

Public Document Pack



EXECUTIVE

Date: Monday, 16 December 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.

AGENDA

PART 1

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

2. MINUTES - 20 NOVEMBER 2019

To approve as a correct record the Minutes of the meeting of the Executive held on 20 November 2019 for signature by the Chair.

Pages 5 – 12

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

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

Community Select Committee – 4 November 2019

Overview & Scrutiny Committee – 11 November 2019

Environment & Economy Select Committee – 20 November 2019

Overview & Scrutiny Committee – 25 November 2019

Pages 13 – 30

4. CO-OPERATIVE NEIGHBOURHOODS

To consider proposals for the next stage in the development of Co-operative Neighbourhoods.

Pages 31 – 50

5. COMMUNITY CENTRES REVIEW

To consider stage two of the review of Council-owned community centres operating across Stevenage in order to form the basis of a proposed future operating model.

Pages 51 – 78

6. COMMUNITY INFRASTRUCTURE LEVY (CIL)

To inform Members of the key outcomes of the public examination of the Community Infrastructure Levy (CIL) Draft Charging Schedule (DCS); to provide Members with a summary of the Examiner's Report; and to seek agreement to recommend to Council that the Charging Schedule (CS) be approved.
Pages 79 – 126

7. HERTFORDSHIRE GROWTH BOARD MEMORANDUM OF UNDERSTANDING

To note the progress and work of the Hertfordshire Growth Board and to consider the Council entering into a Memorandum of Understanding.
Pages 127 – 140

8. DEVELOPING A TOWN FUND DEAL

To consider further information on Towns Fund, the short-term actions that would need to be taken to put in place the governance, and the tasks required to prepare a Town Investment Proposal which would seek to secure further investment into Stevenage; and to seek approval of the draft Terms of Reference for a new Town Deal Board and the process to recruit an independent Chair for the Board.
Pages 141 – 170

9. CORPORATE PERFORMANCE QUARTER TWO

To consider the Council's performance across key priorities and themes for Quarter 2 2019/20.
Pages 171 – 208

10. COUNCIL TAX BASE 2020/21

To consider the Council Tax Base for 2020/21.
Pages 209 – 214

11. HOUSING REVENUE ACCOUNT (HRA) MEDIUM TERM FINANCIAL STRATEGY (2019/20 - 2023/24) AND HRA BUSINESS PLAN REVIEW 2019

To advise Members on the current and future position of the Council's Housing Revenue Account (HRA) budget over the next five years; and to propose revisions to the HRA 30-Year Business Plan following the Government's relaxation of the borrowing cap.
Pages 215 – 238

12. DRAFT HOUSING REVENUE ACCOUNT (HRA) AND RENT SETTING 2020/21

To consider draft proposals on the Housing Revenue Account (HRA) budgets and rent setting for 2020/21, to be considered by Council on 29 January 2020.
Pages 239 – 258

13. URGENT PART I BUSINESS

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

14. 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.

15. PART II MINUTES - EXECUTIVE - 20 NOVEMBER 2019

To approve as a correct record the Part II section of the Minutes of the meeting of the Executive held on 20 November 2019 for signature by the Chair.
Pages 259 - 262

16. 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 Monday, 16 December 2019 –

<http://www.stevenage.gov.uk/have-your-say/council-meetings/161153/>

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STEVENAGE BOROUGH COUNCIL

EXECUTIVE MINUTES

Date: Wednesday, 20 November 2019

Time: 2.00pm

Place: Shimkent Room, Daneshill House, Danestrete

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

Start / End Start Time: 2.00pm
Time: End Time: 3.38pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

There were no apologies for absence.

There were no declarations of interest.

On behalf of the Council, the Chair conveyed congratulations to Lewis Hamilton for winning the Formula 1 Championship for the sixth time.

2 MINUTES - 9 OCTOBER 2019

It was **RESOLVED** that the Minutes of the meeting of the Executive held on 9 October 2019 be approved as a correct record for signature by the Chair.

3 MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE AND SELECT COMMITTEES

In respect of the Future Town, Future Transport Strategy, and with particular reference to cycling in the Town Centre, the meeting was informed that there was already in place a by-law prohibiting this activity. Members felt that any enforcement or extending of this by-law should be publicised. Officers were asked to ensure that the Town Centre Neighbourhood Warden was made aware of the by-law, and Members felt that increased signage was necessary in the Town Centre (possibly funded through Members' Local Community Budgets). Officers were further requested to investigate the possibility of the introduction of a cycling education programme, in association with the Hertfordshire Constabulary.

Members were supportive of the concept of a property MoT as part of the new Domestic Gas Contract.

It was **RESOLVED** that the Minutes of the meeting of the Overview & Scrutiny Committee held on 15 October 2019 be noted.

4 HOMELESSNESS AND ROUGH SLEEPER STRATEGY

The Portfolio Holder for Housing, Health and Older People introduced a report regarding the Homelessness and Rough Sleeper Strategy, which set out the proposed approach for tackling homelessness and rough sleeping across the Borough, with the 4 key priorities being:

- Prevention and Relief of Homelessness;
- Provision of Temporary Accommodation;
- Housing Development; and
- Support for Homeless Households.

The Portfolio Holder for Housing, Health and Older People commented that the Strategy had been developed in conjunction with stakeholders, partners and, most importantly, those who had used the service, past and present. The SBC vision was to “work co-operatively to prevent and reduce homelessness and end the need for anyone to sleep rough in Stevenage”. The Strategy would be monitored quarterly and on an annual basis.

The Portfolio Holder for Housing, Health and Older People referred to Paragraph 5.16 of the report, and stated that the word “made” had been omitted in error from the end of that paragraph.

The Chair referred to the increase in homelessness and rough sleeping both nationally and locally over recent years, and drew attention to a number of statistics which highlighted this issue, including 399 individuals in the SBC area presenting for homelessness in 2018/19 (compared to 231 in 2017/18); a 63% increase in rough sleeping locally since 2010; and forecast expenditure on bed and bed accommodation in 2019/20 of £220,000.

The Chair commented that the increasing figures could in part be mitigated by the provision of additional social/affordable housing. She was pleased that further work would be carried out into the feasibility of the Housing First initiative, which had been successfully introduced in Finland and was also being considered by Manchester City Council.

The Executive acknowledged that rough sleeping often affected vulnerable individuals, who for various reasons had struggled to sustain tenancies. Members felt that a wider cross-agency partnership approach would be required to provide greater support to such individuals.

In response to issues raised by the Chair, officers agreed to investigate the way in which Section 184 decision letters were worded by the Housing Options Service, however, the legal definitions such as “intentionally homeless” cannot be changed as this was a legal requirement. Officers also clarified that Section 184 of Part 7 of the Housing Act 1996 (as amended) related to a legal decision on each Homelessness application, and was a duty of the Council to meet its obligations under the Act. Officers were requested to tidy up the wording of the Prevention Duty definition included on Page 15 of the Strategy.

It was **RESOLVED**:

1. That the Homelessness and Rough Sleeper Strategy 2019-2024, attached as Appendix A to the report, be adopted.
2. That delegated authority be 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.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

5 COUNCIL TAX SUPPORT SCHEME 2020/21

The Portfolio Holder for Resources presented a report in respect of a proposed Council Tax Support Scheme for 2020/21.

The Portfolio Holder for Resources advised that the impact of Universal Credit (UC) on Council Tax Support had been considered. There was insufficient information available to determine the impact of UC on claimants, many of whom were currently in receipt of Housing Benefit. It was therefore proposed that there be no change to current (2019/20) Council Tax Support Scheme for 2020/21, namely that the Scheme for all working age claimants would be based on 91.5% of their Council Tax liability (so those on maximum benefit would only pay 8.5% of their Council Tax bill).

It was **RESOLVED** that Council be recommended to approve the 2020/21 Council Tax Support Scheme, as proposed within the report.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

6 2019/20 MID YEAR TREASURY MANAGEMENT REVIEW

The Portfolio Holder for Resources presented a report on the Mid Year position on Treasury Management. She advised that the report had also been presented to and supported by the Audit Committee at its meeting held on 12 November 2019.

The Portfolio Holder for Resources stated that the report showed that cash balances were projected to be £63.7Million by 31 March 2020. However, she stressed that all of these sums had been committed to be spent, were planned to be used/drawn down or were being held on behalf of others. In addition, the capital strategy required external borrowing and currently £401,000 of General Fund capital schemes were on hold pending the identification of matching capital receipts.

The Portfolio Holder for Resources explained that officers had completed the review of the Minimum Revenue Provision (MRP) Policy, taking into consideration the freehold/leasehold classification of each asset, investment decisions relating to each asset and any resulting changes to the assets' useful lives. Members were requested to approve the updated MRP Policy shown at Appendix E to the report. Should this be approved, the additional income would be available to support

regeneration schemes in the future and resulting savings would be included in the Medium Term Financial Strategy.

The Executive noted that, as at 30 September 2019, total borrowing was £205.351Million. The average investment rate was 0.98% compared to 0.86% earned in 2018/19. There had been no breaches of the Treasury Management Strategy during 2019/20.

It was **RESOLVED**:

1. That Council be recommended to approve the 2019/20 Treasury Management Mid Year Review.
2. That Council be recommended to approve the latest approved Countries for investments list (Appendix D to the report).
3. That the updated authorised and operational borrowing limits be approved (Paragraph 4.4.7 of the report).
4. That the updated MRP Policy be approved (Paragraph 4.4.10 and Appendix E to the report).

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

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

The Portfolio Holder for Resources introduced a report on the 2019/20 Second Quarter revenue position on the General Fund and Housing Revenue Account (HRA).

The Portfolio Holder for Resources advised that the General Fund net increase to the working budget was £25,000. The most significant variances included decreases in income from under achievement of the Investment Property target and the dividend from the CCTV Company not being achieved. Increased costs had arisen from the Homeless service related Bed and Breakfast and the fuel cost saving being lower than anticipated in the 2019/20 savings option "Use of the Transfer station for bulk haulage". These pressures had been mitigated predominantly from the release of £159,000 from the Regeneration Asset Reserve and the Insurance provision of £131,000. The General Fund balance at the year-end was projected to be £3.7Million.

The Portfolio Holder for Resources explained that the 2019/20 HRA net deficit had reduced by £89,000. The most significant variances were from rents, which were mitigated by employee savings and release of some of the insurance provision. The HRA balance at the year-end was projected to be £11.7Million.

In relation to Paragraph 4.2.2 of the report, Officers were requested to amend the title of the "Gresley Way" development to "Blackwell Close" development, in order to

avoid confusion with the nearby scheme in East Hertfordshire District Council known as the “Gresley Park” development.

Members expressed strong concerns about the Government’s continued reduction in the Supporting People Grant, particularly as it most affected the Borough’s older and more vulnerable residents.

It was **RESOLVED**:

General Fund

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

Housing Revenue Account

1. That the 2019/20 2nd Quarter projected net decrease in HRA net deficit of £88,760 be approved.
2. 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.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

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

The Portfolio Holder for Resources introduced a report on the 2019/20 Second Quarter capital position on the General Fund and Housing Revenue Account (HRA).

The Portfolio Holder for Resources stated that the 2019/20 General Fund programme was projected to be £1.5M lower than the working budget of £33.0M, which related to the re-profiling of scheme delivery between 2019/20 and 2022/23. The HRA capital programme was projected to be £130,000 higher than the working budget of £33.7M.

The Portfolio Holder for Resources commented that the report provided an update on two schemes, the commercial property portfolio and wholly owned housing company. Business plans for both schemes were being reviewed in light of the recent increase in the Public Works Loan Board (PWLB) lending rates. Capital resources to support the General Fund and HRA capital programme were also included in the report. The third tranche of Local Enterprise Partnership (LEP)

funding (GD3), identified for the Bus Interchange, had still to be released.

The Executive was informed that the report forecasted that there was a need to return 1-4-1 receipts in Quarters 3 and 4 (£936,000 plus interest) if partnership schemes with registered providers could not be identified. 22 right to buy sales had been completed in the Second Quarter, with the forecast total for the year remaining at 35 sales.

It was **RESOLVED**:

1. That the 2019/20 General Fund Capital Programme net decrease in expenditure of £1.5M be approved, as summarised in Table One, Paragraph 4.1.1 of the report.
2. That the General Fund net increase of capital expenditure of £2.1M in 2020/21, also as summarised in Table One, Paragraph 4.1.1 of the report, be approved.
3. That the net increase of £130,000 in the capital expenditure for the 2019/20 Housing Revenue Account, as summarised in Table Three, Paragraph 4.3.4 of the report, be approved.
4. That the net increase of £262,000 in the capital expenditure for the 2020/21 Housing Revenue Account, also as summarised in Table Three, Paragraph 4.3.4 of the report, be approved.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

9 URGENT PART I BUSINESS

Town Deals Fund

The Strategic Director (TP) updated the Executive on progress with the Council benefitting from the Town Deals Fund, with regard to the development of a Town Deals Board and Investment Plan.

The Strategic Director (TP) advised that, in the summer of 2019, Stevenage had been identified as one of 100 towns that could benefit from the Towns Fund. The Government had published a prospectus on the Fund in November 2019 and senior officers had met with Government officials to gain a greater understanding of the Fund.

The Strategic Director (TP) explained that towns were being asked to develop a Towns Fund Board and a deal for the town. Stevenage was to receive Government grant funding of £173,000 in November/early December to assist with the governance of the Board and the gathering of evidence bases to support the preparation of an Investment Plan.

The Strategic Director (TP) commented that SBC was required to submit a readiness assessment to the Government by 19 December 2019. The Board would

be led by SBC, but was expected to comprise representatives from Hertfordshire County Council, the Local Enterprise Partnership, key businesses and investors, developers, the local MP and any other relevant institutions.

The Strategic Director (TP) stated that Boards were expected to be in place by the end of January 2020, and Investment Plans by the summer of 2020. He added that he was intending to submit a report regarding the Towns Fund to the December 2019 meeting of the Executive.

10 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.

11 FINANCIAL SECURITY OPTIONS 2020/21 - 2022/23

The Executive considered a Part II report that provided a range of Financial Security Options for 2020/21 – 2022/23.

It was **RESOLVED** that the recommendations contained in the report, including an amendment to Recommendation 2.1, be approved.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

12 URGENT PART II BUSINESS

None.

CHAIR

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STEVENAGE BOROUGH COUNCIL

COMMUNITY SELECT COMMITTEE MINUTES

Date: Monday, 4 November 2019

Time: 6.00pm

Place: Shimkent Room - Daneshill House, Danestrete

Present: Councillors: Sarah Mead (Chair) (Chair), Margaret Notley (Vice-Chair) (Vice Chair), Adrian Brown, Teresa Callaghan, Alex Farquharson, Liz Harrington, John Mead, Claire Parris and Loraine Rossati

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

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

There were no apologies for absence and no declarations of interest.

2 **MINUTES - TUESDAY 17 SEPTEMBER 2019**

It was **RESOLVED** that the Minutes of the meeting of the Community Select Committee held on 17 September 2019 are approved as a correct record and signed by the Chair.

3 **SPORTS & LEISURE SCRUTINY REVIEW**

Members reported back to the Committee on the evidence gathered for the Scrutiny Review into Sports and Leisure.

John O'Callaghan, Herts Sports Partnership and Jen Jeffries, Chair of the Youth Council were in attendance at the meeting. Apologies had been received from Louise Gallagher-Smith, Sporting Futures.

Members were presented with survey responses from the Youth Council and from Member residents' survey regarding Sports and Leisure across Stevenage and some Member responses to their own desktop and fact finding research.

Councillor Margaret Notley, Vice-Chair of the Committee gave a report to the Committee in relation to Leisure Provision in Stevenage for Older People. Her findings included:

- That there were a wide range of activities across the town at different venues including the Leisure Centre, the Golf Course, Swimming Pool, community centres, social clubs and gyms;
- That the Gordon Craig was a popular venue, reasonably priced with age concessions although there have been issues with the sound in the theatre;
- That walking was a favourite leisure pursuit with the over 50's. The Leisure 50

Walking Group was free to join and organised walks of varying lengths;

The Chair circulated her observations following a number of site visits and a number of potential recommendations were suggested regarding accessibility issues including:

- Possible subsidies for residents for activities such as sailing or the climbing wall at Fairlands Valley park (FVP);
- Apprenticeships to be extended eg. Saturday positions for young people;
- The possibility of funding via a grant system weight loss referrals which some patients are required to pay for making the referrals not cost effective;
- The development of packages in conjunction with the café, to attract families around some of the activities in FVP;
- Clearer advertising around the cycle hub;
- A review of both the parking provision and the toilet/changing room provision at the aquapark.

In addition to these issues, the Chair raised the issue as a possible recommendation around a plus one offer and providing links from the Council's website to local clubs and in particular free events.

Councillor Callaghan agreed to provide a written report on her findings to the next meeting of the Committee.

John O' Callaghan from Herts Sports Partnership commended the Council as leading in the area of sport and leisure provision in the County and for the level of engagement the Council maintained with the Sports Partnership.

He advised that there was now evidence to prove the links between participation in sport and leisure and the improvement in educational attainment and reduction in levels of school truancy.

John also advised Members that the Sports Partnership was working on an activity finder as part of their website which should go live before the end of the year.

The Leisure Services Manager advised that the Council was continuously looking at opportunities for change and adapting the sports and leisure offer to meet needs.

Councillor John Mead acknowledged that financial difficulty was the biggest barrier to participation in sports and leisure activities.

In response to a question about the provision of football pitches around the town, it was agreed that there was a need for additional 3G pitches. The Leisure Services Manager advised that the 3G pitch at the Valley was a good facility but had limited community use. Two potential sites at Chells Pavillion and at Ridlins Playing Fields were being considered as additional sites.

In relation to a question about basketball hoops, officers agreed to look into the costs of installation within parks and report back.

The take-up of sport by women and girls was discussed. It was noted that both the Park Run and membership of local running clubs had a high percentage of women participants.

The Chair of the Youth Council spoke about the activities and leisure provision which representatives from the Youth Council would like including equipment/areas in parks for older children, activities in parks including local bands and youth clubs to go to with friends.

It was **RESOLVED**:

1. That the Scrutiny Officer include the feedback given at the meeting including the recommendations raised by the Chair regarding accessibility issues, in the Scrutiny review report;
2. That any further written research or reports be submitted to the Scrutiny Officer prior to the next meeting;
3. That the Leisure Services Manager be asked to provide information relating to the cost of the installation of basketball hoops in parks;
4. That John O' Callaghan and Jen Jeffries be thanked for their attendance and contribution to the meeting.

4 **URGENT PART 1 BUSINESS**

None.

5 **EXCLUSION OF PUBLIC AND PRESS**

It was **RESOLVED**:

1. That, under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as described in paragraphs 1 to 7 of 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.

6 **PART II MINUTES - TUESDAY 17 SEPTEMBER 2019**

It was **RESOLVED** that the Part II Minutes of the Community Select Committee meeting held on 17 September 2019 are approved as a correct record and signed by the Chair.

7 **URGENT PART II BUSINESS**

None.

CHAIR

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STEVENAGE BOROUGH COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE - SITTING AS A SELECT COMMITTEE MINUTES

Date: Monday, 11 November 2019

Time: 6.00pm

Place: Shimkent Room - Daneshill House, Danestrete

Present: Councillors: Lin Martin-Haugh (Chair), Philip Bibby CC (Vice-Chair), Sandra Barr, Jim Brown, Michael Downing, Andy McGuinness, John Mead, Sarah Mead, Adam Mitchell CC, Robin Parker CC and Claire Parris.

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

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

Apologies for absence were received from Councillors Laurie Chester and Michelle Gardner.

There were no declarations of interest.

2 **COLLATED MEMBER RESPONSE TO SELF-EVALUATION SCORING MATRIX**

Members considered the collated response to the self-evaluation scoring matrix.

The following points were raised particularly in relation to work programming:

- Timing of site visits should be looked at and evening visits carried out on some occasions to ensure all Members were able to attend;
- Customer Services data was useful but should not be relied upon as a complete picture;
- In terms of the role of Executive Members, although not directly involved in work planning for Scrutiny, it was suggested that it could be useful to ask what topics they feel could benefit from the input of scrutiny;
- The Communications Team should be asked to advise on what is trending on social media;
- In relation to those topics that were not the direct responsibility of the Council eg buses and post offices, it was agreed that this continued previous work by the Council to ensure local monitoring of public services and the role of Members as community leaders;
- Website visits could be an indication of what is was important to local residents;
- It was felt that the Portfolio Holder Advisory Groups were working well but the possibility of the Groups being chaired by scrutiny members and not executive members should be investigated.

The Scrutiny Officer advised that he would review the content within the matrix in relation to opportunities for improvement and group those comments where there was commonality and identify possible recommendations for consideration by the Committee. Members asked that the scoring system be looked at to make it as transparent as possible.

It was **RESOLVED**:

1. That the Scoring Matrix be noted and that the Scrutiny Officer be requested to look at the scoring mechanism to ensure that it was as transparent as possible;
2. That the Scrutiny Officer report back to the next meeting with possible recommendations for opportunities for improvement.

3 **INTERVIEW WITH FOURTH TIER MANAGERS**

Members received responses from 4th tier managers regarding their experience of supporting Scrutiny Reviews. Three of those 4th tier Managers were in attendance at the meeting including the Council's HR Manager, Leisure Services Manager and Environmental Policy and Services Manager. The Strategic Director advised that other senior managers across the Council would also be consulted for their views and responses would be reported back in due course. He stressed that officers welcomed forensic and deep scrutiny and that it was appropriate for Members to challenge how things were working and the status quo.

A number of issues and questions were raised and responses given by the officers including:

- Scrutiny was a Member led process, although often a presentation was given at the beginning of a review to ensure Members received a briefing on the matter of the review;
- The timing of involving the Service officers in the scrutiny reviews, ie during or after the scoping process of a review;
- As officers were aware of what was working and what was not in their service area they could be a source of suggestions for future scrutiny reviews;
- It was important for Members to have a base knowledge of information relating to an area to be scrutinised to ensure a review was effective. The more Councillors knew about a topic the better;
- Some recommendations from reviews were difficult to implement without having the resources available to support them, although it was agreed that resources would potentially not be forthcoming without these recommendations;
- There were a limited number of officers around the Council who had direct experience of scrutiny due to the involvement of mainly tier 4 managers and above;
- The original view of scrutiny was that it should be equal in importance to the Executive. In reality, this was not the case and could be frustrating if the Executive did not appear to give much importance to review outcomes. The process had now changed however and Executive Members were required to

provide a response to scrutiny recommendations within a 2 month period. Recommendations were also now followed up after a longer period of time had elapsed;

- The question was asked regarding a possible return to the pre 2000 Committee system and if decision making would be more effective;
- Some recent scrutiny reviews had been effective and resulted in substantial changes to a service eg the review into damp and condensation where it had been a real struggle to move away from the assumption that the issues were caused by lifestyles rather than inadequate buildings;
- The issue of the Chairs of scrutiny committees being appointed from opposition groups was discussed. It was agreed that it would be more obviously independent if scrutiny Chairs were opposition Members, however the importance of the Chairs being independently minded whatever group they were from was paramount. The outcomes from a review should reflect this independence;
- Previously an all-day session with partners and voluntary and community groups had been arranged to come up with suggestions for subjects to review but this had proved to be time consuming and resource intensive. Now Members were encouraged to engage with these groups and bring back ideas during the work programming process;

In response to a question, the Scrutiny Officer agreed to recirculate his paper which summarised and addressed the main issues on the new Government Scrutiny Guidance. This would form part of an agenda for a future meeting.

It was **RESOLVED**:

1. That the 4th tier officers be thanked for their attendance at the meeting;
2. That the responses circulated and the comments above be noted and form part of the evidence gathering for the review;
3. That the Scrutiny Officer recirculate his paper summarising and addressing the main issues on the new Government Scrutiny Guidance to Members of the Committee and that the paper form part of the agenda for the next meeting of the Committee.

4 **INPUT FROM SCRUTINY OFFICERS AT OTHER AUTHORITIES**

The Scrutiny Officer reported that he had contacted a number of other local authorities with a view to obtaining a view on the Council's scrutiny arrangements. Unfortunately due to work pressures including the recent calling of the General Election, which most officers were now involved with, no responses had yet been received.

The Centre for Public Scrutiny conference and another scrutiny networking event which were both coming up could provide opportunities to receive feedback and he hoped to be able to feedback further at the next meeting of this Committee.

It was **RESOLVED** that the update be noted.

5 **URGENT PART 1 BUSINESS**

None.

6 **EXCLUSION OF PUBLIC AND PRESS**

Not required.

7 **URGENT PART II BUSINESS**

None.

CHAIR

STEVENAGE BOROUGH COUNCIL

ENVIRONMENT & ECONOMY SELECT COMMITTEE MINUTES

Date: Wednesday, 20 November 2019

Time: 6.00pm

Place: Shimkent Room - Daneshill House, Danestrete

Present: Councillors: Michael Downing, Adam Mitchell CC (Vice-Chair in the Chair), Sandra Barr, Stephen Booth, Adrian Brown, Jim Brown, Teresa Callaghan, Jody Hanafin and Loraine Rossati.

Also Present: Cllr R Broom (Portfolio Holder for Neighbourhoods and Co-operative Working)
Cllr L Briscoe (Portfolio Holder for Economy, Enterprise and Transport)
Christine Donnelly (Director of North Thames and East Anglia Federation of Sub Postmasters)
Marie-Claire Clinton (Chair of Stevenage Old Town Business Partnership)
Chris Newbitt (Manager of the Co-op Symonds Green)

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

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

Apologies for absence were received from Councillors D Bainbridge and D Cullen and apologies for lateness were received from Councillors M Downing (Chair) and L Rossati.

Councillor A Mitchell CC in the Chair.

There were no declarations of interest.

2 **MINUTES - 3 SEPTEMBER 2019**

It was **RESOLVED** that the Minutes of the meeting of the Environment & Economy Select Committee held on 3 September 2019 be approved as a correct record and signed by the Chair.

3 **REVIEW OF LOCAL POST OFFICE SERVICES IN STEVENAGE**

The Chair welcomed all attendees to the meeting and a round of introductions was made.

The Chair then invited Christine Donnelly to address the Committee.

Ms Donnelly made a presentation during which she outlined the issues facing sub postmasters, which included competition from alternative service providers, declining letters volume and a revised payments schedule which has resulted in reduced earnings potential for sub postmasters. On a more positive note the Committee was advised that an increase in parcel traffic, mostly returns to internet retailers, had provided additional business albeit at the cost of providing extra secure storage space for those items.

The Committee was advised that for most locations there was a need for the sub postmaster to have an alternative revenue stream (for example retail) within the premises to make a sub post office economically viable. It was acknowledged that a customer using a post office could return at a later point to make a purchase that might have been made elsewhere, thus further bolstering the sub postmaster's revenue.

The Committee was further advised of a number of activities that local authorities could undertake to support the post office network in their area. Such activities could include allowing tenants to pay council bills over a post office counter or providing free short term parking outside post office premises.

Members then asked a number of questions which included the strategic oversight of the post office network, the vulnerability of post offices within retail chains, the Crown Office closure problem and potential emergency measures to provide post office services to the Old Town.

With respect to the strategic oversight of the post office network the Committee was advised that Post Office Ltd had a target of providing services for the majority of the population within a three mile area, with exceptions made for remote rural areas. It was noted that headcount was not a factor in determining the number or locations of post offices, except in the aforementioned rural areas. When an application to open a new post office was received an impact assessment on other post offices in the area would be made and the application judged accordingly to support the viability of the existing network.

For those post offices located within retail premises provision of services was at risk from decisions made by the owner of the premises such as the closure of the Waitrose branch in the Old Town. The Post Office would have no say in such decisions. Post office services were also at risk from the retirement of either the sub postmaster or the business owner when no successor could be found.

In reply to the question concerning the Crown Office closure program the Committee was advised that Crown Offices had been closed and moved into retail outlets such as W H Smith in most towns of a comparable, and larger, size to Stevenage.

Contingency arrangements for the provision of post office services for the Old Town were then discussed and the Committee was advised that in certain circumstances Post Office Ltd could provide alternative arrangements where local conditions and Post Office Ltd funding and decision making permitted. Often this could be in the form of a porta cabin or temporary visit services. Members requested that Officers pursue this as an option and the Strategic Director undertook to write to Post Office

Ltd to request that they consider provision of emergency post office facilities in the Old Town.

The Chair thanked Christine Donnelly for her input to the meeting and then invited Chris Newbitt, manager of the Co-op at Symonds Green to address the Committee.

Mr Newbitt informed the Committee that following the closure of the discrete and secure post office facility in the store the decision to provide a range of post office functions had been taken at the Co-op's head office as part of its commitment to provide community services.

The Committee was then advised of the issues of providing both post office services and retail sales at the same till and the difficulties of balancing staff and customer expectations against business need.

Mr Newbitt identified a number of issues that had arisen including the length and complexity of some transactions, storage space for parcels and the lack of privacy for customers wishing to deal with confidential matters. The lack of a secure area also precluded the store dealing with larger banking transactions.

In reply to a question the Committee was advised that staff had undergone training and adhered to compliance requirements set by Post Office Ltd.

In reply to a further question the Committee was advised that the store was expected to reopen on Tuesday 26 November 2019.

The Chair thanked Chris Newbitt for his input to the meeting and then invited Marie-Claire Clinton, Chair of Stevenage Old Town Business Partnership, to address the Committee.

Ms Clinton advised the Committee that the effect of the closure of the Old Town post office had yet to be fully felt by local businesses although the lack of banking facilities in the Old Town High Street had caused some issues for local traders, especially around cash handling.

A reduction of footfall in the High Street had also been noted.

A request for a further update regarding the application for a replacement post office in the Old Town was then made of the Strategic Director to be requested from Post Office Ltd.

The Committee was advised that Post Office Ltd was actively considering an application to run a post office in the Old Town but that further details had not been forthcoming due to reasons of commercial sensitivity. Additionally a timescale for the reopening was unknown at this stage.

A Member suggested that the Council could lobby the Co-op's head office to reinstate full post office facilities in the Symonds Green branch.

The Chair thanked Marie-Claire Clinton and then invited comment from the Portfolio Holders present at the meeting.

It was noted that the views expressed by Members, the local community and Post Office Ltd reflected a clear need for post office services in the Old Town.

It was acknowledged that Post Office Ltd did intend to provide services in the Old Town and it was hoped that the reopening of a post office could be expedited, or reasons given should there be any delay to the process.

With regard to the closure of the Waitrose branch, regrets were expressed that neither the Council nor Post Office Ltd had received forewarning of the impending closure. However Officers confirmed that usually when new or changed facilities are proposed Post Office Ltd, as had been the case in Bedwell with the recent addition of new services, the Council and Members are made aware of this.

The Chair again thanked those in attendance, including members of the public, for their input and requested that the issue be revisited with a brief update at a future meeting of the Committee.

It was **RESOLVED**:

1. That Officers be requested to approach Post Office Ltd to seek provision of an emergency post office in the Old Town and to provide such assistance as necessary to facilitate the arrangement.
2. That the subject of post office provision be reviewed a meeting in the New Year.

4 **URGENT PART 1 BUSINESS**

None.

5 **EXCLUSION OF PUBLIC AND PRESS**

Not required.

6 **URGENT PART II BUSINESS**

None.

CHAIR

STEVENAGE BOROUGH COUNCIL
OVERVIEW AND SCRUTINY COMMITTEE
MINUTES

Date: Monday, 25 November 2019

Time: 6.00pm

Place: Shimkent Room - Daneshill House, Danestrete

Present: **Councillors:** Lin Martin-Haugh (Chair), Philip Bibby CC (Vice-Chair), Sandra Barr, Jim Brown, Laurie Chester, Michael Downing, Michelle Gardner, Andy McGuinness, John Mead, Sarah Mead, Adam Mitchell CC, Robin Parker CC and Claire Parris

Start / End Start Time: 6.00pm
Time: End Time: 8.10pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillor Sarah-Jane McDonough. Councillor Phil Bibby apologised for lateness.

There were no declarations of interest.

2 MINUTES - 15 OCTOBER 2019

With regard to Future Town Future Transport, the Strategic Director (TP) informed the Committee that officers would provide a briefing note on the status of cycleways in Stevenage.

It was **RESOLVED** that the Minutes of the meeting of the Overview and Scrutiny Committee held on 15 October 2019 be approved as a correct record for signature by the Chair.

3 PART I DECISIONS OF THE EXECUTIVE

The Committee considered the decisions of the following matters arising from the Executive held on 20 November 2019.

Minutes of the Executive – 20 November 2019

Noted.

Minutes of the Overview & Scrutiny and Select Committees

Noted.

Homelessness and Rough Sleeper Strategy

The Assistant Director (Housing & Investment) presented a revised Homelessness Strategy for 2019-2024. The strategy's four priorities would be met through an Action Plan. The Strategy had been revised in line with additional powers and duties introduced by Homelessness Reduction Act 2017 (HRA 17) and requirements of Housing Act 1996.

The introduction of HRA 17 had seen an increase in the number of customers seeking homelessness advice and an increase in the use of bed and breakfast accommodation. The Committee were informed that Housing & Investment officers were working with Housing Development and other Council services regarding market acquisitions and a purpose-built hostel to reduce the use of temporary accommodation. The Council was looking at adopting the "Finland"/ (Housing First) Model of providing homes to homeless people without imposing a condition that they engage in services for addictions or mental health. This model had been piloted in Manchester and local authorities in Hertfordshire.

Members welcomed the Strategy and recommended that former homeless customers be supported to tackle addiction and other underlining causes of homelessness and to learn new skills or get into training, education or work. It was reported that some customers were turning to food banks and convenience food outlets due to the lack of kitchen utensils in temporary and emergency accommodation properties.

In response to questions, the Assistant Director informed Members that:

- Support arrangements for the homeless will be added to the Action Plan
- The HMAB would receive quarterly reports and an annual report on the Homelessness Action Plan
- The Council has a duty to provide kitchen utensils in Emergency accommodation although efforts will be made to support those who do not have these items when they are in Temporary Accommodation
- Benefits of the Homelessness Strategy included a dedicated rough-sleeper worker and an action plan for performance monitoring
- Personalised homelessness plan was one of the requirements of HRA 17

Members sought clarification on partnership working arrangements and the spike in the number of households placed in temporary accommodation between 2014/15 and 2015/16.

Council Tax Support Scheme

The Committee received an update on the proposed Council Tax Support Scheme for 2020/21. The proposals had previously been discussed by the committee in a Portfolio Holder Advisory Group setting. The Assistant Director (Finance & Estates) stated that efforts were directed at the software supplier to design and introduce reliable and accurate automation of Universal Credit change notices.

Council Tax Support Scheme

The Committee received an update on the proposed Council Tax Support Scheme for 2020/21. The proposals had previously been discussed by the committee in a Portfolio Holder Advisory Group setting. The Assistant Director (Finance & Estates) stated that efforts were directed at the software supplier to design and introduce reliable and accurate automation of Universal Credit change notices.

2019/20 Mid-Year Treasury Management Review

The Assistant Director (Finance & Estates) updated Members on the Treasury Management activities in 2019/20 and review effectiveness of the 2019/20 Treasury Management and Investment Strategy. The AD provided clarification on the cash balances. Members welcomed the improved chart of cash balances.

Second Quarter Revenue Monitoring Report 2019/20 – General Fund and Housing Revenue Account

The Committee received an update on the Second Quarter Revenue Monitoring Report 2019/20. The Assistance Director advised that the General Fund net increase to the working budget was £25,000. She highlighted the significant increase in Bed and Breakfast costs arising from the Homeless service related Bed and Breakfast and the fuel cost saving being lower than anticipated in the 2019/20 savings option. These pressures had been mitigated mainly from the release of £159,000 from the Regeneration Asset Reserve and the Insurance provision of £131,000.

The 2019/20 HRA net deficit had reduced by £89,000 and the most significant variances were from rents. These variances were mitigated by the Business Unit restructuring and release of some of the insurance provision. A review into the Council's Voids Procedures had been scheduled.

In relation to paragraph 4.2.2 of the report, Officers were advised that the nearby housing scheme in East Hertfordshire was known as the "Gresley Park" development.

Second Quarter Capital Monitoring Report 2019/20 - General Fund and Housing Revenue Account

Members received an update on the Council's 2019/20 capital programme. The update highlighted the 2019/20 General Fund Capital Programme, Capital Resources General Fund, 2019/20 Housing Revenue Account Capital Programme and Capital Resources Housing Revenue Account. The Assistant Director (Finance and Estates) informed the Committee that the Council was looking at ways of mitigating the impact of Right To Buy (RTB) discounts. Subject to the government's response to the consultation on RTB sales, the Council could end up returning a proportion of the receipts to central government.

In response to questions, the Assistant Director stated that:

- In view of the recently announced increase in the Public Works Loan Board (PWLB) rate, local authorities were considering other borrowing options including inter-authority lending facilities and municipal bonds
- The Council had sought legal advice on property investment opportunities outside the Borough

With regard to the latest award of Local Growth Funding (GD3), the Strategic Director informed the Committee that GD3 funds had not yet been released. The Council had met all the conditions set out by the Secretary of State for Housing, Communities and Local Government when the holding direction on the Stevenage Borough Local Plan was lifted. These conditions included working with the Hertfordshire Local Enterprise Partnership (LEP) and other stakeholders to create a new, independent, unincorporated partnership body to oversee the town centre regeneration. The LEP was awaiting the Secretary of State's approval to implement the governance arrangements and appoint an independent Chair. The delay in the release of the funds was not ideal but the Council had a commitment to utilise the funds on the new Bus Interchange and other projects before the February 2020 deadline.

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

None.

5 **URGENT PART I BUSINESS**

The Strategic Director (TP) updated the Committee on progress regarding the Towns Deal Fund, development of a Towns Deal Board and Investment Plan. Stevenage was one of the towns across England that had been invited to work with the government to develop innovative regeneration plans. A prospectus for the Towns Deal was published in November 2019. The prospectus explained how towns can prepare for a Towns Deal and it outlined requirements such as the setting up of Towns Deal Boards and investment priorities and project proposals set out in a locally-owned Town Investment Plan. It was confirmed that district and borough councils would have oversight of governance arrangements. Local authorities had the flexibility to identify projects in their areas of responsibility.

The Strategic Director assured Members that Towns Deal Board members would have a duty to avoid conflict of interest. Board members would be expected to adhere to the Nolan Principles of Public Life and a Code of Conduct. There would be an expectation for the Board to disclose interest on any matter and for others to call out suspected conflicts of interest. The Strategic Director indicated that the Towns Deal Board would have an advisory and not executive function.

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 – 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

7 **PART II DECISIONS OF THE EXECUTIVE**

The Overview and Scrutiny Committee considered Financial Security Options for 2020/21 - 2022/23.

It was **RESOLVED** that the Financial Security Options 2019/20 – 2021/22 Part II decisions of the Executive be 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 Neighbourhoods & Cooperative Working
Date 16th December 2019



CO-OPERATIVE NEIGHBOURHOODS

KEY DECISION

Authors Robert Read | 2504
Lead Officers Rob Gregory | 2568

1 PURPOSE

1.1 This report sets out proposals for the next stage in the development of Cooperative Neighbourhoods; the division of the Borough into 6 localities, with the objective of coordinating services at a neighbourhood level, providing clear points of accountability and supporting the growth in capability of residents and communities.

2 RECOMMENDATIONS

- 2.1 That approval is given to the establishment of 6 Cooperative Neighbourhood areas, based on the pre-2017 Hertfordshire County Council divisions (see appendix A for map). The 6 teams will form the basis of the Council's strategic approach to: delivering localised, responsive, coordinated and collaborative services; working with partners; and engaging with the different communities of Stevenage.
- 2.2 That approval is given to the direction of travel set out in this report and that the development of Cooperative Neighbourhoods serves to reassert and strengthen Stevenage's commitment to Cooperative Council Principles; with

staff, Members, residents and partners working together to help people help themselves and to plan for the future of neighbourhoods.

- 2.3 That the phased implementation is approved, including the selection of St Nicholas and Martins Wood as the prototype neighbourhood, with basic team and collaboration arrangements put in place in the remaining 5 neighbourhoods.

3 BACKGROUND

3.1 Cooperative Neighbourhood Management is one of the five key strategic objectives of Stevenage Borough Council's 'Future Town Future Council' Corporate Plan. To provide an infrastructure to support this objective, it is proposed to establish a Cooperative Neighbourhoods model across the whole of the Borough, comprising 6 neighbourhoods. This will maximise the benefits of localised, accountable and collaborative service delivery and community engagement. The purpose is to ensure that residents benefit from more responsive, flexible and proactive services, whilst the Council fulfils its ambitions, meets its responsibilities and responds to needs and aspirations, by recognising the strengths and building the capability of communities and residents.

3.2 Each of the 6 neighbourhoods will cover both residential and non-residential areas within their boundaries. However, some areas, such as the town centres, whilst working within the neighbourhood structure, will operate through partnerships which support their specific character, needs and function.

3.3 Definition and Purpose

3.3.1 A Cooperative Neighbourhoods approach involves local organisation and delivery of core services within a recognisable area, with a logical identity, clear boundaries and manageable size for a single organisational structure and team.

3.3.2 Cooperative Neighbourhoods will:

- Serve to reassert and strengthen Stevenage's commitment to Cooperative Council Principles and describe an overall approach to delivering services, working with partners and engaging with the different communities of Stevenage
- Use a variety of activities to meet the overall purpose, with staff from different council services, Members, residents and partners working together to help people help themselves and to plan for the future of Neighbourhoods.
- Complement and inform the Transformation and Organisational Development programmes in order to make services more accessible, joined up, with a stronger focus on activities over service structures and improving productivity.

3.4 *Structure*

3.4.1 Cooperative Neighbourhoods will establish structures, governance and ways of working based on three key principles:

- Coordination of services: within neighbourhoods; between neighbourhood teams, centralised teams and the back office; and with partners, bringing improvements for residents through more collaborative, proactive, ambitious and responsive services
- Establishing clear points of accountability for Council services in each locality, ensuring responsibility for delivery and responsiveness to issues raised
- Growing the capability of residents and communities, extending networks, connecting resources and taking a cooperative approach to making Stevenage a place where people can live a good life.

3.5 *Strategic Alignment*

3.5.1 Cooperative Neighbourhoods will be the overarching structure through which the Council both delivers its community facing services and achieves its strategic objectives. It will provide strategic alignment with and complement:

- Stevenage's Cooperative Council Principles
- Future Town Future Council
- The HRA Business Plan
- Asset Management Strategy
- Community Wealth Building

3.6 *Operational Alignment*

3.6.1 Cooperative Neighbourhoods will be the overarching structure through which the Council manages core services collaboratively, engages with communities and plans improvements to neighbourhoods. Teams will:

- **Engage** with residents on what matters to them
- **Respond** in a proactive way to things that they come across and that are brought to their attention.
- **Plan** improvements in neighbourhoods and community provision

3.7 *Partnership Working*

3.7.1 Whilst the initial focus will be on the Council's own services, Cooperative Neighbourhoods will provide the infrastructure for working with partners from the public, private and voluntary and community sectors. It will enable

partners to relate to Stevenage's distinct neighbourhoods, collaborate with Council services, engage more effectively with communities and focus on growing capability, early intervention and prevention. It will help bring business, including SME's, closer to the community and facilitate their connection with, and the extension of, community networks.

3.8 *Community Centre Review*

- 3.8.1 Complementing the current review provides an opportunity for community centres to give a physical focus for Cooperative Neighbourhoods and community engagement. They could provide a location for community-based staff to work from, meet with each other and have formal and informal discussions with residents. They could also give a focus for engagement of partners and for the delivery of core and commissioned services, focusing on community strengthening, prevention and early intervention.

3.9 *Implementation*

- 3.9.1 Cooperative Neighbourhoods complements other aspects of the Council's Transformation Programme, including Business Unit Reviews, more agile ways of working, new IT and processes. However, the roll-out needs to take account of the capacity of managers and staff for additional management of change. In addition, its cooperative nature, which will entail staff and crucially residents collaborating in making the change happen in an evolutionary and iterative way, needs to be in evidence from the very beginning. This will include experimentation with new ways of working, flexibility, innovation and not being afraid to fail.
- 3.9.2 To take account of the demands of such a change, it is proposed that implementation is phased, with an initial, intense focus on one area, whilst putting more basic collaboration arrangements in place in the five other localities.
- 3.9.3 The recommendation for the prototype neighbourhood is St Nicholas and Martins Wood, due to the current Cooperative Neighbourhoods work programme and the engagement infrastructure that has been built up there. Examples of the type of work undertaken in the prototype neighbourhood might include trialing new housing caretaking arrangements, work with communities to support the move to digital services, Community Wealth Building initiatives and identifying and removing barriers to dealing swiftly with problems or making decisions.
- 3.9.4 Although this approach requires the whole of the Council to orient itself to neighbourhood working, staff from Housing and Investment, Stevenage Direct Services and Communities and Neighbourhoods will initially form the prototype team. All other services will be scoped, briefed and prepared to respond to the needs of front-line services. This will enable the future development of Cooperative Neighbourhoods to be designed from the bottom up rather than top down.

- 3.9.5 A template ‘Who’s Who’ information sheet that will be produced for each neighbourhood is shown in appendix B. Strategic leads will be appointed for each neighborhood in due course.
- 3.9.6 An appropriate level of delegated decision making to the team will be developed, whilst maintaining accountability to senior managers, who will keep in close contact with developments. Guiding principles will be established but the team will begin with a blank canvas, allowing a genuine cooperative and collaborative approach that grows the model through building ‘human relationships’ with each other and crucially with residents.
- 3.9.7 There should be no pre-ordained structures for involvement or models for consultation, but the team will respond in a genuine way to everyday conversations that they have with residents.
- 3.9.8 The team will have a learning ethos and time will be dedicated to reflection, mutual support, planning and developing a set of measures to determine progress and effectiveness.
- 3.9.9 The six neighbourhoods should be allowed to develop in line with the principles established but in a way that acknowledges that one model will not suit all. Therefore, the full roll-out across the six neighbourhoods should not be a fully developed model but the roll out of a way of thinking and making change.
- 3.10 *Next Steps*
- 3.10.1 An extract from the Project Initiation document showing the key next steps is shown below:

| Item | Time (deadline estimates) |
|--|--------------------------------------|
| Executive | 16/12/19 |
| Establish Project Board | 17/1/20 |
| Sign off Project Initiation Document | 17/1/20 |
| Operating Principles for Prototype N’hood agreed by Project Board | 17/1/20 |
| Establish Project Team | 31/1/20 |
| Team/Department Briefings | 31/1/20 |
| Establish HQ for Prototype Neighbourhood Team | 31/1/20 |
| Establish officers for Prototype Neighbourhood Team | 28/2/20 |
| Establish light touch liaison arrangements and lead officers for remaining 5 localities | 28/2/20 |
| Communicate details of teams and contact details to Members and staff | 28/2/20 |
| First Prototype N’hood Team Meeting | 13/3/20 |
| Prototype N’hood key stakeholders event | 31/3/20 |
| Prototype N’hood Experimentation, monitoring, iteration and learning – | 30/6/20 |
| Prototype N’hood final report | 31/7/20 |
| Full roll-out across remaining 5 neighbourhoods | 31/8/20 |
| Final Project report and Plan for regularisation | 30/9/20 |

3.11 *Communication*

- 3.11.1 A Communication strategy will be developed, building on examples of work already happening in neighbourhoods, inviting residents to join the Council in planning for the future of their community. The strategy will take in related areas that will complement the CNM approach, such as community wealth building and the locality reviews. An outline communication plan is shown in appendix C.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 The formalisation of a structured Cooperative Neighbourhoods approach is recommended as a logical development from Stevenage's Cooperative Council principles (appendix D) and the Future Town Future Council Corporate Plan.
- 4.2 The pre-2017 County Council wards provide logical neighbourhoods, as set out above (see 3.2.1). However, they should be considered as administrative areas rather than descriptions of recognisable communities. The latter are determined by residents themselves and won't conform naturally to any attempt to divide the Borough into manageable areas. Cooperative Neighbourhoods will be sufficiently flexible to recognise both the administrative boundaries and the differing notions of community held by residents.
- 4.3 Alternative options considered included the full roll-out of Cooperative Neighbourhoods across all 6 areas simultaneously and the inclusion of all Council services. However, for the reasons set out in paragraphs 3.8.1 to 3.8.4, a phased roll-out is recommended.
- 4.4 A Cooperative Neighbourhoods approach can bring a range of short, medium and longer term benefits.
- 4.4.1 In the short term, the benefits include;
- Creation and communication of a simple team structure for each area
 - Clear lines of responsibility and accountability for neighbourhood services and problem solving
 - Staff embedded in communities, more visible to residents, owning and proactively dealing with issues and acting on conversations
 - A focus on conversation with residents about what matters to them
 - Development of a learning approach to understanding how services meet demand and purpose
- 4.4.2 In the medium term, the benefits include:
- A proactive, joined up, tenure blind approach

- Responsive services, enabling the dynamic deployment of resources, through local staff and new technology
- Efficiency & economy, with savings from collaboration, driving out waste, reducing failure demand & alternative delivery options
- Improved outcomes through coordinated and effective case management
- Increased on-line capability of residents, e.g. through 'my account'
- Area Plans developed for each neighbourhood

4.4.3 In the longer term, the benefits include;

- Increased capability of residents and communities; development of local networks enabling connection of resources
- Increase in quantity and quality of resident input into service delivery
- Preserving and renewing a 'Sense of Place'. Making Stevenage's neighbourhoods 'places of choice', where people can live a 'good life'.
- Positive contribution to improving health, community safety and tackling the Climate Emergency

4.5 Detailed consultation at this stage has been restricted to the Senior Leadership Team and Portfolio Holders. An outline of proposals was also presented to an All Members Briefing session on 29th October 2019, as part of the discussion on ward walkabouts. Briefings for teams of staff are being arranged which will emphasise the collaborative nature of the implementation plan and the opportunity for staff to shape the development of Cooperative Neighbourhoods along with Members. Similarly, no specific resident consultation has taken place at this stage. However, the nature of the implementation means that the future development of Cooperative Neighbourhoods will respond to both the informal and formal conversations that staff have with residents. The communication strategy will invite residents to talk to the Council about how they can get involved. Formal consultation will precede any significant changes where it is required by the Council's Code of Corporate Governance.

5 IMPLICATIONS

Financial Implications

5.1 Save for already budgeted project management costs, the initial development of Cooperative Neighbourhood teams will be cost neutral, in that it will be delivered by existing staff and resources. Once it is established, consideration will need to be given to the way in which the Council sets budgets to reflect an area and activity-based method of service delivery and investment. Careful attention and consideration will also need to be given to any impact that changes have on any specific service charges. It is expected that Cooperative Neighbourhoods will improve the efficiency and economy of service delivery, with savings arising from collaboration, driving out waste,

reducing failure demand and exploration of alternative delivery options. There may be a need to consider ‘invest to save’ initiatives that would support more effective area working, for example, training and development, enhanced IT or adaptations to enable the use of community buildings as off-site workspaces.

Legal Implications

5.2 There are no specific legal implications identified at this stage

Risk Implications

5.3 Set out below is an excerpt from the Project Initiation Document outlining the high-level risks identified.

| Risk | Mitigating action |
|--|---|
| Amount of other change happening across the Council | Restrict prototype to one locality and work with Ops Managers to discuss capacity and potential solutions to any problems |
| Services may be unable to resource the project and/or provide the right staff | As above |
| Insufficient delegation of decision making to allow true experimentation within initial locality | Levels of delegation to be set out in principles and agreed with Project/Programme Board. Highlight reports to Project Board will flag issues |
| Services and procedures may be insufficiently flexible to allow true experimentation | As above |
| IT systems insufficiently flexible to support new ways of working | IT support to be attached to project and highlight reports will flag issues |
| Finance systems, ring-fences and budget headings may be insufficiently flexible to support new ways of working | Finance support to be attached to project and highlight reports will flag issues |
| Concerns about working differently in one locality, experimentation and associated risks | Principles to be signed off by Project/Programme Board/Cabinet. Ensure good communication channel with Members. Highlight reports to Project Board will flag issues |
| Data Processing requirements in order to share experiences, experiment and learn | Data processing advice to be taken as per GDPR implications. |

Policy Implications

5.4 Future development of policies will need to determine how they relate to and impact on the different neighbourhoods of Stevenage

Environmental Implications

5.5 It is anticipated that there will be positive environmental implications, in that Cooperative Neighbourhoods will enable greater engagement and

opportunities for conversations with residents on environmental issues and support environmental based voluntary work

Staffing and Accommodation Implications

- 5.6 Staff will begin to relate both to their service structures and professional disciplines, as well as orienting their thinking and activity to the neighbourhood structure. For some staff this will involve increased presence in communities and greater engagement with residents. Much of the preparation for this change has been anticipated in the recent and ongoing Business Unit Reviews.

Depending on the outcome of the current review, staff may also increasingly use community centres as places to work and meet.

Human Resources Implications

- 5.7 As above, but it should specifically be noted that the neighbourhood teams will operate without traditional hierarchical management structures. This will provide an opportunity for staff at all levels to develop leadership roles covering specific activities. A comprehensive Organisational Development strategy needs to accompany the progression of Cooperative Neighbourhoods.

Equalities and Diversity Implications

- 5.8 It is anticipated that Cooperative Neighbourhoods will have positive equality and diversity implications. A focus on greater engagement of residents, enabling the development of stronger communities, building capability and extending networks can bring specific benefits for those experiencing disadvantage. It will aim to ensure that residents get the support they need, as well as being helped to help themselves. It will also enable greater focus on prevention and early intervention.

It will be essential to ensure that all voices are heard and that those who often find themselves excluded are supported to play a full part in the life and future of the community. An ongoing Equality Impact Assessment will build on the Full Inclusion Report produced following the recent community mapping exercise. This has started to give the Council far greater information about the spatial dimension of the Borough's diversity and the current picture relating to issues of equality.

Service Delivery Implications

- 5.9 These are set out in the report.

Community Safety Implications

- 5.10 It is anticipated that Cooperative Neighbourhoods will have positive implications for community safety, with a focus on community engagement and strengthening, early help, prevention and improved partnership working and case conferencing. Community Safety Officers are assigned to patches which also provides an operational link to the Police.

Information Technology Implications

- 5.11 There will need to be close liaison to ensure links to the IT infrastructure and that IT supports the new ways of working

Safeguarding Children Implications

- 5.12 See Community Safety implications. In addition, safeguarding considerations will follow the SBC policy with relevant frontline staff and responsible officers identified.

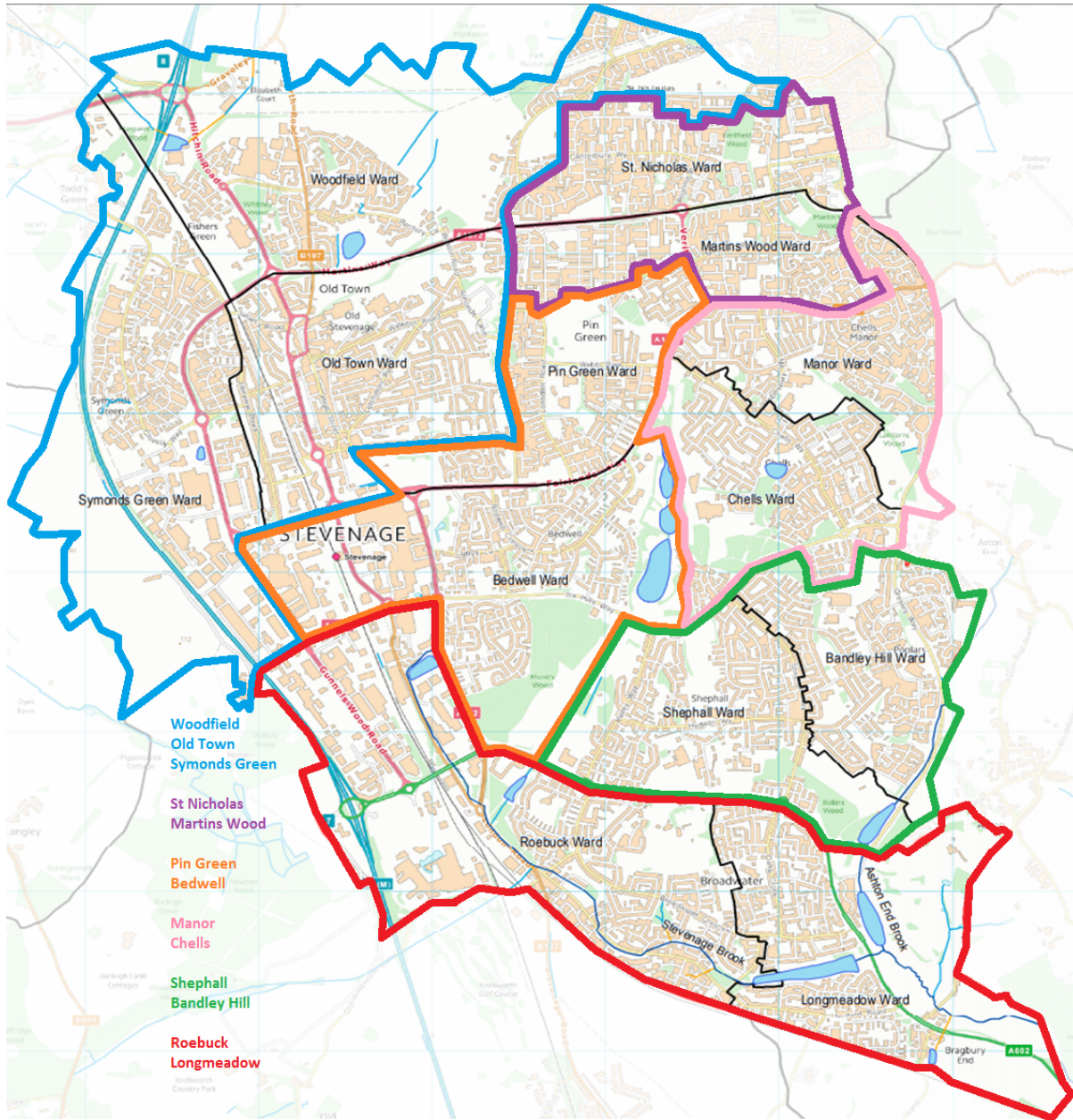
Other Corporate Implications

- 5.13 The development and progression of Cooperative Neighbourhoods needs to be managed in tandem with other parts of the Council's transformation agenda. The nature of Cooperative Neighbourhoods means that change needs to happen from the front end of service delivery and community engagement and will require a scheme of delegated decision making to match. This needs to follow on from the experience of staff attempting to bring about the desired changes to engaging, responding and planning.
- 5.14 There is an opportunity through Cooperative Neighbourhoods to enhance the youth work provision and this will be developed in partnership with the Youth Council.

APPENDICES

- A Map of 6 Cooperative Neighbourhoods Areas
- B Example 'Who's Who' Information Sheet for a Cooperative Neighbourhoods Area
- C Cooperative Neighbourhoods Outline Communication Plan
- D Stevenage Borough Council Cooperative Principles

Appendix A – Map of 6 Cooperative Neighbourhoods

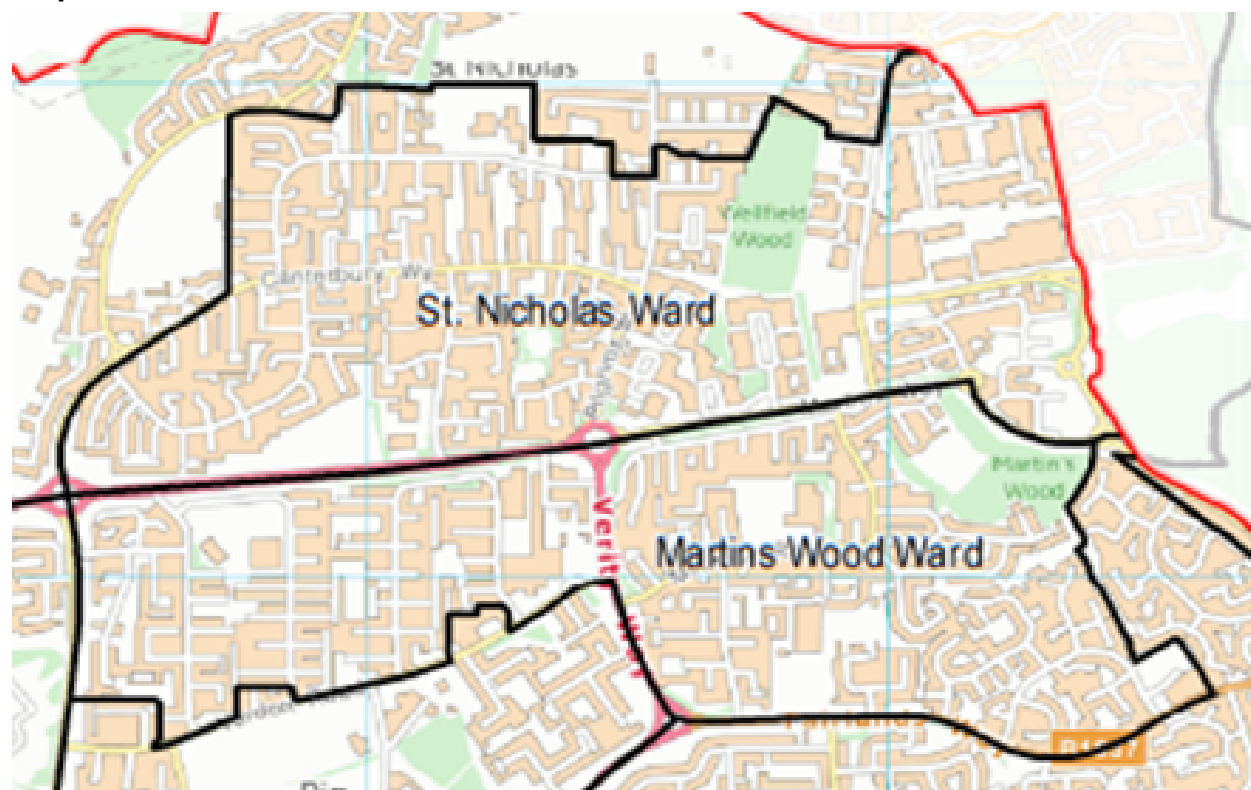


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St Nicholas & Martins Wood Cooperative Neighbourhoods Team – Who’s Who?

Information for Members and Staff of Stevenage Borough Council

Map



Neighbourhoods & Local Features

Stevenage Borough Council Wards & Members

| Ward | Members | E-mail | Tel. |
|--------------|---------|--------|------|
| St Nicholas | | | |
| | | | |
| | | | |
| Martins Wood | | | |
| | | | |
| | | | |

Hertfordshire County Council Wards & Members

| Ward | Members | E-mail | Tel. |
|------------------|---------|--------|------|
| St Nicholas | | | |
| Chells (in part) | | | |

Strategic Lead

| Name | E-mail | Ext. | Mobile | Photo |
|------|--------|------|--------|-------|
| | | | | |

Role – The role of the Strategic Lead is to give strategic support, direction and guidance to the Neighbourhood Team and the development of Cooperative Neighbourhoods. The Strategic Lead will not be responsible for resolving issues of service delivery within the neighbourhood. This role will continue to sit with the managers for the specific service where the problem can’t be resolved by the Neighbourhood Team or staff in the service.

Neighbourhood Based Staff

Key

Red – Communities & Neighbourhoods

Green – Housing & Investment

Blue – Stevenage Direct Services

| Name | Job | Service Area | E-mail | Landline | Mobile |
|------|-----|--------------|--------|----------|--------|
| | | | | | |
| | | | | | |

Appendix B – Example ‘Who’s Who’ Information Sheet for a Cooperative Neighbourhoods Area

| | | | | | |
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Other Key staff and managers

| Name | Job | Service Area | E-mail | Landline | Mobile |
|------|-----|--------------|--------|----------|--------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Note - This Who’s Who has been produced to provide contact details of staff and Members in the St Nicholas & Martins Wood Cooperative Neighbourhoods Team. It is not intended to replace the Council’s usual channels of communication. Therefore, all requests for service should continue to be made via the Customer Service Centre and complaints should go through Yoursay.

Stevenage Borough Council

Communications Plan: Cooperative Neighbourhoods

Context

This is the next stage in the development of Cooperative Neighbourhoods programme. The Borough has been divided into six localities for this programme, with the objective of coordinating services at a neighbourhood level and supporting the growth of local initiatives created by residents, communities, partners and engaging with the different groups living and working within Stevenage.

The development of Cooperative Neighbourhoods serves to strengthen Stevenage’s commitment to Cooperative Council Principles.

Cooperative Neighbourhood Management is one of the five key strategic objectives of Stevenage Borough Council’s ‘Future Town Future Council’ Co-operative Corporate Plan. This model will maximise the benefits of localised and collaborative service delivery and community engagement.



Our Cooperative Neighbourhoods is a key part of a suite of policies coming forward that addresses how we work alongside communities, for example our upcoming community centre review and community wealth building initiative.

It is important to engage staff (our ambassadors) as well as our residents and local community to demonstrate the direction of travel we have achieved through work we’ve done so far.

This communications plan will explain how SBC will share its progress with internal and external audiences.

This programme will begin its roll out from January 2020.

Key Messages (to be approved)

- We will commence using our unique co-operative approach to work closely with our key stakeholders (residents, community groups, voluntary sector and so on.)
- We will engage, respond and plan the way we collaborate on projects to improve our neighbourhoods and Town Centre.
- Council services will work together to ensure the Cooperative Neighbourhood offer is to be designed with residents not designed for residents.

Audiences

Residents

Employees (especially Frontline Staff)

Voluntary groups / third sector

Schools and Colleges

Businesses

Members

Communications activities – Q4 2019/20

| Date | Action | Audience | Channel | Input | Status |
|--------------|--|-----------|--|-----------------------------------|--|
| Dec 2019 | Verbal update and paper | Executive | Face to face | Robert Read (comms outline paper) | To be actioned |
| Jan 2020 | Verbal update to SLT | SLT | Face to face | Robert Read | To be actioned |
| Jan/Feb 2020 | Rob's blog or Meet...Robert Read – explain the programme and its initial steps/goals | Employees | Intranet | RR/Comms | To draft |
| Jan/Feb | External comms launch – letting the public know how the council will engage with them to discuss and improve the look, feel and experience of being part of the Stevenage community. | Public | Media/Social Media | All | To be actioned |
| Jan 2020 | SBC Leadership Forum | Managers | Face to Face | Robert Read | Robert to create collateral for stall based on chat with comms |
| Spring 2020 | Article for residents | Public | Chronicle | Comms | To draft |
| Spring 2020 | Short highlights video | Public | Intranet Social media CE summer roadshow | Comms | To be actioned. |

Measurement / Evaluation

The following measurements and evaluation will help understand the success of this communications activity, its reach to target audiences and sharing of key messages.

- Articles on intranet website click-throughs and number of views / comments to intranet
- Employee engagement levels and feedback
- Number of visitors to the launch stall at Leadership Forum

Stevenage Borough Council – Cooperative Council Principles

- The council as a strong community leader
- Working together with the community and other agencies to provide services based on needs
- Communities empowered to design and deliver services and play a role in their local community
- A clear understanding between the council and our communities – this is what we do, this is what we will help you to do
- Joined-up and accessible services that offer value for money and focus on the customer.

Characteristics of a co-operative council

- Develop a shared vision with the community
- Demonstrate transparency of decisions
- Exhibit a clear knowledge of the specific needs of the community
- Offer choice - services that meet community need
- Provide services that are personalised and community based
- Embed an open, creative and reflective culture
- Be a fair council that treats people equally and with respect
- Focus on our customers
- Maintain strong relationships with community leaders and local groups
- Develop staff with the right skills and capacity to deliver
- Support councillors to know their community and lead their community

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Meeting Executive

Portfolio Areas Communities, Community Safety & Equalities and Neighbourhoods & Co-operative Working

Date 16th December 2019



COMMUNITY CENTRE REVIEW – A FUTURE MODEL FOR THE PROVISION OF COMMUNITY FACILITIES IN STEVENAGE

KEY DECISION

Authors Daryl Jedowski | 2918

Contributors Rob Gregory | 2749 Paul Cheeseman | 2810

Lead Officers Rob Gregory | 2749

Contact Officer Daryl Jedowski | 2918

1 PURPOSE

1.1 This report summarises stage two of the review of council-owned community centres operating across Stevenage. It highlights the findings of the town wide consultation activities as well as in depth research into all community centres in order to form the basis of a proposed future operating model.

2 RECOMMENDATIONS

2.1 That the findings of the stage two review of community centres, specifically the highlighted development themes and their individual targets be noted.

2.2 That the adoption of a Hub & Spoke Model in relation to both current and the development of future community centres, ensuring there are Community Hubs in the North, Central and South of Stevenage be approved.

- 2.3 That it be agreed that the findings of the Community Centre Review should inform future consideration on the provision of Community Facilities throughout Stevenage as part of redevelopment opportunities.
- 2.4 That delegated authority be given to Strategic Director TP having consulted the Portfolio Holders for Communities, Community Safety & Equalities and Neighbourhoods & Co-operative Working to negotiate new Leases and related contractual agreements with Community Associations.
- 2.5 That the Co-operative Compact Partnership continues as a mechanism through which the model and social value framework can be further developed, building upon the collaborative working relationship between the council and community associations.

3 BACKGROUND

- 3.1 The review of community centres started in 2017, sponsored through the council's Co-operative Neighbourhood Management Programme. This initial review built upon previous reviews undertaken in 2003 and 2008.
- 3.2 The challenges and opportunities for both Community Associations and the Council present a number of options for delivery going forwards. These models, along with the current 'status quo' have been explored in both stage one and stage two of the review.
- 3.3 Stage one of the review highlighted a clear need for stronger less reliant community centres that can better adapt to both change and community needs, whilst also recognising the social value community associations bring to the town, and the importance of community centred delivery.
- 3.4 The report recommended several key points that were to be carried on into stage two of the Community Centre Review. These were:
 - The undertaking of a wider Community Consultation to highlight the needs of Stevenage residents.
 - The implementation of a Co-operative Compact Agreement to form a partnership working group with the community.
- 3.5 The wider consultation, Co-operative Compact Partnership and background research carried out as part of the review, form the evidential basis for the recommendations including the proposed future model of delivery.

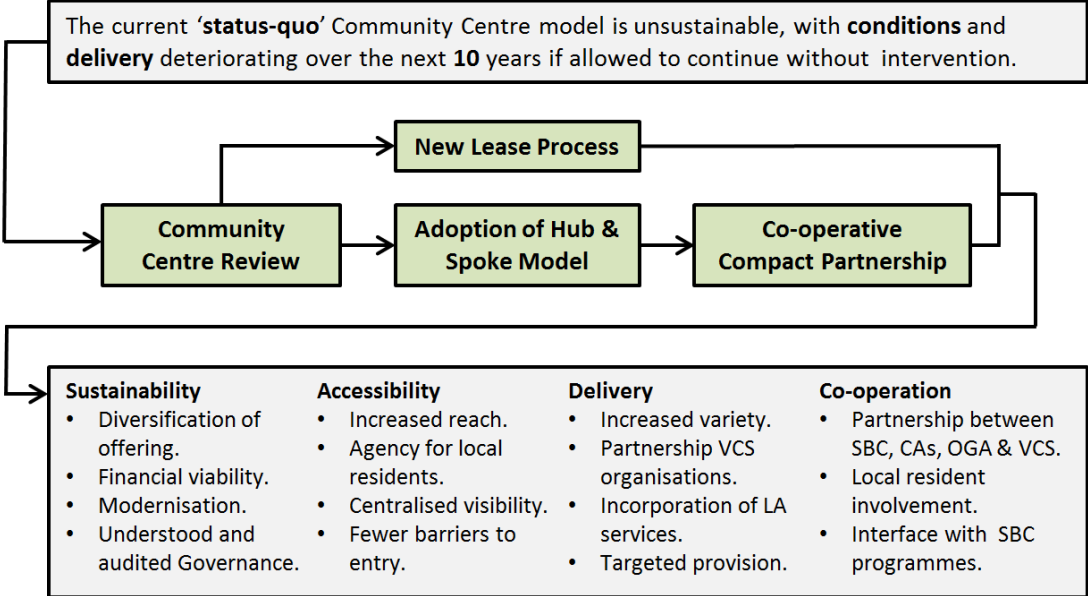
4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

Summary of Analysis

- 4.1 Community centres are good at meeting to the needs of their current user base, with many users visiting multiple centres for various classes several times a week, but struggle to expand this base especially to new age, ethnic or faith groups.

- 4.2 On average, community centres provide 9.4 hours of timetabled activities per day, which equates to a daily utilisation of 78.29% or 28.58% when accounting for all available rooms. It proves very difficult to completely fill the building at all times during the day, largely because of the narrow scope of activities that are able to be delivered from the current facilities. Further detail can be found in the Background Documentation.
- 4.3 Financial and governance pressures on centres, through difficulties diversifying income streams as well as the council through maintenance costs of buildings are apparent.
- 4.4 Modernisation in regards to offering, presence & governance is urgently required, with all centres having unique individual needs.
- 4.5 Partnership working between the council and community associations needs specific, focused and continued development in order to facilitate the recommendations set out in this review.
- 4.6 These key threads highlighted the unsustainability of the current status quo and the need for the adoption of a new model for community provision throughout Stevenage. The proposed new model is detailed below.

Community Centre Review – Model Overview



Hub & Spoke Model

- 4.7 A Community Hub in this model would be positioned as a neighbourhood service delivery point that incorporates a range of additional services, such as council, advice, wellbeing and healthcare provision. These buildings would need to host a number of services which could provide further rental income whilst continuing to deliver community activities. Provision of hub services would ideally be targeted at areas of greatest need to work alongside the councils Co-operative Neighbourhood Management (CNM) approach allowing for more balanced access to services throughout the town. Considering the distribution of facilities in the North, Central and South of

Stevenage, these will be able to act as service delivery points to help facilitate the approach. This will assist in ensuring continued development between the council and all community stakeholders, adding significant value to the existing provision as well as contributing to the broader CNM approach and the councils wider Co-operative Principles.

- 4.8 By contrast, a Spoke would provide a more traditional offering that would not contain the same range of third party services as a hub, but would still act as a local outreach point for their communities. This could be through current community centres or as part of a flexible space that could be used for community activities and events. It is important to note that not every community building needs to be a hub. In fact, oversaturation is a crucial issue that can be addressed by diversifying the offering of Hubs and Spokes.
- 4.9 A community hub allows for a significant amount more flexibility in its design and delivery than a traditional community centre. This diversification of income streams helps greatly with financial stability. Rather than focusing solely on room hire, these hubs can subsidise activities with significant community benefit through more diverse income streams, especially on days and times where current occupation is lower. This is further assisted through modernisations such as centralised timetabling and booking services delivered not only through web applications but also on mobile platforms, utilising current digital technologies to greatly extend reach and further augment delivery
- 4.10 Whilst not all current facilities may presently have the scope to integrate all hub activities, opportunities to renew provision through redevelopment schemes or the upgrading of existing provision should aim to incorporate aspects of hub delivery that are not currently achievable given the current assets. The council must account for not just the current delivery from these buildings, but also how it expects to utilise them in the future. The traditional offering of a small number of function rooms combined with several meeting rooms only caters for a small number of activities. Incorporating a hub model allows current delivery to continue, but also vastly increases the opportunities for partnership to deliver a broader offer than is currently available.
- 4.11 The building of new provision through redevelopment also assists with the council's climate change agenda. There is a significant cost and challenge associated with retrofitting older buildings, including all current community centres in order to meet these targets. Further increasing the burden on capital maintenance costs.
- 4.12 The idea of a hub responds to trends seen in the retail sector specifically in supermarkets and online market places, but also elsewhere in the public sector for more efficient delivery of services. By including a number of services such as healthcare, advice and other VCS services together these organisations are able to benefit from the increased footfall that they provide. For example: A resident may attend a healthcare appointment and see other activities they may want to engage with. This helps combat difficulties attracting new users whilst also contributing to preventative agendas such as social prescribing.

Leases

- 4.13 All the community centre leases are historical, most having been issued 50+ years ago, some have expired and there are other centres that have never had a lease in place. It is proposed to enter into new leases for all the centres.
- 4.14 Not all Community Centres have become incorporated but it is proposed that a new lease is offered to Community Associations, with those not agreeing the new arrangements being offered a Tenancy at Will.
- 4.15 There is a general consensus from both the consultation and member feedback that the current arrangement regarding social clubs should come to an end. It is proposed that where commercial activities are being undertaken, a commercial rent is charged by the Council.

Co-operative Compact Partnership

- 4.16 In order to facilitate the continued co-operative working relationship between the council and community associations, identified Development Themes will be further explored as part of collaborative partnership working. This co-operative partnership will allow all sides to learn from the sharing of knowledge and work together in order to iteratively improve the town wide community offering.
- 4.17 As part of this process the Communities and Neighbourhoods team should work in conjunction with Community Associations to develop suitable metrics (avoiding arbitrary monitoring such as KPI) that measure the social value provided by community centres over a period of time. This will provide continued measurable and evidenced developmental criteria that can be used to demonstrate the good work provided to communities, as well as identifying and updating areas for improvement.
- 4.18 The subsequent development themes listed below are a number of areas in which the consultation and research activities have highlighted a need for focus in a number of areas in order to most effectively utilise all community centres. Each area has associated targets that are listed below, with further analysis included as part of Appendix A.
- 4.19 Governance
 - 1. Clear and understood responsibilities for both SBC and community associations, addressing both safeguarding and compliance, specifically set out as part of the lease process.
 - 2. SBC to maintain oversight over community association building responsibilities related to the Corporate Landlord function.
 - 3. Community associations to be offered community development support with governance issues in order to promote sustainability.
- 4.20 Presence
 - 1. Establish a baseline requirement for all community association websites.
 - 2. Support the upskilling of community associations with regards to website curation and social media interaction.

3. Explore the potential of a new centralised community centre section of the new SBC website curated by the Communities and Neighbourhoods Team. Potentially including a timetabling and booking solution in the medium to long term.

4.21 Offering

1. Encourage and support community centres to actively pursue a more diverse portfolio of delivery for a broader subset of Stevenage residents.
2. Greater focus on addressing under-representation in regards to demographics and inclusion, specifically targeting times and activities that appeal to these different groups.

4.22 Exception Planning

1. Exception plans to be created and maintained for every community building.
2. Encourage and support community associations to create and update their own business continuity plans to ensure sustainability.
3. Plans should be tied into the Asset Management Strategy. To ensure the utilisation of underused SBC assets.

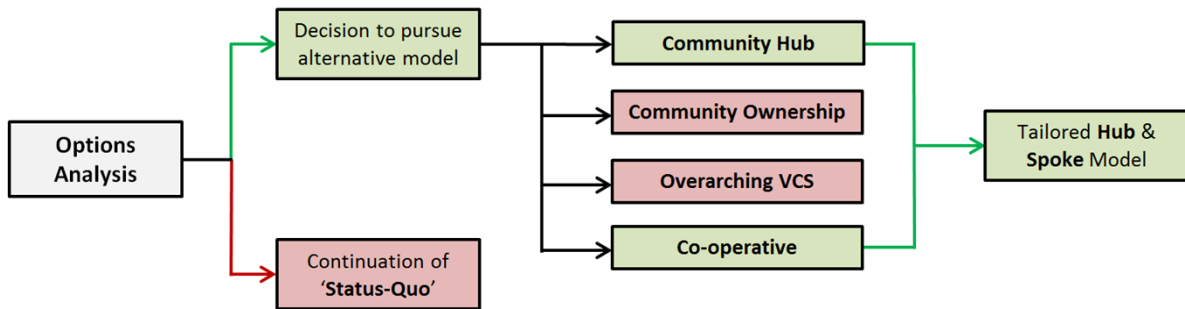
4.23 All of this analysis relates directly to the recommendations at the start of this document. The background consultation and research activities detailed in Appendix A and the Background Documentation have informed this direction and as such directly inform each of the points.

Other Options

4.24 As part of the stage one process, several alternate models were identified. These are:

- Community hubs
 - The idea that a community provision should act as a neighbourhood level service delivery point for a multitude of services that is more accessible to residents.
- Community ownership
 - Often called asset transfer is the legal transfer of the freehold of an asset to a Voluntary or Community Sector (VCS) entity for a nominal fee rather than granting a traditional lease.
- VCS infrastructure
 - The consolidation of a number of smaller VCS entities should result in a more robust single entity merging all community facilities throughout the town.
- Cooperative models.
 - A modernisation of the current model in which the partnership between community associations and the local authority is developed beyond the provision of financial support.

Options Analysis Overview



- 4.25 It was determined that neither the community associations nor the council would benefit from the community ownership or asset transfer model, as the negatives far outweigh the potential benefits. This is primarily due to the lack of sustainable funds required to take on maintenance of the buildings in addition to current liabilities as well as a lack of desire from Community Associations to pursue this route. Both of these are large determinant success factor in all asset transfer schemes.
- 4.26 It was also clear that creating an overarching VCS infrastructure was impractical. The best examples of this are charities and services operating in a small geographic area such as a park or a village, often where there is a clearly dominant body that is willing to amalgamate the smaller entities.
- 4.27 Community hubs offer a much more plausible potential delivery model. There are a large number of promising examples of community hubs throughout the UK. However, it is also clear that not every community building in Stevenage needs to be a hub as oversaturation would diminish the potential benefits.
- 4.28 The co-operative model is similar to the current model, but requires a more active partnership between community associations and the council. Traditionally the council has provided mostly financial support. Both the council and community associations will need to adjust to this new way of working.
- 4.29 As a result, this means that a joint community hub and co-operative model stood out as the strongest option. Combining the positive aspects of the current model of delivery in Stevenage, whilst also taking steps to modernise and move forward.
- 4.30 Stage one of the review process highlighted that the current status quo was unsustainable. Subsequent discussions with community associations highlighted that they felt they were operating with a heavy focus placed on commercial lets with limited social value, necessitated by financial pressures.
- 4.31 Exploring the potential of redeveloping community facilities should reduce the pressure on the capital maintenance costs going forward. These costs are likely to continue to increase, especially as large essential works are required. These maintenance costs are currently addressing only urgent health and safety issues, focusing only keeping community centres operational.

4.32 As a result it is crucial that all avenues for the delivery of future provision are explored, with the Hub and Spoke model identified in this report serving as a template for the redevelopment of provision. Primarily due to the advantages in terms of diversification and modernisation as well as sustainability through a reduction in maintenance costs that would result from this approach.

Stakeholders Consulted

4.33 Focus Groups (July 24th – September 26th)

- 5 focus groups have been undertaken reaching a total of 42 residents.
- 4 with residents and users of community centres (28 individuals).
 - 1 with the Stevenage Youth Council (16 core members)

4.34 Survey (July 9th – September 30th)

- 342 total responses both digital and in-person. Made up of:
 - 54 Responses at Stevenage Day Launch
 - 140 Responses via SBC Social Media
 - Remainder collected via targeted distribution throughout Stevenage from the 9th July 2019 to the 30th September 2019.

4.35 Members

- Portfolio Holders Working Group consisting of Executive members for:
 - Neighbourhoods & Co-operative Working
 - Communities, Community Safety and Equalities
 - Resources
 - Housing, Health and Older People
- Portfolio Holder Advisory Group met subsequently to provide further member feedback.

4.36 Community Associations

- Community Associations have been consulted throughout. As part of the Co-operative Compact Partnership each centre had an individual meeting to sign-up to the partnership.
- Following on from this 4 Co-operative Compact Meetings have been held.
- Community Associations provided users for Focus Groups.

4.37 Internal

- Officers from Estates, Stevenage Direct Services and Housing Development have had visibility of the findings and progress of the Community Centre Review.
- Further internal interface has been required in order to piece together maintenance, compliance costs, safeguarding and health and safety information.

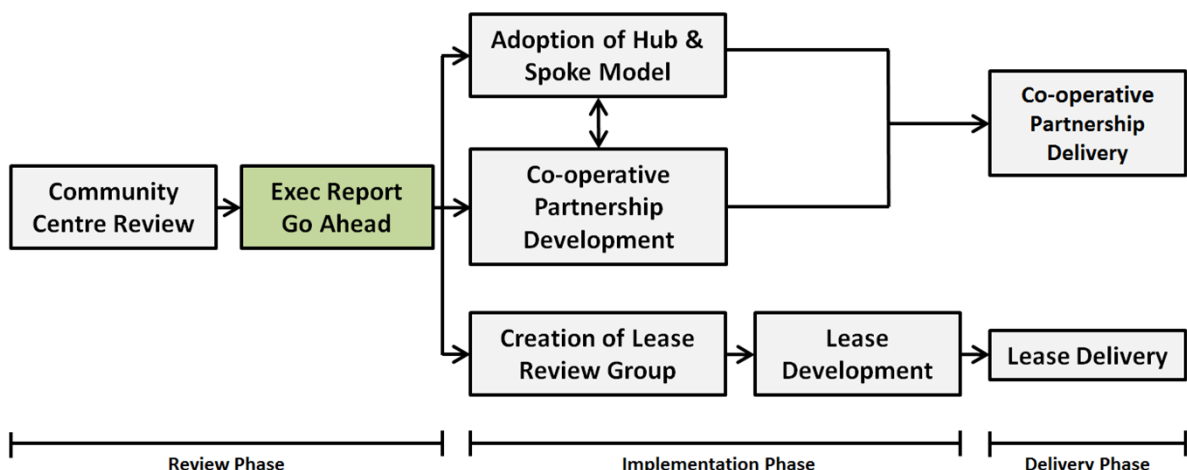
Recommended Course

- 4.38 The proposed solution is an amalgamation of a revision of the current model and the integration of new Community Hubs. This should allow for diversification and growth of the current community offering, whilst acknowledging that certain aspects do not require a complete rebuild.
- 4.39 It is clear, that the other options that are presented are unsuitable for the specific situation in Stevenage, with many likely to cause more problems than solutions in the short, medium and long terms.
- 4.40 It is also clear that the current situation represents an unsustainable model for both community needs and financial sustainability with problems escalating in the medium and long term.
- 4.41 This report highlights the need for the adoption of a new model of delivery, proposing a concrete direction of travel in the short term, and providing a template for the provision of community facilities as part of future development opportunities.

Next Steps

- 4.42 Following the completion of the Community Centre Review Executive report development activities for the integration of the new model and the Co-operative Compact Partnership can begin. This will result in a development programme for the enhanced partnership between the council and community associations developed alongside the wider Communities and Neighbourhoods team. Alongside this a Lease Review Group should be formed in order to manage the lease renewal process. This should contain both member and officer representation.
- 4.43 Following on from these activities the delivery phase will commence. This will transition the Co-operative partnership from development into deployment. With an aim to start collecting and measuring social value, whilst actively providing collective and individual support to centres in order to add value to the developmental themes and areas of improvement. In the background to this, leases should begin to be issued, once the conditions and legal requirements have been fulfilled.

Next Steps Overview



5 IMPLICATIONS

Financial Implications

- 5.1 The grant allocation paid to Community Associations ends in 2019/20. This was an agreement of the original Co-operative Compact Partnership, set out in stage one of the review, and should remain in place going forward.
- 5.2 We can look at the actual and predicted future spending of the current model to provide a comparison between previous spending (over the last 5 years) and anticipated spending (over the next 10 years), to gauge how the levels of investment are likely to progress going forward. The financial implications associated with the current model are one of several key factors that call for the adoption of a new model. The following information represents the case as it currently stands if no action is taken. A key aim of the community centre review and the new operating model for community centres has been to identify a workable future model that will provide sustainability with regards to capital funding, whilst maintaining a commitment to excellent community facilities and the social value they provide throughout Stevenage.

Total Actual & Future Capital Spend per Community Centre

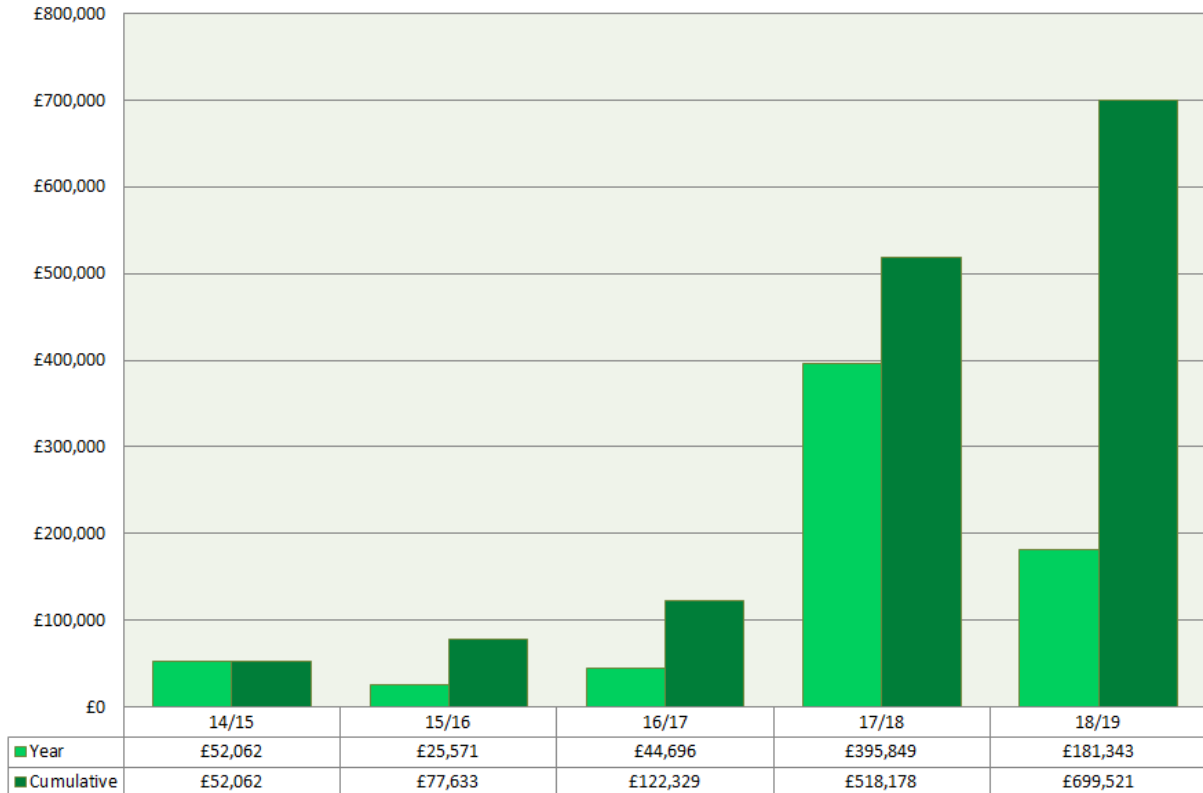
| Community Centre | Actual Spend 14/15 - 18/19 | Future Spend 19/20 - 23/24 | Future Spend 24/25 - 28/29 | Future Spend 10 Year Total |
|----------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Hampson Park CC | £6,765 | £25,500 | £0 | £25,500 |
| Bedwell CC | £57,372 | £54,120 | £231,550 | £285,670 |
| Shephall CC | £54,783 | £173,700 | £16,225 | £189,925 |
| Chells Manor CC | £8,198 | £19,900 | £52,000 | £71,900 |
| The Oval CC | £316,272 | £135,200 | £184,200 | £319,400 |
| St Nicholas CC | £21,908 | £94,400 | £197,800 | £292,200 |
| Springfield House CC | £140,614 | £118,085 | £136,235 | £254,320 |
| Symonds Green CC | £46,709 | £6,600 | £74,800 | £81,400 |
| Timebridge CC | £37,340 | £14,100 | £107,700 | £121,800 |
| Douglas Drive SCC | £9,561 | £21,500 | £5,800 | £27,300 |
| Total | £699,521 | £663,105 | £1,006,310 | £1,669,415 |
| Compliance | £137,925 | £137,925 | £137,925 | £275,850 |
| Cost / Year | £167,489 | £160,206 | £228,847 | £194,527 |
| Cost / CC | £16,749 | £16,021 | £22,885 | £19,453 |

- 5.3 Figures vary from building to building as a result of the differing ages and conditions of the corresponding facilities, with larger and older buildings naturally requiring greater investment. In addition to a planned maintenance schedule, urgent health and safety issues are remedied as they surface.
- 5.4 Ultimately we can see that there is likely to be an increased level of spending required over the next 10 years compared to the previous five, with spending

between 2024/25 and 2028/29 estimated to be a significant increase on previous levels of spending.

5.5 Despite these high and escalating costs, it is clear that without continued support from the council in regards to maintenance costs that a majority of Community Associations in Stevenage would be unable to continue. This should be taken into account when issuing new leases.

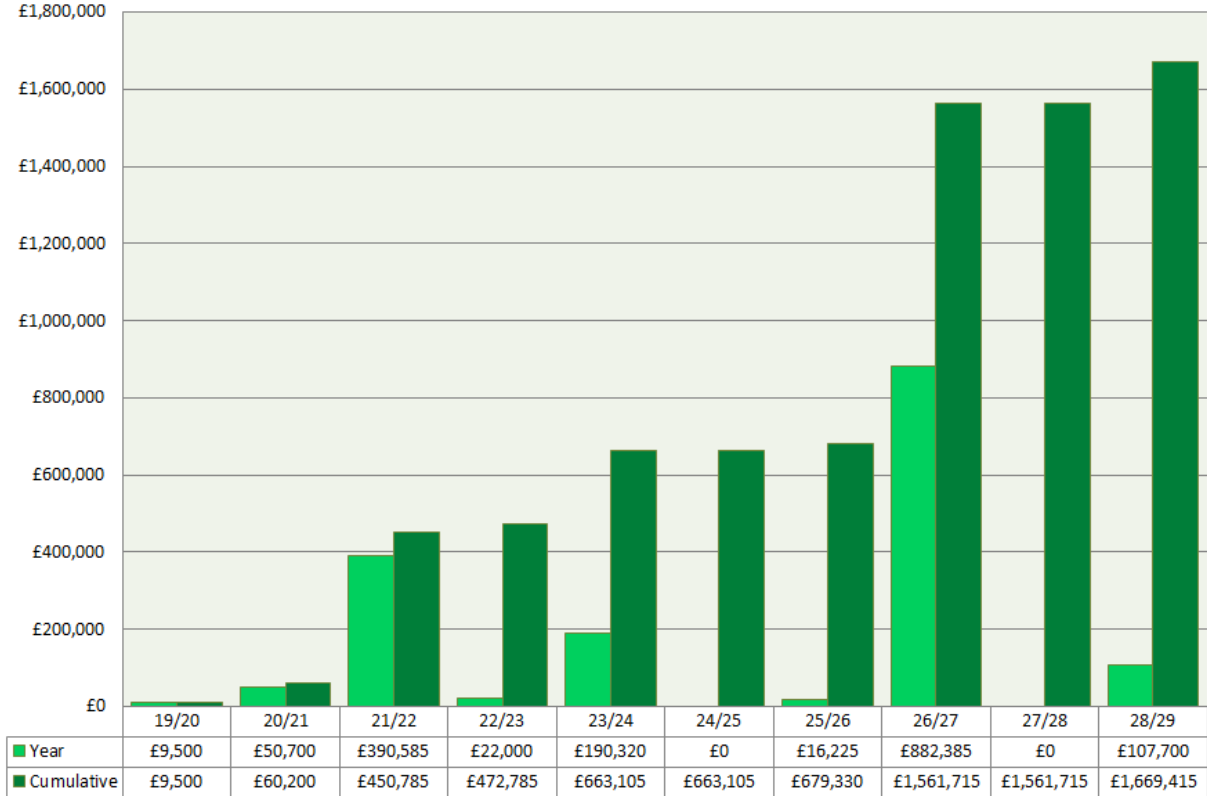
Cumulative Actual Spending – 2014/15-2018/19



5.6 Spending over the last five years has been solely focused on remedying crucial health and safety issues, with emphasis on keeping the buildings habitable, rather than ensuring they remain in good working order by providing enhancements to the current facilities. This has been necessitated by funding constraints as well as a commitment through the Asset Management Strategy to further reduce spending throughout the estate in order to relieve pressure on the capital fund.

5.7 The level of investment needed in order to enhance buildings in addition to keeping them running is significantly higher than the current levels of spending or the amount budgeted over the next 10 years.

Cumulative Urgent Predicted Spending – 2019/20-2028/29



5.8 When we look at the predicted spending for the next 10 years we can see that the average spending per community centre per year increases from the previous actual spending. Whilst the first five year period (2019/20 – 2023/24) shows a very similar spend to previous figures, this escalates drastically between 2024/25 and 2028/29. This increase is largely a result of the aging community facilities throughout Stevenage. This predicted spending does not take into account urgent unforeseeable issues that force a decision between further increases to spending or the reprioritisation of less urgent issues in order to remain within allocated budgets.

5.9 Again, as with spending throughout 2014/15 to 2018/19, this predicted spending focuses primarily on addressing key health and safety works, with very little room for enhancements to current community buildings.

5.10 These figures do not include estimates for the retrofitting of all current community facilities to meet the councils 2030 climate change targets. This will noticeably increase spending over the next 10 years and is not currently assessed as part of the 2018 Stock Condition Survey. Further highlighting the unsustainable and growing financial pressures associated with the current model.

5.11 It is apparent that these financial implications do not represent a sustainable position for the current delivery model. Moreover, these costs will increase further over the next 10 years due to climate change and other unpredictable costs, resulting in additional financial pressures or a reduction in the

maintenance standard of facilities if work is deferred due to more urgent priorities. This directly ties into the recommendations of this review as exploring the feasibility of building new community facilities in order to help to relieve these pressures on the council whilst sustaining community provision represents a key drive, in adopting a new model.

- 5.12 Future redevelopment opportunities should consider the findings of the Community Centre Review, especially the integration of the Hub & Spoke model for the provision of community facilities. The financial case for exploring redevelopment opportunities are primarily that construction costs would not be funded through the capital fund, that climate change and other future proofing can be built in rather than retrofitted and as we see with Hampson Park Community Centre that newer facilities have significantly lower maintenance costs than the current stock. All of which would help to substantially reduce the funding gap, whilst committing to updating and modernising community provision throughout Stevenage.

Legal Implications

- 5.13 It is important that Community Associations' occupation of the Community Centres is regularised by the completion of new Leases.
- 5.14 Where the Council grants a lease for a period of more than 7 years it is required to obtain the best consideration that can reasonably be obtained or obtain the Secretary of State's consent to dispose at an undervalue. That consent is however deemed where the undervalue is less than £2m and the Council is satisfied that the purpose for which the land is disposed is likely to contribute to the promotion or improvement of the economic, social or environmental wellbeing of the area.
- 5.15 Specific consideration will need to be given to the future of the Social Clubs at Timebridge Community Centre and Shephall Community Centre.
- 5.16 The council continues to maintain ultimate legal responsibility for leasehold property; this includes all current community centres. This is tied into the review of the management of properties and the council's Corporate Landlord responsibilities.

Risk Implications

- 5.17 Community centres continue to face risks to financial stability as a result of the current model. A core aim of the Co-operative Compact Partnership will be to continue to provide support on sustainability and adaptability for all Community Associations in the current charitable sector.
- 5.18 The ultimate responsibility for community facilities falls on the council as landlord. This is tied directly into the Corporate Landlord function, which will aim to develop the robustness of compliance and health and safety requirements across all council owned property.
- 5.19 In circumstances where community associations decide to cease operations, the council will employ exception plans in order to ensure that community uses are protected and supported in the same or alternative neighbourhood venues.

Equalities and Diversity Implications

- 5.20 The council is committed to ensuring community buildings and assets further community cohesion and building stronger communities across the town. Equality and diversity have had a central role in the delivery of community consultation activities.
- 5.21 As a key part of the Co-operative Compact Partnership both Stevenage Borough Council and all Community Associations have and will continue to give due consideration to how community centres will also serve the following protected characteristic groupings, by being safe, equitable and welcoming environments.
- Age
 - Gender
 - Sexual Orientation
 - Gender Identity
 - Race
 - Maternity and Paternity
 - Disability
 - Religion and Belief
- 5.22 Stevenage Borough Council and all Community Associations have and will continue to give due consideration to the provision of community buildings and socio-economic needs, ensuring that the community offer from the council's community buildings is as accessible as possible.
- 5.23 There are significant positives regarding the preferred approach in this area. All consultation activities have been conducted taking into account the need for representation for all Stevenage residents, with participants coming from a wide range of backgrounds and being inclusive of all protected characteristics groupings.
- 5.24 Moreover, the hub model allows for far greater inclusion of groups not currently engaged with community provision in Stevenage. With the Co-operative Compact Partnership serving as the mechanism to facilitate engagement with a wider range of service users, backed up by detailed demographic data from ward profiles in order to better understand the diverse communities that community centres serve.

Service Delivery Implications

- 5.25 Service delivery implications have been considered. The proposed continuation of the Co-operative Compact Partnership has been developed as an enabling mechanism to continue the working partnership between the council and community associations developed in stage two of the review.
- 5.26 Community Associations will need to judge how the findings of the review impact their current delivery, and how a continuation and expansion of the Co-operative Compact Partnership will impact service delivery.
- 5.27 If additional operational support for community buildings is required the Communities and Neighbourhood team will need to respond and allocate the

existing business support function accordingly. The impact of these measures will be assessed on a case by case basis.

Safeguarding Children Implications

- 5.28 Safeguarding implications throughout stage two of the community centre reviews such as activities with the Youth Council and young people, in particular, have been fully considered.
- 5.29 It is clear that council oversight of safeguarding within community centres would benefit from a more focused approach. Community Centres have safeguarding policies as part of their requirements as a charity, but they have not been included in the Contract Managers Toolkit, unlike other similar contractual arrangements.

BACKGROUND DOCUMENTS

- BD1 Background Documentation – Community Centres Overview

APPENDICES

- A Appendix A – Consultation Overview

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Community Centre Review

Appendix A

Consultation Overview v1.2

| Version | Author | Date |
|----------------|----------------|-------------|
| 1.0 Draft | Daryl Jedowski | 20/11/19 |
| 1.1 Complete | Daryl Jedowski | 26/11/19 |
| 1.2 Final | Daryl Jedowski | 03/12/19 |

Background

Stage one of the Community Centre Review centred on several key recommendations that were to be carried on into stage two of the Community Centre Review. These were:

- The undertaking of a wider **Community Consultation** to highlight the needs of Stevenage residents.
- The implementation of a **Co-operative Compact Agreement** to form a partnership working group with Community Associations to get their opinion on next steps.

In order to achieve these objectives, consultation activities were undertaken to answer two main questions, which form the basis of the information contained in this document. Both the Focus Groups and the Survey Consultation aim to address these questions in either a qualitative or quantitative fashion. The two core questions are:

- What are the current **pros** and **cons** of community centre delivery?
- What additional things would you like to see community centres do in the **future**?

The consultation activities were designed to gather as broad a range of opinions as possible. This is consistent with a Co-operative way of working which promotes agency and representation for all key stakeholders. The main components of this consultation were:

- **Focus Groups** – Of Community Centre users and general Stevenage Residents. Four User and Resident Focus Groups plus an additional Focus Group with the Stevenage Youth Council.
- **In-Person Consultation** – Launching at Stevenage Day on June 9th 2019. Further delivered through members of the Communities & Neighbourhoods team, through their roles interacting with local residents.
- **Digital Consultation** – Promoted using Stevenage Borough Council website and social media throughout September 2019.

All of these activities represent a hugely important part of the work of the community centre review. This data directly impacts and informs many of the recommendations made in the review, especially the development themes that highlight specific areas for improvement.

Key Findings

- Community Centres are very good at meeting the needs of their current users. However, the barriers to entry for new users, especially working age adults and young people are significant, and not addressed by the current model. A central benefit of the adoption of the Hub & Spoke model is that it will allow greater diversity in offering and can be designed to break down these barriers.
- Stevenage residents feel part of their local community, recognising and appreciating the social value that community centres bring to the town. Even those who do not often interact with community centres believe that they have a role to play in the town wide ecosystem.
- The council are well placed to add value outside of the traditional funding role, by enhancing the relationship between community associations and the Communities and Neighbourhoods team. The current role of the council and community associations is not well understood by users or group organisers.

Focus Groups

Background

The Focus Group work has come out of a key recommendation of the Stage one Community Centre Review. It is impossible to capture a nuanced understanding through the use of surveys alone. This qualitative data is crucial in highlighting both the strengths and weaknesses of current delivery for feedback and recommendations as the second part of the review.

The main purpose of the focus group was to answer two overarching questions:

- What are the current **pros** and **cons** of current community centre delivery?
- What are the main **future considerations** going forward?

In order to facilitate these goals, the sessions comprised of four exercises, splitting the focus group into smaller groups to discuss before feeding back to the whole group. These exercises were designed to make the session engaging in order to encourage widespread feedback. The exercises were as follows:

1. What are the **pros** of your experience with community centres?
2. What are the **cons** of your experience with community centres?
3. Write down **five** future considerations you believe are important to community centres.
4. Swap papers with another group and rank their **five** future considerations from most important to least important.

The Focus Group part of the consultation had 42 total participants, over 5 groups, involving a wide range of ages, backgrounds and engagement with community use. The overarching points have been drawn together in order to create a list of key findings for each section.

Positives

- Community Centres provide local agency and involvement.
 - Gets users involved in the community.
 - CCs positioned as the heart of the community.
 - CC staff are friendly and approachable.
- CCs are good at engaging with their user base. Participants often use more than one community centre for several classes multiple times a week.
- CCs are numerous enough that travel beyond your local centre is possible if there is something of specific interest.
 - There are a number of centres of different sizes throughout the town, offering room sizes and facilities to fit many purposes.
- CCs provide an affordable source of leisure and community activities.
- Supplementary services such as community cafe diversify the offering appealing to a broader subset of people than traditional CC activities.
- CCs are clean with good interior fixtures and fittings.

Negatives

- Barriers to entry for working people.

- Limited activities during the evening or weekend.
- Especially challenging to involve younger working adults.
- No centralised timetable information for those short on time.
- Community centre staff are primarily community minded, so it can be difficult to adapt to the ever increasing business demands.
 - Some may require help accessing funding streams.
 - Some may require assistance with wider governance.
- Uncertainty regarding the relationship between SBC and CAs. Many believed that SBC operate the CCs.
- Group organisers often feel like customers, rather than business partners.
 - No tapered pricing structure for start-up groups
 - Managers could work with the community to proactively form groups, rather than relying on people coming to them.
- Part time staffing constraints result in a very different feel for centres at different times of the day.

Future

- It is important that SBC maintenance support continues in order to allow CAs to operate.
- Community does not mean the same thing as it did 50 years ago. Community Centres need to adapt to meet this.
- Inclusivity is important going forward. Appealing to a larger subsection of the population by delivering a wider spectrum of activities could unlock potential.
 - Broader range of activities.
 - Activities on offer at more diverse days and times.
- Opportunities to improve the council website to allow for centralised visibility.
- Opportunities for the council to provide support beyond just the traditional funding that has been provided.
 - Links to skills development.
 - Arranging external speakers.
 - Added value from a strong relationship with Community Development Officers and other members of the Communities and Neighbourhoods Team.
- Integration of volunteers, either through the community or from specific volunteering organisations could help with challenging staffing costs.

Youth Consultation

The youth consultation tasked the youth council with highlighting whether they use community centres, citing the reasons for their answers. Thereafter the consultation asked participants what there is to do in their area and throughout the town, before asking them to create their ideal location.

Do you currently interact with community centres?

- Most members of the youth council indicated that they rarely if ever interacted with Community Centres.
- Those that did interact attended specific organised groups at the centre, either now or in the past. This included things such as dance classes or cubs, brownies or scouts.
 - They often travelled with their parents to these classes, so distance was a smaller issue.

What do you do in your free time?

- Most members cited that outside of specific clubs, they tried to find places close to them where they could socialise with friends without any specific objective or motivation.

- They specified that for general recreation activities they found it difficult to travel large distances as they would have to walk, cycle or use public transport.
- Most did not venture too far from their homes and instead focused on what was available in the immediate vicinity.

What is there to do in your area?

- Recreation space is primarily open spaces such as parks, shopping centres, or the main areas of the town such as the town centre or the old town.
- These spaces often line up closely with where they go to school, as they are familiar with the area and parents are often more willing to let them go to these areas.
- There is a lack of dispersed youth provision in Stevenage, with many finding it difficult to travel into the town centre outside of specific group activity.

What is your ideal 'Local Hub'?

- Some hugely creative ideas were expressed. Each group had a large sheet on which they illustrated their ideal hub concept.
- The primary desire from almost all participants was the need for a social hangout space that was accessible throughout the town.
- Things such as free Wi-Fi, comfortable seating, table tennis/pool tables, audio visual and gaming hardware proved to be popular suggestions.
 - Most did not want these things to be organised activities, but part of an inclusive space that would allow them to meet friends in a safe environment.

Survey

Background

The survey activities of the consultation were split into two main parts, with both an In-person and digital consultation being conducted. The consultation was delivered using the Qualtrics platform, allowing for data analysis tools to be utilised. Eleven questions were asked, in order to prevent disengagement issues resulting from a longer, more time consuming survey.

The consultation started on the 9th of July at the Stevenage Day event. During this event over **50** people took part in the consultation, giving a good base for the rest of the survey. Throughout the following months, until the 30th September when all consultation activities were closed, both in-person and digital consultations were undertaken. The remaining **150** responses have been gathered between July 9th and September 30th through both in-person consultation and sharing with different community groups engaged with the Communities and Neighbourhoods team. Throughout September 2019, the consultation was shared on Stevenage Borough Council social media platforms gathering around **140** responses.

This totalled **342** total responses collected during the consultation period.

Key Findings

- Respondents throughout the town showed an even distribution. With the higher number of responses correlating with the larger population centres throughout the town. There is a slight bias towards those users that may travel to the town centre, due to the ease of gathering responses in this area.
- Generally people are very fond of their communities, acknowledging the part that community centres have to play in this.

- People struggle to identify what is on in community centres, especially if they do not already interact with them. This is a significant barrier to entry that has been highlighted as one of the key areas that would increase interaction from new users if addressed.
- Diversification of offering including timing and delivery is important to people. This is obviously more of a focus for those individuals who do not currently interact with community centres.
- There is a significant number of young families in Stevenage, resulting in less of an ageing population than is seen throughout the country as a whole. Activities targeted at a diverse range of ages would help to reduce the barriers to entry for this group.
- Whilst many people would be prepared to volunteer in community centres, the amount of time that people are able to give is limited. This means that volunteering opportunities in the community may be best focused on event or project delivery, rather than operational activities.

Question One:

What area of Stevenage do you live in?

| Question 1 | Count | Percentage |
|---------------|-------|------------|
| Bandley Hill | 21 | 6.14% |
| Bedwell | 30 | 8.77% |
| Chells | 27 | 7.89% |
| Longmeadow | 20 | 5.85% |
| Manor | 21 | 6.14% |
| Martins Wood | 25 | 7.31% |
| Old Town | 34 | 9.94% |
| Pin Green | 26 | 7.60% |
| Roebuck | 24 | 7.02% |
| Shephall | 24 | 7.02% |
| St Nicholas | 27 | 7.89% |
| Symonds Green | 25 | 7.31% |
| Woodfield | 24 | 7.02% |
| Other | 14 | 4.09% |
| Total | 342 | 100.00% |

There was a good distribution of responses provided throughout the town, with high correlation between the number of responses and the towns larger population centres. Bedwell and the Old Town are the largest wards by population, with Bedwell also being the location of the Town Centre where many of the responses were collected.

Question Two:

What is your nearest community centre?

| Question 2 | Count | Percentage |
|-------------------|-------|------------|
| Bedwell CC | 34 | 9.94% |
| Chells Manor CC | 19 | 5.56% |
| Douglas Drive | 0 | 0.00% |
| Hampson Park CC | 31 | 9.06% |
| Shephall CC | 43 | 12.57% |
| I don't know. | 62 | 18.13% |
| Springfield House | 29 | 8.48% |
| St Nicholas CC | 35 | 10.23% |
| Symonds Green CC | 33 | 9.65% |
| The Oval CC | 31 | 9.06% |
| Timebridge CC | 25 | 7.31% |
| Total | 342 | 100.00% |

We can see that there is a good spread of responses from each community centre, with the exception of 'Douglas Drive' and the 'I don't know' categories. This is not surprising, as most people would not see Douglas Drive as a Community Centre due to its more specific purpose. Moreover, due to the nature of the survey, we would expect 'I don't know' to be the largest category throughout the town.

Question Three:

In the average week, which of the following activities are important to you?

| Question 3 | Count | Percentage |
|-----------------------------|-------|------------|
| Arts/Culture Activities | 139 | 14.93% |
| Sport/Leisure Activities | 145 | 15.68% |
| Activities for Children | 152 | 16.33% |
| Activities for Young People | 142 | 15.25% |
| Cafés, Bars & Restaurants | 152 | 16.33% |
| Community Groups | 73 | 7.84% |
| Shopping & Retail | 123 | 13.21% |
| Other | 4 | 0.43% |
| Total | 931 | 100.00% |
| Average | 2.72 | |

This question had a very even distribution of responses between the highest five categories. Community Groups has the lowest representation of outside of the 'Other' category. However, there is likely a high degree of overlap between this category and some of the more populous answers. There is significant demand for activities for young people and children, which are currently difficult to meet in the current model.

Question Five:

How many hours a week do you spend using your local community centre?

| Question 5 | Count | Percentage |
|------------|-------|------------|
| None | 198 | 57.89% |
| 0-2 Hours | 77 | 22.51% |
| 2-4 Hours | 48 | 14.04% |
| 4-6 Hours | 11 | 3.22% |
| 6-8 Hours | 4 | 1.17% |
| 8+ Hours | 4 | 1.17% |
| Total | 342 | 100.00% |

We can see that a majority of the responses to this question do not regularly interact with community centres. 42.11% of respondents indicated that they used community centres compared to 57.89% who do not. This is not surprising given the mostly random sampling combined with those that use community centres

Question Six:

I feel part of my local community.

| Question 6 | Count | Percentage |
|----------------------------|-------|------------|
| Strongly Disagree | 22 | 6.45% |
| Somewhat Disagree | 56 | 16.42% |
| Neither Agree nor Disagree | 75 | 21.99% |
| Somewhat Agree | 129 | 37.83% |
| Strongly Agree | 59 | 17.30% |
| Total | 341 | 100.00% |

Overwhelmingly people responded positively to this question, with 55.13% of respondents somewhat or strongly agreeing, this is compared to only 22.87% who strongly or somewhat disagree.

Question Seven:

I feel like community centres provide services for me and people like me.

| Question 7 | Count | Percentage |
|----------------------------|-------|------------|
| Strongly Disagree | 52 | 15.20% |
| Somewhat Disagree | 77 | 22.51% |
| Neither Agree nor Disagree | 83 | 24.27% |
| Somewhat Agree | 91 | 26.61% |
| Strongly Agree | 39 | 11.40% |
| Total | 342 | 100.00% |

This was a slightly more mixed response, with 38.01% in agreement with the question and 37.71% disagreeing. Whilst this is a mixed bag, when we consider that 57.89% of respondents state they do not use community centres (as per question five) on a weekly basis we can see why some would not be as engaged.

Question Eight:

I know what is offered at my local community centre.

| Question 8 | Count | Percentage |
|----------------------------|------------|----------------|
| Strongly Disagree | 89 | 26.02% |
| Somewhat Disagree | 99 | 28.95% |
| Neither Agree nor Disagree | 68 | 19.88% |
| Somewhat Agree | 57 | 16.67% |
| Strongly Agree | 29 | 8.48% |
| Total | 342 | 100.00% |

This response again demonstrates one of the main threads of the consultation process. Outside of the activities that individuals currently interact with, a majority seem to have difficulty finding out what else is going on in centres. This may be due to a lack of web presence, or a lack of time to research the options either in person or online. We can see that only 25.15% of respondents agree or strongly agree with this question.

Question Nine:

What are the current barriers preventing you from interacting with community centres more?

| Question 9 | Count | Percentage |
|--|-------------|----------------|
| I am unable to travel the distance. | 44 | 6.51% |
| I don't know whats on. | 183 | 27.07% |
| I have other family commitments. | 109 | 16.12% |
| They don't provide value for money. | 5 | 0.74% |
| I am not interested in the activities. | 105 | 15.53% |
| I don't have the free time. | 66 | 9.76% |
| I use other leisure facilities. | 136 | 20.12% |
| Other. | 28 | 4.14% |
| Total | 676 | 100.00% |
| Average | 1.98 | |

Again the most populous answer to this question is linked to a lack of visibility, and tied in heavily with the previous question. We can also see that many respondents have other family commitments and use other leisure facilities, something that could be tackled by a diversification of provision. However, very few people are concerned with the distance they are required to travel and even fewer feel they do not provide value for money.

Question Ten:

Which of the following would be most likely to increase your interaction with community centres?

| Question 10 | Count | Percentage |
|--|-------------|----------------|
| Affordability. | 18 | 2.03% |
| More activities at different days/times. | 161 | 18.15% |
| More diverse activities. | 140 | 15.78% |
| More unique activities or events. | 141 | 15.90% |
| More activities for children/teens. | 112 | 12.63% |
| Increased visibility of activities. | 173 | 19.50% |
| Opportunities to meet with new people. | 125 | 14.09% |
| Other. | 17 | 1.92% |
| Total | 887 | 100.00% |
| Average | 2.59 | |

Again following a similar trend, we see that increased visibility of activities is the highest response to this question. Despite this, there is a much more even distribution of responses, with people highlighting a desire for more activities at different days/times, more diverse and unique activities. This highlights areas that have been taken into account as part of the recommendations.

Question Eleven:

How many hours a week do you spend volunteering in the community?

| Question 11 | Count | Percentage |
|--------------|------------|----------------|
| None | 281 | 82.16% |
| 0-2 Hours | 42 | 12.28% |
| 2-4 Hours | 6 | 1.75% |
| 4-6 Hours | 9 | 2.63% |
| 6-8 Hours | 0 | 0.00% |
| 8+ Hours | 4 | 1.17% |
| Total | 342 | 100.00% |

The final two questions revolve around volunteering, as this is one of the main areas that Community Associations have struggled with in recent times. We see that only 17.83% respondents do any kind of volunteering activities, with even fewer being able to give up significant amounts of time. This is not surprising as whilst people are often open to the prospect of volunteering weekly commitment is a different prospect.

Question Twelve:

I would be interested in volunteering at my local community centre.

| Question 12 | Count | Percentage |
|----------------------------|------------|----------------|
| Strongly Disagree | 67 | 19.65% |
| Somewhat Disagree | 98 | 28.74% |
| Neither Agree nor Disagree | 76 | 22.29% |
| Somewhat Agree | 84 | 24.63% |
| Strongly Agree | 16 | 4.69% |
| Total | 341 | 100.00% |

There is some interest in being involved with volunteering opportunities in community centres. Community Associations would need to access how this is best used. Small scale time limited projects is one area that may not encroach significantly on people's time and provide a creative or social outlet for people.

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Meeting Executive
Portfolio Area Environment & Regeneration
Date 16 December 2019



COMMUNITY INFRASTRUCTURE LEVY (CIL)

KEY DECISION

1 PURPOSE

- 1.1 To inform Members of the key outcomes of the public examination of the Community Infrastructure Levy (CIL) Draft Charging Schedule (DCS).
- 1.2 To provide Members with a summary of the Examiner's Report
- 1.3 To seek agreement to recommend to Council that the Charging Schedule (CS) be approved.

2 RECOMMENDATIONS

- 2.1 That the outcomes of the independent examination be noted.
- 2.2 That the content of the Examiner's Report be noted (attached as Appendix A).
- 2.3 That Executive recommends to Council that:
 - (i) it accepts the Examiner's modifications and recommendation to approve the Charging Schedule, and supporting Instalments Policy and Payments in Kind Policy, attached at Appendices B-D to the report
 - (ii) it approves the Charging Schedule, and supporting Instalments Policy and Payments in Kind Policy, to be brought into effect on 01/04/20

- (iii) it approves the setup of an allocated financial reserve to draw down on for the CIL Officer post with an annual review
- 2.4 That subject to Council approving the Charging Schedule and supporting documents, delegated authority be given to:
- (i) the Assistant Director, Planning and Regulation, having consulted the Portfolio Holder for Environment & Regeneration, to authorise the expenditure of CIL funds under £75,000.
 - (ii) Planning and Development Committee to authorise the expenditure of CIL funds of £75,000 or more

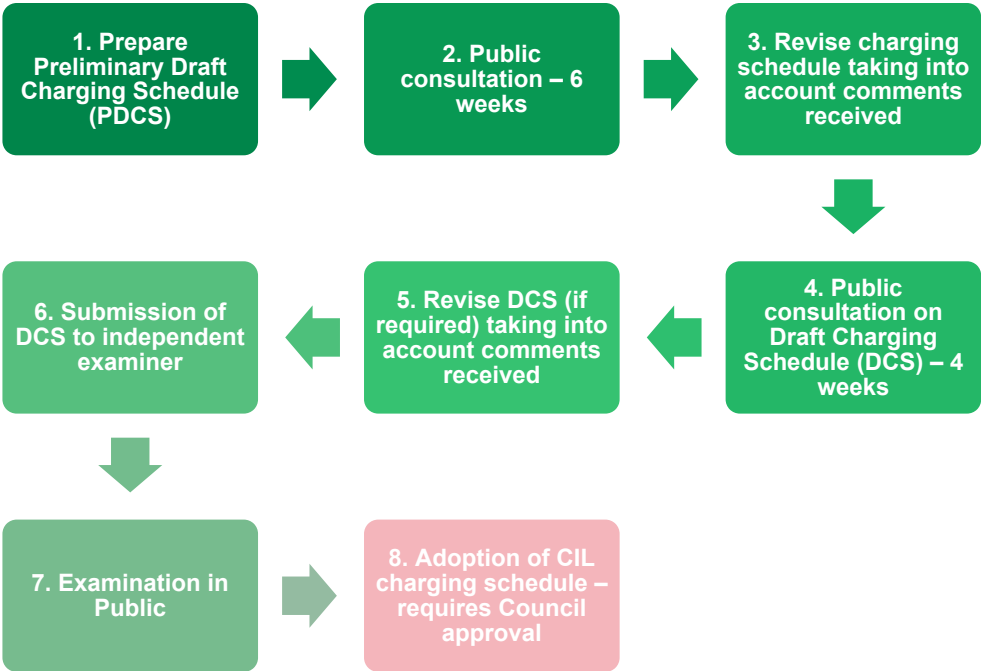
3 BACKGROUND

- 3.1 The Community Infrastructure Levy (CIL) is a planning charge introduced by the Planning Act 2008, as a tool for local authorities to help deliver infrastructure to support the development of their area. It allows local authorities to raise funds from developers undertaking new building projects. The money can be used to fund a wide range of infrastructure, such as transport schemes, schools, community facilities, parks and leisure facilities, which are needed as a result of development taking place.
- 3.2 CIL is fairer, faster and more certain and transparent than the system of planning obligations (S106), which causes delay as a result of lengthy negotiations and is subject to viability. The benefit of CIL is that once it is collected it can be used to deliver any infrastructure that the Council wish – it is not ring-fenced for a specific scheme or type of project.
- 3.3 S106 would still be used for site specific mitigation, particularly for the larger schemes i.e. where a whole school is required as part of a specific development (e.g. North Stevenage and West of Stevenage) or where road/cycleway improvements are required within or in close proximity to the development. S106 is only allowed for infrastructure that is directly related to the scheme and is required in order for the development to be acceptable.
- 3.4 Background to the Executive’s decision to adopt CIL is contained within the September 2018 Executive Report (BD03). This report also contains further details on the evidence base used to inform proposed CIL rates which were discussed at the Examination in Public and are outlined below:

Table 2: Proposed CIL levy rates

| Development type | CIL rate | |
|-----------------------|--------------------------|-------------------------|
| | Zone1: Stevenage Central | Zone 2: Everywhere else |
| Residential | | |
| Market housing | £40/m ² | £100/m ² |
| Sheltered Housing | | £100/m ² |
| Extracare housing | | £40/m ² |
| Retail Development | | £60/m ² |
| All Other Development | | £0/m ² |

- 3.5 The steps required to implement CIL are set out below.
- 3.6 Following public consultations in September 2018 and April 2019, the Draft Charging Schedule was submitted to an Independent Examiner on 2 August 2019 (approved by Executive in June 2019).
- 3.7 A public hearing session was held on 5 September.
- 3.8 Following the receipt of the Examiner’s Report, Executive is requested to recommend to Council that it approve the CIL Charging Schedule with effect from 1 April 2020.



4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

Recommendation 2.1: That the outcomes of the independent examination be noted.

- 4.1 Following approval by Executive in July 2019, the Draft Charging Schedule (DCS) was submitted to an independent examiner on 2 August 2019. Mr Philip Staddon BSc, Dip, MBA, MRTPI, of PJS Development Solutions Ltd., was appointed by the Council to examine the plan.
- 4.2 A public hearing session was held for one day on 5 September 2019.
- 4.3 During the consultation period for the DCS, representors can request that they be notified of the submission and examination of the DCS and can request to be heard by the Examiner at a public examination hearing session.
- 4.4 Four representors made this request:
 - Hertfordshire County Council
 - Taylor Wimpey and Persimmon Homes
 - Hill Residential
- 4.5 The examination hearing session was entirely led by the Examiner, with the Council as an active participant, along with those parties listed above.
- 4.6 At the hearing session, the Examiner went through the Council's approach to growth (as set out in the Stevenage Borough Local Plan); the infrastructure required to support this growth; the viability evidence used by the Borough Council to inform the proposed CIL rates; the specific points raised by the objectors; and other matters, including the draft Instalment Policy.
- 4.7 During the session it was established that although the viability appraisal modelling and assumptions that underpins the CIL rates were correct, there was an inputting error. This was not something the Council or the Examiner was aware of, so its implications needed to be fully understood.
- 4.8 The error related to the affordable housing requirement, which had been modelled incorrectly with a mix of 30% affordable rent and 70% intermediate, as opposed to the Policy HO8 requirement of 70% affordable rent and 30% intermediate.
- 4.9 During a break in the hearing session, the Council's viability consultant re-ran the appraisals, with the corrected figures included. The re-run was also used to include recently confirmed infrastructure costs specific to the West of Stevenage site. The output of this work was considered by the Examiner and those in the room. Following some initial discussions, it was agreed that a sensible way forward would be to allow all Reg 17 respondents, including those not present at the CIL examination, an opportunity to look at the revised evidence in more detail and to provide representations to the Examiner on it .
- 4.10 As a result of the revised modelling the Council asked the Examiner to recommend amendments to the proposed rates for both West and North

Stevenage, to reduce the rates for both of these sites to £40/m². Whilst the rates for these sites were reduced, they were returned to the original rates as set out at the Local Plan EIP.

- 4.11 It was agreed with the Examiner that a period of 2 weeks should be allowed for consultation responses to be received. The Examiner would then consider the new evidence presented, and the responses made, before finalising his report.

Recommendation 2.2: That the content of the Examiner's Report be noted (attached as Appendix A).

- 4.12 Following the hearing session held on 5 September 2019, the Examiner prepared a formal report detailing the findings of his examination of the CIL charging schedule. The report contains recommendations and reasons for those recommendations.
- 4.13 The Examiner's Report was received on 06 November 2019.
- 4.14 The report concludes that, subject to certain recommended modifications, the Stevenage Borough Council Draft Community Infrastructure Levy Charging Schedule provides an appropriate basis for the collection of the levy in the area. The required modifications relate to a reduction of the CIL to £40 per square metre in the areas covered by the Stevenage West and North of Stevenage urban extensions and, for clarity, the insertion of explanatory notes to define types of older persons' housing developments.
- 4.15 The Report concluded that the Council has complied with the legislative requirements and, subject to the recommended modifications, is able to demonstrate that it has sufficient and appropriate evidence to support the Schedule and can show that the levy rates would be set at levels that will not put the overall development of the area, as set out in the adopted Stevenage Borough Local Plan (adopted May 2019), at risk.
- 4.16 The proposals will secure a valuable and important funding stream for infrastructure necessary to support planned growth in the borough for which there is a demonstrated funding gap.
- 4.17 The report recommends the Stevenage CIL charging schedule be approved subject to the modification detailed above.
- 4.18 The full Examiner's Report is available in Appendix A.

Recommendation 2.3: That Executive recommends to Council that (i) it accepts the Examiner's modifications and recommendation to approve the Charging Schedule and supporting Instalments Policy and Payments in Kind Policy
(ii) it adopts the Charging Schedule and supporting Instalments policy and Payments in Kind Policy at Appendix B to the report, to be brought into effect on 01/04/2020

- 4.19 Upon receipt of the Examiner's Report, the Council can either approve the CIL charging schedule, with the modifications proposed, or it must withdraw the schedule.
- 4.20 Executive is requested to recommend to Council that it approve the CIL charging schedule and supporting documents at Appendix B to the report.
- 4.21 It is best practice to allow a certain amount of time between approval of the charging schedule and the date from which it will take effect. This allows the Council to set-up internal CIL-related procedures and to make prospective developers aware that CIL is about to be implemented and will impact upon any future schemes.
- 4.22 It is recommended that the charging schedule, and its associated policies, take effect from 01/04/2020.

Recommendation 2.4: Recommendation relating to governance

- 4.23 CIL will only be liable on planning permissions granted after 1 April 2020 and can only be collected on the commencement of development. Therefore it is to be expected that there will be a time lag from implementation to receiving any meaningful CIL receipts and allocating spending priorities.
- 4.24 In order to meet the introduction requirements of CIL, the Council had to demonstrate that an infrastructure 'gap' existed. In order to do this the Council produced an Infrastructure Delivery Plan (IDP) which will be used to guide CIL spending.
- 4.25 CIL and S106 income and expenditure will be reported annually to members and published on the Council's website, along with the infrastructure priorities and local needs.
- 4.26 CIL spending is set out in the regulations which require that 15% of the CIL must be spent in the local area it was collected and is known as the 'meaningful proportion'. No commitments have been made on how this money will be prioritised yet and it is unlikely that any funds will be available until 2021 due to how CIL is collected.
- 4.27 It is recommended that CIL infrastructure expenditure below £75,000 is delegated to the Assistant Director of Planning & Regulation, having consulted the Portfolio Holder for Environment & Regeneration and that expenditure of CIL on infrastructure of £75,000 and above will be delegated to Planning & Development Committee.
- 4.28 The charge levels will be internally reviewed in 2021 to ensure the appropriate amounts are being secured.

4.29 In order to administer the collection of CIL

5 IMPLICATIONS

Financial Implications

5.1 The costs of implementing CIL will be met from the 5% CIL income the Council is allowed to keep for administration purposes in the long term (this includes the costs of Examination). In the meantime, it is being funded through the agreed departmental budget of the Planning Policy Team.

5.2 Financial implications relating to staffing are considered under para 5.10 to 5.12

5.3 Financial implications for the Council as landowner are examined further under 'Other Corporate Implications', paragraphs 5.13 - 5.15.

Legal Implications

5.4 The preparation of Community Infrastructure Levy is given effect by the 2008 Planning Act.

5.5 Detailed statutory requirements for the preparation of CIL, including consultation requirements, are set out in The Community Infrastructure Levy Regulations 2010 (as amended).

Risk Implications

5.6 As an additional cost to developers, CIL has the potential to make individual development schemes financially unviable which could impact the delivery of housing and associated necessary infrastructure across the Borough. However, the risks are minimised by proposing CIL rates that align with the viability evidence used to inform the Local Plan and subsequent updates.

5.7 The independent Examiner confirmed that the proposed CIL rates are set at an appropriate level that does not put the viability of schemes at risk.

Planning Implications

5.8 Once CIL is adopted, it will constitute a new council policy and will be payable for all qualifying development.

Environmental Implications

5.9 CIL has the potential to have a positive impact on the environment, as monies can be used towards improving/maintaining/new environmental infrastructure.

Staffing and Accommodation Implications

5.10 There will be an additional staff resource required (in the form of a part-time CIL officer) to manage the CIL process. In the longer term this will be funded

through the 5% of CIL monies local authorities are allowed to keep to administer CIL.

- 5.11 The initial projections for the first few years following implementation are difficult to predict. In the previous report to the Executive on CIL an estimate was made of just under £1m per annum, once fully established. This would mean resources available of £50,000 per annum to fund the additional officer post required. While this is sufficient to fund a part-time CIL officer in the medium to long term a CIL officer is required to be in post prior to the implementation of CIL, to set up systems and processes, in addition CIL income is likely to be lower during the first few years, due to instalments policies and phasing.
- 5.12 This means a supplementary estimate is required for the remainder of 2019/20 (for around £15,000) and 2020/21-2021/22 (around £21,000 per annum) to fund the officer for the initial 2-3 years, which Members are asked to approve. However, this money will be 'repaid' to the General Fund as 5% allocation is ring-fenced for this purpose and will be repaid back to the General Fund once sufficient monies are generated. It is anticipated this will then be cost neutral beyond 2021/22, however an annual review will take place to ensure the anticipated funds are being collected.
- 5.13 Based on a part-time, Grade 6 role, as a maximum estimate, the Growth Bid will be for £57,000 over the 3 year period (including all on-costs).

Other Corporate Implications

- 5.14 CIL will be payable for all qualifying development, therefore, it has the potential to impact on council-owned land, in terms of being a consideration in sales negotiations and in being levied when developing the Council's own schemes. This includes smaller residential sites (10 or less dwellings), which were previously exempt from making developer contributions (S106). This is an additional cost and has the potential to depress land values for the council's small sites. This is the same for larger sites, and there is a risk that developers will try to use this additional expense to negotiate down land values.
- 5.15 However, the viability evidence undertaken to inform the CIL charging rates, shows that the levy being proposed will be viable for both small and large-scale development. It will be under 3% of GDV on all sites, so very marginal overall. This takes into account land values at an appropriate market rate.
- 5.16 CIL will be payable on all development (save for those specific schemes where s106 will continue to be used) approved following its adoption, so is likely to affect any planning applications submitted from late 2019 onwards.

BACKGROUND DOCUMENTS

- BD1 [Executive Report, 11 Sept 2012](#)
- BD2 [Executive Report, 15 Dec 2015](#)
- BD3 [Executive Report, 5 Sept 2018](#)
- BD4 [Stevenage Borough Infrastructure Funding Strategy, Aecom, September 2015](#)
- BD5 [Whole Plan Viability Study including Community Infrastructure Levy, HDH Planning, September 2015](#)
- BD6 [Infrastructure Delivery Plan, SBC \(most recent version, March 2017\)](#)
- BD7 [Viability Update, December 2017](#)
- BD8 [Infrastructure Funding Gap – technical paper, July 2018](#)
- BD9 [Viability Update Technical Note, January 2019](#)

APPENDICES

- A SBC Community Infrastructure Levy Examiner's Report Draft
- B SBC Community Infrastructure Levy Charging Schedule
- C Instalments Policy
- D Payments in Kind Policy

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**PLANNING ACT 2008 (AS AMENDED)
SECTION 212**

**EXAMINATION UNDER SECTION 212 OF THE DRAFT
STEVENAGE BOROUGH COUNCIL COMMUNITY
INFRASTRUCTURE LEVY (CIL) CHARGING SCHEDULE**

REPORT TO STEVENAGE BOROUGH COUNCIL

BY

**MR PHILIP STADDON BSC, DIP, MBA, MRTPI.
AN INDEPENDENT EXAMINER APPOINTED BY THE
COUNCIL**

Charging Schedule submitted for examination on 2 August 2019

Examination Hearing held on 5 September 2019

Final report issued: 6 November 2019

Executive Summary

This report concludes that, subject to certain recommended modifications, the Stevenage Borough Council Draft Community Infrastructure Levy Charging Schedule provides an appropriate basis for the collection of the levy in the area. The required modifications relate to a reduction of the CIL to £40 per square metre in the areas covered by the Stevenage West and North of Stevenage urban extensions and, for clarity, the insertion of explanatory notes to define types of older persons' housing developments.

The Council has complied with the legislative requirements and, subject to my recommended modifications, is able to demonstrate that it has sufficient evidence to support the Schedule and can show that the levy rates would be set at levels that will not put the overall development of the area, as set out in the adopted Stevenage Borough Local Plan (adopted May 2019), at risk.

The proposals will secure a valuable and important funding stream for infrastructure necessary to support planned growth in the borough for which there is a demonstrated funding gap.

Introduction

1. The Community Infrastructure Levy (CIL) is a tool for local authorities in England and Wales to help deliver infrastructure to support the development of the area. CIL is payable on types of new development which create additional floorspace as prescribed in a charging schedule. Before CIL can be introduced, the local authority (the 'charging authority') must set out its CIL rates in a Draft Charging Schedule (DCS) and it must then be examined by an independent person (the Examiner). Any person asking to be heard before the Examiner at the examination must be heard in public.
2. I have been appointed by Stevenage Borough Council to undertake the independent examination of its DCS. I am a Chartered Town Planner with over 30 years' experience in the public and private sectors, including roles as a Planning Inspector and Independent Examiner. I can confirm that I am entirely independent of the Council and that, other than this examination role, I have no business or other interests within the Council's administrative area.
3. This report considers whether the DCS is compliant in terms of the Law¹ and associated Regulations² and whether it is economically viable, as well as reasonable, realistic and consistent with national guidance set out in the Planning Practice Guidance (PPG). My assessment has also taken in account

¹ Part 11 of The Planning Act 2008 (as amended)

² Community Infrastructure Levy Regulations 2010 (as amended)

the content of the National Planning Policy Framework (2019) (the Framework), including its approach concerning development contributions.

4. To comply with the relevant legislation and guidance, the charging authority has to submit a charging schedule that should set an 'appropriate balance' between helping to fund necessary new infrastructure and the potential effect of the proposed CIL rates on the economic viability of development across its area.
5. More specifically, the PPG states that the examination should establish that:
 - the charging authority has complied with the legislative requirements set out in the Planning Act 2008 and the Community Infrastructure Levy Regulations as amended;
 - the draft charging schedule is supported by background documents containing appropriate available evidence;
 - the proposed rate or rates are informed by and consistent with the evidence on economic viability across the charging authority's area; and
 - evidence has been provided that shows the proposed rate or rates would not undermine the deliverability of the plan.
6. These identified matters are the main issues that I have explored through this examination, on which public Hearing sessions were held on 5 September 2019.

Procedural and preliminary matters

7. On 1 September 2019 certain amendments³ to the CIL Regulations became effective. These include changes to charging schedule consultation requirements and publicity, although transitional provisions apply in this case. The changes also include the removal of Regulation 123, relating to lists of infrastructure types to be funded by CIL, and the lifting of the restriction on the pooling of funds for a single infrastructure project. The changes introduce a new regime for charging authorities, which must now produce annual Infrastructure Funding Statements and CIL rate summaries. These matters were discussed at the Hearing sessions and I have considered them in my assessment. Where appropriate and necessary, I have made references to these changes later in this report.
8. During the Hearing's exploration of the Council's evidence, it became apparent that the residential viability appraisals contained a computational error. This related to affordable housing requirements and associated costs. Whilst the report itself stated that these costs were modelled to reflect the local plan policy compliant mix, of 70% 'affordable rent' and 30% 'intermediate' housing, the actual detailed appraisal spreadsheets had transposed the proportions, such that the modelled results reflected 30%

³ The Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019

affordable rent and 70% intermediate housing. The effect of this error was to understate affordable housing costs and to overstate scheme viability in each modelled case where affordable housing was a policy requirement (the small sites with no affordable housing were clearly unaffected).

9. Whilst the Council's viability consultant was able to re-run the appraisals over the Hearing lunch break, I determined that, in the interests of procedural fairness, it would be necessary for the Council to formally produce this corrected evidence, with appropriate updates and commentary, and to invite all Regulation 17 respondents to make any further representations that they wished.
10. In addition to correcting the error, the Council also updated certain modelling assumptions and provided responses to questions and challenges that had been raised through the Hearing sessions. The corrected and updated appraisals led the Council to request that I consider modifying the CIL rates for two of the strategic sites. It also issued a note concerning the definition of types of older persons' housing developments.
11. The Council duly issued this material on 12 September 2019 and allowed a two week period for further representations to be made. Representations were received from three parties and I have taken these into account. I refer to these matters later in this report.

Stevenage Borough Council – CIL Draft Charging Schedule

12. The basis of the examination is the submitted DCS dated April 2019 (Document CIL 101) which was published for public consultation between 11 April 2019 and 17 May 2019.
13. The DCS proposes CIL charges for three different types of residential developments: 'market housing', 'sheltered housing' and 'extracare housing'. The market housing CIL is proposed at two rates differentiated by location: £40 per square metre (psm) in the relatively small Zone 1 which covers 'Stevenage Central' and £100 psm in Zone 2 covering 'everywhere else' (the majority of the borough). The proposed CIL for 'sheltered housing' and 'extracare housing' are £100 psm and £40 psm respectively and these rates are not differentiated by location i.e. the CIL rates apply across the entire borough (Zone 1 and Zone 2).
14. The DCS also proposes a borough wide £60 psm CIL for 'retail development'. The DCS states that 'all other development' types are £0 rated for CIL purposes.

Has the charging authority complied with the legislative requirements set out in the Planning Act 2008 and the Community Infrastructure Levy Regulations?

15. The Council has submitted a Statement of Compliance (Document CIL 103) which summarises its conformity with the requirements of the Act and the Regulations, including those in respect of statutory processes, public consultation, consistency with the Stevenage Local Plan (2019) and the

Infrastructure Delivery Plan (2017) (the IDP) and that it is supported by an adequate financial appraisal.

16. I am satisfied that the Council has complied with the Act and the Regulations and I am also satisfied that it is procedurally compliant with the Framework and the PPG.

Is the charging schedule supported by background documents containing appropriate available evidence?

Stevenage Borough Local Plan

17. The Stevenage Borough Local Plan ("the Plan") was adopted in May 2019. It is therefore a recent and up to date development plan and it is the 'relevant plan' for the proposed CIL. The Plan seeks to meet the identified needs for housing, economic, retail and other development in the period up to 2031. It sets out the Council's vision and strategy for sustainable growth in the borough.
18. In terms of new housing, the Plan sets out to deliver at least 7,600 new homes in the plan period. Some of these homes have already been provided but the balance is planned to be delivered through a range of site allocations. These include 2,700 dwellings proposed across three new neighbourhoods on strategic urban extension sites at 'Stevenage West' (1,350 homes), 'North of Stevenage' (800 homes) and 'South East of Stevenage' (550 homes). A further circa 2,000 homes are proposed in the town centre on a range of identified 'opportunity areas'. The Plan also includes 18 allocated sites spread across the urban area, ranging in size from 5 up to 275 dwelling units.
19. The Plan aims to support economic growth by accommodating at least 140,000 square metres of new B class employment floorspace at a range of locations, including 10,000 square metres within the Stevenage West urban extension. New comparison retail space of the order of 4,700 square metres is planned, with most of this expected to be delivered via an extension to the Westgate Centre in the town centre. Planned new convenience retail floorspace will include new local centres at the three urban extensions of about 500 square metres each.

Infrastructure evidence

20. The Plan's examination was supported by an Infrastructure Funding Strategy (Document CIL 110) and an IDP, which was updated during the Plan's examination in March 2017 (Document CIL 108). The IDP assesses and analyses the infrastructure needs across a range of categories including mobility; education; health; green infrastructure; emergency services; community and leisure; and utilities.
21. The Council assesses that, once known funding sources are deducted, there is an infrastructure funding gap of £89.4 million in the plan period. The majority of that gap is accounted for by mobility (£15.5 million), education (£34.4 million) and healthcare (£34.2 million) infrastructure requirements.

The Council estimates⁴ that, if its DCS were implemented soon, CIL may provide a sum of circa £16 million towards filling the gap in the Plan period. CIL would therefore make an important contribution to meeting the funding gap, although a significant shortfall would remain.

22. The Council has produced a List (Document CIL 104) that sets out the infrastructure that it intends to fund, partly or wholly, through CIL receipts. The List was originally titled 'Draft Regulation 123 list' but, following the removal of that Regulation, the Council has confirmed that the List will now form the basis of its 'Infrastructure List' to be included in its forthcoming annual Infrastructure Funding Statements and CIL rate summary.
23. The List includes the provision of infrastructure covering primary school expansions, secondary schools, outdoor sports facilities, open spaces, transport and public realm improvements. Whilst high level in its drafting, the List is clear and provides a good indication of the intended destiny of CIL revenues. Whilst some representors made comments and suggestions about the List, in the light of the regulatory change (deleting Regulation 123 and pooling restrictions), these are matters that are now more appropriately addressed by the Council through the new annual statement process.
24. Overall, the evidence indicates that the infrastructure funding gap is substantial and that the imposition of a CIL regime is justified. CIL revenue would make an important contribution to reducing that gap and funding the delivery of new infrastructure required to support planned growth.

Economic viability evidence

Methodology

25. The Council has produced viability evidence in four separate documents at different points in time. First, a 'Whole Plan Viability Study including CIL' (Document CIL 105) was produced in September 2015 and formed part of the Local Plan examination evidence base. Second, a 'Viability Update – CIL' (Document CIL 106) was produced in December 2017. Third, a 'Post Consultation Viability Note' (Document CIL 107), covering updated assumptions on two of the strategic urban extensions, was produced in January 2019. Fourth, a Post Hearing Viability Note was produced in September 2019, which corrected a computational error, updated certain assumptions and provided further information on other matters.
26. Whilst the Council has adopted a consistent methodical approach to viability testing, the number of reports spread over a period of more than four years does create some complications. This is simply because some of the key variables, such as sales values, build costs and policy requirements, have changed over time. Indeed, a number of submitted representations raised matters about how up to date some of the CIL modelling assumptions were. As a result, with regard to market housing development, I have attached the greatest weight to the Post Hearing Viability Note (hereafter the PHVN)

⁴ The £16 million estimate takes into account the Council's requested modification to reduce CIL rates for two of the strategic sites.

as this, in addition to correcting some computational errors, represents the culmination of the Council's earlier work and its most up to date evidence base. With regard to other development types, I have given greatest weight to the 2017 Viability Update. For all of the evidence, I have factored into my assessment an element of caution, to reflect the passage of time.

27. For both residential and commercial developments, a residual valuation approach is employed. In summary, this seeks to compare the Gross Development Value (GDV) of a scheme with the total costs of the development, including assumed allowances for build costs, land value and developer profit. If GDV exceeds the total costs of the scheme, the modelling output will be a surplus or 'additional profit' that could be used to make CIL contributions. Where this surplus occurs, this value can be seen as the maximum theoretical 'ceiling' for setting CIL.
28. As with any such modelling, the outputs that it produces are a direct result of the inputs. That is to say, the assumptions about the various costs and values of development, and the threshold land value, are all critical to determining the conclusions made about viability. Unsurprisingly, this can be fertile ground for different viewpoints and a number of challenges were made to the Council's modelling assumptions.
29. Most notably, some representors from the development industry have argued that the Council's assumptions and approach are flawed and that CIL is being proposed at too high a level, which will threaten viability. However, other representors, including Hertfordshire County Council and North Hertfordshire District Council, consider that the Council is allowing too much headroom in setting the CIL and that a higher CIL is justified to help fund infrastructure provision. Some of these differences have been narrowed by the updated appraisals set out in the PHVN, although divergent views remain. I explore the main modelling assumptions below.

Residential development typologies

30. The modelling assessed a wide range of residential development scenarios that the Council considers are reflective of the sites likely to come forward in the Plan period. These included the three strategic urban extensions; four greenfield sites (122, 45, 30 and 16 units); two town centre flatted schemes (350 and 50 units); four 'brownfield' schemes (12, 14, 24 and 50 units); and three smaller schemes (3, 6 and 10 units).
31. One representor challenged the lack of a large brownfield scheme in the testing scenarios and referred to a specific proposal, which sits just outside the proposed lower Zone 1 Stevenage Central CIL charging zone. However, it is not realistic or possible for the Council to undertake viability testing of every conceivable development scheme and, in any event, the representor's scheme is not a specific housing development allocation in the Plan. In my assessment, the number and range of sites tested, within a relatively compact borough, is comprehensive for CIL testing purposes and representative of the scale and type of different housing development set out in the Plan.

32. The testing also included a range of older persons' housing development types which I consider to be suitably representative of likely schemes in the borough.

Residential sales values

33. Local residential sales values assumptions were derived from a triangulation of a number of sources. This included a survey of asking prices for new build properties conducted in July 2017, a review of Zoopla.com published house price reports (covering all sales rather than just new build) and a detailed study of actual prices paid for new build properties. The latter study looked at all sales recorded by the Land Registry and used floor areas taken from the Energy Performance Certificate (EPC) register to compute sales values per square metre. The main body of data here relates to over 500 transactions in 2016 and 2017, although I have noted the predominance of flat sales in the data set (448 of the 508 records) and the more limited number concerning other dwelling types.
34. Based on this analysis, the Council adopted assumed sales values for new housing of £3,750 psm for 'large greenfield' sites and £3,100 psm for 'smaller infill' sites. For flats, it assumed sales values of £3,700 psm across all sites. There was some challenge to the adopted sales values and a concern that prices have subsequently fallen. However, the PHVN updated data suggests that flat sales values in the first half of 2019 were averaging £4,435 psm, which is notably above that assumed in the modelling. For other housing types of 'detached', 'semi-detached' and 'terrace', the data was inconclusive as the number of transactions was small.
35. Sales values will clearly vary over time in line with the general property market and the local demand and supply factors for different housing products in Stevenage. I am satisfied that the Council's sales values assumptions, whilst broad brush and based on data which is now a few years old, are supported by the evidence and are suitably robust for CIL testing purposes. Moreover, changes in real world sales values, and other assumed components in the modelling, are matters that fall to be considered 'in the round' in terms of setting CIL with an appropriate headroom or 'buffer'.

Residential development costs

36. The construction costs were drawn from the Building Costs Information Service (BCIS), which is collated and published by the Royal Institute of Chartered Surveyors (RICS). The data is drawn from actual tender prices of build costs and rebased for local prices. In addition to these build costs, further cost allowances were made for external works which were highest for large greenfield sites (20% of the BCIS base value) due to the costs of providing new services and utilities on such sites, and lowest (5% of BCIS base value) for high density flatted town centre schemes.
37. Whilst the source of the build cost data is well grounded and recommended by the Guidance, the actual figures used were the median values for the July 2017 BCIS release. A number of representors drew attention to the rise

in build costs since that time. The PHVN includes an update on build costs which establishes that the BCIS costs have risen by between 14.22 – 21.88%, depending on the housing type. Whilst recognising the increase in build costs, the Council has not used these updated values in the re-run of appraisals carried out after the Hearing. This means that, based on the most up to date evidence, the Council's modelling does somewhat understate the likely construction costs.

38. I sought some clarification on the Council's position on this matter. Whilst recognising and noting the rise in build costs, the Council has drawn attention to parallel changes in sales values. It also says that there comes a point with any viability study when it is appropriate and necessary to 'draw a line in the sand' and rely on the evidence. I do accept the latter point and acknowledge that some of the delays between the iterations of the viability work have been outside the Council's control.
39. I do also agree that the evidence shows that flat sales values have risen further since 2017, and will therefore have an offsetting effect on any build cost inflation. However, the very limited recent sales value evidence does not confirm similar sales value growth in other forms of housing development ('terrace', 'semi' and 'detached'), and some representors assessed a lowering or flattening of values in recent times.
40. None of this is unusual or unprecedented in the inescapably broad brush exercise of CIL viability testing. However, it does mean that the Council's evidence does need treating with a degree of caution in certain areas. Notably, the recent build cost inflation on housing could be a not insignificant adjustment. Nonetheless, it is a matter that can be considered in the light of the viability buffers above the proposed CIL and, indeed, it underlines the importance of such buffers. Subject to these considerations, the Council has used appropriate and available build cost evidence.
41. Once corrected through the PHVN, affordable housing costs were assumed in line with the Plan's requirement and tenure split. Policy HO7 requires an affordable housing proportion of 25% on brownfield sites and 30% on greenfield sites. The assumed tenure split is 70% affordable rented and 30% intermediate, in line with Policy HO8. These assumptions are well grounded.
42. An allowance of £2,000 per dwelling was assumed for site specific residual S.106 Planning Agreement costs on all tested typologies. Although some questioned the inclusion of this allowance, it is sensible to include a notional amount. However, for the strategic urban extensions, specific S.106 cost estimates were used, based on the latest known position for each site. Specifically, the PHVN updated the S.106 costs for the Stevenage West site to reflect recognised additional highway infrastructure costs of circa £8 million.
43. The Council initially modelled all of its appraisals using a developer return of 20% of Gross Development Costs (GDC). The Council's consultant contends that this is more representative of a developer's commercial risk than using a percentage of GDV as recommended in the Guidance, although in practice

it says its assumptions would typically equate to an amount within the 15 – 20% GDV range suggested in the Guidance⁵. However, for the housing development appraisals only, the PHVN updates the approach to 17.5% of GDV for market units and 6% contractor return on affordable housing. The Council's profit assumption approach for other development types remains based on 20% of GDC. Whilst higher profit levels were suggested by some, the adopted approach, and the assumed return, is reasonable and I have factored into my assessment the different profit assumptions made (for housing and other development types).

44. Although there were some challenges from representors, I assess that the Council's assumptions and approach on other development costs, including professional fees, abnormals, gross to net ratios, finance, marketing, agents and legal fees, are all reasonable and within industry norms. Moreover, any outstanding differences of views on these matters can be considered in the round when assessing the proposed CIL and the extent of the viability buffers.

Land values

45. The establishment of land values for modelling purposes can be one of the most significant, and often disputed, elements of CIL viability testing. It is also a field where empirical evidence is often quite limited. The Council's land value assumptions appear to be consistent over its various iterations of its viability work and recognise the limited availability of transactional evidence.
46. The Council has assessed and utilised 'threshold' land values, which are the land prices a willing landowner is assumed to be incentivised to sell land for development purposes. The assumed threshold values were £425,000 per hectare for agricultural land, £450,000 per hectare for paddock land and £750,000 for industrial land. In each case, these threshold values represent a substantial premium over the base land values. Additionally, 'residential' and 'town centre' land was assumed to be valued at £1 million per hectare. I consider the assumed land values to be reasonable for CIL testing purposes.

Commercial development modelling assumptions

47. The Council tested assumed typology case studies for a range of commercial developments. These included offices, large industrial, distribution, hotels and leisure, community and institutional, and various types of retail development. The data sources and assumptions employed for land values, build costs, developer's profit margin, fees, contingencies and finance all appear reasonable for high level CIL modelling.

Conclusions on background evidence

48. The Plan provides a clear strategic planning framework to guide sustainable growth in Stevenage borough and the IDP identifies the infrastructure

⁵ PPG - Paragraph: 018 Reference ID: 10-018-20180724

needed to support it. The evidence demonstrates a sizeable infrastructure funding gap that justifies the introduction of a CIL regime. Based on the Council's estimate, anticipated CIL receipts will be around £16 million and whilst making an important contribution, a significant funding shortfall will remain. The economic viability evidence for residential, older persons' housing and commercial developments has been drawn from available sources and is well grounded, reasonable and appropriate for high level CIL testing. On this basis, the evidence that has been used to inform the DCS is robust, proportionate and appropriate.

49. The application, interpretation and use of this evidence, in defining the proposed CIL rates and zones, are discussed more fully below.

Are the charging rates informed by and consistent with the evidence?

Residential development

50. Table 10.3 of the PHVN sets out the results of the Council's modelling, expressed as the amount of 'additional profit' that could, in theory, be used to make CIL payments. In effect, this is the 'overage' after all scheme costs, including land, construction and developer profit, have been deducted.
51. Of the 16 tested schemes, 15 were modelled to be viable and generated 'additional profit' ranging from £27 psm up to £805 psm, which indicates that residential development is generally viable across the borough and in most tested schemes, the additional profit is significant (13 of the 16 results show over £250 psm additional profit). Greenfield sites returned stronger viability than schemes on previously developed land.
52. The exception to the positive results was Site 13, which involved a 12 flat development on a 'small constrained' brownfield site. This scheme generated a negative result of -£298 psm, which indicated that it would not be viable, whether or not CIL was in place.

Strategic sites – £100 psm and £40 psm

53. The South-East Stevenage urban extension generated the highest result with a modelled £805 psm additional profit. The scheme can readily support the proposed £100 psm CIL and a considerable viability buffer will remain. Whilst I note the views of some representors that a higher CIL rate could be supported, the Council has adopted a suitably cautious approach and is clearly mindful of site specific S.106 requirements and the strategic importance of this allocation.
54. In the PHVN appraisals, the North of Stevenage and Stevenage West urban extensions returned results of £312 psm and £255 psm. These amounts of additional profit are significantly reduced from the 2017 appraisals (which were £655 psm and £531 psm respectively) reflecting the corrected affordable housing assumptions, updated S.106 costs and a GDV based developer return.

55. In the light of these reduced values and the strategic nature of these sites, the Council has undertaken a sensitivity test, which applies a +25% buffer to the assumed threshold land values. This indicates that neither scheme would meet this land value plus the buffer at the DCS rate of £100 psm proposed for these sites. However, if the CIL for these sites was set at £40 psm, the North of Stevenage extension would just exceed the buffered land value and the Stevenage West extension would be marginally below it. Whilst this would mean that a reasonable buffer would be maintained in both cases and the CIL would amount to less than 1% of GDV, it is appropriate to adopt some caution on such sites given their importance to the Plan, their acknowledged heavy S.106 burdens for site specific infrastructure, and the dynamics of real world development economics, such as the rise in build costs in recent years and unforeseen future changes.
56. The Council now supports a £40 psm CIL rate for the North of Stevenage and Stevenage West extensions. Based on the evidence, I assess that, whilst the DCS £100 psm rate would be too high for these sites and would create risks to their viability, the £40 psm CIL can be supported and these strategic developments will remain viable. I therefore recommend modifications to the DCS to reduce the CIL for these two sites to £40 psm, and to make consequential changes to the zoning map.

Zone 1 – Town Centre £40 psm

57. As currently defined in the DCS, Zone 1 takes its boundaries from the Plan's Stevenage Central inset map. This embraces the 'opportunity areas' covered by Policies TC2 – TC7, where a significant number of new homes is proposed, primarily within high density major flatted development schemes.
58. Of the 15 positive viability results, the 2 with the lowest viability related to flatted schemes in the town centre. Modelled Site 8, comprising a 350 unit high density scheme of flats, returned a £174 psm additional profit result. A smaller flatted town centre scheme of 50 units (Site 9) was less viable, with an additional profit figure of just £27 psm. Site 8 appears to be the closer proxy to the type and scale of flatted development envisaged under the Policies TC2 – TC7 allocations and I therefore give greater weight to it. I have also noted the seemingly strong sales values of flats in the town centre which the PHVN indicates are still well above the values used in the modelling. This should improve viability further, notwithstanding the PHVN acknowledged recent rise in build costs. Overall, the modest £40 psm CIL is consistent with the evidence and can be supported without any undue threat to the viability of the planned housing development in the town centre.

Zone 2 – 'Everywhere Else' – £100 psm

59. The tested development types in locations outside the town centre, and the North of Stevenage and Stevenage West extensions, generally displayed healthy viability. The four greenfield schemes (Sites 4 – 7) had the highest results, ranging from £450 – £616 psm of additional profit. The viable brownfield schemes (Sites 10, 11 and 12) were a little lower but still fell in a

range of £253 – £378 psm. The smaller sites, below the affordable housing threshold, returned results in a range of £264 – £505 psm.

60. I have noted views that higher CIL charges could be sustained or that a different approach, with higher rates for greenfield and smaller sites, could be adopted. However, whilst this may be the case and there are many hypothetical charging permutations, the Council's approach is simple, cautious and consistent with its evidence. Moreover, the evidence before me indicates that all of these tested 'everywhere else' schemes could absorb the £100 psm CIL and, in most cases, there would still be a sizeable buffer.

Land to the west of Lytton Way

61. I have considered carefully the detailed evidence submitted by a representor concerning a site known as 'land to the west of Lytton Way', which lies just outside Zone 1 (and within the proposed 'everywhere else' higher £100 psm CIL zone). I note the representor's submissions concerning similar town centre values just beyond the Zone, its view that the Zone 1 / Zone 2 boundaries have not been justified and that its site should be included in the £40 Zone. I have further noted its views that by adjusting just some of the Site 8 inputs for its site would render its scheme unviable, and that housing delivery will be placed at risk.
62. However, this is not a site allocated for housing in the Plan and the inset plan boundary, whilst not necessarily representing a dramatic and instant change in land values, does delineate the planned town centre housing development, which is distinct and differentiated from other types and locations of new housing in the wider borough.
63. I do recognise that there could be housing schemes on unallocated windfall sites, such as that being promoted by the representor, that may be challenged in viability terms, but that does not create a compelling case for amending the CIL zone boundaries, which are informed by, and consistent with, the Council's evidence concerning the viability of development across the borough more generally, as set out in the Plan. Moreover, I note that even at the higher rate, CIL amounts to less than 3% of GDV, which means that it is unlikely to be a pivotal factor in terms of whether or not the scheme would proceed.

Older persons' housing development

64. The testing of 'sheltered housing' schemes in brownfield and greenfield scenarios, with policy compliant levels of affordable housing, demonstrated that these types of development could readily absorb the proposed borough wide £100 psm CIL. Indeed, the results indicate substantial levels of additional profit and that the CIL would be less than 2% of GDV in all tested cases.
65. 'Extracare' housing developments displayed weaker viability but could absorb the proposed £40 psm CIL with some headroom remaining, although it is quite limited in the brownfield test scenario. However, the CIL would be

less than 1% of GDV in both greenfield and brownfield test cases, meaning that it would remain a relatively small element of overall development costs.

66. Some representors have suggested that older persons' housing should be exempt from CIL, but I am satisfied that the viability evidence demonstrates that this type of development is able to support the proposed charge. Indeed, it suggests that sheltered housing developments have generally stronger viability than market housing developments.
67. I assess that the CIL charges for sheltered housing and extracare housing developments are informed by and consistent with the evidence. However, for clarity, some modification is required to the DCS development type definitions to ensure that they align with the definitions set out in the revised Guidance⁶ published in June 2019. I have included these modifications in my recommendations.

Commercial development

68. The testing of commercial development types indicated that only retail development types could support CIL charges; all other tested commercial development scenarios generated negative results.
69. The testing of small shops in 'central' and 'other' locations, supermarkets (greenfield and brownfield) and retail warehouse developments generally demonstrated strong viability and an ability to absorb the proposed £60 psm CIL, with significant viability headroom in most cases. Only the small supermarket brownfield site scenario displayed marginal viability. The proposed £60 psm CIL for all types of retail development is informed by and consistent with the evidence.

Does the evidence demonstrate that the proposed charge rates would not put the overall development of the area at risk?

70. There have been challenges to the CIL proposals and the charging zones, with some arguing that the CIL would be too high and may place market and affordable housing delivery at risk, whereas others contend that CIL is proposed at too low a level and that more funding could be captured for infrastructure provision. It must be remembered that testing the viability of development across an area is not an exact science and there is inevitably scope for some disagreement.
71. What is important is that appropriate and available evidence is used which reflects local market conditions and provides a broad assessment that is proportionate for the purposes of CIL. In this regard, I consider that the Council's evidence, whilst made a little complicated by the passage of time and some unfortunate, but now corrected, computational errors, has achieved this requirement. Moreover, its approach of setting CIL with a substantial buffer in most cases mitigates many of the challenges made on

⁶ Planning Practice Guidance Paragraph: 010 Reference ID: 63-010-20190626 (Revision date 26 June 2019)

modelling inputs and allows for the recognised build cost inflation in recent years.

72. Subject to my recommended modifications to reduce the CIL on the North of Stevenage and Stevenage West strategic urban extensions, the evidence indicates that the Council's proposed residential development CIL charges will not place the overall development of the area, as set out in the Plan, at risk. Similarly, I assess that the proposed CIL for older persons' housing developments and for retail developments are appropriately evidenced and reasonable. I do not consider that the CIL will threaten these types of development, based on the evidence.
73. In setting the CIL charging rates, and in its requests to me to make recommended modifications, the Council has had regard to detailed evidence on infrastructure needs and the economic viability of development across Stevenage borough. The Council has sought to be realistic and suitably cautious in its proposals to introduce CIL, which will achieve a reasonable level of income to fund required infrastructure, whilst at the same time ensuring that most development planned through its Local Plan will remain viable.

Other matters

74. The Council has now published a revised draft CIL Instalments Policy that is intended to come into effect at the same time as the charging schedule. This sets out how the liability to pay the CIL in respect of housing developments will be phased. The draft policy should assist the overall viability of developments, particularly larger schemes implemented on a phased basis over the life of the Plan.
75. I have noted representor comments about the policy's exclusion of retail development CIL liabilities from the instalments regime, but there is no evidence before me to suggest that this exclusion would threaten the viability of such schemes, which in any event tend to be much shorter in construction duration than housing developments.

Conclusion

76. I conclude that, subject to the modifications set out in the Schedule to this report, the Stevenage Borough Council Draft Community Infrastructure Levy Charging Schedule satisfies the requirements of Section 212 of the 2008 Act and meets the criteria for viability in the 2010 Regulations (as amended). I further conclude that it complies with the Guidance and the Framework.
77. I therefore recommend that, subject to the modifications **EM1 – EM3** set out in the attached Schedule, the Charging Schedule be approved.

P.J. Staddon

Examiner

SCHEDULE

Modifications that the Examiner specifies so that the Charging Schedule may be approved.

| Reference | Modification |
|-----------|--|
| EM1 | <p><u>Section 3 Table 1</u></p> <p>Delete 'Zone 1: Stevenage central' and replace with 'Zone 1: Stevenage Central, Stevenage West urban extension and North of Stevenage urban extension'.</p> |
| EM2 | <p><u>Pictures</u></p> <p>Picture 1 – add red lines around the site allocation areas for Stevenage West urban extension and North of Stevenage urban extension and amend the Zone 1 key to delete 'Zone 1: Stevenage central' and replace with 'Zone 1: Stevenage Central, Stevenage West urban extension and North of Stevenage urban extension'.</p> <p>After Picture 2 – add new Picture 3 containing a site plan defining 'Zone 1: Stevenage West urban extension'.</p> <p>Add new Picture 4 containing a site plan defining 'Zone 1: North of Stevenage urban extension'.</p> <p>Current 'Picture 3' – rename as 'Picture 5 Zone 2: Everywhere else'.</p> |
| EM3 | <p><u>Table 3</u></p> <p>Add the following footnotes beneath the table:</p> <p>'Sheltered housing' includes 'age-restricted general market housing' and 'retirement living or sheltered housing' as defined in the Planning Practice Guidance (June 2019).</p> <p>'Extracare housing' refers to 'extra care housing or housing-with-care' as defined in the Planning Practice Guidance (June 2019).</p> <p>'Residential care homes' are classed as 'all other development'.</p> |

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Introduction

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1 What is the Community Infrastructure Levy?

1.1 The Charging Authority: The Charging Authority is Stevenage Borough Council

1.2 Date of Approval: This Charging Schedule was approved by the Council on 29 January 2020.

1.3 Date of Effect: This Charging Schedule will come into effect on 01 April 2020.

1.4 The Community Infrastructure Levy (CIL) was introduced under the Planning Act 2008. It is a tool local authorities can use to help deliver infrastructure to support the development of the area. CIL is a non-negotiable tariff on most forms of new development. It is expressed in pounds per square metre (£/m²), and is levied on the net additional floorspace created by most new development.

1.5 Stevenage Borough Council is the Charging Authority and Collecting Authority, and the charging area is within the local authority boundary.

2 Who is liable?

2.1 CIL is payable on development that creates net additional floorspace (based on gross internal area) of 100m² or more, or development of any size that results in a new house or flat. Some developments may be eligible for relief or exemption from the CIL. The following do not pay the levy:

- Development of less than 100m² – unless this is a whole house, in which case the levy is payable
- The creation of mezzanine floors within existing buildings (unless it forms part of a wider planning application that seeks to provide other works as well)
- Dwellings built by ‘self builders’
- Social housing that meets the relief criteria set out in the regulations (subject to an application for relief being submitted)
- Charitable development that meets the relief criteria set out in the regulations (subject to an application for relief being submitted)
- Buildings which people do not normally go into, or go into intermittently for the purpose of inspecting or maintaining fixed plant or machinery
- Structures which are not buildings, such as pylons and wind turbines
- Specified types of development which local authorities have decided should be subject to a ‘zero’ rate and specified as such in their charging schedules
- Vacant buildings brought back into the same use.

2.2 Please note that strict requirements apply with regard to the timing of the exemption process and you should refer to the regulations for details. In most cases a Commencement Notice must also be served prior to the commencement of development, in order for the exemption to apply.

3 Proposed levy rates

3.1 The rate at which CIL will be charged within Stevenage is as follows. The extent of each Charging Zone is set out in the maps on the following pages.

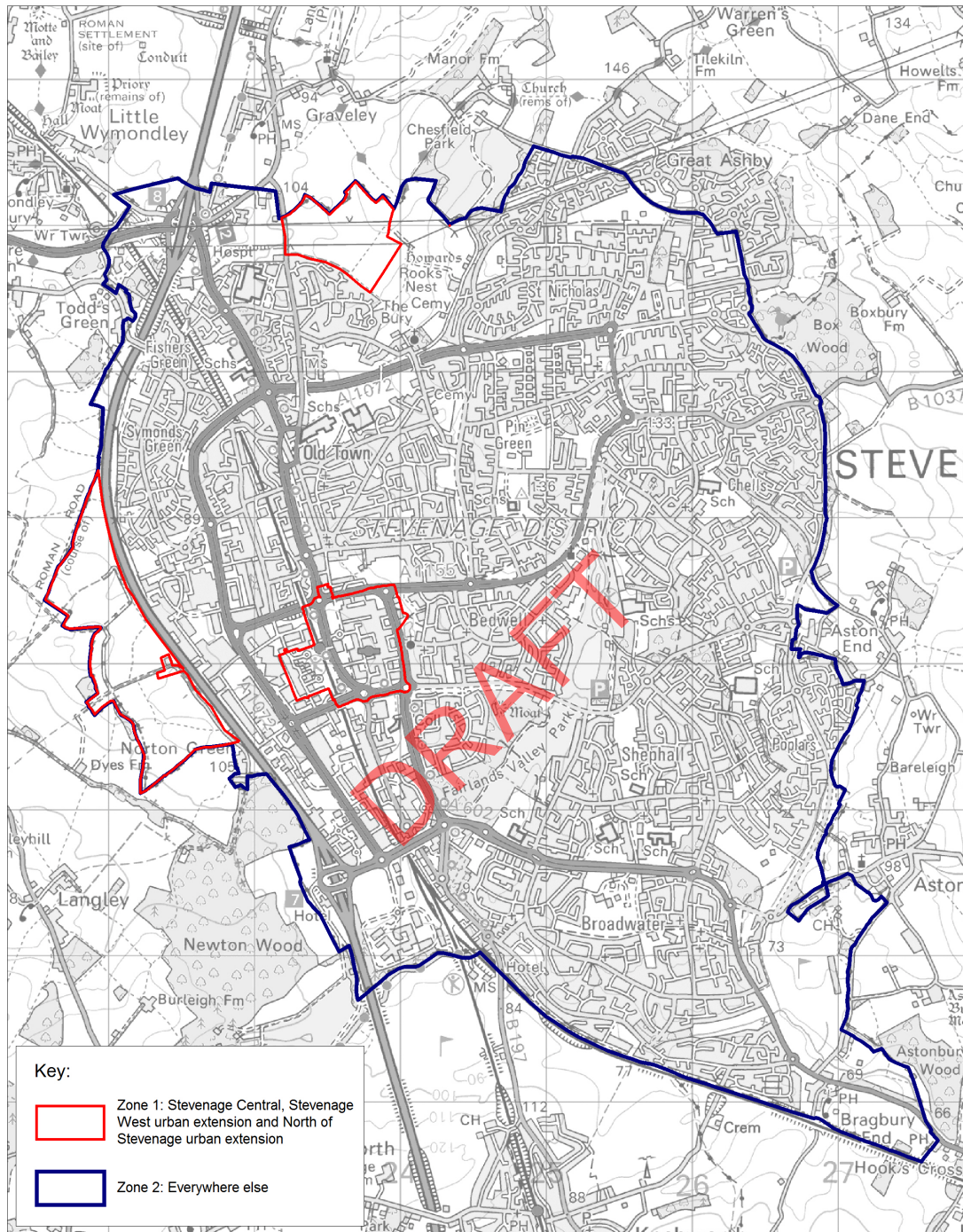
Table 1 CIL levy rates

| Development Type | CIL rate (per square metre) | |
|--------------------------------------|--|-------------------------|
| | Zone 1: Stevenage Central, Stevenage West urban extension and North of Stevenage Extension | Zone 2: Everywhere else |
| Residential | | |
| Market Housing | £40/m ² | £100/m ² |
| Sheltered housing ⁽¹⁾ | | £100/m ² |
| Extracare housing ⁽²⁾ | | £40/m ² |
| Retail development | | £60/m ² |
| All other development ⁽³⁾ | | £0/m ² |

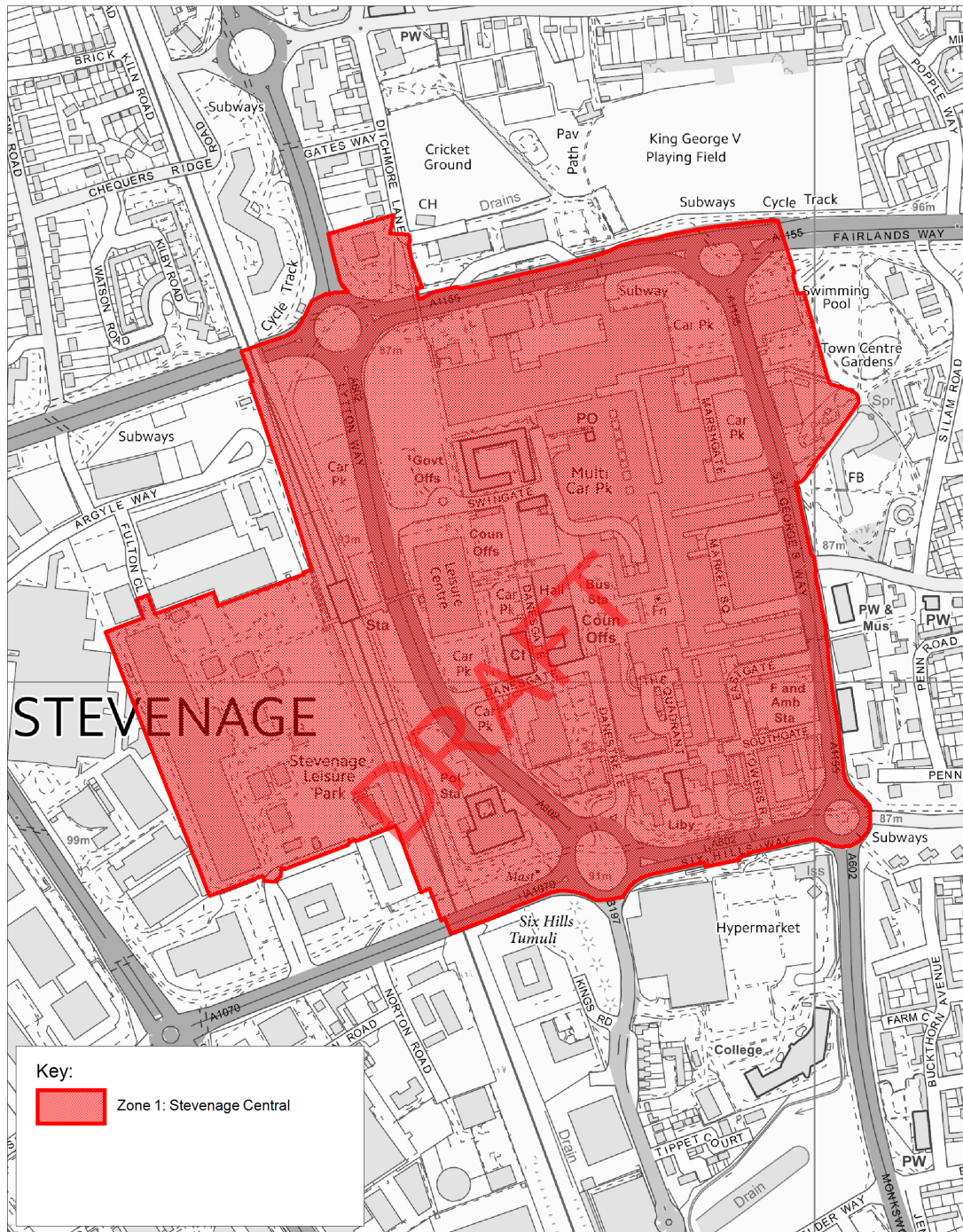
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1 'Sheltered housing' includes 'age-restricted general market housing' and 'retirement living or sheltered housing' as defined in the Planning Practice Guidance (June 2019).
 2 'Extracare housing' refers to 'extra care housing or housing-with-care' as defined in the Planning Practice Guidance (June 2019).
 3 'Residential care homes' are classed as 'all other development'.

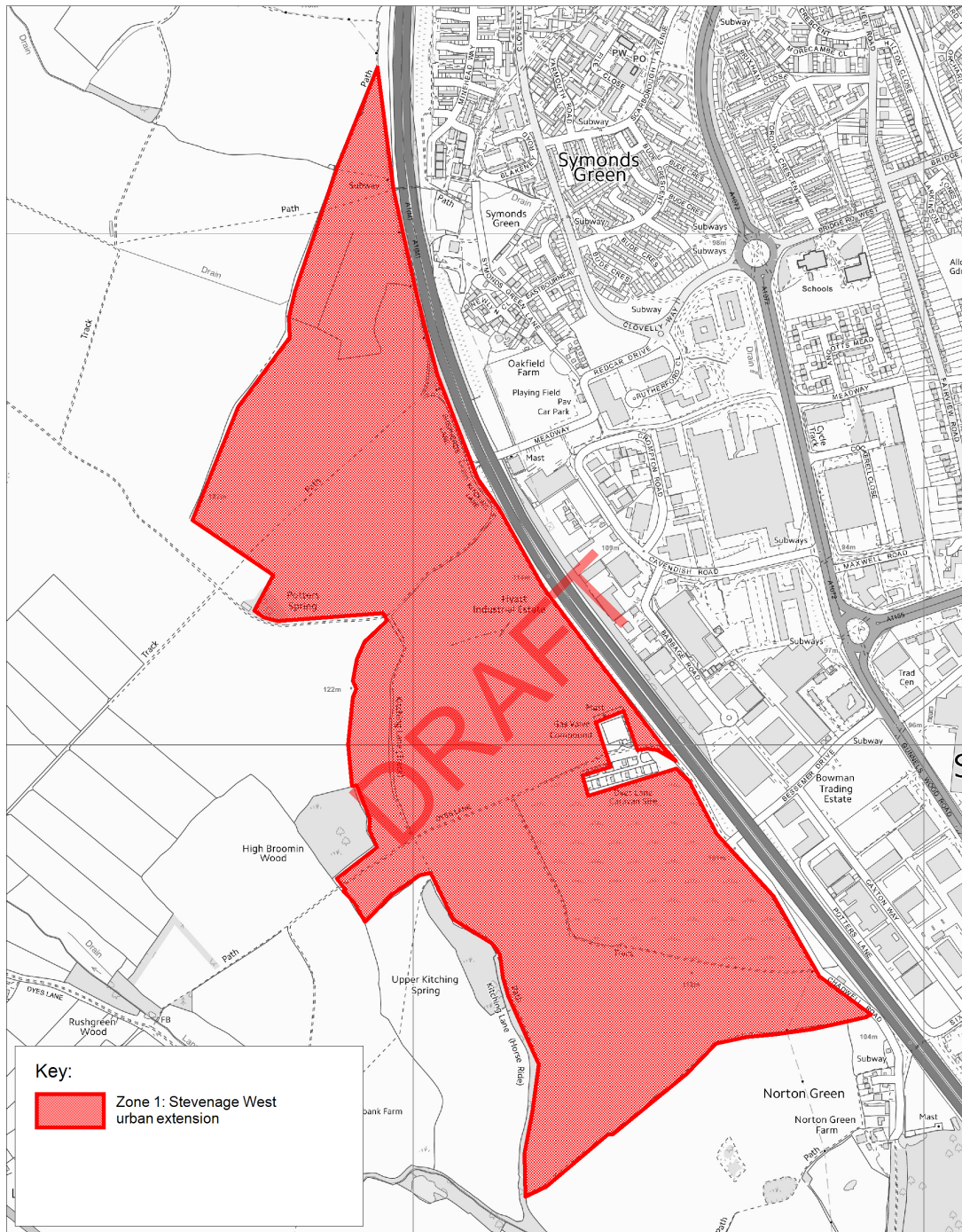
Picture 1 CIL charging zones



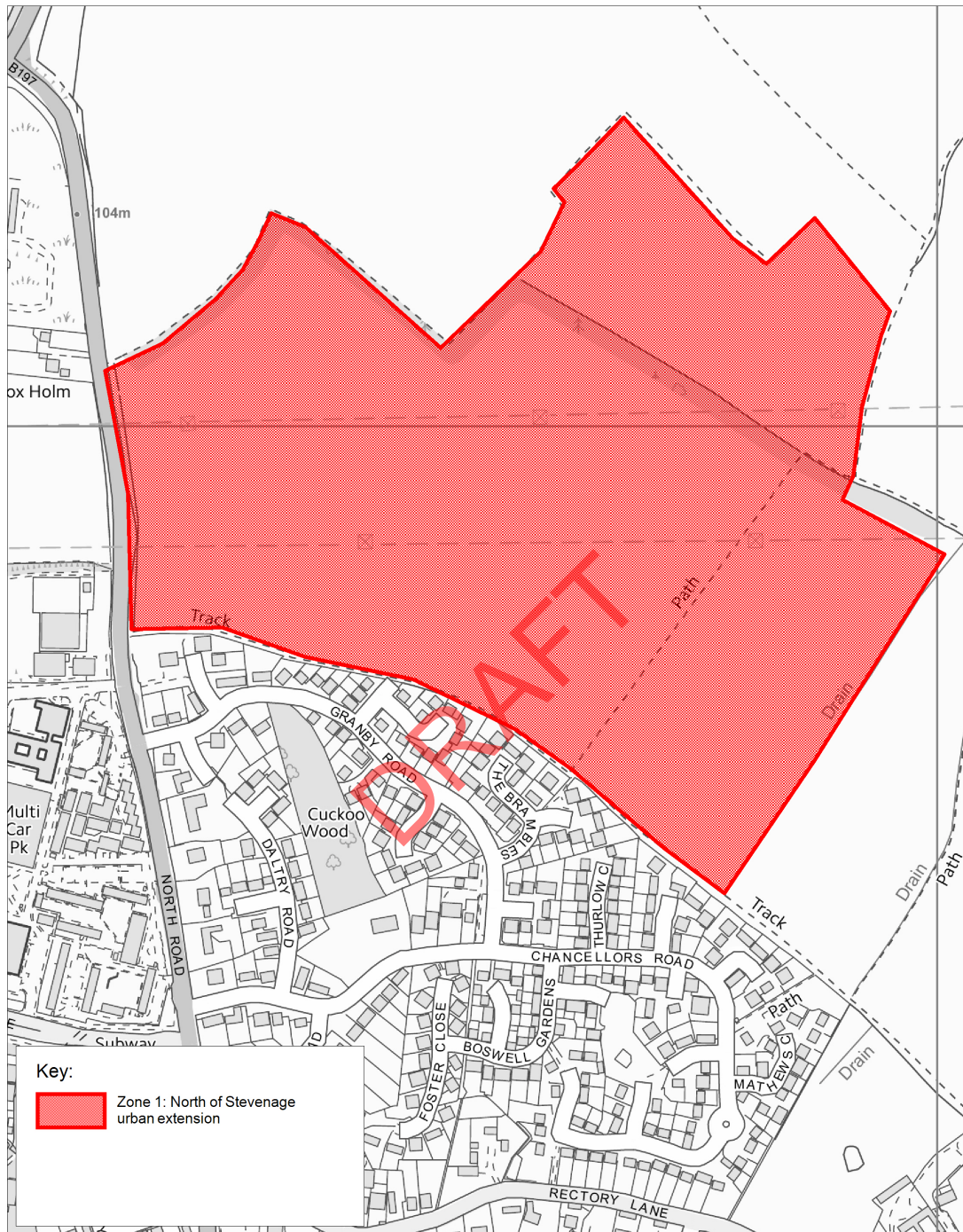
Picture 2 Zone 1: Stevenage Central



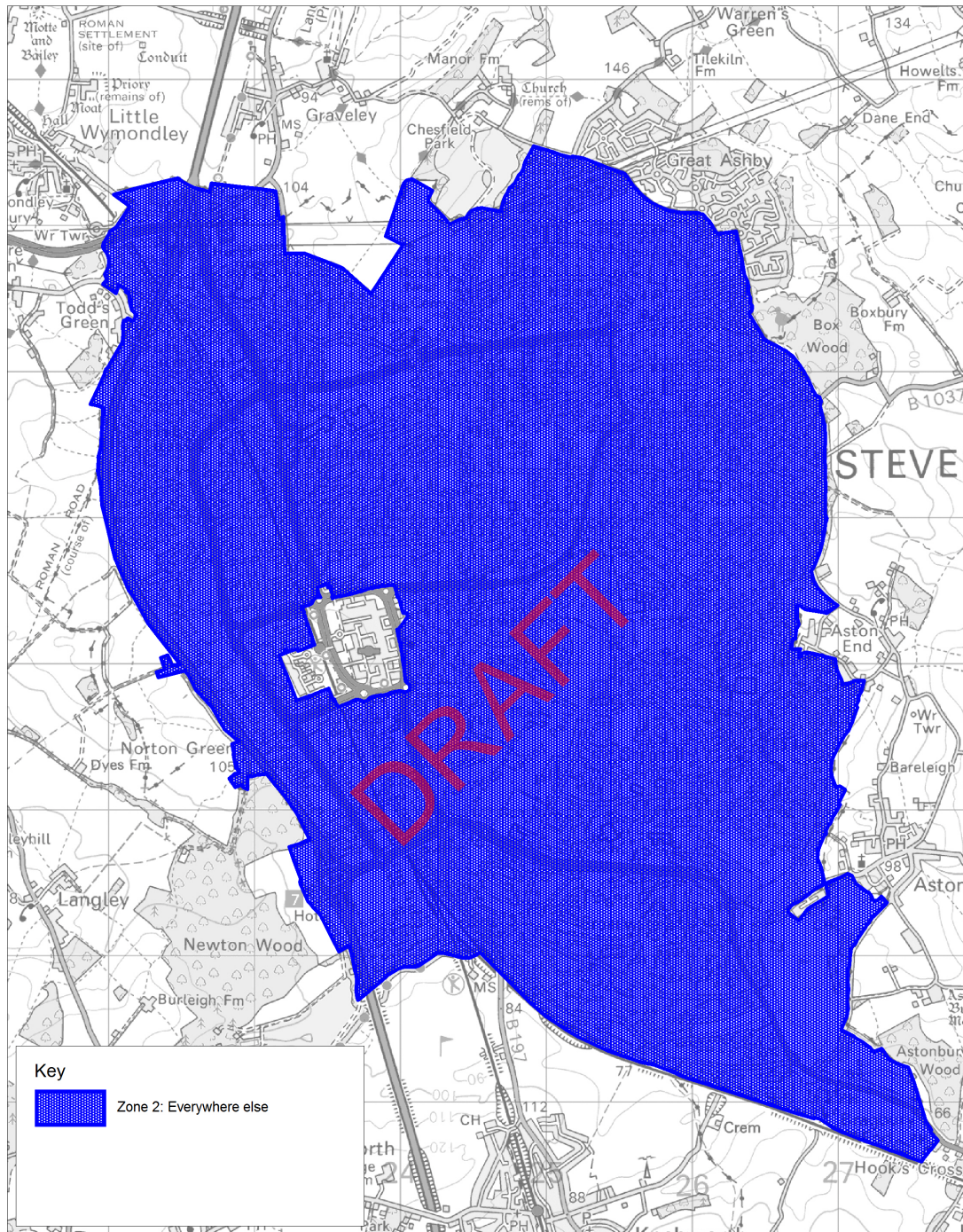
Picture 3 Zone 1: Stevenage West urban extension



Picture 4 Zone 1: North of Stevenage urban extension



Picture 5 Zone 2: Everywhere else



4 Collection of CIL monies

4.1 The responsibility to pay CIL rests with the owner of the land on which the development will be situated. However, others involved in the development can take on the liability for CIL for the development by submitting an Assumption of Liability Notice. Applicants should include this notice when submitting applications, along with a copy of a CIL Additional Information Form⁽⁴⁾.

4.2 In line with the CIL regulations, the Council will issue a 'liability notice' as soon as practicable after the day on which a planning permission first permits development. The liability notice informs the applicant/landowner of the amount of CIL that they are required to pay, taking into account any relief or exemption for which the development qualifies.

4.3 Liability to pay CIL is triggered by the commencement of a development. The developer is required to submit a commencement notice at least 24 hours before development is due to start. The Council will then send out a demand notice, which sets out the payment due dates in line with the payment procedure. If a commencement notice is not submitted, further charges may apply and any exemptions to CIL will no longer apply.

4.4 By default the levy must be paid within 60 days, but for schemes with phased outline permission payment will be triggered separately for each phase. The Council has chosen to adopt an Instalments Policy, which allows developers to pay their CIL charges in phased stages, in line with the Regulations⁽⁵⁾

4.5 Where development commences and a liability notice has not been provided, the CIL liability defers to the landowner. If the landowner then fails to pay, the council will issue a default liability notice. If there is persistent non-compliance, the Council can take direct action to recover the amount.

5 The relationship between CIL and S106

5.1 Currently, financial contributions are collected through Section 106 legal agreements. CIL will not fully replace S106 obligations, they will work alongside one another. CIL is intended to provide infrastructure to support new development more generally and contributions are not tied to the location in which the development takes place, where as S106 obligations are specifically required to make an individual planning application acceptable.

5.2 Unlike contributions made via S106 Agreements, CIL receipts are not earmarked for particular infrastructure related to the development from which they are raised. Instead, CIL monies are pooled into a fund which can be used for any infrastructure needed to support the development of the borough, or for strategic infrastructure needs elsewhere. The Council is responsible for allocating the money raised through CIL towards infrastructure required to support the development of the borough.

5.3 The CIL Regulations 2010, as amended, restrict the use of S106 obligations to ensure that developments are not charged for the same items through both S106 Agreements and the CIL. The Council is required to publish a list of infrastructure types or specific schemes that it believes

4 Where an applicant has not completed an Assumption of Liability Notice as part of their planning application submission, the Council will expect the developer, land owner or other interested parties to assume liability by completing an Assumption of Liability Notice where permission has been granted.

5 Regulation 69B of the CIL Regulations (as amended).

will, or may, be wholly or partly funded by CIL (known as a Regulation 123 list). The Council will not be able to seek S106 contributions towards infrastructure on this list (to avoid duplicate contributions being made). The Regulation 123 list is published on the Council's website.

6 How the money will be spent

6.1 Governance arrangements in relation to spending and monitoring CIL money will require further consideration prior to its adoption.

6.2 The costs of administering CIL will be funded from the levy (up to 5% of total receipts is permitted for this use). A further 15% of CIL is required to go directly to the communities where the development will take place – as Stevenage does not have Parishes, this could be allocated to Ward Members.

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Appendix A - Evidence base

Authorities wishing to implement CIL must produce a charging schedule setting out the levy rates for their area(s). The rates set must not threaten the ability to develop viably the sites and scale of development identified in the Local Plan. Our evidence on infrastructure that underpins the Local Plan, and a subsequent viability assessment update, demonstrates that the rates we are proposing are appropriate.

Government guidance recommends that the evidence on infrastructure needs should be drawn directly from the infrastructure planning that underpins the Development Plan. The following documents, which were produced to support and inform the Local Plan, provide the evidence base for CIL:

- Stevenage Borough Infrastructure Funding Strategy, Aecom, September 2015
- Infrastructure Delivery Plan (IDP), SBC (most recent version is March 2017)
- Whole Plan Viability Study including Community Infrastructure Levy, HDH Planning, September 2015

We have since commissioned an update to the Whole Plan Viability Study to take into account changes in market values and viability within the town. This provides an updated basis for identifying the most appropriate levy rates. A technical paper to identify the funding gap has also been produced, to take into account the most up-to-date IDP, published in March 2017:

- Viability Update - CIL, HDH Planning, December 2017
- Infrastructure Funding Gap - technical paper, July 2018

Taking into account responses to the PDCS consultation, we commissioned a further re-run of the viability model to take into account updated S106 figures likely to be required on two of the larger sites within the Borough: North Stevenage and West of Stevenage - these largely related to Primary School costs, which had increased significantly since the viability study update was undertaken in December 2017.

Stevenage Borough Infrastructure Funding Strategy

The Stevenage Borough Infrastructure Funding Strategy tests the viability of the emerging Local Plan and develops an infrastructure funding strategy. This infrastructure strategy considers how different forms of funding could help to deliver the infrastructure required to support new housing coming forward over the Local Plan period.

This Strategy was based on the interim update to the IDP, published in 2015. As such, an update has been produced in the form of the Infrastructure Funding Gap - technical paper, that identifies the funding gap that exists based on data within the most recent IDP (March 2017).

Infrastructure Delivery Plan

The IDP aims to identify the infrastructure required to support future levels of growth across the town. It covers the period from 2011 - 2031, in line with the emerging Local Plan.

The Infrastructure Delivery Plan covers a wide range of physical and social infrastructure including; transport, utilities, education, health, community facilities, emergency services and green infrastructure requirements. It aims to:

- Identify the current infrastructure provision within the District;
- Identify any existing gaps in infrastructure
- Provide an understanding of the growth that can be supported by the existing infrastructure.
- Identify where and when additional infrastructure may be required
- Outline the costs of such infrastructure
- Identify how that infrastructure might be funded and delivered.

The IDP is a live document, which requires updating frequently to take into account changes and uncertainties in infrastructure requirements. The most recent version was adopted in March 2017. It was developed following detailed discussions and consultation with infrastructure providers.

The schedule in Appendix 1 of this evidence study sets out the infrastructure schemes required to deliver the Local Plan objectives.

Infrastructure Funding Gap Technical Paper

An Infrastructure Funding Gap technical paper was produced by the Borough Council in order to further examination the findings of the IDP and to more accurately assess the funding gap. The assessment excludes certain schemes, such as those that are desirable and not essential/critical, those that are required to meet existing needs and are not as a result of Local Plan growth, and those for which costs are unknown etc.

The paper identifies a funding gap of around £89 million, as detailed further in table 1.

Table 2 Identified funding gap

| Infrastructure type | Costs (in millions) | | |
|-----------------------------|---------------------|--------------------------|--------------|
| | Total | Other sources of funding | Funding gap |
| Mobility | £124.8 | £109.3 | £15.5 |
| Education | £62.4 | £28.0 | £34.4 |
| Healthcare | £34.2 | £0.0 | £34.2 |
| Green Infrastructure | £1.6 | £0.0 | £1.6 |
| Community/leisure | £6.7 | £3.0 | £3.7 |
| | £229.4 | £140 | £89.4 |

It is important to note our estimated CIL income (based on the CIL rates we are proposing) won't get anywhere near the level required to fund all of the infrastructure we need. Initial calculations show CIL will bring in around £1.2m per year, so around £17m for the remaining plan period, nowhere near the funding gap of £89m we have identified.

Whole Plan Viability Study

Stevenage Borough Council published a Whole Plan Viability Study including Community Infrastructure Levy (CIL), in September 2015, to support the emerging Stevenage Borough Local Plan.

The inspector's report concluded on viability as follows:

185. A whole Plan viability assessment was carried out by the Council in line with the advice in the NPPF. This has led to some changes, such as the reduction in the affordable housing target. The assessment has also been scrutinised as part of this examination in relation to other policy matters, as set out above. I am satisfied that a robust assessment of viability has been undertaken such that scale of obligations and policy burdens will not prevent development being delivered in a timely manner.

Based on this it is assumed that the 2015 Viability Study is a sound basis for taking CIL forward.

The 2015 viability assessment was updated in 2017 (using the same methodology and approach as the previous study) to:

- consider the changes in national policy and practice.
- ensure that the considerations of viability are done in the context of the current market values and costs and related to the sites identified in the new Plan.
- update the recommendations in relation to CIL and the rates proposed as required.

Since 2015 there has been a significant change in viability in Stevenage. This is, at least in part, due to the effects of the redevelopment of the town centre. Overall, house prices have increased in Stevenage by 20% or so, however, the increase for new houses has been greater, particularly for newbuild flats in the town centre. The values of employment uses and supermarkets have also both increased. These increases are to some extent offset by an increase in construction costs of about 9%. These changes have resulted in a notable improvement in viability.

This study recommends the levy rates that are proposed in this charging schedule.

As discussed previously, a further re-run of the model was undertaken in January 2019 to take into account the following points raised by consultees on the PDCS:

- Increased primary school costs being requested by Hertfordshire County Council. This affects two sites: North Stevenage and West of Stevenage, both of which will require a primary school on-site.
- The development area of the North Stevenage site - to take into account the proposed meadow land on 38ha of the site
- Inclusion of costs for acoustic fencing on the West of Stevenage site of £2m
- Higher contingency of 5% on the West of Stevenage site to reflect its status as part brownfield.

The results of this modelling have been published in a technical note⁽⁶⁾. Whilst the residual values are somewhat lower, they are still well above the viability threshold. As such, it confirms that the CIL rates proposed are still viable and still allow an appropriate buffer. On this basis, the proposed rates remain appropriate.

DRAFT

6 Stevenage Borough Council - Community Infrastructure Levy. Post Consultation Viability Note, 2 Jan 2019

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Stevenage Borough Council

Community Infrastructure Levy – Instalment Policy

This Instalments Policy has been prepared and published in accordance with Regulation 69B of the Community Infrastructure Levy Regulations 2010 (as amended). It takes effect on the 01 April 2020.

Stevenage Borough Council will allow the payment of CIL by Instalments as set out in the following table. The instalments permitted will be linked to the amount payable (the chargeable amount) as recorded on the Liability Notice.

| Total CIL Liability | Number of Instalments | Total Timescale for Instalments | Payment amount | Payment period |
|----------------------------|------------------------------|--|-----------------------|--|
| Up to and including £6,000 | 2 | 270 days (9 months) | 10% | 60 days from commencement date (as stated in the commencement notice). |
| | | | 90% | 270 days from commencement |
| £6,001 to £30,000 | 3 | 365 days (1 year) | 10% | 60 days from commencement |
| | | | 45% | 270 days from commencement |
| | | | 45% | 365 days from commencement |
| £30,001 to £150,000 | 3 | 548 days (18 months) | 10% | 60 days from commencement |
| | | | 45% | 365 days from commencement |
| | | | 45% | 548 days from commencement |
| £150,001 to £300,000 | 4 | 730 days (2 years) | 10% | 60 days from commencement |
| | | | 30% | 365 days from commencement |
| | | | 30% | 548 days from commencement |
| | | | 30% | 730 days from commencement |
| £300,001 to £600,000 | 5 | 1095 days (3 years) | 10% | 60 days from commencement |
| | | | 23% | 365 days from commencement |

| | | | | |
|--------------------------|---|---------------------|-----|-----------------------------|
| | | | 23% | 548 days from commencement |
| | | | 23% | 730 days from commencement |
| | | | 21% | 1095 days from commencement |
| £600,001 to £1,200,000 | 6 | 1460 days (4 years) | 10% | 60 days from commencement |
| | | | 18% | 365 days from commencement |
| | | | 18% | 548 days from commencement |
| | | | 18% | 730 days from commencement |
| | | | 18% | 1095 days from commencement |
| | | | 18% | 1460 days from commencement |
| £1,200,001 to £1,800,000 | 7 | 1825 days (5 years) | 10% | 60 days from commencement |
| | | | 15% | 365 days from commencement |
| | | | 15% | 548 days from commencement |
| | | | 15% | 730 days from commencement |
| | | | 15% | 1095 days from commencement |
| | | | 15% | 1460 days from commencement |
| | | | 15% | 1825 days from commencement |
| £1,800,001 and over | 8 | 2190 days (6 years) | 10% | 60 days from commencement |
| | | | 13% | 365 days from commencement |
| | | | 13% | 548 days from commencement |
| | | | 13% | 730 days from commencement |
| | | | 13% | 1095 days from commencement |
| | | | 13% | 1460 days from commencement |
| | | | 13% | 1825 days from commencement |
| | | | 12% | 2190 days from commencement |

Notes:

1) Where an outline planning permission permits development to be implemented in phases, each phase of the development is a separate chargeable development which may be collected in accordance with this Instalments policy

2) The Instalments policy does **not** apply to charges arising from retail developments which shall be due within 90 days of commencement date unless otherwise agreed in writing with the charging authority **prior** to the commencement date.

3) Nothing in this Instalments Policy prevents the person with the assumed liability to pay

CIL, to pay the outstanding CIL (in whole or in part) in advance of the Instalment period set out in this policy.

CIL Instalments Guidance Notes

Regulation 70 of the Community Infrastructure Levy Regulations 2010 (as amended) sets out the requirements that must be complied with in order to benefit from the CIL Instalments Policy

The CIL Instalments Policy will only apply in the following circumstances:

- 1) Where the Council has received a CIL Assumption of Liability form prior to the commencement of the chargeable development (Regulation 70 (1) (a)), and
- 2) Where the Council has received a CIL Commencement Notice prior to the commencement of the chargeable development (Regulation 70 (1) (b))

If either of the above requirements are not complied with, the total CIL liability will become payable within 60 days of the commencement of the chargeable development. In addition, surcharges may apply due to the CIL Assumption of Liability Form and/or the CIL Commencement Notice not being submitted to the Council prior to the commencement of the chargeable development.

Once the development has commenced, all CIL payments must be made in accordance with the CIL Instalments Policy. Where a payment is not received in full on or before the day on which it is due, the total CIL liability becomes payable in full immediately (Regulation 70 (8) (a))

This policy **will not** apply if any or more of the following applies:

- a) A commencement notice has not been submitted prior to the commencement of the chargeable development, as required by Regulation 67 of the Community Infrastructure Regulations 2010 (as amended)
- b) On the intended date of commencement:
 - I. Nobody has assumed liability to pay CIL in respect of the chargeable development,
 - II. A commencement notice has been received by Stevenage Borough Council in respect of the chargeable development and
 - III. Stevenage Borough Council has not determined a deemed commencement date for the chargeable development, and therefore payment is required in full, as required by Regulation 71 of the Community Infrastructure Regulations 2010 (as amended)
- c) A person has failed to notify Stevenage Borough Council of a disqualifying event before the end of 14 days beginning with the day on which the disqualifying event occurs, as per the Community Infrastructure Regulations 2010 (as amended)

- d) An instalments payment has not been made in full after the end of a period of 30 days beginning with the day on which the instalment payment was due, as per the Community Infrastructure Regulations 2010 (as amended)

Where the instalments policy is not applicable, the amount must be paid in full at the end of the period of 60 days beginning with the notified or deemed commencement date of the chargeable development or the date of the disqualifying event, whichever is the earliest, unless specified otherwise within the Community Infrastructure Levy Regulations 2010 (as amended).

In all cases, the full balance is payable on occupation / opening of the development, if this is earlier than the instalment dates set out in the table above.

April 2020

Stevenage Borough Council Community Infrastructure Levy (CIL) Payment in Kind Policy

This policy takes effect on the 01 April 2020.

In accordance with Regulation 73, 73A, 73B and 74 of the Community Infrastructure Levy Regulations 2010 (as amended), Stevenage Borough Council may accept one or more land and/or infrastructure payments in satisfaction of the whole, or part of, the CIL due in respect of a chargeable development.

This will be subject to the following conditions:

- 1) The Council must be satisfied that the land and/or infrastructure to be paid in lieu of CIL would be appropriate for the provision of necessary infrastructure to support the growth of the Borough. It is entirely at the Council's discretion as to whether to accept a land/infrastructure payment in lieu of CIL.
- 2) The chargeable development must not have commenced before a written agreement with the Council to pay all or part of the CIL amount as land and/or infrastructure has been made. This agreement must state the value of the land/infrastructure to be transferred.
- 3) Where CIL is paid by way of a land payment and/or infrastructure the amount of CIL paid is the amount equal to the value of the acquired land and/or infrastructure.
- 4) The value of any land and/or infrastructure offered by way of payment must be determined by a suitably qualified independent person and is the price that the land might reasonably be expected to obtain if sold on the open market on the day the valuation takes place. The Council will require the costs related to the independent valuation to be paid for at the applicant's expense.
- 5) The person making the land and/or infrastructure payment to the charging authority must have assumed liability to pay CIL and completed the relevant CIL forms.
- 6) The land, subject to the transfer, must be fit for a relevant purpose being the provision of necessary infrastructure to support the growth of the Borough.
- 7) The land, subject to transfer, must be free from any interest in land and any encumbrance to the land, buildings or structures. (This may require the owner to demonstrate that the land is suitable through the submission of further information to the Council, including but not limited to topographical information, reports on contamination and archaeology and details of any underground services.
- 8) The Council may transfer the land and/or infrastructure, at nil cost, to a third party for the provision of infrastructure.

- 9) Any outstanding CIL liable to the chargeable development after the transfer of land and/or delivery of infrastructure should be paid in line with the payment dates set out in the demand notice.

It should be noted that the agreement to pay in land may not form part of a planning obligation entered into under Section 106 of the Town and Country Planning Act 1990 (as amended).

For further information on the payment of CIL in this way, please contact the Planning Policy Team on 01438 242823 or by email at: planningpolicy@stevenage.gov.uk.

Meeting Executive
Portfolio Area Leader of the Council
Date 16 December 2019



HERTFORDSHIRE GROWTH BOARD – MEMORANDUM OF UNDERSTANDING

KEY DECISION

Lead Officer: Matt Partridge

Report author: Tom Pike 01438 242288

1 PURPOSE

- 1.1 To provide an update to the Executive regarding the work of local public sector partners to consider and prepare for the future growth of Hertfordshire, and to ask Executive to approve the Hertfordshire Growth Board draft Memorandum of Understanding (MOU). This draft MOU sets out the objectives, principles, and scope of the collaborative work being and to be undertaken through the Hertfordshire Growth Board.
- 1.2 Hertfordshire Growth Board was formed in September 2018, consisting of the Leaders of all of the Local Authorities and the Chair of the Local Enterprise Partnership (LEP). This Board was formed to consider the implications of future growth in Hertfordshire and to work together in a proactive way.
- 1.3 In March 2019, the Growth Board commissioned a development programme to help consider the implications of growth in Hertfordshire. This six-month supported programme has explored how issues relating to housing, infrastructure and funding can be jointly addressed in future. At the meeting of Hertfordshire Growth Board in September 2019, a forward work programme was approved.

- 1.4 Hertfordshire Growth Board members also agreed to develop a Memorandum of Understanding to signal their intent to work collaboratively on place-based issues with central government, partners, and locally. This document helps set out the objectives of the work to be undertaken through the Hertfordshire Growth Board, its guiding principles and approach to joint working, confirms what is in scope for the work of the Board, and what is not within its scope.

2 RECOMMENDATIONS

- 2.1 That the progress and work of the Hertfordshire Growth Board be noted.
- 2.2 That the Executive agrees to Stevenage Borough Council entering into the Memorandum of Understanding, attached as Appendix 1 to the report.

3 BACKGROUND

- 3.1 Since September 2018, Hertfordshire Leaders and the Local Enterprise Partnership Chair have been collaborating through the Hertfordshire Growth Board. Together they have undertaken the Growth Board Development Programme, which has allowed the group to identify key growth challenges, emerging programmes of work, and key features of an emerging proposition to government for funding. Work is now taking place to move those programmes into implementation and engagement with central government.
- 3.2 To date, Hertfordshire Growth Board have identified a range of growth-related challenges, including but not limited to: significant demand for new homes, including provision of more and high quality affordable homes; additional investment for infrastructure for current and new residents; providing jobs and economic opportunities for all residents; supporting and maintaining a high quality environment and the threat posed by climate change. Through the work of Hertfordshire Growth Board, partners are working together to address these challenges and to ensure that growth provides benefits for current and future residents, and can support a thriving county in which all people can benefit from the success of Hertfordshire.
- 3.3 The Leaders of the District Councils, County Council, and the Local Enterprise Partnership agreed at the September 2019 Hertfordshire Growth Board meeting to develop a Memorandum of Understanding, to be considered by the Hertfordshire Growth Board at its meeting on 15th October. The draft Memorandum of Understanding, attached as Appendix 1 to this report, has now been considered by the Growth Board and is recommended for agreement by all the Hertfordshire Councils and the Local Enterprise Partnership Board.
- 3.4 In terms of scope and content, the Memorandum of Understanding sets out the Core Objectives and Aims of working through the Hertfordshire Growth Board and the Principles of Partnership between the parties to the agreement. It also makes clear what is in and what is not within the scope of the work of the Hertfordshire Growth Board:

- The objectives of the collaboration focus on taking a broader place-based approach to strategic planning for development, infrastructure, transport, climate change, and economy. The aims of the collaboration expand on the work that the parties might undertake through the Hertfordshire Growth Board to help achieve these objectives.
 - The principles set out some of the benefits to be achieved through partnership working, using the two-tier system at its best, responding to wider challenges, providing leadership of place, and increasing impact. It also sets out the principles of how the organisations will work together, how they will undertake placemaking in Hertfordshire, and approaches towards governance.
 - The scope of the Memorandum of Understanding makes clear that any council exercising any particular function shall continue to do so – including local plans, housing, and development management.
- 3.5 The Memorandum of Understanding has a number of terms and conditions, which are summarised as follows:
- It is not enforceable in law and cannot override existing statutes;
 - Individual Partners are free to withdraw at any point, on giving 30 days written notice, but may be required to continue their commitment to previously agreed projects
 - The Memorandum of Understanding shall wholly terminate if the Growth Board is dissolved; and
 - It is amendable only by the unanimous written consent of all its members.
- 3.6 Drafts of the MOU have been circulated through the Chief Executives and Leaders groups and amended as a result of feedback. The attached version has been endorsed by the Growth Board to go forward through individual Councils' democratic processes.
- 3.7 The draft Memorandum of Understanding, if adopted by the Councils and the Local Enterprise Partnership, will give a very clear signal to Government and partners about the Hertfordshire joint working ambition. It will also demonstrate how the Growth Board's members are providing place-based leadership and governance across Hertfordshire and its role as a body that government can talk with about an enhanced collaborative relationship in future.
- 3.8 Should the programme of work continue into the medium-term, and for example secure significant funding support from central government, there is potential that a further report would be required detailing whether any further formalisation of arrangements is required.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 This report recommends approving the Hertfordshire Growth Board Memorandum of Understanding. The work programme to date has been supported by all Hertfordshire authorities, identifies the challenges and opportunities of growth and the need to work closely together to put in place solutions and ways to secure external funding. This report recommends signing the Memorandum of Understanding to participate in the next phases of work, seeking to work with partners to address challenges and opportunities related to growth.
- 4.2 The alternative option is to not sign the Memorandum of Understanding and decline to participate in the next phase of work. This is not recommended as the challenges and opportunities set out in the Memorandum of Understanding are greater than can be addressed by a single body, and could potentially restrict access to, and support from, key projects and potential funding streams that could have benefit for Stevenage and its residents.
- 4.3 A briefing on the work of Hertfordshire Growth Board was provided to all Members on 31st October to share progress to date, priorities, and the principles guiding the next phase of work. At the time of writing, a briefing for all senior Officers of potential partners was also scheduled for early December 2019.

5 IMPLICATIONS

Financial Implications

- 5.1 The work of the Growth Board is evolving and at present is being funded in-kind through Officer time from all partner organisations, or through use of the Growth Fund established for use by the Growth Board through the retained Business Rates Pilot Funds secured for Hertfordshire. Future projects will need clear funding strategies to enable their development and delivery.

Legal Implications

- 5.2 By entering into the Memorandum of Understanding the Council would be committing to work together with the other partner organisations to deliver the objectives of the Growth Board but the Memorandum of Understanding is not a legally binding document.

Risk Implications

- 5.3 Key risks in relation to agreeing a Memorandum of Understanding include:
- Time and commitment required of SBC Officers to support the development of priority projects. This is in part mitigated by Growth Board securing funding for external capacity and Hertfordshire Chief Executive Officers' Group being tasked to review and assess overall resources needed to progress.

- Perception that this programme supersedes or affects existing Local Plans or emerging Local Plans. This perception risk is responded to via the MOU and each authority is required to have its own adopted (or emerging) Local Plan and associated policies.
- Perception of prioritisation of resources within the county. This programme is intended to achieve the best results for Hertfordshire, and looks at benefits across the county.

Equalities and Diversity Implications

- 5.4 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the equalities implications of the decision that they are taking.
- 5.5 The Equality Act 2010 requires the Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.
- 5.6 There are no direct equality implications arising from this report. No EqIA was undertaken in relation to this report. It is anticipated that should any specific policy proposals or projects progress through the work of Hertfordshire Growth Board, that relevant EqIA documents are produced at that point in time.

APPENDICES

1. HERTFORDSHIRE GROWTH BOARD: Draft Memorandum of Understanding

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HERTFORDSHIRE GROWTH BOARD

Memorandum of Understanding

October 2019



Memorandum of Understanding

Between

Broxbourne Borough Council
Dacorum Borough Council
East Herts District Council
Hertfordshire County Council
Hertsmere Borough Council
North Hertfordshire District Council
St Albans City and District Council
Stevenage Borough Council
Three Rivers District Council
Watford Borough Council
Welwyn Hatfield Borough Council
Hertfordshire Local Enterprise Partnership

The local authorities listed above comprising of county council, district councils and borough councils are together referred to as “Local Authorities”. The Hertfordshire Local Enterprise Partnership is referred to as the “LEP”. The Local Authorities and the LEP are collectively referred to in this Memorandum of Understanding as the “Partners”. A list of the Partners and their principal addresses are listed at Schedule 1 “the Partners”.

1. Purpose

1.1. The purpose of this Memorandum of Understanding is for the Partners to:

- Raise awareness of their joint working intent to Hertfordshire residents, partners, businesses and central government;
- commit to continued collaborative place-based working across Hertfordshire;
- set out the joint working intention between the Partners; and
- demonstrate how they will work together as equal stakeholders with different roles to manage future growth in Hertfordshire.

2. Background

2.1. Since September 2018, the Partners have been working collaboratively through the Hertfordshire Growth Board – an alliance consisting of the Leaders of all of the Local Authorities and the Chair of the LEP. Together, the Partners are responding to the place leadership and growth challenges that face Hertfordshire now and in the future and are committed to ensuring that the Partners work in a proactive, positive and inclusive way.

2.2. To date, the Partners have identified the following growth challenges:

- demand for residential homes of a variety of types and tenures;
- need for infrastructure and local services serving both new and existing residents;
- securing jobs and inward business investment within Hertfordshire;
- responding to growth pressures from outside Hertfordshire in a considered and appropriate way;

- pressure on green belt and providing a sustainable and high-quality environment, and
- the threat climate change poses to the county and its residents.

Through the exploration of the joint place-based ambitions that the Partners have been developing, working together to achieve this challenge will result in positive benefits for Hertfordshire, now and in the future.

2.3. The Partners are keen to ensure that growth delivers for both current and future Hertfordshire residents and supports a thriving county. The three pillars of the Hertfordshire Growth Board will be people, place and prosperity. People means enabling happy, healthy, diverse communities who feel they belong in Hertfordshire and can benefit from its successes. Place means making places contribute to people's health, happiness, and wellbeing without compromising the future or our environment. Prosperity means delivering Hertfordshire's contribution to the UK and national economy while maintaining and further developing a sustainable local economy that creates value for Hertfordshire residents.

2.4. Hertfordshire is a net contributor to the UK economy, and good growth is key to ensuring that the Partners continue to build on that while locally providing good quality jobs, skills, and opportunities for all Hertfordshire residents. Hertfordshire's location between London and the Oxford-Cambridge Arc and its unique 'offer' make the Partners perfectly placed to work with government and co-create ideas and solutions to meet the challenges and maintain the momentum and growth of UK plc that benefits all of Hertfordshire. However, in parts of Hertfordshire our productivity is falling behind the national average, and without change, we risk not being able to deliver on local and national economic objectives.

2.5. This Memorandum of Understanding builds on a history of successful partnership working in Hertfordshire on issues like property, infrastructure and planning as well as the two emerging joint strategic spatial planning partnerships in North East Central Herts and South West Herts.

2.6. This Memorandum of Understanding sets out:

- the core objectives and aims of the Hertfordshire Growth Board; and
 - the principles of collaboration for Hertfordshire
- subject to the terms and conditions set out within this Memorandum of Understanding.

3. Core Objectives and Aims

3.1. The core objective of the Hertfordshire Growth Board is to respond to the key growth challenges facing Hertfordshire. The Partners have agreed a set of place-based ambitions and agreed to work together on delivering those ambitions through the future work programme:

- Strategic planning and positioning – the need to raise Hertfordshire's profile and secure central government support for scaled and accelerated delivery, helping to overcome the challenges faced by the local plan system, and growing strategic employment and housing corridors within Hertfordshire;

- Homes – the need to overcome market failure to deliver the housing Hertfordshire needs. This includes more social and affordable housing; good and inclusive growth that delivers sustainable communities, housing, and places into the future; and accommodating housing and economic growth with sustainable construction and excellent design that does not compromise the attractiveness of our existing places;
- Infrastructure – the need to access sufficient forward funding to put ‘infrastructure in first’ ahead of development delivery, reduce our carbon footprint, and plan for active and sustainable travel; and
- Economy – the need to further unlock the potential of our key sectors, stimulate new sectors, and create quality local jobs growth, in alignment with the emerging Local Industrial Strategy.

3.2. The Hertfordshire Growth Board will support the Partners to lead on, facilitate and support each other to collectively fulfil this core objective.

3.3. The Hertfordshire Growth Board, through its future work programme commitments aims to:

- Set out the shared vision for place and growth in Hertfordshire and the strategic priorities that will guide how the Partners collectively respond to demographic, economic and social challenges and work together for the continued success of a thriving Hertfordshire;
- Identify investment opportunities and potential sources of funding, including from central government, from private sources and locally, and where appropriate agree investment locally for the benefit of Hertfordshire;
- Speak with one voice to central government, academia, delivery partners, business and Hertfordshire residents, taking advantage of its place narrative and the scale of twelve Partners coming together;
- Agree and deliver on Partners’ shared priorities for infrastructure investment and development now and in the future;
- Lead on developing and securing the emerging agreement with central government to support infrastructure and housing, engaging with central government to secure buy-in, and acting as the accountable body for governance and delivery;
- Support the North East Central Herts and South West Herts planning partnerships and help facilitate strategic alignment of the joint planning work undertaken with each other and adjacent Local Planning Authorities.

4. Principles of Partnership

4.1. The Partners recognise the following benefits of stronger partnership working on place-based working in Hertfordshire:

- Building on the strengths of the two-tier system of local government, delivering at a local level while solving problems at a larger scale;
- Identifying and delivering local needs in collaboration with other strategic partners such as NHS, Police Constabulary and local businesses;

- Responding to challenges that extend beyond local authority boundaries such as strategic infrastructure delivery, traffic congestion, air quality, carbon reduction and affordable housing;
- Providing leadership of place at a county wide scale, helping to deliver joined up strategic and spatial planning appropriate for Hertfordshire’s villages, towns, and cathedral city;
- Delivering at scale, with greater impact (the sum of what the Partners deliver together being greater than the sum of each individual authority’s part) and with a single voice and message that commands the attention of government, investors and residents.

4.2. The Partners agree to the following principles to achieve the core objectives and aims set out in paragraph 3 above:

- The shared growth agenda – the Partners will individually work towards the Partners’ shared growth challenges and ambitions, and in alignment with a collective coherent growth programme. The Partners may take advantage of their collective scale to maximise impact and shall endeavour to work across departments, authorities and boundaries;
- Strategic alignment – the Partners will seek strategic alignment with the emerging Hertfordshire Local Industrial Strategy, the emerging North East Central Herts and South West Herts Joint Strategic Spatial Plans, other groups and forums within Hertfordshire, regional bodies and neighbouring areas;
- Governance – the Partners will collectively secure the right governance, scrutiny, and transparency arrangements for the Hertfordshire Growth Board and underlying programmes, mindful of our local political environment and two-tier system of government. Local identity is one of Hertfordshire’s strengths and the Partners will ensure that local identities and voices are not lost, and that pragmatic and flexible policies reflect local need;
- Designed around places – the Partners will support the development of Joint Strategic Spatial Plans and adopt a place-based delivery approach that addresses our shared challenges – connectivity, affordable homes, inclusive economic growth, protecting the environment, tackling climate change, and building healthy, safe communities;
- Collaboration – the Partners will ensure that they use and support existing successful examples of joint working across Hertfordshire where appropriate and will share and build on the substantial best practice and expertise that has been developed by each individual Partner. Each Partner will work effectively with its stakeholders, including residents, the private sector and academia; and
- Programme governance approach – the Partners will adopt robust project and programme management disciplines to bring pace, momentum and manage progress in achieving growth outcomes; and
- Resourcing – Partners will work together and with Government to put the resources that are necessary in place to deliver the core ambitions of the programme.

5. Scope of Memorandum of Understanding

- 5.1. The Partners intend to work together to enable good growth in Hertfordshire, subject to each individual Partner making decisions in accordance with its own decision-making process and the right to exercise its powers accordingly. Nothing in this Memorandum of Understanding shall affect the sovereignty of any individual Partner.
- 5.2. Each individual Partner agrees that the following shall remain in the domain of each individual Partner:
 - decisions regarding housing and employment numbers, targets, and sites shall remain the responsibility of each Local Authority;
 - development management shall remain the responsibility of each Local Authority; and
 - discharging any function currently the responsibility of any Partner will remain the responsibility of that partner exercising that function.
- 5.3. The Growth Board will operate in accordance with its agreed Terms of Reference.

6. Term and Termination

- 6.1. This Memorandum of Understanding shall commence on the date of the final signature of the Partners;
- 6.2. This Memorandum of Understanding shall wholly terminate if the Hertfordshire Growth Board is dissolved by a majority vote.
- 6.3. Any individual Partner may withdraw from this Memorandum of Understanding by giving 30 days written notice to the Hertfordshire Growth Board. The future of any projects and work streams that the individual Partner is involved in at the date of withdrawal shall be agreed by the Hertfordshire Growth Board and any individual Partner agrees that involvement may continue (financial or otherwise) until the end of the project or work stream unless agreed otherwise.

7. Variation

- 7.1. This Memorandum of Understanding may be varied by written agreement of all of the Partners.
- 7.2. The Partners shall review this Memorandum of Understanding on an annual basis.

8. Charges and Liabilities

- 8.1. Unless expressly agreed by the Hertfordshire Growth Board, each Partner shall bear their own costs and expenses incurred in complying with their obligations under this Memorandum of Understanding.

9. Status

- 9.1. This Memorandum of Understanding is not intended to be legally binding and no legal obligations or legal rights shall arise between the parties from this Memorandum of Understanding.
- 9.2. This Memorandum of Understanding cannot override the statutory duties and powers of the Partners.

- 9.3. Nothing in this Memorandum of Understanding shall constitute a partnership or joint venture between any of the Partners.
- 9.4. Notwithstanding paragraph 9.1 above, each Partner covenants with the other Partners that they shall act in good faith towards the others and agrees to work together in accordance with this Memorandum of Understanding.

Signed by:

| Local Authority | Leader | Chief Executive | Date |
|--|---------------|------------------------|-------------|
| Broxbourne Borough Council | | | |
| Dacorum Borough Council | | | |
| East Herts District Council | | | |
| Hertfordshire County Council | | | |
| Hertsmere Borough Council | | | |
| North Hertfordshire District Council | | | |
| St Albans District Council | | | |
| Stevenage Borough Council | | | |
| Three Rivers District Council | | | |
| Watford Borough Council | | | |
| Welwyn Hatfield Borough Council | | | |
| Local Enterprise Partnership | Chair | Chief Executive | Date |
| Hertfordshire Local Enterprise Partnership | | | |

Schedule 1 – The Partners

BROXBOURNE BOROUGH COUNCIL whose principal address is: Bishops College, Churchgate, Cheshunt EN8 9XG

DACORUM BOROUGH COUNCIL whose principal address is: The Forum, Marlowes, Hemel Hempstead HP1 1HH

EAST HERTS DISTRICT COUNCIL whose principal address is: Wallfields, Pegs Lane, Hertford SG13 8EQ

HERTFORDSHIRE COUNTY COUNCIL whose principal address is at County Hall, Pegs Lane, Hertford SG13 8DE

HERTSMERE BOROUGH COUNCIL whose principal address is: Civic Offices, Elstree Way, Borehamwood WD6 1WN

NORTH HERTFORDSHIRE DISTRICT COUNCIL whose principal address is: Council Offices, Gernon Rd, Letchworth Garden City SG6 3JF

ST ALBANS CITY & DISTRICT COUNCIL whose principal address is: Civic Centre, St Peter's St, St Albans AL1 3JE

STEVENAGE BOROUGH COUNCIL whose principal address is: Daneshill House, Danestrete, Stevenage SG1 1HN

THREE RIVERS DISTRICT COUNCIL whose principal address is: Three Rivers House, Northway, Rickmansworth WD3 1RL

WATFORD BOROUGH COUNCIL whose principal address is: Town Hall, Watford WD17 3EX

WELYWN HATFIELD BOROUGH COUNCIL whose principal address is: The Campus, Welwyn Garden City AL8 6AE

HERTFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP whose principal address is: One Garden City, Broadway, Letchworth Garden City, SG6 3BF

Meeting Executive
Portfolio Area Environment and Regeneration
Date 16 December 2019



DEVELOPING A TOWN FUND DEAL

KEY DECISION

Lead Officer: Tom Pike

Report author: Annie Piper, Mary Cormack, Zayd Al-Jawad, Gareth Wall

1 PURPOSE

- 1.1 On the 1st November 2019, government issued the Towns Fund prospectus inviting 100 towns to develop proposals to benefit from up to £25m funding. The prospectus summarised the objectives of the Fund and the arrangements that are expected to be put in place to enable eligible towns to put forward Investment Plans to benefit from up to £25m funding from within the £3.6bn Fund. The prospectus states the objective of the Fund is to drive the economic regeneration of towns to deliver long term economic and productivity growth through: regeneration, planning and land use; skills and enterprise infrastructure; and connectivity.
- 1.2 Included within this prospectus was an allocation of funding for each town, to be released in November / December 2019, to support the development of a Town Deal Board and preparation of a Town Investment Plan to set out the vision, governance, opportunities and business case for the town to benefit from government investment. For Stevenage Borough Council this sum is £173,000.

- 1.3 The prospectus identified a number of short-term actions that would need to be taken in order to put forward a Town Investment Plan and proposals for up to £25m. This includes completion, by 19 December 2019, of a readiness assessment to identify in which phase a Town Deal could be negotiated with government. The prospectus also sets out a requirement for a Town Board to be established by the end of January 2020 and a Town Investment Prospectus to be developed and submitted in the first part of 2020.
- 1.4 Within the Towns Fund prospectus, the role of the District or Borough level Council is to act as the lead body for the creation of the Town Deal Board and the subsequent Town Investment Plan.
- 1.5 This report sets out further information on Towns Fund, the short-term actions that would need to be taken to put in place the governance, and the tasks required to prepare a Town Investment Proposal which would seek to secure further investment into Stevenage.
- 1.6 This report seeks approval of the draft Terms of Reference for a new Town Deal Board, the process to recruit an independent Chair and to create the Town Deal Board. Given the short timeframes that could be available, the report seeks delegation to Officers to work with Portfolio Holders and local partners to progress the establishment of the relevant governance.
- 1.7 Progressing with the next stage of work on this potential project will be dependent on the outcome of the general election on 12 December and the decisions of any incoming government. This report identifies the short-term steps that would need to be taken should any incoming government opt to proceed with this policy. The report seeks approval and delegation to a Strategic Director, following consultation with the Leader and Portfolio Holder for Environment and Regeneration, to put in place the required governance and actions to be in a position to potentially benefit from the Towns Fund.

2 RECOMMENDATIONS

- 2.1 That the Executive notes the release of the Towns Fund prospectus and the steps that would be needed to put in place a Town Deal Board by end of January 2020 and Town Investment Plan by mid-2020.
- 2.2 That the Executive delegates authority to the Strategic Director (TP), having consulted with the Leader and Portfolio Holder for Environment and Regeneration, to complete a readiness assessment for submission to government by 19 December 2019.
- 2.3 That the Executive approves the draft Terms of Reference for a new Town Deal Board at Appendix B to this report, delegating finalisation of the draft Terms of Reference to the Strategic Director (TP) having consulted with the Leader and Portfolio Holder for Environment and Regeneration.
- 2.4 That the Executive approves the commencement of an open advertising, recruitment and selection process for an Independent Chair of the Town Deal Board, having consulted other key local stakeholders. Finalisation of the recruitment and selection process to be delegated to the Strategic Director

(TP) having consulted with the Leader and Portfolio Holder for Environment and Regeneration.

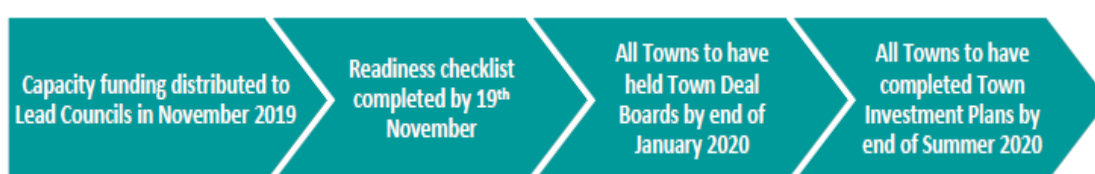
- 2.5 That the Executive notes the importance of local consultation to inform the development of the vision for the Town Deal, and requests Officers to develop a comprehensive consultation and engagement plan, using existing consultation data and using a cooperative approach to engage with residents, partners, businesses and other stakeholders to help inform the options to be considered through a Town Investment Prospectus.

3 BACKGROUND

- 3.1 On the 27th July 2019, government announced a proposed funding package of up to £3.6bn called the Towns Fund, to support 100 places across England. On the 6th September 2019, further information was released by government regarding the Towns Fund including the location of the 100 towns which are being invited to participate in the Towns Fund. This list of 100 towns included Stevenage, the only eligible town within Hertfordshire. The Towns Fund prospectus identified that towns are host to key businesses, employers, education centres and where the majority of people live, and serve as important centres for leisure, shopping and other services. It also recognised that while each town has its own assets, there can be constraints to the growth and success of towns.
- 3.2 The Towns Fund prospectus was released on 1 November 2019, providing further information on the objectives of the Fund. The prospectus sets out how towns should prepare for a Town Deal, as part of a two stage process. The first phase is based upon the establishment of a Town Deal Board in each area, with the second phase of work based on developing investment priorities and project proposals within a locally-owned Town Investment Plan to encourage business investment and growth. The prospectus sets out that proposals should drive long term economic and productivity growth through investment in connectivity, land use, economic assets including cultural assets, skills and enterprise infrastructure. This could include:
- Urban regeneration, planning and land use: ensuring towns are thriving places for people to live and work, including by: increasing density in town centres; strengthening local economic assets including local cultural assets; site acquisition, remediation, preparation, regeneration; and making full use of planning tools to bring strategic direction and change.
 - Skills and enterprise infrastructure: driving private sector investment and ensuring towns have the space to support skills and small business development.
 - Connectivity: developing local transport schemes that complement regional and national networks, as well as supporting the delivery of improved digital connectivity.
- 3.3 The Towns Fund is intended to provide public investment in Town Deals, with the intention to leverage and attract further business growth and private investment into towns. The guidance also indicates that government will

seek to identify opportunities to align or rationalise public investment around key local priorities, as part of agreeing a Town Deal.

- 3.4 The prospectus sets out the first stage of agreeing a Town Deal. This will operate as a two-stage process:
- **Stage 1:** providing capacity support to places to put the structures and vision in place in order to move to the next stage of agreeing a deal.
 - **Stage 2:** places to use their locally-owned Town Investment Plan to put together a business case to apply for funding for interventions.
- 3.5 The prospectus provides a clear timeline for actions for the Lead Council to take in each area; noting however that the Readiness Checklist is now to be completed by 19th December.



- 3.6 District and Borough Councils in the areas for the towns selected are designated as the Lead Council to develop a Town Deal Board, with this to be in place no later than the end of January 2020. The Town Deal Board will then be the vehicle to develop the vision and strategy, and produce a Town Investment Plan to inform the Town Deal.
- 3.7 The role of the Board is to:
- Develop and agree an evidence based Town Investment Plan
 - Develop a clear programme of interventions
 - Coordinate resources and influence stakeholders.
- 3.8 The Town Deal Board should be convened by the Lead Council with an expectation that the governance structure and decision-making structures of the Town Deal Board should be made public and that the Town Deal Board should align with the governance standards and policies of the Lead Council including around whistle blowing, conflicts of interest, and complaints.
- 3.9 The prospectus states that Town Deal Boards are required to include:
- **Other tiers of Local Government**
 - **Members of Parliament:** The MP (or MPs) representing the town should be invited to engage in the process of designing and agreeing the Town Investment Plan.
 - **Local businesses and investors:** Driving economic growth and building productivity will require entrepreneurship and investment from business. Existing investors currently active in the area also have an

important role to play; their experience of driving development in specific regions should be drawn on to identify the best uses of public and private funds. This should include large employers and SMEs.

- **Local Enterprise Partnerships (LEPs):** LEPs bring a strong specialism in economic development strategy, business engagement, and the local skills system – through Skills Advisory Panels – ensuring Town Investment Plans are informed by local economic strategies.
- **Communities:** Each town will decide how best to involve their local community and communities should have a meaningful role in decision making for the future of their town, with an expectation of representation in the Board. This could include representatives from prominent civic or religious groups, or representatives of voluntary or community forums.
- **Other groups:** The Board could also include Job Centre Plus, anchor institutions such as FE or HE providers, hospitals, sports, culture or creative bodies or housing providers.
- **Other government agencies or arms-length organisation:** This could include agencies such as Homes England, culture, sport or other agencies
- **Other private investors and developers:** National or international private investors and developers should be engaged early to understand their requirements for investment.

- 3.10 The Lead Council should publish the Town Deal Board's governance structure and ways of working, such as a statement for how the board will engage stakeholders and agree decisions over time. The Board's governance structure should be published no later than January 2020.
- 3.11 The Town Deal Board serves an advisory function to the Lead Council. As part of the Board's governance arrangements, all Board members will be required to adhere to the Nolan Principles and agree to a Code of Conduct. The Board will have clear terms of reference setting out how it will operate.
- 3.12 The prospectus sets an expectation that Town Deal Boards should appoint a Chair, and where appropriate, to be from the private sector.
- 3.13 Once in place, it is the role of the Town Deal Board to work on a Town Investment Plan. This should set out investment priorities that could drive economic growth, supported by clear evidence and targeting investment into economic infrastructure, as well as making full use of existing powers, particularly in planning. The Investment Plan should complement other pre-existing strategy documents that have been developed with local partners, and where necessary build on these. This includes Local Industrial Strategies, Local Plans, Local Transport plans and other tools such as Skills Advisory Panel analysis.
- 3.14 Town Investment Plans are expected to include:

- Background, context and evidence of need for suggested interventions
- A vision for the town, complementing agreed or emerging local economic strategies
- A high-level description of priority areas for the short, medium and long term, including:
 - Activity that can be locally funded
 - Projects that could be supported by public investment (including through the Towns Fund), with high level cost estimates)
 - Ambitions for private sector investment and community involvement.

Stevenage Policy context

- 3.15 Stevenage is a place that has clear ambitions to transform the town. Aspiration shows through a range of projects, initiatives and policies that aim to improve residents' well-being, quality of life and the urban and rural environment to create a town of the 21st Century. One of the core enabling factors supporting this wealth of change is partnership working and collaboration.
- 3.16 Stevenage has worked closely with partners over the last few years to create a strong foundation to explore and secure future funding opportunities. Stevenage has already benefited from that partnership ethos by securing Growth Deal funding from the Hertfordshire Local Enterprise Partnership, supported by local key partners as part of Stevenage First board.
- 3.17 Stevenage, as the original new town, was designed to encourage sustainable growth. The Council's Local Plan, building on the aspirations of the original master plan, was adopted in May 2019 and seeks to build 7,600 new homes, 3 new neighbourhoods, 2,000 jobs and a revitalised town centre.
- 3.18 The associated Infrastructure Delivery Plan (IDP) details the key infrastructure the town needs to support this growth and make the town a success.
- 3.19 The Local Plan and the Future Town Future Transport Strategy put sustainable transport at the heart of a connected town that better links residents with the opportunities for employment and learning in the town.
- 3.20 The Local Plan seeks to enable and encourage development and growth that will enhance and re-vitalise the town, address housing pressures, provide local jobs and bring forward regeneration across the town. However, it also performs an equally important role in terms of protecting the town's most important features and assets, which include not only its open spaces and heritage assets, but also its employment areas that are key to the economic prosperity of the town.
- 3.21 Hertfordshire's emerging Local Industrial Strategy (LIS) provides Stevenage with a direction and support for how its world class businesses like GSK, Airbus and MBDA can grow and better connect with the town and region. The LIS focuses on:

- Accelerating development of the research and development cell and gene therapy cluster in and around Stevenage
 - Developing an overarching skills strategy, and inclusion plan
 - Prioritising infrastructure investments to increase productivity and provide inclusive growth
 - Supporting key regeneration interventions such as the delivery of the vision for the Stevenage Central regeneration framework.
- 3.22 The Council has been working closely with other public sector partners to develop the Hertfordshire Growth Board, and a programme of work to consider how to best prepare for the future growth of the county. This work is starting to consider how partners can draw in funding for infrastructure and work to ensure that growth enhances the opportunities of all residents in the county and deliver priority projects in a range of areas.
- 3.23 The Council's current Cooperative Corporate Plan outlines the key outcomes and priorities for the town over a five year period and is being delivered through the Future Town, Future Council (FTFC) transformation programme. FTFC is envisaged to ensure Stevenage is a thriving place to live and work.
- 3.24 The FTFC transformation programme is complemented by a range of strategies and activities that focus particularly on improving Stevenage residents' well-being and quality of life, and on managing the Council's assets for the benefit of the community. This suite of strategies includes:
- Healthy Stevenage Strategy 2018 – 2022
 - Community Safety Strategy 2018-2021
 - Arts and Culture Strategy: Stevenage Reimagined
 - Future Town Future Transport Strategy 2019
 - Housing Revenue Account Business Plan (HRA BP)
 - General Fund Asset Management Strategy (AMS) 2018-2023

Establishing a Town Deal Board

- 3.25 Subject to the decisions of any incoming government following the outcome of the general election, the prospectus sets out a requirement for a Town Deal Board to be established before the end of January 2020.
- 3.26 To enable this process, Stevenage Borough Council will commence a recruitment process to recruit an independent Chair. This will follow an advertising and selection process based on a role profile for the independent Chair, and the process will be informed by engagement with other local stakeholders.
- 3.27 It is anticipated that this independent Chair would not be a remunerated position, but would be entitled to payment of reasonable expenses. Subject to the decisions of the Executive and engagement with key local partners, the role will be advertised for a minimum of three weeks and using appropriate media channels to secure interest.

- 3.28 The Town Deal Board will be underpinned by clear Terms of Reference. Draft Terms of Reference are attached as Appendix B to this report, setting out the requirements of the new entity. The composition of the Board will be as set out in section 3.9 of this report, incorporating relevant and required stakeholders from the public sector, business representation, developers and investors, and community representation. It is anticipated that the Board will be asked to approve the Terms of Reference at its first meeting in January. Engagement will take place with local partners to review the current draft Terms of Reference ahead of that meeting.
- 3.29 Potential local partners will be approached to consider participating in the Town Deal Board ahead of its first meeting.

The Readiness Checklist

- 3.30 As part of the preparatory works for the establishment of the board, the Town Deal requires the submission of the readiness checklist and the template form is at Appendix A.
- 3.31 The purpose of this checklist is to provide Government with an understanding of how ready towns are to complete a Town Deal. This will enable Government to deploy its resources to support towns and progress Town Deals, and to meet the need to begin spend during the 2020-2021 financial year.
- 3.32 The Readiness checklist will cover and will be assessed on these particulars:
1. A town has existing partnerships that meet most of the criteria for a Town Deal Board (refer to prospectus in *Background documents*)
 2. There are strategies or plans in place aligned with what is required in a Town Investment Plan
 3. The town has the capacity and governance to deliver at pace. It is expected that most places will need time to develop their Board and plans to be ready to enter into a Town Deal.
- 3.33 The Readiness checklist also probes what types of interventions could be put forward and prioritised to develop quality, sustainable and transformation proposals for the town through a Town Deal at pace.

Developing project options

- 3.34 Stevenage Borough Council and local partners have worked closely in recent years to develop a clear regeneration framework. In addition, a number of private-sector led projects have secured government and private funding for critical research and development projects.
- 3.35 A successful Town Investment Plan will need to be informed by a clear vision, and strong evidence base. As set out in this report, there is a clear direction for regeneration and development activities to enhance Stevenage, supported by a range of policies that have been developed with partners and market evidence from a variety of current and planned projects. This evidence base will be supported by further consultation with residents,

businesses, community groups, developers and investors, to consider potential interventions that could be proposed as part of the Town Investment Plan. This does not provide a final position for the Council to submit as extensive work will take place through engagement with Members, the emerging Town Deal Board, work with partners and local consultation to inform a Town Investment Prospectus during 2020.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 This report recommends proceeding with the steps required to put in place a Town Deal Board and subsequent Town Investment Plan, subject to the outcome of the general election on 12 December, within the required timescale. This proposed approach intends to form the required Town Deal Board, commence a process to attract and recruit a Chair, and commence preparation works to secure funding that could benefit Stevenage and its residents. In forming this approach, Officers have engaged with central government Officials regarding the prospectus and the expected timescales and with key public sector partners.
- 4.2 The Council has a positive track record in forming and maintaining effective local partnerships, and the creation of a Town Deal Board would serve to support the implementation of projects and investments already set out in relevant strategic documents such as the Local Plan and associated strategies, as well as to incorporate new opportunities emerging from new plans such as the Local Industrial Strategy.
- 4.3 Alternatives include postponing work to form a Town Deal Board, or to not form such a Board. The former option is not recommended at this stage, as without agreed extension of timescales this could limit the Council's ability to bid for funding or generate sufficient momentum during 2020. The latter option is not recommended as it is anticipated not forming a Board would mean the Council could not negotiate a Town Deal and would lose the opportunity of benefitting from external funding.

5 IMPLICATIONS

Financial Implications

- 5.1 The Town Deal prospectus identifies £173,000 revenue funding to be provided in November / December 2019, for Stevenage Borough Council to establish a Town Deal Board, conduct consultation to inform the vision and priorities for the potential Town Deal, and prepare business cases and options in relation to different projects.
- 5.2 The Town Investment Plan would be expected to set out project options, largely based on capital investment that could generate a positive impact in Stevenage. The Council has made significant strategic investments to progress key priority schemes in recent years. Any future bids through the

Town Investment Plan would need to incorporate a robust review of the total cost and benefit of the potential projects, consideration of the capital contribution, and any required match funding, or revenue implications to ensure that projects are affordable and can be supported within the Council's Medium Term Financial Strategy.

- 5.3 In establishing this new Town Deal Board, there is potential scope for the Board to also oversee the delivery of Growth Deal 3 funded projects (£19m), subject to central government approval.

Legal Implications

- 5.4 There are no legal implications at this stage. The proposed Town Deal Board will not be a legal entity but an advisory body to Stevenage Borough Council as the Lead Council for Town Deal funding.

Risk Implications

- 5.5 Proceeding to create a new Town Deal Board and Town Investment Plan does incorporate a level of risk:
- Risk that anticipated central government funding is not available: This risk can be partially mitigated by the formation of a clear vision for the Town Deal – drawing on the extensive partnership working and policies already in place, enhancing these where appropriate and forming strong and effective business cases. The Council has a positive track record in securing external grant funding and attracting private investment. To support this programme of work officers anticipate securing additional capacity from Hertfordshire LEP given their expertise in strategy and grant funding, and using advice and support from commercial advisors as needed.
 - Risks in relation to the processes to establish the Town Deal Board and governance: The processes used to recruit an independent Chair will be developed by the Council's Human Resources team. The draft Terms of Reference for the Board have drawn on other external Terms of Reference from other similar entities to ensure they are fit for purpose.
 - Risks that a duplicate governance structure is required to oversee Growth Deal 3 spend projects: Growth Deal 3 funding was secured in 2016/17 and allocated in principle by Hertfordshire LEP to Stevenage focussed projects. To draw down this funding, there are particular conditions which require government approval including: a new Board to oversee regeneration, political representation to include the Local MP, business representation. The new Town Deal Board will be designed to be in a position to fulfil these requirements and provide an option to oversee this area of project expenditure and delivery.
 - Risks in relation to code of conduct, conflicts of interest and transparency: The new Board will be subject to clear policies in relation to conduct and management of any conflicts of interest. All members of the Board will be required to work within these policies.

Policy Implications

- 5.6 The vision formulated by the new Town Deal Board and Town Investment Plan would be informed by Stevenage Borough Council's existing corporate plan Future Town, Future Council and supporting strategies and policies as outlined in section 3.23. The proposal for an inclusive and transparent independently chaired Board is aligned with the Council's cooperative principles and the proposal for a comprehensive consultation and engagement plan is in line with the newly adopted Community Engagement Framework.

Planning Implications

- 5.7 The creation of a Town Deal Board, vision and subsequent Town Investment Plan would be reflective of the existing Local Plan adopted in 2019, and associated delivery plans and strategies.

Equalities and Diversity Implications

- 5.8 The Council has adopted a Local Plan, a Corporate Plan and associated range of policies and action plans which have been subject to Equality and Diversity Impact Assessment (EqIA). The creation of the new Town Deal Board will incorporate relevant standards to ensure open, transparent and fair approach to decision making. Where potential projects could be scoped to progress as part of a Town Investment Plan, appropriate EqIAs will be conducted and impacts reviewed.

BACKGROUND DOCUMENTS

- Stevenage Local Plan 2015 – 2031
- Ministry of Housing, Communities and Local Government: Town Fund Prospectus, 1 November 2019

APPENDICES

- A Ministry of Housing, Communities and Local Government: Readiness Checklist
- B Draft terms of reference for the Town Deal Board

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Town Deal Readiness Checklist

We recognise that towns will be in different stages of development for their partnerships, plans and opportunities. The purpose of this checklist is to provide Government with an understanding of how ready different towns are to complete a Town Deal. This will enable Government to deploy its resources to support towns and progress Town Deals, and to meet the need to start spending during the 2020-2021 financial year.

Readiness will be assessed based on whether a town has in place much of what is needed to progress a deal, in particular whether:

- 1) A town has existing partnerships that meet most of the criteria for a Town Deal Board (set out in the prospectus)
- 2) There are strategies or plans in place aligned with what we need in a Town Investment Plan (as set out in the prospectus)
- 3) The town has the capacity and governance to deliver at pace. It is expected that most places will need time to develop their Boards and Plans to be ready to enter into a Town Deal.

Government will support towns to develop robust and quality proposals through this development process. Being in a later cohort does not impact a town's ability to secure a Town Deal. The importance is on the quality of proposals and the value for money of potential investments to meet the Towns Fund objectives.

We are asking the Lead Council for each town to complete this return by 19th November to provide an initial indication to Government of the town's current state of readiness. Further opportunities for towns to update Government on their state of readiness will be available in due course.

Note: This form should only be completed once you have read the prospectus in its entirety.

This form will not auto-save so please ensure you have the adequate time and the correct information to hand to complete it in one sitting - if you exit from the form your progress will be lost and you will have to start again. The form should take around 45 minutes to 1 hour 30 minutes to complete.

Some questions are not mandatory; so in cases where you have no information to provide please input 'n/a'. When you reach the end of the form please click 'submit'.

Section 1

Lead Council information

Lead Councils will support the development of a Town Deal Board and a Town Investment Plan. They are either the unitary authority which covers the town, or the lower-tier authority in a County/District area.

1.Name of Lead Council

2.Name of town

Select your answer

3.Contact details

This will be the individual leading on the Towns Fund for the council on a day-to-day basis. We will be in contact if we require any additional information, update with key information or guidance and invite to workshops and events.

4.Position with Authority

5.Contact telephone number

6.Contact email

Town definition

The Lead Council should define the area the Town Deal Board will represent. This is so that local communities and other bodies understand where the area of benefit will be.

7. We have used the Office for National Statistics to define the boundaries for your town. Are you content with this representing your intervention area?

Please refer to the following link to check the Office for National Statistics definition:

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/understandingtownsinenglandandwales/anintroduction>

8. If you are not content, please describe your proposed area, and explain how and why it differs from the ONS definition.

Any change to the ONS boundaries would need to be agreed with government. We do not envisage agreeing to significant changes without a very strong rationale. If you indicate you are not content with the ONS boundary, we will be in contact in due course.

9. Would you like to work with another selected town to form a joint Town Deal Board and produce a joint Town Investment Plan? If yes, please name the town

The partner town must be from the 100 places already selected for the Towns Fund. Any proposal for a joint board and investment plan will need to be agreed with government. If you are proposing to do a joint board and investment plan, we still nonetheless require a readiness form to be returned by each of the individual towns.

10. If you answered yes to the above question, please explain the benefits of collaboration in this case.

Max: 250 words

Town Deal Board - Required Organisations

Some towns may already have partnerships in place that align with Government's requirements for a Town Deal Board as set out in the prospectus. In the following sections you will be asked to provide information to demonstrate the capability of existing partnerships to fulfil this role. This page covers the organisations and groups that must form part of the Town Deal Board. (For those wishing to form a joint Town Deal Board please provide information for all of the organisations covering the constituent geographies.)

11. Do you have an existing partnership that includes all the required stakeholders for a Town Deal Board? If so, please give some details

When were these partnerships formed, and for what purpose? What activities have they undertaken? (Max: 250 words.)

12. Town/Parish Council (where they exist)

Name of the organisation(s)

13. Upper-tier Authority

Name of the organisation(s)

14. Local Enterprise Partnership

Name of the organisation

15. Local businesses and investors

Name of the organisation(s)

16. Local communities

Name of the organisation(s)

17. Summarise how those named organisation(s) above represent your town, provide details on the nature of your involvement with them, and how your partnerships have evolved over time

Max: 250 words



Town Deal Board - Additional Organisations

The following organisations and groups are encouraged to be part of the Town Deal Board. Please indicate, where applicable, those organisations present in your existing partnership arrangements.

18.Private investors and developers

Name of the organisation(s)

19.Anchor institutions (e.g. local hospital, local university or large employer)

Name of organisation(s)

20.Business Improvement District(s)

Name of organisation(s)

21.Government arms-length bodies (e.g. Homes England)

Name of organisation(s)

22.Jobcentre Plus

Name of organisation(s)

23.Have you appointed the Chair of your Town Deal Board yet?

It is not essential that you have the Chair in place yet. If they are, please give their name, organisation, and position

Town Investment Plan

Towns are tasked with developing a Town Investment Plan which meets the objectives of the Fund. Similar to existing partnership arrangements, Government recognises that towns may have existing strategies and plans in place which align with the expected deliverables of a Town Investment Plan. Please provide a brief summary of any existing plans or strategies that you currently have, if you consider them to fulfil the purpose of a Town Investment Plan. If there are no existing plans or strategies which could be directly used as the Town Investment Plan, or if plans and strategies would need to be revised or updated then you can leave this page blank.

24. Is there an existing plan or strategy which aligns with the requirements for a Town Investment Plan, or can be the primary basis for your Plan? If so, please give details.

Please include a hyperlink to the documents where possible

25. Summarise the background, baseline data and evidence of need.

Max: 250 words.

26. Summarise the vision for the town, and links to the agreed or emerging Local Industrial Strategy.

Max: 250 words.

27. Describe projects that could be supported by public investment (including through the Towns Fund).

Max: 250 words.


28. Describe existing private sector interest around projects, and ambitions for leveraging investment.

Max: 250 words.

An empty rectangular text box with a light gray background and a thin black border. It features a vertical scrollbar on the right side and a horizontal scrollbar at the bottom, both with standard arrow and track icons.

29. Describe ambitions for community involvement in delivering the Plan.

Max: 250 words.

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30. Give an outline of which projects would be will be locally co-funded, and status of budget commitments (where they exist).

Max: 250 words.

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Delivery capacity

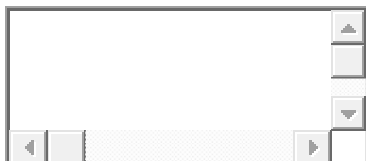
We are keen to ensure those towns that require it are afforded the time and support necessary to develop quality, sustainable and transformational proposals for their town through a Town Deal. But whilst we recognise most places will need time to develop their proposals and map out their priority interventions, there may be Towns with 'shovel ready' proposals which align to the objectives of the Towns Fund that are ready now to progress to a Deal. Whilst Government will only make one Deal with a town, we are keen to support those places who are advanced in their partnerships, planning, and with projects that are 'shovel-ready', i.e. to begin delivery 2020/21, to bring forward their proposals quickly and begin delivering benefit to their communities. We would also like to understand, in these instances, the governance and capability in place to deliver the projects.

31. Do you have well-developed proposals of interventions in place that align to the Towns Fund objectives, and address the strategic needs identified within your town plans?

- Yes
- Not yet

32. Please provide details of these proposals.

Max: 250 words.



33. What is the indicative total value of these proposed project(s)?

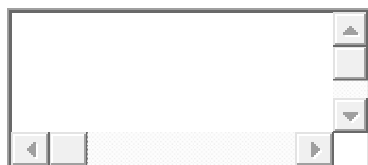
34. How much of this would be spent in FY 2020/21, if Government approval was received by April 2020?

35. Do you have agreements in place with the relevant delivery partners for the proposed interventions to begin delivery? And do you have relevant planning permissions to undertake the work?

- Yes
- Not yet

36. Please provide details of the agreements and permissions

Max: 100 words



37. Can you identify an organisation able to act as an Accountable Body for the substantive funding with the capability to flexibly manage the delivery of multi-year capital programmes of this scale?

- Yes
- Not yet

38. Please provide details of the organisation.

Max: 100 words

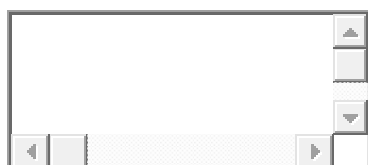


39. Do you have existing in-house capacity capable of managing and delivering the proposed capital programme?

- Yes
- Not yet

40. Please provide details of your relevant in-house capacity which will fulfil this role.

Max: 250 words.



41. Do you have the ability to start spending capital monies within 2021/22?

If you answer 'yes' you will be asked for further information.

- Yes
- No

My Town Campaign

Note: THIS IS THE FINAL QUESTION. Please ensure you have checked your previous responses, once you click submit your form will be submitted and you will not be able to make any changes. On 25 October Government launched the My Town campaign promoting the Towns Fund, and encouraging people in the 100 places we announced to get their voice heard in directing investment priorities. As detailed in the Prospectus, places must nominate a primary My Town campaign contact. Please provide the details below including any additional contacts you may feel are relevant.

42.Name

43.Organisation

44.Position in organisation

45.Contact telephone number

46.Contact email address

47.Please provide details of any additional contacts including their role.

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STEVENAGE TOWN DEAL BOARD

Terms of Reference – Draft

1. INTRODUCTION

Stevenage was the first new town to be designated under the New Towns Act of 1946 and was the first place in Britain to have a fully pedestrianised town centre. The town has ambitious regeneration plans spanning the next 20 years, with real progress made since 2015.

Stevenage is one of the 100 towns included in the Ministry of Housing, Communities & Local Government (MHCLG)'s Towns Fund, set up to address growth constraints and to deliver long term economic and productivity growth through:

- Urban regeneration, planning and land use
- Skills and enterprise infrastructure
- Connectivity

The Towns Fund provides an opportunity for Stevenage to agree a Town Deal with MHCLG and thereby benefit from significant investment for growth.

It is a requirement of the Towns Fund that Stevenage Borough Council (SBC) develops and convenes a Town Deal Board.

2. THE ROLE OF THE STEVENAGE TOWN DEAL BOARD

The Stevenage Town Deal Board (“the Board”) is the vehicle through which the vision and strategy for Stevenage is defined.

The Board will:

- (i) develop and agree an evidence based Town Investment Plan that includes:
 - Background, context and evidence of need for suggested interventions
 - A vision for Stevenage, complementing agreed or emerging local economic strategies
 - A high level description of priority areas for the short, medium and long term including
 - Activity that can be locally funded
 - Projects that could be supported by public investment (including through the Towns Fund), with high level costs estimates
 - Ambitions for private sector investment and community involvement
- (ii) Develop a clear programme of interventions

- (iii) Coordinate resources and influence stakeholders

The area the Board will represent is the Stevenage Borough Council geographic area as shown on the map at Appendix A .

The Board is not a legal entity, and its role is advisory. Its purpose is to work with SBC, to which it is accountable as the Lead Council, to produce a well – evidenced Town Investment Plan which sets out a clear understanding of Stevenage focusing on its assets, opportunities and challenges. It will subsequently assist in the production of business cases to access Town Deal funding.

3. BOARD MEMBERSHIP

The Board is made up of 15 members comprising:

- An independent chair from the private sector, appointed through a process led by Stevenage Borough Council (SBC)
- The local MP for Stevenage
- The Leader of Stevenage Borough Council and the Chief Executive of Stevenage Borough Council
- A representative of Hertfordshire County Council
- A representative of the Hertfordshire Local Enterprise Partnership
- A representative from a business representative body
- 2 representatives from large businesses having bases in Stevenage
- A representative from a Stevenage small and medium-sized enterprise (SME),
- A representative of a key education and skills provider
- Two representatives of relevant national bodies in relation to Homes and to Culture
- A landowner / developer representative
- 1 Community representative, appointed through a process led by SBC.

Once appointed, the Chair will invite stakeholder organisations to nominate individuals to represent them on the Board. This will follow due process to ensure an open and transparent process. In the event of the Board meeting ahead of the Chair being in post, interim appointments will be made by SBC.

Individual membership of the Board is dependent on the continuing support of the relevant nominating body.

The Board will have the power at any time to co- opt further members if and when an appropriate candidate becomes available.

Within 12 months the Board will aim to have a minimum female representation of 33% in line with Government recommendations

A Board member shall cease to be a member in the event of:

- such member giving written notice to the Board of their resignation, to take effect on receipt by the Board of the notice of resignation or, if later, the date stated in the notice
- such member's death or, being a corporation, its winding up
- such member's bankruptcy, making of any arrangement or composition with his creditors, or liquidation, or in the case of an organisation, winding up, liquidation, dissolution or administration or anything analogous to any of the foregoing occurring in relation to a member
- such member ceasing to have an office or other base within Stevenage or ceasing to be employed by such organisation as entitles them to be a member.

All Board members must retire every three years but can be reappointed by their nominating body at the end of each three year period.

SBC will provide administrative support to the Board.

4. BOARD MEETINGS

The Board will meet 6 times per year in the first year of operation, with an expectation of meeting 4 times per year thereafter.

No business shall be transacted at any Board meeting unless a quorum is present. The quorum shall be eight and shall include SBC, and a Business/SME member.

Members of the public may attend all board meetings, unless information relating to the financial or business affairs of any person or organisation is likely to be disclosed.

SBC will give at least 5 clear working days' notice of all Board meetings, by publishing details on its website.

SBC will publish on its website copies of agendas and reports that are open to public inspection at least 5 clear working days before each board meeting, and copies of minutes of board meetings that are open to public inspection as soon as practicable once they have been approved by the Board.

SBC will invite MHCLG to send a representative to attend Board meetings as an observer.

Each Board member shall have one vote and decisions will be made on a show of hands. In the event of an equality of votes the Chair shall have a casting vote.

5. BOARD MEMBERS' CONDUCT

Board members are expected to adhere to the Seven Principles of Public Life, known as the Nolan Principles, as defined by the Committee for Standards in Public Life . They are:

- **Selflessness:** Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.
- **Integrity:** Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
- **Objectivity:** In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- **Accountability:** Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- **Openness:** Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it.
- **Honesty:** Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- **Leadership:** Holders of public office should promote and support these principles by leadership and example

Conflicts of Interest

SBC will maintain and publish on its website a Register of Board Member Interests

The following provisions shall apply to all Board members:

- In the event that there is a conflict of interest the person so conflicted shall immediately declare the nature of the conflict or potential conflict and withdraw from any business where the conflict would be relevant.

- Whenever a person has an interest in a matter to be discussed at a meeting the person concerned will not be:
 - entitled to remain present at the meeting during discussion of that matter
 - counted in the quorum for that part of the meeting
 - entitled to vote on the matter

The Board may, at any time authorise a person to remain in the meeting whilst a matter in which they have or may have a conflict of interest is discussed, provided that the conflict of interest is declared and the person subject to the conflict of interest shall not be entitled to vote on the matter.

6. ROLES AND RESPONSIBILITIES

(i) The Chair

The role of the Chairman is to lead the Board in defining vision and direction, and in delivering the desired outputs, whilst ensuring that appropriate procedures for governance and management of resources are in place.

The key responsibilities of the post are to:

- Provide strategic leadership and direction to ensure that the Board achieves its goals
- Lead the efforts of the Board to agree a Town Investment Plan for Stevenage and business cases funding
- Effectively chair meetings of the Board, leading it towards decisions that ensure the strategic vision and key objectives of the Board are delivered.
- Be an effective influencer and “ambassador” for Stevenage at local, regional and national levels working with appropriate partner organisations and individuals
- Be an effective advocate on behalf of the Board, SBC and the businesses and people of Stevenage, in particular at conferences and events/meetings with Ministers, MPs and key civil servants
- Reflect the agreed policies of the Board and its members in all discussions with partners, stakeholders, government and its agencies.
- Ensure that the Board adheres at all times to high standards of ethics and governance in public life and is an exemplar to other organisations
- Ensure that all Board members participate actively in the work of the Board, encouraging their attendance and engagement and keeping regular contact with all members
- Exert a casting vote in Board decisions if circumstances so require

(ii) Board Members

Board members have a responsibility to uphold high standards of integrity and probity. They should support the Chairman in instilling the appropriate culture, values and behaviours in the boardroom and beyond.

Board members should take into account the views of other stakeholders, because these views may provide different perspectives on the Board and its performance.

The duties and responsibilities of a Board member are to:

- Attend meetings of the Board and to nominate an appropriate named alternative where attendance is not possible, subject to the prior agreement of the Chair and Lead Council
- Reflect the agreed view of the Board and its members in all discussions with partners, stakeholders, government and its' agencies
- Support the Chair by leading on activities relevant to their knowledge and experience by representing the interests of the Board in meetings with partners, stakeholders, government and its' agencies
- Actively develop an effective partnership
- Contribute knowledge and expertise to the development of the Town Investment Plan and business cases for funding
- Formally represent the Board in meetings with other bodies and partner organisations as required

Meeting Executive
Portfolio Area All
Date 16 December 2019



CORPORATE PERFORMANCE QUARTER TWO 2019/20

NON KEY DECISION

Authors Chloe Norton/Charlie Smith | 2501/2457
Contributor Katrina Shirley, Assistant Directors | 2018
Lead Officer Matt Partridge | 2456
Contact Officer Richard Protheroe | 2938

1 PURPOSE

- 1.1 To highlight the Council's progress in delivering the key Cooperative Plan priorities in line with the Future Town Future Council programme for quarter two.
- 1.2 To report on Business Unit achievements and key performance indicators across the three themes of: Customer, Place and Transformation & Support.

2 RECOMMENDATIONS

- 2.1 That the delivery of priorities which form the Future Town, Future Council Programme and performance of the Council across the key themes for quarter two 2019/20, together with the latest achievements, be noted.

- 2.2 That actions to ensure the improvement in the non-statutory compliance of non-domestic/non-commercial council buildings in accordance with the compliance contract are noted and endorsed (para 3.64 to 3.67).
- 2.3 That the improved performance in the Customer Service Centre is noted and continuing plans to sustain and improve performance are endorsed (para 3.84 to 3.90).
- 2.4 That the impact of the rise in long term sickness in relation to the overall average sickness absence levels is noted and that ongoing implementation of improved practices to support sickness absence management is endorsed (para 3.99 to 3.104).
- 2.5 That the review of the performance measure relating to number of households in temporary/emergency accommodation is noted and monitored (para 3.68 to 3.70).

3 BACKGROUND

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



Figure 1: Future Town, Future Council Programme

- 3.2 The FTFC Programme was reviewed in March 2018 to ensure that it continued to reflect the Council’s priorities. As it was apparent that working in partnership has been embedded in the culture of the Council and there is a strong framework for future collaboration with other public sector bodies, the Partner of Choice Programme was closed. The development of partnerships continues as part of day-to-day business and any new shared service proposals will be considered and implemented within the Financial Security Programme.
- 3.3 At the Executive meeting on 11th September 2019, Members requested that officers scope a potential new FTFC workstream called ‘Place of Choice’, to

incorporate strategic areas of focus that are key to addressing broad place based challenges across the town. This work is now underway and will incorporate our work with partners in relation to culture, health and climate change amongst other key matters.

- 3.4 Council services are organised into nine Business Units across three themes: Customer, Place and Transformation & Support. This structure is focused on delivering the right services, to the right standards, at the right time for the town’s residents and businesses, using the most cost/resource effective delivery models.
- 3.5 In addition to monitoring progress on the delivery of the FTFC Programme, performance across these (Council Service) themes is monitored throughout the year to highlight achievements and identify any areas for improvement.
- 3.6 A complete set of performance measures across all themes (FTFC programme, and the customer, place, and transformation and support themes) is attached as Appendix One. Summaries of performance measure result status are outlined at paragraph 3.8 (FTFC focus) and paragraph 3.60 (Corporate focus).

Future Town, Future Council Programme progress update

- 3.7 The focus and scope of the FTFC programmes is outlined in Appendix Two. Delivery of the agreed outcomes is monitored to ensure that the Programme remains on track.
- 3.8 In addition to the monitoring of programme milestones, thirteen measures aligned to FTFC delivery were monitored and reported on for April to September 2019. The overview of FTFC focused results for April 2019 to September 2019 is outlined below:

| Number of Measures Reported | Meeting or exceeding target | Amber Status (within a manageable tolerance) | Red Status (urgent improvement action required) |
|------------------------------------|------------------------------------|---|--|
| 13 | 13 | 0 | 0 |

- 3.9 Programme delivery updates for the FTFC programmes together with an outline of any focused activity being implemented to keep the programmes on track are set out in the following paragraphs.

External Facing Future Town, Future Council Programmes

Stevenage Town Centre Regeneration Programme

Programme Outcomes

- A new vibrant town centre delivered through a phased regeneration programme
- Two major regeneration schemes to advance – one completed by 2021 and one to begin 2019/20

3.10 During 2019/20 the programme is primarily focused on:

- Achieving vacant possession of Swingate House
- Advancing the SG1 scheme
- Progressing the bus interchange project in line with milestones
- Beginning works on the Town Square Public Realm and 'North Block' improvements
- Supporting the LEP (Local Enterprise Partnership) to ensure there are robust governance arrangements in place for the regeneration of Stevenage
- Launching the fresh marketing brand, 'Stevenage Even Better' and opening the visitor centre to celebrate and promote the regeneration of the town

Programme Delivery Update

- 3.11 Mace held a public consultation in quarter two to get feedback on the latest proposals for the regeneration of SG1. The event was well attended with over 500 people engaging in the process. A business event and staff engagement sessions were also held for the consultation of SG1, and an exhibition stand was on display at the Annual Business Event at the Novotel in July.
- 3.12 The Regeneration team have also been working closely with Mace to look at options to accelerate the hub. Proposals have been presented and feedback has been given which will inform the business case for the hub. Mace and SBC held a "kick off" meeting in October to scope out the work-streams and identify resources. It is anticipated that a report will be presented to the Executive in this financial year, to show what options are available for accelerating the hub ahead of the baseline programme outlined by Mace and, subject to the outcome of the feasibility work, seek approval for the scheme to progress earlier than planned.
- 3.13 Construction work has begun on the Queensway North site concentrating on the new retail, leisure and office space that the scheme offers. In partnership with Reef Group the Council are exploring leases and management of residential stock with a rental management company.

- 3.14 Work continues on the relocation of the bus interchange following the approval of £9.6m funding by the LEP (subject to governance). Discussions with contractor, Wilmott Dixon, have taken place regarding the RIBA Stage 4 designs. Additional design work is required to the ancillary accommodation and this is also underway. Traffic modelling work with Hertfordshire County Council is on-going in preparation for a planning permission application, which is due to be submitted in quarter three.
- 3.15 Proposals for designs and construction have proceeded to the next stage for the Town Square and North Block, with construction works due to start in November.
- 3.16 Construction of a new CCTV control room nearly is progressing and will facilitate the move from Swingate House to Cavendish Road. The decant of Swingate House is progressing, the Citizens Advice Bureau has successfully moved to Daneshill House and Age Concern to the indoor market. A recent opening event was held for the latter, which was attended by the Leader, Mayor and other Councillors.
- 3.17 The Wayfinding project has now completed this quarter with floor signage and map panels being implemented.

Housing Development Programme

Programme Outcomes

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

- 3.18 During 2019/20 the programme is primarily focused on:
- Completing and letting 54 new affordable homes across a number of schemes and 11 private sale homes
 - Starting work on a further 295 new/replacement homes across a range of planned schemes including sites at Shephall Way, North Road and Symonds Green
 - Exploring the viability of other potential areas of development across the town including opportunities to work in partnership with other providers
 - Continuing to work with partners to enable the delivery of affordable homes
 - Forming a Wholly Owned Company to support the delivery of new homes

Programme Delivery Update

- 3.19 The open market acquisitions programme has been scaled up this financial year. The ambition is to purchase properties to be converted for those with

additional accessibility requirements as there is a current lack of suitable stock, as well as being utilised for additional temporary accommodation. In this last quarter, a further eighteen open market acquisitions have been completed. The Housing Development team are working with colleagues from Legal shared service to complete the purchase of additional properties.

- 3.20 The handover of Ferrier Road was delayed to October due to a shortage of roofing supplies delaying the programme in the summer. The eight houses, six flats and one private sale have been advertised and residents moved in shortly after the end of the quarter. A local resident's event is being planned to allow those living in close proximity to the development the chance to have a look round the development prior to them being let.
- 3.21 The Burwell Court and Ditchmore Lane developments are progressing well and are on target for anticipated handover in December.
- 3.22 The procurement approach for the Kenilworth Close (236 homes) scheme was agreed at the July Executive and the tender for the principal contractor is now live. The procurement is on-track to be completed by the end of quarter three with a report due at January Executive to confirm the appointment. Hoarding around the demolition site has been erected and utilities have been disconnected at the community centre. The Housing Development team are currently working the demolition contractor and utility suppliers to disconnect the existing buildings in preparation for demolition and asbestos removal will begin in quarter three.
- 3.23 Principal contractors were appointed at the schemes at North Road (21 Homes), Shephall Way (9 Homes) and Symonds Green (29 Homes) this quarter. SJM & Co Ltd scored highest in the procurement exercise for Shephall Way and Symonds Green, whilst Taylor French Developments have been appointed at North Road. All 3 schemes are anticipated to commence on site in quarter three with the duration of the projects being 12-18 months.
- 3.24 Architects Kyle Smart have been appointed to both the Shephall View and Brent Court Garage Sites. An initial design brief meeting has taken place and the architect is currently working to bring forward more detailed designs.

Co-operative and Neighbourhood Management (CNM) Programme

Programme Outcomes

- Public spaces are more attractive, better cared for by the Council, residents and partners, and help to give people pride in the place they live
- Residents feel that they can work with the Council and other organisations to help meet the needs of the local area
- The Council's Community Centres are efficiently run, well-managed and most importantly, meet local needs

- Staff better understand the town's communities and so are more able to facilitate the change that is required

3.25 During 2019/20 the programme is primarily focused on:

- Developing the Council's approach to co-operative neighbourhood management, working initially with Stevenage Direct Services, Housing and Investment and Communities and Neighbourhoods
- Continuing the planned roll-out of neighbourhood improvements, with consultation and engagement work starting in Bedwell and Longmeadow
- Completing the Community Centre Review
- Progressing the Garage Programme
- Reviewing and reshaping resident involvement activity in response to the Community Engagement Framework

Programme Delivery Update

3.26 Neighbourhood improvements in St Nicholas and Martinswood continued this quarter. A 'lessons learnt' paper will be completed at the end of the year to focus on successes from the project and highlight any areas for improvement going forward.

3.27 A series of ward walkabouts with elected members and relevant SBC officers have been completed, which have highlighted areas in need of attention, informed future projects and celebrated recent successes. An All Member Briefing session was arranged for October to discuss the feedback from the walkabouts and a chance for Members to meet the Community Development team.

3.28 Planning is now underway for the roll out of CNM in Bedwell and Longmeadow. The Community Development team held meetings with ward members to discuss delivery/engagement plans for each ward. An outline of project plans for both wards and an overview of CNM delivery to date was shared. Further engagement with the wider public will be arranged in partnership with the ward members to determine local priorities.

3.29 Consultations regarding current and future community centre use and facilities took place this quarter with over 340 responses recorded and 42 focus group consultations. All responses will inform a report that will be presented to the Executive in January 2020 looking at an In-Depth Model Exploration.

3.30 A high level scoping paper has been drafted to develop a Stevenage approach to Community Wealth Building. The University of Hertfordshire will support phase 1, which will include a desk-based analysis of Stevenage spend. Interim support has been enrolled to focus on this area of work. It is anticipated that this will be discussed further at full Council in January.

- 3.31 Work has begun on developing the model for future Neighbourhood Management. The AD (Communities & Neighbourhoods) is working directly with Stevenage Direct Services and Housing & Investment in regular meetings exploring joint ways of embedding area based working in practical delivery. The new emerging model is to be considered by the Executive in December.

Excellent Council Homes Programme

Programme Outcome

- Transforming the Housing and Investment service to better meet the needs of its customers

- 3.32 During 2019/20 the programme is primarily focused on:
- Delivery of a major refurbishment programme to our flat blocks (incorporating the MRC, lift replacements and retrofitting of sprinklers)
 - Implementation of a new area-based co-operative neighbourhood management approach in conjunction with staff from Stevenage Direct Services and Communities and Neighbourhoods
 - The launch of a new online account where customers will be able to access housing services 24/7
 - Providing staff with the right business tools and software to enable them to work more effectively out in the community
 - Completing the final phases of the Housing and Investment Future Council Business Unit Review
 - Delivery of the Homelessness and Rough Sleepers Initiative Strategy and Housing Older Persons Strategy

Programme Delivery Update

- 3.33 The major refurbishment programme (MRC) is a £55 million 5 year programme which commenced in 2019. The programme scope is to refurbish the external envelope of the Council's flat blocks as well as installing new windows and doors, thermal insulation and carrying out roof repairs or renewals where necessary. Also included in the work will be the grounds surrounding the blocks and refurbishing entrance paths, bin stores and communal lighting. The majority of year one works are currently being completed and expected handover by the contractors is anticipated in November. Resident feedback on the standard of work will be captured on completion of works to the block.
- 3.34 Progress continues on a new area-based co-operative neighbourhood management approach with Communities & Neighbourhoods and SDS. More details on progress can be seen in paragraph 3.31.
- 3.35 Improvements to the desktop integration (DTI) letters held in the Northgate system has completed this quarter. This, coupled with targeted staff training on language and tone in letters written to customers, has meant that the Housing and Investment teams are becoming more consistent in letter writing

across the business unit. This has seen an improvement in communication with customers.

- 3.36 The Housing Older People Strategy comprehensive consultation programme has now been completed. The project team are in the process of analysing the consultation response and other related information. This material will be used to start shaping the draft strategy.
- 3.37 The Sprinklers contract has been out to tender. The submissions have been evaluated and an award report has been written and approved by a Strategic Director and the relevant Portfolio Holder. The Compliance team have appointed a project manager role to deliver the programme which will commence during quarter four.
- 3.38 The final phases of the Housing and Investment Future Council Business Unit Review were launched in September. Support is being provided by the Human Resources Team and finance colleagues to focus on adapting the structures to reflect the new ways of working in Housing & Investment. The Housing and Investment teams continue to be kept informed about changes and progress to the programme via regular newsletters, blogs on the intranet as well as away days.

Connected to our Customers Programme

Programme Outcomes

- Use of self-service is encouraged, so more time can be spent with customers that need extra help
 - Increased customer satisfaction for residents interacting with key services
 - Online customer data will be protected, better used to provide useful insight, and the technology reliable
 - The Council uses technology to meet its ambitions and make its workforce more modern, efficient and responsive to customer needs.
 - A simple and clearer website with more self-service choices
- 3.39 During 2019/20 the programme is primarily focused on:
- New website testing and launch
 - Finalising procurement of the digital platform and plans for implementation.
 - Phased implementation of digital platform capabilities starting with a replacement Customer Records Management System (CRM) and quick wins for self-serve options
 - Customer and Business Account functionality placed into the new website, providing a single view of the customer and establishing a new centralised digital customer relationship
 - Developing a service redesign approach that will optimise new technology and new ways of working

- Developing a Channel Shift Strategy which will clearly set out the Council's approach to optimising the take-up of the new digital services whilst ensuring access for everyone, so that no-one is left behind
- Implementation of the Environmental Services case management system; integration into the digital platform to enable self-serve
- Working with services to understand desired new ways of working and technology to support mobile, agile and area working.
- Planning for how the Council wants to work from the new Public Sector Hub

Programme Delivery Update

- 3.40 Content continues to be developed for the new website including the microsites linked to Stevenage Borough Council. Accessibility testing of all the Council's website pages and content has commenced so that the new website will be compliant with the new accessibility legislation. The new website once launched will incorporate the new housing online account service which is being developed through the Excellent Council Homes programme.
- 3.41 The procurement process for an integrated digital solution provider has been concluded and the confirmed supplier Firmstep has commenced project initiation for the replacement of the existing CRM. The new software will enable integrations between systems, to join up council service delivery and provide better customer facing online service channels.
- 3.42 The technical infrastructure requirements for implementing Firmstep have been scoped and the implementation of the capabilities beyond the CRM is being collated into a series of projects linked to the service modernisation agenda. The first service area to benefit from the new integration capabilities will be the Environmental Services team. The integrations will be created as SDS deploys their new back office system; the procurement for this system is due to conclude imminently. Real-time integrations for self-serving customers and CSC staff for waste management issues are scheduled to be in a test environment in quarter four i.e. reporting missed bins, booking for bulky waste collections.
- 3.43 The Council recognises there are significant engagement and communication requirements to move staff and customers towards online service delivery. These requirements have been scoped in order to develop a comprehensive engagement project plan and communications plan. These plans will include specific actions and interventions to ensure that non-digital provisions are enhanced for customers that are unable to readily access services online.
- 3.44 The Council is developing a draft Customer Promise based on the values of the organisation; this will be used as the basis for a new customer offer for CSC service delivery. Work has commenced on describing what this new customer offer is for telephony, digital interactions, in-person interactions and community neighbourhood working. These service delivery descriptions in the short, medium and longer term (as envisioned at the Public Sector Hub) will

form the basis for a service plan for CSC to transition its resourcing and service delivery ambitions from current state to future state.

Internal Facing Future Town, Future Council Programmes

Financial Security Programme

Programme Outcomes

- To meet the Financial Security three year savings target
- To ensure that the General Fund expenditure equals income without the use of balances from 2022/23 onwards
- To ensure the Housing Revenue Account has sufficient funding to meet the capital needs of the Housing Asset Management Strategy and identified revenue needs
- To identify Financial Security options using the three revised workstreams (efficiency, commercial and improved processes), before recommending any service rationalisation options, as summarised below.

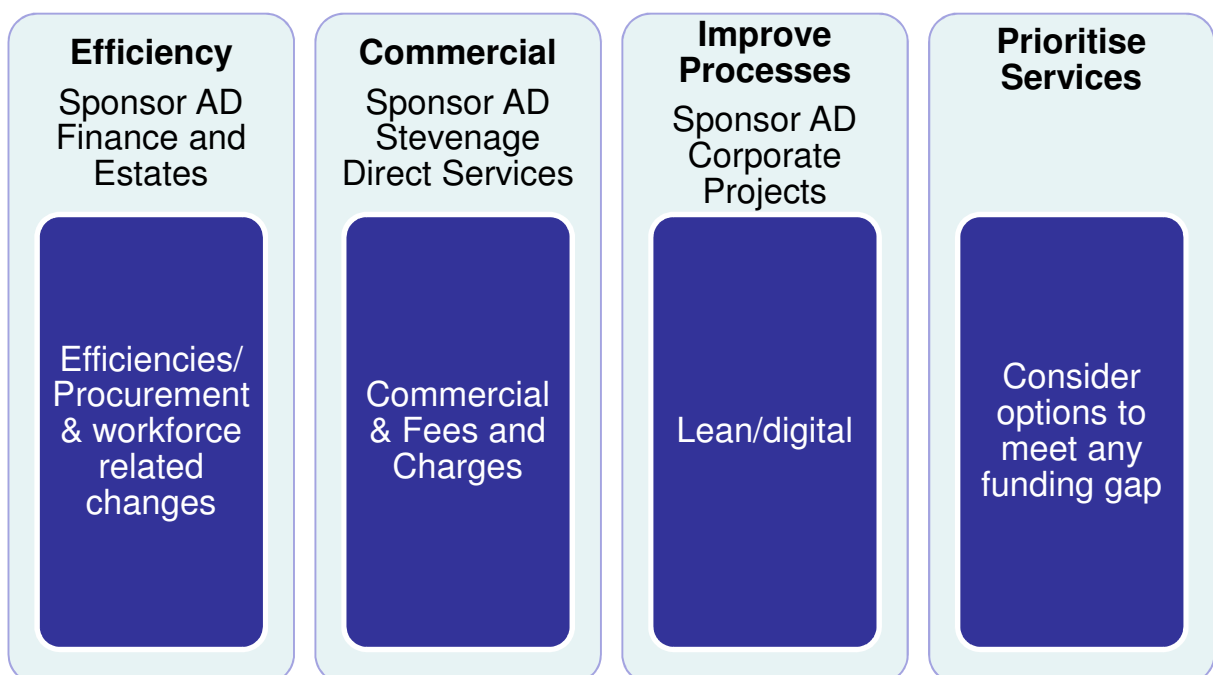


Figure 2: Financial Security Work streams.

3.45 During 2019/20 the programme is primarily focused on:

- Identifying Financial Security options that meet the three year target (£2.2 million General Fund and £1 million Housing Revenue Account) and as amended by the report to the September Executive for the General Fund MTFs and the November Executive for the HRA.

- Identification of Financial Security options to meet the General Fund and HRA funding gap for the period 2020/21-2022/23 via the Financial Security workstreams
- The financial security options should include the output from the review of leases for the Commercial Portfolio, to ensure they are reviewed in a timely manner to protect the Council's revenues
- Purchase of Investment Properties to meet the General Fund target of £200,000
- Completion of Locality Reviews to meet the objectives of the General Fund Asset Management Strategy
- Review of fee-earning services to determine fee versus cost
- Identify options to improve productivity via use of digital interventions
- Review of budgets for cross-cutting reviews
- Presentation of Financial Security options to the Leader's Financial Security Group before approval by the Executive in November 2019

Programme Delivery Update

- 3.46 The General Fund Medium Term Financial Strategy (MTFS) was updated and approved by the Executive in September. A General Fund Financial Security Target of £1.9million was approved for the period 2020/21- 2022/23. The Leader's Financial Security Group has oversight of the development of the 2020/21 – 2022/23 savings package.
- 3.47 A commercial and insourcing strategy is currently in development to reflect the Council's ambitions to become an exemplar authority that is financially self-sufficient delivering high quality services with and for its customers and communities. A timeline for delivery is being reviewed by the AD (Stevenage Direct Services) as well as options for the recruitment of a commercialisation manager.

Employer of Choice Programme

Programme Outcomes

- Improved employee engagement
 - Right person, right place, right time – recruiting/retaining staff to hard to fill posts
 - Improved managerial competency
 - Improved reputation as a place to work
 - Evidence of staff progressing to higher grades and new roles
- 3.48 During 2019/20 the programme is primarily focused on:
- Establishing a compelling employer brand with a competitive pay and benefit offer, including development of the new e-recruitment module of the HR System

- Developing and implementing a competency framework for staff from Grade 1- 9 of the Council's pay structure
- Enabling new ways of working to equip staff for the future including policies, practices and culture
- Developing digital skills and tools to enable staff self-service.
- Creating a new Learning and Development (L&D) Strategy

Programme Delivery Update

- 3.49 Work continues on the new Corporate Intranet, including the launch of Single Sign On functionality this quarter. Further development work continues with Invotra to streamline the news and features functionality and make it more user friendly following feedback from staff. Day to day management of the intranet has now passed to the communications team.
- 3.50 During quarter two, progress has been made with the Council's Competency Framework for grades 1-9 and the re-launch of Corporate Values. A communications plan has been developed and agreed and the launch is anticipated to take place in quarter three. The Customer Charter will come forward separately as part of the Customer Strategy through the Connected To Our Customers programme.
- 3.51 The review of Standby and Callout is now agreed and consultation completed with the Trade Unions. Implementation commenced in August 2019, with each Business Unit implementing on individual timelines according to their needs. It is anticipated that full implementation of new standby and callout arrangement will be complete by end of March 2020.
- 3.52 The Annual Leave Purchase Scheme Policy was launched in September. This was promoted to staff via the intranet and a drop in session for all staff members took place. A total of 29 applications were received during the first month and these will be processed during October.
- 3.53 This year the L&D strategy will focus on the development and upskilling of the 4th Tier (those reporting to AD's). Agreement on the leadership tone for 4th tier and what development they need both in terms of leadership and management skills, and also on internal governance arrangements was discussed at a recent SLT awayday and will be developed in due course.
- 3.54 The current framework for recruiting agency staff is due to expire in 2020. An options appraisal for the procurement of a new framework has been prepared and is due to be presented to SLT in November 2019.
- 3.55 Preparations continued for the launch of First Care (Third Party Sickness Reporting Facility). Test data migration took place in September with full launch on 7 October. Work is also underway to procure a new digital Health and Safety System with procurement documents prepared and a tender is planned to commence in October.

Performing at our Peak Programme

Programme Outcomes

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

3.56 During 2019/20 the programme is primarily focused on:

- Enhancing our business insight through data connectivity, and ensuring service managers have the right skills to use the tool robustly to analyse information and make informed decisions that result in improved services for our customers
- Developing our insight culture through the effective engagement and use of our new tools and procedures, to enable lasting performance improvement
- Delivering a new scheme of delegations to officers in respect of Executive powers

Programme Delivery Update

3.57 Work has completed with the majority of performance measure 'owners' to review the calculation of corporate and housing measures and establish the potential to reduce manual data collection processes. This work is in line with an Internal Audit on Data Quality carried out in 2018/19.

3.58 Work is underway to improve the use of the Inphase system in relation risk management; to create performance measure dashboards for 4th tier managers; and to enable the Communities and Neighbourhoods Business Unit teams to monitor operational performance measures agreed through their service planning process.

Corporate Performance highlights and areas for improvement

3.59 Results for the full set of current corporate performance measures across all themes (FTFC programme and the Customer, Place and Transformation and Support themes) are attached as Appendix One. The overview of corporate focused results for April 2019 to September 2019 is outlined below:

3.60

| Number of Measures Reported | Meeting or exceeding target | Amber Status (within a manageable tolerance) | Red Status (urgent improvement action required) | Data still to be reported |
|-----------------------------|-----------------------------|--|---|---------------------------|
| 42 | 38 | 1 | 2 | 1* |

* Data cannot be verified for Assets5b: Percentage of assets known to be health and safety compliant (as per SBC definition)

3.61 A summary of highlights and areas for improvement for April 2019 to September 2019 is set out in the following paragraphs across the three key delivery themes: Customer, Place, and Transformation & Support.

A: Customer Theme

3.62 The Customer Theme incorporates the following Business Units:

- Housing and Investment
- Communities and Neighbourhood

Housing and Investment

Highlights and Achievements

3.63 Delivery of a major refurbishment programme to the Council's flat blocks (incorporating the MRC, lift replacements and retrofitting of sprinklers) is now included in the scope of the Excellent Council Homes programme and delivery updates on these aspects are summarised in paragraph 3.33. Progress in relation to other elements of the overall housing major works investment programme includes the following:

- 246 street properties have been completed to date and there has been 100% satisfaction based on the 171 returns received.
- Standard window, door and insulation works have been identified, which will be delivered across the town.
- In terms of the heating refurbishment programme, works have progressed well at Pinewoods, Wellfield Court and Grosvenor Court despite some difficulties encountered due to additional fire stopping works being required. The lessons learned from this this will be applied to future works.
- Splash Drive was the first MRC block to be fully handed over by Mulalley in Phase 1.

Spotlight: Health and Safety compliant non-domestic/non-commercial Council buildings (falling under the compliance contract)

3.64 The percentage of health and safety compliant assets (statutory definition, KPI 5a) has been maintained at 100% during this quarter. The compliance team continues to work with the contractor to ensure this level is maintained.

3.65 The Compliance team are unable to provide a result for 'Assets 5b: Percentage of (Council) assets known to be compliant (as per SBC enhanced definition)' for quarter two. The team are reviewing the contract to secure an improved performance. An improvement plan is being put in place.

3.66 Whilst there is evidence that the servicing and inspection of assets has improved (visits to complete both statutory and SBC-defined activities are undertaken at the same time), the compliance team is continuing to work with

the contractor to ensure that the necessary assurance is given relating to 'Assets 5b' to enable performance to be fully reported in future months.

- 3.67 It should be noted that performance measures 'Assets 5a' and 'Assets 5b' relate to council premises such as civic offices, community centres, play centres, pavilions, cemetery buildings, depots etc. and refer to Compliance Services via the ComplyFirst Framework. Services under Assets 5a relate to the statutory requirements placed on us to keep our buildings safe and compliant, for example gas safety. Services under Asset 5b are very different and relate to services that in essence could be described as "planned or cyclical maintenance" such as gutter clearance. There is a low risk attached to not carrying out these 5b assets works; however carrying them out improves the performance of our assets. Officers are currently working on a corporate landlord project to map the management of compliance across all council buildings and this could impact on the future definition of these measures.

Spotlight: Households in Emergency/Temporary Accommodation

NI156: Number of households in temporary accommodation at end qtr, September 2019 target 75, achieved 81

- 3.68 There are an additional 58 households that have not been included in the total figure on this occasion or previously but are deemed to be living in a form of temporary accommodation. This is because these cases have been accepted as being owed a homeless duty, but were placed into non-secure tenancies which cannot be a final offer of accommodation.
- 3.69 Due to the process in place at the time, discharge of duty to the 58 household above was not formally completed and as a result these are still officially designated as temporary accommodation. These cases will be reviewed and a programme is in place to rectify this starting in early 2020, which will show a decline in households in temporary accommodation as they are placed into permanent accommodation.
- 3.70 The team are looking to change this performance measure for quarter three as a result of the recently approved Homelessness and Rough Sleeper Strategy. The new performance measure will incorporate those in in non-secure tenancies, as well as the designated accommodation and bed and breakfast.

Communities and Neighbourhoods

Highlights and Achievements

- 3.71 The Communities and Neighbourhoods service featured as a national case study as part of the Localism Commission's follow-up publication 'Power Partnerships'. This focused on the Co-operative Neighbourhood Management programme, community engagement and work with the Community Centres.
- 3.72 The service secured a successful £15,000 bid to the Arts Council to develop an interactive installation on the cycle network/identified underpass.

- 3.73 The third Stevenage Cycle Festival was held in August, involving 10 different local organisations and over 50 volunteers. Over 300 participants took part in the led ride. As a consequence of the festival, Cycling UK Stevenage Branch ran an additional programme of family rides throughout the summer.
- 3.74 The play team had a successful summer, offering five weeks of playschemes at the three play centres and two holiday playschemes offering over 100 sessions for the children and young people to access. There were over 13,000 sessional attendances throughout this period.
- 3.75 Stevenage Against Domestic Abuse was awarded £3,000 from Stevenage Community Trust to offer play therapy as part of the wider offer for survivors and their families.

B: Place Theme

- 3.76 The Place Theme incorporates the following Business Units:
- Planning and Regulation
 - Stevenage Direct Services
 - Regeneration
 - Housing Development

(The Regeneration and Housing Development Business Units are primarily focused on delivery of the Stevenage Town Centre Regeneration and Housing Development Programmes of FTFC. Delivery updates for these programmes are summarised in paragraphs 3.11 to 3.17 and 3.19 to 3.24 respectively)

Planning and Regulation

Highlights and Achievements

- 3.77 Officers have been gaining support and direction for the emerging Climate Change Strategy and responses to the Climate Change Emergency.
- 3.78 The Council has received the Examiner's Report into the proposed Community Infrastructure Levy (CIL) rates for Stevenage. The report supports the Council's proposed approach and rates to CIL. This is the final step before Member approval at Executive and Council in December and January 2020. CIL would be a mandatory floor space charge on new development in the borough which would be used to fund key infrastructure to support growth in Stevenage.
- 3.79 Planning applications continue to be determined within corporate and statutory targets.

Stevenage Direct Services (SDS)

Highlights and Achievements

- 3.80 Green Flag Awards were successfully retained for Fairlands Valley Park, Town Centre Gardens and Hampson Park. An award was also attained for Shephalbury Park for the first time.
- 3.81 In quarter two Stevenage Direct Services delivered five free community events attracting approximately 4,000 visitors. The events included Music in the Park, Teddy Bears Picnic, Sport in the Park, Big Butterfly event and the SDS Open Day.
- 3.82 Repairs are being fixed promptly and time taken to complete them continues to be better than the target level. The team have placed major focus on a case management approach to each case dealt with. This, coupled with efforts to review and improve processes, has improved performance and productivity.
- RepTime1: Emergency Repairs - Average end to end repairs time (days), September 2019: target 1 day, achieved 0.85 days.
 - RepTime2: Urgent Repairs - Average end to end repairs time (days), September 2019: target 5 days, achieved 2.8 days.
 - RepTime3: Routine Repairs - Average end to end repairs time (days), September 2019: target 20 days, achieved 7.16 days.

C: Transformation and Support Theme

- 3.83 The Transformation and Support Theme incorporates the following Business Units:
- Corporate Services
 - Digital and Transformation
 - Finance and Estates

Corporate Services/Digital and Transformation

Highlights and Achievements

Customer Services

- 3.84 Service delivery through the Customer Service Centre (CSC) was first identified as a focus for improvement (spotlight) at quarter three 2017/18 (March 2018 Executive). Since then, the CSC Improvement Plan has supported the recovery of performance levels and in quarter two 2019, the CSC corporate performance measures were all within target tolerance levels (i.e. green status), although, as forecasted, performance has reduced slightly during quarter two.

- CSC4: Percentage of telephone calls to the Customer Service Centre answered within 20 seconds: target 52%, April to September 2019 achieved 56.9%
 - CSC12: Percentage of calls abandoned in the Customer Service Centre: target 10%, April to September 2019 achieved 10.4%
 - CSC5: Percentage of walk-in customers to the Customer Service Centre served within 20 minutes: target 78%, April to September 2019 achieved 80.2%
 - CSC13a: Percentage of calls to the CSC resolved within the CSC (by CSC advisors): target 65%, April to September 2019 achieved 61.8%
- 3.85 Historical performance data demonstrates performance in the Customer Service Centre is closely related to the amount of skilled advisers available.
- 3.86 Although performance measures remain above target there are still some resourcing challenges that are likely to have an impact into quarter three.
- 3.87 The new recruitment model has helped to reduce the impact on performance by reducing the time taken to recruit new advisers into the team. The improved training delivery and upskilling of CSC advisers is having a positive impact on performance.
- 3.88 Collaborative working with other service areas across the organisation is also key to driving further improvements in performance. This includes shared work space with Citizen Advice Bureau which went live in quarter two.
- 3.89 Self service facilities through the Connected to our Customers Programme are being planned to help meet service demand for walk-in customers.
- 3.90 The focus on this service area will be retained until initial performance improvement is evidenced as being sustained across the full set of CSC measures.

Technology

- 3.91 Progress has been made on the joint ICT strategy during quarter two and has been approved by Stevenage Borough Council. Final approval is expected from East Herts in quarter three.
- 3.92 The security & network team have implemented new email and website security software to ensure outgoing emails are being encrypted.
- 3.93 The shared service storage hardware has been replaced and 99% of the Council's systems and data are running on it. The remainder is scheduled to be transferred shortly.

Our staff

- 3.94 Following the introduction of a new appraisal approach, 'REAL Conversations', council business units have achieved the target of 100% of employees engaging in regular and meaningful REAL conversations with their managers.

These conversations typically include objectives, development, engagement and wellbeing, but they are also tailored to individuals.

- Appraisal completion rate to corporate deadlines: target 100%, April to September 2019 achieved 100%

Spotlight: Agency Usage

3.95 There are three types of agency use within the Council. Firstly, there are a number of short term assignments within SDS to cover sickness and leave. It is anticipated that this will be resolved through the next phase of the SDS Business Unit Review. The second category is interim assignments to cover key strategic roles within the establishment whilst the Council progresses through the change programme of Business Unit Reviews. These will conclude when the permanent appointments are made. The third category comprises one-off project based agency assignments.

3.96 As explained above, agency usage is likely to remain slightly higher whilst the programme of Business Unit Reviews continues and this provides us with a flexible workforce model whilst we go through change and supports us in minimising redundancies. This figure has decreased since last quarter. The current status of this measure is amber.

- Agency usage as a percentage of the total workforce: target 12%, April to September 2019 achieved 12.78%

3.97 The figure of 12.78% agency usage is profiled as follows:

- 4.78% are workers covering on an ad-hoc basis at Cavendish Road
- 6.46% are agency workers covering established posts
- 1.54% are covering key strategic projects

3.98 Recruitment is underway for a number of key posts across the Council that will enhance capacity and key skills.

Spotlight: Sickness Absence

3.99 The Sickness Absence measure is currently rated as red. The number of sickness days per FTE has been increasing for the past three quarters.

- Sickness absence rate for the current workforce (per FTE): target 8 days, twelve months to March 2019 achieved 8.86 days; twelve months to June 2019 achieved 9.49 days, twelve months to September 2019 achieved 9.8 days

3.100 The rise in sickness has been due to an increase in the number of complex long term sickness absences (accounting for 62% of sickness).

3.101 In the last twelve months 59 staff have been off long term sick (20 working days) with 45 having returned to work. The breakdown of length of long term sickness absence is 44% of staff have been off for less than 3 months, 32% 3 to 6 months and 24% over 6 months. The breakdown of reasons for long term

sickness absence is 33.86% hospital/surgery, 29.77% anxiety/stress/depression, 21.03% cancer related illnesses, 9.34% heart, respiratory and 6% other absence.

- 3.102 The Council is currently working to introduce a third party sickness reporting service, which is due to go live in quarter three. This service will provide nurse led advice and challenge on fitness for work to both individuals and managers and ensure consistency of approach/advice on sickness absence. They will also follow up to ensure appropriate application of policy and return to work and provide regular and timely management information. Initially it is expected that the introduction of this sickness reporting service will show an increase in sickness absence levels. However, there is evidence that the introduction of such services significantly reduce absence in the longer term.
- 3.103 There are some proactive interventions in place to try and reduce sickness absence levels. These include free flu jab provisions, physio and counselling services for staff and the introduction of the annual leave purchase scheme to support an employee work life balance.
- 3.104 The Senior Leadership Team will continue to monitor the performance and management of sickness absence until revised policy and practice results in a sustained reduction in levels of sickness absence.

Finance and Estates

- 3.105 The Revenues and Benefits service continues to exceed targets for Council Tax collection rates.
- 3.106 The percentage of non-domestic rates due for the financial year received by the authority has exceeded target for the quarter.
- 3.107 The time taken to process housing benefit new claims and change events is 1.91 days below target.

Senior Leadership Team Perspective

- 3.108 Good performance across all three key delivery themes (Customer, Place, Transformation and Support) has been achieved in quarter two, with the majority of corporate performance measures meeting or exceeding targets. Outcomes that significantly exceed expectations (measures achieving 'green plus' status) include the following:
- % of complaints progressing to stage 2 and 3 that are upheld or partially upheld
 - % repairs fixed first time and average responsive repair end-to-end times
 - % of Houses in Multiple Occupation (HMO) that are broadly compliant
 - % planning applications determined within national target timescales
 - Number of Homelessness preventions

3.109 The Senior Leadership Team request that the Assistant Directors responsible for areas of improvement focus assess the factors impacting on performance and develop/implement plans that will provide sustainable performance improvement.

3.110 At the end of 2018/2019, the following improvement plans were identified for ongoing focused monitoring by the Senior Leadership Team:

- Embedding the new service model in the Customer Service Centre to continue to enhance resilience and increase the availability, skills and knowledge of customer service advisers
- Implementing actions to ensure that compliance of non-domestic council buildings with Health and Safety regulations is effectively monitored and recorded
- Improving practices in relation to sickness absence management
- Sustaining and enhancing improvements to the repairs and voids service

Customer Service Centre

3.111 As reported in paragraph 3.84, new improvement measures in place from 2018/19 have improved and stabilised CSC performance results. There are some key activities that have supported recovery:

- Implementation of a new resource planning function
- New recruitment practices and training to upskill CSC advisers
- Review and re-design of the CSC's performance framework
- Re-focus on sickness management
- Additional management posts – increased available resource for both service and team development

3.112 Based on historical performance trends and known challenges with an increase in contact in quarter three, it is anticipated that cumulative results in quarter three may be lower than in quarter two, although performance is still forecast to meet target levels.

3.113 There are a number of training activities planned throughout quarter three, this further reduces available resource in the short term, but will increase skills and knowledge of the team and will contribute to the improved attrition figures.

3.114 As part of ongoing liaison arrangements, the CSC will be seeking a collaborative approach to managing customer demand. The CSC management team will be asking for contributions from Service Managers in the following areas:

- Provision of a timetable for large scale mail-outs
- Provision of front line support to respond to high demand, particularly when information has been sent without prior agreement
- Support in developing an approach to dealing with potentially violent and abusive customers

Health and Safety Compliance of non-domestic/non-commercial Council Buildings (under the compliance contract)

3.115 It is positive to report that in quarter two the contractor achieved 100% compliance in respect of servicing and inspecting assets that have a statutory health and safety requirement (Assets 5a). However, concerns continue with regard to the provision of certification and documentation associated with servicing and inspection in accordance with the Council's enhanced definition 'Assets 5b', resulting in not being able to report performance figures for quarter two. Officers are reviewing the contract to ensure an improved performance around the non-statutory cyclical checks and repairs such as gutter clearances. Performance of the contractor is currently being scrutinised in order to deliver an improvement plan resulting in an increased level of performance.

Repairs and Voids Service

3.116 As noted above, high levels of performance in the repairs service have been sustained into 2019/20.

3.117 With regards to voids, a key focus during 2018/19 was on re-let times for major works voids, which were classified as having a 'red' status throughout the year. Performance has improved significantly in relation to this type of void property.

3.118 Re-let times for general needs voids have increased slightly compared to 2018/19 but are still within target. Performance has been affected by an increased volume of voids compared to last year (circa 11%). The recent introduction of Maintenance Operatives has provided an additional, more cost effective resource, and is expected to deliver improvement in turnaround times for the remainder of the financial year due to more flexibility of the workforce.

3.119 As part of the ongoing repairs and voids improvement programme, officers are focussing on the approach to different categories of void property. These include not only the standard and major works categories referred to above (the re-let times for which are reported in Appendix 1) but also 'management voids', which are more complex in nature and tend to involve significant void periods because of the actions required to bring them up to standard. Examples include properties requiring significant notifiable asbestos removal works, meter replacement by utility companies, major environmental cleans, conversions etc. The Housing and Finance teams have put into place a process for regularly reviewing the impact of the different type of void property on the overall void loss.

3.120 The repairs and void service will provide a report to SLT in the new year on both the improvement programme and plans to deliver a 2% efficiency saving from year three of the HRA Business Plan.

Sickness Absence

3.121 The management of sickness absence was initially identified as a 'spotlight' area at March 2018 Executive and has continued to be a focus for the Senior Leadership Team whilst also being subject to a Scrutiny Review by the Overview and Scrutiny Committee. Whilst sickness absence improved throughout the year to December 2018, an increase was observed in quarter four of 2018/19 and this trend has continued into 2019/20, in the main associated with an increase in the number of complex long term sickness absences. Improvement plans advised in previous performance reports continue to be implemented.

Improvement Plans

3.122 In view of the above assessment and also the level of temporary accommodation becoming a red measure, at September 2019, the following improvement plans have been identified for ongoing focused monitoring by the Senior Leadership Team:

- Ensuring that pressure continues to be applied to the contractor to enable compliance with Health and Safety regulations to be effectively monitored and recorded (paragraph 3.65 to 3.67 refers)
- Continuing to embed the new service model in the Customer Service Centre (paragraphs 3.84 to 3.90 refer)
- Reducing re-let times and developing plans to achieve the 2% efficiency saving in the repairs and voids service (paragraph 3.120 refers)
- Managing sickness absence more effectively and aligning it to council health and well-being policy. (paragraphs 3.99 to 3.104 refer)
- Ensuring that the issues around temporary accommodation are resolved and monitored (paragraph 3.68 to 3.70 refers)

3.123 The Senior Leadership Team will also keep a watching brief on one measure that moved from a green to amber status in the first quarter of 2019/20 and continues to be amber in quarter two. This is to do with the use of agency staff across the organisation.

3.124 In addition, the development and implementation of the IT strategy will continue to be monitored by the IT Shared Service Partnership Board to ensure that services are delivered that meet customer needs and are fit for the future.

3.125 The Council's approach to performance management and monitoring allows the organisation to proactively identify issues and challenges and ensure prompt management intervention. The fluid nature of the framework enables the Senior Leadership Team to amend targets to ensure that they continue to reflect revisions to service delivery models where necessary and to support and drive forward additional improvements in services for the benefit of internal and external customers.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 The information presented in this report is collated from the information provided to monitor delivery of the Cooperative Future Town, Future Council Programme and corporate performance for the quarter. It aims to give Executive an overview of the achievements the Council has made for the year to date, with a focus on the previous quarter and identifies plans for continued improvements in some areas to ensure the Council is fit for the future.
- 4.2 The Senior Leadership Team and Service Managers have been consulted to determine the appropriate content and to identify the key achievements.
- 4.3 A number of areas have been identified in section 3 of this report where a particular focus on improvement is required and outline plans have been set out. The Executive is recommended to note and endorse these improvement plans.

5 IMPLICATIONS

5.1 Financial Implications

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

5.2 Legal Implications

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

5.3 Equalities and Diversity Implications

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

5.4 Risk Implications

- 5.4.1 There are no direct significant risks to the Council in agreeing the recommendation(s). Officers responsible for developing performance improvement plans will need to consider any risk implications from the improvement activity identified.
- 5.4.2 The Council has an embedded approach to risk management that mitigates any adverse effect on delivery of the Council's objectives and internal control processes and also provides good governance assurance.

5.5 Other Corporate implications

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

BACKGROUND PAPERS

- Executive Report 10 July 2019: 2018/19 Annual Report & Performance Overview
- Executive Report 11 September 2019: Corporate Performance 2019/20 – Quarter 1








APPENDICES

- Appendix One: Compendium of Performance Results
- Appendix Two: Future Town, Future Council Programme Scope/Focus for 2019/20

Executive Report Appendix One

Key to Performance Status

Symbols

| | | | |
|--|--|---|--|
|  | Red Status - Focus of improvement |  | New measure - Performance results not required |
|  | Amber Status - Initial improvement activity identified |  | No data results |
|  | Green Status - Any variance from target manageable |  | Missing value |
|  | Green Plus Status - Exceeding expectations | | |

| | Corporate Theme | Target to 30/09/18 | Actual to 30/09/18 | Status at 30/09/18 | Target to 31/12/18 | Actual to 31/12/18 | Status at 31/12/18 | Target to 31/03/19 | Actual to 31/03/19 | Status at 31/03/19 | Target to 30/06/19 | Actual to 30/06/19 | Status at 30/06/19 | Target to 30/09/19 | Actual to 30/09/19 | Status at 30/09/19 | Target to 31/12/19 | |
|---|--|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------|
| | NI15b: The rate of violence against the person (victim based crime) per 1,000 | Customers | 17.00 | ? | ? | 26.00 | ? | ? | 33.07 | ? | ? | 10.00 | 2.96 | ☆ | 17.00 | 9.00 | ☆ | 28.00 |
| | CS8: Anti-social behaviour per 1,000 population | Customers | 22.00 | ? | ? | 31.00 | ? | ? | 35.00 | ? | ? | 8.00 | 7.69 | ☆ | 20.00 | 8.45 | ☆ | 28.00 |
| | CS9: Criminal damage per 1,000 population | Customers | 6.70 | ? | ? | 9.80 | ? | ? | 12.00 | ? | ? | 2.50 | 2.39 | ☆ | 5.70 | 2.36 | ☆ | 8.80 |
| + | VGC1: Percentage of dwellings with a valid gas certificate | Customers | 100.0% | 100.0% | ☆ | 100.0% | 100.0% | ☆ | 100.0% | 100.0% | ☆ | 100.0% | 100.0% | ☆ | 100.0% | 100.0% | ☆ | 100.0% |
| | Assets5b: Percentage of assets known to be health and safety compliant (as per SBC definition) | Customers | 100.00% | 91.70% | ▲ | 100.00% | 97.00% | ▲ | 100.00% | 91.00% | ▲ | 100.00% | 91.00% | ▲ | 100.00% | ? | ? | 100.00% |
| | Assets5a: Percentage of assets known to be health and safety compliant (Statutory) | Customers | 100.00% | 90.00% | ▲ | 100.00% | 98.00% | ▲ | 100.00% | 91.00% | ▲ | 100.00% | 99.60% | ☆ | 100.00% | 100.00% | ☆ | 100.00% |
| + | BV66a: Rent collection rate | Customers | 96.3% | 96.8% | ☆ | 97.8% | 98.6% | ☆ | 98.7% | 99.1% | ☆ | 93.6% | 93.8% | ☆ | 96.3% | 96.9% | ☆ | 97.8% |
| | BV213: Homelessness preventions | Customers | 180.0 | 182.0 | ☆ | 270.0 | 279.0 | ☆ | 360.0 | 399.0 | ☆ | 90.0 | 128.0 | ☆ | 180.0 | 272.0 | ☆ | 270.0 |
| + | ECHFL-IW1: Percentage of tenants satisfied with internal works completed (for the current quarter) | Customers | 80.0% | 94.3% | ☆ | 80.0% | 95.7% | ☆ | 80.0% | 96.0% | ☆ | 80.0% | 100.0% | ☆ | 80.0% | 100.0% | ☆ | 80.0% |
| + | ECHFL1: Percentage of Homes maintained as decent | Customers | 79.8% | 80.0% | ☆ | 82.6% | 82.6% | ☆ | 75.3% | 75.4% | ☆ | 76.9% | 77.0% | ☆ | 79.4% | 79.5% | ☆ | 81.5% |
| | NI156: Number of households in temporary/emergency accommodation at end of period | Customers | 100.00 | 65.00 | ☆ | 100.00 | 61.00 | ☆ | 100.00 | 73.00 | ☆ | 75.00 | 73.00 | ☆ | 75.00 | 81.00 | ▲ | 75.00 |
| + | ECHFL-EW1: Percentage of tenants satisfied with external works completed (for the current quarter) | Customers | 90.0% | 89.0% | ☆ | 80.0% | 89.7% | ☆ | 80.0% | 91.2% | ☆ | 80.0% | 98.9% | ☆ | 80.0% | 100.0% | ☆ | 80.0% |
| | FS3 (Futsav1b): Percentage of GF savings identified to meet three year target | Future Town, Future Council | 39.8% | 78.7% | ☆ | 47.4% | 81.6% | ☆ | 69.9% | 83.0% | ☆ | 21.1% | 45.9% | ☆ | 39.8% | 71.9% | ☆ | 47.4% |
| | CTOC1: Percentage of customer complaints responded to within deadline | Future Town, Future Council | 95.00% | 88.02% | ▲ | 95.00% | 89.66% | ▲ | 95.00% | 90.45% | ● | 95.00% | 94.37% | ☆ | 95.00% | 94.19% | ☆ | 95.00% |
| | EAA1: Customer satisfaction with CSC customer service | Future Town, Future Council | 90.0% | 88.4% | ☆ | 90.0% | 88.4% | ☆ | 90.0% | 88.5% | ☆ | 90.0% | 88.7% | ☆ | 90.0% | 90.1% | ☆ | 90.0% |
| | FS2a (LACC2): Percentage HRA approved savings removed from HRA for current year | Future Town, Future Council | 91.00% | 86.70% | ☆ | 91.00% | 86.70% | ☆ | 91.00% | 86.70% | ☆ | 91.00% | 98.00% | ☆ | 91.00% | 94.00% | ☆ | 91.00% |
| | FS1a (LACC1): Percentage GF approved savings removed from GF budget for current year | Future Town, Future Council | 92.00% | 89.90% | ☆ | 92.00% | 89.90% | ☆ | 92.00% | 89.90% | ☆ | 98.00% | 98.00% | ☆ | 92.00% | 94.00% | ☆ | 92.00% |
| | WebSat1: Customer satisfaction with Council website | Future Town, Future Council | 0.11 | 0.26 | ☆ | 0.15 | 0.28 | ☆ | 0.20 | 0.28 | ☆ | 0.11 | 0.26 | ☆ | 0.11 | 0.30 | ☆ | 0.15 |
| | FS4 (Futsav2b): Percentage of HRA savings identified to meet three year target | Future Town, Future Council | 29.3% | 56.6% | ☆ | 33.5% | 54.3% | ☆ | 46.3% | 56.0% | ☆ | 2.5% | 36.0% | ☆ | 29.3% | 100.0% | ☆ | 33.5% |
| | HDD1d: Number of affordable homes delivered (gross) by the Council (since 2014) | Future Town, Future Council | 148.00 | 149.00 | ☆ | 148.00 | 168.00 | ☆ | 160.00 | 173.00 | ☆ | 179.00 | 176.00 | ☆ | 183.00 | 192.00 | ☆ | 212.00 |

| | Corporate Theme | Target to 30/09/18 | Actual to 30/09/18 | Status at 30/09/18 | Target to 31/12/18 | Actual to 31/12/18 | Status at 31/12/18 | Target to 31/03/19 | Actual to 31/03/19 | Status at 31/03/19 | Target to 30/06/19 | Actual to 30/06/19 | Status at 30/06/19 | Target to 30/09/19 | Actual to 30/09/19 | Status at 30/09/19 | Target to 31/12/19 |
|--|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| HDD1b (formerly NB1) - New Build Spend v Budget of development activity that is contracted | Future Town, Future Council | 90.0% | 95.5% | ★ | 90.0% | 97.7% | ★ | 90.0% | 98.2% | ★ | 90.0% | 99.8% | ☆ | 90.0% | 99.7% | ☆ | 90.0% |
| CNM2g: Garage Voids as a percentage of stock | Future Town, Future Council | 12.00% | 12.62% | ● | 12.00% | 12.81% | ● | 12.00% | 10.70% | ★ | 12.00% | 10.79% | ★ | 12.00% | 11.58% | ★ | 12.00% |
| EoCrec: Time to recruit | Future Town, Future Council | 45.00 | 38.50 | ☆ | 45.00 | 42.00 | ★ | 45.00 | 40.00 | ☆ | 45.00 | 42.00 | ★ | 45.00 | 47.00 | ★ | 45.00 |
| EoC4a: Percentage of apprentices in post as percentage of workforce. | Future Town, Future Council | 2.5% | 2.7% | ☆ | 2.5% | 3.0% | ☆ | 2.5% | 2.4% | ★ | 2.3% | 2.1% | ★ | 2.3% | 1.9% | ★ | 2.3% |
| Compl4: Percentage of stage 2 & 3 complaints upheld fully or partially (Housing) | Future Town, Future Council | 40.00% | 38.30% | ★ | 40.00% | 43.08% | ● | 40.00% | 39.51% | ★ | 40.00% | 35.00% | ★ | 40.00% | 20.00% | ☆ | 40.00% |
| NI191: Residual household waste per household (kgs) | Place | 254.00 | 246.36 | ★ | 386.00 | 371.00 | ★ | 519.00 | 498.00 | ★ | 135.00 | 122.00 | ☆ | 250.00 | 246.00 | ★ | 380.00 |
| NI192: Percentage of household waste sent for reuse, recycling and composting | Place | 43.5% | 42.0% | ★ | 41.5% | 37.0% | ▲ | 40.0% | 40.0% | ★ | 42.0% | 43.0% | ★ | 43.0% | 42.0% | ★ | 41.0% |
| Rep Cost1: Average responsive repair cost per dwelling | Place | 160.50 | 146.03 | ☆ | 240.75 | 222.17 | ☆ | 321.00 | 316.42 | ★ | 81.77 | 62.40 | ☆ | 163.54 | 162.78 | ★ | 245.30 |
| Rep-Time3: Average end to end repairs time (days) - Routine Repairs | Place | 20.00 | 10.83 | ☆ | 20.00 | 9.81 | ☆ | 20.00 | 9.82 | ☆ | 20.00 | 6.45 | ☆ | 20.00 | 7.16 | ☆ | 20.00 |
| Rep-Time1: Average end to end repairs time (days) - Emergency Repairs | Place | 1.00 | 0.45 | ☆ | 1.00 | 0.47 | ☆ | 1.00 | 0.52 | ☆ | 1.00 | 0.79 | ☆ | 1.00 | 0.85 | ☆ | 1.00 |
| Rep-Time2: Average end to end repairs time (days) - Urgent Repairs | Place | 5.00 | 4.50 | ☆ | 5.00 | 3.99 | ☆ | 5.00 | 3.87 | ☆ | 5.00 | 2.83 | ☆ | 5.00 | 2.80 | ☆ | 5.00 |
| VoidsGNMW - The time taken to relet major works general needs voids | Place | 65.00 | 93.53 | ▲ | 65.00 | 83.24 | ▲ | 65.00 | 80.67 | ▲ | 65.00 | 51.92 | ☆ | 65.00 | 59.88 | ☆ | 65.00 |
| BTC1a: New jobs created through Business Technology Centre | Place | 30.00 | 87.00 | ☆ | 70.00 | 121.00 | ☆ | 125.00 | 188.00 | ☆ | 15.00 | ? | ? | 30.00 | 34.00 | ☆ | 45.00 |
| BTC1b: New business start up in Business Technology Centre | Place | 15.00 | 49.00 | ☆ | 30.00 | 58.00 | ☆ | 52.00 | 86.00 | ☆ | 5.00 | ? | ? | 10.00 | 20.00 | ☆ | 15.00 |
| ELL1a: Percentage of Houses in Multiple Occupation (HMO) that are broadly compliant | Place | | | » | 92.50 | 87.50 | ▲ | 92.50 | 96.89 | ☆ | 92.50 | 98.45 | ☆ | 92.50 | 95.83 | ☆ | 92.50 |
| NI157a: Percentage of major planning applications determined in 13 weeks | Place | 60.0% | 100.0% | ☆ | 60.0% | 100.0% | ☆ | 60.0% | 100.0% | ☆ | 60.0% | 100.0% | ☆ | 60.0% | 83.3% | ☆ | 60.0% |
| VoidsGN: The time taken to relet standard general needs voids | Place | 32.00 | 27.49 | ☆ | 32.00 | 27.32 | ☆ | 32.00 | 27.86 | ☆ | 32.00 | 30.31 | ☆ | 32.00 | 30.27 | ☆ | 32.00 |
| NI157c: Percentage of other planning applications determined within 8 weeks | Place | 80.0% | 96.8% | ☆ | 80.0% | 97.0% | ☆ | 80.0% | 96.8% | ☆ | 80.0% | 96.3% | ☆ | 80.0% | 97.5% | ☆ | 80.0% |
| NI184: Food establishments in the area broadly compliant with food hygiene law | Place | 95.0% | 96.0% | ★ | 95.0% | 94.2% | ★ | 95.0% | 95.1% | ★ | 95.0% | 96.1% | ★ | 95.0% | 96.1% | ★ | 95.0% |
| ECH19p3: Percentage repairs appointment made and kept | Place | 95.00% | 95.76% | ★ | 95.00% | 99.26% | ★ | 95.00% | 98.68% | ★ | 95.00% | 98.61% | ★ | 95.00% | 98.49% | ★ | 95.00% |

| | Corporate Theme | Target to 30/09/18 | Actual to 30/09/18 | Status at 30/09/18 | Target to 31/12/18 | Actual to 31/12/18 | Status at 31/12/18 | Target to 31/03/19 | Actual to 31/03/19 | Status at 31/03/19 | Target to 30/06/19 | Actual to 30/06/19 | Status at 30/06/19 | Target to 30/09/19 | Actual to 30/09/19 | Status at 30/09/19 | Target to 31/12/19 | |
|---|---|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------|
| + | ECH-Rep4: Percentage repairs fixed first time | Place | 87.50% | 92.13% | ★ | 87.50% | 97.47% | ☆ | 87.50% | 97.47% | ☆ | 87.50% | 98.96% | ☆ | 87.50% | 99.14% | ☆ | 87.50% |
| + | ECHFL5: Percentage of Repairs service customers satisfied (telephone survey) | Place | 90.00% | 93.44% | ★ | 90.00% | 96.07% | ★ | 90.00% | 96.13% | ★ | 90.00% | 93.08% | ★ | 90.00% | 93.36% | ★ | 90.00% |
| + | NI157b: Percentage of minor planning applications determined within 8 weeks | Place | 65.0% | 90.2% | ☆ | 65.0% | 90.2% | ☆ | 65.0% | 88.8% | ☆ | 65.0% | 96.6% | ☆ | 65.0% | 96.0% | ☆ | 65.0% |
| | CSC13a: Percentage of calls to the CSC resolved within the CSC (by CSC advisors) | Transformation and Support | 65.00% | 64.20% | ★ | 65.00% | 65.10% | ★ | 65.00% | 64.30% | ★ | 65.00% | 62.90% | ★ | 65.00% | 61.80% | ★ | 65.00% |
| | CSC4: Percentage of telephone calls to the CSC answered within 20 secs | Transformation and Support | 55.0% | 40.9% | ▲ | 55.0% | 48.4% | ▲ | 55.0% | 49.6% | ▲ | 50.0% | 61.3% | ☆ | 52.0% | 56.9% | ★ | 55.0% |
| | CSC5: Percentage of walk-in customers to the CSC served within 20mins | Transformation and Support | 80.0% | 65.2% | ▲ | 80.0% | 71.8% | ▲ | 80.0% | 75.0% | ● | 75.0% | 81.2% | ☆ | 78.0% | 80.2% | ★ | 80.0% |
| | Cust1: Percentage complaints progressing to stage 2 and 3 that are upheld or partially upheld | Transformation and Support | 40.0% | 37.3% | ★ | 40.0% | 38.6% | ★ | 40.0% | 34.6% | ☆ | 40.0% | 31.8% | ☆ | 40.0% | 18.3% | ☆ | 40.0% |
| | Pe1: Total Human Capital - measures Workforce Stability | Transformation and Support | 85.0% | 86.0% | ★ | 85.0% | 84.0% | ★ | 85.0% | 84.9% | ★ | 85.0% | 85.9% | ★ | 85.0% | 85.0% | ★ | 85.0% |
| | Pe6: Appraisal completion to meet corporate deadlines | Transformation and Support | 100.0% | 90.1% | ▲ | 100.0% | 99.1% | ★ | 100.0% | 99.8% | ★ | 100.0% | 100.0% | ★ | 100.0% | 100.0% | ★ | 100.0% |
| | Pe4a: Sickness Absence Rate for the Current Workforce (FTE) | Transformation and Support | 8.00 | 8.91 | ● | 8.00 | 8.42 | ★ | 8.00 | 8.86 | ● | 8.00 | 9.49 | ▲ | 8.00 | 9.80 | ▲ | 8.00 |
| | NI181: Time taken (days) to process housing benefit new claims and change events | Transformation and Support | 12.00 | 8.88 | ☆ | 11.00 | 8.12 | ☆ | 9.00 | 5.96 | ☆ | 12.00 | 13.45 | ● | 12.00 | 10.09 | ★ | 10.00 |
| | BV9: Percentage of council tax collected | Transformation and Support | 61.0% | 60.8% | ★ | 89.0% | 90.0% | ☆ | 96.8% | 96.2% | ★ | 33.0% | 33.3% | ★ | 61.0% | 60.4% | ★ | 88.0% |
| | BV10: Percentage of non-domestic rates due for the financial year received by the authority | Transformation and Support | 62.0% | 61.6% | ★ | 89.0% | 88.2% | ★ | 99.0% | 98.9% | ★ | 36.0% | 36.9% | ☆ | 61.0% | 62.9% | ☆ | 89.0% |
| | Pe2: Agency Usage as a percentage of total workforce | Transformation and Support | 10.0% | 14.4% | ▲ | 10.0% | 11.5% | ▲ | 12.0% | 11.9% | ★ | 12.0% | 13.2% | ● | 12.0% | 12.8% | ● | 12.0% |
| | CSC12: Percentage of calls abandoned in the Customer Service Centre | Transformation and Support | 8.0% | 17.1% | ▲ | 7.0% | 14.4% | ▲ | 6.0% | 14.3% | ▲ | 10.0% | 7.2% | ★ | 10.0% | 10.4% | ★ | 8.0% |

Appendix Two.

Future Town, Future Council Scope and Focus for 2019/20

External Facing Programmes

1. Stevenage Centre Town Centre Regeneration Programme

1.1. Programme Outcomes

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

1.2. Programme Overview

- 1.3. Regeneration of the town centre is the Council's number one priority and was the priority most often placed in residents' 'top three' in the town-wide survey undertaken in 2017. The Council wants to make Stevenage a destination of choice through delivering a new vibrant town centre, with quality shopping, office and leisure facilities.
- 1.4. The Council officially announced the appointment of Mace as the development partner for the first phase of town centre regeneration (SG1) in February 2018. This ambitious scheme will bring £350million of private investment into the town centre. It will see the area covering the Council (Daneshill House) offices, the Plaza, bus station and some of the adjacent car parks redeveloped with new shops, bars and restaurants, homes, new public spaces, and a central public sector hub accommodating the Council offices, a library, exhibition space, and health services
- 1.5. During 2019/20 the programme will primarily focus on:
- Achieving vacant possession of Swingate House
 - Advancing the SG1 scheme
 - Progressing the bus interchange project in line with milestones
 - Beginning works on the Town Square Public Realm and 'North Block' improvements
 - Supporting the LEP (Local Enterprise Partnership) to ensure there are robust governance arrangements in place for the regeneration of Stevenage
 - Launching the fresh marketing brand, 'Stevenage Even Better' and opening the visitor centre to celebrate and promote the regeneration of the town

2. Housing Development Programme

2.1. Programme Outcomes

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

2.2. Programme Overview

2.3. Providing decent, affordable homes appropriate to the needs of residents is one of the Council's key priorities and again was high on the agenda for many respondents to the town-wide Resident Survey. The Council is meeting this priority by delivering its own new build programme. Overall the programme remains on track for delivery of 300 homes by 2020.

2.4. The Council continued to work proactively during 2018/19 to get the Secretary of State's Holding Direction on the adoption of the Local Plan lifted. This was achieved in March 2019 and the Council has subsequently adopted the Local Plan since the year-end. This will provide the certainty needed to encourage developers to bring forward their schemes to provide a range of housing, including a proportion of affordable homes.

2.5. During 2019/20 the programme will primarily focus on:

- Completing and letting 54 new affordable homes across a number of schemes and 11 private sale homes.
- Starting work on a further 298 new/replacement homes across a range of planned schemes including sites at Shephall Way, North Road and Symonds Green.
- Exploring the viability of other potential areas of development across the town including opportunities to work in partnership with other providers.
- Continuing to work with partners to enable the delivery of affordable homes.
- Forming a Wholly Owned Company to support the delivery of new homes.

3. Excellent Council Homes Programme

3.1. Programme Outcomes

- Transforming the Housing and Investment service to better meet the needs of its customers.

3.2. Programme Overview

3.3. The Council's aim is to provide high quality, efficient and effective housing services. The Council has committed through the Excellent

Council Homes programme to transform its housing services to better meet the needs of its customers.

3.4. The programme comprises five main themes:

- **Business Vision:** focused on embedding corporate values and unified customer service to all members of staff. This is to ensure that customers will receive the same, excellent customer service from every member and area of business.
- **Digital Housing:** aimed at improving back office processes and enhancing internal systems in order to support digital development and access to information for our customers.
- **Service and Personal Development:** focused on delivery of a cohesive team provided with the right tools and skills to deliver excellent customer service.
- **Knowing our Customers:** aimed at understanding our customers' needs and prioritising them to provide bespoke services where possible. This is to improve contact with our customers and visibility and approachability of our staff.
- **Major Investment in Flat Blocks:** focused on delivery of the Major Refurbishment Contract (MRC), sprinkler systems and lift replacements in council-owned flat blocks

3.5. During 2019/20 the programme will primarily focus on:

- The launch of a new online account where customers will be able to access housing services 24/7.
- Delivery of a major refurbishment programme to our flat blocks (incorporating the MRC, lift replacements and retrofitting of sprinklers).
- Implementation of a new area-based co-operative neighbourhood management approach in conjunction with staff from Stevenage Direct Services and Communities and Neighbourhoods.
- Completing the final phases of the Housing and Investment Future Council Business Unit Review.
- Providing staff with the right business tools and software to enable them to work more effectively out in the community.
- Delivery of the Homelessness and Rough Sleepers Initiative Strategy and Housing Older Persons Strategy.

4. Co-operative and Neighbourhood Management Programme

4.1. Programme Outcomes

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

- The Council's Community centres are efficiently run, well-managed and most importantly, meet local needs.

4.2. Programme Overview

4.3. The Co-operative Neighbourhood Management (CNM) programme sets out how the Council will work with communities to improve neighbourhoods. Through working together with residents and other partners the Council believes public spaces can be made more attractive and in turn help to give people pride in the place they live. The CNM programme was formally launched at Stevenage Day in June 2017 and is complemented by an 'Our Neighbourhood' area on the Council's website. Focused investment in neighbourhood improvements has continued to progress throughout the year. The programme has been further re-purposed to provide the FTFC oversight for the development of the Council's approach to area-based co-operative neighbourhood management.

4.4. During 2019/20 the programme will primarily focus on:

- Developing the Council's approach to co-operative neighbourhood management, working initially with Stevenage Direct Services, Housing and Investment and Communities and Neighbourhoods.
- Continuing the planned roll-out of neighbourhood improvements, with consultation and engagement work starting in Bedwell and Longmeadow.
- Completing the Community Centre Review.
- Progressing the Garage Programme.
- Reviewing and reshaping resident involvement activity in response to the Community Engagement Framework.

5. Connected to our Customers Programme

5.1. Programme Outcomes

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

5.2. Programme Overview

5.3. The 'Connected to our Customers' programme aims to improve the accessibility of Council services and the customer experience. It will

enhance the way residents can access Council services through increasing the use of digital options, whilst ensuring that officers continue to spend time with those customers who require additional assistance.

5.4. The Council's digital aspirations will evolve as we co-operatively redesign services with our workforce and customers. This modernisation of service delivery will allow the Council to be more responsive to customer needs and flexible in order to adapt more quickly to changing demands or priorities.

5.5. During 2019/20 the programme will primarily focus on:

- New website testing completion, with 'go-live' expected in late summer 2019.
- Finalising procurement of the digital platform and plans for implementation.
- Phased implementation of digital platform capabilities starting with replacement CRM and quick wins for self-serve options.
- Customer and Business Account functionality placed into the new website, providing a single view of the customer and establishing a new centralised digital customer relationship.
- Developing a service redesign approach that will optimise new technology and new ways of working.
- Developing a Channel Shift Strategy which will clearly set out our approach to optimising the take-up of the new digital services whilst ensuring access for everyone, so that no-one is left behind.
- Implementation of the Environmental Services case management system. Integration into the digital platform to enable self-serve.
- Working with services to understand desired new ways of working and technology to support mobile, agile and area working. Planning for how we want to work from the new Public Sector Hub

Internal Facing Programmes

6. Financial Security Programme

6.1. Programme Outcomes

- As meet the Financial Security three year savings target
- To ensure that the General Fund expenditure equals income without the use of balances from 2022/23 onwards
- To ensure the Housing Revenue Account has sufficient funding to meet the capital needs of the Housing Asset Management Strategy and identified revenue needs
- To identify Financial Security options using the three revised workstreams (efficiency, commercial and improved processes), before recommending any service rationalisation options, as summarised below.

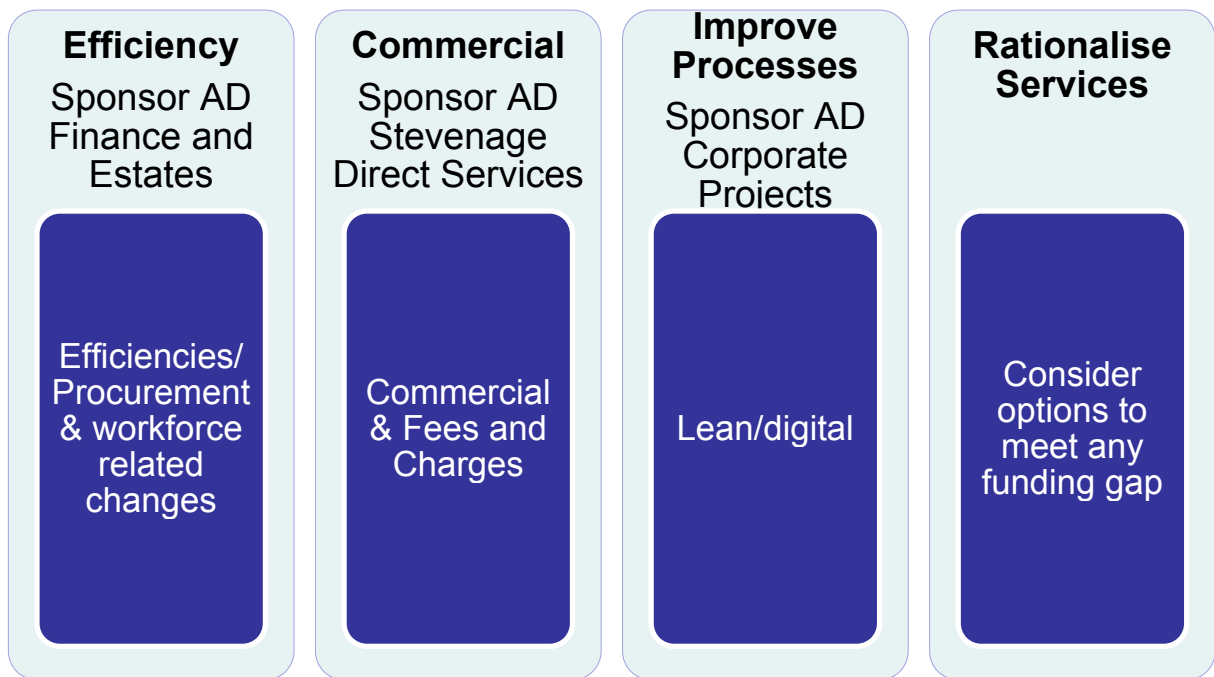


Figure 2: Financial Security workstreams

6.2. Programme Overview

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

6.4. During 2019/20 the programme will primarily focus on:

- Identification of Financial Security options to meet the General Fund and HRA funding gap for the period 2020/21-2022/23 via the Financial Security workstreams.
- Review of leases for the Commercial Portfolio, to ensure they are reviewed in a timely manner to protect the Council's revenues.
- Purchase of Investment Properties to meet the General Fund target of £200,000.
- Completion of Locality Reviews to meet the objectives of the General Fund Asset Management Strategy.
- Review of fee-earning services to determine fee versus cost.
- Identifying options to improve productivity via use of digital interventions
- Review of budgets for cross-cutting reviews.
- Presentation of Financial Security options to the Leader's Financial Security Group before approval by the Executive.

7. Employer of Choice Programme

7.1. Programme Outcomes

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

7.2. Programme Overview

7.3. The Council aims to create a flexible, collaborative, creative and modern workforce to ensure it can deliver the priorities set out in the FTFC programme and give residents the standard of services they expect. This programme aims to transform the way the Council works, ensuring that staff have the skills, abilities and experience to deliver excellence. The Council must become an employer of choice so that it can compete in today's market place and attract and retain the best staff to build for the future.

7.4. Through Future Council Business Reviews, work has begun on shaping the next stage of the transformation programme to ensure the Council has the right structures, teams and people in place.

7.5. During 2018/19 the programme will primarily focus on:

- Establishing a compelling employer brand with a competitive pay and benefit offer, including development of the new e-recruitment module of the HR System
- Developing and implementing a competency framework for staff from Grade 1- 9 of the Council's pay structure.
- Enabling new ways of working to equip staff for the future including policies, practices and culture.
- Developing digital skills and tools to enable staff self-service.
- Creating a new Learning and Development Strategy.

8. Performing at our Peak Programme

8.1. Programme Outcomes

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

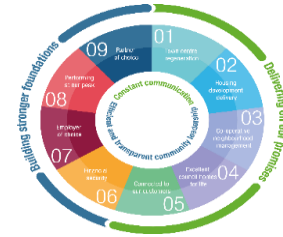
8.2. Programme Overview

8.3. The Council aims to become an insightful Council with improved service performance and slimmed down decision-making processes. The programme will improve the organisation's insight, analysis and intelligence to help us to make better informed business decisions. This is being achieved through more timely coordination of data and the adoption of tools to support ongoing strategic and operational analysis.

8.4. During 2019/20 the programme will primarily focus on:

- Enhancing business insight through data connectivity, and ensuring service managers have the right skills to use the tool robustly to analyse information and make informed decisions that result in improved services for our customers.
- Developing our insight culture through the effective engagement and use of our new tools and procedures, to enable lasting performance improvement.
- Delivering a new scheme of delegations to officers in respect of Executive powers

Meeting: EXECUTIVE



Portfolio Area: Resources

Date: 16 DECEMBER 2019

COUNCIL TAX BASE 2020/21

KEY DECISION

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

1. PURPOSE

- 1.1 To seek members approval of the Council Tax Base for 2020/21

2. RECOMMENDATIONS

- 2.1 That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amount calculated by Stevenage Borough Council for the year 2020/21 shall be 28,275.6 equivalent “Band D” properties reduced to 27780.7 equivalent “Band D” properties after making allowances for a 98.25% collection rate.
- 2.2 That the 2020/21 Council Tax Base is approved subject to any changes made to the Council Tax Support Scheme (CTS) for 2020/21. The Executive approved the CTS scheme at its meeting on 20 November 2019 for recommendation to Council.

3. BACKGROUND

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

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 Taxbase

4.1.1 The actual number of domestic dwellings in the borough, as shown in the Valuation Officer's list on 9 September 2019, was 37,627, compared to 37,272 as at 10 September 2018, an increase of 355 properties.

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

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

4.1.4 The relevant proportion for each band are:

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

4.1.5 These "Band D" equivalents are aggregated to give the total number of the equivalent "Band D" dwellings for the authority as a whole. For Stevenage this is 28,275.6, which is less than the actual number of dwellings. This is because the majority of dwellings in Stevenage are in Band C.

4.1.6 The Council Tax Base for 2020/21 after making allowances for a collection rate of 98.25% is 27,780.7 equivalent "Band D" properties. (The comparative figure for 2019/20 was 27,329.9).

4.1.7 The proposed 2020/21 collection rate percentage remains at 98.25% in 2019/20, reflecting sustainable long term recover rates.

4.1.8 The Council Tax Base proposed is based on the current Council tax Support Scheme liability of 8.5%.

5 IMPLICATIONS

5.1 Financial Implications

- 5.1.1 The increase in the taxbase will be included in the draft 2020/21 Council Tax Setting and General Fund Report (to the January Executive) and remains unchanged from the projection in the Financial Security Report to the November Executive. The increase in assumed property numbers and the discount assumptions including Council Tax Support is the equivalent to a total additional 512.25 equivalent Band D properties or £107,295 before any council tax increase is considered. The reason for the increased council tax income is shown in the table below.

| Increased income from 2020/21 taxbase compared to 2019/20 before any council tax increase | | | |
|--|-------------------------------|-------------------------------|---------------------------------------|
| | 2019/20 Estimate £ | 2020/21 Estimate £ | Increase /(decrease) £ |
| Properties numbers | 7,168,109 | 7,246,159 | 78,050 |
| Council Tax Support Scheme | (735,247) | (705,223) | 30,024 |
| Changes to other discounts & Premium | (588,402) | (586,953) | 1,449 |
| Increase in bad debt (2%) assumptions | (101,967) | (104,195) | (2,228) |
| Total | £ 5,742,493 | £ 5,849,788 | £ 107,295 |

5.2 Legal Implications

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

5.3 Risk Implications

- 5.3.1 The assumptions made are reasonable at the current time but, if the level of anticipated growth in the 2020/21 Tax Base is not realised and/or the council tax support caseload increases, an in year deficit on the Collection Fund could arise.

5.4 Policy Implications

- 5.4.1 None

5.5 Equalities and Diversity Implications

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

5.6 Other Implications.

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

BACKGROUND DOCUMENTS

BD1 – Council Tax Support Scheme

APPENDICES

Appendix A - 2020/21 Council Tax Base

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Meeting EXECUTIVE

Portfolio Area RESOURCES/ HOUSING, HEALTH AND OLDER PEOPLE

Date 16 December 2019



HOUSING REVENUE ACCOUNT MEDIUM TERM FINANCIAL STRATEGY (2019/20 - 2023/24) AND HRA BUSINESS PLAN REVIEW 2019

KEY DECISION

Authors Katrina Shirley | 2018; Keith Reynoldson |2403

Contributor Jaine Cresser | 2020; Ash Ahmed | 2805; Andrew Garside | 2545; Clare Fletcher | 2933; Craig Miller | 2587; Richard Protheroe | 2938;

Lead Officers Jaine Cresser | 2020; Clare Fletcher | 2933

Contact Officers Katrina Shirley | 2018; Keith Reynoldson |2403

1 PURPOSE

- 1.1 To advise Members on the current and future position of the Council's Housing Revenue Account budget over the next five years.
- 1.2 To propose revisions to the HRA 30-Year Business Plan following the Government's relaxation of the borrowing cap.

2 RECOMMENDATIONS

- 2.1 That, for modelling purposes, fees and charges increases are in line with inflation.
- 2.2 That, for modelling purposes, the updated inflation assumptions used in the Medium Term Financial Strategy (paragraph 4.5.1 refers) be approved.

- 2.3 That the Capital Programme assumptions contained within the report are approved for the existing programme and new build properties and incorporated into the 2020/21 budget.
- 2.4 That officers review responsive repairs spend, taking into account the anticipated impact of the planned maintenance programme and the delivery of the 2% repairs efficiency target (paragraphs 4.3.5 and 4.4.7 refer).
- 2.5 That borrowing to fund capital projects in 2020/21 of £23.8Million be approved and that future years are considered annually in line with anticipated expenditure.
- 2.6 That the minimum level of balances for the HRA Business Plan, set as a minimum £3Million plus inflation (paragraph 4.4.7 refers), be noted.
- 2.7 That the creation of a reserve of £5Million, to mitigate against future interest rate volatility and a reserve to accommodate future debt repayment be noted.
- 2.8 That if material changes to forecasts are required following further Government announcements, the Assistant Director (Finance and Estates) be requested to revise the Medium Term Financial Strategy and re-present it to the Executive for approval.
- 2.9 That the revised HRA MTFS principles are approved.
- 2.10 That the Trade Unions and staff be consulted on the key messages contained within the Medium Term Financial Strategies and more specifically when drawing up any proposals where there is a risk of redundancy.

3 BACKGROUND

3.1 PURPOSE OF THE HOUSING REVENUE ACCOUNT BUSINESS PLAN AND MEDIUM TERM FINANCIAL STRATEGY (MTFS)




- 3.1.1 The HRA Business Plan and MTFS are the Council's key Housing Revenue Account financial planning documents, setting out the Council's strategic approach to the management of its housing stock.
- 3.1.2 The HRA Business Plan is the 30 year plan which demonstrates that the Council's management of the housing stock and capital works are affordable within the funds available and allows for sufficient funding to pay for the interest and debt repayments. The MTFS looks at these plans over a five year horizon and is a check that the HRA Business Plan is still financially viable.
- 3.1.3 The HRA Business Plan underpins the Council's key housing priorities for Stevenage as set out in the Future Town Future Council agenda "Excellent Council Homes" and "Housing Development" and in the Housing Asset Management Strategy. In delivering against corporate priorities and housing service objectives within the resources available, the HRA Business Plan aims to achieve a balance between:
 - Spending on housing management, maintenance and support services that meet the needs of our customers and reflect their priorities, whilst maintaining efficiencies

- Investing in the existing housing stock to ensure the ongoing quality and sustainability of our assets
- Investing in new social and affordable rented homes, to seek to replace those lost through the Government's Right to Buy Scheme and to contribute to meeting local housing demand and the needs of an ageing population
- Setting rents and service charges at levels that are affordable and offer value for money to tenants and leaseholders (within national policy constraints), whilst ensuring that a healthy HRA is maintained to enable ongoing investment
- Managing the HRA debt effectively, with sufficient reserves being held to mitigate against current and future volatility in the HRA

3.2 HRA BP AND MTFs REVIEW

3.2.1 Since the 2012 self-financing regime was introduced, a number of legislative changes have impacted on HRA finances, the most significant of which has been the Welfare Reform and Work Act 2016. This put in place a 1% annual rent reduction over a four year period, estimated to have reduced SBC's HRA rent income by £225Million over 30 years. In addition, increases in the discount level for RTBs have affected resources available to fund capital and revenue needs.

3.2.2 The HRA BP was comprehensively reviewed in 2016 in response to these pressures and a number of changes were made to mitigate the impact. Subsequently annual reviews have taken place to refresh the BP and MTFs assumptions and the table below summarises the key commitments made as at November 2018.

| Area | Commitments in the 2018 HRA BP |
|--|---|
|  <p>Housing Development</p> | <ul style="list-style-type: none"> • £582m over 30 years • 2,162 new homes over 30 years (1020 net increase) • 50% social/50% affordable • Kenilworth older persons scheme |
|  <p>Housing Asset Management</p> | <ul style="list-style-type: none"> • £696m over 30 years • Decent Homes, MRC, Asset Review programme, Health & Safety, Sprinklers, Insulation etc. • £7.9m HRA contribution to IT investment • 1.5% procurement efficiency |
|  <p>Housing Service Delivery</p> | <ul style="list-style-type: none"> • Repairs service improvement programme • Housing transformation programme • Supported housing service review • Service & support charge review • Savings targets – £200k p.a. for 30 years |

- 3.2.3 This report provides an update on the 2018 HRA MTFs and BP (reported to the Executive in November 2018), with a particular focus on options to increase the spending power within the HRA, as a result of the removal of the HRA debt cap. It also sets out the revised financial assumptions that are built into the Business Plan, which include:
- Rent Projections
 - New Build Projections
 - Treasury Management
 - Review of borrowing and debt scheduling
 - Funding of the Capital programme
 - Projections of Financial Security targets
 - Future pressures and risks
 - Inflation projections
- 3.2.4 Originally it was intended that this report would be presented to the November committee cycle. However, due to the unanticipated changes made to Government PWLB (Public Works Loan Board) lending rates in October 2019 (see paragraph 3.3.13 below), the plan had to be reviewed and re-financed to accommodate the higher levels of interest. The increase in the PWLB rate has resulted in a cost to the HRA of £38Million over 30 years. This report contains a costed plan but the impact is to take the HRA much closer to minimum balances through the BP, which will lessen the Council's ability to respond to further policy changes and unforeseen events.

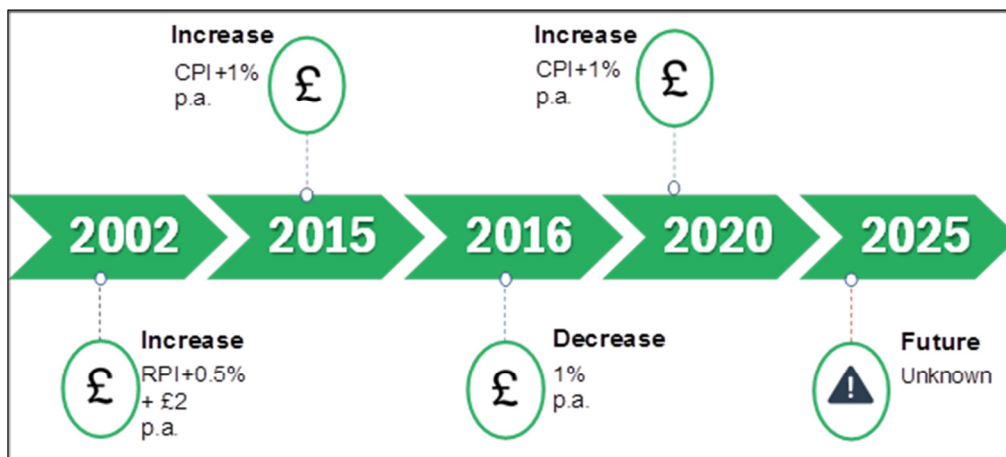
3.3 THE POLICY CONTEXT

- 3.3.1 This update takes account of the impact of economic factors and government initiatives where they are known and flags as risks those that cannot be quantified at the current time. It should, however, be noted that this report was uploaded during the pre-election period and as such there is uncertainty as to the future policy direction and its potential impact on HRA finances, once a new Government is formed.

Social Rent Policy

- 3.3.2 Since 2001, rents for properties let at 'social rent' have been set based on a formula determined by Government. This creates a 'formula rent' for each property, which is calculated based on the relative value of the property, relative local income levels, and the size of the property. Government policy has also limited maximum annual changes in social rent and affordable rent levels. The original aim of this formula-based approach was to ensure that similar rents are charged for similar properties, with rents in social housing converging over time. However, within its publication 'Guidance on rents for social housing' (2015), the Government confirmed an end to the policy of rent convergence.
- 3.3.3 The original self-financing settlement was based on the assumption, used by the Government in deciding how much debt each council could afford to take on, that rents would rise annually by 0.5% above inflation as measured by

the Retail Prices Index, throughout the business plan period of 30 years. However, since then, Government policy on annual rent increase/decreases has altered over time, as illustrated below:



- 3.3.4 In October 2017, the Government announced its intention to set a medium term rent deal for both local authority landlords and housing associations. This would permit annual rent increases on both social rent and affordable rent properties of up to CPI plus one percentage point from 2020, for a period of at least five years. In February 2019, following a period of consultation, the Government issued its policy statement on rents for social housing, which confirmed the October 2017 announcement.
- 3.3.5 Registered providers must adhere to this limit on rent increases even if a tenant's rent is below formula rent, or if they have previously applied a lower annual increase. Where this is the case, the provider may only move the rent up to formula rent when the property is re-let following vacancy (subject to a rent cap).
- 3.3.6 The 4 year period of rent decreases (2016-2020) will continue to impact, with the rental income councils can expect over the business plan period being substantially less than was envisaged when the self-financing settlement was introduced. In addition there remains uncertainty about rent levels beyond 2025.

Welfare Reform

- 3.3.7 Since 2012, the Government has implemented successive welfare reforms including the under-occupation charge, benefit cap and Universal Credit (UC). Universal Credit continues to be rolled out and as at 17 November 2019, 987 council tenants were in receipt of this benefit in Stevenage.
- 3.3.8 The move to UC presents challenges to social landlords in terms of rent collection and support to tenants. The most recent survey undertaken by the Association of Retained Council Housing (ARCH) and the National Federation of ALMOs (NFA) on the impact of UC on their members, found that tenants on UC are more likely to be in arrears and have higher arrears than those on Housing Benefit. The survey report comments that member organisations are managing the impact on tenants and their rent accounts but this comes at a cost.

- 3.3.9 These survey results are consistent with the pattern in Stevenage. Of the 987 tenants in receipt of UC, 772 (78%) are in arrears. The level of debt owed by UC claimants is £431,750. This equates to 62% of the total debt owed (£692,203).

RTB Receipts

- 3.3.10 In August 2018, the Government consulted on the use of RTB receipts, the most significant proposals for the Council being:
- to allow local authorities to hold receipts they currently retain for up to 5 years; future receipts would still have to be used within 3 years;
 - to increase the cap on the use of receipts from 30% to 50% of build costs for homes for social rent where certain criteria are met;
 - to allow local authorities to “top-up” RTB receipts with grant funding;
 - to allow authorities to gift General Fund land to the HRA at zero cost.
- 3.3.11 Officers responded to the consultation and welcomed the increased flexibilities but concluded that decisions about the use of these receipts should be made at a local level. The Government has not as yet published the outcome of its consultation.

HRA Debt Cap Removal and PWLB Rates

- 3.3.12 HRA borrowing caps were introduced as part of the local government self-financing reforms introduced in 2012. However, on 29 October 2018, the Government confirmed that the cap would be abolished with immediate effect. As a result, local authorities with an HRA are free to borrow to support their capital expenditure, in line with the Prudential Code.
- 3.3.13 The Public Works Loan Board (PWLB) is a statutory body that issues loans to local authorities, operating within a policy framework set by HM Treasury. This borrowing is mainly for capital projects. In October 2019, HM Treasury announced a change to the margin which is applied to PWLB interest rates for new loan advances, by one percentage point on top of usual lending terms.
- 3.3.14 Officers have modelled the impact of both these policy changes on the HRA Business Plan and the outcomes are set out later in this report.

Building Safety Review and Decent Homes

- 3.3.15 The Independent Review of Building Regulations & Fire Safety was commissioned by the Government following the Grenfell Tower fire. The review’s final report was published in May 2018. In June 2019, the Government launched a consultation on proposals for reform of the building safety system. Subsequently, in the Queen’s Speech on 14 October 2019 the Government announced that it intended to introduce building safety standards legislation that would “put in place new and modernised regulatory regimes for building safety and construction products, ensuring residents have a stronger voice in the system.”
- 3.3.16 The Ministry for Housing, Communities and Local Government (MHCLG) published the social housing green paper in August 2018. This sought views on a wide range of proposals and ideas, based around five themes, one of

which was 'Ensuring homes are safe and decent', which proposed a review of the decent homes standard and more resident engagement on safety issues. In October 2019 the Housing Secretary confirmed the Government's commitment to bring forward a social housing white paper.

- 3.3.17 The financial implications of these measures are currently unknown but resources have been allocated within the revised HRA BP in anticipation of new requirements being introduced.

Climate Change

- 3.3.18 In June 2019, the Council passed a motion declaring a climate emergency and made a number of pledges, which included a commitment to continue to reduce the Council's own building and fleet emissions through developing and investing in carbon reduction projects. Officers are currently working on updating the Council's Climate Change Strategy and Action Plan. As part of this work, consideration will be given to reviewing energy efficiency targets in respect of the Council's housing stock and exploring opportunities for renewable technologies across HRA buildings.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 At the time that the HRA MTFs and BP were last approved (November 2018), the Government had only recently announced the removal of the debt cap. The Executive acknowledged that a number of steps were required in order to redirect the BP in light of the change in borrowing rules. Officers were therefore tasked with undertaking the following actions:
- Review new build schemes that could be brought forward/identified and the resources required to deliver them.
 - Review the Asset Management Plan for new identified refurbishments versus redevelopment (under new build programme) and the resources required to deliver them.
 - Review Management and Maintenance needs within the HRA to deliver new/different service options.
 - Review the borrowing strategy to unlock funding provision for the HRA (to include the use of borrowing versus revenue contributions to capital, length of borrowing, targets for interest rates for the HRA).
 - Review the priorities and recommend schemes for approval and a new borrowing strategy.
- 4.2 These actions have been completed and revised proposals for new build, asset investment, housing delivery and borrowing are set out in sections 4.3 and 4.4 below. Alongside this, the standard annual review of the full range of financial assumptions has been undertaken, to inform the current BP revision, as set out in section 4.5. Final revisions have been made and associated risks have been re-assessed in light of the recent increase in PWLB rates.

4.3 HRA BUSINESS PLAN REVISION - PROPOSALS

Additional New Build Delivery

- 4.3.1 The Council continues to deliver an ambitious new council housing development programme that is diverse in the types of homes being built and rich in quality. To date over 190 homes have been delivered by the Council's in house development team. In the next 30 years a total of 2,433 new council homes will be built; this is 271 more homes than in previous year's BP projections. Taking advantage of additional borrowing the objective of the plan is to deliver an additional 249 homes in the first 10 years of this Business Plan than was originally projected.
- 4.3.2 As a result of the increase in the PWLB rate, across the life of the Business Plan there is an additional £38Million in interest costs. Had that money been available to invest in additional homes, it could have helped to build a further 228 homes based on the current cost to build.

Additional Asset Management Proposals

- 4.3.3 The HRA Asset Management Strategy approved by Executive in March 2019 highlighted a number of challenges anticipated during the life of the strategy; these included:
- An anticipated revised decent homes standard, likely to include higher targets regarding energy efficiency and building safety
 - Implementing recommendations following the Hackitt review of building safety
 - Changes to regulations regarding electrical safety and the likely recommendation of a 5 year inspection regime
 - The need to put in place a robust planned maintenance programme to prevent deterioration of the stock and help control responsive repairs costs
 - Reductions in previously approved funding through the 2016 review of the BP, specifically the budget associated with the asset review, which aims to tackle poorly performing assets
 - The requirement for investment in the Council's High Rise flat blocks following the completion of viability assessments detailed in the Asset Management Strategy
- 4.3.4 The opportunity for additional borrowing will allow provision to be made in the BP in response to the challenges highlighted above. In this regard, it is proposed that additional funding (at current prices) over 30 years is included in the BP as follows:
- Implement building safety legislation once confirmed - £11.7m
 - Introduce changes to the decent homes standard once confirmed - £11m
 - Implement a 5 year cyclical electrical testing programme - £9m
 - Deliver a cyclical programme of planned maintenance - £11.2m
 - Increase the asset review budget - £6.75m
 - Redevelop or remodel the high rise flat blocks - £7m

- 4.3.5 With the increased investment through planned works it is also proposed to introduce a 2% repairs efficiency target to reduce spend on responsive repairs incrementally over the life of the Business Plan. Officers will undertake a review of responsive repairs spend, taking into consideration the impact of the planned maintenance programme and the need to deliver this target.

Housing Service Delivery Proposals

- 4.3.6 The Housing All Under One Roof transformation programme is expected to run until March 2021, when the funding committed will have been spent. Through the programme funding is already committed for the following work:
- The Housing Older Persons Strategy
 - The service charge review
 - Developing and delivering the Co-operative Neighbourhood Model
 - Customer online account
 - Assisted Bidding for Independent Living schemes
 - Developing RAPID (an IT solution) to support field work and continue to develop our use of IT to automate transactional activity to improve outcomes for our customers. This also seeks to remove duplication of effort and ensure accountability of staff. An agile workforce delivered through the Co-operative Neighbourhood Working Model will enable staff to offer a consistent service whilst out on site, working in the communities they serve
- 4.3.7 With regard to homelessness services, the Government announced £54Million funding available for homelessness nationally as part of the 2020/21 Finance Settlement for Councils and latterly that the award would be in line with 2019/20 levels. At the time of writing this report the provisional settlement had not been announced. In the meantime, services continue to be delivered using grant funding already received.
- 4.3.8 Consideration will need to be given to how the Council continues to deliver these services if this funding ceases. With a rise in the use of temporary accommodation, it is also anticipated that the Council will consider providing additional accommodation for those who are homeless, whether this be by a purpose built scheme, re-modelling of existing homes or including temporary accommodation units in new build schemes. Whilst the majority of these costs relate to the General Fund the HRA will need to supply the correct type and quantity of housing to support this need.
- 4.3.9 The 2018 Business Plan included a savings target of £200k per annum. In the current revision, this has been reduced to £100k per annum throughout the life of the plan.

4.4 BORROWING PRINCIPLES AND ASSUMPTIONS & SENSITIVITY ANALYSIS

- 4.4.1 Before the Government's decision to remove the HRA debt cap the Council's Business Plan was based on servicing the self-financing debt and paying

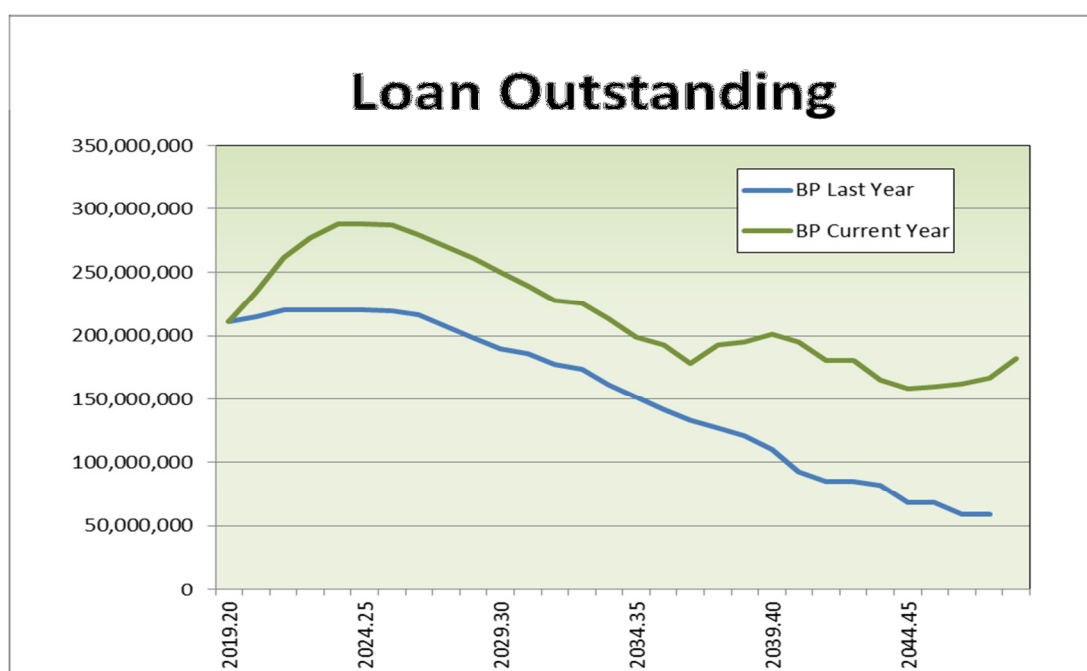
back the principal when it became due. The Council had made use of the headroom in the debt cap with some borrowing for capital expenditure and had refinanced in the mid part of the plan to help meet debt repayments, while ensuring the capital programme was funded.

4.4.2 The removal of the borrowing cap has offered the Council greater flexibility to increase debt levels and balance the use of borrowing within the 30 year Business Plan. However, Stevenage Borough Council is starting this process with a significant level of debt (over £200Million from the self-financing agreement) and it is important that any additional borrowing is sustainable.

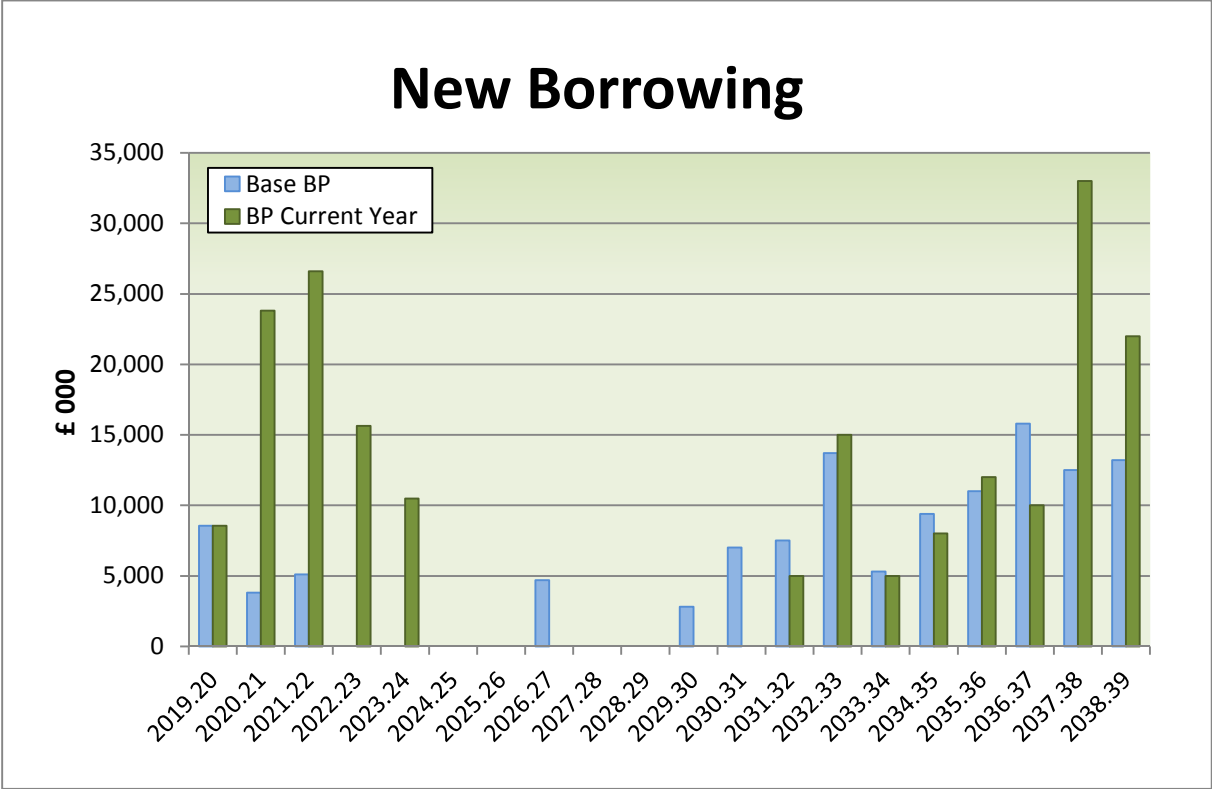
4.4.3 For this reason the following principles were used when constructing the proposed plan.

- Debt repayments are spread evenly over the life of the plan to avoid peaks in repayments.
- The cost of servicing debt has been kept proportionate to income. (In the revised plan the maximum percentage of debt payments to income is 39%, with an average across the plan of 26%).
- Loan periods have been optimised to minimise interest payments and allow capacity for future borrowing to support the service.
- A £5Million reserve has been set up to cover potential interest rate volatility.
- Higher HRA balances are required in the early years of the plan to enable debt servicing to be affordable in the middle to later part.

4.4.4 The following graph shows the loan outstanding over the life of the plan. This shows that taking additional debt early in the life of the plan will lead to higher levels of loans over the 30 years. However, this will enable significantly needed investment in the existing stock and the ability to build and purchase new housing within the next 10 years. The maximum debt in the plan is now £288Million (£220Million last year) and the debt at year 30 is £182Million (£59Million last year).



4.4.5 The following graph shows when the new borrowing is required for the first 20 years of the plan, compared to the base from last year's proposals. This illustrates that large borrowing is taken out in the first five years to fund investment in new housing stock, but that it is necessary to hold funds in the HRA (see principles in paragraph 4.4.3 above), to service existing loans over the following years. The loans taken out in the latter half of the graph allow for the repayment of the existing self-financing debt, while continuing to invest in new and existing properties for the HRA.



4.4.6 The lifting of the debt cap in the HRA is an opportunity for the Council to invest in the stock that was precluded with the debt cap, and increase and manage its stock more effectively, but increased borrowing does bring additional risks to the 30 year plan. Some key risks to consider are:

- Rent policy changes leading to lower income levels and an inability to service debt (there have been four changes to government rent policy since 2012/13).
- Build and maintenance costs increase higher than projected in the plan, reducing the amount of resources available to repay debt.
- Interest rate increases higher than the rates assumed in the plan, reducing the capacity to service loans and for future borrowing.
- The roll out of Universal Credit leads to increased levels of uncollected rent and the benefit is paid directly to the tenant and reduces the ability to service debts.
- Changes to the Right to Buy legislation, or the positive impact of regeneration in Stevenage makes RTB more attractive. This would reduce rental income used to pay for loans.

- Failure to collect large leaseholder major works costs from customers (section 20 monies), currently estimated at over £22Million, increasing the need to borrow more to fund the shortfall in the capital programme funding.

4.4.7 In order to mitigate these risks the proposed Business Plan includes the following measures.

- The creation of a £5Million reserve in the HRA to cover potential interest rate fluctuations
- Increasing the minimum balances held in the account by £1Million to recognise the higher level of risk in holding more debt.
- Setting a Treasury Management borrowing rate target for future loans to ensure that the Business Plan assumptions are either matched, or bettered when future loans are taken out.
- Maintaining a £100K per annum saving target in the plan to enable greater future flexibility, if more resources are needed to service debt.
- Annually reviewing the plan to ensure that current liabilities can be met and that any future spending plans are affordable.
- As outlined in paragraph 4.3.5, an efficiency target of 2% has been built into the Business Plan from year three to reflect the impact of increased preventative maintenance and capital works. Officers will be reviewing the level and types of responsive repairs to measure the improvements that potentially are given from a planned maintenance programme and enhanced capital programme.

4.4.8 While these mitigations help to reduce risks, the viability of the HRA Business Plan is reliant on the assumptions used in the model. To demonstrate the impact of real world changes to those assumptions several scenarios have been modelled, showing the key impacts on the 30 year plan.

| Scenario | 30 Year Impact on Rent (Gain)/Loss £Million | Capital Financing Shortfall £Million | Balances below Minimum by Year |
|---|---|--------------------------------------|--------------------------------|
| Scenario 1 -Rent increase at CPI for 3 years from 2020/21 | 47 | 50 | 13 |
| Scenario 2 -Only recover 50% of Section 20 recharges | 0 | 12 | 14 |
| Scenario 3 -Less 1/2% on CPI for 3 years | 20 | 20 | 13 |
| Scenario 4 -1% increase on Planned Maintenance and Build Costs | 0 | 154 | 13 |
| Scenario 5 -1/2% increase in the long term loan rate from 4.55% to 5.05% | 0 | 10 | 18 |
| Scenario 6 -1% Increase in inflation | (397) | 0 | N/A |
| Scenario 7 -1% decrease in Inflation | 330 | 235 | 13 |

4.4.9 Rental income is the key driver for HRA activity and the table above illustrates how sensitive the model is to changes that impact this area.

- **Scenario 1** - rent increase for three years at CPI only (not CPI plus 1% as assumed in the model), there would be a £47Million loss of rent and a capital financing shortfall of £50Million. The balances would also go below minimum levels by year 13 of the plan.
- **Scenario 7-** 1% decrease in inflation across the life of the plan would decrease costs, but lead to a loss of rent of £330Million and a capital shortfall of £235Million. Again the plan would be below minimum balances by year 13.
- **Scenario 6** - Conversely a 1% increase in inflation would lead to increased rental income of £397Million and a large balance in the ring fenced account.

4.4.10 This level of volatility from fairly small changes to the assumptions used in the plan clearly indicate that it is necessary to be prudent in using the new borrowing freedoms with the removal of the cap. Decisions made at the start of the 30 year time span can have a dramatic impact on the ability of the HRA to sustain services in later years. Therefore a prudent approach has been proposed that seeks to maximise the opportunity to provide more housing in the first 10 years, while allowing the Council to keep its plans under annual review and respond to changes in the operating environment when necessary.

4.5 OTHER FINANCIAL ASSUMPTIONS

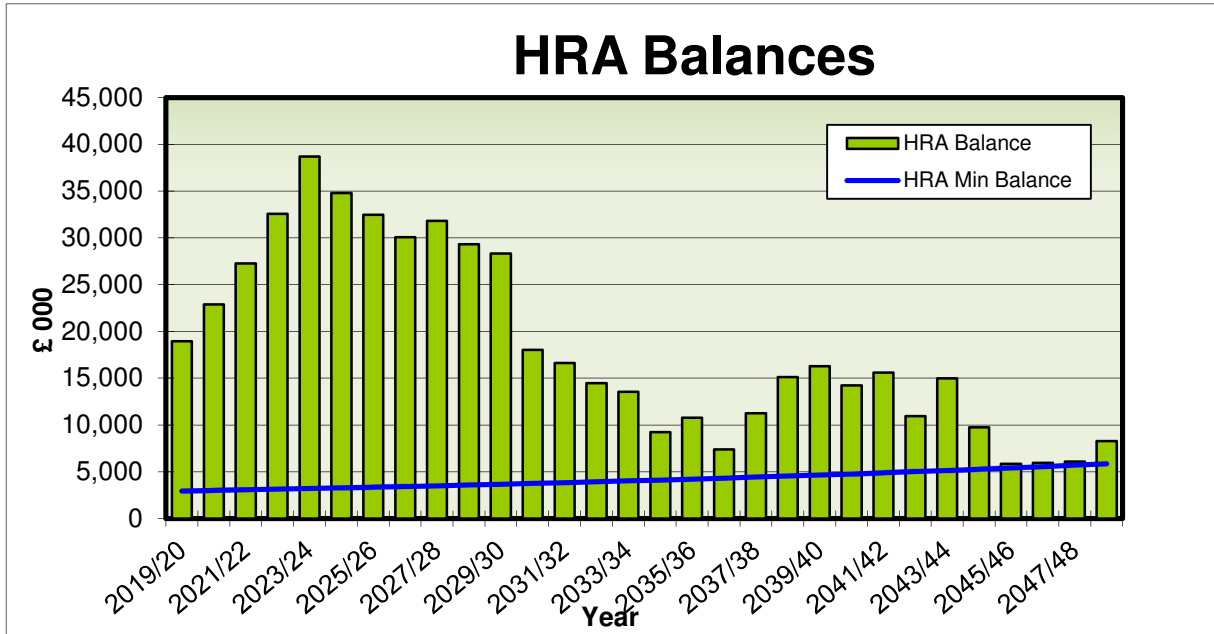
4.5.1 The table below is a summary of the main assumptions used to complete the model.

| | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
|---|---------|---------|---------|---------|
| Inflation-Applied to: | | | | |
| Salaries - % increase | 2.25% | 2.25% | 2.25% | 2.25% |
| CPI indices increases | 1.70% | 2.20% | 2.20% | 2.20% |
| RPI indices increases | 2.40% | 3.20% | 3.20% | 3.20% |
| BCIS | 4.40% | 4.60% | 4.60% | 4.60% |
| Utilities | 10.83% | 10.81% | 9.76% | 8.89% |
| | | | | |
| Other Assumptions: | | | | |
| RTB Sales | 35 | 35 | 35 | 35 |
| Void Rates | 0.69% | 0.69% | 0.69% | 0.69% |
| Bad Debts | 0.52% | 0.54% | 0.54% | 0.54% |
| Interest Earned on Balances | 1.16% | 1.41% | 1.66% | 1.91% |
| Service Charge Increase (excl Utils) | 2.40% | 3.20% | 3.20% | 3.20% |
| New Borrowing | £23.8M | £26.6M | £15.6M | £10.5M |
| Preliminaries on major works | 7.50% | 7.50% | 7.50% | 7.50% |
| HRA Minimum Balance | £2.9M | £3.0M | £3.1M | £3.2M |

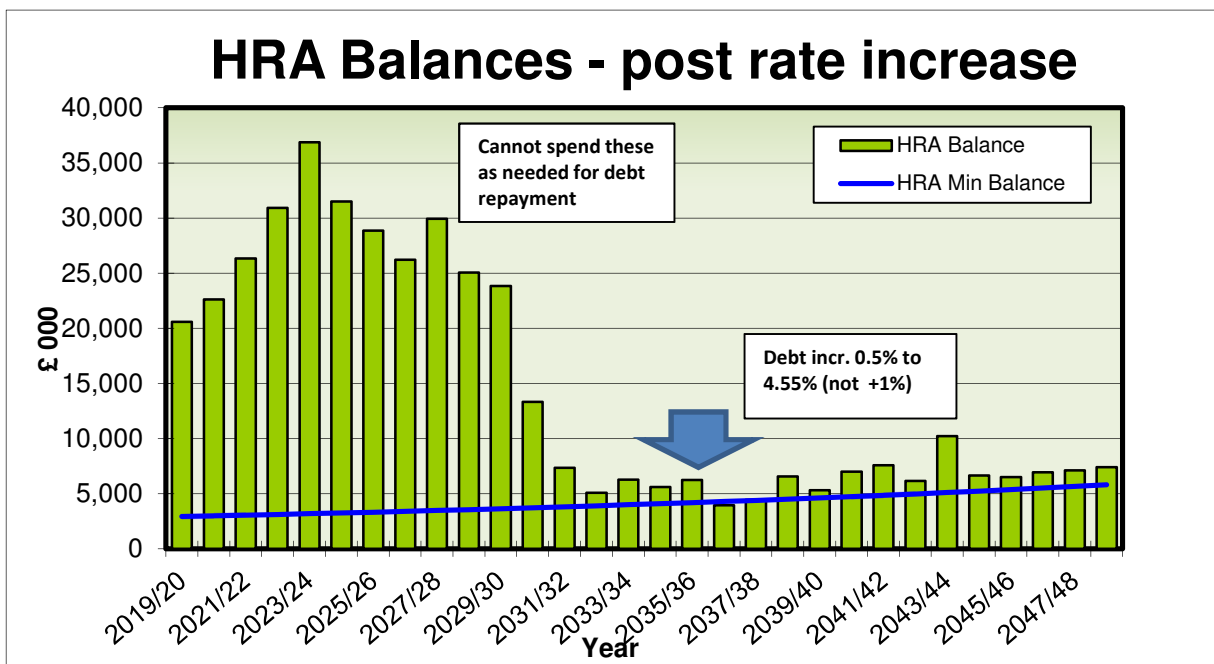
4.5.2 These inflation assumptions are in line with those used for the approved General Fund MTFS. The level of RTB sales is the level currently assumed in the HRA; the level of RTB's has fluctuated in recent years but has reduced

from the peak in 2015/16 of 106 sales. The current number of RTB's in 2019/20 as at 20 November 2019 is 23 sales which would give pro-rata an annual sale number of 35 per year.

4.5.3 Minimum HRA balances have been increased by £1Million to recognise the possible increased risks posed by higher borrowing levels. This is particularly important in relation to the recent increase in PWLB interest rates. The graph below shows the position of the Business Plan before the increase.



4.5.4 This shows high levels of balances being built at the start of the plan in order to service the existing self-financing loans that start to become due in the middle of the 30 year plan. After this time there is still some capacity in the reserves for the majority of the planning period, where balances remain above the minimum level. The following graph shows the position after the changes to the PWLB loan rates.



- 4.5.5 This graph shows the impact of the interest rate increase of 1% on loans taken at the start of the 30 year projection. Balances fall to the minimum level from the mid part of the plan and remain much lower over the following years. While the proposed plan is still clearly viable, the increased cost of debt has reduced capacity to meet other challenges, or increase investment in new homes in future years.

4.6 CONSULTATION

Portfolio Holder Advisory Group Feedback

- 4.6.1 A Portfolio Holder Advisory Group meeting was held on 26 November 2019, at which proposed revisions to the HRA Business Plan were presented to Members.
- 4.6.2 In relation to the Council's housing delivery programmes, Members were pleased to note that the intention was to deliver 271 more homes compared to last year's plan, with accelerated delivery over the next ten years.
- 4.6.3 Members noted the known asset management pressures which the additional borrowing would enable the Council to address, including redevelopment/remodelling of the high rise blocks, tackling poorly performing assets and reviewing the SAP ratings linked to Climate Change.
- 4.6.4 In response to a question regarding decent homes and replacement boilers, Members were informed that in terms of the new technology coming on board, the Council would be led by Central Government policy.
- 4.6.5 Members asked about the potential risks relating to the collection of Section 20 monies from leaseholders. Officers advised that the Council had made provision for different ways to pay the bills for the Major Refurbishment Contract works to flat blocks, and that each leaseholder would be dealt with on a case by case basis.

Housing Management Advisory Board (HMAB) Feedback

- 4.6.6 The Housing Management Advisory Board (HMAB) acts as an advisory body to the Executive for council housing-related matters, including participation in the HRA budget-setting process and the development of the HRA Business Plan. HMAB currently includes one leaseholder and two tenant representatives in addition to Member and officer representation. The Board receives regular reports on progress in delivering HRA Business Plan commitments.
- 4.6.7 On 21 November 2019, HMAB received a presentation on the HRA Business Plan and MTFs update. It was recognised that actions relating to the next 5-10 years would be crucial, whilst also acknowledging that medium term business planning projections are subject to ongoing revision due to the changing context within which the HRA BP operates. The unknown impact on the housing stock of Climate Change requirements was given as an example. The Board resolved that the presentation on the Housing Revenue Account Business Plan Review be noted.

Resident Survey





- 4.6.8 Resident support for investment in housing in Stevenage was reflected in the top five priorities identified through the last town-wide Resident Survey (2017), which included *'good standard affordable rented housing'* and *'provision of a range of housing options including affordable housing to buy or rent'*.

STAR Satisfaction Survey & Other Housing Consultations

- 4.6.9 The Council periodically seeks the views and satisfaction levels of a sample of council tenants and leaseholders through a survey known as 'STAR'. The last survey was undertaken in 2018.
- 4.6.10 Respondents were asked to say what aspects of the housing service were most important to them. The results demonstrated that repairs and the quality of the home were key priorities, which supports a continued focus on stock investment and the maintenance of council homes.
- 4.6.11 Officers have drawn up an action plan in response to the survey outcomes, much of which is closely aligned to the investment and improvement plans associated with the HRA Business Plan and MTFS.
- 4.6.12 During November 2017, a further initiative was carried out as part of the 'Knowing Your Customer' strand of the Housing Transformation Programme. This involved visiting a sample of housing customers across the town, to gain an understanding of their perception of the housing service and their views on how services can be improved. This feedback has fed into the delivery programme for Housing and Investment.
- 4.6.13 In addition, targeted consultation continues to be carried out in relation to specific elements of the housing delivery programme, key examples of which include consultation on the Major Refurbishment Contract, asset review programme works to sheltered housing schemes, the service charge review and plans for the new sheltered housing scheme at Kenilworth Road.

4.7 SUMMARY OF REVISED HRA BP & MTFS PRINCIPLES

- 4.7.1 The table below provides a summary of the overall commitments included in the revised HRA Business Plan, based on the proposals and assumptions above. The Executive is recommended to approve these commitments.

|  Borrowing and RCCO |  Housing Development |  Housing Asset Management |  Housing Service Delivery |
|--|--|--|--|
| <p>£322m total borrowing (30 yrs)</p> <p>Includes £66.7m additional borrowing over next 10 yrs</p> <p>Revenue contribution to capital reduced from £51m to £0 in years 1-5</p> <p><i>(Note: Yr 1 = 2019/20)</i></p> | <p>£646m housing development funding (30 yrs)</p> <p>Includes £64m additional development funding (30 yrs)</p> <p>For 271 additional new homes (30 yrs)</p> | <p>£835m stock investment funding (30 yrs)</p> <p>Includes £56.7m additional stock investment funding (30yrs)</p> <p>For building safety, new decent homes standard, cyclical works, high rises, asset review</p> | <p>£979m housing management & repairs funding (30 yrs)</p> <p>Savings target reduced to £100K per annum (over 30yrs)</p> <p>Responsive repairs efficiency of 2% per annum (over 30 yrs)</p> |

4.7.2 The key principles that underpin the MTFS and business for financial planning purposes have been reviewed accordingly and are summarised as follows. The Executive are recommended to approve these revised principles.

| MTFS PRINCIPLES |
|--|
| <p>To provide funding to build 2433 new homes over 30 years, new social and affordable rented homes that contribute to meeting local housing demand and the needs of an ageing population.</p> |
| <p>To provide funding for investment in the existing housing stock to ensure the ongoing quality and sustainability of the assets and levels of decency retained.</p> |
| <p>To meet the cost of borrowing over the 30 year Business Plan or extend borrowing where this is affordable and helps meet the Council's investment priorities.</p> |
| <p>To leave borrowing headroom within the HRA to deal with unforeseen events and changes to government legislation.</p> |
| <p>To consider as part of the budget setting process, and throughout the year as necessary, what support can be given to the tenants and leaseholders in times of particular hardship.</p> |
| <p>To use the Council's reserves in a cost-efficient and planned manner to deliver the Council's priorities.</p> |
| <p>To maximise the Council's income by promptly raising all monies due and minimising the levels of arrears and debt write-offs.</p> |

MTFS PRINCIPLES

In setting HRA balances a % for overruns (currently 1.5%), specific known risks, loss of savings & risks associated with new ventures and the cost of borrowing for the capital programme is included.

To identify variations to the approved budget via quarterly monitoring and only incur additional on-going spending when matched by increased income, identified savings or additional resources.

To set rents and service charges at levels that are affordable and offer value for money to tenants and leaseholders (within national policy constraints), whilst ensuring that a healthy HRA is maintained to enable ongoing investment.

To offer 50% of new build units at affordable rent levels, subject to individual affordability assessments being undertaken and the outcomes of this approach being kept under review.

To propose service charges that are recovered at full cost to ensure adequate resources are maintained in the Business Plan and to keep this under regular review.

To ensure that resources are aligned with the Council's Corporate Plan and FTFC priorities.

5. IMPLICATIONS

5.1 Financial Implications

- 5.1.1 It is the Chief Financial Officer's view that the housing finance environment experienced over the last six years is not conducive to long term planning, because of the number of legislative changes planned and/or implemented. It is critical that the mitigation actions identified in paragraph 4.4.7 are implemented so that there is sufficient revenue headroom in the BP to allow for unforeseen events to be funded or debt to be financed. The BP is funded, but the increase in PWLB borrowing rates has reduced the amount of funding in the plan by £38Million, which has meant that during the Business Plan the level of balances are much closer to minimum levels, increasing the risk to the Business Plan and reducing the ability to deal with future unforeseen events of policy changes. There is still an on-going need to make Financial Security savings under the existing plan.
- 5.1.2 There is little capacity in the current Business Plan to borrow further to fund additional capital expenditure. Rescheduling the current loans is not a financially viable option, as this would cost the HRA in the order of £70Million.
- 5.1.3 The impact of government rules on 1.4.1 receipts could significantly change the capacity to fund more expenditure in the HRA if more flexibility is given as set out in the government's consultation paper. However this demonstrates how vulnerable HRA finances are to government policy changes.

5.1.4 At the time of writing this report the draft budget and rent setting were being finalised and as a result final adjustments to the MTFS may be required.

5.2 Legal Implications

5.2.1 The objective of this report is to outline a medium term financial strategy and forecast for the next five years. There are no legal implications at this stage of the planning cycle, however, Members are reminded of their duty to set a balanced budget.

5.3 Risk Implications

5.3.1 The risks and mitigations regarding increased borrowing that have been considered in the proposed Business Plan are included in paragraphs 4.4.6 to 4.4.7 in the body of the report.

5.3.2 A review of the full range of risks facing the HRA budgets has been listed in the table below although not all the impacts are known at the present time. The current MTFS projections are based on prudent assumptions, and include the Assistant Director's (Finance and Estates) best assessment of the financial risks. However, if any of these risks become a reality then the MTFS will need to be updated once the actual impacts are known. A number of the risks below are also monitored through the Council's Strategic Risk Register.

| Risk Area | Risk Mitigation | Likelihood | Impact |
|--|---|------------|--------|
| Inflation (Negative Risk) – From 2020 rent increases will be linked to CPI, whilst the majority of HRA-related contracts include an annual price increase usually in line with RPI or BCIS. | General balances are risk assessed to ensure overall levels are maintained that can meet higher than expected inflation rates. Service charge recovery is based on actual costs. | Medium | Medium |
| Welfare Reform Impact (Negative Risk) - Tenants and leaseholders affected by welfare changes have insufficient income to pay the rent and/or service charges; there could also be an increase in the need for the Council's housing services, requiring additional resources to be put into those services | The Council has a welfare reform group which monitors impacts and is planning for the full roll-out of UC. The DWP, East Herts shared Revenues and Benefits service and Citizens Advice are represented on the group. The HRA Business Plan includes bad debt provision. UC claimants have continued to rise with up to 90 new claimants a month. This trend is expected to continue and this will have an adverse effect on the level of arrears | High | Medium |
| Rent and service charge income (Negative Risk) - The future Government could change its commitment to a 5-year national rent policy from 2020/21 of CPI + 1% rent | Rent and service charge policy is in place and allows for rents to be set at formula levels on re-let. Lower than anticipated rent increases would require compensating reductions in planned spending within programmes/services. | Low | High |

| Risk Area | Risk Mitigation | Likelihood | Impact |
|---|--|------------|--------|
| increases, which is currently in line with the Council's BP rent assumptions. Service charges may not be fully recovered. | | | |
| <p>S20 Leaseholder Recharges (Negative Risk) – Failure to recover costs could arise if statutory consultation procedures are not followed; and/or there is a successful legal challenge; or leaseholders cannot afford to pay</p> | Major Works Payments Options Policy agreed; Business plan makes assumptions regarding the % works non-rechargeable; % bad debt provision; and delayed recovery in a proportion of cases. S20 consultation procedures are in place, along with ongoing retention of expert legal advice. As we enter into Phase 2 of the MRC and leaseholders are receiving their estimated costs we recognise that we need to improve how we communicate with our leaseholders ensuring that the correct representatives are able to respond to the queries raised. An additional post has been secured. | Medium | Medium |
| <p>Supported Housing income (Negative Risk) - Loss of Supporting People grant funding not addressed and /or full recovery of supported housing costs not achieved</p> | To achieve savings for future years, charges are being reviewed for implementation April 2020. There is regular liaison with Herts County Council regarding remaining Supporting People grant funding and service provision – further loss of grant would require the Financial Security target to be increased. | Medium | Medium |
| <p>Stock Investment (Negative Risk) Investment needs exceed planned expenditure due to increased costs and/or unforeseen investment requirements (including potential enhancement of the decent homes standard as per the Green Paper above that assumed in the plan)</p> | Revised Housing Asset Management Strategy was approved in 2019. The investment programme is based on sound stock condition information. Viability assessments are undertaken prior to projects commencing and contract management arrangements are in place. Increased cost assumptions for an enhanced decent homes standard have been built into the revised plan, but these are currently estimates as the Government's decision on a new standard is not yet known. | Medium | High |
| <p>Fire Safety Investment (Negative Risk) Following the recommendations of the Hackitt report and the reference to building safety in the Queen's speech in October 2019, changes in fire safety legislation are anticipated, with associated revenue and capital cost implications.</p> | At the July Council meeting Members agreed to fund the retro fitting of sprinklers to the 7 high rise blocks of flats. The cost of this is to be met from reserves. Once the full extent of any legislative changes and associated Government financial support becomes clear, the capital programme may have to be reviewed and re-prioritised and/or borrowing may be required to accommodate any costs over and above those assumed within the revised BP. | High | Medium |

| Risk Area | Risk Mitigation | Likelihood | Impact |
|--|--|------------|--------|
| Procurement (Negative Risk) - If the 1.5% efficiency target for the HRA Capital Programme is not achieved, this will put pressure on the HRA | The efficiency has been achieved for years 1 to 3 through existing contract awards. It is anticipated that efficiencies will continue to be delivered through procurement efficiencies in future years. | Low | Medium |
| Financial Security Options not achieved (Negative Risk) - Agreed options do not deliver expected level of savings either on a one-off basis or ongoing. | Regular monitoring and reporting takes place, but the size of the net budget reductions increases the risk into the future. Non achievement of options would require other options to be brought forward. | Medium | Low |
| Affordable Homes Delivery (Negative Risk) - If affordable homes targets are not met and new build does not replace the loss of stock through RTBs, rental income projections may not be met and 1-4-1 replacement receipts may have to be repaid with interest. | A pipeline of schemes has been agreed and the Executive Housing Development Committee oversees delivery of the programme. In order to mitigate the impact of interest costs to the HRA, any potential unused 1-4-1 receipts will be used to support Registered Providers to minimise the level of receipt being returned, whilst retaining development activity | Medium | High |
| Right to Buy Sales (Negative/Positive Risk) – External factors (economic/ political) mean that RTB sales are either higher or lower than in the Business Plan, without a corresponding change to stock through acquisition or new build | RTB assumptions are adjusted annually based on trends and legislation. The new build programme is designed to replace loss of stock. Investment requirements are adjusted to reflect RTB sales levels. | Medium | Medium |
| Legislative Change (Negative Risk) – Implications of new legislation/ regulation are not identified and acted on, leading to increasing financial pressure | There is ongoing tracking and horizon scanning in relation to emerging policy and legislation and an annual review of implications through the MTFS/Business Plan update. | Low | High |
| MTFS Risk identification (Negative or Positive Risk) – Financial risks and their timing are not accurately judged leading to either a pressure or benefit to the MTFS. | Council's risk management framework ensures operational and strategic risks are identified as part of the annual service and MTFS planning process | Low | High |

| Risk Area | Risk Mitigation | Likelihood | Impact |
|---|--|------------|--------|
| Interest Rate Increases (negative risk) – the impact on the capital programme of eventual increases in interest rates from their current historic low position | Medium to long term loans have been priced at a higher average, not current rates. A reserve has been created to mitigate increases above the plan. | Medium | Medium |
| ‘Brexit’ (negative risk) – the impact of Brexit leads to economic instability and further financial cuts to the council’s budgets and/or increased costs | A reduction in the resources available within the MTFS would require compensating reductions in planned spending within services and/or capital programmes. The Council has developed a specific Brexit risk register and these risks and associated mitigations are monitored by the Brexit Working Group. | Medium | Medium |

5.4 Policy Implications

5.4.1 The approval of the revised budget framework includes a link for the Council’s service planning requirements to ensure service priorities are identified. In addition the budget framework represents a development of a policy led budgeting approach across Council services and the overall Financial Strategy.

5.5 Environmental Implications

5.5.1 The anticipated revised decent homes standard and the targets set within the Asset Management Strategy will continue to improve the environmental performance of our existing stock. The Housing and Investment Service is committed to review its approach to reducing the impact of the housing stock on the environment through actions set out in the HRA Asset Management Strategy and this will in turn contribute to the development of the Council’s Climate Change Strategy and Action Plan.

5.5.2 Future housing developments will consider the environmental performance of the designs and features, and look to introduce technologies and materials that help to improve the environmental performance of the buildings.

5.6 Equalities and Diversity Implications

5.6.1 The General Equality Duty (Section 149 of the Equality Act 2010) requires the Council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations in the exercise of its functions. The Equality Duty and the impact of decisions on people with protected characteristics must be considered by decision makers before making relevant decisions.

5.6.2 The HRA BP supports the delivery of a range of housing services, programmes and projects. These are subject to Equality Impact Assessments (EqIAs) as appropriate to determine any impacts on particular protected characteristic groups and to mitigate negative impacts where identified.

- 5.6.3 The proposed increase in the delivery of new affordable homes will benefit residents who are in housing need and these homes will be let in accordance with the Council's Allocation Scheme and Rent and Service Charge Policy, both of which have had EqlAs undertaken. In addition, equality implications will be considered for specific housing schemes as they come forward.
- 5.6.4 With regard to the proposed enhancements to asset management programmes, in general terms these programmes will apply across the housing stock, based on condition assessments, and as such are not anticipated to impact disproportionately on any particular protected characteristic group. However, once new decent homes and building safety legislation requirements are known, the implications will be assessed. Similarly, as decisions are made on the options in high rise flat blocks and on individual asset review programme projects, these will be subject to EqlAs in line with the Council's standard approach.
- 5.6.5 The process used to develop the Council's budget has been designed to incorporate appropriate measures to ensure the impact of decisions on the community is considered as part of the decision making process. EqlAs will be done on individual savings proposals (when relevant) to aid decision makers in their consideration of the Equality Duty.

6. BACKGROUND DOCUMENTS

- BD1 HOUSING REVENUE ACCOUNT MEDIUM TERM FINANCIAL STRATEGY (2018/19-2022/23), Executive 21 November 2018

7. APPENDICES

NONE

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Meeting EXECUTIVE
Portfolio Area Resources/Housing
Date 16 DECEMBER 2019



DRAFT HRA RENT SETTING AND BUDGET REPORT

KEY DECISION

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

1. PURPOSE

- 1.1 To update Members on the draft proposals on the HRA budgets and rent setting for 2020/21, to be considered by Council on 29 January 2020.
- 1.2 To update Members on any changes to the Rent Policy.
- 1.3 To propose the HRA rents for 2020/21.
- 1.4 To propose the HRA service charges for 2020/21.
- 1.5 To update Members on the 2019/20 and 2020/21 HRA budget, incorporating the Financial Security options and fees and charges included in the November Financial Security report, together with any revised income and expenditure assumptions identified since that report.

2. RECOMMENDATIONS

- 2.1 That HRA dwellings be increased, week commencing 1 April 2020 by 2.7% an average increase of £2.56 for social rents £4.17 for affordable rents and £3.16 for Low Start Shared Ownership homes per week. This has been calculated using the rent formula, CPI +1% in line with the governments rent policy as set out in paragraph 4.1.1.

- 2.2 That the rent policy is updated to reflect the rent increase guidance of CPI+1%, (revised from a minus 1% rent reduction excluding LSSO properties).
- 2.3 That the draft 2020/21 HRA budget be approved, as set out in Appendix A. This may be subject to change as a result of consultation and the finalisation of recharges from the General Fund.
- 2.4 That the final HRA rent setting budget for 2020/21 be presented to the Executive on the 22 January 2020 and then Council on 29 January 2020.
- 2.5 That key partners and other stakeholders be consulted and views fed back into the 2020/21 budget setting process.

3. BACKGROUND

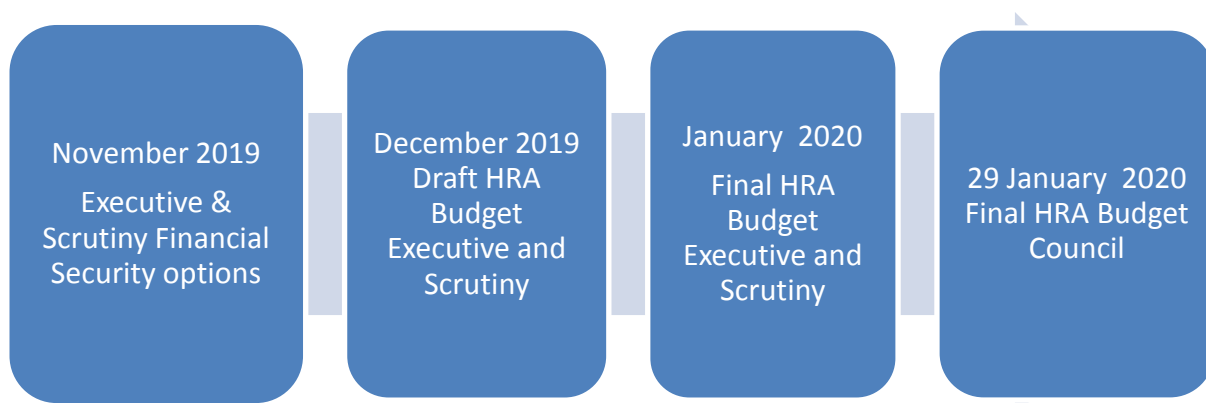
- 3.1 The HRA Business Plan which is on this December 2019 Executive agenda, sets out the 30 year income and expenditure projections for the HRA. The BP has been revised to include more external debt, taking advantage of the lifting of the HRA borrowing cap and also the adverse financial impact of the increase in PWLB lending rates of 1%. This report sets out the budget for 2020/21 and revisions to the 2019/20 working budget.
- 3.2 The 2020/21 budget includes a rent increase for all council homes for the first time in four years. For the period 2016/17-2019/20 all but the Council's LSSO homes had been subject to a 1% rent reduction in the Welfare Reform and Work Act 2016. The financial impact on the HRA is an estimated £225Million loss of rental income over a 30 year period.
- 3.3 The Government has announced from 2020, social housing providers can increase rents by CPI+1% for a five year period. However the difficulty for projecting HRA finances is that taking borrowing and investment decisions require a 30 year view. Particularly due to the payback period for building new social housing, with the rent being the major source of income for the HRA and the ability to fund the life cycle of components of a council home.
- 3.4 The impact of other potential legislation such as the Social Housing Green Paper is not yet fully understood, however assumptions have been made in the HRA BP and consequently in the HRA draft budget report regarding the possible financial impacts.
- 3.5 The outcome of the Government's consultation on 'Use of RTB Receipts' which allowed for increased flexibilities on the use of 1.4.1 receipts and holding existing receipts for five years is still not yet known and therefore no assumptions have been made in this report concerning this.
- 3.6 It is also not clear about Government future policy regarding RTB discounts which have more than doubled since 2011/12 from £34,000 to £82,800 in 2019/20. Any increase in the discount rate could influence the level of RTB sales, which again impacts on HRA available resources to fund improvements, new homes or management costs.
- 3.7 The total number of HRA homes in management at 30 November 2019 is summarised in the table below. The average rents for 2020/21 are based on this housing stock, any right to buys or new schemes subsequent to this date may change the average rent per property type.

| Stock Numbers at 30/11/2019 | Social | Affordable | Sheltered | LSSO | Homeless | Total |
|---------------------------------|--------|------------|-----------|------|----------|-------|
| No. of Properties at 30/11/2019 | 6,825 | 35 | 844 | 85 | 103 | 7,892 |

- 3.8 The HRA Business Plan also presented to this Executive includes the Financial Security Options and Fees and Charges approved at the November Executive. A summary of the assumptions for the 2020/21 budget (included in the BP), are shown in the table below.

| Financial Assumptions included in the HRA BP and November FS report | 2019/20 | 2020/21 |
|---|--|----------------|
| Rent & Service Charge Increases | 1% rent reduction for general stock and 1%+CPI (3.4%) for LSSOs and relets to formula rent | CPI+1% or 2.7% |
| New Build | 50% Affordable 50% Social | |
| Right-to-Buys | 35 | 35 |
| Bad debt rates | 0.60% | 0.52% |
| 2020/21 Financial Security options | £354,630 | 205,909 |
| 2020/21 Growth bids | £190,000 | £53,110 |
| 2020/21 Business Plan revenue growth | £0 | £950,000 |
| New Build - Number of Units (HRA BP) | 66 | 9 |
| Repayment of Debt | 0 | 0 |
| New loans | 3,056,508 | 23,802,670 |
| Capital Deficit in the Business Plan | 0 | 0 |

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



4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 Rents

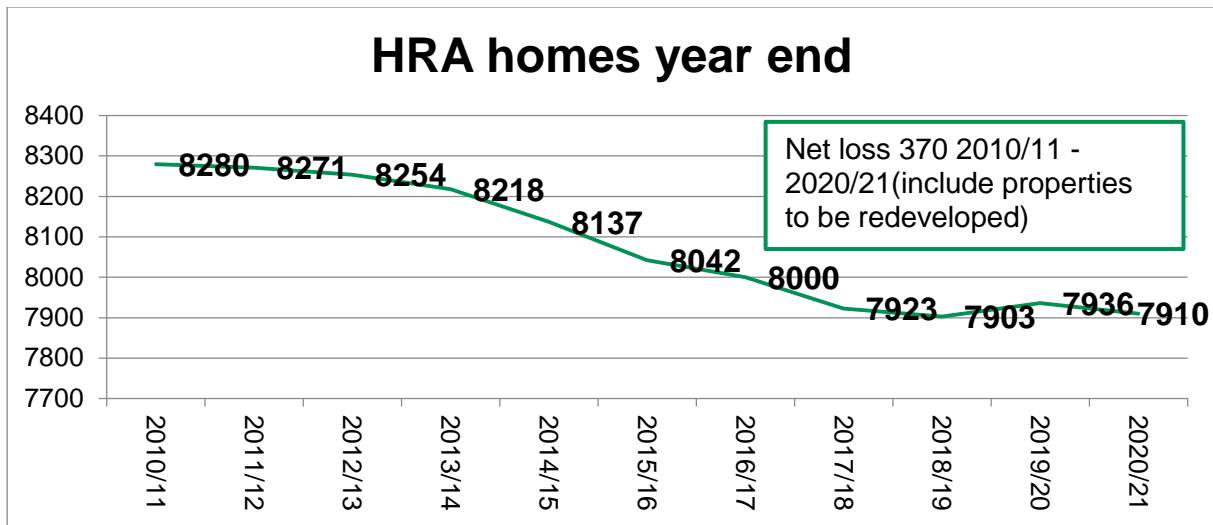
4.1.1 As stated in paragraph 3.2, 2020/21 will be the first year since 2016/17 that all HRA properties have a rental increase. The new rent standard announced by the government and social housing regulator is a CPI+1% increase for 2020/21. The CPI inflation increase is based on the September index which was 1.7%, this means the increase for 2020/21 for the council's housing stock is 2.7%.

4.1.2 The proposed average rents for 2020/21 are set out in the table below, there are currently 35 affordable rented properties (ranging from 4 bedroom-2 bedroom houses and flats).

| Average Rents 2020/21 | LSSO | Incr./ (decr.) % | social | Increase/ (decrease) % | Affordable | Incr./ (decr.) % |
|-----------------------------------|----------------|------------------|---------------|------------------------|----------------|------------------|
| Average Rent 2019/20 | £116.91 | | £94.98 | | £154.37 | |
| Add rent impact 2020/21 | £3.16 | 2.70% | £2.56 | 2.70% | £4.17 | 2.70% |
| Total 52 week Rent 2020/21 | £120.07 | | £97.54 | | £158.54 | |

4.1.3 The net rental income increase for 2020/21 is estimated to be £1,026,200, which includes the impacts of estimated right to buys estimated new properties and properties taken out of management (awaiting redevelopment).

4.1.4 The total number of properties in management is estimated to have reduced by 370 homes between 2010/11 and 2020/21. The forecast numbers for 2020/21 reflect the latest development timetable for the Kenilworth scheme and the expected lower level of open market purchases next year, while this scheme is being built.



4.1.5 The current rent policy still contains the 1% rent reduction legislation and requires changing in line with CPI+1%. However as this is the only proposed change to the rent policy, the change to the policy is included in this report and the recommendation is that the current rent policy is changed in line with the new rent standard recently issued by the government and social housing regulator. *‘Stevenage Borough Council will increase HRA dwelling rents by CPI + 1% each year from April 2020, for a period of at least five years taking into account any future statutory guidance at that time’.*

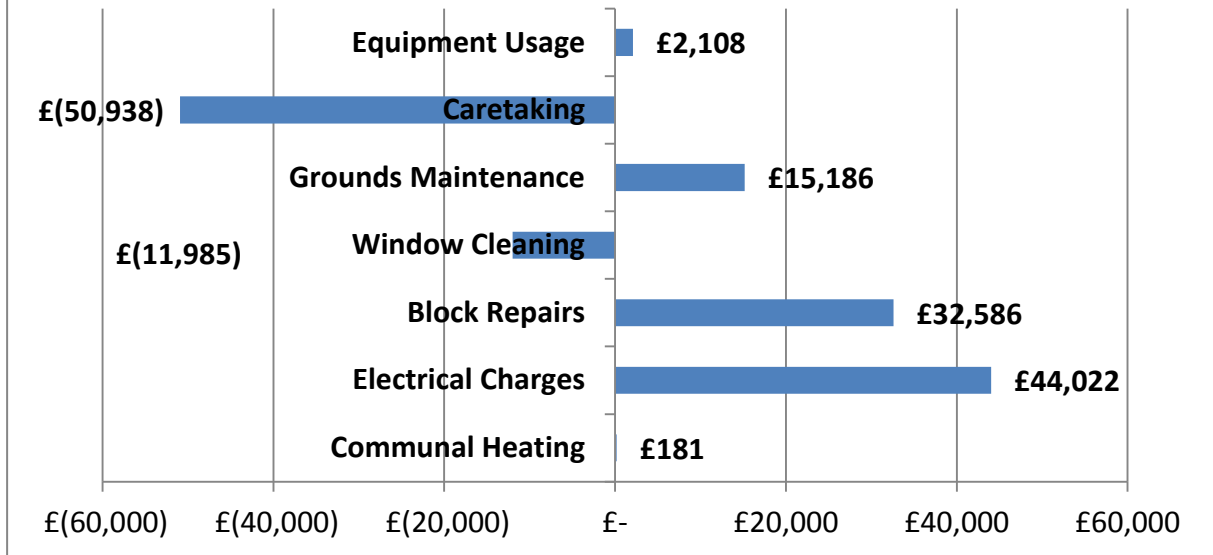
4.2 Service Charges

4.2.1 Service charges are calculated for each block individually for 2,940 properties, (2019/20 2,902) or 37% of current SBC tenanted properties. A review of service charges has not concluded in time for the 2020/21 rent setting and still requires tenant and Member consultation. Service charges currently provided, (eligible for housing benefit) are shown below.

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

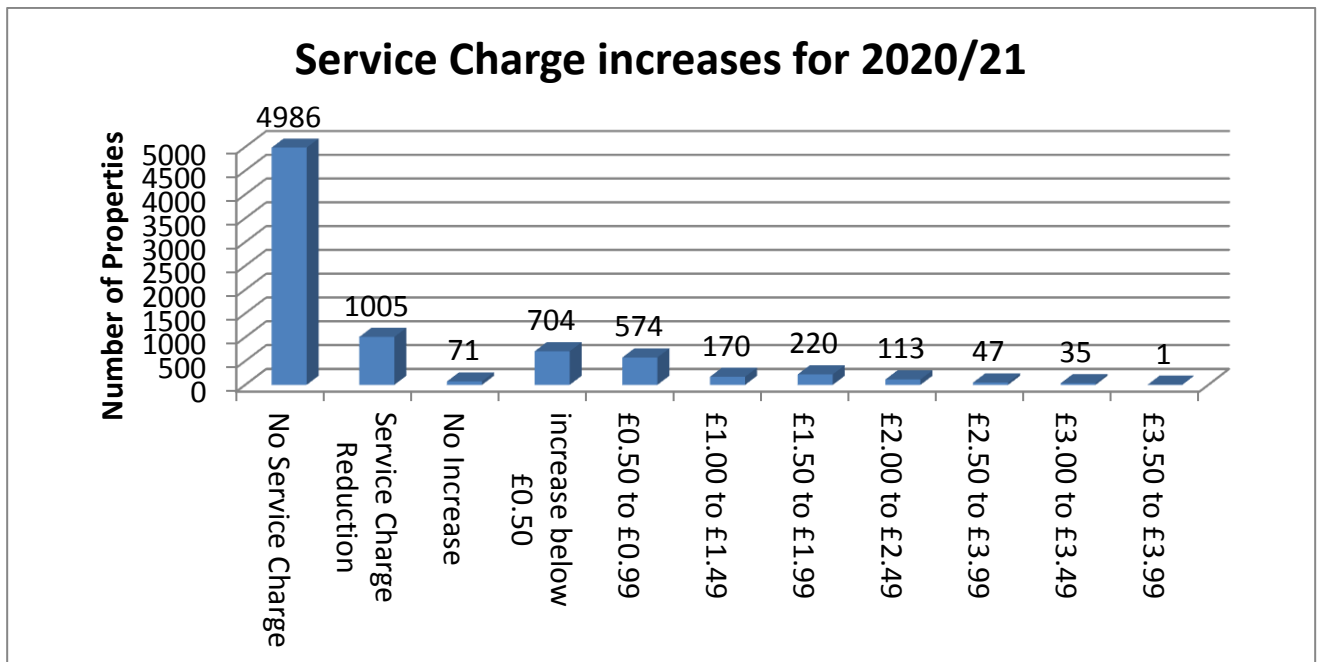
4.2.2 Service charges are not subject to the rental increase of 2.7%, but are based on cost recovery. For 2020/21, service charge costs will increase with inflationary pressures and changes in usage. The chart below identifies the changes between 2019/20 and 2020/21 for service charges, the 2020/21 estimates are based on the projected budgeted costs for 2020/21 with the exception of block repairs which is ‘smoothed’ over a five year period to eliminate individual in year spikes in repairs spend.

Changes to Service Charges 2020/21 recharged to Tenants



4.2.3 The spread of service charge increases for all tenants in 2020/21 is shown in the chart below. The impact of the changes in service charges, means 1,005 or 34% of homes (who get a service charge) will receive a service charge reduction, even though service charges have fluctuated between individual services as shown above. There is only one property with a service charge increase above £3.50.

Service Charge increases for 2020/21

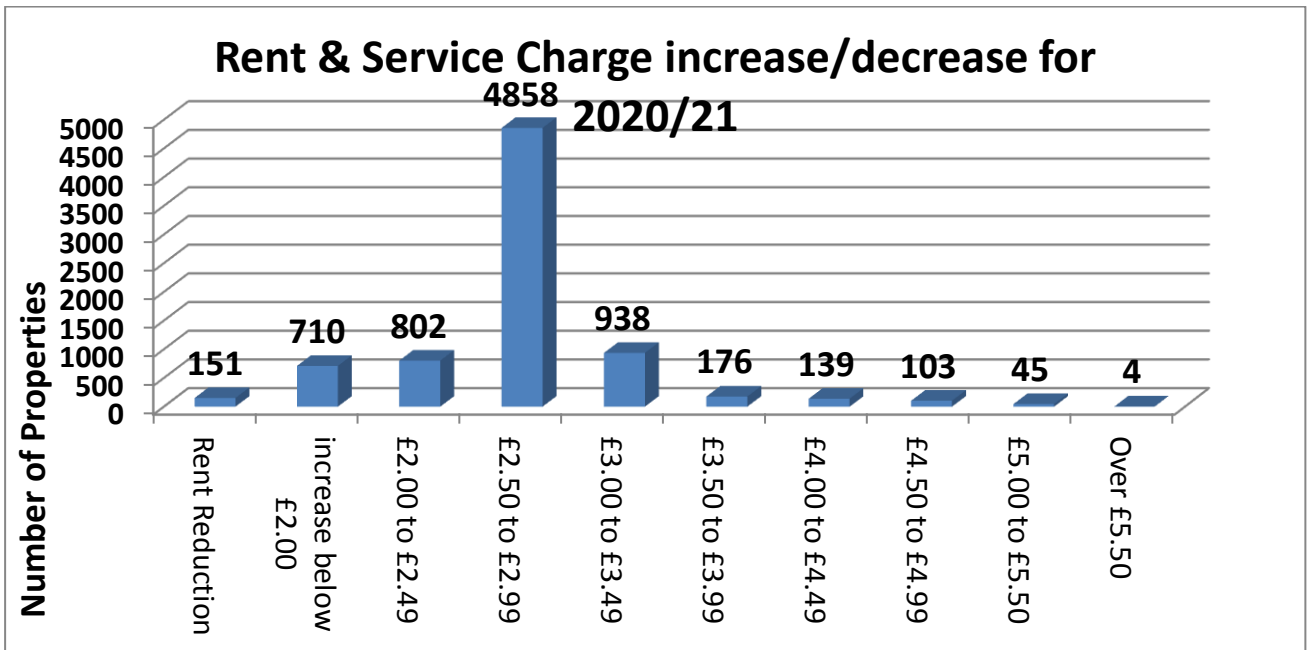


4.3 Rents and Service Charges

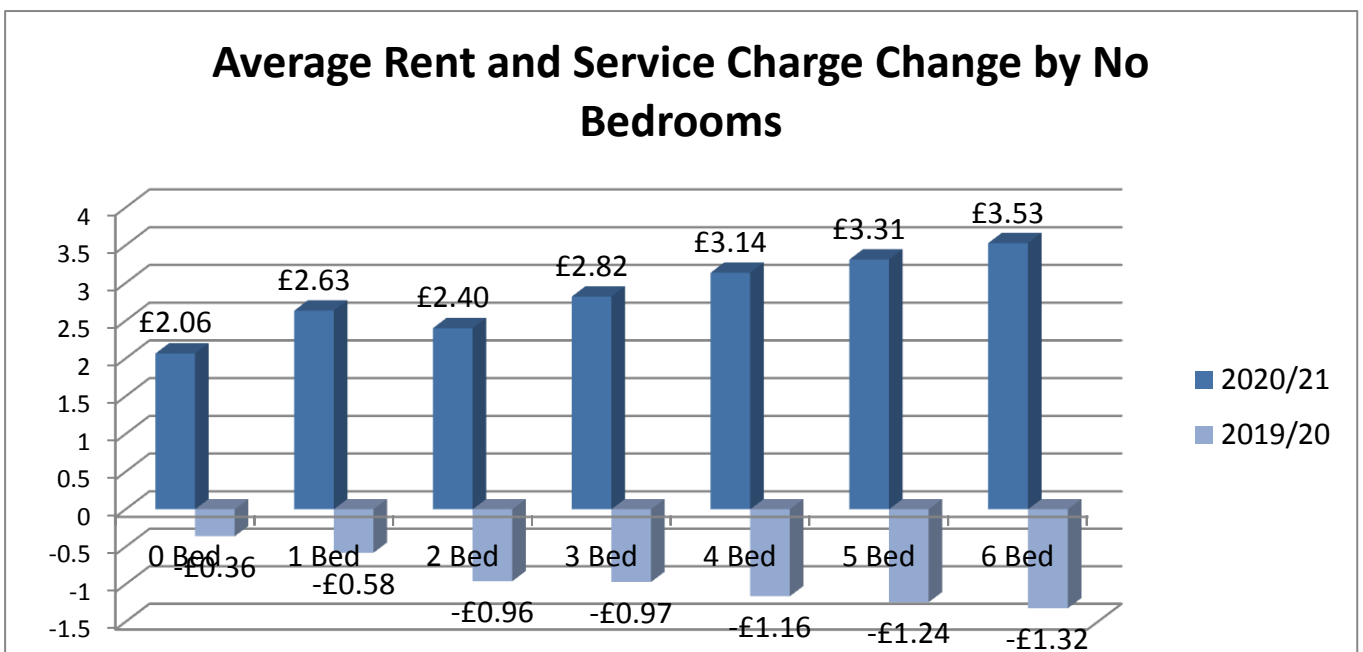
4.3.1 The impact of the 2020/21 rent increase and service charges is

- 151 homes or 2% receive a rent and service charge reduction;
- 7,459 homes or 94% of households will receive a weekly rent and service charge increase of less than £3.50 (based on 52 weeks).
- There are 49 properties with an increase of more than £5.00.

4.3.2 The spread of the 2020/21 rent and service charge changes are summarised in the chart below.



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



4.3.3 The comparison between HRA property rents per week and private sector rents per week for one to four bedroom properties is shown in the chart below. A three bedroom private sector rental property costs an additional 137%, (2019/20,140%) more per week than a SBC council home and 34% more than the affordable let properties,(2019/20 40%).

| | SBC Social Rent | SBC Affordable Rent | Median Private Rent | Local Housing Allowance (LHA) 2019/20 | Median % v SBC Social | Median % v SBC Affordable |
|----------------|-----------------|---------------------|---------------------|---------------------------------------|-----------------------|---------------------------|
| 1 Bed Property | £83.30 | £130.43 | £167.52 | £133.70 | 101% | 28% |
| 2 Bed Property | £96.86 | £165.50 | £215.21 | £164.83 | 122% | 30% |
| 3 Bed Property | £108.17 | £191.49 | £255.93 | £203.74 | 137% | 34% |
| 4 Bed Property | £119.29 | £229.60 | £308.28 | £260.94 | 158% | 34% |

Private rent Data from ONS as at March 2019 updated by ONS rental inflation for East of England to October 2019. Please note the SBC rents are 2020/21 prices and the private rents 2019/20 prices.

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

4.4 Borrowing

4.4.1 The HRA Business Plan's (HRA BP) existing loans have an average interest rate of 3.38% based on £202.674Million of borrowing. The current business plan makes allowance for new loans totalling £8,556,508 in 2019/20 and £23,802,670 in 2020/21. The decision when to take the new borrowing will be reviewed, weighing up the cost of carry and the prevailing PWLB rates. The interest payable in 2019/20 and 2020/21 is estimated to be £6,866,810 and £7,837,130 respectively.

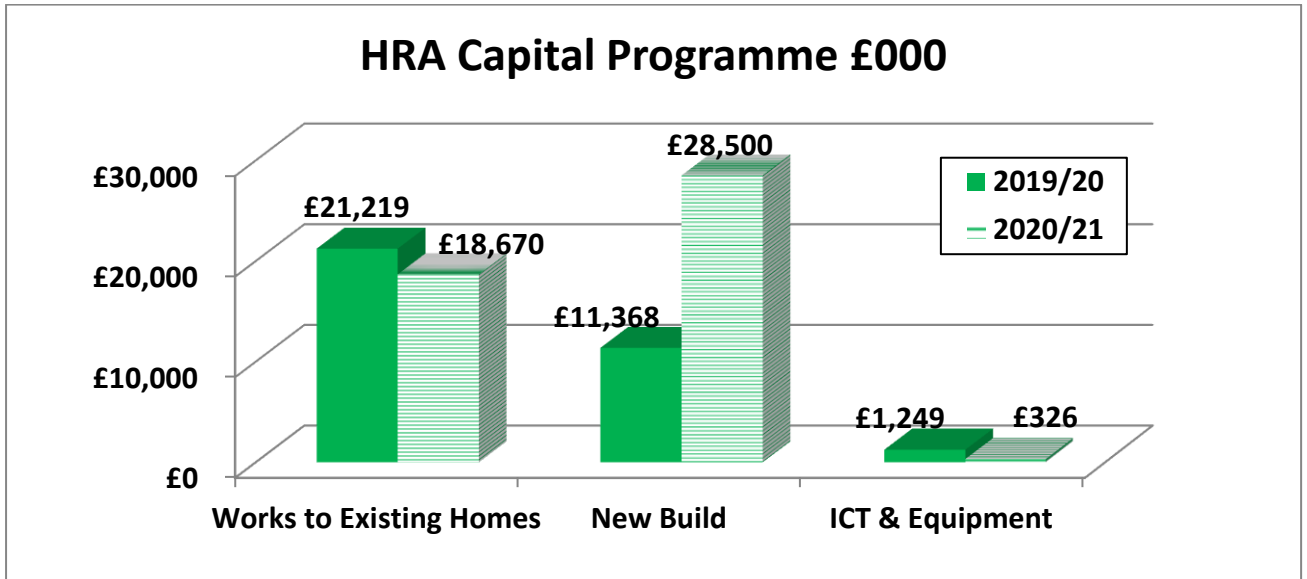
4.4.2 The HRA Business Plan presented to this Executive identifies that the lifting of the HRA borrowing cap means the HRA is not constrained by the £217.685Million cap set as part of the self-financing settlement. The 2019 HRA Business Plan looks at a revised approach to borrowing, versus using revenue contributions to capital. This is based on the HRA need to borrow and affordability as identified in the BP action plan.

4.5 Contributions to Capital Expenditure

4.5.1 Historically a large part of the capital programme has been funded from HRA revenue resources, however as identified above the revised Business Plan switches from revenue funding to the use of borrowing. For 2019/20 and 2020/21 there is no assumed revenue contribution to capital.

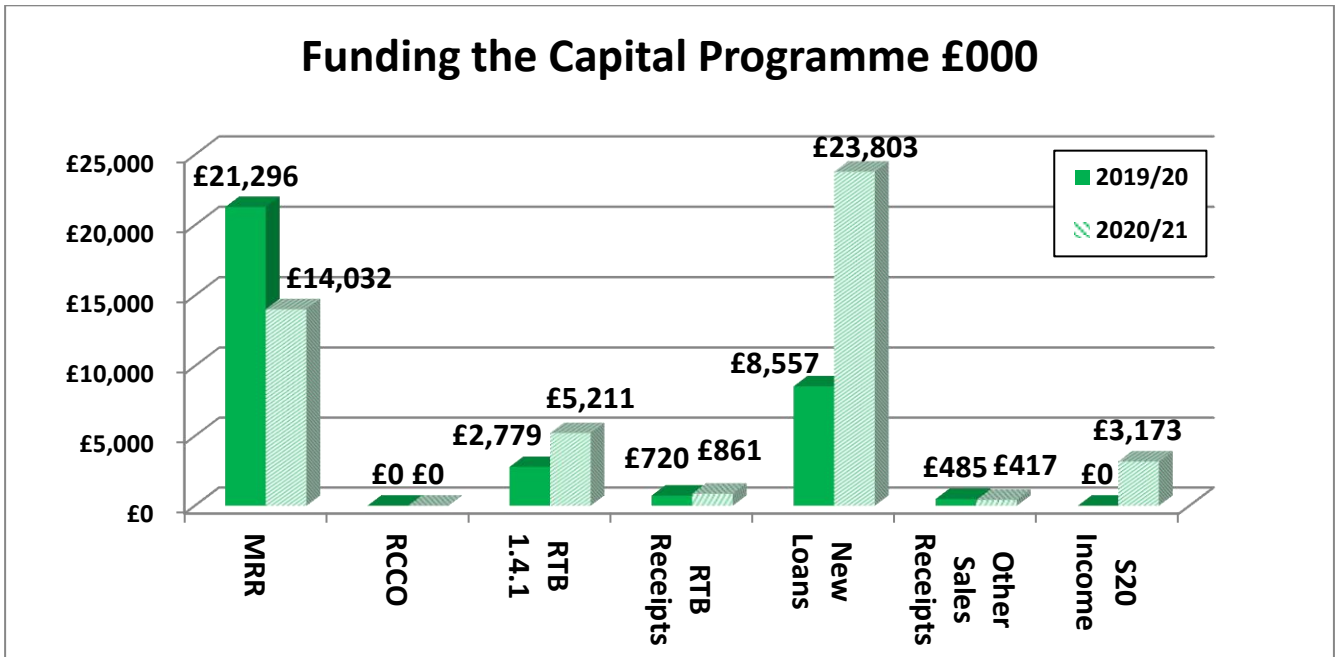
4.5.2 The 2020/21 budgeted depreciation allowance to be transferred to the Major Repairs Reserve (MRR) to fund the capital programme is £12,486,420, an

increase of £329,970 on the 2019/20 amount. A summary of the 2019/20-2020/21 capital programme is shown in the chart below



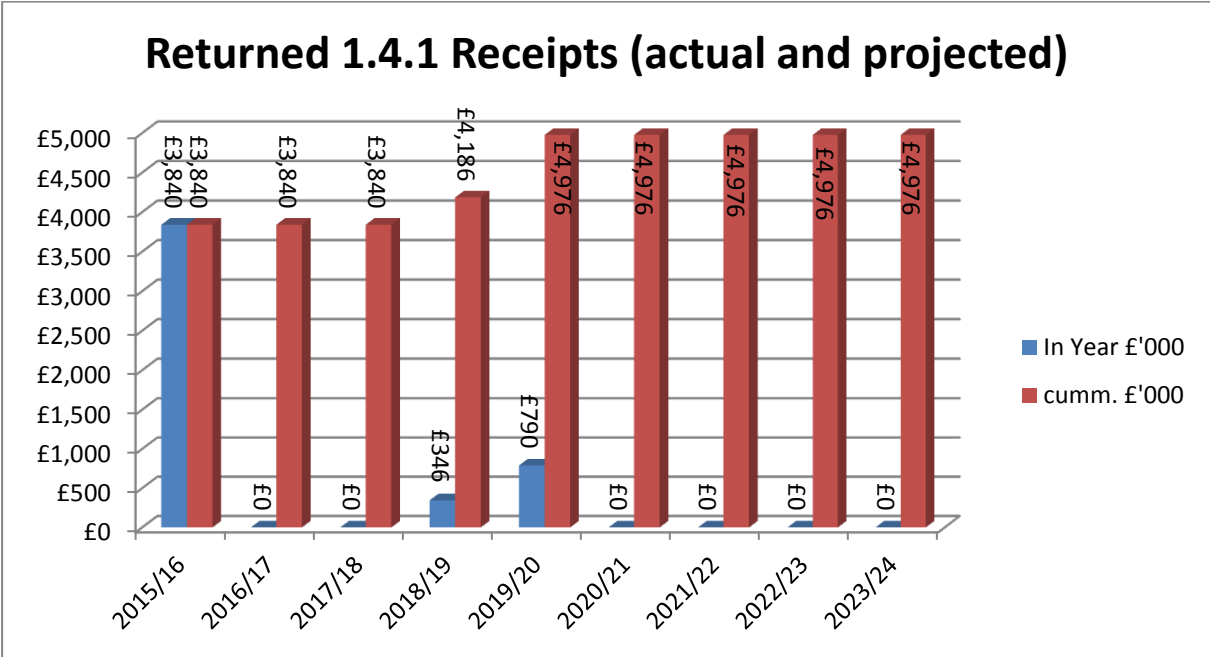
4.5.3 The increase in the size of the 2020/21 capital programme compared to the 2019/20 programme, is mainly due to the increase in new build spend in 2020/21.

4.5.4 The capital programme funding for 2019/20 and the draft HRA capital programme 2020/21 is summarised in the chart below.

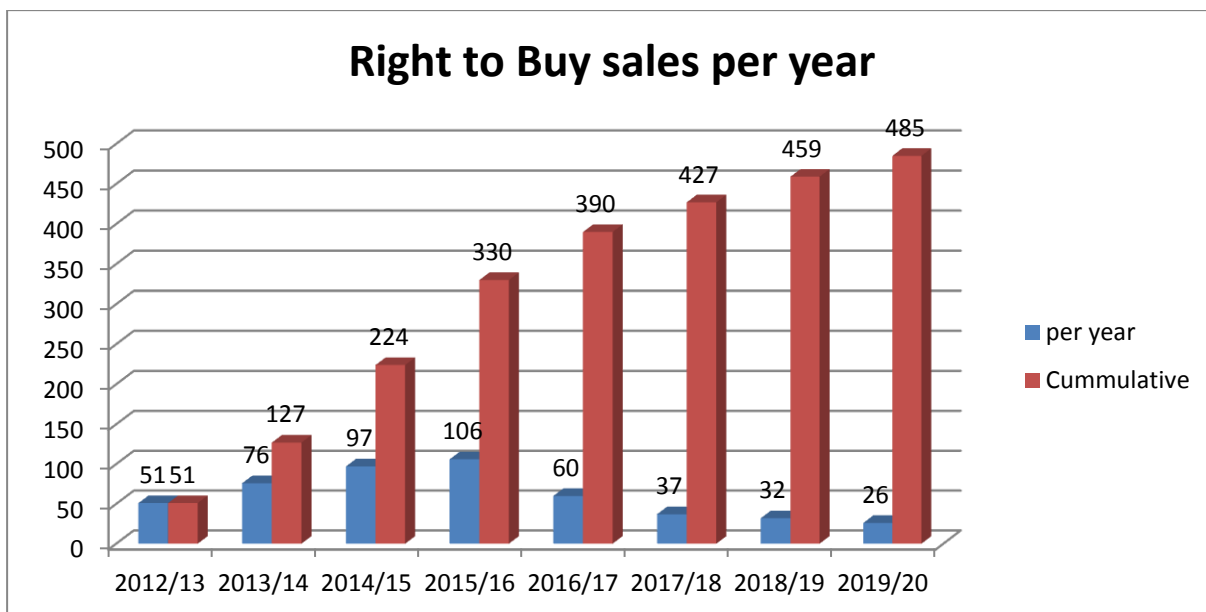


4.6 Use of One for One Receipts

- 4.6.1 The new build programme was introduced in 2012/13 alongside HRA self-financing and the 2019 Business Plan projects to spend £645Million with an estimated 2,433 new council homes, (including 123 replacement properties) over a 30 year period.
- 4.6.2 Despite this ambitious new build programme, some 1.4.1 receipts will need to be returned to the government in 2019/20 as they cannot be spent within the three year timeframe. Increasing house prices and the spike of 106 RTB's in 2015/16, means that a total of £790K is projected to be returnable in quarters three and four of 2019/20 (October onwards). To date £4.1Million of receipts have been returned to the Government out of a total £28.7Million received to date or the £20.6Million that had to be spent by the end of 2019/20.
- 4.6.3 Based on the current capital programme and estimated 1.4.1 receipts, £790K have to be returned in 2019/20. Projections are very much dependent on the level of sales and profiling of capital expenditure.
- 4.6.4 The chart below identifies that there will be some receipts which may need to be returned in 2019/20.



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



*2019/20 based on sales at 20 November 2019

4.7 Draft Budget Proposals

4.7.1 The Draft 2020/21 HRA budget is estimated to be a net expenditure of £3,631,300, which is significantly lower than the 2019/20 original budget of £9,076,320, this is largely as a result of the removal of RCCO of £13.9Million. The reasons for the changes between original 2019/20 and 2020/21 draft budget are summarised in the table below.

| Summary of 2020/21 budget movements | |
|---|---------------------|
| Original Budget 2019/20 | £9,076,320 |
| Approved quarterly monitoring changes | £5,770 |
| Prior Year net changes | (£37,500) |
| Financial security options prior years | (£65,510) |
| Removal of one off budgets in 2019/20 | (£19,280) |
| Removal of Revenue contributions to capital (replaced by borrowing) | (£13,946,930) |
| Base budget changes before inflation and income changes | (£4,987,130) |
| Increases in Income/Reductions in Expenditure: | |
| Rent increases | (£1,026,200) |
| Service charge increases | (£41,650) |
| Other income changes including leaseholders | (£2,060) |
| Increased investment income (higher investment balances) | (£124,410) |
| Financial security options 2020/21 | (£205,460) |
| Total Increases in Income/Reductions in Expenditure | (£1,399,780) |
| Decreases in Income/Increases in Expenditure: | |
| Inflation | £326,010 |

| Summary of 2020/21 budget movements | | |
|--|--|---------------------|
| Increase in borrowing interest charges | | £876,740 |
| Prioritised growth bids (Financial Security) 2020/21 | | £53,110 |
| ICT Strategy growth approved October Executive | | £183,780 |
| HRA Business Plan growth bids | | £950,000 |
| Financial Security Implementation Fund (one year only) | | £36,000 |
| Increases in depreciation charge (funds capital) | | £329,970 |
| Total decreases in Income/Increases in Expenditure: | | £2,755,610 |
| Total Changes: | | £1,355,830 |
| Draft HRA 2020-21 budget | | (£3,631,300) |

4.7.2 The 2020/21 draft budget has been adjusted for the rent and service charges outlined in the report. The budget also includes the impact of higher borrowing costs of £876,740 which reflects the additional borrowing taken of £32.3Million as set out in section 4.4 of this report.

4.7.3 The growth in the HRA for next year also includes growth of £950,000 which is subject to the approval of the HRA Business Plan in addition to the growth included in the Financial Security report to the November 2019 Executive.

4.7.4 The 2019/20 budget summarised below includes changes not reported as part of the quarterly monitoring report, but which are included in the HRA Business Plan. These are:

- The set aside of £5Million to fund fluctuations in interest rates as per the HRA Business Plan. This is to allow the HRA to absorb variances in interest rates in this and future years.
- The removal of revenue contributions to capital with the exception of £1.8Million which is to be set aside for internal borrowing taken in 2018/19 and to be replaced with external debt. (included net in the RCCO figure below)
- The implementation costs of Financial Security options included in the November report.
- The carry forward of transformation budgets to 2020/21

| Summary of 2019/20 budget movements | | |
|---|--|---------------------|
| Working Budget 2019/20 | | £9,628,370 |
| Allocated reserve contribution for interest rate fluctuations | | £5,000,000 |
| Removal of Revenue contributions to capital (replaced by borrowing) | | (£12,136,370) |
| Implementation costs Financial Security options | | £277,560 |
| Carry Forward Transformation budget now one off in 2020/21) | | (£305,470) |
| Total Changes | | (£7,164,280) |
| Revised Working Budget | | £2,464,090 |

- 4.7.5 The 2020/21 HRA projected year-end balance is estimated to be £196,000 higher than included in the HRA Business Plan report. This is because inflationary pressures were lower than budgeted for.
- 4.7.6 All HRA balances in excess of the minimum balances held for assessed risks in year, are required to fund the HRA 30 year capital programme.

| HRA Balances: | 2019/20 £ | 2020/21 £ |
|--------------------------------|---------------------|---------------------|
| HRA Balance 1 April | (21,302,059) | (18,837,969) |
| Use of balances in Year | 2,464,090 | (3,631,300) |
| HRA Balance 31 March | (18,837,969) | (22,469,269) |
| Minimum Balances | (2,946,000) | (2,993,000) |

** subject to confirmation at the January Executive includes higher balance estimate of £1Million as included in HRA Business Plan*

- 4.7.7 The Assistant Director (Finance and Estates) will be risk assessing the level of balances required in 2020/21 for the HRA. This will be included in the final HRA budget report to the January Executive and Council.

4.8 Consultation

- 4.8.1 The Council remains committed to working in partnership with council tenants and leaseholders to shape, strengthen and improve council housing services and sets out a range of options to enable housing customers to be involved.
- 4.8.2 The Housing Management Advisory Board (HMAB) acts as an advisory body to the Executive for council housing-related matters, including participation in the HRA budget-setting process and the development of the HRA Business Plan. HMAB currently includes one leaseholder and five tenant representatives in addition to Member and officer representation. The Board receives quarterly reports on progress in delivering HRA Business Plan commitments. Feedback from resident and STAR surveys (see below) is also considered by HMAB to give a broader context. On 26 November 2019, HMAB received a presentation on the HRA Business Plan and MTFs update.
- 4.8.3 The draft HRA budget and rent setting proposals contained in this report are scheduled to be presented to HMAB at their meeting on 16 January 2020 and their comments will be fed back to the Executive prior to the final budget report being recommended to the Council.
- 4.8.4 Targeted consultation will be carried out with staff, customers and stakeholders directly affected by the financial security options agreed by the Executive in November 2019. All tenants will be notified of changes to their rent and service charges in February/March 2020.
- 4.8.5 The Council periodically seeks the views of housing customers through a postal survey of a sample of housing customers. This 'STAR' survey is used across the housing sector and enables the council to assess levels of customer satisfaction and to identify customer priorities. The most recent

STAR survey was undertaken in early 2018 and for the first time included leaseholders and sheltered housing tenants in addition to general needs tenants.

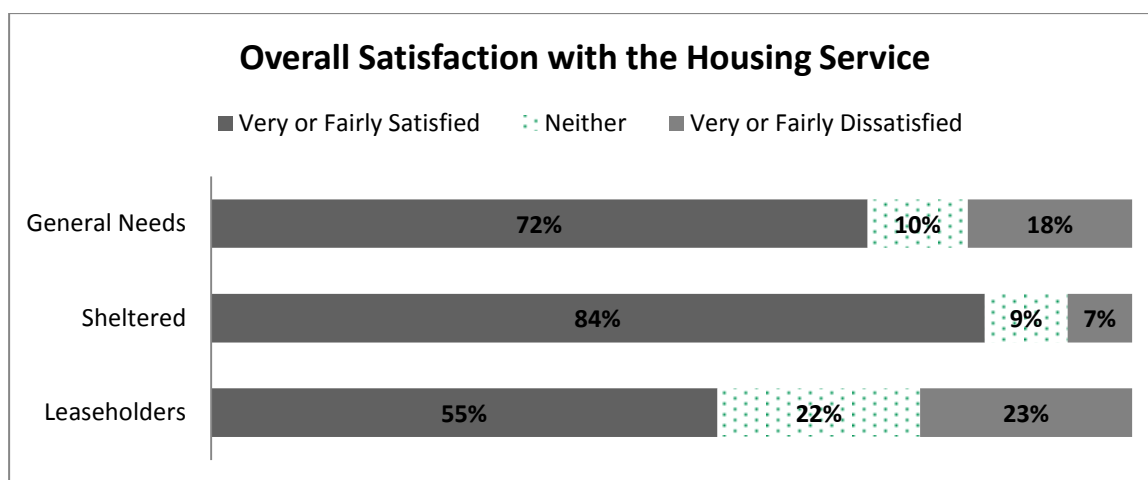
4.8.6 Respondents were asked to say what was most important to them from a list of options. The top five priorities for each group of customers are shown in the table below:

STAR Survey respondents' top five priorities

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

* 1= most important

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



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

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

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

4.9 Leaders Financial Security Group

- 4.9.1 The LSFG chaired by the portfolio holder for Resources on behalf of the Leader and with cross party representation met in October and the group;
- Reviewed the HRA assumptions regarding the 2020/21 onwards saving target
 - Review of the HRA 2020/21 Financial Security package
 - Reviewed the HRA 2020/21 Fees and charges
- 4.9.2 The LSFG considered the options above and scored the Financial Security options, growth and fees and charges for inclusion in the draft HRA budget.

5. IMPLICATIONS

5.1 Financial Implications

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

5.2 Legal Implications

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

5.3 Staffing Implications

- 5.3.1 The unions are being consulted on the options approved at the November Executive on 27 November 2019. Human Resources staff are co-ordinating centrally the implementation of any staff related savings. However there are no compulsory redundancies within the options for the HRA.

5.4 Risk Implications

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

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

- 5.4.3 There is a potential adverse financial impact on the HRA as a result of high inflationary pressures. If inflation rises above that assumed in the business plan, generally or spikes as a result of BREXIT reductions in spend may need to be made or some of the growth recommended in the 2019 Business Plan update removed.
- 5.4.4 Since 2012/13 the RTB discount has increased from £34,000 to £82,800 in 2019/20. Reducing the cost of purchase for a property has a double negative effect on the HRA, not only does it lose the rental supporting the capital programme, it also cannot afford to replace the property with the resulting receipt.
- 5.4.5 The increased level of borrowing in the HRA, with the removal of the borrowing cap, there is an increased risk of borrowing interest rates being higher than projected and leading to a reduction in the amount of expenditure for both revenue and capital. There is also a risk that PWLB rate differential between gilts and borrowing rates will be increased as happened in 2019/20. To mitigate this, an interest rate reserve of £5Million is recommended in the Business Plan report to help offset this impact in 2019/20.
- 5.4.6 The HRA has an annual Financial Security target to achieve, which for 2021/22 onwards is £100,000 per year.

5.5 Equalities and Diversity Implications

- 5.5.1 In carrying out or changing its functions (including those relating to the provision of services and the employment of staff) the Council must comply with the Equality Act 2010 and in particular section 149 which is the Public Sector Equality Duty. The Act replaced three previous equality legislations – the Race Relations Act (section 71), the Sex Discrimination Act (section 76A) and the Disability Discrimination Act (section 49A). The Council has a statutory obligation to comply with the requirements of the Act, demonstrating that as part of the decision-making process, due regard has been given to the needs described in the legislation. These duties are non-delegable and must be considered by Council when setting the budget in January 2020.
- 5.5.2 To inform the decisions about the Budget 2020/21 officers have undertaken Brief Equality Impact Assessments (EqIAs) for service-related budget savings proposals. Where there is a potentially negative impact, officers have identified further action needed to inform a final decision and to mitigate the impact where this is possible. These EqIA were included in the November Report and will be appended to the final HRA Budget report together with an EQIA for the rent and service charges increase for the January Executive.

BACKGROUND DOCUMENTS

BD1 Housing Revenue Account Business Plan December 2019 Executive

APPENDICES

Appendix A - Draft HRA Summary

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| | ACTUAL 2018/19 £ | ORIGINAL BUDGET 2019/20 £ | WORKING BUDGET 2019/20 £ | ORIGINAL BUDGET 2020/21 £ |
|---|------------------------|------------------------------------|-----------------------------------|------------------------------------|
| SUMMARY OF EXPENDITURE | | | | |
| SUPERVISION AND MANAGEMENT | 11,096,847 | 9,382,920 | 9,644,030 | 9,230,120 |
| SPECIAL SERVICES | 4,521,398 | 4,574,300 | 4,492,740 | 5,689,110 |
| RENT, RATES, TAXES AND OTHER CHARGES | 571,623 | 485,450 | 488,410 | 465,700 |
| REPAIRS AND MAINTENANCE ⁽¹⁾ | 5,197,572 | 6,226,170 | 6,328,960 | 6,517,940 |
| CORPORATE AND DEMOCRATIC COSTS | 377,454 | 352,060 | 352,060 | 554,360 |
| CONTRIBUTION TO THE BAD DEBT PROVISION | 155,534 | 217,620 | 259,360 | 217,620 |
| TOTAL EXPENDITURE | 21,920,428 | 21,238,520 | 21,565,560 | 22,674,850 |
| SUMMARY OF INCOME | | | | |
| RENTAL INCOME: | | | | |
| DWELLING RENTS | (39,314,770) | (39,254,050) | (39,021,150) | (40,281,360) |
| NON DWELLING RENTS | (88,707) | (110,490) | (86,930) | (90,430) |
| | (39,403,477) | (39,364,540) | (39,108,080) | (40,371,790) |
| CHARGES FOR SERVICES & FACILITIES - TENANTS | (1,987,671) | (2,104,430) | (2,090,790) | (2,237,800) |
| LEASEHOLDER SERVICE CHARGES | (1,043,762) | (940,810) | (854,840) | (967,280) |
| CONTRIBUTIONS TOWARDS EXPENDITURE | (326,805) | (324,180) | (361,800) | (344,580) |
| REIMBURSEMENT OF COSTS | (342,130) | (358,010) | (338,510) | (345,540) |
| RECHARGE INCOME (GF & CAPITAL) | (1,699,715) | (1,741,540) | (1,771,540) | (1,829,730) |
| TOTAL INCOME | (44,803,560) | (44,833,510) | (44,525,560) | (46,096,720) |
| DEPRECIATION | 12,779,598 | 12,156,450 | 12,156,450 | 12,486,420 |
| INTEREST PAYABLE | 6,920,398 | 6,960,390 | 6,866,810 | 7,837,130 |
| INTEREST RECEIVABLE | (404,665) | (392,460) | (409,730) | (532,980) |
| NET (SURPLUS)/DEFICIT FOR YEAR | (3,587,800) | (4,870,610) | (4,346,470) | (3,631,300) |
| APPROPRIATIONS: | | | | |
| REVENUE CONTRIBUTION TO CAPITAL OUTLAY | 6,770,206 | 13,946,930 | 0 | 0 |
| SELF FINANCING CONTRIBUTION TO DEBT REPAYMENT | 1,241,000 | 0 | 1,810,560 | 0 |
| PENSION REVERSAL | (1,610,801) | 0 | 0 | 0 |
| TRANSFER TO INTEREST RATE FLUCTUATION RESERVE | 0 | 0 | 5,000,000 | 0 |
| HOUSING REVENUE ACCOUNT BALANCE | | | | |
| NET EXPENDITURE/(INCOME) FOR YEAR | 2,812,605 | 9,076,320 | 2,464,090 | (3,631,300) |
| BALANCE B/FWD 1 APRIL | (24,114,664) | (21,302,059) | (21,302,059) | (18,837,969) |
| HRA BALANCE C/FWD 31 MARCH | (21,302,059) | (12,225,739) | (18,837,969) | (22,469,269) |

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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