant that was included in the RSG was no longer individually identifiable. Therefore calculating the total cost of the scheme i.e. the cost of the CTS scheme versus the CTS grant given by Government is now impossible.

3.3 The caseload for CTS indicates that the proportion of working age customers compared to pensioners is changing over time very slightly. At 1.4.19 the proportion of Working Age customers has reduced slightly against the proportion of Elderly customers for the first time. This may be attributed to new working age claimants claiming UC. The number of Elderly claimants has however also fallen since 1.4.2018.

Table 1: Proportion of Working Age and Elderly claimants

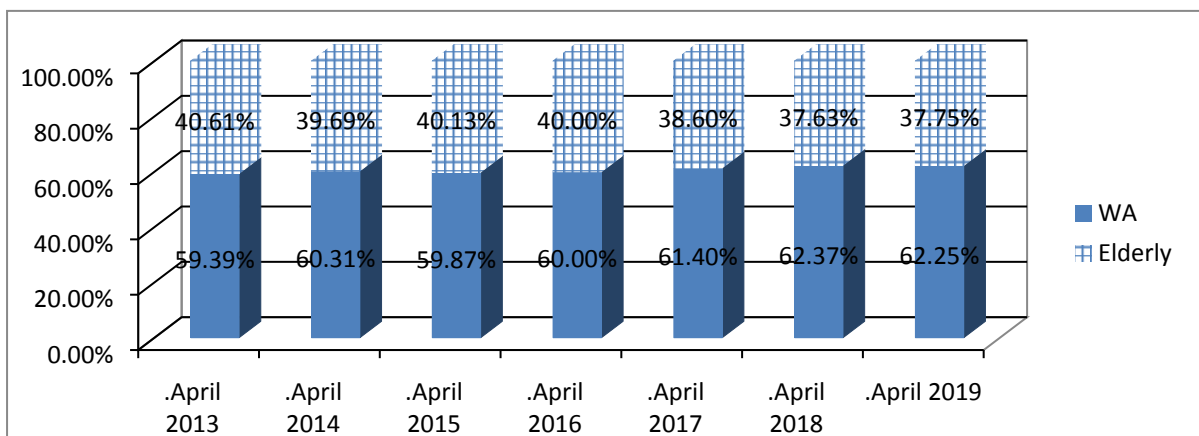
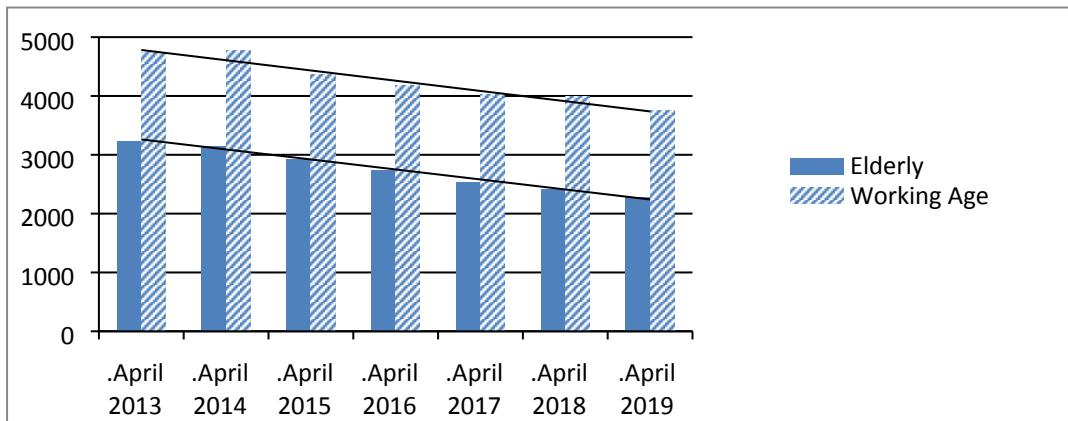


Table 2: Caseload Working Age and Elderly claims



3.4 Before the introduction of CTS there had been a number of years of constant case load increases, the caseload has since stabilised and reduced, alongside a growing taxbase due to new developments in the area. The impact on the cost of the scheme is demonstrated below.

|                | Actual cost | Change  |
|----------------|-------------|---------|
| <b>2013/14</b> | £ 6,605,773 |         |
| <b>2014/15</b> | £ 6,137,922 | -7.08%  |
| <b>2015/16</b> | £ 5,755,876 | -6.22%  |
| <b>2016/17</b> | £ 5,683,162 | -1.26%  |
| <b>2017/18</b> | £ 5,828,125 | 2.55%*  |
| <b>2018/19</b> | £ 5,935,167 | 1.84%** |

\* The Band D value of the 2017/18 taxbase increased by 4.5% on 2016/17,

\*\*The Band D value of the 2018/19 taxbase increased by 5.8% on 2017/18

3.5 What is certain however is that the level of spend on CTS has continued to reduce in real terms, mitigating in part the impact of overall reductions in income to the Council.

3.6 A large proportion of customers affected by the introduction of the CTS scheme had not previously had to pay anything towards their Council Tax bill. If they had been 'passport' under the Council Tax Benefit scheme their liability would have been discharged in full by a credit transfer onto their Council Tax account. **Under the new arrangements all working age customer have to pay at least 8.5% towards their bill.**

3.7 Recent publications (*Public Finance March 2019*) comment that in 2013-14 CTS schemes nationally provided 14% less support to working age households than the old national scheme, and that by 2018-19 it provided 24% less. Stevenage has maintained its scheme at 8.5% during this period.

- 3.8 It continues to be a challenge to support and educate these customers into a regular payment arrangement. We have;
- Offered flexible repayment options,
  - Given more time to pay,
  - Worked on a project with the Citizens advice Bureau to support customers with repeated arrears,
  - Promoted other debt and advice agencies.
- 3.9 The in-year collection rate for working age claimants who had only the minimum 8.5% liability to pay was 62.9% in 2014/15 and 74.11% for 2018/19
- 3.10 The overall in-year collection rate for all working age CTS customers was 70.7% in 2014/15, and 76.69% in 2018/19. In contrast to the all tax payers in-year collection rate, which for 2014/15 was 96%, and 96.2% in 2018/19.
- 3.11 Many of these same customers have been affected by other welfare reforms introduced ;
- the spare room subsidy scheme
  - the new Benefit CAP,
  - Reviews of disability benefits etc.
- Many families find that they have increasing debts with their councils and landlords for bills that were previously paid for them.
- 3.12 We make assumptions in respect of the level of non-payment of Council Tax when determining the tax base, alongside assumptions over each of the variable elements of its composition. The in-year collection for all Council Tax payers was 96.2% in 2018/19, but this was dampened by only 76.69% collected from those working age customers in receipt of CTS. Those customers who under the old scheme would have not paid anything towards their council tax (passported customers) paid only 74.11%
- 3.13 The liability not paid in-year becomes arrears on which a bad debt provision has to be established, which is a further cost to the council. Where the outturn taxbase exceeds the estimated performance it generates a surplus on the collection fund, and conversely when the taxbase does not achieve its expected performance because of negative variations in the component elements, the collection fund would be in deficit. The Council is required to make precept payments during the year regardless of any in-year variations.
- 3.14 In recognition of the fact that the additional Council Tax liability is more difficult to collect, a collection rate of 98.25% has been assumed.
- 3.15 Currently (2019/20) 77.3% of the tax base income is precepted by County and Council and 10.7% by the Police, and accordingly they have a vested interest in the value of the CTS scheme as it directly impacts on their ability to raise funds. The lower the cost of the scheme, the higher the tax base on which they can precept.

**Meeting:**           **Audit Committee / Executive /  
Council**

Portfolio Area:    Resources

**Date:**             **12 November 2019 / 20 November  
2019 / 29 January 2020**



## **2019/20 MID YEAR TREASURY MANAGEMENT REVIEW**

### **NON-KEY DECISION**

|                 |                  |              |
|-----------------|------------------|--------------|
| Author          | – Belinda White  | Ext No. 2515 |
| Contributors    | – Lee Busby      | Ext No. 2730 |
| Lead Officer    | – Clare Fletcher | Ext No. 2933 |
| Contact Officer | – Clare Fletcher | Ext No. 2933 |

#### **1. PURPOSE**

1.1 To update members on the Treasury Management activities in 2019/20 and review effectiveness of the 2019/20 Treasury Management and Investment Strategy including the 2019/20 prudential and treasury indicators.

#### **2. RECOMMENDATIONS**

2.1 That subject to any comments from Executive and the Audit Committee, recommend to Council to approve the 2019/20 Treasury Management Mid-Year review.

[Note: Comments from the Audit Committee meeting of 12 November 2019 will be conveyed to the Executive verbally and incorporated into the report to Council on 29 January 2020]

2.2 That subject to any comments from Executive and the Audit Committee, recommend Council to approve the latest approved Countries for investments (Appendix D).

2.3 That the updated authorised and operational borrowing limits are approved (paragraph 4.4.7).

2.4 That the updated MRP policy is approved (paragraph 4.4.10 and Appendix E).

### **3. BACKGROUND**

3.1. This report covers one of three reporting requirements under the Prudential and Treasury Management Code of Practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), the other reports being;

- Annual Treasury Strategy (in advance of the year) (last reported to Council 27 February 2019)
- Annual Treasury Management Review after the year end (2018/19 was reported to Council 16 October 2019)

3.2 In December 2017, CIPFA revised the Code to require, all local authorities to report on:

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed;
- the implications for future financial sustainability.

These elements are covered in the annual Capital Strategy reported to Council in February each year.

3.3 This report summarises:

- Capital expenditure and financing for 2019/20;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
- Reporting of the required prudential and treasury indicators, including the impact of the expenditure on the Council's underlying indebtedness (the Capital Financing Requirement);
- Update on the Treasury Management Strategy Position;
- An economic update for the first part of 2019/20.

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

### **4.1 The Council's Capital Expenditure and Financing 2019/20**

4.1.1 Capital expenditure<sup>1</sup> can be financed either by capital resources the Council has on its balance sheet (e.g. capital receipts & capital grants) or by making a revenue contribution to capital. If sufficient capital resources are not available to fund the expenditure the council would need to borrow to meet the funding gap. This borrowing may be taken externally in new loans or internally from cash balances held by the council (see also 4.3.3). The need to borrow is measured and reported through the prudential indicators.

4.1.2 The Treasury Management Strategy and Prudential Indicators for 2018/19 were originally approved by Council on the 27 February 2019. Since then, capital budget changes have been approved and the Prudential Indicators updated in the 2018/19 Annual Treasury Management Review (approved by Council 16

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<sup>1</sup> Council expenditure can be classified as capital when it is used to purchase assets with a life of more than one year, exceeds £5,000 in value and meets the guidelines laid out in CIPFA accounting practises.

October 2019). The Treasury Management Mid-Year Review Indicators have been updated based on the 1st quarter capital programme reported to Executive (11 September 2019).

4.1.3 Table One (shown below) shows the original capital programme, the revised capital programme (approval Executive 11 September 2019) and financing.

| <b>Table One: 2019/20 Capital Expenditure and Financing</b> |   |   |
|---|---|---|
|   | <b>2019/20<br/>Original Capital<br/>Strategy (Council<br/>February 2019)<br/><br/>£'000</b> | <b>2019/20<br/>Revised Mid-Year<br/>Review (Q1 Capital<br/>Strategy -Executive<br/>September 2019)<br/><br/>£'000</b> |
| <b>Capital Expenditure:</b>                                 |   |   |
| General Fund Capital Expenditure                            | 32,217  | 31,423  |
| HRA Capital Expenditure                                     | 47,792  | 33,706  |
| <b>Total Capital Expenditure</b>                            | <b>80,009</b>   | <b>65,129</b>   |
| • Capital Receipts  | (12,537)  | (7,383)   |
| • Capital Grants / Contributions                            | (10,432)  | (12,360)  |
| • Capital Reserves  | (1,606)   | (2,427)   |
| • Revenue contributions                                     | (13,951)  | (13,142)  |
| • Major Repairs Reserve                                     | (22,210)  | (9,018)   |
| <b>Total Resources Available</b>                            | <b>(60,736)</b>   | <b>(44,330)</b>   |
| <b>Capital Expenditure Requiring Borrowing</b>              | <b>(19,273)</b>   | <b>(20,799)</b>   |

## 4.2 The Council's overall borrowing position.

4.2.1 The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR)<sup>2</sup>. Whether physical borrowing is taken out depends on the level of cash balances held by the Council. The treasury service, manages the Council's cash position to ensure sufficient cash is available to meet the capital payments, based on the Capital Strategy and Treasury Management Strategy. This may be through internal borrowing from utilising cash balances held by the Council in the short to medium term or external borrowing such as using the Government, through the Public Works Loan Board (PWLB) or the money markets).

4.2.2 The 2019/20 Capital Strategy identified the need for borrowing for financing elements of the capital programme. The Council has not undertaken any new external borrowing to date in 2019/20.

4.2.3 On 9 October 2019 the Treasury and PWLB announced an increase in the margin over gilt yields of 100bps<sup>3</sup> on top of the current margin of 80bps. The

<sup>2</sup> Capital Financing Requirement (CFR) represents the amount of debt the Council needs to/has taken to fund the capital programme after debt repayments and Minimum Revenue Provision (MRP) are taken into account

<sup>3</sup> 100bsp is 100 basis points, the equivalent of 1%.

margin of 80bps had been used for all Council project appraisals including the HRA business plan, Wholly Owned Housing company and investment portfolio. There was no prior notification to the increase and it now means that every local authority has to reassess how to finance their external borrowing needs and the financial viability of capital projects in their capital programme due to this unexpected increase in the cost of borrowing. Representations have been made to HM Treasury to suggest that areas of capital expenditure that the Government are keen to see move forward e.g. housing, should not be subject to such a large increase in borrowing. Council schemes are now being reassessed in light of this unscheduled increase by the Treasury.

- 4.2.4 In 2019/20 the average cash holding between April and September was £63Million (£64Million April to September 2018/19). While investment returns are low the “internal” borrowing rate is significantly cheaper than the cost of external borrowing and remains a prudent use of the Council’s cash balances, unless it is prudent to secure long term borrowing in accordance with the HRA business plan.
- 4.2.5 As at the 30 September 2019 the Council had total external borrowing of £205,351,003 (projected to increase to £225,747,601 by 31 March 2020 if all approved borrowing is taken as per the revised capital programme approved by Executive 11 September 2019).
- 4.2.6 The General Fund has £2,677,103 external borrowing with the PWLB. When expenditure is incurred on the purchase of commercial property the decision to take out the remaining balance of approved borrowing (£15million) will be reviewed. To accelerate the purchase process, agents were appointed. In the meantime other purchase options are also currently being pursued. Updates will be provided in the Capital Strategy updates reported to Executive.
- 4.2.7 The HRA has external borrowing of £202,674,000 with the PWLB, with the majority of the HRA debt (£194,911,000) taken out in March 2012 to finance the payment required to central government for self-financing. This debt was arranged over a number of loans at fixed rates and with varying maturities and is not impacted by the recent increase in PWLB rates.
- 4.2.8 The HRA borrowing includes £7,763,000 used to fund the pre 2012 decent homes programme. This debt was called ‘supported borrowing’ under the former HRA subsidy system but now forms part of the HRA debt portfolio. The remaining difference between the HRA debt portfolio and CFR at 31 March 2020 is the result of asset transfers from General Fund to the HRA (£1,598,500) and HRA internal borrowing prior to self-financing (£2,550,480).
- 4.2.9 Since the lifting of the HRA Debt Cap, which was formerly £217,685,000, HRA borrowing limits are based on affordability rather than legislation. These limits are now reviewed as part of the annual HRA Business Plan review, the latest review of which is currently being undertaken.

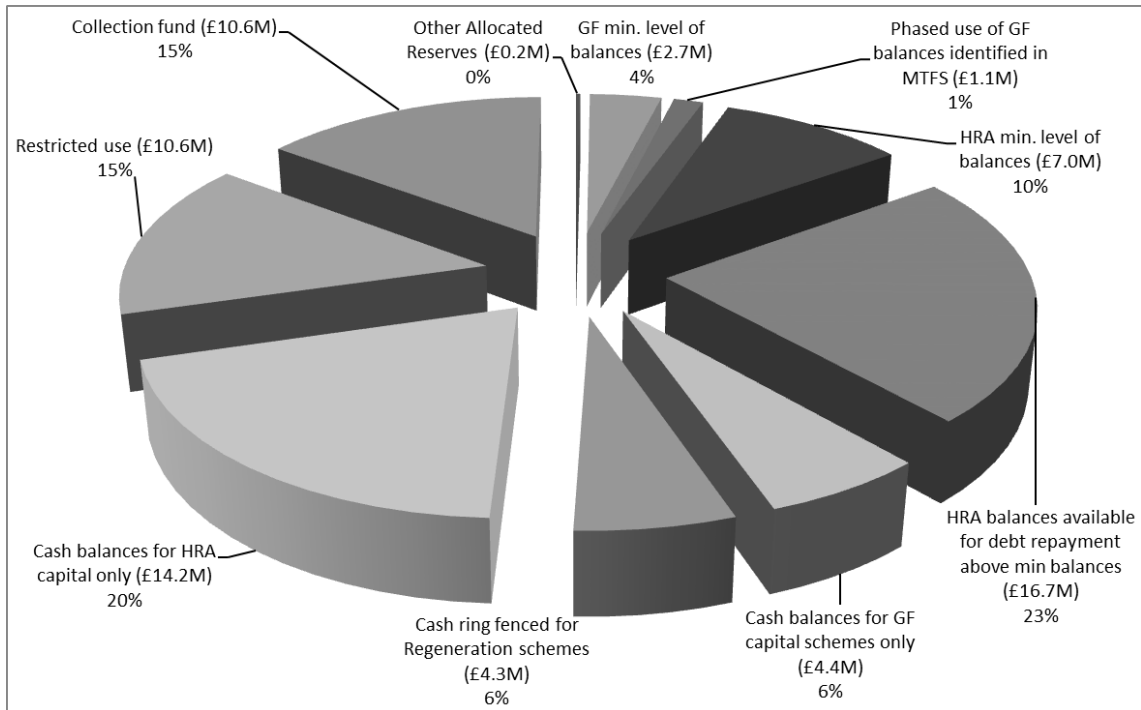
### **4.3 Cash balances and cash flow management**

- 4.3.1 As at 1 April 2019 cash balances held by SBC totalled £54.1Million. Balances are forecast to increase as the lifting of the HRA debt cap means that budgeted

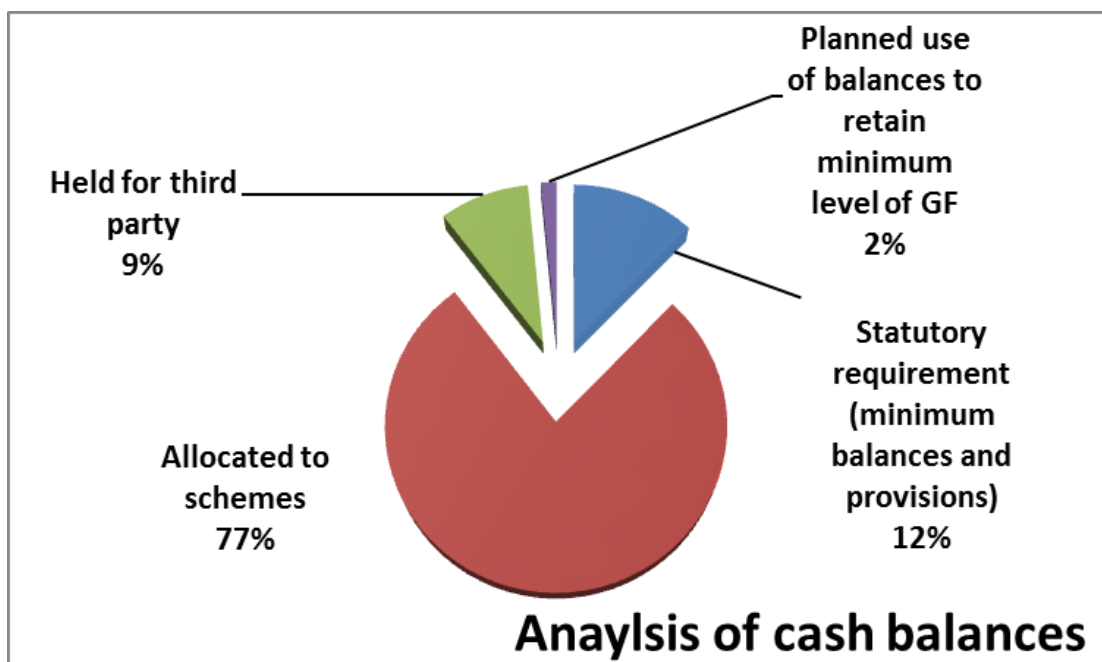


use of resources to support the capital programme can be replaced with external borrowing. The revised cash balance expected to be held as at 31 March 2020 is £63.7Million. The breakdown of these cash balances is shown in the following chart.

**Chart One: Cash Balances expected as at 31 March 2020**



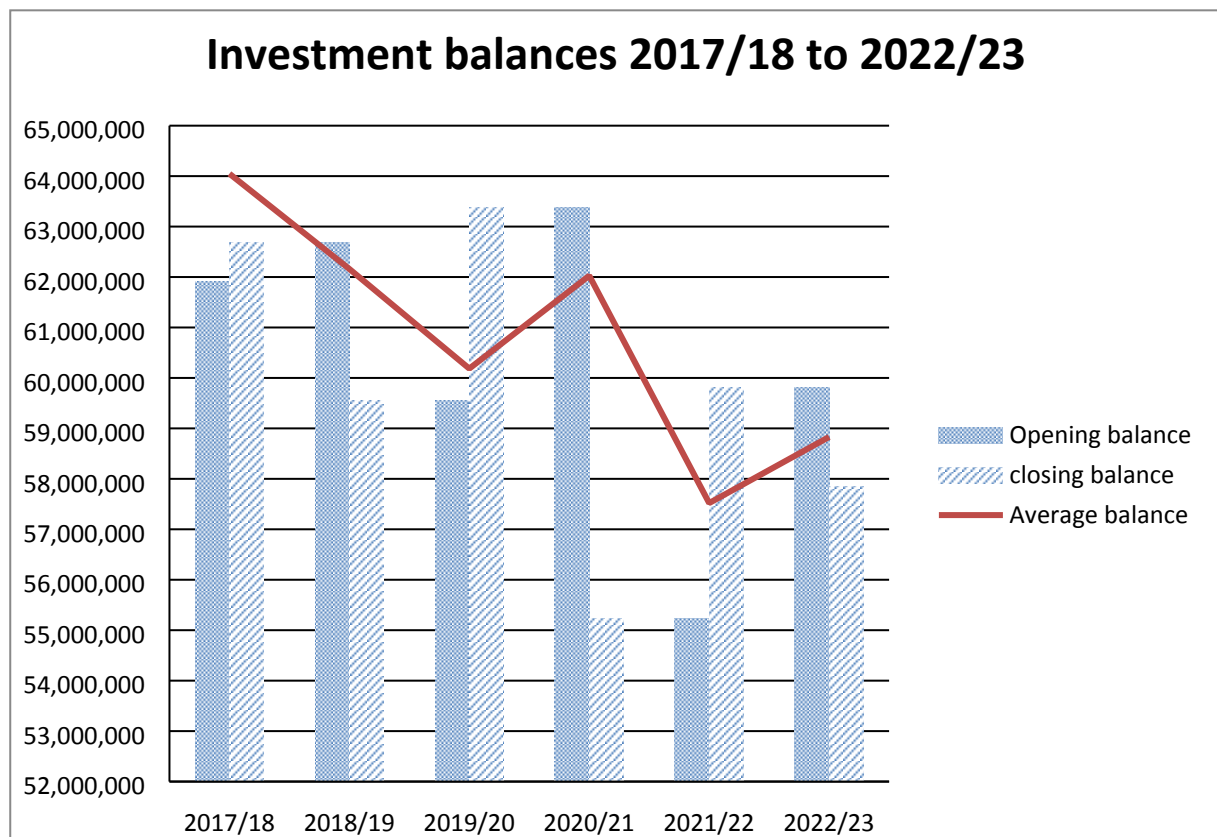
4.3.2 These cash balances can be further analysed between allocated, held for statutory requirements and held for third parties. This identifies that of the £72Million, all cash resources have been allocated, so unless allocated reserves are no longer needed in the future, there are **currently no cash resources available** for new projects. In addition the capital strategy requires external borrowing and currently £401k of General Fund capital schemes are on hold pending matching capital receipts.



4.3.3 While cash balances are high waiting for the schemes to be delivered Currently balances are expected to be £63.4Million by 31 March 2020 (cash balances £71.4M less internal borrowing of £8.1M), but is dependent on current spending projections and approved borrowing included in the capital strategy and current HRA business plan (General Fund - £14.350million and HRA - £6.746Million) for 2019/20. Decisions as to when this borrowing is actually taken will be considered based on cash balances and anticipated interest rates.

4.3.4 The forecast investment balances to 2022/23 has been updated to reflect the changes in funding the HRA capital programme and the use of external borrowing instead of revenue contribution.

**Chart Three: Investment Balances forecast**



#### 4.4 Prudential Indicators

4.4.1 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council’s approved Treasury and Prudential Indicators, (which affordability limits), are included in the approved Treasury Management Strategy and an update on those indicators is included in this report. During the year to date, the Council has operated within the treasury and prudential indicators set out in that strategy. Further explanation of key prudential indicators is given below and is also shown in Appendix A.

4.4.2 **Borrowing and the 2019/20 Capital Financing Requirement (CFR)** - The Council’s underlying need to borrow for capital expenditure is referred to as the Capital Financing Requirement (CFR). The Council’s original estimate and latest CFR for the year is shown below. The estimate of the CFR for 2019/20

has been updated for the capital strategy approved by Members (11 September 2019 Executive) and for early discussion with external auditors regarding the accounting treatment of the Queensway lease. Further updates may be required pending completion of the external audit.

4.4.3 The HRA Business Plan will be reported to the November Executive and will include new proposed borrowing following the lifting of the HRA debt cap. The CFR and prudential indicators included in this report have been updated to reflect these proposed changes.

| <b>Table Two : Capital Financing Requirement 2019/20</b>        |  |   |   |
|---|--|---|---|
|   | <b>2019/20</b>   | <b>2019/20</b>  | <b>2019/20</b>  |
|   | <b>Original: Annual TM Strategy (Approved Council February 2019)</b> | <b>Revised: Annual TM Review of 2018/19 (Approved Council October 2019)</b> | <b>Revised: Mid-Year Review (Executive November 2019)</b> |
| <b>CFR Calculation</b>  | <b>£'000</b>   | <b>£'000</b>  | <b>£'000</b>  |
| <b>Opening Balance</b>  | <b>223,488</b>   | <b>221,941</b>  | <b>235,869</b>  |
| Closing Capital Financing Requirement (General Fund)            | 35,841   | 35,841  | 42,107  |
| Closing Capital Financing Requirement (Housing Revenue Account) | 210,729  | 210,729   | 216,034   |
| <b>Closing Balance</b>  | <b>246,570</b>   | <b>246,570</b>  | <b>2568,141</b>   |
| <b>Increase/ (Decrease)</b>                                     | <b>23,082</b>  | <b>24,629</b>   | <b>22,272</b>   |

4.4.4 Total debt repayments made in the first half of 2019/20 relating to principle on PWLB General Fund loans were £131,579 (paid in August). A further repayment of £131,579 will be made in February 2020 in relation to General Fund debt.

4.4.5 The Council could further reduce its CFR by:

- The application of additional capital financing resources (such as unapplied capital receipts) if available; or
- Charging more than the statutory revenue charge (Minimum Revenue Provision (MRP)) each year through a Voluntary Revenue Provision (VRP) which would increase the cost to the General Fund

4.4.6 The **net borrowing position** of the Council at 31 March 2020 is estimated to be **£177.6M** (total borrowings/loans of £241.3M less total investments held of £63.7M). This updated position includes anticipated new borrowing included in the updated HRA business plan, reported to Executive in December.

- 4.4.7 The **operational boundary and authorised limit** refer to the borrowing limits within which the treasury team operate. To date there have been **no breaches** of either limit in 2019/20.).
- 4.4.8 As raised in the Treasury Management report to Council, at the time of publication of this report the external audit of the 2018/19 accounts had yet to be completed. Borrowing limit changes are required following the audit due to technical accounting treatment requirements and this has been reflected in changes to the opening CFR (para 4.4.2). Any further changes following the completion of the external audit will be reported to Members in subsequent reports. These changes do not increase any borrowing, and do not increase interest costs or MRP costs to the General Fund. The changes just relate to technical accounting treatment and there have been no breaches in the operational or authorised borrowing limits in 2018/19.
- 4.4.9 Further to the lifting of the debt cap and treatment of the Queensway lease, both limits have been updated and officers propose a revision of the operational and authorised borrowing limits as shown in Appendix A.
- 4.4.10 **Minimum Revenue Provision (MRP)**<sup>4</sup> – In 2019/20 the MRP charged to the General Fund will be £622,324, based on previous years' borrowing. As mentioned previously Officers have undertaken a MRP review, specifically asset lives used in calculating MRP. Based on revised asset lives an underpayment of £11,812 has arisen and officers propose a voluntary MRP is made in 2019/20. As the current MRP policy is applied retrospectively the other changes to MRP will be implemented in 2020/21 and have been incorporated into the 2020/21 budget setting process.
- 4.4.11 MRP needs to be made regardless of whether actual external borrowing has been taken and hence differs from the treasury management arrangements, the latter considers utilising cash balances when borrowing rates are higher than investment interest rates.
- 4.4.12 In the Annual Treasury Management Review of 2018/19, approved by Council in October 2019, Officers recommended that the MRP policy should be reviewed in light of the investments being made and possible extension to the useful life of certain assets. The review has been concluded and took into account the freehold/leasehold classification of the asset and investment decisions relating to that asset. The updated MRP policy is shown in Appendix E. Should Members approve the change, the additional income will be available to support regeneration schemes in the future. The updated MRP policy will become operational from 2020/21 with budget changes incorporated into the 2020/21 budget setting process for the General Fund (HRA is unaffected by MRP).
- 4.4.13 The **ratio of financing costs to net revenue stream** is equal to General Fund interest costs divided by the General Fund net revenue income from Council

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<sup>4</sup> MRP- The Council must base its borrowing decisions in accordance with the Prudential Code which requires the Council to demonstrate a need to borrow and to show the cost of that borrowing for the General Fund is affordable. The Council's MRP policy, as required by CIPFA guidance, is approved annually by Council as part of the Treasury Management Strategy. The calculation of MRP is based upon prior years' borrowing requirement and the life of the assets for which borrowing was required.

Tax and RSG/NDR. For 2019/20 this indicator has changed due to changes to MRP, re profiling of garages business plan and the revised capital programme figures are shown in Appendix A.

4.4.14 The treasury management indicators for 2019/20 onwards have been calculated based on the 1st quarter capital programme reported to Executive 11 September 2019. There will be subsequent updates to the capital programme including the capital bidding process for the period 2020/21 to 2024/25 and as such the data relating to future years is indicative only and will be subject to change. The full list of Treasury Prudential Indicators is shown in Appendix A.

#### 4.5 Update on Treasury Management Strategy Position 2019/20

4.5.1 The Council's debt and investment position is managed by the treasury management section to ensure adequate liquidity for revenue and capital activities. In addition, investment decisions are based on the security of the investments and spread over a number of counter parties to manage the Council's exposure to risk.

4.5.2 The Council's **average investment returns** are modest due to historically low Bank of England Base Rate which is currently 0.75% and the risk appetite in the treasury management strategy. As at 30 September 2019 the 2019/20 average rate of interest being earned on investments was 0.98% (compared to 0.86% earned in 2018/19). This exceeded the 7 day LIBID benchmark rate of 0.57% (source: LINK Asset Services 30-9-19).

4.5.3 While costs for loans of between eight and ten years are around 2.38% - 2.50% (as at 17 October 2019 post PWLB increase) it is still prudent to utilise the Council's cash balances (as shown in paragraph 4.3.1) for short-term internal borrowing. However, PWLB borrowing costs have increased and are forecast to increase and officers will be determining whether it may be prudent to take some borrowing at lower interest rates based on the forecast reduction of future cash balances and borrowing identified in the HRA business plan. The decision and timing of when to borrow is being monitored by officers.

4.5.4 The Council's treasury position for the first half of year was as follows;

| Table three Treasury Position 2019/20 |                                    |                       |                          |                                       |                       |                          |
|---------------------------------------|------------------------------------|-----------------------|--------------------------|---------------------------------------|-----------------------|--------------------------|
|                                       | 30 Sep 2019<br>Principal<br>£'000s | Rate /<br>Return<br>% | Average<br>Life<br>(Yrs) | 31 Mar<br>2020<br>Principal<br>£'000s | Rate /<br>Return<br>% | Average<br>Life<br>(Yrs) |
| Fixed rate loans - PWLB               | 205,351                            | 3.37                  | 15                       | 205,220                               | 3.37                  | 16                       |
| Queensway Lease                       |                                    |                       |                          | 13,928                                |                       |                          |
| General Fund Prudential<br>Borrowing  |                                    |                       |                          | 13,651                                |                       |                          |
| HRA Borrowing                         |                                    |                       |                          | 8,556                                 |                       |                          |
| <b>Total Borrowing</b>                | <b>205,351</b>                     | <b>3.37</b>           | <b>15</b>                | <b>241,354</b>                        | <b>3.37</b>           | <b>16</b>                |
| CFR                                   |                                    |                       |                          | 257,441                               |                       |                          |
| Over/(under) borrowing*               |                                    |                       |                          | (16,087)                              |                       |                          |
| <b>Investments Portfolio</b>          | <b>61,750</b>                      | <b>0.98</b>           |                          | <b>63,741</b>                         | <b>0.93</b>           |                          |

\* financed by internal borrowing

4.5.5 The maturity structure of the debt portfolio was as follows (see also Appendix B):

| <b>Table four Maturity of Debt Portfolio for 2018/19 and 2019/20</b> |   |   |
|--|---|---|
| <b>Time to maturity</b>  | <b>31 March<br/>2019 Actual<br/>£'000's</b> | <b>30 September<br/>2019 Actual<br/>£'000's</b> |
| Maturing within one year   | 263   | 263   |
| 1 year or more and less than 2 years                                 | 263   | 263   |
| 2 years or more and less than 5 years                                | 527   | 395   |
| 5 years or more and less than 10 years                               | 28,556                                      | 28,556  |
| 10 years or more   | 175,874                                     | 175,874   |
| <b>Total</b>   | <b>205,483</b>                              | <b>205,351</b>                                  |

4.5.6 There are two investments with **maturities over one year** as detailed below:

| <b>Counterparty</b>                   | <b>Country</b> | <b>Rating</b> | <b>Deposit amount</b> | <b>Start date</b> | <b>Maturity on</b> |
|---------------------------------------|----------------|---------------|-----------------------|-------------------|--------------------|
| Great Yarmouth BC                     | UK             | AA            | 2,000,000             | 16/05/2018        | 17/05/2021         |
| Barnsley Metropolitan Borough Council | UK             | AA            | 2,700,000             | 15/09/2017        | 15/09/2021         |
|                                       |                |               | <b>4,700,000</b>      |                   |                    |

4.5.7 All other investments held during the first half of 2019/20 are due to mature within one year. A summary of the Council's exposure to fixed and variable rate investments is shown below in Table Five. (See also Appendix B).

| <b>Table Five : Fixed and Variable Rate Investment Totals</b> |   |   |
|---|---|---|
|   | <b>31 March 2019<br/>Actual<br/>£'000's</b> | <b>30 September<br/>2019 Actual<br/>£'000's</b> |
| Fixed rate principal  | 46,210                                      | 42,000  |
| Variable rate principal                                       | 7,925                                       | 19,750  |
| <b>Total</b>  | <b>54,135</b>                               | <b>61,750</b>                                   |

4.5.8 Since the last Treasury report, no further Money Market funds have been added to the portfolio, however a number of additional funds are being considered to increase the available pool of investment options.

4.5.9 There have been **no breaches** of treasury **counter party limits**, with the investment activity during the year conforming to the approved strategy. Any breach would be notified to the Chief Finance Officer. The Council has had no liquidity difficulties and no funds have been placed with the Debt Management

Office (DMO) during 2019/20, demonstrating that counterparty limits and availability for placing funds approved in the TM Strategy are working

4.5.10 The use of “Ultra Short Dated Bond” (USDB) funds was approved in February 2017. No investments have been made to date with USDB funds.

4.5.11 The updated list of “Approved Countries for Investments” is detailed in Appendix D.

4.5.12 **Money Market Fund Regulatory Change** took place in early 2019, and Liquidity (non-government) Funds have been converted from Constant Net Asset Value (CNAV) funds to Low Volatility Net Asset Value (LVNAV) pricing. Government-type funds will remain as “CNAV” funds under the new regulations. This change has not impacted on the existing treasury Management strategy.

4.5.13 As part of the Council regeneration programme and financial security objectives officers have establishing special purpose vehicles (SPV) to deliver regeneration in the town and to improve the offer in the private rented sector. These SPV’s have included a Limited Liability partnership and a wholly owned company. As completely separate legal entities the board of Directors of the SPV needed to delegate authority for the treasury management function to the Council, for officers to invest monies on behalf of the SPV’s subject to Director’s delegation. Any sums invested on behalf of these SPV’s are to be done in accordance with the Councils own treasury management policies.

## **4.6 Economic Review & Interest Rate Outlook**

### **4.6.1 UK Growth**

The first half of 2019/20 saw a slowdown in UK economic growth due to Brexit uncertainty. In its Inflation Report of 1 August, the Bank of England was downbeat about the outlook for the UK economy. The Monetary Policy Committee (MPC) meeting of 19 September reemphasised their concern about the downturn and that prolonged Brexit uncertainty would contribute to a build-up of spare capacity in the UK economy.

### **4.6.2 Inflation and Bank Rate**

CPI has been close to the Bank of England’s target of 2% during 2019, but fell to 1.7% in August. It is thought likely to remain close to 2% over the next two years and so it does not pose any immediate concern to the MPC at the current time. The MPC has left Bank Rate unchanged at 0.75% in 2019 due to the ongoing uncertainty over Brexit. In its meeting on 1 August, the MPC indicated concern about the outlook for both the global and domestic economies. The September MPC meeting showed increased concern about world growth and the effect that prolonged Brexit uncertainty is likely to have on growth.

### **4.6.3 Wage inflation**

Unemployment continued at 3.8% based on the Independent Labour Organisation measure in July and the participation rate was 76.1%. With unemployment continuing to fall, employers still have difficulty filling job vacancies with suitable staff. Wage inflation picked up to 3.9% in June before easing back slightly to 3.8% in July, (3 month average regular pay, excluding

bonuses). This meant that in real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 2.1%.

#### **4.6.4 Eurozone Economy**

The downturn in Eurozone growth in the second half of 2018 and into 2019, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), has prompted the ECB to take new measures to stimulate growth. At its March meeting it said that it expected to leave interest rates at their present levels “at least through to the end of 2019”. However, since then, the downturn in EZ and world growth has gathered momentum so at its meeting on 12 September, it cut its deposit rate further into negative territory, from -0.4% to -0.5. It is considered doubtful whether this loosening of monetary policy will have much impact on growth and the ECB stated that governments will need to help stimulate growth by fiscal policy.

#### **4.6.5 Brexit**

Parliament has carried a bill to delay Brexit until 31 January. At a local level, possible Brexit issues are raised through the Brexit working group. A Brexit action plan and Brexit risk register is maintained and officers are working with local businesses, community and voluntary groups.

4.6.6 The Council has registered with HMRC’s Transitional Simplified Procedures to simplify import procedures should we procure goods from the EU post Brexit. Mitigation plans have been put in place for contracts which may be affected by Brexit and continuity plans have been reviewed for service areas including fuel supplies.

4.6.7 Officers have contacted treasury advisors who have advised that the placing of investments (including Amundii based in Luxembourg) are unaffected by Brexit.

## **5. IMPLICATIONS**

### **5.1 Financial Implications**

5.1.1 This report is of a financial nature and reviews the treasury management function for 2019/20 to date. Any consequential financial impacts of the Strategy will be incorporated into the Capital Strategy updates and subsequent Quarterly budget monitoring reports.

### **5.2 Legal Implications**

5.2.1 Approval of the Prudential Code Indicators and the Treasury Management Strategy Indicators are intended to ensure that the Council complies with relevant legislation and best practice.

### **5.3 Risk Implications**

5.3.1 The current policy of not borrowing externally only remains financially viable while cash balances are high and the differentials between investment income and borrowing rates remain. Should these conditions change the Council may need to borrow at higher rates which would increase revenue costs.



5.3.2 There is continued uncertainty regarding Brexit negotiations and the possibility of a “no deal” exit. SBC’s approach to Brexit is that it is treated as a business continuity issue with appropriate cross-checking carried out with other members of the Hertfordshire Resilience Forum.

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

5.4.1 This purpose of this report is to review the implementation of the Treasury management policy in 2019/20. Before investments are placed with counter parties the Council has the discretion not to invest with counter parties where there are concerns over sovereign nations’ human rights issues.

5.4.2 The Treasury Management Policy does not have the potential to discriminate against people on grounds of age; disability; gender; ethnicity; sexual orientation; religion/belief; or by way of financial exclusion. As such a detailed Equality Impact Assessment has not been undertaken.

### **BACKGROUND DOCUMENTS**

BD1 Prudential Code Indicators and Treasury Management Strategy 2019/20  
(27 February 2019 Council)

BD2 Annual Treasury Management Review of 2018/19 (16 October 2019  
Council)

### **6 APPENDICES**

- Appendix A – Prudential Indicators for Mid Year Review.
- Appendix B – Investment and Loan Portfolios
- Appendix C – Specified & Non-Specified Investment Criteria
- Appendix D – Approved Countries for Investments
- Appendix E – MRP Policy

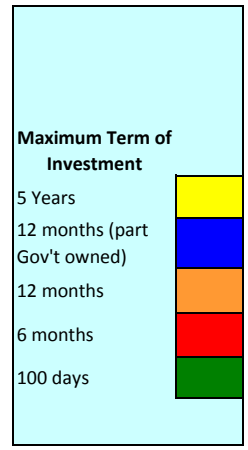
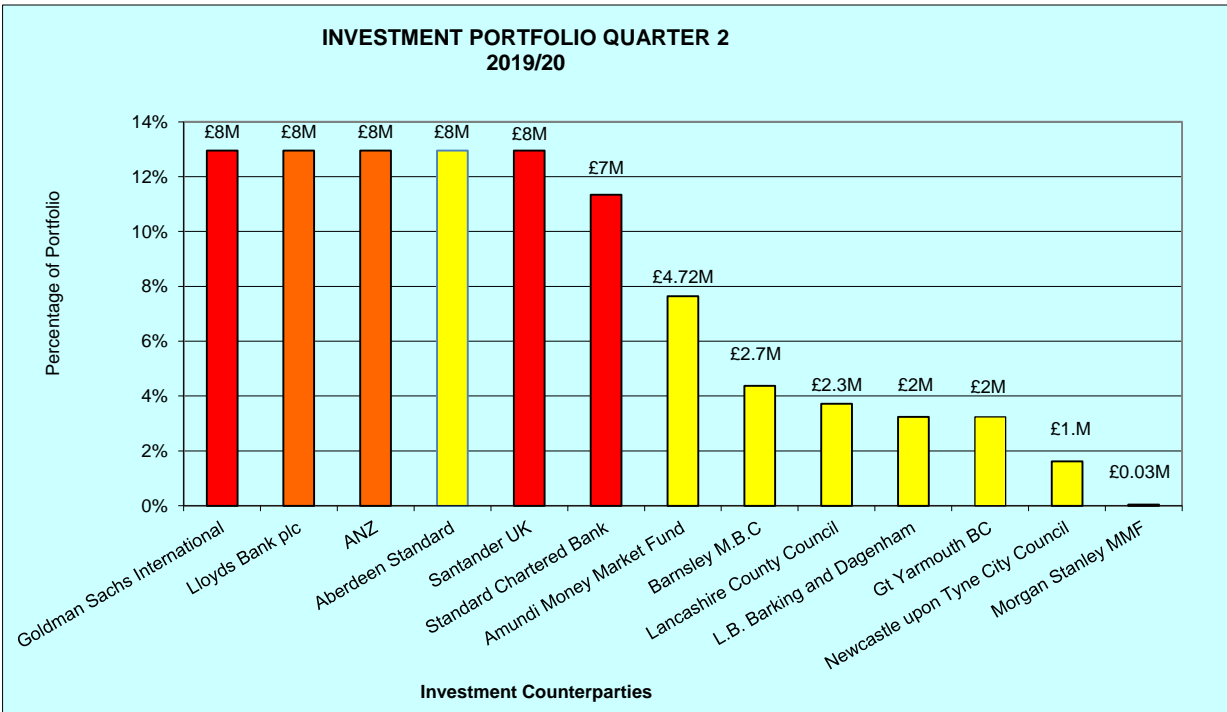
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| Appendix A   |  | 2019/20 Treasury Management Strategy - Mid year review |                               |   |                                      |                                      |                                      |
|--|--|--|-------------------------------|---|--------------------------------------|--------------------------------------|--------------------------------------|
| Treasury Management Prudential Indicators  |  |  |                               |   |                                      |                                      |                                      |
| <b>Capital Expenditure (Based on Q1 Capital report September 2019):</b>  |  | <b>2018/19</b>   | <b>2019/20</b>                | <b>2019/20</b>                            | <b>2019/20</b>                       | <b>2020/21</b>                       | <b>2021/22</b>                       |
|  |  | <b>Actual</b>  | <b>Original February 2019</b> | <b>Revised September 2019 (TM report)</b> | <b>Revised Mid year review 19-20</b> | <b>Revised Mid year review 19-20</b> | <b>Revised Mid year review 19-20</b> |
|  |  | <b>£000</b>  | <b>£000</b>                   | <b>£000</b>                               | <b>£000</b>                          | <b>£000</b>                          | <b>£000</b>                          |
| General Fund   |  | 8,057  | 32,188                        | 33,688                                    | 32,923                               | 14,285                               | 3,449                                |
| HRA  |  | 22,366   | 47,792                        | 47,792                                    | 33,706                               | 50,408                               | 36,322                               |
| <b>Total</b>   |  | <b>30,423</b>  | <b>79,980</b>                 | <b>81,480</b>                             | <b>66,629</b>                        | <b>64,693</b>                        | <b>39,771</b>                        |
| <b>Ratio of financing costs to net revenue stream:</b>   |  | <b>2018/19</b>   | <b>2019/20</b>                | <b>2019/20</b>                            | <b>2019/20</b>                       | <b>2020/21</b>                       | <b>2021/22</b>                       |
|  |  | <b>Actual</b>  | <b>Original February 2019</b> | <b>Revised September 2019 (TM report)</b> | <b>Revised Mid year review 19-20</b> | <b>Revised Mid year review 19-20</b> | <b>Revised Mid year review 19-20</b> |
|  |  | <b>%</b>   | <b>%</b>                      | <b>%</b>                                  | <b>%</b>                             | <b>%</b>                             | <b>%</b>                             |
| General Fund Capital Expenditure   |  | 6.45%  | 6.77%                         | 6.77%                                     | 6.77%                                | 10.31%                               | 10.44%                               |
| HRA Capital Expenditure  |  | 14.94%   | 16.78%                        | 16.78%                                    | 16.78%                               | 16.46%                               | 16.16%                               |
| General Fund: Net revenue stream is the RSG, NNDR grant and Council Tax raised for the year.   |  |  |                               |   |                                      |                                      |                                      |
| HRA: The net revenue stream is the total HRA income shown in the Council's accounts from received rents, service charges and other incomes. The ratio of financing costs to net revenue stream reflects the high level of debt as a result of self financing.  |  |  |                               |   |                                      |                                      |                                      |
| <b>Authorised Limit for external debt</b>  |  | <b>2018/19</b>   | <b>2019/20</b>                | <b>2019/20</b>                            | <b>2019/20</b>                       | <b>2020/21</b>                       | <b>2021/22</b>                       |
|  |  | <b>Actual</b>  | <b>Original February 2019</b> | <b>Revised September 2019 (TM report)</b> | <b>Revised Mid year review 19-20</b> | <b>Revised Mid year review 19-20</b> | <b>Revised Mid year review 19-20</b> |
|  |  | <b>£000</b>  | <b>£000</b>                   | <b>£000</b>                               | <b>£000</b>                          | <b>£000</b>                          | <b>£000</b>                          |
| Borrowing - General Fund   |  | 25,016   | 43,341                        | 48,207                                    | 48,407                               | 51,483                               | 54,970                               |
| Borrowing - HRA  |  | 210,973  | 235,729                       | 235,729                                   | 224,034                              | 247,837                              | 274,439                              |
| <b>Total</b>   |  | <b>235,988</b>   | <b>279,070</b>                | <b>283,936</b>                            | <b>272,441</b>                       | <b>299,320</b>                       | <b>329,409</b>                       |
| The authorised limit in that it is the level up to which the Council may borrow without getting further approval from Full Council. The Council may need to borrow short term for cash flow purposes, exceeding the operational boundary. The authorised limit allows for £8m headroom above the Operational Boundary (£2m General Fund and £6m HRA), which is in addition to our capital plans. |  |  |                               |   |                                      |                                      |                                      |
| <b>Operational Boundary for external debt</b>  |  | <b>2018/19</b>   | <b>2019/20</b>                | <b>2019/20</b>                            | <b>2019/20</b>                       | <b>2020/21</b>                       | <b>2021/22</b>                       |
|  |  | <b>Actual</b>  | <b>Original February 2019</b> | <b>Revised September 2019 (TM report)</b> | <b>Revised Mid year review 19-20</b> | <b>Revised Mid year review 19-20</b> | <b>Revised Mid year review 19-20</b> |
|  |  | <b>£000</b>  | <b>£000</b>                   | <b>£000</b>                               | <b>£000</b>                          | <b>£000</b>                          | <b>£000</b>                          |
| Borrowing - General Fund   |  | 20,016   | 38,341                        | 43,207                                    | 46,407                               | 49,483                               | 52,970                               |
| Borrowing - HRA  |  | 205,973  | 230,729                       | 230,729                                   | 218,034                              | 241,837                              | 268,439                              |
| <b>Total</b>   |  | <b>225,989</b>   | <b>269,070</b>                | <b>273,936</b>                            | <b>264,441</b>                       | <b>291,320</b>                       | <b>321,409</b>                       |
| The operational boundary differs from the authorised limit in that it is the level up to which the Council expects to have to borrow. The Council may need to borrow short term for cash flow purposes, exceeding the operational boundary. The operational boundary allows for £7m headroom in addition to our capital plans (£5m General Fund and £2m HRA).                                    |  |  |                               |   |                                      |                                      |                                      |
| <b>Gross &amp; Net Debt</b>  |  | <b>31/03/2019</b>                                      | <b>31/03/2020</b>             | <b>31/03/2020</b>                         | <b>31/03/2020</b>                    | <b>31/03/2021</b>                    | <b>31/03/2022</b>                    |
|  |  | <b>Actual</b>  | <b>Original February 2019</b> | <b>Revised September 2019 (TM report)</b> | <b>Revised Mid year review 19-20</b> | <b>Revised Mid year review 19-20</b> | <b>Revised Mid year review 19-20</b> |
|  |  | <b>£000</b>  | <b>£000</b>                   | <b>£000</b>                               | <b>£000</b>                          | <b>£000</b>                          | <b>£000</b>                          |
| Gross External Debt - General Fund   |  | 16,737   | 38,341                        | 38,341                                    | 30,124                               | 33,096                               | 36,119                               |
| Gross External Debt - HRA  |  | 202,674  | 230,729                       | 230,729                                   | 211,231                              | 235,033                              | 261,636                              |
| <b>Gross External Debt</b>   |  | <b>205,483</b>   | <b>269,070</b>                | <b>269,070</b>                            | <b>241,355</b>                       | <b>268,129</b>                       | <b>297,755</b>                       |
| Less Investments   |  | (54,135)   | (38,770)                      | (38,770)                                  | (63,741)                             | (61,879)                             | (66,462)                             |
| <b>Net Borrowing</b>   |  | <b>151,348</b>   | <b>230,300</b>                | <b>230,300</b>                            | <b>177,614</b>                       | <b>206,250</b>                       | <b>231,292</b>                       |
| The Gross External Debt is the actual debt taken out by the Council plus any relevant long term liabilities. The Gross External Debt should not exceed the Operational Boundary for external debt.   |  |  |                               |   |                                      |                                      |                                      |
| The Net Borrowing is defined as gross external debt less investments. The net borrowing requirement may not, except in the short term, exceed the total capital financing requirement in the preceding year, plus the estimates of any additional financing.   |  |  |                               |   |                                      |                                      |                                      |
| <b>Capital Financing Requirement</b>   |  | <b>31/03/2019</b>                                      | <b>31/03/2020</b>             | <b>31/03/2020</b>                         | <b>31/03/2020</b>                    | <b>31/03/2021</b>                    | <b>31/03/2022</b>                    |
|  |  | <b>Actual</b>  | <b>Original February 2019</b> | <b>Revised September 2019 (TM report)</b> | <b>Revised Mid year review 19-20</b> | <b>Revised Mid year review 19-20</b> | <b>Revised Mid year review 19-20</b> |
|  |  | <b>£000</b>  | <b>£000</b>                   | <b>£000</b>                               | <b>£000</b>                          | <b>£000</b>                          | <b>£000</b>                          |
| Capital Financing Requirement GF   |  | 15,121   | 35,841                        | 35,841                                    | 41,407                               | 44,483                               | 47,970                               |
| Capital Financing Requirement HRA  |  | 206,820  | 210,729                       | 210,729                                   | 216,034                              | 239,837                              | 266,439                              |
| <b>Total Capital Financing Requirement</b>   |  | <b>221,941</b>   | <b>246,570</b>                | <b>246,570</b>                            | <b>257,441</b>                       | <b>284,320</b>                       | <b>314,409</b>                       |
| The Capital Financing Requirement (CFR) reflects the amount of money the Council would need to borrow to fund it's capital programme. This is split between the Housing Revenue Account CFR (HRACFR) and the General Fund CFR (GFCFR).   |  |  |                               |   |                                      |                                      |                                      |

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Average interest rate - 2018/19 **0.86%**  
 Average interest rate - 2019/20 Q2 **0.98%**  
 Bank of England Bank Rate **0.75%**

| <u>Borrower</u>                             | <u>Nation</u> | <u>Sovereign Rating (Fitch)</u> | <u>Amount £'s</u> | <u>From</u> | <u>To</u> | <u>Rate %</u> |
|---|---------------|---------------------------------|-------------------|-------------|-----------|---------------|
| <b>Money Market Funds (Instant Access)</b>  |               |                                 |                   |             |           |               |
| Amundi                                      | UK            | AA                              | 4,720,000         |             |           | 0.71          |
| Standard Life                               | UK            | AA                              | 8,000,000         |             |           | 0.69          |
| Morgan Stanley                              | UK            | AA                              | 30,000            |             |           | 0.68          |
| <b>95 Day Notice</b>                        |               |                                 |                   |             |           |               |
| Standard Chartered Bank                     | UK            | AA                              | 7,000,000         |             |           | 1.02          |
| <b>Fixed Term Deposit</b>                   |               |                                 |                   |             |           |               |
| Goldman Sachs International                 | UK            | AA                              | 5,000,000         | 17-Jun-19   | 17-Dec-19 | 0.94          |
| Santander UK                                | UK            | AA                              | 5,000,000         | 20-Jun-19   | 20-Dec-19 | 1.00          |
| Santander UK                                | UK            | AA                              | 3,000,000         | 02-Jul-19   | 02-Jan-20 | 1.00          |
| Australia & New Zealand Banking Corporation | AUS           | AAA                             | 4,000,000         | 17-Jul-19   | 15-Jul-20 | 1.02          |
| Australia & New Zealand Banking Corporation | AUS           | AAA                             | 4,000,000         | 13-Aug-19   | 02-Jan-20 | 1.02          |
| Goldman Sachs International                 | UK            | AA                              | 3,000,000         | 11-Sep-19   | 11-Mar-20 | 0.91          |
| Lloyds Bank plc                             | UK            | AA                              | 5,000,000         | 23-Nov-18   | 22-Nov-19 | 1.10          |
| Lloyds Bank plc                             | UK            | AA                              | 3,000,000         | 23-Jan-19   | 22-Jan-20 | 1.10          |
| Newcastle upon Tyne City Council            | UK            | AA                              | 1,000,000         | 03-Apr-17   | 03-Apr-20 | 1.00          |
| London Borough of Barking and Dagenham      | UK            | AA                              | 2,000,000         | 09-Jan-17   | 09-Apr-20 | 0.98          |
| Lancashire County Council                   | UK            | AA                              | 2,300,000         | 06-Sep-18   | 07-Sep-20 | 1.20          |
| Great Yarmouth Borough Council              | UK            | AA                              | 2,000,000         | 16-May-18   | 17-May-21 | 1.45          |
| Barnsley Metropolitan Borough Council       | UK            | AA                              | 2,700,000         | 15-Sep-17   | 15-Sep-21 | 0.98          |
|   |               |                                 | <b>61,750,000</b> |             |           |               |



## LOAN PORTFOLIO QUARTER 2 (30th September 2019)

### Decent Homes Borrowing

| <u>Lender</u> | <u>Type</u>         | <u>Rate %</u> | <u>Amount £'s</u> | <u>From</u> | <u>To</u>  | <u>Life of Loan</u> |
|---------------|---------------------|---------------|-------------------|-------------|------------|---------------------|
| PWLB          | Fixed Rate/Maturity | 4.75          | 2,000,000         | 04/03/2010  | 04/03/2035 | 25 years            |
| PWLB          | Fixed Rate/Maturity | 4.28          | 1,800,000         | 25/05/2010  | 25/05/2035 | 25 years            |
| PWLB          | Fixed Rate/Maturity | 4.24          | 963,000           | 17/08/2010  | 17/08/2035 | 25 years            |
| PWLB          | Fixed Rate/Maturity | 4.65          | 3,000,000         | 25/03/2010  | 25/09/2035 | 25 1/2 years        |
|               |                     |               | <u>7,763,000</u>  |             |            |                     |

### Self Financing Borrowing

| <u>Lender</u> | <u>Type</u>         | <u>Rate %</u> | <u>Amount £'s</u>  | <u>From</u> | <u>To</u>  | <u>Life of Loan</u> |
|---------------|---------------------|---------------|--------------------|-------------|------------|---------------------|
| PWLB          | Fixed Rate/Maturity | 2.92          | 500,000            | 28/03/2012  | 28/03/2026 | 14 years            |
| PWLB          | Fixed Rate/Maturity | 3.01          | 8,000,000          | 28/03/2012  | 28/03/2027 | 15 years            |
| PWLB          | Fixed Rate/Maturity | 3.08          | 8,700,000          | 28/03/2012  | 28/03/2028 | 16 years            |
| PWLB          | Fixed Rate/Maturity | 3.15          | 9,600,000          | 28/03/2012  | 28/03/2029 | 17 years            |
| PWLB          | Fixed Rate/Maturity | 3.21          | 10,600,000         | 28/03/2012  | 28/03/2030 | 18 years            |
| PWLB          | Fixed Rate/Maturity | 3.26          | 11,000,000         | 28/03/2012  | 28/03/2031 | 19 years            |
| PWLB          | Fixed Rate/Maturity | 3.30          | 16,000,000         | 28/03/2012  | 28/03/2032 | 20 years            |
| PWLB          | Fixed Rate/Maturity | 3.34          | 17,500,000         | 28/03/2012  | 28/03/2033 | 21 years            |
| PWLB          | Fixed Rate/Maturity | 3.37          | 17,600,000         | 28/03/2012  | 28/03/2034 | 22 years            |
| PWLB          | Fixed Rate/Maturity | 3.40          | 17,300,000         | 28/03/2012  | 28/03/2035 | 23 years            |
| PWLB          | Fixed Rate/Maturity | 3.42          | 15,300,000         | 28/03/2012  | 28/03/2036 | 24 years            |
| PWLB          | Fixed Rate/Maturity | 3.44          | 21,000,000         | 28/03/2012  | 28/03/2037 | 25 years            |
| PWLB          | Fixed Rate/Maturity | 3.46          | 18,200,000         | 28/03/2012  | 28/03/2038 | 26 years            |
| PWLB          | Fixed Rate/Maturity | 3.47          | 19,611,000         | 28/03/2012  | 28/03/2039 | 27 years            |
| PWLB          | Fixed Rate/Maturity | 3.48          | 4,000,000          | 28/03/2012  | 28/03/2040 | 28 years            |
|               |                     |               | <u>194,911,000</u> |             |            |                     |

### Prudential Borrowing

| <u>Lender</u> | <u>Type</u>    | <u>Rate %</u> | <u>Amount £'s</u> | <u>From</u> | <u>To</u>  | <u>Life of Loan</u> |
|---------------|----------------|---------------|-------------------|-------------|------------|---------------------|
| PWLB          | Fixed Rate/EIP | 2.37          | 921,053           | 19/08/2013  | 19/02/2022 | 9 1/2 years         |
| PWLB          | Fixed Rate     | 2.29          | 1,755,950         | 19/03/2018  | 19/03/2028 | 10 years            |
|               |                |               | <u>2,677,003</u>  |             |            |                     |

### Total Borrowing

205,351,003

**Appendix C**  
**Specified and Non-specified Investment Criteria**  
**(including Treasury Limits and Procedures)**

**TM Review Update**

Table 1

**Specified Investments** are sterling denominated with maturities up to maximum of one year and must meet the following minimum high credit quality criteria:

| Investment Counterparty                      | Investment Instrument | Minimum High Credit Quality Criteria   | Investment Duration  |
|--|-----------------------|--|--|
| Banks or Building Societies                  | Overnight Deposit     | Fitch: Short Term F1 and Long Term A and<br>Moody, Standard & Poor, equivalent where rated, the lowest rating used where different<br>OR | Maximum duration as per Treasury Advisor's (Capita's) colour coded Credit List, and less than one year |
|  | Notice Account        | Part-nationalised or Nationalised UK banking institutions  |  |
|  | Short Term Deposit    | (subject to regular reviews of government share percentage).   |  |
| Debt Management Office or UK Local Authority | Any deposit           | No limit.  |  |
| Money Market Funds                           | Instant Access        | AAA rated  | Instant Access   |

Table 2

**Non-Specified Investment** are sterling denominated with a maturity longer than one year but no longer than five years, and must meet the following criteria:

| Investment Counterparty                      | Investment Instrument                                    | Minimum High Credit Quality Criteria  | Investment Duration   |
|--|--|---|---|
| Banks or Building Societies                  | Any deposits with maturity up to a maximum of five years | Fitch: Short Term F1+ and Long Term AA- and<br>Moody, Standard & Poor, equivalent where rated, the lowest rating used where different | Maximum duration suggested by Treasury Advisor's (Capita's) colour coded Credit List, and not in excess of five years |
| Debt Management Office or UK Local Authority |  | No Limit.   |   |

Please Turn Over

Table 3 **Treasury Limits**

| Investment Instrument  | Cash balances less than £30Million  | Cash balances higher than £30Million |
|--|---|--------------------------------------|
|  | Limits  | Limits                               |
| Variable Rate Investments (Excluding Enhanced Cash Funds)  | Maximum holding £30M  | Maximum holding 100%                 |
| Counterparty limits (to encompass all forms of investment)   | Maximum £5M   | Maximum £8M                          |
| Instant Access Or Overnight Deposit  | Maximum holding 100%  |                                      |
| Fixed Rate less than 12 month maturity   | Maximum holding 100%  |                                      |
| Fixed Rate more than 12 months to maturity (includes all types of Fixed Rate Investments i.e. Certificates of Deposits ) | Maximum £5M   | Maximum £10M                         |
| Money Market Funds - Traditional Instant Assess (Counterparty Limit per Fund)  | Maximum £5M per MMF   | Maximum £8M per MMF                  |
|  | No limit on total cash held   |                                      |
| Enhanced Cash Funds  | Maximum £3M   |                                      |
| Certificates of Deposits   | Maximum £5M   |                                      |
| Property Funds   | Maximum of £3M - No durational limit. Use would be subject to consultation and approval |                                      |

| Procedures of Applying the Criteria and Limits |   |
|--|---|
|  | Before the Treasury Team makes an investment, the Team will follow the follow procedure to ensure full compliance with the Specified and Non-Specified Criteria and Treasury Limits:  |
| 1  | Check that the Counterparty is on the Counterparty List (also known as Current Counterparty Report for Stevenage) produced by Link Asset Services (LAS), specifically meeting the Council's Specified and Non-specified Minimum High Credit Quality Criteria in the above Table 1 & 2. If it is not on the list, the Treasury Team will not invest with them. |
| 2  | If the Counterparty is on the list, then the Treasury Team refers to the Credit List produced by LAS in colour coding, to determine the maximum investment duration suggested for the deposit, as per the column of Suggested Duration (CDS Adjusted with manual override).   |
| 3  | Refer to the Treasury Limits in the above Table 3 to ensure the amount invested complies with the Treasury Limits.  |



## APPENDIX D: Approved Countries (with Approved counterparties) for Investments (September 2019)

*Based on lowest available rating*

### AAA

- Australia
- Canada
- Denmark
- Germany
- Netherlands
- Singapore
- Sweden
- Switzerland
- U.S.A.

### AA+

- Finland

### AA

- United Arab Emirates
- France

### AA-

- Belgium
- Qatar

**The UK is exempt from the sovereign rating criteria as recommended by Link Asset Services**

**The above list includes the possible countries the Council may invest with. Not all of these countries are used or will be used in treasury management investments**

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## Minimum Revenue Provision Policy

### Minimum Revenue Provision Policy Statement 2019/20

*Note: It may be necessary to take a revised strategy and/or MRP policy to Council at a later date subject to progression of the wholly owned housing company and regeneration schemes to reflect the longer life of regeneration assets .*

From 2013/14, the council has not had a fully funded capital programme, and although there has not been a need to borrow in full externally, due to the use of investment balances, it will be necessary to make adequate provision for the repayment of debt in the form of Minimum Revenue Provision in 2019/20 for the unfunded element of 2013/14 and 2014/15 expenditure. The **preferred method for existing underlying borrowing is Option 3 (Asset Life Method)** whereby the MRP will be spread over the useful life of the asset. Useful life is dependent on the type of asset and has been reviewed in 2019/20 to ensure that the useful life is still appropriate. Following this review asset lives now ranges from 7 years (ICT equipment) to 50 years (Investment properties, regeneration sites and carparks for example).

In applying the new asset lives historic MRP has been overpaid and in accordance with MHCLG MRP Guidance can be reclaimed in future years. The council has a policy to ring fence costs and income associated with regeneration assets and as such has shown these MRP changes separately (see table below).

The Council has approved a **Property Investment Strategy** – an investment of £15Million in property funded from prudential borrowing. The MRP calculation will be calculated under **Option 3 (Asset Life Method) and the annuity method** which links the MRP to the flow of benefits from the properties.

The forecast annual MRP for 2019/20 is £634,324 based on the Draft 2019 Capital Strategy Update having the need to borrow for the General Fund. In addition finance lease payments due as part of the Queensway regeneration project made in 2018/19 and 2019/20 will be applied as MRP.

**MRP Overpayments** - A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision (VRP) or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Following the review of asset lives MRP overpayments have arisen on regeneration assets and a small underpayment of MRP on other assets. A voluntary in year (2019/20) payment to cover the underpayment is proposed. The resulting overpayments on regeneration assets is shown in the following table.

| voluntary MRP made      |                      |                   |
|-------------------------|----------------------|-------------------|
|                         | Regeneration         | Other Assets      |
| 2012/13                 | £46,929.65           | nil               |
| 2013/14                 | £140,788.95          | nil               |
| 2014/15                 | £163,165.30          | nil               |
| 2015/16                 | £141,355.30          | nil               |
| 2016/17                 | £141,355.30          | nil               |
| 2017/18                 | £141,355.30          | nil               |
| 2018/19                 | £141,355.30          | nil               |
| 2019/20                 | £141,355.30          | £11,811.71        |
| <b>cumulative total</b> | <b>£1,057,660.39</b> | <b>£11,811.71</b> |

## Additional Information

### 1. What is a Minimum Revenue Provision (MRP)?

The Minimum Revenue Provision is a charge that Councils which are not debt free are required to make in their accounts for the repayment of debt (as measured by the underlying need to borrow, rather than actual debt). The underlying debt is needed to finance the capital programme. Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It is therefore prudent to charge an amount for the repayment of debt over the life of the asset or some similar proxy figure, allowing borrowing to be matched to asset life. Setting aside an amount for the repayment of debt in this manner would then allow for future borrowing to be taken out to finance the asset when it needs replacing at no incremental cost. The manner of spreading these costs is through an annual Minimum Revenue Provision, which was previously determined under Regulation, and is now determined by Guidance.

### 2. Statutory duty

Statutory Instrument 2008 no. 414 s4 lays down that:

“A local authority shall determine for the current financial year an amount of minimum revenue provision that it considers to be prudent.”

The above is a substitution for the previous requirement to comply with regulation 28 in S.I. 2003 no. 3146 (as amended).

There is no requirement to charge MRP where the Capital Financing Requirement (CFR) is nil or negative at the end of the preceding financial year.

The share of Housing Revenue Account CFR is not subject to an MRP charge.

### 3. Government Guidance

Along with the above duty, the Government issued guidance which came into force on 31<sup>st</sup> March 2008 which requires that a Statement on the Council’s policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which the provision will relate.

The Council is legally obliged to “have regard” to the guidance, which is intended to enable a more flexible approach to assessing the amount of annual provision than was

required under the previous statutory requirements. The guidance offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. The requirement to 'have regard' to the guidance therefore means that: -

Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.

It is the responsibility of each authority to decide upon the most appropriate method of making a prudent provision, after having had regard to the guidance.

The four recommended options are thus:

**Option 1: Regulatory Method**

Under the previous MRP regulations, MRP was set at a uniform rate of 4% of the adjusted CFR (i.e. adjusted for "Adjustment A") on a reducing balance method (which in effect meant that MRP charges would stretch into infinity).

This historic approach must continue for all capital expenditure incurred in years before the start of this new approach. It may also be used for new capital expenditure up to the amount which is deemed to be supported through the Supported Capital Expenditure (SCE) annual allocation.

**Option 2: Capital Financing Requirement Method**

This is a variation on option 1 which is based upon a charge of 4% of the aggregate CFR without any adjustment for Adjustment A, or certain other factors which were brought into account under the previous statutory MRP calculation. The CFR is the measure of an authority's outstanding debt liability as depicted by their balance sheet.

This is not applicable to the Council as it is for existing non supported debt

**Option 3: Asset Life Method.**

This method may be applied to most new capital expenditure, including where desired that which may alternatively continue to be treated under options 1 or 2.

Under this option, it is intended that MRP should be spread over the estimated useful life of either an asset created, or other purpose of the expenditure. There are two useful advantages of this option: -

Longer life assets e.g. freehold land can be charged over a longer period than would arise under options 1 and 2.

No MRP charges need to be made until the financial year after that in which an item of capital expenditure is fully incurred and, in the case of a new asset, comes into service use (this is often referred to as being an 'MRP holiday'). This is not available under options 1 and 2.

There are two methods of calculating charges under option 3:

equal instalment method – equal annual instalments,

annuity method – annual payments gradually increase during the life of the asset.

This is the preferred method as it allows costs to be spread equally over the life of the asset.

**Option 4: Depreciation Method**

Under this option, MRP charges are to be linked to the useful life of each type of asset using the standard accounting rules for depreciation (but with some exceptions) i.e. this is a more complex approach than option 3.

The same conditions apply regarding the date of completion of the new expenditure as apply under option 3.

This method is not favoured by the Council as if the asset is subject to a downturn in value, then that amount would have to be written off in that year, in addition to the annual charge

**4. Date of implementation**

The previous statutory MRP requirements ceased to have effect after the 2006/07 financial year. Transitional arrangements included within the guidance no longer apply for the MRP charge for 2009/10 onwards. Therefore, options 1 and 2 should only be used for Supported Capital Expenditure (SCE). The CLG document remains as guidance and authorities may consider alternative individual MRP approaches, as long as they are consistent with the statutory duty to make a prudent revenue provision.

**Meeting: EXECUTIVE**

Portfolio Area: Resources

**Date: 20 November 2019**

**2<sup>ND</sup> QUARTER REVENUE MONITORING REPORT – GENERAL FUND AND HOUSING REVENUE ACCOUNT**



**KEY DECISION**

Author – Katia Cousins Ext. 2383  
 Contributor – Finance team and budget Managers  
 Lead Officers – Clare Fletcher Ext. 2933  
 Contact Officer – Clare Fletcher Ext.2933

**1. PURPOSE**

- 1.1 To update Members on the projected General Fund and Housing Revenue Account (HRA) 2019/20 net expenditure and seek approval to amend the General Fund and HRA budgets as part of the quarterly revenue review.
- 1.2 To update Members on the carry forward requests from 2018/19.
- 1.3 To update Members on the reserves and balances available to support revenue expenditure and seek approval for revisions to the allocated reserves.

**2. RECOMMENDATIONS**

**General Fund**

- 2.1 That the 2019/20 2<sup>nd</sup> quarter projected net increase in General Fund expenditure of £25,010 be approved.
- 2.2 That it be noted that cumulative changes made to the General Fund net budget remains within the £400,000 increase variation limit delegated to the Executive.
- 2.3 That it be noted that the 2020/21 ongoing net pressure of £5,180 will be incorporated into the Budget setting process.

## Part I

### Housing Revenue Account

- 2.4 That the 2019/20 2<sup>nd</sup> quarter projected net decrease in HRA net deficit of £88,760 be approved.
- 2.5 That it be noted that the cumulative increases made to the HRA net budget remains within the £250,000 increase variation limit delegated to the Executive.

### 3. BACKGROUND - GENERAL FUND

- 3.1. Since the General Fund net budget of £8,802,520 was approved at Council, Members have approved net budget changes of £972,770, as detailed in Table one below:

| <b>Table One – 2019/20 General Fund Working Budget</b> | <b>Working Budget<br/>£</b> |
|--|-----------------------------|
| Original Budget  | 8,802,520                   |
| 3rd Quarter 2018/19 net increase                       | 118,420                     |
| 3rd Quarter Carry forwards                             | 80,000                      |
| 4th Quarter 2018/19 net decrease                       | (10,990)                    |
| 4th Quarter Carry forwards                             | 591,770                     |
| 1st Quarter net increase                               | 193,570                     |
| <b>Approved movement</b>                               | <b>972,770</b>              |
| <b>Total Net Budget Approved to Date</b>               | <b>9,775,290</b>            |

- 3.2 General Fund – Budget Review
- 3.2.1 Following the 2<sup>nd</sup> quarter review of revenue budgets officers have identified the following budget movements.



## Part I

| Table Two - Budget Alerts - General Fund          |  | Budget change<br>2019/20<br>£ |
|---|--|-------------------------------|
|   | <b>Service Area:</b>   |                               |
| Income  | Procurement Services Income from EHDC  | (22,870)                      |
|   | New Investment Properties underachievement of target income  | 158,910                       |
|   | Proposed use of Regeneration Assets Reserve to cover Investment income shortfall                               | (158,910)                     |
|   | CCTV dividend (from Business Plan) not projected to be achieved  | 50,000                        |
|   | Increase in income from recycle contract   | (30,000)                      |
|   | Reduction of skip income   | 27,200                        |
|   | Brokerage of skip custom through third party - savings option 2019/20 not achieved                             | 5,000                         |
|   | On Street Parking increase in income projected   | (45,100)                      |
|   |  |                               |
| Expenditure                                       | Cost of increased homeless pressure and consequential use of Bed and Breakfast                                 | 164,100                       |
|   | Fuel cost saving lower than anticipated from 2019/20 Savings option 'Use of Transfer station for bulk haulage' | 40,000                        |
|   | Trade Waste Disposals cost saving  | (22,340)                      |
|   | Review of insurance provisions, lower public liability costs projected   | (131,440)                     |
|   | Reduction in telephone rental costs (GF share)   | (10,000)                      |
| Other   |  | 460                           |
| <b>TOTAL BUDGET CHANGES REPORTED THIS QUARTER</b> |  | <b>25,010</b>                 |

(-) lower expenditure / more income

**3.2.2 Procurement Services – in year saving £22,870.** The procurement team are providing procurement services to East Hertfordshire District Council, which has exceeded the budget amount.

**3.2.3 Investment Properties – in year pressure £158,910.** The £200,000 target to bring in income from Investment Properties is not projected to be achieved. Currently Essex House is the only investment property purchased by the Council, however Officers are still actively looking for other commercial property options. The return on investment has become more difficult with the increase in Public Works Loan Board (PWLB) rates. To widen the options available Counsel opinion is being sought on the ability to invest out of area. This pressure is mitigated by a proposed one off release of the Regeneration Assets Reserve (see 3.2.4 below).

## Part I

- 3.2.4 **Proposed use of Regeneration Assets – transfer to the General Fund £158,910.** A review of future funding requirements from the Regeneration Asset Reserve allows for a one off release to offset the pressure from Investment Properties (3.2.3 above).
- 3.2.5 **CCTV Dividend – in year pressure £50,000.** The original business plan for the CCTV company business plan assumed an annual dividend to the Council of £50,000. Company profits have been lower than the business plan anticipated and since the start-up of the company no dividends have been received.
- 3.2.6 **Recycling Contract – in year saving £30,000.** In August a new contract has been concluded increasing the price received for recycling income. Future year increases have been built into the Financial Security Options for 2020/21 onwards.
- 3.2.7 **Skip Income – in year pressure £32,200.** This is a demand led budget
- **£27,200** is impacted by delays in the recruitment of a Commercial and Logistics Manager. It is anticipated the position will be filled in the early part of 2020
  - **£5,000** is a 2019/20 savings option not implemented – relating to the brokerage of skip custom, and again is linked to the recruitment pressures identified above.
- 3.2.8 **On Street Parking – in year saving £45,100.** Income from On-Street Penalty Notice Charges (PCN's) is higher than previously anticipated and is due to a combination of factors:
- implementation of Broadwater restrictions,
  - increased coverage (early mornings and evenings), and the
  - unpredictable nature of this income source.
- 3.2.9 **Bed and Breakfast – in year pressure £164,100.** There has been a significant increase in Bed and Breakfast (B&B) costs. One of the main reasons for this increase has been a change to the homelessness legislation that has extended the time that clients are in temporary accommodation to 56 days. There has also been a considerable increase in the number of cases presenting (peaking at 26 cases). Officers continue to mitigate the cost to the General Fund by seeking to maximise recovery of Housing Benefit. In the medium term officers are seeking to provide more temporary accommodation from within the Council's own housing stock, expecting to have eight more spaces available than the highest level of need experienced this year. Officers are also working on securing best value by setting up a contract for lower cost private accommodation. The latter solution would be used as a last resort if the Council's increased capacity failed to meet future demand.
- 3.2.10 **Transport Subsidy (Fuel) – pressure £40,000.** The assumption in the Transport Subsidy savings option, in relation to fuel element of the saving, over-estimated the saving on mileage and fuel consumption and this will be built into the 2020/21 budget.

## Part I

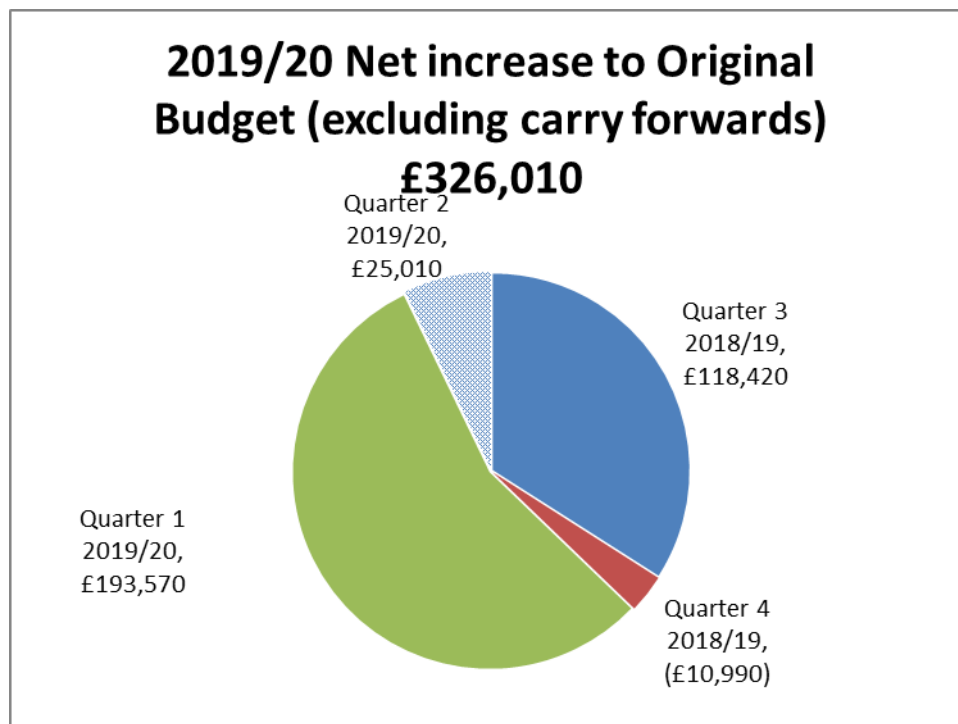
3.2.11 **Trade Waste Disposal – ongoing saving £22,340.** The cost of disposing of trade waste is now based on actual tonnages, whereas in the past average weights were used.

3.2.12 **Insurance Provision – in year saving £131,440.** A review of the Insurance Provision has projected lower public liability costs leading to a one off saving.

3.2.13 **Telephony costs – in year saving £10,000.** The General Fund share of the telephony saving is a result of contract changes on rentals, future years savings relate to 2020/21 Financial Security Options.

3.2.14 **Other – in year pressure £460.** These are smaller net costs across General Fund Services.

3.2.15 The cumulative changes made to the General Fund net budget remains within the £400,000 increase variation limit delegated to the Executive. The total value of changes (excluding carry forwards) is £326,010. This is 81.5% of the delegated limit.



3.2.16 The impact of the 2<sup>nd</sup> quarter review is an ongoing pressure of £5,180 (see table three below). These have been reflected in the Financial Security Options 2020/21-2022/23 report to November Executive.

## Part I

| Table Three - Q2 Ongoing - General Fund           |                                   | Budget change<br>2020/21<br>£ |
|---|-----------------------------------|-------------------------------|
|   | <b>Service Area:</b>              |                               |
| Income  | Trade Waste disposals             | (22,340)                      |
|   | S106 - Hertford Rd & Meredith Rd  | (13,350)                      |
|   | SDS - Minor changes               | (1,730)                       |
|   |                                   |                               |
| Expenditure                                       | Planning                          | 2,600                         |
|   | Fuel - Transport subsidy pressure | 40,000                        |
| Other   |                                   |                               |
| <b>TOTAL BUDGET CHANGES REPORTED THIS QUARTER</b> |                                   | <b>5,180</b>                  |

### 3.3. Financial Security options, Growth bids and Carry forward requests

3.3.1 Included in the 2019/20 General Fund budgets are Financial Security options totalling £798,552. Progress on the Financial Security options is included in the update to this Executive in the Financial Security Options 2020/21-2022/23 report. Updates are also included in paragraphs 3.2.7 and 3.2.10 in this report.

3.3.2 The carry forwards requested at 3<sup>rd</sup> and 4<sup>th</sup> quarter 2018/19 of £671,770 are predominantly projected to be spent. One carry forward to fund membership to a new business portal £5,780 is no longer required and has been returned to balances in the 2<sup>nd</sup> quarter.

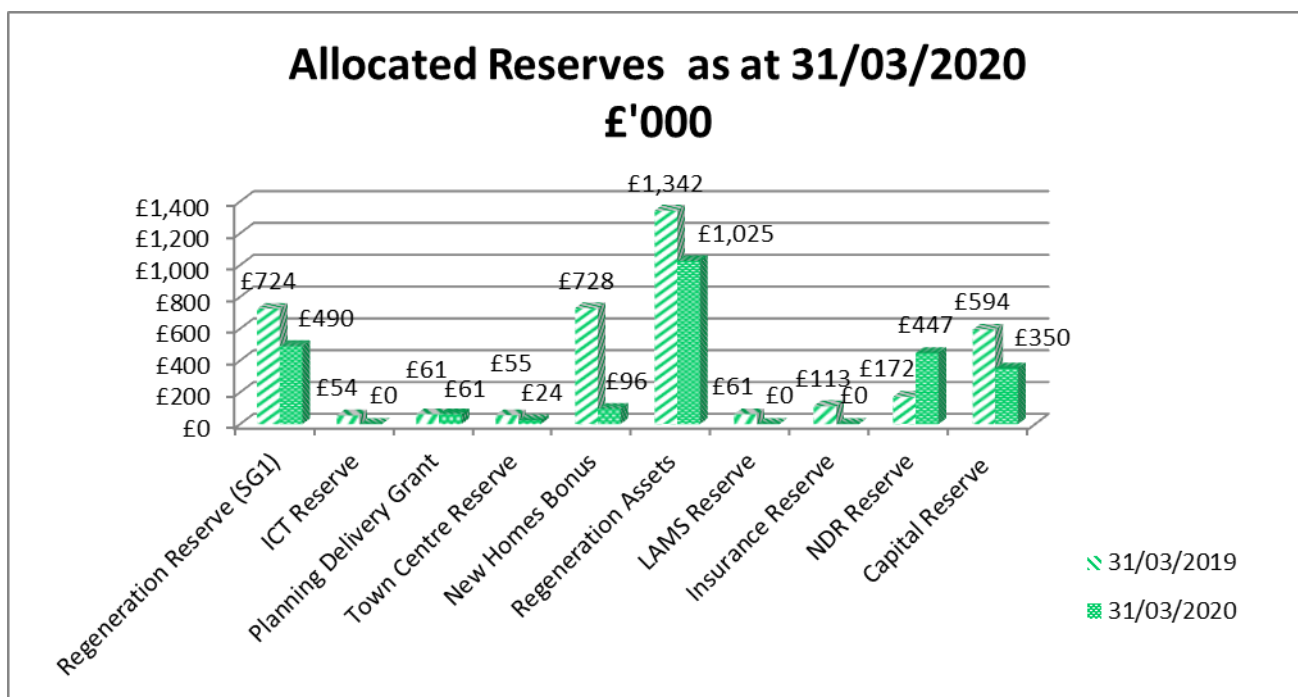
### 3.4 Review of General Fund Balances

3.4.1 **Provisions** for bad debt and known liabilities are within budgeted levels. The insurance provision was reduced in the 2<sup>nd</sup> quarter (see 3.2.12).

3.4.2 **Allocated Reserves** - Some balances are 'ring fenced' and have been set aside for specific purposes. The estimated total value of (revenue) allocated reserves available for the Council to spend at 31 March 2020 is **£2,143,142**, (31 March 2019, £3,311,142). Reserve balances are projected to decrease by £1,168,000 during this year, the majority of the allocated reserves relate to regeneration and new build projects.

3.4.3 The General Fund also has a specific reserve for capital projects funded from unbudgeted underspends at year end. The balance of the capital reserve at the start of 2019/20 was £594,000. The estimated value at 31 March 2020 is £350,000. The capital reserve is used to finance part the General Fund capital programme.

## Part I



3.4.4 General Fund Balance – Following the 2<sup>nd</sup> quarter review the General Fund balance as at the 31 March 2020 is now forecast to be **£3,747,835** excluding the impact of changes in the Financial Savings Options report to this Executive.

| Table Four:<br>General Fund Balances                       | £                  |
|--|--------------------|
| <b>Original Net General Fund Budget</b>                    | <b>8,802,520</b>   |
| Approved budget changes                                    | 972,770            |
| <b>Net Working budget approved to Date</b>                 | <b>9,775,290</b>   |
| 2nd Quarter review   | 25,010             |
| <b>Total Net Expenditure post Q1 review</b>                | <b>9,800,300</b>   |
| less core resources  | (8,754,074)        |
| <b>Transfer (to)/from General Fund balances</b>            | <b>1,046,226</b>   |
| <b>General Fund balance 31/3/19</b>                        | <b>(4,794,061)</b> |
| Transfer (to)/from General Fund balances                   | 1,046,226          |
| <b>Projected General Fund balance 31/3/20</b>              | <b>(3,747,835)</b> |
| Allocated Revenue Reserves 31/3/20                         | (2,143,142)        |
| Allocated Capital Reserves 31/3/20                         | (350,000)          |
| <b>Total General Fund balances<br/>(estimated 31/3/20)</b> | <b>(6,240,977)</b> |

3.4.5 **Core resources** used for the financing of the net General Fund expenditure comes from council tax, retained business rates. Changes in the council tax base and business rate yield now have a direct impact on Council finances. As at 31 July the council taxbase for 2019/20 is now estimated at 27,525 band D equivalents (Council Tax setting report in February estimated 27,330). The

## Part I

taxbase is higher than expected due to reductions in council tax support and more properties in the taxbase. More information relating to the taxbase can be found in the Financial Security Options 2020/21-2022/23.

3.4.6 The forecast yield from business rates remains largely unchanged from original budget. More information relating to the taxbase can be found in the Financial Security Options 2020/21-2022/23 (November Executive).

3.5.1 **General Fund Grants 2019/20** – the General Fund are forecasting the receipt of the following grants in 2019/20

| General Fund Grants Receivable 2019/20           |                   |   |
|--|-------------------|---|
| Grant Description                                | £                 | Comments  |
| <b>Housing Benefit related:</b>                  |                   |   |
| Housing Subsidy - Rent Rebate & Rent Allowance   | 26,140,050        | Estimate based on Mid year claim  |
| Housing Subsidy - Hosuins Benefit Administration | 293,960           | DWP notification at beginning of year   |
| Discretionary Housing payments                   | 202,050           | Maximum claim that can be reimbursed  |
| Housing Benefit Fraud Referrals                  | 1,000             | New Burdens   |
| Ongoing Implementation of Welfare Reforms        | 31,230            |   |
| Verifying Earnings and Pension Alerts Service    | 40,370            |   |
| LADS for Capita                                  | 5,890             |   |
| Universal Credit                                 | 40,660            |   |
| <b>Total Housing Benefit Grants</b>              | <b>26,755,210</b> |   |
| <b>Homelessness related:</b>                     |                   |   |
| Homelessness Reduction Grant                     | 38,168            | New Burdens   |
| Flexible Homelessness Support Grant              | 313,089           | Hertfordshire County Council  |
| Rough Sleeper Initiative Grant                   | 53,000            |   |
| <b>Total Homelessness Grants</b>                 | <b>404,257</b>    |   |
| <b>NDR and Council Tax related:</b>              |                   |   |
| NDR - Administration                             | 110,260           | Ministry of Housing, Communities & Local Government - from NNDR 1   |
| NDR - Section 31                                 | 931,010           | Reliefs given by the government for Business Rates and this is the compensation given to LA's for the loss of business rates income |
| NNDR Retail relief                               | 9,220             | New Burdens   |
| Council Tax - Benefit Administration             | 102,690           | Ministry of Housing, Communities & Local Government   |
| <b>Total NDR and Council Tax Grants</b>          | <b>1,153,180</b>  |   |
| <b>Other:</b>                                    |                   |   |
| Individual Electoral Register                    | 27,959            |   |
| European Elections Grant Funding                 | 109,464           | Additional grant will be received following submission of costs   |
| Heritage Lottery Fund                            | 25,700            | Part of Stevenage Arts Guild awarded grant for HLF Stories from the Gordon Craig  |
| Domestic Abuse Fund                              | 57,026            | Ministry of Housing, Communities & Local Government - SADA  |
| Self Build Grant                                 | 30,000            | New Burdens. There will be a further £15,000 in 2020/21   |
| New Burdens - Bexit Funding                      | 17,480            | New Burdens   |
| Other  | 13,650            |   |
| New Homes Bonus                                  | 864,630           | Ministry of Housing, Communities & Local Government - from CTB1   |
| <b>Total Other Grants</b>                        | <b>1,145,909</b>  |   |
| <b>Total</b>                                     | <b>29,458,556</b> |   |

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### 4. HOUSING REVENUE ACCOUNT (HRA)

- 4.1 Since the Housing Revenue Account (HRA) net budget deficit of £9,076,320 was approved at Council, Members have further approved net costs of £640,810, as detailed in the following table:

| Table Five – HRA Working budget  | Working Budget<br>£ |
|----------------------------------|---------------------|
| <b>Original Budget 2019/20</b>   | <b>9,076,320</b>    |
| 3rd Quarter 2018/19 net changes  | 17,000              |
| 3rd Quarter Carry forwards       | 507,470             |
| 4th Quarter 2018/19 net decrease | (30,730)            |
| 4th Quarter Carry forwards       | 35,740              |
| 1st Quarter net increase         | 111,330             |
| <b>Approved movement</b>         | <b>640,810</b>      |
| <b>Total Working Budget</b>      | <b>9,717,130</b>    |

### 4.2 Housing Revenue Account – Budget Review

- 4.2.1 Following the 2<sup>nd</sup> quarter review of revenue budgets officers have identified the following budget alerts listed in the table below

| Table Six - Budget Alerts - Housing Revenue Account |  | Budget<br>change<br>2019/20<br>£ |
|---|--|----------------------------------|
| Income  | Rent pressure  | 334,860                          |
|   | Increase in other charges  | (11,410)                         |
|   | Interest on Balances   | (17,270)                         |
|   | Reduction in Service Charges for Caretaking                            | 67,300                           |
|   | Reduction in HCC Supporting People Grant                               | 36,190                           |
| Expenditure   | Net saving on Employee Costs   | (205,530)                        |
|   | Telephone Saving   | (10,000)                         |
|   | Reduced volume of Responsive Repairs                                   | (76,350)                         |
|   | Reduced Contract payments for Voids                                    | (61,500)                         |
|   | Increased provision for Bad Debt                                       | 41,740                           |
|   | Review of insurance provisions, lower public liability costs projected | (94,370)                         |
|   | Loan interest Payments   | (93,580)                         |
| Other   |  | 1,160                            |
| <b>TOTAL BUDGET CHANGES REPORTED THIS QUARTER</b>   |  | <b>(88,760)</b>                  |

(-) lower expenditure / more income

- 4.2.2 **Rent variances – in year pressure £334,860.** The pressure represents 0.85% of total rental income budgets and the variance is made up of

## Part I

- £122,690 - Timing of some developments (Gresley Way, Burwell Court, Shephall Way and Elliot Road) are later than budgeted for
- £83,150 – Losses from void properties that were originally budgeted at 0.65% and at the 2<sup>nd</sup> quarter are projected at 0.97%
- £21,800 – Conversion works to some existing Council properties are due to be completed later than budgeted – Silkin Court, conversion of guest rooms and five other Council owned properties.
- £107,220 – Other rent variances

4.2.3 **Other charges – in year saving £11,410.** This is additional income across several non-rent budgets.

4.2.4 **Caretaking charges – in year pressure £67,300.** The budget for caretaking charges was based on an estimate. The service charge bills for 2018/19 have now been adjusted to reflect actual costs of the service and refunds given to leaseholders.

4.2.5 **Supporting People Grant – In year pressure £36,190.** This grant is made up of two elements, Flexicare Support and Homeless Hostel. There are two factors leading to the pressure:

- The Government has reduced the grant and this reduction is passed on to the Council
- The Flexicare alarm element was reduced by £13,000.

4.2.6 **Net Employee costs – in year saving £205,530.** There are a significant number of vacancies within the Housing and Investment service due to undergoing the sixth tier staff review. Some agency staff and secondments have been employed to cover the operations while the review is pending.

4.2.7 **Telephony costs – in year saving £10,000.** The HRA share of the telephony saving is a result of contract changes on rentals, future years savings relate to 2020/21 Financial Security Options.

4.2.8 **Reduced volume of responsive repairs – in year saving £76,350.** The Repairs and Voids (R&V) trend for the number of jobs raised has reduced with the overall impact to the HRA and the R&V giving an under spend of £76,350.

4.2.9 **Reduced contract payments for voids – in year saving £61,500.** This budget is used to cover void works completed by external contractors and is not anticipated to be needed in year.

4.2.10 **Increase in Bad Debt provision – in year saving £41,740.** The increase in the debt provision relates to former tenants and the increasing age of debt.

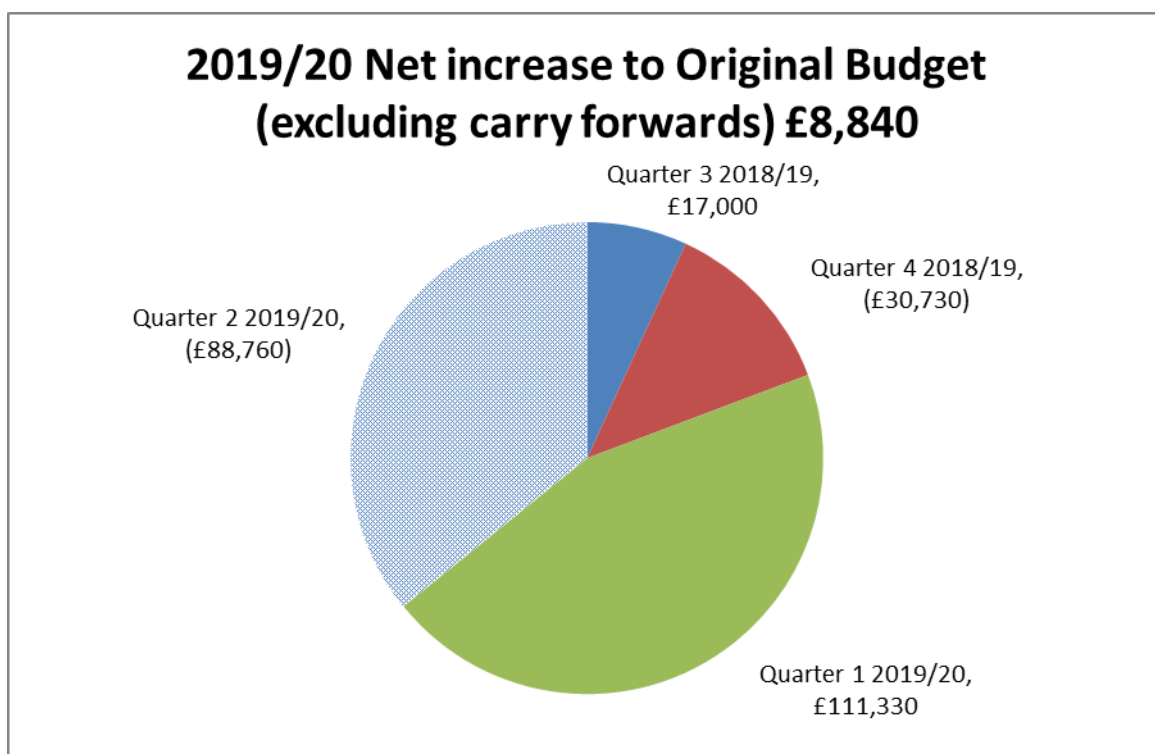
4.2.11 **Insurance Provision – in year saving £94,370.** A review of the Insurance Provision has identified lower insurance costs to the HRA leading to one off saving.



## **Part I**

4.2.12 **Other – in year pressure £1,160.** These are smaller net savings across the HRA.

4.2.7 The cumulative changes made to the HRA net budget remains within the £250,000 increase variation limit delegated to the Executive. The total value of changes (excluding carry forwards) is £8,840. This is 4% of the delegated limit.



### **4.3 Financial Security options, growth bids and carry forward requests**

4.3.1 Included in the 2019/20 Housing Revenue Account budgets are Financial Security options totalling £354,630 and carry forward budgets of £543,210. Progress on the Financial Security options is included in the update to this Executive in the Financial Security Options 2020/21-2022/23 report. There are no reported changes to carry forwards in the 2<sup>nd</sup> quarter.

### **4.4 Housing Revenue Account balances**

4.4.1 Following the 2<sup>nd</sup> quarter review the HRA balance is now forecast to be £11,673,689. The HRA Business Plan will be updated at the December Executive.

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| <b>Table Seven – Housing Revenue Account Out-turn Position</b> |                     |
|--|---------------------|
|  | <b>£</b>            |
| <b>Original Budget</b>   | <b>9,076,320</b>    |
| Approved budget changes 18/19                                  | 529,480             |
| 1st Quarter adjustments  | 111,330             |
| 2nd Quarter adjustments  | (88,760)            |
| <b>Projected net deficit post 1st Quarter review</b>           | <b>9,628,370</b>    |
| HRA balance brought forward 1/4/19                             | (21,302,059)        |
| Deficit in year  | 9,628,370           |
| <b>Projected HRA balance 31/3/20</b>                           | <b>(11,673,689)</b> |

3.5.1 **HRA Grants 2019/20** – the HRA are forecasting the receipt of the following grant in 2019/20

| <b>HRA Grants Receivable 2019/20</b> |                |                 |
|--------------------------------------|----------------|-----------------|
| <b>Grant Description</b>             | <b>£</b>       | <b>Comments</b> |
|                                      |                |                 |
| Supported People Grant               | 135,280        |                 |
|                                      |                |                 |
| <b>Total</b>                         | <b>135,280</b> |                 |

## 5 IMPLICATIONS

### 5.1 Financial Implications

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

### 5.2 Legal Implications

5.2.1 The objective of this report is to outline the projected General Fund and HRA net expenditure for 2019/20 and the impact on the General Fund and HRA balances. While there are no legal consequences at this stage Members are reminded of their duty to set a balanced budget.

### 5.3 Equalities and Diversity Implications

5.3.1 This report summarises external and internal factors that impact on approved budgets and recommends changes to those budgets in year. Budget changes identified for future years that could adversely impact on groups covered by statutory equality duties will be incorporated into the budget setting process

## **Part I**

which includes Equality Impact Assessments (EqIA). None of the budget changes reported will change any existing equalities and diversity policies.

- 5.3.2 The service department has been asked to look at the equalities and diversity implications in the increase in void re-let times and any potential impact on protected groups.

### **5.4 Risk Implications**

- 5.4.1 A risk based assessment of General Fund balances is undertaken and reported to Council as part of the General Fund Budget setting process. The required level of 2019/20 General Fund balances was calculated at £2,671,410. This report forecasts General Fund balances of £3,747,835 and allocated reserve balances of £2,143,142 which is above the minimum balances required.
- 5.4.2 The HRA balances are projected to be £11,673,689. The level of HRA balances or revenue reserves risk assessed for 2019/20 is £1,945,972. The projected HRA balance is above the risked assessed level, however it should be noted that the HRA holds balances for future debt repayments and the capital programme for throughout the 30 year business plan.

### **5.5 Policy Implications**

- 5.5.1 The budget framework represents a development of a policy led budgeting approach across Council services and the overall Medium Term Financial Strategy.

### **5.6 Climate Change Implications**

- 5.6.1 There are no climate change implications from the budget changes in this report.

## **BACKGROUND PAPERS**

BD1 - HRA final budget proposals and rent setting report (Council 30<sup>th</sup> January 2019)

BD2 – 2019/20 Council Tax Setting and General Fund Budget (Council 27<sup>th</sup> February 2019)

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**Meeting:** EXECUTIVE

**Agenda Item:**

Portfolio Area: Resources

**Date:** 20 November 2019

**QUARTER 2 MONITORING REPORT (CAPITAL) - GENERAL FUND AND HOUSING REVENUE ACCOUNT**



**KEY DECISION**

Author – Belinda White Ext. 2515  
Contributor – Lee Busby Ext. 2730  
Finance team and budget managers  
Lead Officer – Clare Fletcher Ext. 2933  
Contact Officer – Clare Fletcher Ext. 2933

**1 PURPOSE**

- 1.1 To provide Members with an update on the Council's 2019/20 capital programme.
- 1.2 To seek approval for the revisions to the General Fund and Housing Revenue Account capital programme.

**2 RECOMMENDATIONS**

- 2.1 That the 2019/20 General Fund capital programme net decrease in expenditure of £1.5M be approved as summarised in table one, para 4.1.1.
- 2.2 The General Fund net increase of capital expenditure of £2.1M in 2020/21, also as summarised in table one, para 4.1.1, be approved.
- 2.3 That Members approve the net increase of £130K in the capital expenditure for 2019/20 Housing Revenue Account, as summarised in table three, para 4.3.4.
- 2.4 That Members approve the net increase of £262K in the capital expenditure for 2020/21 Housing Revenue Account, also as summarised in table three, para 4.3.4.

**3 BACKGROUND**

- 3.1 The 2019/20 capital programme pre-approved budgets were:
  - General Fund £33.0M
  - Housing Revenue Account £33.7M

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

##### 4.1 2019/20 General Fund Capital Programme

4.1.1 The updated projected spend for 2019/20 General Fund capital programme (as detailed in Appendix A) is £31.5M, a reduction of £1.5M mainly due to reprofiling of schemes as shown in table one:

| <b>Table one: Changes to General Fund Capital Budget</b>                                 |  |  |
|--|--|--|
| <b>Capital Programme Change to 2019/20 Working Budget &amp; 2020/21 Projected Budget</b> | <b>Increase (Decrease) to 2019/20 Working Budget<br/>£</b> | <b>Increase (Decrease) to 2020/21 Projected Budget<br/>£</b> |
| <b>Slippage/Acceleration</b>   |  |  |
| Cavendish Depot - Renovation/Yard Drainage   | (90,000)   | 90,000   |
| Vehicle/Plant Replacement Programme  | (330,000)  | 330,000  |
| IT General (IT)  | 37,190   | 532,530  |
| Bus Interchange (GD3)  | (1,000,000)  | 1,000,000  |
| Public Sector Hub  | (200,000)  | 200,000  |
| MSCP   | 25,000   | (25,000)   |
| <b>Total Slippage</b>  | <b>(1,557,810)</b>   | <b>2,127,530</b>   |
| <b>Virements Between Projects</b>  |  |  |
| Waste and Recycling System   | 30,000   |  |
| New CRM Technology   | (30,000)   |  |
| Arts and Leisure Centre - Pipework   | 111,000  |  |
| Arts and Leisure Centre - Improvements   | (111,000)  |  |
| BTC Roof   | 15,000   |  |
| Deferred Works Reserve   | (15,000)   |  |
| <b>Total Virements Between Projects</b>  | <b>0</b>   | <b>0</b>   |
| <b>Increases/(Decreases) to 2019/20 Budget</b>   |  |  |
| Vehicle/Plant Replacement Programme  | 55,720   |  |
| Replacement HR & Payroll System  | (3,430)  |  |
| New Intranet   | 19,090   |  |
| Bandle Hill - Replace Hall Floor Covering  | (12,500)   |  |
| St Nicholas Boiler Upgrade   | 24,700   |  |
| The Oval Replace Windows   | (4,000)  |  |
| Canterbury Way Demolition  | 13,000   |  |
| King George V - Electrical Mains Intake & Supply Head                                    | (1,140)  |  |
| Preparation Works to Units 1,4,5 of the former QD Building                               | (22,110)   |  |
| Garage Site Assembly   | (30,000)   |  |
| <b>Total Increases/(Decreases) to 2019/20 Budget</b>                                     | <b>39,330</b>  | <b>0</b>   |
| <b>Total Change in Working Budget and Projected Budgets</b>                              | <b>(1,518,480)</b>   | <b>2,127,530</b>   |

##### 4.1.2 Slippage/Acceleration:

- **Cavendish Depot** slippage of £90K to 2020/21, leaving £10K for preliminary work in 2019/20. A temporary solution is currently in place for the drainage

work required at Cavendish Depot, and the drainage repair works are scheduled to take place after other works have been completed to the site.

- The **Vehicle/Plant Replacement Programme** slippage of £330K is due to the lead time of approximately 28-30 working weeks from receipt of order for two refuse freighters to collect green waste.
- The reported figures reflect the **ICT and Digital Strategy** Report that was approved by Executive in October, which included acceleration of project spend over the multi-year programme.
- The reprofiling of the **Bus Interchange** and **Public Sector Hub** schemes reflects the latest forecasts of timing from officers. Work is continuing to progress the financing for the Bus Interchange (as detailed in paragraph 4.2.3).
- **Multi Storey Car Parks** £25K has been brought forward from 2020/21 for remedial structural works to save future costs.

#### 4.1.3 **Virements between projects**

- An additional £30K has been identified from the Connected To Our Customers (CTOC) New CRM Technology budget, to enable the implementation of the **Waste and Recycling System**.
- The planned expenditure on the **Pipework at the Stevenage Arts and Leisure Centre** is expected to be £111K and this urgent work is now underway (update from the Quarter 1). This can be funded from the £111K budget provision that had previously been made available for the **Lift at Stevenage Arts and Leisure Centre**. There is a new service contract in place for the lift, and the replacement is not expected to take place for two to three years.
- There have been ongoing issues with leaks in the **BTC roof**. It is proposed to install new plant away from the roof (the plant is programmed for renewal) that will then allow for an easier and more effective roof repair. £15K has been requested to appoint a specialist consultant to carry out a feasibility study and provide a specification for the service plant. The next phase to be carried out (in April 2020) would be the installation of the new plant away from the roof followed by the reroofing.

#### 4.1.4 **Increases/Reductions in Expenditure:**

- A number of other schemes have costs which have varied from previous forecasts, and the over/(under)spends have been incorporated into this report, with a net increase of £39K in 2019/20 (in table one).

#### 4.1.5 **Other Updates:**

- The budget for **Grants to Registered Provides** includes a contingent amount for Registered Provider schemes if the opportunity arises. Any such grants would be funded 100% from 1.4.1 receipts. Housing Development colleagues continue to liaise with RSL's over opportunities and are currently following a lead that will result in the required amount of take up of grant and delivery of further affordable rented homes. Future capital strategy reports will update Members further.

- **Commercial Property**

Members approved a £15M investment to acquire a commercial property portfolio to support the Financial Security work stream. To date £1.75M has been spent. Given a lack of suitable properties within Stevenage, Counsel's opinion is being sought as to whether SBC can invest in properties outside of the geographical boundary, if they meet the Council's investment criteria. The recent rise in PWLB rates means that meeting the investment return has become more difficult.

- The costs for the Wholly Owned Housing Development Company (WOC) as previously agreed by Executive are £700K in 2019/20 and £1.6M in 2020/21. The WOC business plan is currently being revised in light of the recent 1% PWLB rate increase (as detailed in paragraph 4.2.2), and costs are expected to slip. Future capital strategy reports will update Members further.

## 4.2 Capital Resources General Fund

4.2.1 Projected capital receipts from disposals for the current and future years have been reviewed. Forecast receipts have been adjusted accordingly and shown in table two:

| <b>Table Two;</b><br><b>2019/20 Disposal Schedule (General Fund)</b> | <b>Q1 Revised</b><br><b>Position</b> | <b>Q2 Revised</b><br><b>Position</b> | <b>Variance</b>  |
|--|--------------------------------------|--------------------------------------|------------------|
|  | <b>£'s</b>                           | <b>£'s</b>                           | <b>£'s</b>       |
| Total 2019/20 Capital Receipts Estimate                              | (4,016,598)                          | (2,902,028)                          | 1,114,570        |
| Total 2020/21 Capital Receipts Estimate                              | (5,949,600)                          | (7,252,800)                          | (1,303,200)      |
| Total 2021/22 Capital Receipts Estimate                              | (3,771,840)                          | (3,771,840)                          | 0                |
| Total 2022/23 Capital Receipts Estimate                              | (1,243,200)                          | (1,243,200)                          | 0                |
| Total 2023/24 Capital Receipts Estimate                              | (26,768,000)                         | (26,768,000)                         | 0                |
| <b>Major Capital Receipts Programme</b>                              | <b>(41,749,238)</b>                  | <b>(41,937,868)</b>                  | <b>(188,630)</b> |

- The reduction in 2019/20 forecasts, is primarily due to sites on which marketing has commenced but are unlikely to sell in 2019/20. This has been partially offset by additional minor land sales and the disposal of the loading shovel which has been replaced.
- The increase in the 2020/21 forecasts relate to the sites slipped from 2019/20.

4.2.2 Prudential borrowing that is required to support the Capital programme will be a treasury management decision as to when the external borrowing is actually taken. While cash balances are high internal borrowing will be used. The formula for calculating PWLB rates was revised by HM Treasury on 9th October, increasing borrowing rates by 1% for all new long term loans. The explanation for this change is that "Some local authorities have substantially increased their use of the PWLB in recent months, as the cost of borrowing has fallen to record lows. HM Treasury is therefore restoring interest rates to levels available in 2018, by increasing the margin that applies to new loans from the PWLB by 100bps (one percentage point) on top of usual lending terms.". The formula for Premature Repayment Rates has not been adjusted.



4.2.3 Included in the capital strategy is the new bus station, which is presently situated in the centre of the SG1 redevelopment area. £9.6M of GD3 funding earmarked for the relocation and redevelopment of the bus station has been approved by the LEP but this cannot be drawn down by SBC yet. A contract to spend is needed by February 2020 in order to meet the LEP spending guidelines, otherwise a review will be required of alternative options.

4.2.4 A budget of £6.5M (£5M construction costs and £1.5M for fees and contingency) has been allocated for the new bus station scheme if SBC have to fund the project, which would be likely to impact on the current capital programme and revenue budget of the General Fund in the form of borrowing costs. The capital strategy to the February Council set out the possible impacts of having to fund the bus station relocation from SBC resources.

### 4.3 2019/20 Housing Revenue Account Capital Programme

4.3.1 The updated projection for 2019/20 Housing Revenue Account capital programme is £33.8M (as detailed in Appendix B) an increase of £0.1M as summarised in table three.

| <b>Table three: Changes to Housing Revenue Account Capital Budget</b>                    |  |  |   |
|--|--|--|---|
| <b>Capital Programme Change to 2019/20 Working Budget &amp; 2020/21 Projected Budget</b> | <b>Increase (Decrease) to 2019/20 Working Budget<br/>£</b> | <b>Increase (Decrease) to 2020/21 Projected Budget<br/>£</b> | <b>Reason</b>                           |
| <b>Slippage</b>  |  |  |   |
| IT General (IT)  | 41,940   | 262,290  | Reprofiling (ICT Strategy)              |
| <b>Total Slippage</b>  | <b>41,940</b>  | <b>262,290</b>   |   |
| <b>Increases to 2019/20 Budget</b>   |  |  |   |
| Disabled Adaptations   | 85,800   |  | HHIA grant received                     |
| New Intranet   | 8,802  |  | pressure identified                     |
| <b>Total increases to 2019/20 Budget</b>   | <b>94,602</b>  | <b>0</b>   |   |
| <b>Decreases to 2019/20 Budget</b>   |  |  |   |
| Online Tenants Self-Service  | (4,600)  |  | Telephony & GDPR solutions under budget |
| Replacement HR & Payroll System  | (1,889)  |  | no further costs                        |
| <b>Total Decreases to 2019/20 Budget</b>   | <b>(6,489)</b>   | <b>0</b>   |   |
| <b>Total Change in Working Budget and Projected Budgets</b>                              | <b>130,053</b>   | <b>262,290</b>   |   |

**Budget updates:**

#### 4.3.2 IT/Digital

- **Infrastructure Investment Programme** – As per paragraph 4.1.2, officers produced an **ICT and Digital Strategy** Report that was approved by Executive in October, which included rephrasing of projects over the multi-year programme. This has resulted in an increase in the 2019/20 HRA budget of £42K, and £262K in 2020/21.
- Additional “one off” disabled facility grant (DFG) was received in 2018/19 (£86K) and it has been confirmed that this grant can be used for HRA properties. The main DFG grant has met all current and anticipated requests for home improvements through the Hertfordshire Homes Improvement, therefore, officers propose that his grant allocation is applied to HRA disabled adaptations budget, increasing the budget by £86K in 2019/20.

#### **Other Updates:**

- 4.3.3 The **HRA Business Plan** will be updated in the HRA MTFS report to the December Executive. Any recommendations will be incorporated into future capital monitoring reports.
- 4.3.4 The **decent homes programme** forms a large part of the ongoing investment programme of the HRA. The number of properties where works have been carried out to bring the property up to the decent homes standard (the standard by which each element i.e. kitchen, bathroom, electrics, windows, roof etc. whose condition is measured) in 2019/20 is 399 to date, against an in year target of 385 to date and 750 in total for 2019/20.
- 4.3.5 The HRA Right to Buy (RTB) receipts includes a one for one (1.4.1) balance of £10.0m, available to fund 30% of the future new build schemes. There is a three year deadline to spend these receipts, and if not spent the receipt must be returned to government plus interest (calculated at 4% above base rate). The phasing of RTB funded build schemes have been reviewed, along with the opportunities to support local social housing providers via Registered Provider grants as per paragraph 4.1.5 in return for nomination rights so that 1.4.1 receipts can be utilised wherever possible.
- 4.3.6 The revised programme as outlined in Appendix B now forecasts that there is a need to return receipts in quarter 3 and quarter 4 (£936K plus interest). Options are being explored by the Housing Development team to be able to find a scheme in partnership with a registered social landlord in order to be able to mitigate this risk, but these are at an early stage.

#### **4.4 Capital Resources Housing Revenue Account**

- 4.4.1 The HRA had 22 RTB sales by the end of the second quarter (11 RTB sales by the same point last year). The forecast for the year remains unchanged at 35 sales although there is a risk that sales may be higher. Gross and net sale proceeds and average discount given is shown in the following table:

| RTB Receipts 2019/20      |           |                |                   |                    |                       |                    |
|---------------------------|-----------|----------------|-------------------|--------------------|-----------------------|--------------------|
| RTB Receipts              | RTB Admin | Allowable Debt | LA Assumed Income | New Build Receipts | Payment to Government | Total RTB Receipts |
|                           | £         | £              | £                 | £                  | £                     | £                  |
| 2018/19 Actual            | 40,300    | 696,056        | 357,497           | 3,055,519          | 864,541               | 5,013,913          |
| 2019/20 Quarter 1 Actual  | 11,700    | 223,555        | 90,159            | 765,525            | 215,812               | 1,306,751          |
| 2019/20 Quarter 2 Actual  | 16,900    | 415,143        | 90,159            | 1,616,032          | 215,812               | 2,354,046          |
| 2019/20 Projection Update | 45,500    | 869,380        | 360,637           | 2,977,042          | 863,248               | 5,115,808          |

4.4.2 A full update of capital resources available to the HRA will be included in the updated HRA Business Plan.

4.4.3 Prudential borrowing identified for the Sprinkler System for the flat blocks and the New Build Programme will be a treasury management decision as to when external borrowing is actually taken. As per paragraph 4.2.2, the formula for calculating PWLB rates was revised by HM Treasury on 9th October, increasing borrowing rates by 1% for all new long term loans. This change is being incorporated into the updated HRA Business Plan.

## **5 Implications**

### **5.1 Financial Implications**

5.1.1 This report is of a financial nature and financial implications are contained within the body of the report.

### **5.2 Legal Implications**

5.2.1 None identified at this time.

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

5.3.1 The decent homes programme is led by condition surveys of the stock and not prioritised by group. The capital changes identified in this report are not expected to impact on any groups covered by statutory equalities duties.

### **5.4 Risk Implications**

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

5.4.2 If the Housing & Investment team's procurement of HRA contracts is delayed it could lead to works not being completed to the current profile.

- 5.4.3 A significant risk exists that works deferred due to lack of funding become urgent in year, requiring completion on grounds of health and safety. A reasonable assessment has been made in the prioritisation process to try to keep this risk to a minimum, and these schemes are monitored by Assets and Capital Board.
- 5.4.4 There is a risk in achieving the level of qualifying HRA spend to fully utilise retained 1.4.1 receipts. Should qualifying schemes slip or new schemes fail to be developed the three year deadline for spending these receipts will not be met and will have to be returned to the Government plus interest (base rate plus 4%). Should the new schemes and/or purchases slip or fail to be delivered there is a risk that 1.4.1 receipts will have to be returned and interest payments made.
- 5.5.5 There are risks around achieving the level of disposals budgeted for. The estimated dates of receipts very much rely on a series of steps being successful at estimated dates. The level of receipts for the General Fund is a significant source of funding for its capital programme. The Council manages this risk by reviewing and updating the Strategy quarterly, including resources where a sale is likely to complete. This will enable action to be taken where a receipt looks doubtful.
- 5.5.6 The Capital programme is funded from a number of sources including capital receipts and borrowing. The timing and value of the capital receipt cannot be known with certainty.
- 5.5.7 When cash balances are above that required for the day to day running of the council the treasury management policy is to use internal borrowing. When actual borrowing is taken interest rates may be higher than those prevailing now. The Council manages this risk by reviewing and updating its cash flow forecast and Treasury Management strategy regularly.
- 5.5.8 If SBC have to fund the Bus Station project, there is likely to be an impact on the current capital programme and the General Fund in the form of borrowing costs. The Capital Strategy to February Council set out the possible impacts of having to fund all the possible impacts of having to fund the bus station from SBC resources.

## **BACKGROUND PAPERS**

- BD1 – General Fund Capital Strategy
- BD2 – Housing Revenue Account Capital Strategy

APPENDIX A - GENERAL FUND CAPITAL STRATEGY

| Cost Centre | Scheme  | 2019/20            |                            |                    |                                      | On Hold            | 2020/2021          | 2021/2022          | 2022/2023           | 2023/2024         |
|-------------|---|--------------------|----------------------------|--------------------|--------------------------------------|--------------------|--------------------|--------------------|---------------------|-------------------|
|             |   | Q1 Working Budget  | Actuals to 10 October 2019 | Q2 Revised Budget  | Variance Working v Q1 Revised Budget |                    | Q2 Revised Budget  | Q2 Revised Budget  | Q2 Revised Budget   | Q2 Revised Budget |
|             |   | £                  | £                          | £                  | £                                    |                    | £                  | £                  | £                   | £                 |
|             | <b>General Fund - Schemes</b>                                 |                    |                            |                    |                                      |                    |                    |                    |                     |                   |
|             | Stevenage Direct Services                                     | 2,979,290          | 493,902                    | 2,645,010          | (334,280)                            | 4,631,400          | 2,650,900          | 2,446,800          | 1,228,000           |                   |
|             | Housing Development   | 2,760,000          | 618,843                    | 2,760,000          |                                      | 1,899,250          | 330,590            | 6,499,450          |                     |                   |
|             | Finance and Estates   | 13,803,370         | 26,912                     | 13,773,370         | (30,000)                             | 241,100            | 15,000             | 76,020             | 10,000              |                   |
|             | Corporate Projects, Customer Services & Technology            | 875,010            | 140,045                    | 897,860            | 22,850                               | 645,150            | 274,710            | 107,500            |                     |                   |
|             | Housing and Investment  | 558,910            | 133,679                    | 571,860            | 12,950                               | 825,000            | 30,000             | 35,000             |                     |                   |
|             | Regeneration  | 11,050,150         | 4,752,870                  | 9,850,150          | (1,200,000)                          | 9,280,590          |                    | 2,474,000          | 13,384,000          |                   |
|             | Communities and Neighbourhoods                                | 285,030            | 69,892                     | 285,030            |                                      | 20,000             | 40,000             | 170,000            | 20,000              |                   |
|             | Planning and Regulatory                                       | 689,760            | 134,497                    | 714,760            | 25,000                               | 300,000            | 325,000            | 325,000            | 295,000             |                   |
|             | Deferred Works Reserve  | 29,600             |                            | 14,600             | (15,000)                             | 154,000            | 56,000             | 15,000             | 2,000               |                   |
|             | <b>Total Schemes</b>  | <b>33,031,120</b>  | <b>6,370,640</b>           | <b>31,512,640</b>  | <b>(1,518,480)</b>                   | <b>17,996,490</b>  | <b>3,722,200</b>   | <b>12,148,770</b>  | <b>14,939,000</b>   |                   |
|             | <b>Schemes included above on hold pending receipts</b>        | <b>553,670</b>     |                            | <b>401,970</b>     |                                      | <b>828,000</b>     | <b>238,000</b>     | <b>343,000</b>     | <b>193,000</b>      |                   |
|             | <b>General Fund -Resources</b>                                |                    |                            |                    |                                      |                    |                    |                    |                     |                   |
|             | Capital Receipts  | 3,287,010          |                            | 2,955,388          | (331,622)                            | 6,077,006          | 224,824            | 2,621,355          | 13,843,720          |                   |
|             | New Build 1-4-1 Receipts - Additional Funding from HRA for RP | 1,500,000          |                            | 1,500,000          |                                      |                    |                    |                    |                     |                   |
|             | Grants  | 325,869            |                            | 235,299            | (90,570)                             |                    | 90,570             | 728,210            |                     |                   |
|             | S106's  | 69,995             |                            | 69,995             |                                      | 10,000             | 10,000             |                    |                     |                   |
|             | LEP   | 10,574,563         |                            | 9,650,150          | (924,413)                            | 5,875,590          |                    |                    |                     |                   |
|             | RCCO  | 94,000             |                            | 157,920            | 63,920                               | 4,000              | 4,000              | 4,000              |                     |                   |
|             | Regeneration Asset Reserve                                    | 275,589            |                            |                    | (275,589)                            | 200,000            |                    |                    |                     |                   |
|             | Capital Reserve (BG916 Revenue Savings)                       | 1,314,000          |                            | 1,314,000          |                                      | 720,000            | 720,000            | 720,000            | 720,000             |                   |
|             | Capital Reserve (BG903 Housing Receipts)                      | 479,427            |                            | 361,068            | (118,359)                            | 364,244            | 367,886            | 371,565            | 375,280             |                   |
|             | New Homes Bonus   | 358,170            |                            | 358,170            |                                      | 312,000            | 362,500            | 230,000            |                     |                   |
|             | Prudential Borrowing Approved                                 | 14,350,650         |                            | 14,350,650         |                                      | 4,118,770          | 1,702,400          | 4,209,390          |                     |                   |
|             | Housing GF development short term borrowing- and funded       | 401,847            |                            | 560,000            | 158,153                              | 314,880            | 240,020            | 3,264,250          |                     |                   |
|             | <b>Total Resources (General Fund)</b>                         | <b>33,031,120</b>  |                            | <b>31,512,640</b>  | <b>(1,518,480)</b>                   | <b>17,996,490</b>  | <b>3,722,200</b>   | <b>12,148,770</b>  | <b>14,939,000</b>   |                   |
|             | <b>General Funds Receipts BG902</b>                           |                    |                            |                    |                                      |                    |                    |                    |                     |                   |
|             | <b>Unallocated B/fwd</b>                                      | <b>(3,330,472)</b> |                            | <b>(3,330,472)</b> |                                      | <b>(2,561,994)</b> | <b>(3,422,909)</b> | <b>(6,729,905)</b> | <b>(2,087,499)</b>  |                   |
|             | In Year Receipts  | (4,016,598)        |                            | (2,902,028)        |                                      | (7,252,800)        | (3,771,840)        | (1,243,200)        | (26,768,000)        |                   |
|             | Used in Year  | 3,287,010          |                            | 2,955,388          |                                      | 6,077,006          | 224,824            | 2,621,355          | 13,843,720          |                   |
|             | Ring Fenced Receipts Used to Repay Short Term Borrowing       | 556,965            |                            | 715,118            |                                      | 314,880            | 240,020            | 3,264,250          |                     |                   |
|             | <b>General Fund Receipts Unallocated C/fwd</b>                | <b>(3,503,095)</b> |                            | <b>(2,561,994)</b> |                                      | <b>(3,422,909)</b> | <b>(6,729,905)</b> | <b>(2,087,499)</b> | <b>(15,011,780)</b> |                   |
|             | <b>Capital Reserve Resource</b>                               |                    |                            |                    |                                      |                    |                    |                    |                     |                   |
|             | <b>Unallocated B/fwd</b>                                      | <b>(594,000)</b>   |                            | <b>(594,431)</b>   |                                      | <b>(350,000)</b>   | <b>(700,000)</b>   | <b>(1,050,000)</b> | <b>(1,400,000)</b>  |                   |
|             | In Year Resource  | (1,430,637)        |                            | (1,430,637)        |                                      | (1,434,244)        | (1,437,886)        | (1,441,565)        | (1,445,280)         |                   |
|             | Used in Year  | 1,793,427          |                            | 1,675,068          |                                      | 1,084,244          | 1,087,886          | 1,091,565          | 1,095,280           |                   |
|             | <b>Capital Reserve Unallocated C/fwd</b>                      | <b>(231,210)</b>   |                            | <b>(350,000)</b>   |                                      | <b>(700,000)</b>   | <b>(1,050,000)</b> | <b>(1,400,000)</b> | <b>(1,750,000)</b>  |                   |

| Cost Centre | Scheme  | 2019/20           |                            |                   |                                      | On Hold          | 2020/2021         | 2021/2022         | 2022/2023         | 2023/2024         |
|-------------|---|-------------------|----------------------------|-------------------|--------------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|
|             |   | Q1 Working Budget | Actuals to 10 October 2019 | Q2 Revised Budget | Variance Working v Q1 Revised Budget |                  | Q2 Revised Budget | Q2 Revised Budget | Q2 Revised Budget | Q2 Revised Budget |
|             |   | £                 | £                          | £                 | £                                    |                  | £                 | £                 | £                 | £                 |
|             | <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   | 192,340           | 68,995                     | 192,340           |                                      | 243,000          | 283,500           | 220,000           |                   |                   |
| KE097       | Litter bins   | 125,000           | 8,669                      | 125,000           |                                      | 73,000           | 83,000            | 10,000            |                   |                   |
| KE329       | Play Areas Fixed Play   | 20,810            |                            | 20,810            |                                      | 10,000           | 10,000            |                   |                   |                   |
| KE494       | Green Space Access Infrastructure   | 45,000            | 36,415                     | 45,000            |                                      |                  |                   |                   |                   |                   |
| KE494       | Green Space Access Infrastructure   | 50,000            |                            | 50,000            |                                      | 148,000          | 153,000           | 128,000           | 128,000           |                   |
|             | <b>Other</b>  |                   |                            |                   |                                      |                  |                   |                   |                   |                   |
| KG002       | Garages   | 1,153,890         | 201,053                    | 1,153,890         |                                      | 3,657,400        | 1,952,400         | 1,952,400         | 375,000           |                   |
| KE487       | Cavendish Depot - Road Markings and Barriers                                | 12,750            |                            | 12,750            |                                      |                  |                   |                   |                   |                   |
| KE495       | Cavendish Depot - Renovation/Yard Drainage                                  | 100,000           |                            | 10,000            | (90,000)                             | 90,000           |                   |                   |                   |                   |
| KE496       | Refurbishment of Weston Rd Cemetery Office                                  | 6,500             |                            | 6,500             |                                      |                  |                   |                   |                   |                   |
| KS263       | Waste and Recycling System  | 80,000            |                            | 110,000           | 30,000                               |                  |                   |                   |                   |                   |
|             | <b>Vehicles, Plant, Equipment</b>   |                   |                            |                   |                                      |                  |                   |                   |                   |                   |
| KE349       | Waste Receptacles   | 15,000            | 11,255                     | 15,000            |                                      | 15,000           |                   |                   |                   |                   |
| KE497       | Trade Waste Containers  | 20,000            |                            | 20,000            |                                      | 20,000           | 20,000            | 20,000            | 20,000            |                   |
| Various     | Vehicle/Plant replacement Programme   | 1,133,000         | 167,515                    | 858,720           | (274,280)                            | 375,000          | 149,000           | 116,400           | 705,000           |                   |
|             | <b>Total Stevenage Direct Services</b>                                      | <b>2,979,290</b>  | <b>493,902</b>             | <b>2,645,010</b>  | <b>(334,280)</b>                     | <b>4,631,400</b> | <b>2,650,900</b>  | <b>2,446,800</b>  | <b>1,228,000</b>  |                   |
|             | <b>Housing Development</b>  |                   |                            |                   |                                      |                  |                   |                   |                   |                   |
| KG030       | Grants To Registered Providers  | 591,600           | 239,200                    | 591,600           |                                      |                  |                   |                   |                   |                   |
| KG030       | Grants To Registered Providers contingency                                  | 908,400           |                            | 908,400           |                                      |                  |                   |                   |                   |                   |
| KG032       | Building Conversion into New Homes - Ditchmore Lane                         | 560,000           | 379,643                    | 560,000           |                                      | 314,880          |                   |                   |                   |                   |
| KG034/35/36 | Housing Development Scheme (Joint GF/HRA)                                   |                   |                            |                   |                                      |                  | 330,590           | 3,992,460         |                   |                   |
| KG033       | Private Sales Schemes - Wedgwood Way  |                   |                            |                   |                                      |                  |                   |                   |                   |                   |
|             | Wholly Owned Housing Development Company (WOC)                              | 700,000           |                            | 700,000           |                                      | 1,584,370        |                   | 2,506,990         |                   |                   |
|             | <b>Total Housing Development (including grants to Registered Providers)</b> | <b>2,760,000</b>  | <b>618,843</b>             | <b>2,760,000</b>  |                                      | <b>1,899,250</b> | <b>330,590</b>    | <b>6,499,450</b>  |                   |                   |
|             | <b>Finance &amp; Estates</b>  |                   |                            |                   |                                      |                  |                   |                   |                   |                   |
| KG025       | Garage Site Assembly  | 130,000           | 14,848                     | 100,000           | (30,000)                             |                  |                   |                   |                   |                   |
| KR912       | Investment Property   | 13,244,050        |                            | 13,244,050        |                                      |                  |                   |                   |                   |                   |
| KR914       | IDOX Property Management Software   | 17,200            |                            | 17,200            |                                      |                  |                   |                   |                   |                   |
| KR915       | Energy Performance Surveys and Proposed Building Works                      | 15,000            | 450                        | 15,000            |                                      | 15,000           | 15,000            | 15,000            |                   |                   |
| KR915       | Energy Performance Surveys and Proposed Building Works                      |                   |                            |                   |                                      |                  |                   |                   | 10,000            |                   |
| KR916       | Commercial Properties Refurbishment (MRC Programme)                         | 387,120           | 11,614                     | 387,120           |                                      | 226,100          |                   | 61,020            |                   |                   |
| KR147       | Commercial Properties - Asbestos Removal                                    | 10,000            |                            | 10,000            |                                      |                  |                   |                   |                   |                   |
|             | <b>Total Finance &amp; Estates</b>  | <b>13,803,370</b> | <b>26,912</b>              | <b>13,773,370</b> | <b>(30,000)</b>                      | <b>241,100</b>   | <b>15,000</b>     | <b>76,020</b>     | <b>10,000</b>     |                   |

| Cost Centre | Scheme  | 2019/20           |                            |                   |                                      | On Hold        | 2020/2021         | 2021/2022         | 2022/2023         | 2023/2024         |
|-------------|---|-------------------|----------------------------|-------------------|--------------------------------------|----------------|-------------------|-------------------|-------------------|-------------------|
|             |   | Q1 Working Budget | Actuals to 10 October 2019 | Q2 Revised Budget | Variance Working v Q1 Revised Budget |                | Q2 Revised Budget | Q2 Revised Budget | Q2 Revised Budget | Q2 Revised Budget |
|             |   | £                 | £                          | £                 | £                                    |                | £                 | £                 | £                 | £                 |
|             | <b>Corporate Projects, Customer Services &amp; Technology</b>       |                   |                            |                   |                                      |                |                   |                   |                   |                   |
|             | <b>IT General</b>   |                   |                            |                   |                                      |                |                   |                   |                   |                   |
| KS251       | Harmonising Infrastructure Technology (for shared service)          | 10,460            | 4,020                      |                   | (10,460)                             |                |                   |                   |                   |                   |
| KS268       | Infrastructure Investment   | 569,430           | 60,413                     | 617,080           | 47,650                               | 619,630        | 273,030           | 107,500           |                   |                   |
|             | <b>Total IT General</b>   | <b>579,890</b>    | <b>64,433</b>              | <b>617,080</b>    | <b>37,190</b>                        | <b>619,630</b> | <b>273,030</b>    | <b>107,500</b>    |                   |                   |
|             | <b>Employer of Choice (EOC)</b>                                     |                   |                            |                   |                                      |                |                   |                   |                   |                   |
| KS260       | Replacement HR & Payroll System                                     | 4,670             | 1,240                      | 1,240             | (3,430)                              |                |                   |                   |                   |                   |
| KS269       | New Intranet  | 14,170            | 33,260                     | 33,260            | 19,090                               |                |                   |                   |                   |                   |
|             | <b>Total EOC</b>  | <b>18,840</b>     | <b>34,500</b>              | <b>34,500</b>     | <b>15,660</b>                        |                |                   |                   |                   |                   |
|             | <b>Connected to Our Customer (CTOC)</b>                             |                   |                            |                   |                                      |                |                   |                   |                   |                   |
| KS271       | Corporate Website - Redesign  | 106,510           | 35,471                     | 106,510           |                                      | 8,020          | 680               |                   |                   |                   |
| KS274       | New CRM Technology  | 169,770           | 5,641                      | 139,770           | (30,000)                             | 17,500         | 1,000             |                   |                   |                   |
|             | <b>Total CTOC</b>   | <b>276,280</b>    | <b>41,113</b>              | <b>246,280</b>    | <b>(30,000)</b>                      | <b>25,520</b>  | <b>1,680</b>      |                   |                   |                   |
|             | <b>Total Corporate Projects, Customer Services &amp; Technology</b> | <b>875,010</b>    | <b>140,045</b>             | <b>897,860</b>    | <b>22,850</b>                        | <b>645,150</b> | <b>274,710</b>    | <b>107,500</b>    |                   |                   |
|             | <b>Housing and Investment</b>                                       |                   |                            |                   |                                      |                |                   |                   |                   |                   |
|             | <b>Play Centres</b>   |                   |                            |                   |                                      |                |                   |                   |                   |                   |
| KC914       | Pin Green - Recover Flat Roof                                       | 21,000            | 7,849                      | 21,000            |                                      |                |                   |                   |                   |                   |
| TBA         | <b>Bandley Hill - Replace Fenestration</b>                          |                   |                            |                   |                                      | 30,000         |                   |                   |                   |                   |
| KC915       | Bandley Hill - Replace Hall Floor Covering                          | 25,000            | 10,723                     | 12,500            | (12,500)                             |                |                   |                   |                   |                   |
| TBA         | <b>St Nicholas - Replacement Doors</b>                              |                   |                            |                   |                                      | 10,000         |                   |                   |                   |                   |
|             | <b>Community Centres</b>  |                   |                            |                   |                                      |                |                   |                   |                   |                   |
| KE902       | Community Centres General   | 32,000            | 9,273                      | 32,000            |                                      |                |                   |                   |                   |                   |
| TBA         | <b>St Nicholas - Replacement Windows &amp; Doors</b>                |                   |                            |                   |                                      |                | 30,000            |                   |                   |                   |
| KE471       | St Nicholas - Boiler and Hot Water Installation Upgrade             | 15,300            | 460                        | 40,000            | 24,700                               |                |                   |                   |                   |                   |
| KE515       | St Nicholas Annexe - External Decorations                           | 20,000            | 600                        | 20,000            |                                      |                |                   |                   |                   |                   |
|             | <b>New Growth</b>   |                   |                            |                   |                                      |                |                   |                   |                   |                   |
|             | <b>Bedwell - External Cedar Cladding Works</b>                      |                   |                            |                   |                                      | 5,000          |                   |                   |                   |                   |
|             | <b>Bedwell - Boiler Upgrade</b>                                     |                   |                            |                   |                                      | 100,000        |                   |                   |                   |                   |
| KE472       | The Oval - Replace Radiators  | 8,000             | 8,001                      | 8,000             |                                      |                |                   |                   |                   |                   |
| KE499       | The Oval - Replace Windows  | 15,000            | 450                        | 11,000            | (4,000)                              |                |                   |                   |                   |                   |
| KE488       | Springfield House - Boundary Wall                                   | 52,150            | 1,565                      | 52,150            |                                      |                |                   |                   |                   |                   |
|             | <b>Timebridge - Resurface Felt Flat Roofs</b>                       |                   |                            |                   |                                      | 60,000         |                   |                   |                   |                   |
|             | <b>Symonds Green - Replacement Windows &amp; Doors</b>              |                   |                            |                   |                                      | 25,000         |                   |                   |                   |                   |
|             | <b>Park Pavilions</b>   |                   |                            |                   |                                      |                |                   |                   |                   |                   |
| KE907       | Park Pavilions General  | 9,000             | 420                        | 9,000             |                                      |                |                   |                   |                   |                   |
| KE475       | Chells - Decommission Shower & Provide Hot Water To Changing Rooms  | 21,380            | 2,225                      | 21,380            |                                      |                |                   |                   |                   |                   |
| KE500       | Ridlins - M&E Refurbishment of AHU Plant & Controls                 | 25,000            | 4,399                      | 25,000            |                                      |                |                   |                   |                   |                   |
| KE479       | Canterbury Way - Demolition   | 12,000            | 360                        | 25,000            | 13,000                               |                |                   |                   |                   |                   |
| KE493       | King George V - Electrical Mains Intake & Supply Head               | 12,000            | 10,860                     | 10,860            | (1,140)                              |                |                   |                   |                   |                   |

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| Cost Centre   | Scheme   | 2019/20           |                            |                   |                                      | On Hold | 2020/2021         | 2021/2022         | 2022/2023         | 2023/2024         |
|---------------|--|-------------------|----------------------------|-------------------|--------------------------------------|---------|-------------------|-------------------|-------------------|-------------------|
|               |  | Q1 Working Budget | Actuals to 10 October 2019 | Q2 Revised Budget | Variance Working v Q1 Revised Budget |         | Q2 Revised Budget | Q2 Revised Budget | Q2 Revised Budget | Q2 Revised Budget |
|               |  | £                 | £                          | £                 | £                                    |         | £                 | £                 | £                 | £                 |
|               | <b>Housing and Investment (cont'd)</b>                           |                   |                            |                   |                                      |         |                   |                   |                   |                   |
|               | <b>Cemeteries</b>  |                   |                            |                   |                                      |         |                   |                   |                   |                   |
|               | <b>Depots</b>  |                   |                            |                   |                                      |         |                   |                   |                   |                   |
| KE480         | Cavendish Rd - Office Alterations                                | 44,930            | 53,210                     | 44,930            |                                      |         |                   |                   |                   |                   |
| KE501         | CavendishRd - Re-roofing (Ascertain Level of Works Required)     | 15,000            | 450                        | 15,000            |                                      |         |                   |                   |                   |                   |
| KE501         | CavendishRd - Re-roofing (on hold 2020/21 spend)                 |                   |                            |                   |                                      | *       | 500,000           |                   |                   |                   |
|               | <b>Other</b>   |                   |                            |                   |                                      |         |                   |                   |                   |                   |
| <b>Growth</b> | <b>Ridlins Running Track - Refurbishment</b>                     |                   |                            |                   |                                      |         |                   |                   | 35,000            |                   |
| KE904         | Cemetery Buildings   | 15,000            | 450                        | 15,000            |                                      |         |                   |                   |                   |                   |
|               | <b>Council Offices</b>   |                   |                            |                   |                                      |         |                   |                   |                   |                   |
| KR900         | Council Offices  | 19,380            | 580                        | 19,380            |                                      |         |                   |                   |                   |                   |
| KR141         | Corporate Buildings - Essential Health & Safety Electrical Works | 19,270            | 587                        | 19,270            |                                      |         |                   |                   |                   |                   |
| KR142         | Corporate and Commercial Buildings - Condition survey            | 5,000             | 150                        | 5,000             |                                      |         |                   |                   |                   |                   |
| KR149         | Daneshill House - Test & Risk Assessment Remedial Works          | 15,000            | 450                        | 15,000            |                                      | *       |                   |                   |                   |                   |
|               | <b>Operational Buildings</b>                                     |                   |                            |                   |                                      |         |                   |                   |                   |                   |
| KE503         | Indoor Market - New Hot Air Curtains                             | 20,000            | 600                        | 20,000            |                                      | *       |                   |                   |                   |                   |
| TBA           | Indoor Market - New LED & Lighting                               |                   |                            |                   |                                      | *       | 65,000            |                   |                   |                   |
| TBA           | BTC - Roof Replacement Preliminary Works                         |                   |                            | 15,000            | 15,000                               | *       |                   |                   |                   |                   |
|               | <b>Town Centre</b>   |                   |                            |                   |                                      |         |                   |                   |                   |                   |
| KR136         | Preparation Works to Units 1,4,5 of the former QD Building       | 30,000            | 7,888                      | 7,890             | (22,110)                             |         |                   |                   |                   |                   |
| KR138         | Town Square Assets - Condition Survey                            | 10,000            | 10,710                     | 10,000            |                                      |         |                   |                   |                   |                   |
| <b>KE504</b>  | Station Ramp (on hold 2020/21 spend)                             | 52,500            | 1,575                      | 52,500            |                                      | *       | 30,000            |                   |                   |                   |
| KR145         | Town Chambers / Square - External Facade Structural Repairs      | 45,000            | 43,732                     | 45,000            |                                      |         |                   |                   |                   |                   |
|               | <b>Total Housing and Investment</b>                              | <b>558,910</b>    | <b>133,679</b>             | <b>571,860</b>    | <b>12,950</b>                        |         | <b>825,000</b>    | <b>30,000</b>     | <b>35,000</b>     |                   |
|               | <b>Regeneration</b>  |                   |                            |                   |                                      |         |                   |                   |                   |                   |
| KE454         | Town Centre Regen Programme Police Station (GD1)                 | 3,925,000         | 3,925,626                  | 3,925,000         |                                      |         |                   |                   |                   |                   |
| KE467         | Swingate/CCTV Relocation (GD1)                                   | 1,793,730         | 620,705                    | 1,793,730         |                                      |         |                   |                   |                   |                   |
| KE505         | Demolition of Towers Garages and other sites (GD1)               | 300,000           |                            | 300,000           |                                      |         |                   |                   |                   |                   |
| KE439         | Town Square Improvements (GD1)                                   | 3,131,420         | 169,580                    | 3,131,420         |                                      |         | 2,505,000         |                   |                   |                   |
| KE466         | Bus Interchange (GD3)  | 1,500,000         | 92,853                     | 500,000           | (1,000,000)                          |         | 5,875,590         |                   |                   |                   |
| KE506         | Public Sector Hub  | 400,000           |                            | 200,000           | (200,000)                            |         | 900,000           | 2,474,000         | 13,384,000        |                   |
|               | <b>Total Regeneration</b>  | <b>11,050,150</b> | <b>4,752,870</b>           | <b>9,850,150</b>  | <b>(1,200,000)</b>                   |         | <b>9,280,590</b>  | <b>2,474,000</b>  | <b>13,384,000</b> |                   |



APPENDIX A - GENERAL FUND CAPITAL STRATEGY

| Cost Centre | Scheme  | 2019/20           |                            |                   |                                      | On Hold | 2020/2021         | 2021/2022         | 2022/2023         | 2023/2024         |
|-------------|---|-------------------|----------------------------|-------------------|--------------------------------------|---------|-------------------|-------------------|-------------------|-------------------|
|             |   | Q1 Working Budget | Actuals to 10 October 2019 | Q2 Revised Budget | Variance Working v Q1 Revised Budget |         | Q2 Revised Budget | Q2 Revised Budget | Q2 Revised Budget | Q2 Revised Budget |
|             |   | £                 | £                          | £                 | £                                    |         | £                 | £                 | £                 | £                 |
|             | <b>Community &amp; Neighbourhoods</b>                               |                   |                            |                   |                                      |         |                   |                   |                   |                   |
| KC900       | Arts and Leisure Centre - Lift Replacement                          | 111,000           |                            |                   | (111,000)                            | *       |                   |                   | 150,000           |                   |
| KC900       | Arts and Leisure Centre - Pipework                                  |                   | (2,523)                    | 111,000           | 111,000                              | *       |                   |                   |                   |                   |
| KC202       | Fairlands Valley Park - Aqua  | 27,660            | 15,518                     | 27,660            |                                      | *       |                   |                   |                   |                   |
| KC228       | Stevenage Golf Centre - Boiler Replacement                          | 8,660             | 8,657                      | 8,660             |                                      | *       |                   |                   |                   |                   |
| KC224       | Leisure Stock Condition   | 19,810            | 2,350                      | 19,810            |                                      | *       |                   | 20,000            |                   |                   |
| KC225       | Bandley Hill Play Centre - Treehouse                                | 29,900            | 29,900                     | 29,900            |                                      | *       |                   |                   |                   |                   |
| KC229       | Bandley Hill Play Centre - Fencing Replacement                      | 23,000            | 690                        | 23,000            |                                      | *       |                   |                   |                   |                   |
| KC230       | Pin Green Play Centre Equipment                                     | 35,000            |                            | 35,000            |                                      | *       |                   |                   |                   |                   |
| KE224       | CCTV - Replacement Cameras  | 20,000            | 15,000                     | 20,000            |                                      | *       | 20,000            | 20,000            | 20,000            |                   |
| KE507       | Cycleways Installations (contribution to £100k Arts Council grant b | 10,000            | 300                        | 10,000            |                                      | *       |                   |                   |                   |                   |
|             | <b>Total Community &amp; Neighbourhoods</b>                         | <b>285,030</b>    | <b>69,892</b>              | <b>285,030</b>    |                                      |         | <b>20,000</b>     | <b>40,000</b>     | <b>170,000</b>    |                   |
|             | <b>Planning &amp; Regulatory</b>                                    |                   |                            |                   |                                      |         |                   |                   |                   |                   |
| KE119       | Off Street Car Parks (Multi Storey Car Parks)                       | 164,620           | 5,926                      | 189,620           | 25,000                               | *       | 200,000           | 225,000           | 225,000           |                   |
| KE508       | Multi-storey Car Park - New Entrances/Resurfacing                   | 15,000            |                            | 15,000            |                                      | *       | 25,000            | 25,000            | 25,000            |                   |
| KE122       | MSCP's Lighting Improvements  | 100,000           |                            | 100,000           |                                      | *       |                   |                   |                   |                   |
| KE516       | Town Centre Ramps Improvements                                      | 45,000            |                            | 45,000            |                                      | *       |                   |                   |                   |                   |
| KE201       | Hard standings  | 50,000            | 1,304                      | 50,000            |                                      | *       | 50,000            | 50,000            | 50,000            |                   |
| KE100       | Residential Parking   | 123,160           | 33,533                     | 123,160           |                                      | *       |                   |                   |                   |                   |
| KE100       | Residential Parking   | 30,000            |                            | 30,000            |                                      | *       |                   |                   |                   |                   |
| KE470       | Electric Car Charging Points  | 15,000            |                            | 15,000            |                                      | *       |                   |                   |                   |                   |
| KE217       | Parking Restrictions  | 45,700            | 49,465                     | 45,700            |                                      | *       | 25,000            | 25,000            | 25,000            |                   |
| KE217       | Parking Restrictions  | 24,000            |                            | 24,000            |                                      | *       |                   |                   |                   |                   |
| KE509       | Onstreet Contactless pay  | 10,000            |                            | 10,000            |                                      | *       |                   |                   |                   |                   |
| KE443       | Parking Enforcement - Old Town Permit Parking Area Implementation   | 12,000            | 627                        | 12,000            |                                      |         |                   |                   |                   |                   |
| KE444       | Coreys Mill Lane - Additional Parking Capacity                      | 25,280            | 25,275                     | 25,280            |                                      |         |                   |                   |                   |                   |
| KG010       | House Renovation/Improvement Grants                                 |                   | 180                        |                   |                                      |         |                   |                   |                   |                   |
| KG011       | Disabled Facilities Grants  | 30,000            | 18,186                     | 30,000            |                                      |         |                   |                   |                   |                   |
|             | <b>Total Planning &amp; Regulatory</b>                              | <b>689,760</b>    | <b>134,497</b>             | <b>714,760</b>    | <b>25,000</b>                        |         | <b>300,000</b>    | <b>325,000</b>    | <b>325,000</b>    |                   |
|             | <b>Deferred Works Reserve</b>                                       | <b>29,600</b>     |                            | <b>14,600</b>     | <b>(15,000)</b>                      |         | <b>154,000</b>    | <b>56,000</b>     | <b>15,000</b>     |                   |
| KR911       |   |                   |                            |                   |                                      |         |                   |                   | <b>2,000</b>      |                   |

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|             |   | 2019/2020              |                                    |                           |  | 2020/2021                 | 2021/2022                 | 2022/2023                 | 2023/2024                 |
|-------------|---|------------------------|------------------------------------|---------------------------|--|---------------------------|---------------------------|---------------------------|---------------------------|
| Cost Centre | Scheme  | Q1 Working Budget<br>£ | Actuals to 10<br>October 2019<br>£ | Q2 Revised<br>Budget<br>£ | Variance<br>Working v Q2<br>Revised<br>Budget<br>£ | Q2 Revised<br>Budget<br>£ | Q2 Revised<br>Budget<br>£ | Q2 Revised<br>Budget<br>£ | Q2 Revised<br>Budget<br>£ |
|             | <b>SUMMARY</b>  |                        |                                    |                           |  |                           |                           |                           |                           |
|             | Capital Programme Excluding New Build   | 21,133,030             | 4,702,870                          | 21,218,830                | 85,800   | 19,071,510                | 18,908,690                | 15,785,060                | 14,423,740                |
|             | New Build (Housing Development)   | 11,367,690             | 5,267,452                          | 11,367,690                |  | 31,272,230                | 17,387,000                | 13,186,720                | 13,582,310                |
|             | Special Projects & Equipment  | 155,000                | 122                                | 155,000                   |  |                           |                           |                           |                           |
|             | IT Including Digital Agenda   | 1,050,370              | 111,292                            | 1,094,620                 | 44,250   | 326,820                   | 135,830                   | 50,000                    |                           |
|             | <b>TOTAL HRA CAPITAL PROGRAMME</b>  | <b>33,706,090</b>      | <b>10,081,735</b>                  | <b>33,836,140</b>         | <b>130,050</b>                                     | <b>50,670,560</b>         | <b>36,431,520</b>         | <b>29,021,780</b>         | <b>28,006,050</b>         |
|             | <b>HRA USE OF RESOURCES</b>   |                        |                                    |                           |  |                           |                           |                           |                           |
|             | MRR (Self Financing Depreciation)   | 9,018,401              |                                    | 8,966,756                 | (51,645)   | 20,166,602                | 16,016,193                | 14,420,002                | 13,627,678                |
|             | Revenue Contribution to Capital   | 13,047,810             |                                    | 11,333,653                | (1,714,157)  | 11,560,319                | 10,040,148                | 8,683,724                 | 7,544,559                 |
|             | Unpooled Receipts (BH902)   |                        |                                    |                           |  |                           |                           |                           |                           |
|             | New Build Receipts (BH901)  | 2,840,827              |                                    | 2,840,827                 |  | 8,834,536                 | 3,650,141                 | 2,234,632                 | 3,188,184                 |
|             | Debt Provision Receipts (BH903)   | 855,393                |                                    | 855,393                   |  | 892,010                   | 928,576                   | 965,007                   | 1,152,414                 |
|             | Section 20 Contribution (BH905)   | 797,711                |                                    | 797,711                   |  | 1,681,862                 | 2,039,624                 | 1,798,942                 | 1,309,394                 |
|             | Land Receipts   | 400,000                |                                    | 400,000                   |  |                           |                           | 919,473                   | 1,183,821                 |
|             | S106  |                        |                                    |                           |  | 417,264                   |                           |                           |                           |
|             | Grant   |                        |                                    | 85,800                    | 85,800   |                           |                           |                           |                           |
|             | Borrowing   | 6,745,948              |                                    | 8,556,000                 | 1,810,052  | 7,117,967                 | 3,756,838                 |                           |                           |
|             | <b>TOTAL HRA RESOURCES FOR CAPITAL</b>  | <b>33,706,090</b>      |                                    | <b>33,836,140</b>         | <b>130,050</b>                                     | <b>50,670,560</b>         | <b>36,431,520</b>         | <b>29,021,780</b>         | <b>28,006,050</b>         |
|             |   |                        |                                    |                           |  |                           | (0)                       | (0)                       | (0)                       |
|             | Major Repair Reserve Bought Forward (BH930)   | (10,919,793)           |                                    | (10,919,793)              |  | (14,109,487)              | (6,546,117)               | (3,535,440)               | (2,569,070)               |
|             | Depreciation (increasing MRR)   | (12,156,450)           |                                    | (12,156,450)              |  | (12,603,233)              | (13,005,515)              | (13,453,626)              | (13,934,473)              |
|             | MRR Used (decreasing MRR)   | 9,018,401              |                                    | 8,966,756                 |  | 20,166,602                | 16,016,193                | 14,419,996                | 13,627,678                |
|             | Major Repair Reserve Carried Forward  | <b>(14,057,842)</b>    |                                    | <b>(14,109,487)</b>       | <b>0</b>   | <b>(6,546,117)</b>        | <b>(3,535,440)</b>        | <b>(2,569,070)</b>        | <b>(2,875,865)</b>        |
|             | Total RTB Receipts Bought Forward   | (10,132,532)           |                                    | (10,132,532)              |  | (10,686,460)              | (5,935,567)               | (6,050,117)               | (7,761,573)               |
|             | Total RTB Receipts Received   | (4,250,147)            |                                    | (4,250,147)               |  | (4,975,653)               | (4,693,268)               | (4,911,095)               | (5,136,032)               |
|             | Total RTB Receipts Used by General Fund (RP)  |                        |                                    |                           |  |                           |                           |                           |                           |
|             | Receipts used for Registered Providers  |                        |                                    |                           |  |                           |                           |                           |                           |
|             | Repayment of One for One Receipts   |                        |                                    |                           |  |                           |                           |                           |                           |
|             | Debt Provision Receipts Used for Provision of Interest on Repaid One for One Receipts |                        |                                    |                           |  |                           |                           |                           |                           |
|             | Total RTB Receipts Used by HRA & General Fund (for RP)                                | 3,696,220              |                                    | 3,696,220                 |  | 9,726,546                 | 4,578,717                 | 3,199,639                 | 4,190,801                 |
|             | Total RTB Receipts Carried Forward  | <b>(10,686,460)</b>    |                                    | <b>(10,686,460)</b>       |  | <b>(5,935,567)</b>        | <b>(6,050,117)</b>        | <b>(7,761,573)</b>        | <b>(8,706,804)</b>        |

|  |   | 2019/2020              |                                    |                           |  | 2020/2021                 | 2021/2022                 | 2022/2023                 | 2023/2024                 |
|--|---|------------------------|------------------------------------|---------------------------|--|---------------------------|---------------------------|---------------------------|---------------------------|
| Cost Centre                                      | Scheme  | Q1 Working Budget<br>£ | Actuals to 10<br>October 2019<br>£ | Q2 Revised<br>Budget<br>£ | Variance<br>Working v Q2<br>Revised<br>Budget<br>£ | Q2 Revised<br>Budget<br>£ | Q2 Revised<br>Budget<br>£ | Q2 Revised<br>Budget<br>£ | Q2 Revised<br>Budget<br>£ |
| <b>CAPITAL PROGRAMME EXCL. NEW BUILD</b>         |   |                        |                                    |                           |  |                           |                           |                           |                           |
| <b>Planned Investment including Decent Homes</b> |   |                        |                                    |                           |  |                           |                           |                           |                           |
| KH157  | Decent Homes - Redecs                           | 20,000                 | 336                                | 20,000                    |  | 20,000                    | 20,000                    | 20,000                    | 20,000                    |
| Various1   | Decent Homes - Internal Works                   | 1,618,710              | 575,656                            | 1,618,710                 |  | 1,705,670                 | 1,802,910                 | 1,779,870                 | 14,403,740                |
| Various2   | Decent Homes External Works                     | 205,000                | (135,182)                          | 205,000                   |  |                           |                           |                           |                           |
| Various3   | Decent Homes - Roofing                          |                        |                                    |                           |  |                           |                           |                           |                           |
| Various4   | Decent Homes - Flat Blocks                      | 12,280,160             | 2,404,248                          | 12,280,160                |  | 12,602,600                | 12,852,780                | 11,780,400                |                           |
| KH300  | MRC Miscellaneous                               | 260,000                | 40,913                             | 260,000                   |  |                           |                           |                           |                           |
| KH205  | Communal Heating                                | 1,200,000              | 744,617                            | 1,200,000                 |  | 1,313,300                 | 1,316,820                 |                           |                           |
| KH092  | Lift Installation - Inspection & Remedial Works | 437,800                | 177,564                            | 437,800                   |  | 303,070                   | 265,390                   |                           |                           |
| KH287  | Temporary Lift Provision - Flat Blocks          |                        |                                    |                           |  | 450,000                   | 450,000                   |                           |                           |
| KH291  | Sprinkler Systems - Flat Blocks                 | 1,989,440              | 60,066                             | 1,989,440                 |  |                           |                           |                           |                           |
| KH294  | High Rises - Preliminary Works                  | 190,000                | 5,700                              | 190,000                   |  |                           |                           |                           |                           |
| <b>Health &amp; Safety</b>                       |   |                        |                                    |                           |  |                           |                           |                           |                           |
| KH085  | Fire Safety                                     | 81,400                 | 18,838                             | 81,400                    |  | 80,190                    | 80,410                    | 79,380                    |                           |
| KH112  | Asbestos Management                             | 379,870                | 118,101                            | 379,870                   |  | 374,250                   | 375,250                   | 370,460                   |                           |
| KH114  | Subsidence                                      | 102,540                | 46,020                             | 102,540                   |  | 101,020                   | 101,290                   | 100,000                   |                           |
| KH144  | Contingent Major Repairs                        | 378,940                | 44,400                             | 378,940                   |  | 425,480                   | 435,560                   | 440,000                   |                           |
| <b>Estate &amp; Communal Area</b>                |   |                        |                                    |                           |  |                           |                           |                           |                           |
| KH223  | Asset Review - Challenging Assets               | 110,000                | 84,284                             | 110,000                   |  | 606,140                   | 607,770                   | 600,000                   |                           |
| KH224  | Asset Review - Sheltered (non RED)              | 1,300,000              | 325,339                            | 1,300,000                 |  | 505,120                   |                           |                           |                           |
| <b>Other HRA Schemes</b>                         |   |                        |                                    |                           |  |                           |                           |                           |                           |
| KH174  | Energy Efficiency Pilot Projects                | 15,200                 | 5,660                              | 15,200                    |  | 15,150                    | 15,190                    | 15,000                    |                           |
| KH094  | Disabled Adaptations                            | 563,970                | 186,311                            | 649,770                   | 85,800   | 569,520                   | 585,320                   | 599,950                   |                           |
| <b>TOTAL CAPITAL PROGRAMME EXCL. NEW BUILD</b>   |   | <b>21,133,030</b>      | <b>4,702,870</b>                   | <b>21,218,830</b>         | <b>85,800</b>                                      | <b>19,071,510</b>         | <b>18,908,690</b>         | <b>15,785,060</b>         | <b>14,423,740</b>         |
| <b>CAPITAL PROGRAMME NEW BUILD</b>               |   |                        |                                    |                           |  |                           |                           |                           |                           |
| KH233  | New Build Programme                             | 11,367,690             | 5,267,452                          | 11,367,690                |  | 31,272,230                | 14,777,069                | 10,317,750                | 10,627,280                |
|  | Build for sale                                  |                        |                                    |                           |  |                           | 701,888                   | 903,680                   | 930,790                   |
|  | Ineligible part of Oval                         |                        |                                    |                           |  |                           | 1,908,043                 | 1,965,290                 | 2,024,240                 |
| KH209  | New Build - Archer Road                         |                        |                                    |                           |  |                           |                           |                           |                           |
| KH233  | <b>TOTAL CAPITAL PROGRAMME NEW BUILD</b>        | <b>11,367,690</b>      | <b>5,267,452</b>                   | <b>11,367,690</b>         |  | <b>31,272,230</b>         | <b>17,387,000</b>         | <b>13,186,720</b>         | <b>13,582,310</b>         |

| Cost Centre | Scheme  | 2019/2020              |                                 |                        |   | 2020/2021              | 2021/2022              | 2022/2023              | 2023/2024              |
|-------------|---|------------------------|---------------------------------|------------------------|---|------------------------|------------------------|------------------------|------------------------|
|             |   | Q1 Working Budget<br>£ | Actuals to 10 October 2019<br>£ | Q2 Revised Budget<br>£ | Variance Working v Q2 Revised Budget<br>£ | Q2 Revised Budget<br>£ | Q2 Revised Budget<br>£ | Q2 Revised Budget<br>£ | Q2 Revised Budget<br>£ |
|             | <b>SPECIAL PROJECTS &amp; EQUIPMENT</b>                     |                        |                                 |                        |   |                        |                        |                        |                        |
|             | <b>HRA Equipment</b>  |                        |                                 |                        |   |                        |                        |                        |                        |
| KH015       | Capital Equipment (including Supported Housing Equipments)  | 30,000                 | 122                             | 30,000                 |   |                        |                        |                        |                        |
| KH278       | Vans for RVS  | 125,000                |                                 | 125,000                |   |                        |                        |                        |                        |
|             | <b>Sub Total Special Projects &amp; Equipment</b>           | <b>155,000</b>         | <b>122</b>                      | <b>155,000</b>         |   |                        |                        |                        |                        |
|             | <b>INFORMATION TECHNOLOGY</b>                               |                        |                                 |                        |   |                        |                        |                        |                        |
|             | <b>IT General (IT)</b>                                      |                        |                                 |                        |   |                        |                        |                        |                        |
| KH218       | ICT Programme (Business Plan)                               | 15,730                 |                                 |                        | (15,730)                                  |                        |                        |                        |                        |
| KH251       | Harmonising Infrastructure Technology (for shared service)  | 14,870                 | 1,980                           |                        | (14,870)                                  |                        |                        |                        |                        |
| KH268       | Infrastructure Investment                                   | 270,750                | 29,756                          | 343,290                | 72,540                                    | 305,190                | 134,480                | 50,000                 |                        |
| KH235       | ICT Equipment   | 10,000                 |                                 | 10,000                 |   |                        |                        |                        |                        |
| KH296       | Keystone Module (to support fire safety)                    | 32,000                 | 13,575                          | 32,000                 |   |                        |                        |                        |                        |
| KH297       | Tablets (x144)  | 5,330                  |                                 | 5,330                  |   |                        |                        |                        |                        |
|             | <b>Total General IT</b>                                     | <b>348,680</b>         | <b>45,311</b>                   | <b>390,620</b>         | <b>41,940</b>                             | <b>305,190</b>         | <b>134,480</b>         | <b>50,000</b>          |                        |
|             | <b>Employer Of Choice (EOC)</b>                             |                        |                                 |                        |   |                        |                        |                        |                        |
| KH259       | Replacement HR & Payroll System                             | 2,500                  | 611                             | 610                    | (1,890)                                   |                        |                        |                        |                        |
| KH269       | New Intranet  | 7,580                  | 16,382                          | 16,380                 | 8,800                                     |                        |                        |                        |                        |
|             | <b>Total EOC</b>  | <b>10,080</b>          | <b>16,992</b>                   | <b>16,990</b>          | <b>6,910</b>                              |                        |                        |                        |                        |
|             | <b>Connected To Our Customers (CTOC)</b>                    |                        |                                 |                        |   |                        |                        |                        |                        |
| KH270       | Online Customer Account (formerly Capita Advantage Digital) |                        |                                 |                        |   |                        |                        |                        |                        |
| KH271       | Corporate Website - Redesign                                | 54,870                 | 18,273                          | 54,870                 |   | 4,130                  | 350                    |                        |                        |
| KH272       | Electronic SMB Reports System                               |                        |                                 |                        |   |                        |                        |                        |                        |
| KH273       | Call Recording  |                        |                                 |                        |   |                        |                        |                        |                        |
| KH288       | New CRM Technology  | 369,770                | 5,641                           | 369,770                |   | 17,500                 | 1,000                  |                        |                        |
| KH289       | Future Online Development of Civica Icon Payments           |                        |                                 |                        |   |                        |                        |                        |                        |
|             | <b>Total CTOC</b>   | <b>424,640</b>         | <b>23,914</b>                   | <b>424,640</b>         |   | <b>21,630</b>          | <b>1,350</b>           |                        |                        |
|             | <b>Housing All Under One Roof programme (HAUOR)</b>         |                        |                                 |                        |   |                        |                        |                        |                        |
| KH283       | Housing Improvements  | 155,960                | 17,975                          | 155,960                |   |                        |                        |                        |                        |
| KH260       | On-Line Housing Application Form                            | 41,750                 | 4,000                           | 41,750                 |   |                        |                        |                        |                        |
| KH286       | Housing Document Management System                          | 52,660                 | 3,099                           | 52,660                 |   |                        |                        |                        |                        |
| KH293       | Online Tenants Self-Service                                 | 16,600                 |                                 | 12,000                 | (4,600)                                   |                        |                        |                        |                        |
|             | <b>Total HAUOR</b>  | <b>266,970</b>         | <b>25,074</b>                   | <b>262,370</b>         | <b>(4,600)</b>                            |                        |                        |                        |                        |
|             | <b>TOTAL ICT INCLUDING DIGITAL AGENDA</b>                   | <b>1,050,370</b>       | <b>111,292</b>                  | <b>1,094,620</b>       | <b>44,250</b>                             | <b>326,820</b>         | <b>135,830</b>         | <b>50,000</b>          |                        |

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