

Public Document Pack



EXECUTIVE

Date: Wednesday, 12 February 2020

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 - 22 JANUARY 2020

To approve as a correct record the Minutes of the meeting of the Executive held on 22 January 2020 for signature by the Chair.

Pages 5 – 14

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

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

Community Select Committee – 8 January 2020

Overview & Scrutiny Committee – 14 January 2020

Pages 15 – 22

4. PARKING PROVISION AND SUSTAINABLE TRANSPORT SUPPLEMENTARY PLANNING DOCUMENT: PUBLIC CONSULTATION

To seek approval to carry out public consultation on the draft Parking Provision and Sustainable Transport Supplementary Planning Document (SPD).

Pages 23 – 84

5. STEVENAGE BOROUGH COUNCIL CLIMATE CHANGE AND ENGAGEMENT UPDATE

To provide Members with an update on the climate change work and engagement; an overview of the draft Climate Change Strategy and accompanying documents; to endorse co-operative engagement with Businesses and the Citizens Panel; and to seek approval to carry out public consultation on the draft Climate Change Strategy, Charter and Community Pledges.
Pages 85 – 112

6. LICENSING ACT 2003 - REVIEW OF STATEMENT OF LICENSING POLICY

To consider the Council's draft Statement of Licensing Policy, as required under the Licensing Act 2003, for onward recommendation to Council for adoption.
Pages 113 – 162

7. HOUSEHOLD WASTE MANAGEMENT POLICY

To seek approval of a Household Waste Management Policy, which sets out how waste and recycling services will operate in Stevenage.
Pages 163 – 178

8. FINAL GENERAL FUND AND COUNCIL TAX SETTING 2020/2021

To consider the Council's draft 2020/21 General Fund Budget, Council Tax Support Scheme and draft proposals for the 2020/21 Council Tax, and to consider the projected 2019/20 General Fund Budget.
Pages 179 – 210

9. FINAL CAPITAL STRATEGY 2019/20 - 2024/25

To approve revisions to the 2019/20 General Fund and Housing Revenue Account Capital Programme and to approve the final Capital Programme for 2020/21 for consideration by Council.
Pages 211 – 246

10. ANNUAL TREASURY MANAGEMENT STRATEGY INCLUDING PRUDENTIAL CODE INDICATORS 2020/21

To recommend to Council the approval of the Treasury Management Strategy 2020/21, including its Annual Investment Strategy and the prudential indicators.
Pages 247 – 276

11. URGENT PART I BUSINESS

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

12. 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.

13. PART II MINUTES - EXECUTIVE - 22 JANUARY 2020

To approve as a correct record the Part II section of the Minutes of the meeting of the Executive held on 22 January 2020 for signature by the Chair.
Pages 277 - 278

14. DEBT WRITE OFFS GREATER THAN £10,000

To consider writing off Housing Benefit overpayment debts deemed irrecoverable and unpaid Business rates liabilities which are properly due to the Council of more than £10,000.
Pages 279 - 284

15. URGENT PART II BUSINESS

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

NOTE: Links to Part 1 Background Documents are shown on the last page of the individual report, where this is not the case they may be viewed by using the following link to agendas for Executive meetings and then opening the agenda for Wednesday, 12 February 2020 – <http://www.stevenage.gov.uk/have-your-say/council-meetings/161153/>

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STEVENAGE BOROUGH COUNCIL

EXECUTIVE MINUTES

Date: Wednesday, 22 January 2020

Time: 2.00pm

Place: Shimkent Room, Daneshill House, Danestrete

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

Start / End Start Time: 2.00pm
Time: End Time: 3.05pm

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

Apologies for absence were received from Councillor Rob Broom.

There were no declarations of interest.

2 **MINUTES - 16 DECEMBER 2019**

It was **RESOLVED** that the Minutes of the meeting of the Executive held on 16 December 2019 be approved as a correct record for signature by the Chair.

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

The Leader asked Officers to put on hold any future All-Member Seminar on Community Wealth Building, pending the outcome of the Main Debate on this matter at the Council meeting on 29 January 2020.

In respect of the level of charges in the Community Infrastructure Levy (CIL) Charging Schedule, the Leader commented that it would be possible to review the level of charges in 12 months' time.

It was **RESOLVED** that the Minutes of the meeting of the Overview & Scrutiny Committee held on 18 December 2019 be noted.

4 **FINAL HOUSING REVENUE ACCOUNT (HRA) AND RENT SETTING REPORT 2020/21**

The Portfolio Holder for Resources introduced a report updating Members on the 2019/20 and 2020/21 Housing Revenue Account (HRA) budget. There were no changes to the projected rents as presented to the December 2019 Executive meeting, and the average social rent would be £97.54 per week, affordable £158.54 per week and LSSO £120.07 per week, with a rent 2.7% increase.

The Portfolio Holder for Resources stated that Service Charges had changed slightly for the 2,939 applicable properties, but for combined 2020/21 rent and service charge changes there were only 294 homes out of 7,924 that had an increase of more than £4.00 per week.

The Portfolio Holder for Resources commented that the 2020/21 final HRA budget had increased by £214,670 compared to the draft budget, largely due to the revising of investment interest income, as rates were projected to be lower in the coming year. The 2019/20 HRA working budget was projected to be £15,200 higher than the draft budget due to higher investment income of £15,200. The 2020/21 HRA year end balance was projected to be £22,269,799, which was £102,716 lower than the Business Plan projections submitted to the December 2019 Executive meeting.

The Executive noted that £790,000 of 1.4.1 receipts may need to be returned to the treasury in 2019/20 for Quarters three and four. Officers were now able to confirm that no receipts were required to be returned in Quarter three, but the position for quarter four was not yet known. The Government had not published the outcome of the consultation regarding Right to Buy receipts which, if implemented, would have allowed for a longer time period for receipts to be used and no interest payable for existing receipts, which would have negated the need to hand these receipts back.

The Portfolio Holder for Housing, Health & Older People advised that this was the first Council property rent rise for a number of years. The funds raised would be used to support the HRA Business Plan. She added that private sector rents were, on average, 137% higher than public sector rents. As at 17 January 2020, 29 Council homes had been sold via the Right to Buy system.

The Assistant Director (Housing and Investment) was requested to submit a report to the Executive in the Autumn of 2020 in respect of the outcome of Housing Service Charges Review to be conducted in the Summer, prior to the charges being built into the 2021/22 Housing Revenue Account Budget.

The Executive noted that the discount level for Right to Buy properties had virtually doubled over the past few years, thereby increasing the difficulty for Local Authorities to build new properties funded from capital receipts.

The Executive supported an additional recommendation requesting officers to write to the Secretary of State (MHCLG) to request that new build right to buy receipts that are projected to be returned in the last quarter of 2019/20 (estimated at £790,000) are not returned to the Government, but used to increase funding for the Council's ambitious house building programme, such as Kenilworth or other pipeline programmes.

It was **RESOLVED**:

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 Government's rent policy as set

out in Paragraph 4.1.1. of the report.

2. That the rent policy update to reflect the rent increase guidance of CPI+1%, (revised from a minus 1% rent reduction excluding LSSO properties) agreed at the December 2020 Executive, be confirmed.
3. That Council be recommended to approve the 2020/21 HRA budget, as set out in Appendix A to the report.
4. That the revised 2019/20 HRA budget, as set out in Appendix A to the report, be approved.
5. That Council be recommended to approve the HRA Fees and Charges, as outlined in Appendix C to the report.
6. That Council be recommended to approve the 2020/21 service charges.
7. That Council be recommended to approve the minimum level of reserves for 2020/21, as shown in Appendix E to the report.
8. That the contingency sum of £250,000 within which the Executive can approve supplementary estimates, be approved for 2020/21 (unchanged from 2019/20).
9. That Council be requested to note the comments from the Overview and Scrutiny Committee, as set out in the report.
10. That officers write to the Secretary of State (MHCLG) to request that new build right to buy receipts that are projected to be returned in the last quarter of 2019/20 (estimated at £790,000) are not returned to the Government, but used to increase funding for the Council's ambitious house building programme, such as Kenilworth or other pipeline programmes.

Reason for Decision: As contained in report; and 10. To maximise the use of Right to Buy receipts.

Other Options considered: As contained in report.

5 DRAFT GENERAL FUND AND COUNCIL TAX SETTING 2020/21

The Portfolio Holder for Resources presented a report updating the Executive on the 2019/20 projected General Fund budget and the draft 2020/21 budget. At the November 2019 Executive meeting, Members approved General Fund Financial Security Options of £841,502. The level of projected savings had increased by £23,142 to £864,644, as explained in the report. There is a savings target to find for the period 2021/22-2023/24 of £2.1Million, of which £1.14Million was unidentified.

The Portfolio Holder for Resources stated that there were growth or service pressures of £536,220 considered by Leader's Financial Security Group for the General Fund, as summarised in Appendix E to the report. However, not all the growth was recommended as on-going, as summarised in Section 4.3 of the report.

The Portfolio Holder for Resources explained that there was £30,000 more New Homes Bonus (NHB) received in 2020/21 than estimated, which was recommended for transfer to an allocated reserve to fund any shortfalls in 2021/22 for NHB funded schemes. The finance settlement was £24,424 higher than estimated in the November 2019 Executive report for under indexing of historical Non-Domestic Rate reliefs. However, there was considerable uncertainty about the fair funding settlement and business rates going forward, as stated in the report. The final finance settlement had not been received as at 22 January 2020.

The Executive noted that Council Tax had been modelled at 2.37% or £5.00 on a Band D, which equated to a 2020/21 SBC precept of £215.57 or £4.15 per week.

The Portfolio Holder for Resources commented that the 2020/21 net expenditure was £237,746 lower than reported in the November 2019 Medium Term Financial Strategy and £177,853 was on-going. The Net General Fund budget for 2020/21 was £9,136,430. The 2019/20 Net expenditure was now projected to be £9,664,250 which was £211,890 lower than the budget as a result of increased commercial income and lower borrowing costs for the garage programme. The General Fund balances projection showed a £150,000 contribution from balances in 2020/21 and, by 2022/23, a return to balances of £135,000, although this was subject to realising savings and projected spend.

The Portfolio Holder for Resources stated that the projected balances for 2020/21 of £3.733Million were higher than the minimum level of risk assessed balances (£2.920Million, as set out in Appendix B to the report). New risks had been added to the risk assessment of balances, including the risk of increased costs from:

- Bed and breakfast;
- Increased repair costs from stock condition surveys; and
- Increased cost of capital works as a result of re-phasing/deferring capital works.

It was noted that Paragraph 5.5.1 would be amended in the final General Fund report to refer to the Council's resolution to work towards a target of achieving next zero emissions by 2030 (as opposed to 2050 quoted in the report).

The Leader commended officers for the inclusion of Appendix B to the report, which set out the potential General Fund risk areas. In this regard, she asked officers to arrange an All-Member seminar on Financial Risks, to ensure that Members were fully aware of the challenging General Fund position going forward.

It was agreed that Executive and Overview & Scrutiny Committee Members be requested to retain their copies of the appendices to the report for their meetings on 12 February 2012 and 17 February 2012, respectively.

The Executive agreed to an additional recommendation amending growth options G20 and G21 relating to the cost of managing the allotments for one year only (£22,000 full year cost) and implementing increased allotment charges from 1 October 2020 and not 1 April 2021, as included in the report.

The Leader's Financial Security Group, the Portfolio Holder for Resources and

Finance officers were thanked for their support in compiling the budget.

It was **RESOLVED**:

1. That the 2019/20 revised net expenditure on the General Fund of £9,664,250 be approved.
2. That a draft General Fund Budget for 2020/21 of £9,136,430 be proposed for consultation purposes, with a contribution from balances of £150,401 and a Band D Council Tax of £215.57 (assuming a 2.37% increase).
3. That the updated position on the General Fund Medium Term Financial Strategy (MTFS), as shown at Appendix A to the report, and the Risk Assessments of General Fund Balances, as shown at Appendix B to the report, be approved.
4. That a minimum level of General Fund reserves of £2,920,935, in line with the 2020/21 risk assessment of balances, as shown at Appendix B to the report, be approved.
5. That the contingency sum of £400,000 within which the Executive can approve supplementary estimates, be approved for 2020/21 (unchanged from 2019/20).
6. That the 2020/21 proposed Fees and Charges increase of £117,490 (Appendix D to the report) be noted and included in the draft budget.
7. That the 2020/21 proposed Financial Security Options of £864,644 (Appendix C to the report and including fees and charges detailed in Appendix D) be included in the draft budget for consideration by the Overview & Scrutiny Committee.
8. That the approval of the level of business rates (NNDR1) for 2020/21 be delegated to the Assistant Director (Finance and Estates), following consultation with the Resources Portfolio Holder (Paragraph 4.6.8 of the report refers).
9. That 2020/21 business rate gains totalling £1.105Million above the baseline need be allocated, as set out in Paragraph 4.6.7 of the report.
10. That the 2020/21 Council Tax Support scheme be approved, as set out in Section 4.8 to the report.
11. That New Homes Bonus of £30,000 be transferred to the reserve to fund future potential shortfalls in funding (Paragraph 4.4.4 of the report refers).
12. That the revised Financial Security targets for the General Fund, as set out in Paragraphs 4.11.1 - 4.11.2 of the report, be approved.
13. That growth options G20 and G21 relating to the cost of managing the allotments for one year only (£22,000 full year cost) be amended, in order to

implement increased allotment charges from 1 October 2020 and not 1 April 2021, as included in the report.

14. That the decisions taken on Resolutions 1 – 13 above be referred to the Overview and Scrutiny Committee for consideration, in accordance with the Budget and Policy Framework Rules in the Council's Constitution.

Reason for Decision: As contained in report; and 13. To implement increased allotment charges.

Other Options considered: As contained in report.

6 DRAFT CAPITAL STRATEGY 2019/20 - 2024/25

The Portfolio Holder for Resources presented a report updating Members on the Draft Capital Strategy for the General Fund and Housing Revenue Account (HRA).

The Portfolio Holder for Resources advised that the Leader's Financial Security Group (LFSG) had reviewed all the growth bids and resubmitted bids as set out in Section 4.2 of the report, and had recommended for approval all those that were classified as Health and Safety related, which totalled £1.825Million over the period 2020/21-2024/25. The LFSG had also recommended for approval the bids scoring an average of 1.5 and above (out of 2), which totalled £2.495Million over the period 2020/21-2024/25. Appendix A to the report summarised the General Fund capital bids recommended for approval.

The Portfolio Holder for Resources stated that there was a total of £4.214Million (£747,000 in 2020/21) of General Fund works not approved until results of further reviews/business cases were known, including those subject to community centre and Locality Reviews. Only the urgent health and safety works to these assets had been recommended in the interim

The Portfolio Holder for Resources explained that Appendix B to the report summarised the General Fund capital bids not recommended for approval, and Appendix C showed the General Fund Capital Strategy for 2020/21-2024/25, which totalled £62.381Million.

The Portfolio Holder for Resources advised that the bids recommended for approval exceeded the forecast level of General Fund capital resources by the end of 2020/21, as set out in Paragraph 4.9.2 of the report. In addition, there were risks in realising the capital receipts identified in the planned use of resources and assumptions about General Fund underspends being realised. Paragraph 4.9.5 of the report referred to the measures required in order to have a prudent level of unallocated balances by 31 March 2021. The options set out for this work included reviewing the progress of funding the bus station from GD3 monies. Members had approved the ring-fencing of £1.726Million of capital receipts for regeneration, and there was General Fund borrowing provision of £1.35Million. The potential shortfall in funding identified was £3.225Million, which may require the deferring of other capital schemes, increased borrowing and therefore higher borrowing costs, and disposals of other assets.

The Executive acknowledged that the report highlighted the need to change from a fix on fail approach which had been adopted over recent years due to constraints on capital resources, and the vehicle to do so was outlined in Section 4.7 of the report which considered Locality Reviews. These high level reviews were scheduled to be completed by July 2020.

The Portfolio Holder for Resources drew attention to Appendix D to the report, which showed the HRA Capital Strategy for 2020/21-2024/25, totalling £231.79Million. The HRA Business Plan presented to the December 2019 Executive meeting had revised the approach to borrowing in light of the lifting of the HRA borrowing cap. The approach taken was based on the HRA need to borrow and affordability. As such, the revenue contribution to capital originally identified to fund the HRA capital programme for 2019/20 and 2020/21 had been replaced with new borrowing

The Executive noted that a new contingency allowance was proposed relating to the use of restricted use or 1 for 1 receipts for registered providers to ensure that the Council achieved nominal rights and did not have to return 1 for 1 receipts to the Government. This contingency allowance was £500,000 for 2020/21.

The Leader referred to the ongoing attempts by the Council, the Local Enterprise Partnership and Hertfordshire County Council to unlock the GD3 monies for the Bus Station re-location scheme, which was required to be completed by 31 March 2021.

The Executive accepted the reasons why capital bid C59 (Improving the environmental credentials of the build at the Kenilworth Close scheme) had not been recommended for inclusion the Capital Strategy for 2020/21. However, the Leader requested that, should there be a financial overachievement of land and asset sales during the year, then priority should be given to some of this income being earmarked for improvement of the environmental credentials of the build at the Kenilworth Close scheme.

The Leader's Financial Security Group, the Portfolio Holder for Resources and Finance officers were thanked for their support in compiling the budget.

It was **RESOLVED:**

1. That the draft 2020/21 General Fund Capital Programme, as detailed in Appendix C to the report, be approved for consideration by the Overview and Scrutiny Committee.
2. That the draft 2020/21 HRA Capital Programme, as detailed in Appendix D to the report, be approved for consideration by the Overview and Scrutiny Committee.
3. That the updated forecast of resources, as summarised in Appendix C (General Fund) and Appendix D (HRA) to the report, be approved.
4. That the Council's investment strategy for non-treasury assets (Section 3.2 of the report) be approved for consideration by the Overview and Scrutiny Committee.

5. That the approach to resourcing the General Fund Capital Programme, as outlined in the report, be approved.
6. That the actions required to ensure the General Fund programme is funded, as outlined in Paragraphs 4.9.5 - 4.9.8 of the report, be noted.
7. That the approach and progress on Locality Reviews be noted.
8. That the growth bids identified for inclusion in the Capital Strategy (Appendix A to the report) be approved.
9. That the return of Right to Buy one for one receipts, as outlined in Section 4.14 of the report, be noted.
10. That the 2020/21 de-minimis expenditure limit (Section 4.15 of the report) be approved for consideration by the Overview and Scrutiny Committee.
11. That the 2020/21 contingency allowance (Section 4.16 of the report) be approved for consideration by the Overview and Scrutiny Committee.
12. That the work undertaken by Leader's Financial Security Group (LFSG) on behalf of the Executive in reviewing and challenging the General Fund Capital Strategy be noted.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

7 URGENT PART I BUSINESS

None.

8 EXCLUSION OF PRESS AND PUBLIC

It was **RESOLVED:**

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

9 APPOINTMENT OF A DEVELOPMENT PARTNER AT KENILWORTH CLOSE

The Executive considered a Part II report seeking approval for the appointment of a development partner at the development site of Kenilworth Close, and seeking

permission for the necessary capital budget adjustments following the return of the tender documents from suppliers.

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

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

10 URGENT PART II BUSINESS

None.

CHAIR

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STEVENAGE BOROUGH COUNCIL

COMMUNITY SELECT COMMITTEE MINUTES

Date: Wednesday, 8 January 2020

Time: 6.00pm

Place: Shimkent Room - Daneshill House, Danestrete

Present: Councillors: Sarah Mead (Chair), Margaret Notley (Vice-Chair), Stephen Booth, Adrian Brown, Teresa Callaghan, John Mead and Loraine Rossati.

Start / End Time: Start Time: 6.00pm
End Time: 7.41pm

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

Apologies for absence were received from Councillors Alex Farquharson, Liz Harrington and Claire Parris.

There were no declarations of interest.

2 **MINUTES - 4 NOVEMBER 2019**

It was **RESOLVED** that the Minutes of the meeting of the Community Select Committee held on 4 November 2019 be approved as a correct record.

3 **SPORTS AND LEISURE SCRUTINY REVIEW - EVIDENCE GATHERING**

Louise Gallagher-Smith (Sporting Futures) was in attendance at the meeting. She gave a presentation focussing on the accessibility/affordability of sporting clubs in Stevenage; the take up of leisure opportunities; and good practice.

In relation to good practice, Louise stated that Stevenage was a positive town for sports, including the Stevenage and North Herts Athletics Club (with over 400 members), numerous football opportunities, a healthy martial arts scene, and a very popular Park Run. One of the attractions of the Park Run was that it was free and accessible for all, and allowed participants to attend as and when they were available.

Louise advised that other areas of good practice included daytime health walks of various distances, primarily attended by retirees. SG1 radio had also been very helpful in highlighting a number of the more obscure sporting opportunities, and had been involved in extending the Stevenage Sporting Hall of Fame to include local paralympians and achievers in lesser known sports.

Louise commented that there was often difficulty in people knowing about sporting activities, and so it was hoped that an increased use of social media might help in this regard. It was also intended to develop a system linking up school activities with out of school activities.

In respect of the accessibility/affordability of sporting opportunities, Louise explained that this was variable, although some Gym offers were available and the Stevenage Community Trust were often helpful in supporting various initiatives. Sporting Futures had received funding through the Sports Premium, allowing children to access as much sport as possible, although there was often a reluctance on the part of parents to engage in such activities. A good deal of work had been carried out to ensure that facilities were accessible for the disabled.

Louise raised the issue of the Ridlins Athletics Track, used by the Stevenage Athletics Club, various running clubs and local schools, and which was coming to the end of its lifespan.

The Committee acknowledged that the need for SLL to balance sporting and cultural events at the Stevenage Leisure Centre, but Louise commented that regular sports bookings were often lost due to the need to use the Sports Hall for concerts etc.

Louise concluded by commending the Stevenage Cycle Hub at Fairlands Valley Park, which had strong links to local infants schools to encourage youngsters to ride and operated the Go Ride club on Friday evenings.

In reply to a Member question regarding Ridlins Athletics Track and associated buildings, Louise and the Culture, Wellbeing & Leisure Services Manager commented that, whilst cleaning and patching had taken place over the past 5 years, the facility was in need of a complete refurbishment, the cost of which was estimated in the region of £1Million, of which a new running track was the most pressing and would cost circa £250,000. The facility was expensive to maintain, as income was minimal and annual expenditure was in the region of £200,000.

In relation to queries regarding opportunities for 15-19 year olds, officers agreed to provide Members with a list of current sporting/leisure initiatives in Stevenage directed towards this age group. The Committee asked officers to ensure that the Community Development Officers were kept up to date with such sporting/leisure initiatives, via the Stevenage Youth Engagement Group, so that relevant information could be imparted to potential users.

4 **SPORTS AND LEISURE SCRUTINY REVIEW - DRAFT RECOMMENDATIONS**

The Committee considered the draft recommendations in relation to the Sports and Leisure scrutiny review.

The recommendations contained in the document were supported by the Committee, subject to the following amendments and additions:

- Accessibility – Recommendation 1 to be sub-divided to link potential subsidised leisure activities to work carried out by the Stevenage Primary Care Network Social Prescribing Co-ordinators; and to consider the introduction of “cheap months” for certain activities to encourage those on limited means to take up leisure activities;
- Accessibility - Recommendation 3 amended to read – “The parking provision for the Aqua Park need to be reviewed and improved, owing to high demand in the summer months”;

- Accessibility – Recommendation 6 to be sub-divided to separate opportunities for apprenticeships and Saturday positions for young people;
- Marketing Opportunities – Recommendation 1 to be amended to replace “plus one” with “two for one” in respect of special offers;
- Marketing Opportunities – addition to Recommendation 3 to promote the range of activities at the Sailing Centre to maximise the use of the facility;
- Marketing Opportunities – similar addition to Recommendation 4 to support maximising the use of the Golf Course facilities;
- Marketing Opportunities – addition to Recommendation 6 to provide for the placing of directional signage to the cycle hub around Fairland Valley Park;
- Marketing Opportunities – additional Recommendation – consideration be given to the establishment of a standardised corporate brand for Sport Stevenage/Active Stevenage/Healthy Stevenage;
- Marketing Opportunities – additional Recommendation – a process be developed to ensure that Community Development Officers and Community Wardens be regularly briefed on the sporting/leisure activities on offer in their respective neighbourhood areas;
- Marketing Opportunities – additional Recommendation – consideration be given, possibly through the Stevenage Sports Partnership or Sporting Futures, to encouraging local schools to display advertising material relating to sports and leisure activities;
- Infrastructure Improvements – addition to Recommendation 1 to include the potential for selling FVP high ropes/refreshment events as birthday party packages;
- Infrastructure Improvements – addition to Recommendation 5 – subject to funding, consideration be given to the possibility of adapting the tennis courts at King George V Playing Fields into use for other physical activities should their continued use for tennis prove unviable;
- Infrastructure Improvements – additional Recommendation – clarity be given regarding the future viability of Ridlins Athletics Track and associated facilities, linked into the forthcoming locality reviews; and
- Liaison between SBC and SLL – addition to Recommendation 2 – the possible introduction of healthy food options at the Fairland Valley Park café should include alternative dietary requirements (such as vegetarian and vegan options).

The Chair made a general comment that, following on from site visits, Members were impressed with the sporting/leisure facilities on offer, the way they were being run, the commitment of staff associated with them, and the continuing focus on improvement.

Information provided by Members of the Committee in respect of disabled access to leisure and community facilities and comparable costs of certain leisure activities offered in other New Towns, namely Harlow, Basildon and Milton Keynes, it was agreed that:

- officers investigate the potential for all community facilities/Council owned facilities in Stevenage to be linked to a central www.accessable.co.uk website, which allowed disabled users to ascertain whether or not a facility was able to cater for their needs; and

- the Culture, Wellbeing & Leisure Services Manager be requested to add comparable data relating to SBC to the table of cost information supplied for the provision of certain leisure facilities in Harlow, Basildon and Milton Keynes, and circulate this information the Committee Members.

5 **URGENT PART 1 BUSINESS**

None.

6 **EXCLUSION OF PUBLIC AND PRESS**

Not required.

7 **URGENT PART II BUSINESS**

None.

CHAIR

**OVERVIEW AND SCRUTINY COMMITTEE - SITTING AS A SELECT COMMITTEE
MINUTES**

Date: Tuesday, 14 January 2020

Time: 6.00pm

Place: Shimkent Room - Daneshill House, Danestrete

Present: Councillors: Lin Martin-Haugh (Chair) (Chair), Philip Bibby CC (Vice-Chair) (Vice Chair), Sandra Barr, Jim Brown, Laurie Chester, 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: 8.05pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillor Michelle Gardner.

There were no declarations of interest.

2 MINUTES - 11 NOVEMBER 2019

It was **RESOLVED** that the Minutes of the meeting of the Overview and Scrutiny Committee held on 11 November 2019 be noted subject to Councillor Margaret Notley being added to the attendance for the meeting.

3 POSSIBLE RECOMMENDATIONS FOR IMPROVEMENT OF THE FUNCTION

The Committee considered the report from the Scrutiny Officer which set out a number of possible recommendations for the review derived from the self-evaluation scoring matrix comments.

The following recommendations were agreed:

Work Programming:

- (i) Use the Customer Service Centre & Satisfaction Surveys data as a source to generate local issues to scrutinise;
- (ii) Work with Scrutiny Members to capture their ideas – possibly with a one day event to gather ideas rather than relying on the current survey;
- (iii) Address the problem of the lag in the system – describe as a rolling work programme that items can drop off and be added to during the year but still be published in the spring
- (iv) The process must be Member led with Scrutiny Members having the last word on subjects to scrutinise
- (v) The Communications Team should be asked to advise on what is

trending on social media.

Scoping:

- (i) That prior to a review starting, a short introductory background presentation detailing the issues around the scrutiny be brought to Members, this would help all Members but especially new Councillors who may not be familiar with the issues and process
- (ii) An updated scoping document identifying the changes, should be provided at strategic points during a review, reflecting on any changes of focus or additions and what has been achieved so far
- (iii) That all Scrutiny Members be given the chance to comment on the scope

Evidence Gathering/site visits/interviews:

- (i) Promote ways to engage more with the public in the evidence gathering process
- (ii) Provide a range of options including some evenings for Member site visits
- (iii) Provide opportunities to engage with all Scrutiny Members on a Committee and acknowledge Members who take a lead role in a specific issue the review.

Final Reports and recommendations

- (i) Final reports should incorporate fewer, SMART, recommendations relevant to the objective of the Scrutiny, to maintain the review's impact (where possible these could be grouped together)
- (ii) That a process be drawn together to invite comment from all Scrutiny Members regarding the final report and recommendations – (possibly an item on an agenda with draft recommendations for comment and amendment prior to the publishing of the final report)

Monitoring Recommendations:

- (i) That officers are expected to adopt recommendations that are in scrutiny reports once agreed with the relevant Portfolio Holder, but that this should be acknowledged in responses and not passed off as being current practise when it is actually in response to the review.
- (ii) Executive responses should be displayed prominently on the Council's web site (in addition to just being published with an agenda on the web site).
- (iii) Following a review the loop should be closed by providing feedback to witnesses and with any tenants or members of the public who have contributed via a satisfaction survey.

Additional Recommendations:

- (i) That an action tracker be reported to each Committee meeting to enable the monitoring of outcomes and recommendations from previous reviews;
- (ii) That the Portfolio Holder Advisory Groups be Chaired by Scrutiny Members as a Pre Scrutiny Advisory Group, which could include the Executive Portfolio Holder as a key contributor answering questions along with the relevant Assistant Director, prior to the Policy being considered at the Executive.

4 **SURVEY OF HERTS SCRUTINY NETWORK**

The meeting considered the responses received from the County Council and 2 District Authorities regarding a short survey about their response to the Statutory Scrutiny Guidance and the way scrutiny was conducted in their authority.

Members agreed that the Scrutiny Officer should include an agenda item for all meetings incorporating an action plan to enable members to monitor outcomes or scrutiny recommendations made previously. This would enable Members to keep informed about progress and help any new Members appointed to the Committee after the Annual Meeting.

The possibility of appointing opposition members as chairs of scrutiny was discussed although it was agreed that the importance of those Chairs having the necessary skills, commitment and knowledge was of more importance.

It was also considered that the feedback was not clear on the way other authorities undertook pre-scrutiny work. In terms of the Portfolio Holder Advisory Groups (PHAG's) established, Members were pleased to note that a recommendation would be included under item 3 to suggest that the Groups be chaired by a Scrutiny member rather than the relevant Executive Portfolio Holder. Some Members were of the view that on occasions they had prepared extensively their own research for PHAG meetings but that their input did not appear to be included in the Policy report to Executive.

Officers agreed to circulate to Members the original report establishing the Portfolio Holder Advisory Groups.

A number of Members were interested in a scrutiny review of those authorities who had returned to the pre-2000 committee system and how it was working within those Councils.

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

5 **CENTRE FOR PUBLIC SCRUTINY (CFPS) SUMMARY OF STATUTORY GUIDANCE SYMPOSIUM**

The Committee considered the notes from the summary of the Centre for Public Scrutiny (CfPS) Symposium on the Statutory Scrutiny Guidance.

The committee considered and debated the guidance relating to the appointment of

scrutiny chairs in particular the appointment being made by non-executive members only or by secret ballot. Members noted that the Guidance recommended that each authority should consider selecting their Chairs by secret ballot, but reiterated that this was ultimately a matter for each authority to decide.

Following further discussion it was agreed to look at this issue further at the next meeting.

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

6 **URGENT PART 1 BUSINESS**

None.

7 **EXCLUSION OF PUBLIC AND PRESS**

Not required.

8 **URGENT PART II BUSINESS**

None.

CHAIR

Meeting Executive
Portfolio Area Economy and Transport
Date 12 February 2020



PARKING PROVISION AND SUSTAINABLE TRANSPORT SUPPLEMENTARY PLANNING DOCUMENT: PUBLIC CONSULTATION

KEY DECISION

Author David Hodbod | 2579
Lead Officer Zayd Al-Jawad | 2257
Contact Officer David Hodbod | 2579

1 PURPOSE

- 1.1 To provide Members with an explanation of the reasons for reviewing the adopted Parking Provision SPD (adopted January 2012)
- 1.2 To provide Members with an overview of the draft Parking Provision and Sustainable Transport SPD (Appendix A).
- 1.3 To seek Members' approval to carry out public consultation on the draft Parking Provision and Sustainable Transport SPD.

2 RECOMMENDATIONS

- 2.1 That the content of the draft Parking Provision and Sustainable Transport SPD be noted.
- 2.2 That delegated powers be granted to the Assistant Director: Planning and Regulation, following consultation with the Portfolio Holder for Economy,

Enterprise and Transport, to make minor amendments as are necessary in the final preparation of the draft Strategy prior to its consultation.

- 2.3 That the Executive approve publishing the draft Parking Provision and Sustainable Transport SPD for consultation from 18 February 2020 to 22 March 2020.

3 BACKGROUND

SBC Parking Provision SPD (2012)

- 3.1 Supplementary Planning Documents (SPDs) are produced to add detail to the policies included in an adopted Local Plan. They are used to build upon and provide further guidance for development on specific sites or on particular issues. Whilst they are not part of the Development Plan¹ for an area, and cannot add unnecessarily to the financial burdens on development, the contents of a SPD are a material consideration when determining a planning application.
- 3.2 The Council has a Parking Provision SPD which was adopted in January 2012. The document was produced to supplement policies in the District Plan Second Review (2004) and focusses on traditional parking issues such as the quantity and design of car parking spaces. The overarching aim of the SPD is to ensure that sufficient levels of parking provision are provided as part of new development schemes across the Borough. It also requires developments to include parking for visitors, disabled motorists and cyclists. The Parking SPD does not cover public car parking or on-street parking which are guided by the Council's Parking Strategy, adopted in 2004 and also currently being reviewed.
- 3.3 The SPD provides instructions of how to calculate appropriate levels of parking. For residential development, this is based on a number of spaces per unit and the number of bedrooms of each unit. For non-residential development, the calculation is predominantly based on the size of unit and is specific to different land-use classifications. For some land-uses, it also takes into account other indicators such as numbers of staff. The total number of spaces for an individual development can be reduced by a set percentage if it is located in one of the SPD's 'Accessibility Zones'. These were identified based on considerations such as proximity to public transport facilities and local facilities such as shops and primary schools, and frequency of local bus services.

Policy Background

- 3.4 The recently adopted Stevenage Local Plan (2019) commits the Council to regularly review the Parking Provision SPD to ensure that it is in conformity with national and local guidance and local levels of car ownership.
- 3.5 The adoption of the Stevenage Local Plan, in itself, represented a change of local policy which could necessitate a review of the Parking Provision SPD.

¹ The Development Plan for an area comprises the adopted Local Plan, the Waste Local Plan, the Minerals Local Plan and any adopted Neighbourhood Plans (of which there are none currently in Stevenage).

There are numerous additional policy documents which also add to the need to review the parking elements of the document as well as promote a change of focus of the SPD.

- 3.6 The Local Plan was supported by the Stevenage Mobility Strategy 2016 which establishes the principal of promoting a 'modal shift' in transportation within the Borough. Currently, transport is dominated by the use of privately-owned motor vehicles whereas a modal shift would see an increase in the use of more sustainable modes of transport such as cycling or public transport. The need for the modal shift was identified to ensure that future development included in the Local Plan does not have too significant an impact on the highways network, the capacity of which cannot be significantly added to.
- 3.7 The Stevenage Mobility Strategy was produced taking account of the concepts in the emerging Hertfordshire Local Transport Plan 4 (LTP4), which has since been adopted by Hertfordshire County Council in 2018 as the overarching transport policy for the county. Policy 1 of the LTP4 introduces a 'Transport User Hierarchy' which should be considered in any proposal for development. The Hierarchy tries to ensure that all developments seek to promote opportunities to reduce the need to travel; prioritise active travel including walking and cycling; promote passenger transport; and help enable the use of powered two-wheeler vehicles, in that order, before considering motor vehicle use.
- 3.8 The Council subsequently adopted a Transport Strategy (Future Town, Future Transport) in 2019 to set out its approach to delivering sustainable transport locally. The Strategy seeks to establish Stevenage as a leader in sustainable transport reflecting its origin as Britain's first New Town, utilising the extensive network of segregated pedestrian and cycleways.
- 3.9 The aforementioned transport-related policy documents are predominantly focussed on providing mitigation against increasing congestion from the potential road users of future planned development. The existing Parking Provision SPD therefore requires reviewing to ensure that it isn't merely a document that facilitates the use of cars by providing abundant parking spaces.
- 3.10 Another key consideration in the review of the SPD is the Council's declaration of a Climate Emergency Motion and the emerging Climate Change Strategy, Action Plan and Charter. The Transport sector is one of the key contributors of carbon emissions and reductions in privately-owned vehicle-use are a key part of the fight against climate change. The transport-related mitigation against climate change is very similar to the mitigation against congestion given that a modal shift away from privately-owned motor vehicles towards active or public forms of transport will reduce carbon emissions.
- 3.11 The Parking Provision SPD, along with any other transport-related policy or project, should not merely relate to cars and congestion but should have wider considerations. As well as climate change, a more efficient transport network will reduce transport and parking costs to individuals, improve fitness, improve health and well-being, reduce levels of stress and bring other

in-direct benefits as a result of these and each policy document will have implications on these.

- 3.12 To implement the desired changes, a balanced combination of incentives and disincentives are required to ensure that cars are not the only efficient mode of transport. The Parking Provision SPD needs to be reviewed to add minor restrictions to car-use whilst also helping to enable alternatives to become genuine viable alternatives that are quick, cheap, easy and enjoyable.

Portfolio Holder Advisory Group Meeting

- 3.13 The draft SPD was presented to the Portfolio Holder Advisory Group on 21 January 2020, after which Councillors raised any questions or issues they had. These comments will be treated as formal consultation responses and will be taken into account when finalising the document for adoption. An overview of their comments is provided below:

- Can the SPD contain guidance on the provision of parking spaces and charging points for mobility scooters in the town centre? Users have different locational parking needs to cyclists for example.
- Could EV charging points be provided in the town centre for public use?
- Data is available that shows that car ownership and driving licence applications are reducing. This could support a reduction in the car parking requirements carried forward from the adopted SPD.
- The proportion of children that attend the nearest school to where they live is reducing. As a key criterion of the residential Accessibility Zone 3, this could be significant.
- The promotion of cycling could be seen as unfair on females as they cycle less than males.
- Can the SPD ensure that cycle parking in new developments is not used to discriminate and be socially divisive? For example, by forming a barrier between market and affordable homes or by offsetting car parking provision for affordable homes at the expense of market homes.
- Will the SPD apply to development of Houses of Multiple Occupation?

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

Recommendation 2.1: That the content of the draft Parking Provision and Sustainable Transport Supplementary Planning Document be noted.

- 4.1 The draft Parking Provision and Sustainable Transport SPD is included in Appendix A. A broad overview of the key amendments and additions from the adopted version are presented below.

Vehicular Parking Requirements

- 4.2 The Census data findings released after the adoption of the Parking Provision SPD in 2012 showed that the parking requirements in the SPD offered considerable lee-way for an increase in car ownership levels. New data is yet to be released showing up-to-date levels of resident car-ownership but, anecdotally, it is expected to have risen. The increase is unknown but due to the surplus requirements of the adopted Parking Provision SPD and the Council's recent promotion of a modal shift in transportation, it would be inappropriate to increase the parking limits for new developments.
- 4.3 To strike a balance between the expected increase in car ownership and the sought decrease in car-use, the draft SPD carries forward the car parking requirements from the adopted SPD. When using the calculation described in paragraph 3.3, the only proposed amendment is to round down to the nearest whole number, rather than up, before adding together constituent bedroom requirements.
- 4.4 More significantly, the Accessibility Zones have been re-mapped and now include a 'Town Centre' zone which allows for reduced levels of parking in the most accessible area of the borough. This will help to ensure that developments do not continue to encourage the use of cars at the expense of other forms of transport. It is considered that residents in these areas have sufficient access to public transport, facilities and services and do not require the levels of car-ownership currently permitted by the adopted SPD.
- 4.5 The emerging SPD continues to contain requirements for visitor parking and parking for those with mobility disabilities.

EV Charging Infrastructure

- 4.6 A proposed new inclusion of the SPD is to require developers to provide charging infrastructure for electric vehicles. In the draft document, there is a requirement for 20% of spaces at new developments to have an EV charging point. In order to futureproof developments to an expansion of the EV market, all other parking spaces are required to contain the underlying infrastructure for connection to the electricity network so that charging points can be easily installed when required at a later date.

Cycling parking requirements

- 4.7 The draft SPD contains significantly increased requirements for developers to provide cycling parking for residential and non-residential developments. The requirements cover short term and long term parking and are predominantly based on numbers of staff or the size of a facility. The levels are taken from the SBC Cycling Strategy which was published in 2018.

Residential Development Examples:

Taking account of paragraphs 4.3 to 4.7, Table 1 illustrates the different requirements of the adopted and draft SPDs for a development of 250 units (125 x 1-bed apartment, 125 x 2-bed flats) in the proposed Town Centre Accessibility Zone:

Table 1:

Requirements	Adopted SPD (2012)	Draft SPD (2020)
Car parking spaces	78 - 156	0 - 78
Disabled spaces	16	16
Visitor spaces (subject to transport assessment)	39 - 78	0 - 39
EV Charging Points	0	0 - 24
Cycle spaces	313	375 (plus 7 visitor spaces)

Table 2 illustrates the different requirements of the adopted and draft SPD for a development of 100 units (25 x 2-bed, 50 x 3-bed 25 x 4-bed homes) outside any of the Accessibility Zones:

Table 2:

Requirements	Adopted SPD (2012)	Draft SPD (2020)
Car parking spaces	251	249
Disabled spaces	13	13
Visitor spaces (subject to transport assessment)	50	50
EV Charging Points	0	50
Cycle spaces	100	200 (plus 5 visitor spaces)

Cycle Hubs and Docked Bike Share schemes

- 4.8 The Council has previously stated an interest in introducing new Cycle Hubs and a docked bicycle hire scheme as ways of promoting cycling in the Borough. As with any scheme, these would need to be subject to a robust business case or and/or require third party funding. The draft SPD contains general support for these types of cycle facility and introduces a number of issues that should be considered when planning or making a decision to approve future facilities within the public realm.

Liveable Streets

- 4.9 The Council's Transport Strategy (2019) expressed support for incorporating 'Liveable Street' principles into developments as a way of mitigating overcrowding of parked vehicles on streets. The draft SPD contains general support for the concept of Liveable Streets and discusses a number of issues that should be considered when planning or making a decision to approve future development.

Park and Ride

- 4.10 Any opportunity to introduce a park and ride scheme will require a large land-take for a suitable terminus and will have a significant cost implication. A scheme would need to be subject to a business case and/or require third party funding. The draft SPD discusses a range of additional issues that must be considered when identifying sites for a potential scheme. The SPD also states that potential park and ride schemes should be designed with the primary aim of reducing overall car-use to avoid the potential unintended negative impacts which can occur if a scheme is designed with the main objective of reducing congestion in a localised area.

Recommendation 2.2: That delegated powers be granted to the Assistant Director: Planning and Regulation, following consultation with the Portfolio Holder for Economy, Enterprise and Transport, to make minor amendments as are necessary in the final preparation of the draft Strategy prior to its consultation.

- 4.11 The draft Parking Provision and Sustainable Transport SPD is appended to this report. However, it may be necessary to make minor changes prior to the consultation start date. This might include cosmetic adjustments, the correction of typographical errors and any minor factual changes.
- 4.12 It is recommended that any such amendments be approved via delegated powers.

Recommendation 2.3: That the Executive approve publishing the draft Parking provision and Sustainable Transport Supplementary Planning Document for consultation from 17 February 2020 until 31 March 2020.

- 4.13 The procedure to adopt a new SPD is set out in the Town and Country Planning (Local Planning) (England) Regulations 2012.
- 4.14 The Council must first undertake a consultation for a minimum four week period. Following this, the Council must consider the consultation responses, produce a document stating the main issues raised by respondents, and summarise how the issues have been addressed by the Council.
- 4.15 The timetable for consultation and adoptions is currently as follows:

Stage	Date
Public Consultation	18 Feb – 22 March 2020
Consider and address responses	Spring 2020
Adopt SPD through Exec/Council	July 2020

- 4.16 As with any consultation exercise, it is not known how many responses will be received so the post-consultation stages will not be known for definite until a later date.

5 IMPLICATIONS

Financial Implications

- 5.1 The costs associated with producing and consulting on the draft Parking Provision and Sustainable Transport SPD will be met from the agreed departmental budget.
- 5.2 Any potential schemes that are mentioned in the SPD will need to be subject to a business case and/or will require third party funding.

Legal Implications

- 5.3 Consultation on the draft Parking Provision and Sustainable Transport SPD will be undertaken in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012.
- 5.4 There are no direct legal implications associated with consulting on the draft Parking Provision and Sustainable Transport SPD.

Risk Implications

- 5.5 There are no significant risks associated with producing the draft Parking Provision and Sustainable Transport SPD.
- 5.6 If adopted after consultation, the levels of parking contained in the SPD can be reviewed when the next Census data is published (expected 2022-23) to ensure they are appropriate. If necessary, this could prompt a further review of the SPD.

Policy Implications

- 5.7 The draft Parking Provision and Sustainable Transport SPD accords with, and has been produced to supplement policies in, the adopted Stevenage Local Plan (2019). It also accords with the policy aims of the SBC Mobility Strategy, the SBC Transport Strategy and the Hertfordshire County Council Local Transport Plan 4.
- 5.8 The document is also aligned with other corporate Council documents such as the Healthy Stevenage Strategy, the recently-declared Climate Emergency Motion and the emerging Climate Change Strategy, Action Plan and Charter.

Planning Implications

- 5.9 The draft Parking Provision and Sustainable Transport SPD will supplement the recently adopted Stevenage Local Plan (2019).
- 5.10 If adopted after consultation, the document will not form part of the Development Plan for Stevenage. However, it will be a material consideration for planning applications.
- 5.11 If adopted, it will replace the adopted Planning Provision SPD (2012) which will need to be revoked at that time.

Climate Change Implications

- 5.12 The draft Parking Provision and Sustainable Transport SPD has the potential to have a positive impact on climate change through the multiple benefits that prioritising sustainable and active modes of transport, and minimising car use, can bring. Active forms of transport, walking and cycling, can replace the need to use private-cars, cutting the emissions associated with journeys within the town. The support provided by the SPD for promotion of public transport services and active modes of transport will help to reduce reliance on private-car journeys, replacing them with more energy-efficient options. The Strategy will also have benefits in terms of air quality more generally.

Equalities and Diversity Implications

- 5.13 The SPD sets out requirements for parking requirements for those with mobility disabilities. Otherwise, the draft Parking Provision and Sustainable Transport itself does not have any direct equality or diversity implications. When implementing any of the proposals the delivery body will need to consider the potential impacts on different community groups, in particular those who are less mobile or disabled.

Community Safety Implications

- 5.14 Whilst the draft Parking Provision and Sustainable Transport SPD does not have any direct community safety implications itself, when implementing any of the proposals the delivery body will need to consider the potential impacts on community safety.

BACKGROUND DOCUMENTS

- BD1 [Parking Provision 2012, SBC](#)
- BD2 [Stevenage Parking Strategy 2004, SBC](#)
- BD3 [Stevenage Borough Local Plan, 2011-2031](#)
- BD4 [Stevenage Mobility Strategy, SBC](#)
- BD5 [Local Transport Plan 4, HCC](#)
- BD6 [Future Town, Future Transport, SBC](#)
- BD7 [Stevenage Cycling Strategy, SBC](#)

APPENDICES

- A Draft Parking Provision and Sustainable Transport

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Stevenage Borough Council Draft Parking Provision and Sustainable Transport SPD 2020

DRAFT



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1 Introduction

Purpose of the document

- 1.1** The consultation draft of the Parking Provision and Sustainable Transport Supplementary Planning Document (SPD) has been produced to supplement policies SP6, IT5, and IT8 of the Stevenage Local Plan (adopted 2019) and, if adopted, to replace the Parking Provision SPD (adopted 2012).
- 1.2** The purpose of this document is to explain the Council's proposed approach to parking provision within new developments. Its intention is to provide clear guidance and more certainty for developers and communities. As well as guidance on traditional aspects of parking, the SPD also provides guidance on related issues not covered in the previous Parking Provision SPD with the aim of promoting the use of sustainable modes of transport in the borough.
- 1.3** Standards are put forward for the quantity of car parking, cycle parking, and disabled parking at all new developments and the document also provides guidance on the layout and design of these. Requirements for the provision of charging infrastructure are given to help ensure the expected rise in electric vehicle-use is realised, and details are provided for the implementation and installation of a cycle hire scheme and potential cycling hubs in line with the Council's promotion of cycling across the borough. The use of public transport is also covered by this document with references to bus priority measures and the potential for a park and ride scheme.
- 1.4** Due to its status as a Supplementary Planning Document (SPD), if adopted, this document will be a material consideration in determining all planning applications, and applications will be assessed against the standards contained within it. The SPD should be read in conjunction with policies in the recently-adopted Stevenage Local Plan.

Why do the standards need to be revised?

- 1.5** The council's current parking standards are contained within the Parking Provision SPD which was adopted in 2012. Since this time, national and local guidance on parking provision has changed, and a greater emphasis has been placed on sustainable transport. In particular, county-wide transport policy has been updated by the adoption of the Hertfordshire Local Transport Plan 4 in 2018, and the Stevenage Local Plan, adopted in 2019, was underpinned by a Mobility Strategy which seeks to promote a modal shift in transportation-use. This means that much of the policy basis for the current SPD has changed, and the document should be revisited.
- 1.6** Following consultation, respondent's comments will be considered and incorporated into a final version of this document. The Council will then decide whether or not to adopt the document as a Supplementary Planning Document as a replacement for the Parking Provision SPD (2012).

Policy context

- 1.7** The Parking Provision SPD has been created to provide additional guidance to policies within the 2019 Local Plan. It supplements policies SP6, IT5, and IT8 by providing parking standards for all types of development.

Policy SP6: Sustainable Transport

We will create the conditions for a significant increase in passenger transport, walking and cycling. We will require new development to provide an appropriate level of car parking. We will:

- a. Support the provision of new town centre sustainable transport facilities, including:
 - i. New bus termini and waiting facilities;
 - ii. New pedestrian and cycle links, with particular emphasis on connections between the Town Centre and the Gunnels Wood employment area and Old Town; and
 - iii. A remodelled railway station that reflects Stevenage's position on the network and wider regeneration ambitions;
- b. Direct high density residential and commercial uses, and other developments that generate significant demand for travel, to the most accessible locations;
- c. Support the provision of sustainable transport schemes as identified in local transport plans and other relevant plans and strategies;
- d. Refuse permission where development proposals fail to provide any relevant plans or assessments relating to transport;
- e. Assess proposals against the car and cycle parking standards set out in the Supplementary Planning Documents; and
- f. Require new development to make reasonable on-site, off-site or financial contributions in accordance with Policy SP5 including (but not limited to):
 - i. The creation or improvement of routes to, from or in the vicinity of the site;
 - ii. The provision of crossings, underpasses, bridges or other appropriate means of traversing significant barriers for pedestrians and cyclists;
 - iii. The implementation of parking control measures within or in the vicinity of the development site; and / or
 - iv. The implementation of other transport schemes identified in our delivery plans.

Policy IT5: Parking and Access

Planning permission will be granted where proposals comply with the requirements of the Parking Provision Supplementary Planning Document. Major development proposals, including redevelopments and changes of use, must additionally:

- a. Demonstrate how the development will be served by passenger transport. Planning obligations will be sought to provide services and facilities where appropriate; and
- b. Make the following provisions for pedestrians and cyclists:
 - i. Safe, direct and convenient routes within the development;
 - ii. Links to existing cycleway and pedestrian networks;
 - iii. Appropriate means of crossing vehicle roads within, or adjacent to, the site;
 - iv. Adequate landscaping and lighting of routes both within the development and on any new external links;
 - v. Contributions towards improving cycleways and pedestrian routes serving the development site, where appropriate;
 - vi. Secure bicycle parking provision; and
 - vii. Ancillary facilities such as changing rooms, showers and lockers, where appropriate.

Planning permission for development proposals which result in the loss of off-street parking spaces (excluding public car parks) or formally defined on-street bays will be granted where:

- c. The parking lost is replaced as near as possible to the existing provision in an accessible location; or
- d. It can be demonstrated that the provision is not suitable or required.

Policy IT8: Public Parking Provision

Planning permission resulting in the loss of existing public car or cycle parking provision will be granted where:

- i. Existing spaces are replaced within or adjacent to the new development;
- ii. Replacement car and cycle-parking provision are made within 200 and 80 metres walk respectively of the key attractors currently served; or
- iii. It can be robustly evidenced that the parking is no longer required.

Applications for new public car or cycle provision will be supported in principle where they respond to a demonstrated need and do not take land specifically allocated or otherwise protected for other uses.

1.8 The following policies and guidance have been taken into account:

National

- National Planning Policy Framework (2019)

County

- Hertfordshire's Local Transport Plan 4, 2018-2031 (2018)
- Roads in Hertfordshire: Highway Design Guide, 3rd Edition (2011)

Local

- Stevenage Parking Strategy (2004)
- Stevenage Design Guide SPD (2009)
- Stevenage Mobility Strategy (2016)
- Stevenage Local Plan (2019)
- Future Town, Future Transport (2019)

1.9 It also takes into account best practice guidance such as the Department for Transport's Manual for Streets (2007).

National policy approach

1.10 National policy is to locate new development preferably where it is highly accessible by passenger transport, walking and cycling. New development should offer a realistic choice of means of access in order to minimise car-use.

- 1.11** NPPF Para 105 - If setting local parking standards for residential and non-residential development, policies should take into account:
- a) the accessibility of the development;
 - b) the type, mix and use of development;
 - c) the availability of and opportunities for public transport;
 - d) local car ownership levels; and
 - e) the need to ensure an adequate provision of spaces for charging plug-in and other ultra-low emission vehicles.
- 1.12** NPPF Para 106 - Maximum parking standards for residential and non-residential development should only be set where there is a clear and compelling justification that they are necessary for managing the local road network, or for optimising the density of development in city and town centres and other locations that are well served by public transport (in accordance with chapter 11 of this Framework). In town centres, local authorities should seek to improve the quality of parking so that it is convenient, safe and secure, alongside measures to promote accessibility for pedestrians and cyclists.
- 1.13** The Department for Transport's Manual for Streets explains how to design, construct, adopt and maintain new and existing residential streets, including offering guidance on how parking both on and off-street should be incorporated into new developments.

Hertfordshire County Council (HCC) approach

- 1.14** The Hertfordshire Local Transport Plan 4 seeks to achieve a travel demand reduction and a modal shift in transportation-use. In line with the Manual for Streets, LTP4 Policy 1 introduced a Transport User Hierarchy for the county.
- 1.15** LTP4 Policy 1: Transport User Hierarchy - To support the creation of built environments that encourage greater and safer use of sustainable transport modes, the county council will in the design of any scheme and development of any transport strategy consider in the following order:
- Opportunities to reduce travel demand and the need to travel
 - Vulnerable road user needs (such as pedestrians and cyclists)
 - Passenger transport user needs
 - Powered two wheeler (mopeds and motorbikes) user needs
 - Other motor vehicle user needs
- 1.16** LTP4 considers that greater traffic demand measures are essential in urban areas to achieve the modal shift in line with the Hierarchy to improve sustainable travel provision. This includes instigating parking restrictions as well as charges applied to on-street, off-street and potentially at workplace

parking. The document goes on to say that development proposals should align or be part of local parking policies so that decisions on parking standards and provision complement efforts to reduce demand for car use.

- 1.17** Not everyone subject to demand management policies will have viable alternatives to the car but they would benefit from reduced congestion and more reliable journeys.
- 1.18** HCC delegates the function of Parking Authority to the ten Borough and District Councils. Standards of parking to be provided in new development, or when changes of use of land are proposed, shall be in accordance with the requirements of the Local Planning Authority. HCC previously produced Roads In Hertfordshire: a Design Guide which predominantly offers guidance on on-street parking. The Design Guide recommends that the most appropriate solution will be to design for a level of on-street parking that takes account of the following factors:
- The overall level of car ownership in the immediate area;
 - The amount of off-street parking provided;
 - The amount of allocated parking provided;
 - The speed and volume of traffic using the street; and
 - The width and geometry of the street and its junctions

Stevenage approach

- 1.19** In responding to Government and county-wide guidance, Stevenage has adopted an approach to reduce car-use through the promotion of sustainable transport methods and by setting limits to parking provision within new development.
- 1.20** It is widely accepted that merely building additional capacity into the road network is not a suitable approach to mitigate future transport issues so the Local Plan (2019) is supported by a Mobility Strategy which seeks to promote a modal shift in Stevenage's transport network in line with Hertfordshire's LTP4.
- 1.21** As well as needing to mitigate future congestion issues, the Council declared a Climate Emergency Motion in 2019 and committed to aim to achieve zero carbon status in the town by 2030. Transport contributes greatly to overall carbon emissions, providing another important reason to try to reduce the use of privately-owned vehicles in favour of sustainable modes of transport.
- 1.22** Stevenage has an excellent network of public and active transport links and it is considered that a significant modal shift in transportation-use is possible in the town. The Council therefore prepared a Transport Strategy, "Future Town, Future Transport" (FTFT), to set out greater detail regarding the Council's ambitious approach to delivering sustainable transport, providing a strategy for coordinated action by the wide range of agencies and institutions involved in transport provision. FTFT commits the Council to reviewing the Parking Provision SPD (2012) to include aspirational levels of cycle parking, stricter levels of vehicle parking and an increased provision of electric vehicle charging infrastructure in new developments.

- 1.23** Modal shift will require multiple methods of incentivisation and discouragement. Setting levels of parking spaces is a key way of discouraging driving, however it must be done at an appropriate level that does not lead to further issues such as overcrowding on residential streets or overspill onto nearby streets.
- 1.24** A differentiation must be made between the parking provision required for developments where cars are kept/owned ('trip origin' - i.e. Residential developments) and developments which cars are used to get to ('trip destination' - i.e. Non-residential). It is important to acknowledge that car ownership is not the same as car usage and owning a car does not necessarily create congestion, only the using of the car does. It is important to note that the car is the most suitable form of transport for certain trips and will continue to be. Where this is the case, there is the opportunity to encourage car pooling/sharing, and electric vehicles to reduce congestion and environmental impacts.
- 1.25** There will need to be an appropriate quantum of town centre parking to ensure its ongoing viability in the medium term. This should still be set at a level, and therefore a price, which incentivises visitors to ride, walk, or take a bus into town. Over the long term, the total quantum of town centre parking may decrease to meet sustainability objectives. This will be set by the replacement Parking Strategy when adopted by the Council.
- 1.26** Parking on residential streets in Stevenage is of considerable local concern, with some roads not designed to accommodate on-street parking on both sides of the road. In some places this has a significant local impact on the function and feel of local areas. This SPD only controls parking provision within new development, and by setting maximum parking standards, seeks to reduce the overall number of private cars in Stevenage. It will be crucial that the impact of restricting parking on new sites is not the overspill of vehicles parking on nearby streets and this was taken into consideration when setting the parking standards.
- 1.27** Car pooling and car sharing, including car clubs, offer a significant opportunity to reduce parking requirements, particularly in residential developments. The advent of the electric car is also facilitated in this document, with all new off-street car parking spaces expected to be compatible with providing charging points to electric vehicles in the future.
- 1.28** Cycling is a fast, efficient, and healthy mode of transport, and Stevenage has one of the UK's best cycle networks. The Council is keen to encourage all residents to cycle or walk as their primary mode of transport. Consequently, this SPD sets out separate standards car and cycle for residential and non-residential development.
- 1.29** For both development types, areas have been identified within the town where a reduction in the parking levels are thought to be appropriate. This allows for local circumstances to be taken into account in allowing for parking to be minimised. The zones have been identified based on criteria which are likely to influence the amount of parking provision required. For residential development, for example, this is criteria which are likely to affect levels of car ownership such as a central location, or access to community facilities, whereas for non-residential this is criteria which affect levels of car use to that site, such as access by passenger transport.
- 1.30** The parking standards expressed in this document are maximum levels.

2 Residential Parking Standards

2.1 Findings from the Census (2011) can be used to see the levels of car ownership of households in the borough. Table 1 shows the levels of car ownership per dwellings, split by number of bedrooms.

No. of Bedrooms	Average Car Ownership	Avg. car ownership, excl. households with 0 cars
1-bed	0.59	1.17
2-bed	0.97	1.34
3-bed	1.31	1.58
4-bed	1.79	1.94
5-bed	1.89	2.09
Total	1.20	1.56

Table 1 Average No. of Cars/Vans owned per household

- 2.2** Table 1 shows a clear relationship between the number of cars and the number of bedrooms in a household indicating that the approach of the Parking Provision SPD (2012) was appropriate.
- 2.3** Table 1 also shows that the limits set in the Parking Provision SPD (2012) exceeded the number of vehicles owned at the time the SPD was adopted. This gave leeway for the SPD to remain appropriate if car-ownership levels were to rise, and also meant that it was appropriate for 'Accessibility Zones' to be identified at particular locations where parking requirements could be lower.
- 2.4** Looking at the data in more detail, there is an obvious difference in car ownership between dwelling type. Table 2 illustrates the difference between ownership levels for houses/bungalows and those for flats/maisonettes/apartments. It is worth noting that even for houses/bungalows, car ownership is below the SPD (2012) limits other than for 1-bed houses discounting houses with 0 cars.

No. of Bedrooms	Avg. car ownership per house/ bungalow	Avg. car ownership per flat/ maisonette/ apartment	Avg. car ownership per house/bungalow excl. households with 0 cars	Avg. car ownership per flat/ maisonette/ apartment excl. households with 0 cars
1-bed	0.74	0.56	1.24	1.15
2-bed	1.04	0.80	1.37	1.26
3-bed	1.32	0.77	1.58	1.36
4-bed	1.80	1.00	1.94	1.33
5-bed	1.91	1.30	2.09	1.67
Total	1.34	0.65	1.61	1.21

Table 2 Average No. of Cars/Vans owned per household split by dwelling type

- 2.5** It is acknowledged that car ownership levels have increased since the adoption of the 2012 SPD and that an up-to-date Census could show that levels of car ownership are much closer to the Parking Provision SPD (2012) limits than the 2011 Census findings. However, the Council is promoting a modal-shift in transportation use so it would be inappropriate to increase the parking limits in this document.
- 2.6** To strike a balance between the increase in car ownership and the sought decrease in car-use, it is appropriate to carry forward the car park limits from the 2012 SPD into the emerging Parking and Sustainable Transport SPD. However, when calculating the total limit for a development, quantities should be rounded down to the nearest whole number, rather than up, before adding together the constituent bedroom requirements.
- 2.7** Table 3 sets out the Council's proposed car parking parking standards for new residential development.

Description	Car parking standard
a) General needs	
i) 1 bedroom	1 space per unit
ii) 2 bedrooms	1.5 spaces per unit
iii) 3 bedrooms	2 spaces per unit
iv) 4+ bedrooms	2.5 spaces per unit
b) Houses in multiple occupation (i.e. Separate households sharing facilities) ⁽¹⁾	0.5 spaces per tenancy unit
c) Sheltered housing for the elderly - warden control	0.5 to 1 spaces per unit

Table 3 Residential parking standards

- 2.8** These limits apply to proposals for new residential development and to proposals at existing housing sites. For example, if a proposal was for development at a single existing household, such as an extension or change the use of land to create additional parking space, the limits in Table 3 should also apply.
- 2.9** One space is defined as a space for parking one car e.g. a single garage, driveway or hardstanding. However, for new developments, garages will only be counted as a parking space where they meet the minimum size requirements of 6m X 3m.
- 2.10** Evidence shows that garages are often not used for parking provision, and are instead used for storage, or eventually converted into living accommodation. In line with advice contained within Manual for Streets and Roads in Hertfordshire, garages will only be counted as a parking space where they meet the minimum size requirements above, thus allowing for both storage and parking provision to be made.

¹ Please note, the Council has made an Article 4 Direction which removes permitted development rights for changes of use from C3 (Residential) to C4 (HMO)

- 2.11** The conversion of garages that are required to meet these standards will only be permitted where all spaces to be lost are reprovided within the curtilage of the dwelling.
- 2.12** There will be a presumption for the relevant standard above to be applied (subject to the Accessibility Zones identified below). Any parking provision proposed above or below the standard specified for that type of development will need to be justified through a Transport Assessment (TA), or within the Design and Access Statement, where a TA is not required.
- 2.13** Reductions below the standards may be permitted where the location and/or characteristics of the development could reduce car ownership levels. However, it is important that any existing residential car parking problems are not exacerbated. This will be a consideration when determining the acceptability of a lower level of parking provision. If under-provision is likely to increase on street parking problems, this will not be permitted.
- 2.14** Increased levels will generally be resisted, as these are likely to result in over-provision, which is not in accordance with our sustainability objectives of minimising car use.
- 2.15** Guidance on the design and layout of parking provision is set out in Chapter 9 of this document.

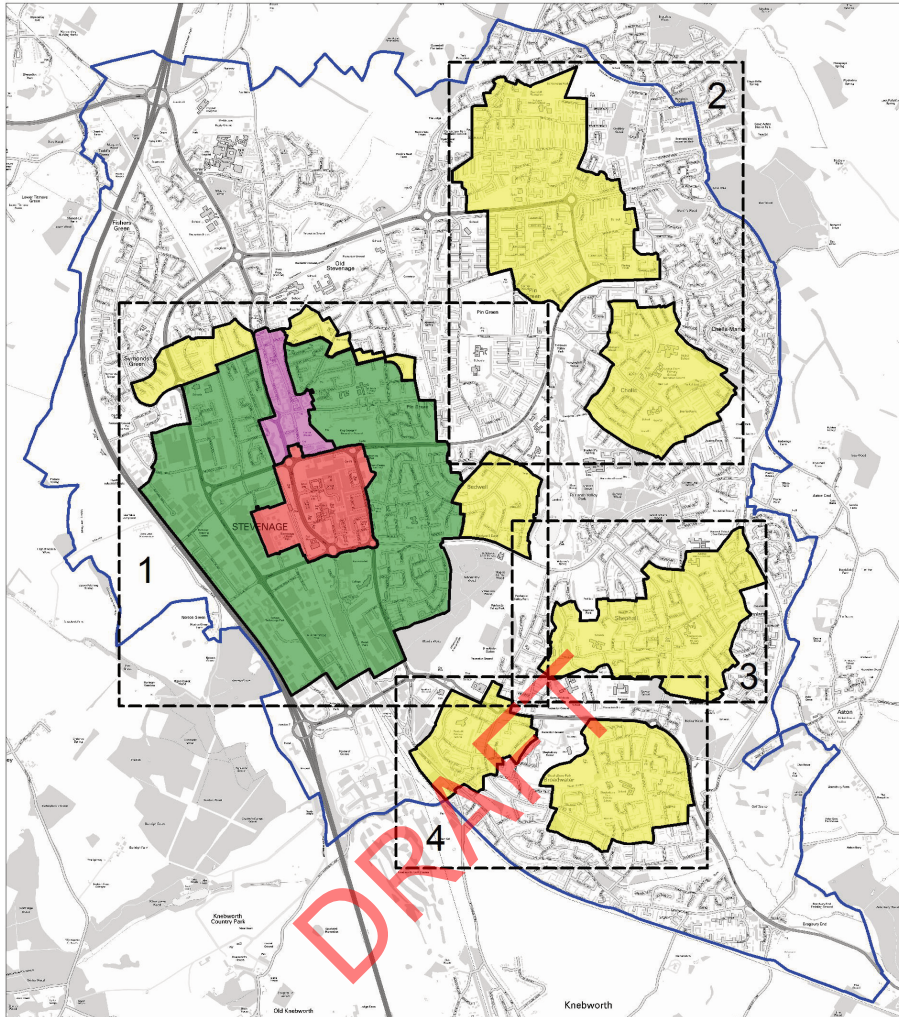
Reduced standards for areas within accessibility zones

- 2.16** National policy seeks to manage car use but not ownership. Car use responds to non-car accessibility levels but car ownership need not. Thus residential parking standards are not considered to be directly amenable to the same zonal approach that applies to non-residential development. However, car ownership does respond to other factors that can relate to locational characteristics. The characteristics that could reduce car ownership levels include:

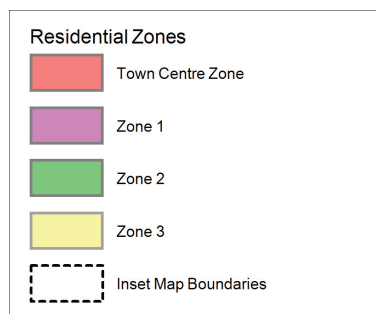
Locational characteristics:

- housing with high accessibility to shops, jobs and services
 - housing with high accessibility to a wide range of public transport services.
- 2.17** In light of this, there are areas within the town where it is considered that lower levels of parking provision are likely to be appropriate. Accessibility zones are shown on Map 1⁽²⁾ and are based on the locational criteria mentioned above to set out areas where lower levels of car ownership are likely (explained in more detail within Appendix B).

2 Residential Accessibility Zone Inset maps 1-4 available in Appendix A



Map 1 Map of Residential Accessibility Zones



2.18 Reduced standards have been allocated to each of the zones by way of a percentage, representing the percentage allowance of the standards put forward in Table 3.

Accessibility Zone	Car parking provision recommended*
TC	0-25%
1	25-50%
2	50-75%
3	75-100%
*Expressed as percentages of the standards set out in Table 3	

Table 4 Accessibility Zone Reductions

2.19 The process of applying the parking standard in Table 3 should be completed prior to the discounting recommended in Table 4. These reduced standards will provide the basis for negotiations in these areas, as specific sites will have individual characteristics which need to be considered.

2.20 The introduction of residential uses into Central Stevenage will create several mixed-use development sites in the coming years. Where practical the Council will encourage the shared use of public parking facilities between different uses to maximise housing density and minimise land occupied by parking. Where residential use is proposed as part of a mixed-use development, e.g. housing over shops, car parking provision for the methodology in Section 4 of this document should be followed.

High-Density Town Centre Developments

2.21 Car-free residential developments may be permitted in the Town Centre, as identified by the TC Accessibility Zone on Map1 and Inset Map 1.

2.22 The town centre has excellent accessibility by non-car modes and is within easy walking distance of shops, supermarkets, restaurants, bars and other facilities. The town centre regeneration is a unique, dense, place-making scheme in the town, and is therefore the one place in the borough where transport related to the development could be able to focus entirely on sustainable modes.

2.23 As well as reduced levels of parking at development sites within the town centre, developers may be asked to contribute to on-street parking controls to prevent residents living in these developments from parking on the street in surrounding areas. Due to the excellent non-vehicular connections and the range of proximate services and activities, the Council does not consider that residents living here have need for a car and we are keen to prevent the issue of overspill from Town Centre residents parking their cars on streets in the surrounding area.

2.24 As an alternative, developers will be encouraged to provide car-share schemes for residents, run by the relevant management company, as specified in any legal agreements upon occupation of each development.

Liveable Streets

- 2.25** As previously mentioned, overcrowding in residential streets is a cause for concern in Stevenage. Many narrow streets in the town weren't designed with the capacity to meet modern day levels of car-ownership and as such, many residential streets in the borough are dominated by parked cars. This is further exaggerated by issues of antisocial parking by cars and vans at different times of the day.
- 2.26** The Council is keen to reclaim streets for residents, pedestrians and cyclists by re-imagining and re-designing the use of space to make streets more attractive, more enjoyable and safer places to be. It has been shown that obstructing and slowing vehicles down to reduce or prevent through-traffic can help to transform residential streets from those dominated by cars and traffic, to places which encourage walking, cycling and interaction between neighbours and communities.
- 2.27** As such, the Council supports the installation of Liveable Streets in new developments and/or the inclusion of Liveable Street principals retrofitted into existing streets.
- 2.28** The definition of a Liveable Street is not strictly defined but it is widely expected that any Liveable Streets would have significantly reduced levels of on-street parking, even if not in an Accessibility Zone. It is important that any requirements for parking spaces aren't merely displaced to other proximate locations, and that the space saved by removing parking spaces is safeguarded for public use, either through pedestrian/cycling routes or spaces for leisure and recreation. The exclusion of parking spaces should not lead to a reduced road width which does not provide any improvement to the street scene for residents and/or increases the density of housing.
- 2.29** Examples of Liveable Street projects can be found in Oxford and Tower Hamlets.

Strategic Sites

- 2.30** The Stevenage Local Plan (adopted 2019) contains three strategic sites identified for large scale residential development in Policies HO2: Stevenage West, HO3: North of Stevenage, and HO4 South East of Stevenage. As a requirement of the policies within the Local Plan, they will each contain certain land-uses other than residential on the development site. This will include important local facilities such as primary schools, shops, community services and leisure facilities. In line with Policy IT6: Sustainable Transport, the sites should also be well served by public transport.
- 2.31** These local facilities are the same facilities that help determine the extent of the Accessibility Zones. Whilst the exact layout of these developments is not yet known, at the point of a Full or Reserved Matters application being determined at each of these sites, the applicant should have proposed the layout of the development. Using the Accessibility Zone criteria listed in Appendix B, the applicant will be able to determine whether areas of the development are suitable to be categorised as an Accessibility Zone and whether reduced parking requirements are appropriate.

Loss of private car parking spaces

- 2.32** Where there is evidence of parking under-provision that is currently causing unacceptable impacts in the surrounding area, or where a loss of spaces would induce such effects, then the development must include measures that ensure such problems are not exacerbated or created. Measures may

include providing replacement on-site parking spaces, but only after consideration is given to improvements to accessibility by non-car modes and a Travel Plan has been formulated. The package of measures will need to be justified in a TA.

Disabled car parking provision

- 2.33** Where communal parking is proposed, 5% of the total number of spaces should be designated for use by disabled people. This is in line with guidance set out in Manual for Streets. A higher percentage is likely to be necessary for elderly persons accommodation.
- 2.34** The number of disabled parking bays to be provided should be included in the total parking provision required, rather than in addition to it. However, it should always be provided at the full standard and should not be reduced according to accessibility zones.
- 2.35** Ideally parking spaces for disabled drivers should be provided in unallocated areas, including on-street, as it is not normally possible to identify which properties will be occupied by or visited by disabled people. These should be located as close as possible to building entrances.
- 2.36** Consideration should also be given to the provision of storage for mobility scooters, especially when dealing with schemes for elderly persons accommodation. The need for this will be assessed on a site by site basis.

Visitor Spaces

- 2.37** Visitor spaces must be provided at a standard of 0.5 spaces per dwelling. If parking is to be allocated, these will be in addition to the above standards. Where a significant proportion of parking is unallocated, additional visitor spaces may not be required.
- 2.38** The number of visitor spaces required may be reduced according to accessibility zones. This will be assessed on a case by case basis depending on the accessibility of the site and its proximity to jobs and local facilities.

3 Non-residential Parking Standards

3.1 The following table sets out the maximum non-residential car parking standards proposed by the council.

Description	Maximum car parking standards
A1	
Retail foodstores	
a) Small food shops up to 500m ² gfa	1 space per 30m ² gfa
b) Food supermarkets exceeding 500m ² gfa but not exceeding 1,000m ² gfa	1 space per 18m ² gfa
c) Food superstores/hypermarkets exceeding 1,000m ² gfa	1 space per 14m ² gfa
d) Food retail parks	To be decided in each case on individual merits (shared parking & an overall reduction in provision, taking into account linked trips on site)
A1	
Non-food retail	
a) Non-food retail warehouses up to 1,000m ² gfa	1 space per 25m ² gfa
b) Non-food retail warehouses exceeding 1,000m ² gfa	1 space per 20m ² gfa
c) Garden centres up to 4,000m ² gfa	1 space per 20m ² gfa
d) Garden centres exceeding 4,000m ² gfa	To be decided in each case on individual merits
e) Non-food retail parks where individual land use components are known	To be decided in each case on individual merits (shared parking & an overall reduction in provision, taking into account linked trips on site)
f) Non-food retail parks where individual land use components are not known	1 space per 40m ² gfa (shared parking)
A2	
Financial & professional services	
Banks, building societies, estate agencies, betting shops	1 space per 30m ² gfa
A3	
Food & drink	
a) Restaurants/café's	1 space per 5m ² of floorspace of dining area plus 3 spaces per 4 employees
b) Public houses/bars	1 space per 3m ² of floorspace of bar area plus 3 spaces per 4 employees

Description	Maximum car parking standards
c) Hot food takeaway shops (excluding fast food drive thru restaurants)	1 space per 3m ² of floorspace of public area plus 3 spaces per 4 employees
d) Fast food drive thru restaurants	1 space per 8m ² gfa
e) Roadside restaurants	1 space per 4m ² of floorspace of dining area plus 3 spaces per 4 employees
f) Transport café	1 lorry space per 3.5m ² gfa plus 3 spaces per 4 employees
B1	
Business	
a) B1 (a) offices	1 space per 30m ² gfa
b) B1 (b) research & development, high-tech/B1 (c) light industry	1 space per 35m ² gfa
B2	
General industry	
General industry	1 space per 50m ² gfa (lorry provision to be checked against benchmark standards)
B8	
Storage & distribution	
Wholesale distribution, builders merchants, storage	1 space per 75m ² gfa (lorry provision to be checked against benchmark standards)
Business Parks	
Mixed B1/B2/B8 (unless heavily orientated to B8) for use where individual land use components are not known	1 space per 40m ² gfa (lorry provision to be checked against benchmark standards)
C1	
Hotels & hostels	
a) Hotels	All of the following: 1 space per bedroom (including staff accommodation) 1 space per manager 2 spaces per 3 staff minus spaces related to staff bedrooms 1 space per 5m ² dining area 1 space per 3m ² bar area

Description	Maximum car parking standards
	<p>1 space per 5m² public area in conference facility</p> <p>1 space per 6m² of public area in exhibition hall</p> <p>A minimum of 1 coach parking space per 100 bedrooms</p>
b) Hostels	
i) Small (single parent or couple with no children)	3 spaces per 4 units
ii) Family (2 adults & 2 children)	1 space per unit
C2	
Residential Institutions	
a) Institutions/homes with care staff on premises at all times (excluding nursing homes, hospitals, residential schools, colleges or training centres)	<p>1 space per 5 residents' bed spaces</p> <p>plus</p> <p>1 space per 2 staff (non resident);</p> <p>Parking for resident staff to be based on general needs standard</p>
b) Elderly persons residential & nursing homes (Category 3)	0.25 spaces per resident bed space; parking for resident staff to be based on general needs standard
c) Hospitals	1 space per 0.5 beds or to be decided on individual merits (including a full transport assessment & proposals in a green transport plan); special hospitals must be considered individually
d) Education - halls of residence	1 space per full-time staff plus 1 space per 6 students (but with linkage to student transport plans where appropriate)
D1	
Non-residential institutions	
a) Public halls/places of assembly (excluding D2)	<p>1 space per 9m² gfa or 1 space per 3 fixed seats</p> <p>plus</p> <p>3 spaces per 4 staff members</p>
b) Community/family centres	1 space per 9m ² gfa plus 1 space per full-time staff member or equivalent
c) Day centres	1 space per 2 staff members

Description	Maximum car parking standards
	plus 1 space per 3 persons attending; Or 1 space per 9m ² gfa
d) Places of worship	1 space per 10m ² gfa
e) Surgeries and clinics	3 spaces per consulting room plus 1 space per employee other than consulting doctors/dentists/vets
f) Libraries	1 space per 30m ² gfa of freestanding development (otherwise assessed on merits)
g) Miscellaneous cultural buildings	2 spaces plus 1 space per 30m ² of public floorspace
h) Educational establishments (including residential)	
i) schools	All of the following: 1 space per f/t member of staff 1 space per 100 pupils 1 space per 8 pupils over aged 17+ 1 space per 20 pupils aged under 17.
ii) further education	1 space per f/t member of staff plus 1 space per 5 f/t students 1 space per 4 pupils
iii) nursery schools/playgroups	
Note: overspill parking for community purposes (outside school day) should be catered for by use of dual purpose surfaces such as school play areas.	
D2	
Assembly & leisure	

Description	Maximum car parking standards
a) Places of entertainment/leisure parks for use when individual land use components are known	To be decided in each case on individual merits: parking for individual land use components should be based on the standards set out in this Guidance, but with an overall reduction in provision to reflect linked trips on site (all parking should be shared and an overall reduction of 25% should form the starting point for discussion)
b) Places of entertainment/leisure parks for use when individual land use components are not known	1 space per 15m ² gfa (shared parking)
c) Cinemas (including multiplexes)	1 space per 5 seats
d) Swimming pools	1 space per 15 m ² gfa
e) Tennis/badminton	4 spaces per court
f) Squash courts	3 spaces per court
g) Ice rinks	1 space per 12 m ² gfa of rink
h) Fitness centres/ sports clubs	1 space per 15 m ² gfa
i) Ten pin bowling	4 spaces per lane
j) Indoor bowls	4 spaces per rink
k) Outdoor sports grounds	
i) with football pitches	20 spaces per pitch
ii) without football pitches	50 spaces per hectare
l) Golf	
i) 18 hole golf course	100 spaces
ii) 9 hole golf course	60 spaces
iii) golf driving range	1.5 spaces per tee
iv) golf courses larger than 18 holes &/or for more than local use	to be decided in each case on individual merits
Motor trade related	
a) Showroom car sales	3 spaces per 4 employees plus 1 space per 10 cars displayed
b) Vehicle storage	3 spaces per 4 employees plus

Description	Maximum car parking standards
	2 spaces per showroom space or provision at rate of 10% annual turnover
c) Hire cars	3 spaces per 4 employees Plus 1 space per 2 hire cars based at site
d) Ancillary vehicle storage	3 spaces or 75% of total if more than 3 vehicles
e) Workshops	3 spaces per 4 employees plus 3 spaces per bay (for waiting & finished vehicles) in addition to repair bays
f) Tyre & Exhaust	3 spaces per 4 employees plus 2 spaces per bay
g) Parts stores/sales	3 spaces per 4 employees plus 3 spaces for customers
h) Car wash/petrol filling station	3 spaces per 4 employees plus 3 waiting spaces per bay or run in to row of bays (additional parking is required where a shop is provided)
Passenger transport facilities	
a) Rail stations	to be decided in each case on individual merits
b) Bus stations	to be decided in each case on individual merits
Notes:	
<ul style="list-style-type: none"> ■ <i>gfa</i> = gross floor area ■ <i>rfa</i> = retail floor area 	

Description	Maximum car parking standards
<ul style="list-style-type: none"> ■ <i>l/t = long term</i> ■ <i>s/t = short term</i> ■ <i>f/t staff = full-time staff equivalents</i> 	

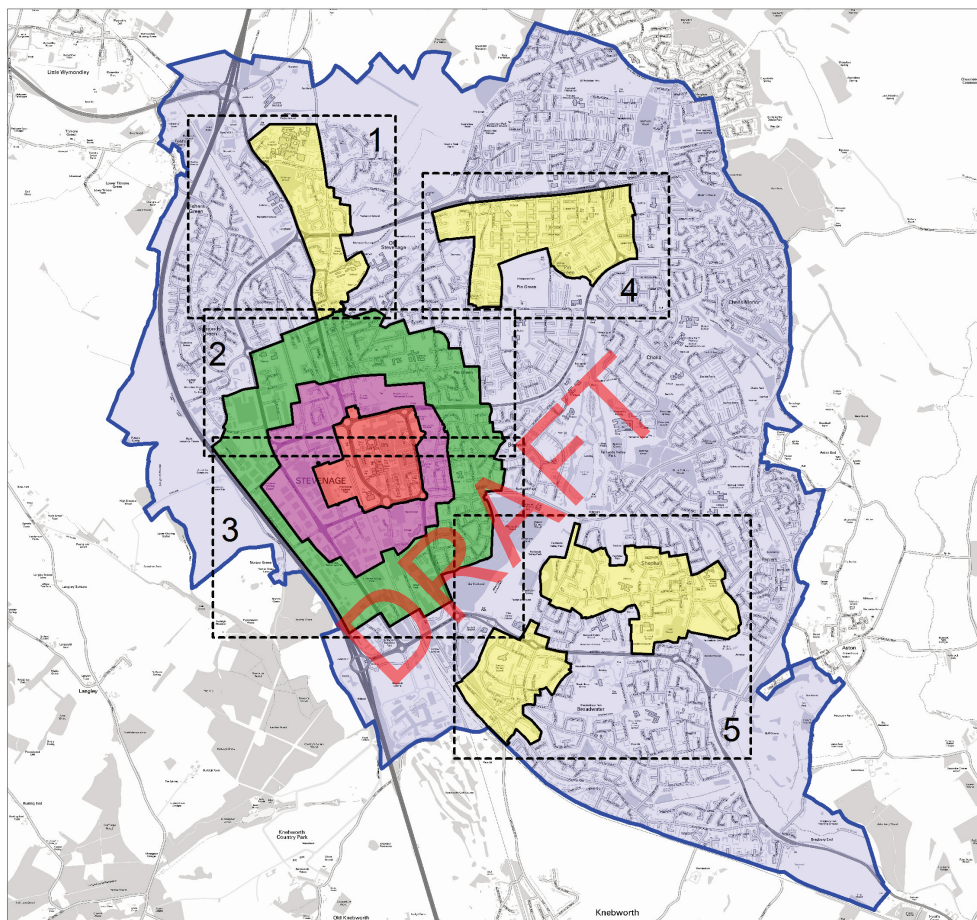
Table 5 Non-residential parking standards

3.2 Vehicle parking provision above these standards will not be permitted, unless it can be satisfactorily demonstrated through a Transport Assessment that exceptional circumstances exist.

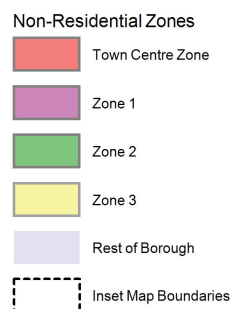
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Reduced standards within Accessibility Zones

- 3.3** In some areas of the town it is considered that ease of access by passenger transport, and access to daytime public parking, might allow for lower levels of parking to be provided for non-residential uses. Adoption of the standards above without further reduction would over-provide in locations where non-car accessibility is good or, just as importantly, can be improved.
- 3.4** Accessibility zones are shown in Map 2⁽³⁾ and are based on the availability of passenger transport.



Map 2 Non-residential Accessibility Zones



3 Non-Residential Accessibility Zone Inset Maps 1-5 available in Appendix A

- 3.5** The zonal mapping process allows for progressive reductions in parking provision to be made accordingly. The resulting reductions are set out in Table 5.

Zone type	Car parking provision allowed*
TC	site by site assessment**
1	0-25%
2	25-50%
3	50-75%
All other areas	75-100%
* Expressed as percentages of the standards set out in Table 5	
** See Chapter 4 for more details	

Table 5 Zonal reductions

- 3.6** These ranges (expressed as percentages of the standards set out in Table 3) identify the degree of restraint to be applied to new development within each zone type. Within each range, the higher percentage represents the maximum level of parking provision. The level of provision will normally be expected to fall within the range shown.
- 3.7** The general presumption is to use the lower provision that applies within each range. The range allows fine-tuning according to considerations such as:
- the nature of the development
 - local traffic conditions
 - the relevance of rail services
 - the existing public parking supply.
- 3.8** A provision higher than the maximum standard (including zonal reduction) will only be permitted in exceptional circumstances, and where it can be demonstrated in a TA that this is justified.

Disabled motorists

- 3.9** The minimum parking standards for disabled motorists, in accordance with Building Standards 8300-1: 2018: Design of an Accessible and Inclusive Built Environment are set out below:

Building Type	Car park Size		Future Provision
	No. of spaces* for for each employee who is a disabled motorist	No. of spaces* for visiting disabled motorists	No. of enlarged standard spaces**
Workplaces	One space	5% of total capacity	A further 5% of total capacity
Shopping, recreation and leisure facilities	One space	6% of total capacity	A further 4% of total capacity
Education	One space	5% of total capacity	A further 5% of total capacity
Railway buildings	One space	5% of total capacity	A further 5% of total capacity
Religious buildings and crematoria	Two spaces or 6% (whichever is the greater)		A further 4% of total capacity
Sports facilities	Determined according to the usage of the sports facility***		
Hotels	One space per accessible bedroom		

* Parking spaces designated for use by disabled people should be 2.4m wide by 4.8m long with a zone 1.2m wide provided between designated spaces and at the rear, outside of the traffic zone, to enable a disabled driver or passenger to get in or out of a vehicle and access the boot safely.

** Enlarged standard spaces should be 3.6m wide by 6m long that can be adapted to be parking spaces designated for use by disabled people to reflect changes in local population needs and allow for flexibility of provision in the future.

*** Further detailed guidance on parking provision for sports facilities can be found in the Sport England publication Accessible Sports Facilities 2010.

Table 6 Parking provision for disabled motorists

Phased restraint

- 3.10** Phased introduction of restraint may be acceptable at some new developments e.g. the removal of parking spaces/reduction in the number of spaces per phase of built development, after a specified period or when accessibility to the site by non-car modes is improved. Appropriate developments are likely to be large scale and for regeneration areas or large brownfield sites not ideally located in transport terms.
- 3.11** Nevertheless, travel patterns (particularly those of employees) tend to become established at the outset of starting a new job and initial car dependence may subsequently be hard to break. It is therefore important not to exaggerate allowances made in these circumstances.

Park and Ride

- 3.12** There may be an opportunity to establish a Park and Ride scheme which could reduce congestion and the need for parking in the Town Centre or Employment Areas. However, a potential scheme should be designed with the primary aim of reducing car-use overall rather than reducing congestion in a localised area.
- 3.13** A Park and Ride scheme would not be acceptable, for example, if it improved access to the town centre but, as a result, conversely, increased the number of drivers in the wider area. This could occur if the Park and Ride scheme made accessing the Town Centre sufficiently easy so as to attract more people to drive to the Park and Ride terminal than originally drove to the Town Centre.
- 3.14** A Park and Ride scheme could have a regional focus with the aim of reducing the level of overall car-use in a wider-than-Stevenage area rather than merely being a Stevenage-focussed scheme. This could incorporate numerous Park and Ride terminals across local towns including Stevenage, Letchworth, Hitchin and Welwyn Garden City and would seek to promote passenger transport between towns, rather than merely within a town.
- 3.15** Sufficiently sized-sites, based on a detailed Feasibility Study created with input from bus operators, would need to be located on the Strategic Road Network and with easy access for users and on direct routes to the locations where routes would be likely to terminate or stop at.
- 3.16** It is likely that any Park and Ride scheme would require significant bus priority measures as well as a reduction in town centre car parking availability to incentivise the use of such a service. Demand is vital for a Park and Ride project to be commercially viable and it is likely that unless current levels of car-use are significantly reduced, there would not be sufficient potential customers.
- 3.17** Other standards for car and bicycle parking within this Parking Provision and Sustainable Transport SPD are in line with the Transport Hierarchy from the Hertfordshire Local Transport Plan 4 and should be provided off-road which would leave additional on-road capacity to enable passenger transport to run more efficiently.

4 Mixed-Use Sites and Town Centre Parking Provision

Mixed-use sites and linked trips

- 4.1** Parking standards are not provided for mixed-use sites. Parking provision for such developments will be calculated on a site by site basis, and assessed via the TA process.
- 4.2** Mixed-use sites share parking and provision can be reduced below that required for each individual land use component. This takes account of linked trips on site and the fact that time profiles of car parking demand will vary according to use. Over-provision should be avoided.
- 4.3** Research⁽⁴⁾ shows that trip rates for retail parks are significantly lower than the sum of the individual land use components. Linked trip-making can reduce parking demand by up to 50% and a reduction of 25% appears readily attainable. A similar pattern will apply to mixed leisure developments. Developers should demonstrate such effects in their TAs.
- 4.4** Single land use sites that have multiple functions e.g. schools used for community purposes outside of the school day raise similar issues to be addressed through TAs. In these instances, consideration should be given to the use of dual purpose surfaces such as school playing areas doubling as car parks if occasional overspill parking is envisaged.

Town centre development

- 4.5** Non-residential development within the town centre will not follow the maximum standards provided in Table 5. Parking provision for such developments will be calculated on a site by site basis, and assessed via a Transport Assessment.
- 4.6** Town centre developments should meet any parking needs through shared public parking provision. Dedicated provision for customers and staff will only be permitted in exceptional circumstances.
- 4.7** It will be important to ensure that the supply of town centre parking is sufficient to support the vitality and viability of the retail economy. Town centre developments may necessitate changes in public parking supply. To ensure that an appropriately balanced level of town centre parking is maintained, Transport Assessments should justify the level of parking proposed having regards to:
 1. The existing level of parking on the site;
 2. The uses proposed to be developed on the site;
 3. The status and progress of other town centre developments and their net parking change;
- 4.8** The acceptability of proposals for parking provision within these areas will be assessed in relation to the adequacy of the existing public parking supply. A Transport Assessment will form the basis for this assessment. This will be informed by the Stevenage Parking Strategy 2004 (or replacement strategy document), the Retail Capacity Study and the town centre allocations included in the Local Plan.
- 4.9** Where the parking needs of a development cannot be accommodated by the existing supply of public parking provision, developers will be required to provide for publicly-available car parking as part of their proposals.

4 for the TRICS consortium (Transport Characteristics of Non-Food Retail Parks, TRICS Report 97/1, 1998)

4.10 The provision of public parking by developers will involve:

- funding new car parking structures within the development site, and/or
- funding new car parking structures in other suitable off-site locations.

4.11 If funding is for off-site spaces then a per space contribution will be sought based on the cost of providing one multi-storey car parking space.

4.12 In principle, the level of public parking provision (that will be sought as multi-storey car parking structures) will be in proportion to each development's contribution to total regeneration floorspace. A higher or lower level of provision than that determined by a development's contribution towards total regeneration floorspace may be acceptable if this can be justified through a TA.

4.13 Any new car park(s) will be subject to planning conditions and legal agreements that provide for their control and management.

4.14 In addition, developers may be asked to fund suitable on-street parking controls, if there is likely to be a significant time-lag between redevelopment and replacement of lost parking spaces. This issue should be addressed in the relevant TA.

Future conversion of parking spaces

4.15 The current level of parking in the town centre is very high which is an economic benefit to town centre retailers and employers. The Council does not want to jeopardise the health of the town centre, but does over time want to create mode shift for journeys into the town centre away from the private car and onto more sustainable modes.

4.16 Through policies and behavior change, it is hoped that fewer people will access the town centre by private car. If this occurs, it might create opportunities to convert a portion of town centre car parking into new town centre floorspace. To achieve this, new parking should be designed in such a way that it can be converted into another use in the future. This will include consideration of floor-to-ceiling heights, outlook, pedestrian access, and materials.

Car Sharing

4.17 In line with the Council's active encouragement of sustainable transport, a dedicated supply of car pooling or car sharing parking will be required as part of the new town centre suite of parking supply. Only cars which are enrolled in a recognized car share program, and are made available for a specified minimum amount of time would be eligible to park in this area/s.

4.18 It would be suggested that the price for parking in this area/s is lower than for standard private parking. Car sharing can be accomplished through a car share company, who either supply the car(s) to be shared or set up mechanisms to allow private car owners to share their own vehicles at specified times or arrange lift-sharing when multiple individuals on the car share scheme have compatible journeys which they can make together. This arrangement will mean that fewer cars are needed to accommodate the same number of trips, thereby freeing up parking space elsewhere in the town, while also fostering reduced car ownership.

5 Electrical Charging

- 5.1** The motor industry has started to transition from internal combustion engine towards hybrid electric-petrol, and electric vehicles. There are benefits associated with this in terms of improved local air quality, reduced carbon dioxide emissions, and noise pollution impacts, and cheaper overall travel. Electric vehicle use is set to reach 25% by 2030⁽⁵⁾ and the Council wants to support this transition. As such, the Council would like new developments to abide by the following requirements:
1. All new car parking should be designed to fulfill a Passive Electrical Vehicle Charging Point standard. This will mean that the underlying infrastructure is provided for connection to the electricity network but it will need to be activated through the installation of a charge point to be used in the future as technologies evolve and uptake increases.
 2. The blend of access to charging points provided within new developments (i.e. public, restricted access, open access, shared) should be determined having regard to a travel plan.
 3. A minimum of 20% of new parking on a site should have access to an active EV charging point.
 4. A flexible approach to the requirement for speed of charging will be taken due to the pace of change of this technology. Ultra-fast charging points will become expected at short term, non-residential parking spaces as technology improves to make the use of electric vehicles more efficient.
- 5.2** All EV charging points should be protected from weather if they are located outdoors. They should also be protected from collisions with cars and therefore their positioning is important. EV Charging Points can be further protected from cars by using a metal “cage” around them and should also be positioned in a manner that minimises the trip risk from the cable connecting the EV to the charging point.

5 <https://www.gov.uk/government/statistical-data-sets/all-vehicles-veh01>

6 Additional Requirements

Powered two-wheelers

- 6.1** Developers will be expected to allow for around 5% of the total stock of publicly accessible vehicle parking spaces to be for motorcycle use.
- 6.2** This standard accords with advice on motorcycle use and parking provision produced by the Institute of Highways Engineers⁽⁶⁾.
- 6.3** The use of mopeds, scooters or small motorcycles can be beneficial in replacing car journeys; thus reducing congestion and emission levels. Secure parking for powered two-wheelers should be considered on its merits in every instance, taking into account the needs associated with the type of development proposed, particularly as its demands on development land are limited compared to those associated with car parking (i.e one car parking space can accommodate 5 or 6 motorcycles). Under or over-provision will be assessed on a site by site basis.

Service vehicle/lorry parking requirements

- 6.4** The following figures should be used as a guidance for what is likely to be considered acceptable in terms of service vehicle parking requirements:
 - B2 general industrial: 1 lorry space per 200 m² to 1 lorry space per 1,000 m² gross floor area
 - B8 warehousing/storage and distribution: 1 lorry space per 200 m² gross floor area (minimum 1 space) to 1 lorry space minimum plus 1 lorry space per 500 m² gross floor area.
- 6.5** The ranges reflect the variation in such standards and are not intended to reflect location. Provision for proposed developments will be assessed on a case by case basis.
- 6.6** In terms of other land uses (e.g shops and offices) any service vehicle/lorry parking requirements are likely to be very specific to the operation in question. Therefore, the onus will be on the developer to make a convincing case. Requirements are likely to differ from those of B2/B8 uses where parking may well be required to accommodate lorries overnight.
- 6.7** The benchmark standards above were identified by Hertfordshire County Council, following a review of lorry parking standards adopted/proposed by authorities outside of Hertfordshire.

6 IHIE Guidelines for Motorcycling: improving safety through engineering and integration, Version 1.1, Nov 2007

7 Cycle Parking Standards

Cycle Parking

7.1 The minimum cycle parking standards for all new development within the borough set below. Levels were originally set in the SBC Cycling Strategy (2018).

Land Use		Long term minimum cycle parking standard	Short term minimum cycle parking standard
A1	Food Retail	From a threshold of 100 sqm: -1 space per 175 sqm	1 space per 150 sqm GFA
	Non-food retail	From a threshold of 100 sqm: -First 1000 sqm: 1 space per 250 sqm -Thereafter: 1 space per 1000 sqm	1 space per 350 sqm GFA
A2	Finance/professional services	From a threshold of 100sqm: -1 space per 175 sqm	1 space per 100 sqm
A3-A5	Cafes and restaurants		
	Drinking establishments		
	Takeaways		
B1	Offices	1 space per 150 sqm	1 space per 500 sqm GFA
	Light industry and research		
B2	General industrial	1 space per 500 sqm	1 space per 1,000 sqm GFA
B8	Storage and distribution		
C1	Hotels	1 space per 20 bedrooms	1 space per 50 bedrooms
	Hostels	1 space per 2 units	
C2	Hospitals	1 space per 5 staff	1 space per 30 staff
	Care homes / secure accommodation		1 space per 20 bedrooms
	Student accommodation	1 space per 2 bedrooms	1 space per 40 bedrooms
C3-C4	Residential (without garage)	1-bed	1 space per unit
		2-bed	2 spaces per unit
		3-bed	

Land Use		Long term minimum cycle parking standard	Short term minimum cycle parking standard
	4-bed		
	Houses in multiple occupation (without garage)	1 space per bedroom	
D1	Nurseries	1 space per 8 staff + 1 space per 8 students	1 space per 100 students
	Primary and secondary schools		
	Universities and colleges	1 space per 4 staff + 1 space per 20 FTE students	1 space per 7 FTE students
	Health centre and dentist	1 space per 5 staff	1 space per 3 staff
	Public halls / places of assembly (Excl D2), community centres, places of worship	1 space per 8 staff	1 space per 100 sqm GFA
	Libraries and misc. cultural buildings		
D2	Cinemas	1 space per 8 staff	1 space per 30 seats
	Swimming pools, racquet sports, ice rinks, sports clubs, gyms	1 space per 8 staff	1 space per 100 sqm
	Ten pin bowling, indoor bowls	1 space per 10 FTE staff	1 space per 3 lanes 1 space per 25 spectator seats
	Outdoor sports grounds		1 space per 10 players at busiest period
	Golf	5 spaces per 9 holes	
Sui Generis	Car showroom, vehicle storage, hire cars, petrol filling station etc	As per the most relevant other standard	as per the most relevant other standard

Table 7 Cycling Parking Standards

- 7.2** The minimum cycle standards differentiate between long and short stay provision, as the type of provision which needs to be made for each is different. The standards are based on “full-time equivalent” staff numbers where relevant. Provision on this basis can relate directly to mode choice targets. The standards are based on a mode choice target of 10%. This ambitious target is considered suitable for Stevenage, due to the town's exceptional infrastructure for cyclists. Cycle parking should be provided as close as possible to the entrance of the facility it serves, so that it offers a real advantage over using a private vehicle.
- 7.3** Cycle parking provision at a specific development should be increased to allow for higher levels of cycling where local characteristics and employee travel plans indicate that this would be appropriate.

Variation of Parking Type by Land Use

- 7.4** The type of cycle parking provision required will vary depending on its use and up to date best practice guidance should be used at the point of application for any proposal.
- 7.5** In public areas, cycle parking should be well overlooked to allow for maximum security. For short stay use such as this, Sheffield stands are generally appropriate, as these provide a simple and effective facility.
- 7.6** For longer stay use, such as for employment premises, covered parking areas should be provided either within the building itself or located in close proximity to the building entrance. This will allow for weather and security protection. This can be accommodated through the use of cycle lockers or secure cycle sheds. For employment premises, shower facilities should also be provided in conjunction with these facilities.
- 7.7** In terms of residential development, particularly flatted developments, there is a preference for shared cycle parking facilities to be provided, as opposed to providing spaces within each dwelling, as this is normally more efficient. Shared cycle parking facilities should be secure and convenient to use, ideally provided by a cycle shed. Cycle parking must be covered. Short stay cycle parking should also be provided for visitors.

Town Centre

- 7.8** Future residents in the town centre are likely to rely on sustainable transport more than residents outside of the town centre. Residential developments in the town centre should therefore go beyond the standards set out above in Table 8. To encourage greater numbers of cycling trips into the town centre, non-residential developments should also exceed the standards in Table 8 and locate high quality parking facilities close to key locations which minimise the distance cyclists must walk to reach their destination.

Cycle Hubs

- 7.9** The Council has already opened one Cycle Hub in Fairlands Valley Park and other locations in the borough are considered suitable for additional facilities. In particular the Council is keen for Cycle Hubs to be installed in the town centre and at the rail station. Cycle Hubs could consist of many configurations but key aspects could include: secure parking, changing facilities, mechanical assistance and cycle hire opportunities. The town centre and rail station are considered important locations for Cycle Hubs due to their importance as key trip destinations.
- 7.10** Cycle hubs should be in publically-accessible locations which help to promote multi-part journeys (ie. home to station, station-station, station to work) be undertaken by sustainable modes instead of relying on privately-owned vehicles being used for part of a journey. This would have the dual benefit of reducing congestion and reducing the amount of parking spaces being used all day at car parks close to the station.

Cycle Hire

- 7.11** The council is also keen to introduce a cycle hire scheme in the borough. This would consist of an amount of bikes being made available for short-term hire by users of the scheme. Bikes are likely to be kept at 'docking' stations in strategic locations on key routes and at key destinations. Docking stations

should be an appropriate size for the particular location, based on projected use. For example, stations in residential areas are likely to require fewer parking bays than stations in the town centre or by a large employment site.

7.12 Stations should be located in areas that maximise their accessibility to potential users. This could be at future Cycling Hubs, by key employment sites, at the bus and rail stations, in community or neighbourhood centres, and/or close to key routes and key destinations, promoting increased use of the segregated cycle network.

7.13 A scheme may incorporate electric bikes, in which case, the provision of active charging points will need to be taken into account.

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8 Transport Statements, Assessments, and Travel Plans

Transport Statements & Assessments

- 8.1** Local Plan Policy IT4 requires Transport Assessments (TAs), Transport Statements (TSs), and Travel Plans (TPs) to be prepared and submitted for developments that have significant transport implications.
- 8.2** County guidance, Roads in Hertfordshire, sets out the criteria for schemes which will generally require a Transport Statement or Assessment. These have been translated into the Local Plan:

Transport Statement	Transport Assessment
<ul style="list-style-type: none"> Residential development of between 50 and 80 units; Non-food retail development of between 800m² and 1500m² floorspace; Class B1 Business of between 1500m² and 2500m² floorspace; Class B2 General industrial of between 2500m² and 4000m² floorspace; Warehousing development of between 3000m and 5000m floorspace; 	<ul style="list-style-type: none"> Residential development of over 80 units; Non-food retail development of over 1500m² floorspace; Class B1 Business of over 2500m² floorspace; Class B2 General industrial of over 4000m² floorspace; Warehousing development of over 5000m² floorspace.

Thresholds for Transport Statements and Assessments

- 8.3** An assessment may also be required for smaller developments if significant transport impacts are likely. Examples include proposals which are in a sensitive location, where congestion already exists, where a high level of traffic is expected to be created, and proposals for certain leisure facilities.
- 8.4** Pre-application discussions should be held with the Borough Council, as well as Hertfordshire County Council, as the Local Highway Authority, in order to determine whether or not a TA is required.

What a Transport Statement or Assessment should contain

- 8.5** The coverage and detail of a TA should reflect the scale of development and the extent of the transport implications of the proposal. However, the following main subjects should be covered:

Transport Statement

- Existing conditions - including site information and baseline transport data;
- Proposed development - including information such as site accessibility, parking strategy, traffic impacts of construction, drawings and trip generation.

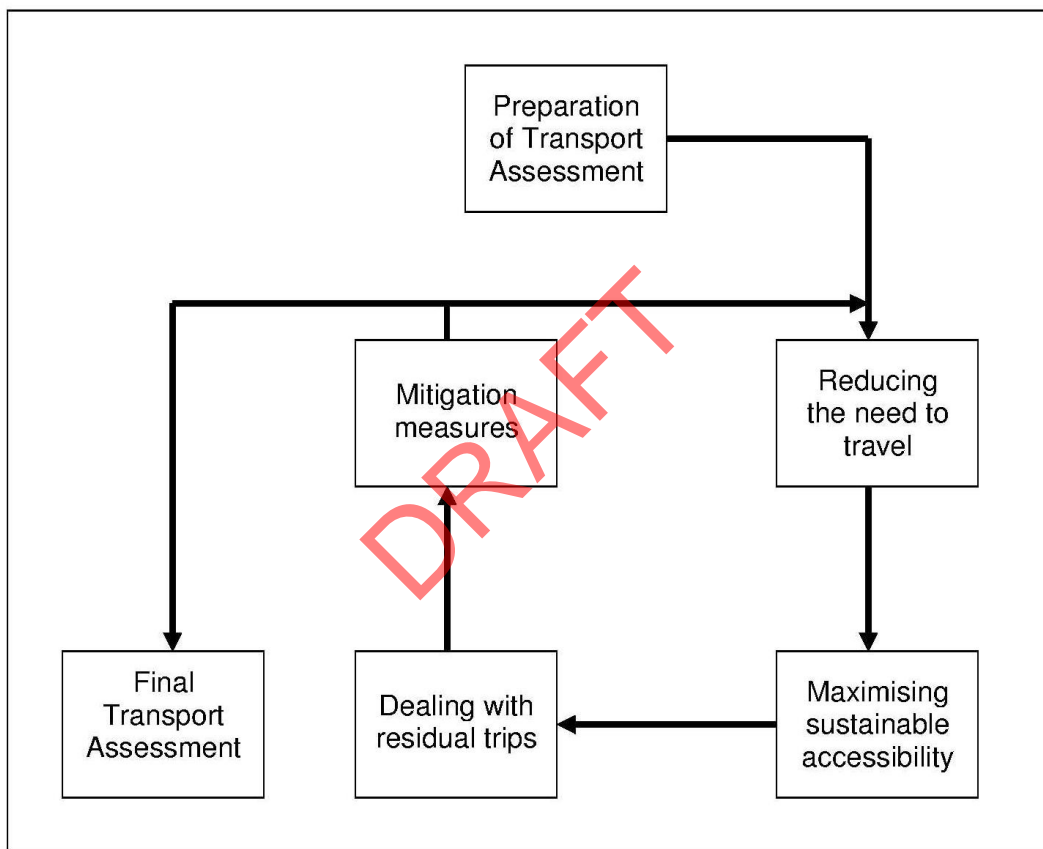
Transport Assessment

- Existing conditions and proposed development, as above.
- Assessment years/analysis period
- Development trip generation
- Environmental impact issues

- Reducing the need to travel, especially by car
- Sustainable accessibility - promoting Smarter Choices via Travel Plans
- Transport impacts and mitigation measures

8.6 TAs involve an iterative process with many inter-related factors influencing the transport characteristics of a new development (e.g. location, public transport accessibility, accessibility on foot and by cycle, on-site parking provision). The process should combine these factors to maximise sustainability.

8.7 The following diagram illustrates the process involved in producing a TA:



8.8 A location that reduces the need to travel is the starting point for the TA process and is the foundation for current Government policy on planning for new development. Location determines catchments and influences overall accessibility to the development by different modes.

8.9 Maximising the use of non-car modes is the next consideration. Accessibility is influenced by the design of the development and new transport infrastructure and services provided for it. These factors may be required to meet operational requirements and standards but they may also help overcome poor accessibility by reducing pedestrian severance. Travel plans, planning conditions and legal agreements can also influence transport impacts by requiring measures that reduce car dependency.

- 8.10** Finally, assessing the effect of these influences allows analyses of consequent impacts on existing traffic and the site's surroundings. If these are unacceptable, the procedure may be repeated with different solutions.
- 8.11** It is highly desirable for developments to accommodate attracted vehicles off-street to avoid intrusion in surrounding areas through overspill parking. However, it is also important that on-site parking provision minimises car dependency. The amount of parking provided on-site should not be such that it encourages car use by people for whom travel by non-car modes is practical.
- 8.12** Car parking is both an input and an output of the TA process. While car parking standards provide a starting point by indicating the degree to which car usage could be discouraged, the demand for off-street parking provision is a conventional and independently derived output of a TA.
- 8.13** An acceptable Transport Assessment will need to demonstrate that the levels of parking proposed for a development are suitable in terms of meeting sustainability objectives, will not have an adverse impact on the site or the surrounding area and will not create an increase risk of accidents.
- 8.14** Further guidance on the production of Transport Assessments can be found in the DfT document *Guidance on Transport Assessments*⁽⁷⁾.

Travel Plans

- 8.15** The value of travel plans in increasing the awareness of transport implications and sustainable development is now widely recognised. County level guidance⁽⁸⁾ encourages the submission of a travel plan alongside planning applications for all major developments. This is translated into Policy IT4 of the Local Plan.
- 8.16** Travel plans comprise measures to be adopted by businesses and other organisations to encourage staff to use sustainable and less polluting forms of transport with the overarching aim of reducing the amount of cars on the roads.
- 8.17** Travel plans can also have a positive impact upon large-scale residential development. For example, in addition to sufficient high quality cycle parking, management companies for flatted developments could ensure that cycle routes and key destinations are advertised, and employers could ensure shower and changing facilities are installed at workplaces.
- 8.18** Initiatives within these plans often involve all forms of active and sustainable transport, not just related to parking. They might include cycle storage, showers, walking clubs, dedicated bus services, car sharing arrangements, car pool clubs and low levels of car parking provision. Initiatives to reduce the demand for car parking through improved passenger transport accessibility, and other relevant schemes will be supported.

7 Travel Plans, Transport Assessments, and Statements, DfT, March 2014

8 Hertfordshire Local Transport Plan 4 (2018-31): Policy 3 - Travel Plans and Behaviour Change

9 Design and Layout

- 9.1** The County Council document Roads in Hertfordshire⁽⁹⁾ provides more general design standards and advice in relation to parking provision for vehicles, as well as other modes of transport. In addition, a number of best practice guidance documents covering parking provision also exist nationally. Manual for Streets provides detailed advice on the design and layout of parking provision including dimensional requirements for all types of spaces, requirements for disabled parking provision, cycle parking standards and advice, and guidance on motorcycle parking.
- 9.2** The above publications should be used, in conjunction with this SPD, when creating an integrated development proposal.
- 9.3** This chapter provides locally specific guidance, in terms of which types of provision work best, and provides an overview of the more specific design details. The following guidance should be followed when creating a development proposal.

Vehicle Parking

- 9.4** Unallocated parking will be the preference for most developments, and some unallocated parking should be included in all residential layouts, where possible.
- 9.5** On-street parking is a significant issue in Stevenage with many cars still parking on the street. This is often despite there being dedicated spaces allocated. The reasons for this include:
- Allocated parking does not always allow for differing levels of car ownership between different properties, and over time. Some dwellings have a higher level of car ownership than their allocated number of spaces, and some may have less/not own a car meaning their spaces may be completely unused.
 - Available spaces are not in a convenient location i.e. not situated next to the property. Evidence⁽¹⁰⁾ shows that car owners prefer to park as near to their dwellings as possible, both for convenience, and for security reasons, so that parked cars can be overlooked.
- 9.6** Unallocated parking may provide a solution to these problems by offering a more flexible approach. Unallocated parking allows for differing levels of car ownership at different properties and over time, and provides for the needs of both residents and visitors. It can also provide the opportunity for spaces to be used for non-residential use during the daytime.
- 9.7** Unallocated off-street parking should be designed to be well integrated with the overall site layout. Spaces should be overlooked by nearby dwellings, ideally provided at the front of properties, but without being allowed to dominate the development. If blocks of parking are to be provided, these should be as small as possible, and should be dispersed through the development area, to allow for convenient and safe use.

9 Roads in Hertfordshire: Highway Design Guide, 3rd Edition, 2011

10 Urban Design Compendium, Homes and Communities Agency

- 9.8** Where allocated parking is to be provided, the layout and design of this should be carefully considered. Each space should be located in close proximity to its associated dwelling, but should not be allowed to dominate the street scene.
- 9.9** Developments should be designed with layouts which ensure that additional on-site provision cannot easily be achieved informally (to the detriment of amenity). However, designing developments to achieve these objectives should not compromise other residential design principles.
- 9.10** Parking provision should be designed in line with Secured by Design objectives⁽¹¹⁾. Parking should be overlooked by nearby properties to create a high level of natural surveillance. Where security may be an issue, car parking areas should also be well lit throughout the night.
- 9.11** Guidance within Manual for Streets and the Stevenage Design Guide SPD should be referred to for further details on the design and layout of car parking.

Garages

- 9.12** Garages should be located close to the property that they serve. Segregated garage courts should be avoided. Experience of these within Stevenage shows that they are often not well used, and create dead frontages and security concerns.
- 9.13** The Manual for Streets recognises that, in some developments, less than half the garages are used for parking cars; many are used primarily for storage or have been converted to living accommodation. To take this into account, a minimum size requirement for garages has been set within this SPD. Garages that do not meet these dimensions can be provided, but these will not be counted towards car parking provision.

Motorcycle parking

- 9.14** Designated motorcycle parking provision should be provided close to the use it is serving. This will help to avoid the informal use of vehicle and cycle parking spaces, or other areas close to the building curtilage.
- 9.15** Parking spaces specifically for motorcycles are not required for residential development as standard, as in most cases spaces for cars can be used. Where designated spaces are provided, these should ideally be covered, to increase security and allow for protection against the elements.
- 9.16** Manual for Streets sets out the recommended dimensions for effective motorcycle parking.
- 9.17** For further, more detailed, advice on parking provision for motorcycles, the guidance issued by the Institute of Highways Engineers should be followed.

11 Secured by Design: The Official Police Flagship for Security and Designing out Crime
<http://www.securedbydesign.com>

10 Accessibility Contributions

- 10.1** Policy IT3 of the Local Plan states that 'where appropriate, conditions, legal agreements or other mechanisms will be used to ensure that development is phased to coincide with the delivery of infrastructure.'
- 10.2** In line with this requirement, planning obligations will be sought to enable improvements in accessibility to a site by all modes (with an emphasis on walking, cycling and passenger transport), where such measures would be likely to influence travel patterns to and from the development site.
- 10.3** Individual site circumstances will determine the nature of the planning obligations required, but schemes can include initiatives such as improvements to bus services and cycle routes, highway improvements, parking improvements around the site and car-share schemes. The Draft Growth & Transport Plan for Stevenage provides some guidance on the larger scale schemes proposed for Stevenage, and, where appropriate, may be used as a guide when requesting planning obligations for new development.

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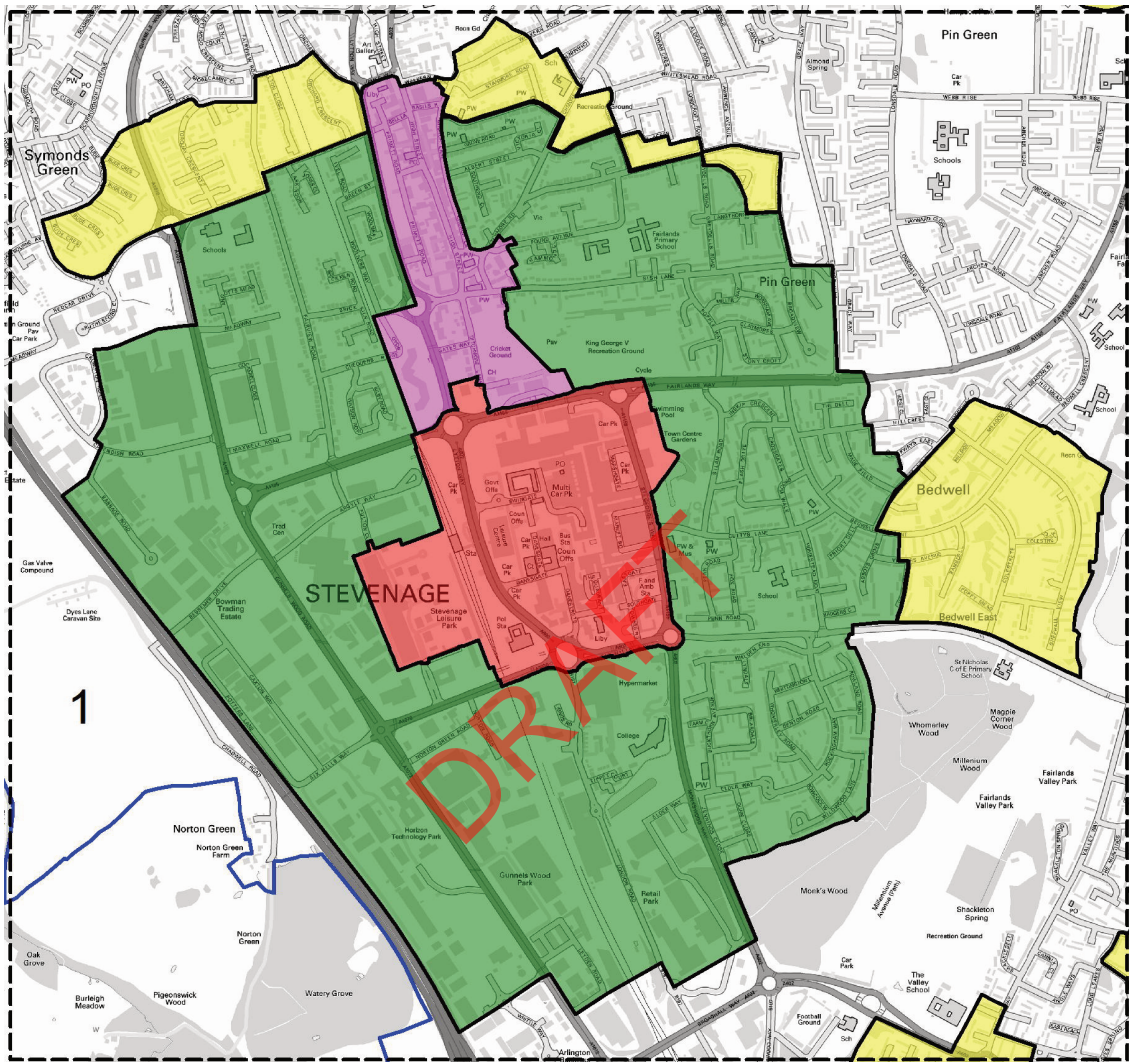
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Appendices

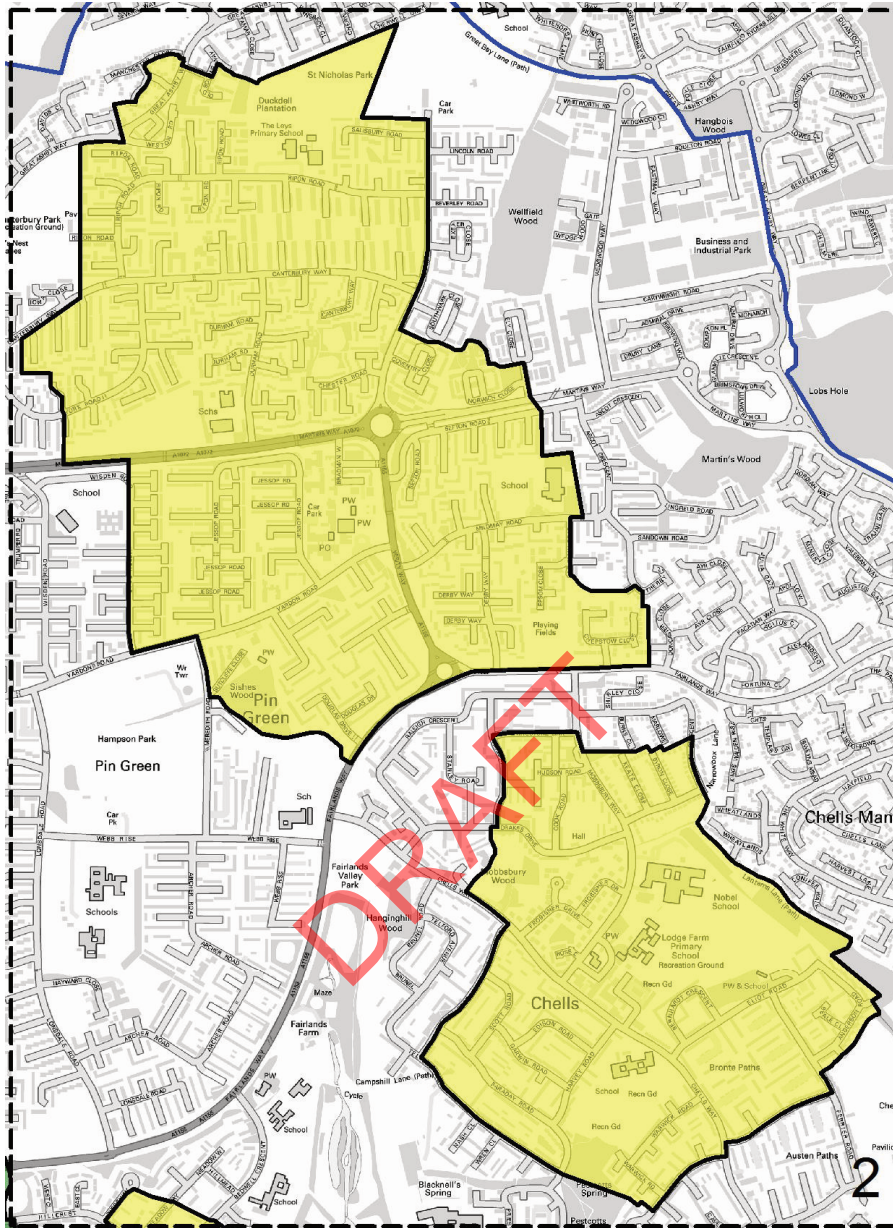


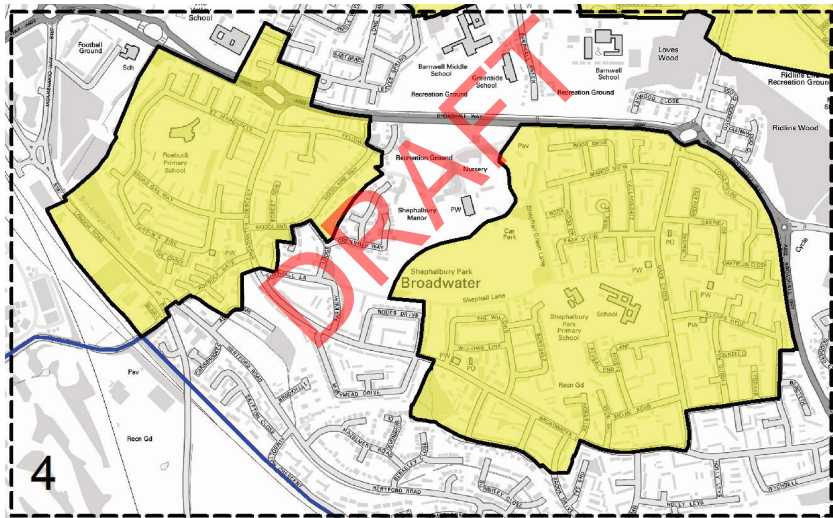
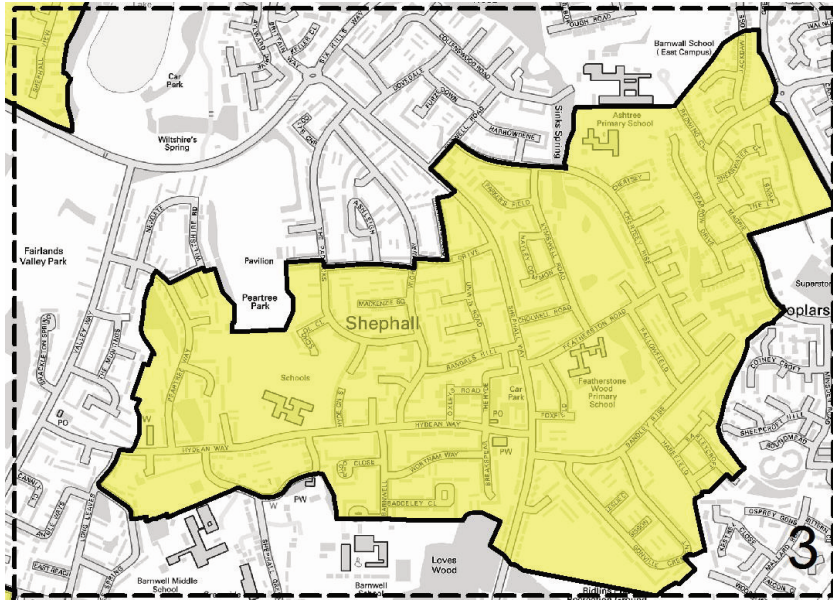
Appendix 1 Accessibility Zones

Residential Accessibility Zones Inset Maps

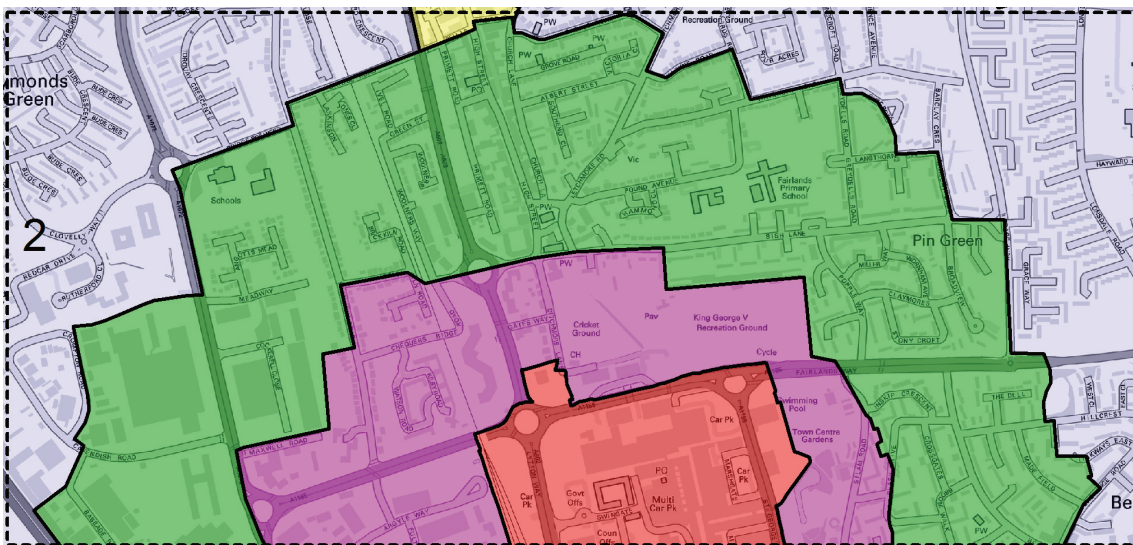
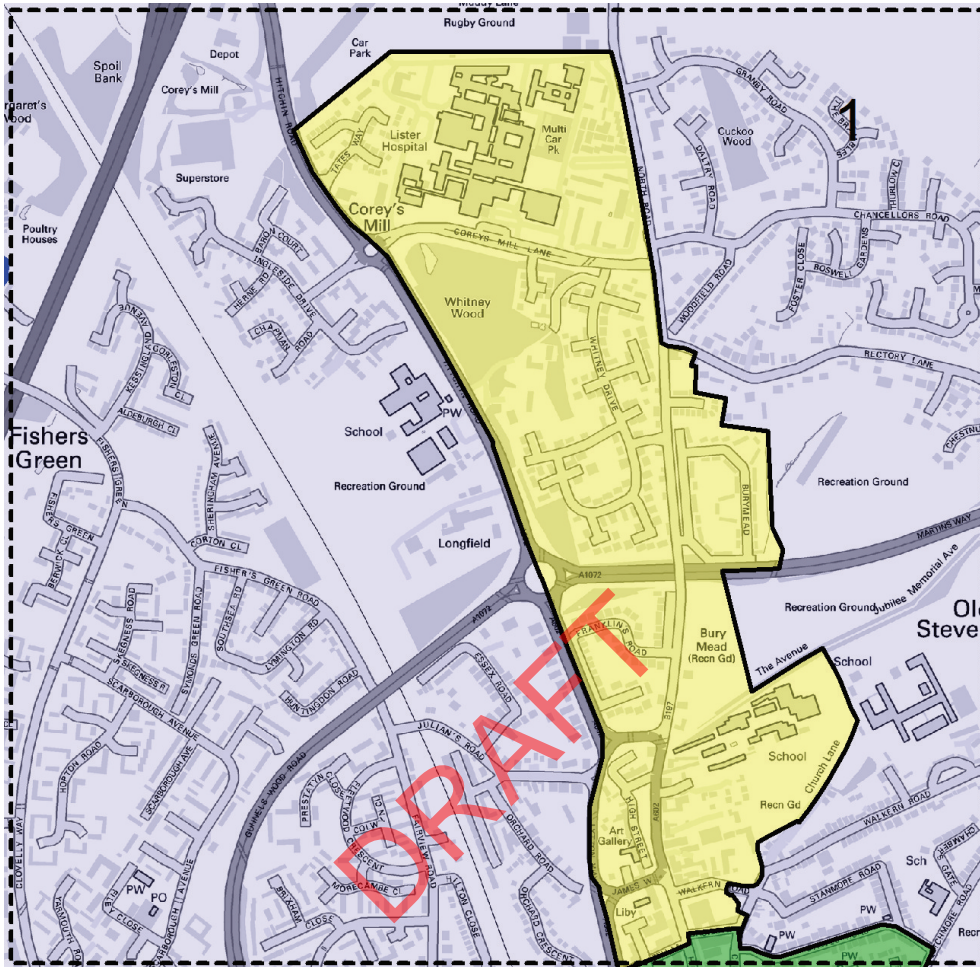


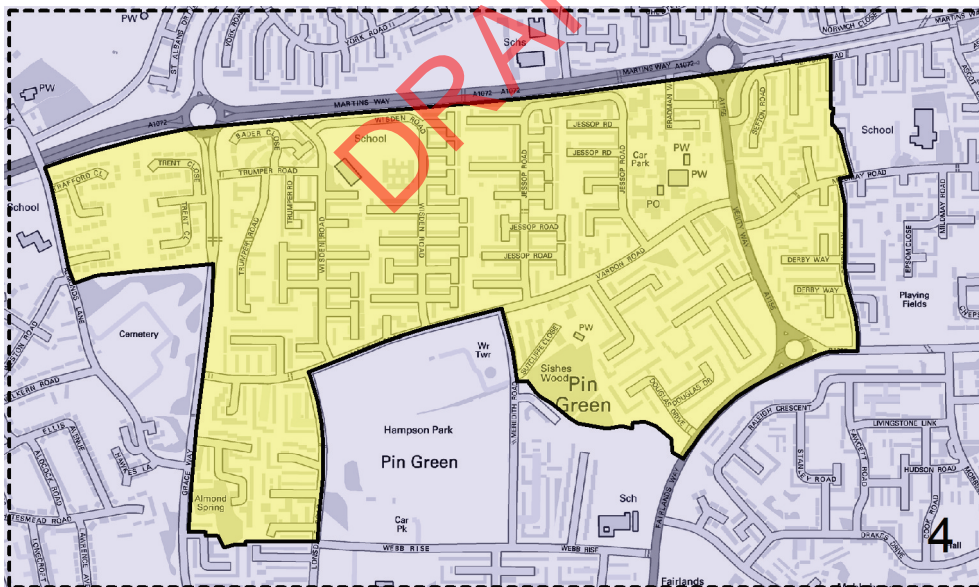
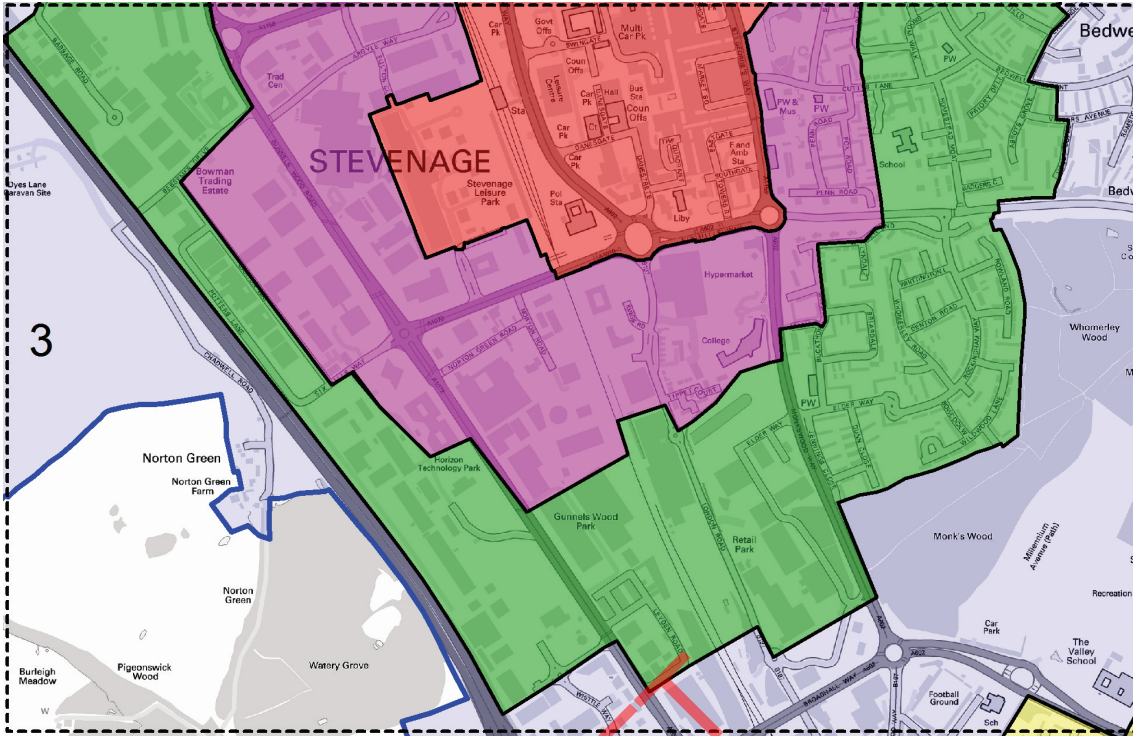
Accessibility Zones



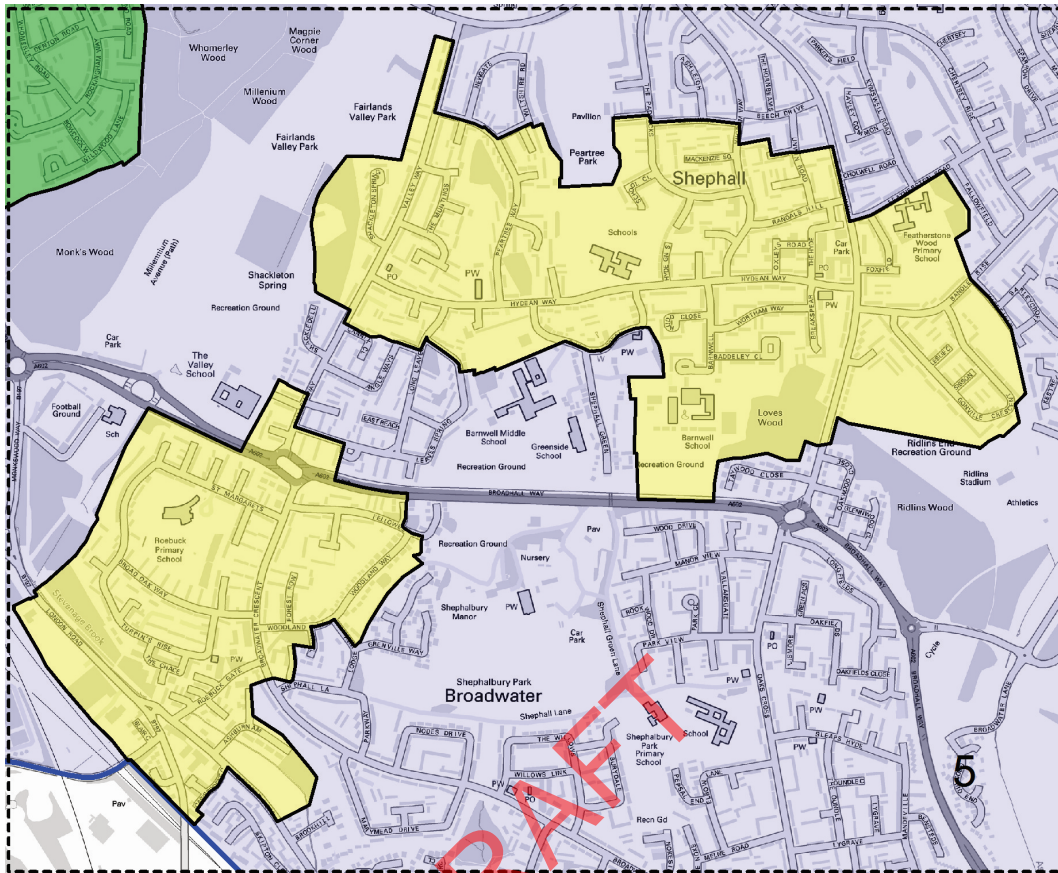


Non-residential Accessibility Zones Inset Maps





Accessibility Zones



The zoning process

The zoning process used in this SPD is broadly based on the methodology used within the HCC Best Practice Guide on Parking Provision at New Development (March 2003). It involves assessing different areas within Stevenage according to how closely they meet accessibility criteria.

Separate maps have been produced for residential and non-residential development, as the criteria which determine car ownership/use levels for each of these is different. For non-residential development, the accessibility of the site in terms of passenger transport accessibility is the main determinant of whether or not people can use non-vehicle modes of transport. Residential accessibility does depend on these criterion; however levels of car ownership may not necessarily be lower just because there is good passenger transport. Residential car ownership also depends upon access to primary schools and access to shops and other services/facilities found within shopping areas.

Criteria for residential accessibility zones

The residential Accessibility Zones were based on a series of criteria with the exact areas taking account of the following:

Town Centre Zone

- The Town Centre, as defined on the Policies Map of the adopted Stevenage Local Plan

Zone 1

- The remainder of the primary retail/leisure core.

Zone 2

- Excellent passenger transport - within 1200m of the train and bus stations.

Zone 3

- Within 400m of a primary school and a district, local or neighbourhood centre, as defined on the Policies Map of the adopted Stevenage Local Plan.

Areas within Zone 1 are most likely to have lower levels of car ownership, as they have access to local facilities as well as the ability to easily travel outside of the Borough by passenger transport, to access facilities and jobs in other towns.

Criteria for non-residential accessibility zones

The non-residential Accessibility Zones were based on a series of criteria with the exact areas taking account of the following:

Zone 1

- Within 800m of bus and train stations

Zone 2

- Within 1200m of bus and train stations

Zone 3

- At least one bus every 5 minutes; and
- At least 6 routes available

Zone 4

- All other areas

Good access by passenger transport means that employees can travel more easily, and are therefore more likely to travel, by passenger transport rather than in a private car. In these locations, developers can encourage lower levels of car use effectively through minimising car parking provision.

The criteria used to calculate the accessibility of an area (by non-car modes) have been chosen to reflect local characteristics, and to designate areas where lower levels of car use/ownership are/could be likely. The criterion (within the Best Practice Guide) on the attractiveness and availability of pedestrian and cycle routes, for example, has not been included, as cycle routes and pedestrian routes exist across the town and are very similar throughout.

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Meeting Executive
Portfolio Area Environment and Regeneration
Date 12 February 2020



STEVENAGE BOROUGH COUNCIL CLIMATE CHANGE & ENGAGEMENT UPDATE

KEY DECISION

Author Tom Ridley | 2823
Lead Officer Zayd Al-Jawad | 2257
Contact Officer Tom Ridley | 2823

1 PURPOSE

- 1.1 To provide Members with an update on the climate change work and engagement.
- 1.2 To provide Members with an overview of the draft Climate Change Strategy and accompanying documents and to note feedback from the consultation will be brought before the Executive later in the year.
- 1.3 To endorse cooperative engagement with Businesses and the Citizens Panel.
- 1.4 To seek Members' approval to carry out public consultation on the draft Climate Change Strategy, Charter and Community Pledges.

2 RECOMMENDATIONS

- 2.1 That the content of the draft Climate Change Strategy, Charter and Community Pledges be noted.
- 2.2 That the Executive approve publishing the draft Climate Change Strategy, Charter and Pledges for consultation from 18 February 2020 for five weeks.
- 2.3 That delegated powers be granted to the Assistant Director: Planning and Regulation, following consultation with the Portfolio Holder for Environment and Regeneration, to make minor amendments as are necessary in the final preparation of the draft documents prior to consultation.

3 BACKGROUND

Climate Change: the global position

- 3.1 Climate change refers to the impact on the climate of too many greenhouse gases in our atmosphere, causing accelerated global warming. This is a result of many different human activities such as burning fossil fuels (e.g. gas, coal and oil) intensified agriculture, polluting industrial processes and the clearance of vegetation. Greenhouse gases like carbon dioxide (CO₂) trap heat in the atmosphere which would otherwise escape into space.
- 3.2 The levels of carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) now exceed both atmospheric and ice core recorded concentration levels for the last 800,000 years. Fossil fuel emissions as well as changes to how land is used have caused carbon dioxide levels to rise by 40% since the pre industrial era.
- 3.3 Since the mid-20th century, changes in terms of sea levels and temperatures have had substantial effects on the climate system. Consequently, the polar ice caps are rapidly melting and there are increasing at risks of worldwide crop failure and weather extremes. In order to avoid climate breakdown everyone must commit to deep and rapid emissions reductions, the creation of new carbon sinks, and bring down atmospheric greenhouse gas levels from 400 parts per million (ppm) to below 350ppm globally. This will involve scaling up current efforts to combat climate change significantly.
- 3.4 It is now recognised by the majority of the scientific community that “business as usual” in terms of human activity is no longer an option. If we continue to emit greenhouse gases at current rates we are set for at least a 4 degree increase in global surface temperatures which is far beyond what is considered climate safe.
- 3.5 In 2015 the United Nations member states adopted the sustainable development goals. This was in response to growing concern among the international community that rapid and uneven economic, social and environmental development round the world was having detrimental impacts on people’s lives and the planet. All 17 goals are interlinked and act as a framework for a better future for all, focussing on equality, a climate safe future and global peace and justice. This is the starting point for member nations to assess and reduce their own carbon emissions and impact on climate change.

The UK Position

- 3.6 The UK government has made a commitment, under the 2015 Paris Agreement, to achieve a 'net-zero' target by 2050. Net zero refers to achieving an overall balance between emissions produced and emissions taken out of the atmosphere.
- 3.7 The agreement is considered realistic and rational, but requires a transnational, multi-faceted approach at all levels. This is a crucial time in the global effort to tackle climate change. The global average temperature has already risen by 1°C from pre-industrial levels, driving changes in our climate that are increasingly apparent. Net-zero in the UK would lead the global effort to limit the rise to 1.5°C. The Committee on Climate Change for the UK have stated a target of 'net-zero' by 2050 which although achievable, will rely on clear and well-designed policies being implemented and enforced across the country.
- 3.8 The UK public are also increasingly concerned with climate change, with an August 2019 Ipsos MORI polling showing 85% of Britons are now concerned about climate change. With the majority (52%) very concerned – the highest levels Ipsos MORI have recorded since they began tracking concern in 2005

Stevenage Borough Council

- 3.9 On the 12th of June 2019 Stevenage Borough Council (SBC) declared a climate emergency. This was in recognition of the need to urgently increase efforts to reduce greenhouse gas emissions. The Council's role as a land and asset owner, a regulator and as an agent for change will be addressed. The battle against climate change goes beyond reducing single use plastic and planting more trees. Although these things are extremely important, the Council must also consider factors such as improving energy efficiency, transforming transport, protecting biodiversity and ending fuel poverty. The Council must nurture the sense of social responsibility which has come as a result of collective action in recent years and set firm goals for reducing emissions.
- 3.10 Stevenage is well placed to become a carbon neutral town and has committed to becoming carbon neutral by 2030. Our residents and businesses care about climate change and are already taking action within their communities. The town boasts an outstanding town-wide cycle network, excellent rail links, open green space and is home to an impressive range of small and global tech-based industry.
- 3.11 The climate emergency declared by SBC in June 2019 is recognition that the Council must accelerate our response to tackle the issues. Urgent efforts must be made by the Council along with the town's residents and businesses to halt carbon emissions and remove the greenhouse gases from the atmosphere to prevent unsustainable global warming. A failure to act may result in catastrophic sea level changes and increased intensity and frequency of natural disasters.
- 3.12 While we have been working on ideas that the Council can lead on and potential possibilities for the community. We want to collaborate and coproduce the Strategy and Action Plans. As such we have been liaising with

key stakeholders and technical experts to better understand our current carbon position and what some of the most effective solutions might look like.

- 3.13 We have started an on-line digital engagement programme with interested people. During the proposed consultation on these first initial drafts of the documents we have a series of meetings and events planned with schools, youth and faith groups alongside an engagement programme targeting as wide a group of people as possible. The culmination of this first phase will be in an initial Citizen Panel in the next month and a main Citizen Panel in June to review the ideas so far. The panel would have a technical climate change advisor to support them.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

Recommendation 2.1: That the content of the draft Climate Change Strategy, Charter and Community Pledges be noted.

- 4.1 Since the declaration, officers have been working internally and externally with local interest groups and academics. Climate change must be a consideration in all decisions and actions undertaken by the Council. The Council also recognises that it not only has a role in reducing its own emissions, but also as an influencer and leader in the community.
- 4.2 There has been a Portfolio Holder Briefing Group and the first Climate Change and Sustainability Member working group to inform the work so far.
- 4.3 The work so far has included discussing potential measures the Council, businesses and residents can take to reduce their carbon output. To date these measures have included introducing a number of community orchards and tree planting, installing cycle hangers, and the Refill Stevenage project, where people can refill their own bottles of water.
- 4.4 While these projects are all worthwhile, the Council requires an overall vision which can influence and lead the response to the climate change declaration. Nationally, councils are starting the process through the production of a 'Climate Change Strategy'. These documents are in general conformity and contain the same information as a starting point for action.
- 4.5 In order to align with other councils both in Hertfordshire and nationally, the Council has consulted with Friends of the Earth and climate change academics for guidance to produce a draft Climate Change Strategy (CCS) for Stevenage. In addition at the most senior levels we are working on County wide initiatives and best practice to ensure we have the widest impact.
- 4.6 This has resulted in the production of four documents which include; the draft CCS (Appendix A) which contextualises the global climate emergency and sets out what action needs to be taken by the Council to support the ambition of achieving net zero carbon emissions by 2030. A Business Charter (Appendix B) and Community Pledges (Appendix C). A Member working group has also been established to guide and oversee the progress as well as monitor success.

- 4.7 The Executive are asked to note the content of the CCS, Business Charter and Community Pledges. Broad overviews of the documents are presented below.
- Climate Change Strategy,*
- 4.8 The CCS is the starting point for the Council and outlines the known data on greenhouse gas emissions in Stevenage. This includes emissions across the town as well as for the Council's own activities providing an important baseline. The CCS also presents what must change to support the aspiration of achieving carbon neutrality by 2030. The CCS outlines the areas the Council needs to focus on in order to reduce its own carbon footprint and to engage residents and businesses in an active cross-town commitment to reduce Stevenage's contribution to climate change.
- 4.9 The document outlines the action that the Council should undertake in partnership with local stakeholders, to reduce greenhouse gas emissions. Through further consultation and development in 2020 it will evolve into a more comprehensive vision which takes into account the action being taken across the town by a wide range of stakeholders. This will help ensure that future policy making in the area is truly "joined-up" avoiding duplication, capitalising on collaborations and increasing investor confidence in Stevenage as a leader in town-scale action on climate change.
- 4.10 The targets and the data presented in the CCS focus primarily on direct use and the associated CO₂ emissions, from homes, other commercial and industrial buildings, transport and waste. The Strategy focuses on these direct activities, but also recognises the need to better understand and reduce indirect emissions. The power to make change through consumer habits must also be highlighted and will be further explored such as fast fashion or long distance food transportation.
- 4.11 After identifying the baseline emissions, the focus of the CCS is on climate change mitigation, i.e. reducing greenhouse gas emissions (particularly carbon dioxide (CO₂), as well as methane (CH₄), nitrous oxide (N₂O)), identifying action to address how the borough sources, consumes, and produces energy. However, in mitigating CO₂ emissions, the Council will influence, and be influenced by a range of other issues and strategies including energy security, fuel poverty, climate adaptation and resilience.
- 4.12 The CCS will need to be well integrated to reduce duplication, share resources and costs, and maximise co-benefits across the Council and the County. The issues of energy reduction and low carbon life style transitions effect almost every department within the Council and require a holistic approach across all tiers of government. As a borough council our main priorities must be energy efficiency for our assets, our vehicle fleet and particularly our housing stock.
- 4.13 Departments across the organisation are working towards reducing emissions, championing green spaces and improving the built environment and this is why a joined up approach is vital.
- 4.14 The council has produced the CCS as a starting point for consultation with businesses and residents. It doesn't and isn't meant to provide all of the solutions or actions the Council will undertake to combat climate change or

reach the 2030 carbon neutral target at this stage. Instead it is a document which aligns with local and national CCSs which aim to set the baseline locally, enable discussion and set out the Council's vision for 2030. It is the discussions and actions that stem from the CCS that will achieve the zero carbon by 2030.

Action Plan

- 4.15 The Action Plan will accompany the baseline data and vision set out in the CCS. It will remain as a 'live' document which will be periodically updated. The political power and economic ability to tackle Climate Change at the borough level is likely to change significantly over the next decade. With new innovative 'best practice' being constantly developed, it is important that the way the Council deal with mitigation and adaption is scrutinised, measured and held accountable in order to ensure the most appropriate action is taken.
- 4.16 These actions are not yet costed and are currently at an early feasibility testing stage. Actions are currently divided into the business units which would be responsible for their implication. It is important to share these ideas with the community at this early stage to aid discussion. The Action Plan could also be extended to include community or business actions as the plan evolves and through consultation.
- 4.17 It is important that at this early stage all ideas and proposals are considered and tested. The Council wants to work with the community and has not ruled out any actions at this stage. This work will evolve through consultation and work with the Citizens Panel.

Business Charter

- 4.18 The Charter is about uniting the local business community and bringing about systemic change, to build a more sustainable future not only in Stevenage but through their supply and delivery chains. Some of our businesses have a global reach and the Council will be discussing climate change needs, solutions and options with the business community.

Community Pledges

- 4.19 Climate change reductions are not only about what the Council and businesses can do. To be effective there are everyday small changes everyone can make to their lifestyle or everyday choices.
- 4.20 The Community Pledges is a 'living' list of 40-50 changes residents can pick from to make their own list of 5 or 10 things they can do right now to support carbon reduction. These range from reducing the purchase of fast fashion, long haul flights and car usage, to shopping locally, recycling more and driving less.

Recommendation 2.2: That the Executive approve publishing the draft Climate Change Strategy for consultation from 18th February 2020 for five weeks.

- 4.21 The Executive is asked to approve the publication of the draft CCS in order to consult residents and businesses on the Council's strategy and proposals. It

is vital that the consultation is correctly carried out to ensure residents and businesses understand what the Council is trying to achieve, why and how they can input.

- 4.22 The CCS cannot progress without consultation at this stage as it is imperative that the Council is progressing in an open and transparent manner that gives the community ownership and input into the process. The Council has consulted with Friends of the Earth and academics who specialise in climate change and climate change strategies who have supported the Council's broad approach. At this stage the CCS should not be viewed as a finished document and will evolve after consultation.
- 4.23 A CCS is not a statutory document and no formal consultation process exists. Officers request the Executive approve the consultation to run from 18th February 2020 for five weeks. The consultation will follow the Council's Community Engagement Framework, while the Council has also met with local environmental organisations.
- 4.24 The Consultation will give an opportunity for residents and businesses to provide feedback and comments on the strategy. It will also be an opportunity to publicise the positive actions the Council is taking to reduce the causes and impacts of climate change.
- 4.25 The Charter and Community Pledges are not being formally consulted upon as they are live documents, however they are an important tool for us to support businesses and residents and as such will be shared extensively.

Recommendation 2.3: That delegated powers be granted to the Assistant Director: Planning and Regulation, following consultation with the Portfolio Holder for Environment and Regeneration, to make minor amendments as are necessary in the final preparation of the draft Strategy prior to its consultation.

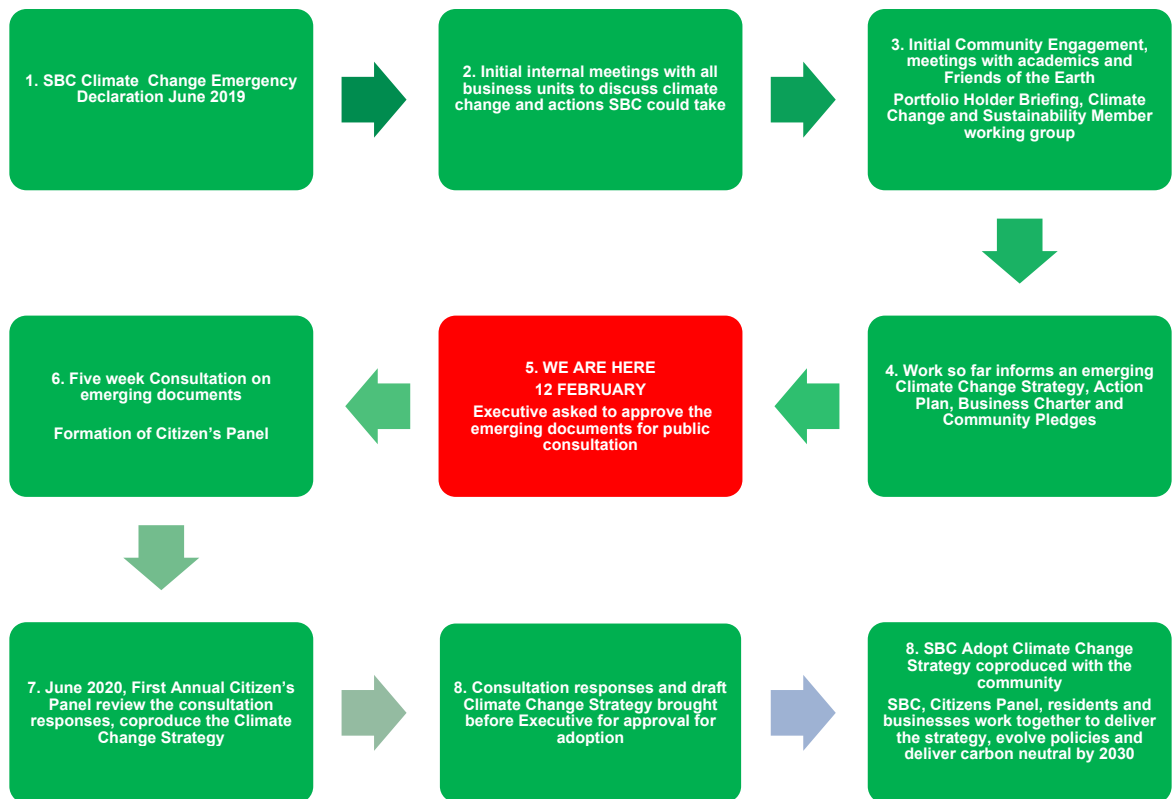
- 4.26 The draft CCS is appended to this report. However, it may be necessary to make minor changes prior to the consultation start date. This might include cosmetic adjustments, the correction of typographical errors and any minor factual changes.
- 4.27 It is recommended that any such amendments be approved via delegated powers.

Next Steps

- 4.28 Following the five week consultation, the Council will consider the consultation responses, produce a consultation document stating the main issues raised by respondents, and summarise how the issues have been addressed by the Council.
- 4.29 In the summer, the responses to the CCS consultation and wider public engagement will go to before the Citizen's Panel for consideration. The Panel, supported by a technical advisor will make a recommendation on the ideas for the CCS and Action Plan. This will come back to the Executive via

the Member working group to seek approval to adopt the CSS and the Action Plan.

4.30 Time Table:



5 IMPLICATIONS

Financial Implications

- 5.1 The costs associated with producing and consulting on the draft CCS will be met from the agreed departmental budget, supported by the 2020/21-2021/22 Climate Change growth bid recommended for inclusion in the General Fund budget in the General Fund Budget report to the February Council.
- 5.2 Additional resources to meet climate change initiatives emerging from the Council's climate change agenda are currently not funded and will require either business cases, bidding for external resources, incorporating with current agendas such as the Locality Reviews and/or future growth bids as part of the Council's budget setting process.

Legal Implications

- 5.3 There are no direct legal implications associated with consulting on the emerging CCS.

Risk Implications

- 5.4 There are no risks identified with consulting on the draft CCS.

Policy Implications

- 5.5 The emerging CCS has been produced in consultation with all business units within the Council services.
- 5.6 Therefore, the document should be aligned with all other corporate Council documents. Further consultation will be held with all business units during the public consultation and further stages to ensure any policy implications are understood.

Planning Implications

- 5.7 There are no planning implications at this stage.

Climate Change Implications

- 5.8 The emerging CCS has the potential to have a significant positive impact on climate change through the multiple benefits and opportunities outlined in the strategy.

Equalities and Diversity Implications

- 5.9 A brief Equality Impact Assessment has been undertaken for the CCS and potential positive and negative equality or diversity implications have been highlighted. A full Equalities Impact Assessment will be developed as the engagement around the CCS progresses.

Community Safety Implications

- 5.10 Whilst the emerging CCS does not have any direct community safety implications itself, when implementing any of the proposals the delivery body will need to consider any potential impacts on community safety.

BACKGROUND DOCUMENTS

- BD1 Future Borough, Future Council 2018-23
- BD2 Stevenage Borough Local Plan 2011-2031
- BD3 Future Borough, Future Transport 2019
- BD4 The Open Space Strategy 2015
- BD5 Biodiversity Action Plan 2017-2022
- BD6 Stevenage Re-Imagined: A Ten-Year Arts and Heritage (Cultural) Strategy

APPENDICES

- A Draft Climate Change Strategy
- B Draft Charter
- C Draft Community Pledges
- D Brief Equalities Impact Assessment

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Emerging Climate Change Strategy Consultation February 2020



Stevenage declares a
Climate Change
Emergency
We would like your opinion!

Stevenage
BOROUGH COUNCIL

The graphic features a central image of the Earth (globe) with a reflection below it. The globe is positioned on the right side of the graphic. The background is divided into several colored sections: a yellow-to-green gradient at the top left, a red horizontal band across the middle, and a teal-to-blue gradient at the bottom left. The text is arranged in a vertical flow on the left side, with the word 'Emergency' in a large, bold, white font on the red band. The Stevenage Borough Council logo is located in the bottom right corner of the graphic.

Foreword by portfolio holder

Climate Change has now reached a point where we must all take immediate action, and with its declaration of a climate emergency in June 2019, Stevenage Borough council is committed to tackling this head on. We have a holistic vision which focuses on cutting our own emissions to net zero and supporting our businesses and residents to do the same by 2030. The Council will now develop a strategy which will set out how we plan to achieve this and the action we all can take which will have the most far reaching impacts. The steps we must take in order to ensure a climate safe future will also have significant positive impacts on our health and wellbeing, as we look to champion warm, energy efficient housing, protection of green space and improved food systems.

Climate Change by its nature is a global issue which requires real change in the way our current globalised production and consumption systems operate. Although it can seem like a daunting task the reality is that locally driven action will be pivotal in realising national and international targets to keep global warming to a level that can continue to sustain life on earth. The current crisis presents an opportunity to prioritise a fair and just transition to a sustainable era of living.

Cllr John Gardner

Emerging Climate Change Strategy

This document will act as a starting point for the development of a resident-led, co-produced Climate Change Strategy for Stevenage. The Council will act as a community leader and facilitate local people and businesses during the decarbonisation process. Through consultation with academics and climate change organisations the Council has taken this first-step to consult with residents and businesses. The resulting feedback will form the basis for collaboration in order to co-produce a dedicated Climate Change Strategy.

This document is a starting point for discussion and provides contextual information and focusses on the Council's proposed approach for tackling climate change. This is a vital strategic task which will consider the role the Council must play as a facilitator for change and advocate for radical transformation of the transport and energy systems, as well as having a robust plan for reducing emission from the Council's own land, buildings, fleet and assets. It is critical that the carbon footprint and wider environmental impacts of all new developments in the town are now considered through planning and residents are informed and empowered to be able to make the meaningful lifestyle changes required for Stevenage to achieve net zero carbon emissions by 2030.

What is Climate change?

Climate change refers to the impact on the climate of too many greenhouse gases in our atmosphere, causing accelerated global warming. This is a result of many different human activities such as burning fossil fuels (e.g. gas, coal and oil) intensified agriculture, polluting industrial processes and the clearance of vegetation. Greenhouse gases like carbon dioxide (CO₂) trap heat in the atmosphere which would otherwise escape into space. Although this is a global issue, urgent efforts must be made by the council along with the town's residents and businesses to halt carbon emissions and remove the greenhouse gases from the atmosphere to prevent unsustainable global warming resulting in catastrophic sea level rising and increased intensity and frequency of natural disasters.

“Business as usual” is no longer an option. As depicted in figure 1, if we as a global community continue to emit greenhouse gasses at current rates we are set for at least a 4 degree increase in global surface temperatures which is far beyond what is considered climate safe.

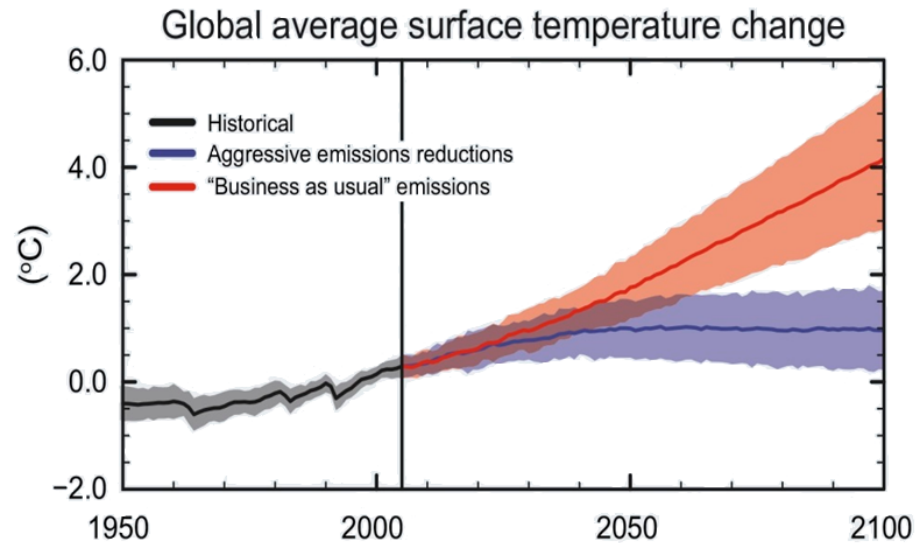


Figure 1: Global Average Surface temperature changes ¹

The levels of carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) now exceed both atmospheric and ice core recorded concentration levels for the last 800,000 years. Fossil fuel emissions as well as changes to how we use land have caused carbon dioxide levels to rise by 40% since the pre-industrial era².

¹ The Royal Society – Climate Change Evidence and Causes, Basics of Climate Change

<https://royalsociety.org/topics-policy/projects/climate-change-evidence-causes/basics-of-climate-change> see also the National Centre for Environmental Information www.ncdc.noaa.gov/cag/global/time-series

² IPCC, 2013: Climate Change 2013: The Physical Science Basis. Contribution of Working Group I to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change www.ipcc.ch/report/ar5/wg1

Since the mid-20th century changes in terms of sea levels and temperatures have had huge effects on the climate system. Consequently, the polar ice caps are rapidly melting, and we are increasingly at risk of worldwide crop failure. In order to avoid climate breakdown, we must commit to deep and rapid emissions reductions, the creation of new carbon sinks, and bringing down atmospheric greenhouse gas levels from 400 parts per million (ppm) to below 350ppm globally. This will involve scaling up current efforts to combat climate change significantly.

The UK Position

The UK has made a commitment, under the 2015 Paris Agreement, to achieve a 'net-zero' target by 2050. Net zero refers to achieving an overall balance between emissions produced and emissions taken out of the atmosphere³. The agreement is realistic and rational but requires a transnational, multifaceted approach at all levels. This is a crucial time in the global effort to tackle climate change. Global average temperature has already risen by 1°C from pre-industrial levels, driving changes in our climate that are increasingly apparent. Achieving net-zero in the UK would lead the global effort to limit the global rise to 1.5°C.

Stevenage Borough Council Position

On the 12th of June 2019 Stevenage Borough Council declared a climate emergency. This was in recognition of the need to urgently increase efforts to reduce greenhouse gas emissions. The council's role as a land and asset owner, a regulator and as an agent for change will be addressed. The battle against climate change goes beyond reducing single use plastic and planting more trees. Although these things are extremely important, we must also consider factors such as improving energy efficiency, transforming transport, protecting biodiversity and ending the reliance on fossil fuels. We must nurture the sense of social responsibility which has come as a result of collective action in recent years and set firm goals for reducing emissions.

³ LSE (Burke 2019) www.lse.ac.uk/GranthamInstitute/news/what-is-net-zero

Stevenage is well placed to become a carbon neutral town by 2030 ahead of the UK government target of 2050. Our residents and businesses care about climate change and are already taking action within their communities. We boast an outstanding town-wide cycle network, excellent rail links, substantial green spaces and are home to an impressive range of small businesses and lots of tech-based industry who can be at the forefront of reducing emissions and green innovations. Building on our 2009 Climate Change Strategy⁴, in June 2019 Stevenage Borough Council declared a climate emergency, and this strategy outlines the measures we are putting in place to ensure we achieve this ambition⁵. For Stevenage Borough Council the climate emergency requires the following action:

- Continue to reduce the council's building and fleet emissions through developing and investing in carbon reduction projects and update our Carbon Management Plan annually.
- Reduce emissions through updating and futureproofing the Council's housing stock and working with tenants.
- Continue to support residents and businesses in Stevenage to reduce their emissions using the powers and funding currently available to the Council.
- Establish a Stevenage Climate Charter calling on all organisations, businesses and individuals in the town to each establish their own Carbon Management Plans and to commit to reducing their carbon emissions working towards our town's net carbon-zero aspiration.
- Establish a Stevenage Citizens Panel to coproduce a Climate Change Strategy and monitor the town's progress on Climate Emergency Actions against targets set by both the Council and other stakeholders.
- Continue to work with the Hertfordshire Sustainability Forum, the Hertfordshire Waste Partnership and Hertfordshire Infrastructure & Planning Partnership to promote and advocate joint measures and actions to meet our aspirational targets.
- Advocate to Hertfordshire County Council and Central Government for actions that will help achieve a carbon neutral Stevenage and UK by 2030.

⁴ A Climate Change Strategy for Stevenage 2009 www.stevenage.gov.uk/content/15953/34508/34511/27759

⁵ Stevenage Borough Council – climate change emergency motion <https://democracy.stevenage.gov.uk/mgAi.aspx?ID=7367>

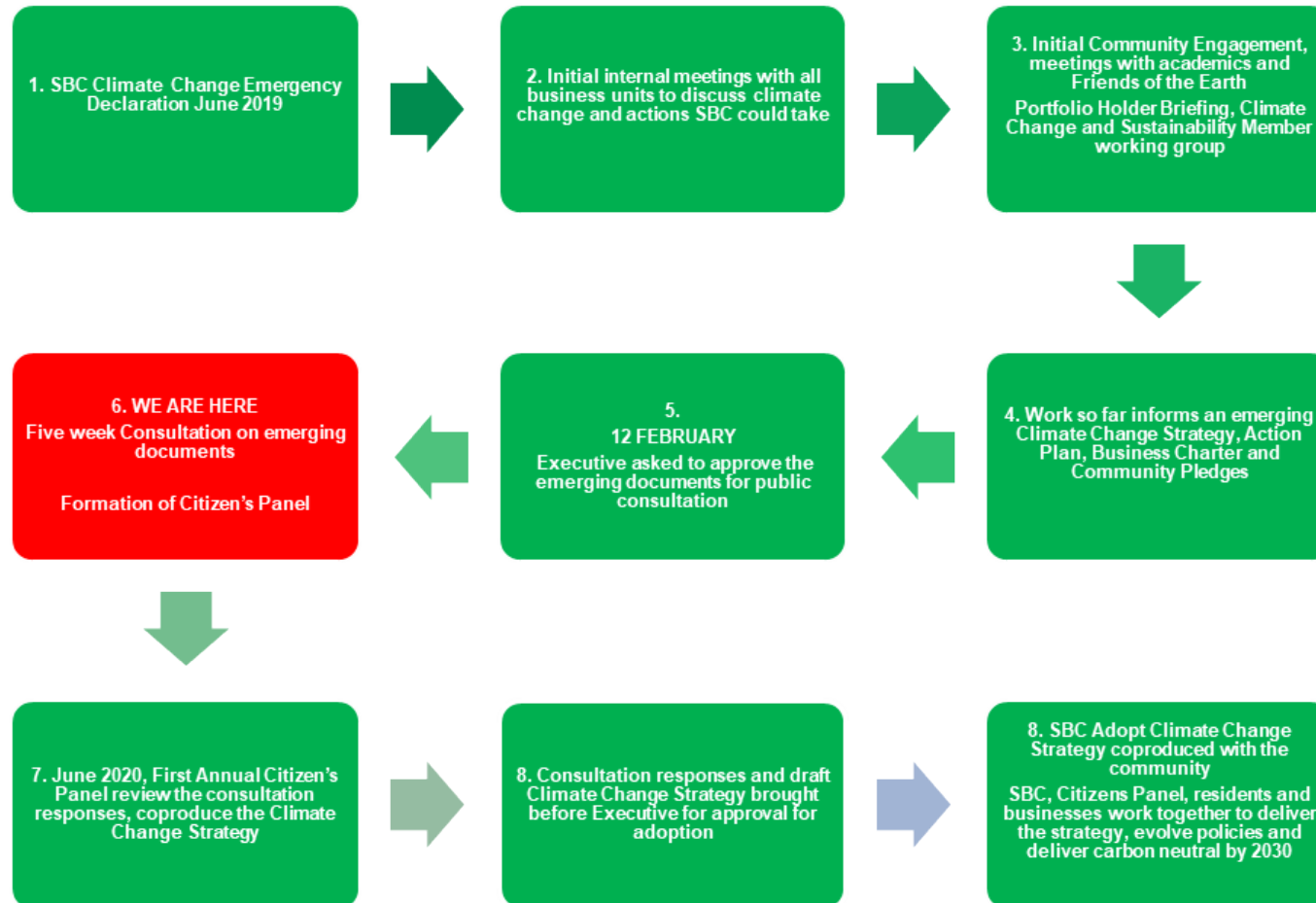
To achieve these aims Stevenage Borough Council will be implementing a clear framework and working in partnership both with residents and businesses across the town along with Hertfordshire County Council and our neighbouring councils across the county to identify both direct and indirect sources to reduce greenhouse gas emissions. Where action needs to be taken beyond the powers and functions of the council, we'll raise our voice on behalf of our residents and businesses to pressure national government to take decisive action.

Our vision for change

The next stage is to work with our community and set up a Stevenage Citizens Panel which will be formed to represent the community. A coproduced Climate Change Strategy will then be prepared with a focus on the following:

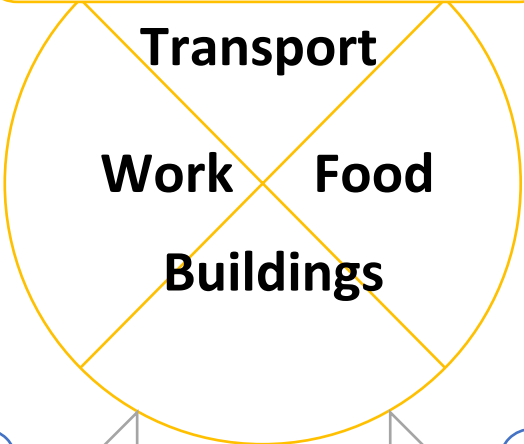
- Why this is a global issue which is already having far reaching consequences both for Stevenage and worldwide and what radical changes are to be made in the effort to reduce emissions.
- A breakdown and understanding of the emissions, building up a detailed picture of Stevenage's outputs.
- 'Get our house in order' - ensuring Stevenage Borough Council is reducing greenhouse gas output and achieving carbon neutrality by 2030 across all its buildings and services
- Advocating for and facilitating real change - Stevenage Borough Council lobbying for more drastic action at central government and county levels.
- Resident led approach - the response to the climate change emergency will be resident led which means the community will be fully involved throughout the process.
- Working with businesses and local stakeholders' efforts to shrink their carbon footprints.
- Promote equality – the council will utilise this opportunity to improve our residents quality of lives, by striving to end fuel poverty, improve the built environment to encourage the shift to active travel and ensure healthy plant based food is available throughout the town.
- Monitoring the targets and actions with the Citizens Panels.

The emerging strategy will be accompanied by a living action plan (to be developed with the community) which will lay out specific actions the Council will take to tackle climate change. The Timetable for the project is as follows:



This diagram sets out the Council's approach.

Stevenage Carbon Footprint



Stevenage Residents

Stevenage Businesses

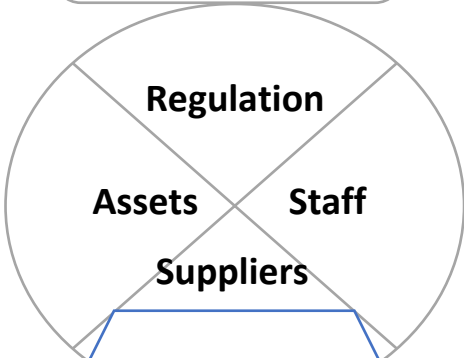


Pledges

Climate Change Strategy / Action Plan

Charter

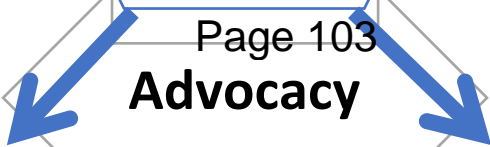
SBC Carbon Management



UK Government

Stevenage Borough Council

Hertfordshire County Council



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The Stevenage
Climate Change Charter

We.....acknowledge that

1. Evidence shows that climate change is occurring.
2. Climate change will have increasingly significant effects on the people, organisations and the environment of Stevenage.

We commit our organisation from this date
to contribute towards tackling climate change by:

1. establishing a baseline of emissions from our activities which contribute towards climate change.
2. assessing the risks to our activities posed by climate change.
3. setting smart, challenging targets for the reduction of greenhouse gas emissions
4. setting smart, challenging targets for the reduction of carbon

5. reporting on the progress and positive impacts we make in taking action yearly.
6. working in partnership with other organisations to address the causes and consequences of climate change throughout Stevenage.
7. assigning responsibly for delivering these actions to our Senior Managers and ensuring everyone within our organisations understands the threat of climate change and the need for action.

Signed:.....

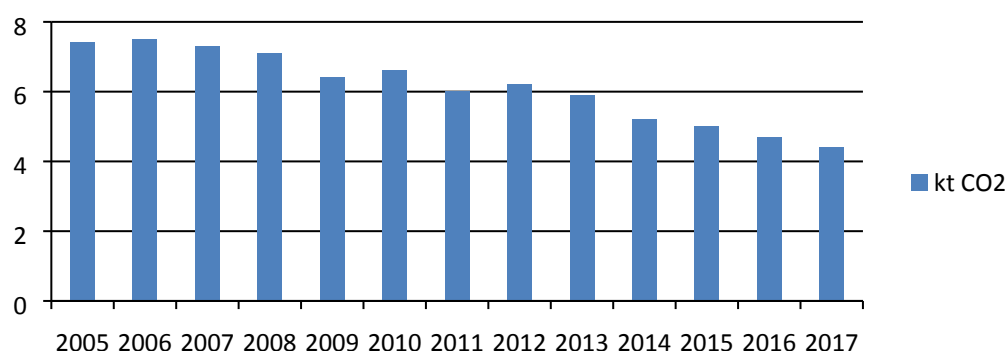
Position:.....

Pledging to help the climate crisis – list of possible actions we can all take

Stevenage's estimated per person (capita) emissions have been declining since 2006 and are one of the lowest in Hertfordshire (2017 figures). Per capita carbon dioxide (CO₂) emissions are calculated by dividing the overall emissions of Stevenage by the population, with most of the reduction over the last decade coming from more efficient and renewable energy use in the town's industrial sector. Whilst this decrease is something to be celebrated, if as a town we are to achieve our target of net zero by 2030, we must each make drastic reductions.

Figure 1:

Estimated kt CO₂ emissions per capita for Stevenage 2005 - 2017



Source: UK Department for Business, Energy & Industrial Strategy (BEIS)

While local and national policy on energy is critical, we also want to support and empower our residents to make changes in their everyday life. We want to encourage you, our residents to each pick a few actions that you feel would be the most feasible for you and your family. By committing to these actions, you can ensure you are taking meaningful steps to tackle climate change. **Try and pick at least two from each category.**

Transport

- **I pledge to only use the car for journeys which would take longer to walk than 20 minutes.** *By reducing the mileage of the average new car from 15,000 to 10,000 miles per annum you could save a tonne of CO₂ which would mean you could cut your carbon footprint by 15%.*
- **I pledge to drive in an eco-conscious way.** *If you must drive, avoid unnecessary braking and acceleration. Some studies found that aggressive driving can result in 40 percent more fuel consumption than consistent, calm driving.*
- **I pledge to get public transport to work instead of using the car.** *Taking the bus will cut your transport emissions by more than half when compared to driving. Emission from bus rides are 101 g of CO₂ per kilometre, whilst for an average car its 271g CO₂.*

- **I pledge to give up or cut down long range flying.** *A flight from London to New York produces 986kg CO₂ per passenger which is more than the average citizen produces in a year in the 56 lowest emissions countries.*
- **I pledge to try out cycling.** *The production and energy used through riding bicycles release just 21g of CO₂ per km per person, less than 10% of this 271g for a standard car.*
- **I pledge to not drive to the gym or local shop but cycle, walk or run instead.** *Not using your car for just one mile a day, twice a day, reduces your annual CO₂ imprint by about 76kg.*
- **I pledge to work from home once a week.** *The possible savings if you could avoid a 31-mile (50km) round trip once a week could be as high as 275kg in CO₂ a year.*

Home

- **I pledge to install LEDs in my home.** *By replacing standard lights with LED, you can make huge savings, going from 50 watts of electricity per hour to just 6.*
- **I pledge to ensure the walls and loft of my home are properly insulated.** *Half of heat can escape through uninsulated wall and roofs*
- **I pledge to ensure I have thermostats and controls that allow me to track my energy usage.** *You can save £80 & 320 kg carbon dioxide a year by turning the room thermostat down by one degree.*
- **I pledge to do my laundry at 30°C and to dry it on a washing line or clothes horse.** *By washing your laundry at 30°C and drying it on the line, you produce just 0.6kg CO₂e vs 3.3kg if washed at 60°C and dried in the machine.*
- **I pledge to enquire about switching my energy supplier to renewable.** *By switching to a 100% renewable energy supplier you pledge to make the grid greener. This is essential if the UK is to achieve a carbon neutral status.*
- *heating of 71% if you replace electricity from the grid and 55% if you were to replace your mains gas supply.*
- **I pledge to adjust the power setting on my computer so it goes into sleep mode when I am not using it.** *This usually drops monitor and computer power use down to 1–3 watts approx.*
- **I pledge to turn my devices off once they are fully charged.** *This will stop it continuing to draw from the power source.*
- **I pledge to install a low-flow showerhead to reduce hot water.** *This reduced hot water use can save 158kg of CO₂ per year. Taking shorter showers helps, too.*

Consumption

- **I pledge to start composting my food waste.** *In the UK the average family throws away 22% of their weekly shop, which is worth £800 per year, if you must throw away some non-edible food, make sure you compost it.*
- **I pledge to cut out palm oil.** *The palm oil industry is one of the biggest contributors to the global deforestation crisis.*
- **I pledge to cut out or significantly reduce red meat from my diet.** *According to Zero Waste Scotland, 98% of a cheeseburger's total carbon impact comes from its production. Its waste impact accounts for just 2%.*

- **I pledge to use up my leftovers.** *According to WRAP the savings associated with the reduction in food that could have been eaten amount to around 5.0 million tonnes of CO₂e a year (in 2015 compared to 2007) and this saving is equivalent to taking 2.2 million cars off the road for a year. We must continue to strive to not waste any edible food in our households.*
- **I pledge to join 'Meatless Monday'.** *A Meatless Monday advocate saves about 869kg of CO₂e per year compared to a typical meat eater.*
- **I pledge to say no to fast fashion.** *Buying a new top could have a similar carbon impact as several days' typical power consumption. In the UK, we buy more clothes per person than any other country in Europe – five times what we bought in the 1980s, which creates 1.3m tonnes of waste each year.*
- **I pledge to buying more of my clothes from a charity shop.** *The volume of clothes bought in 2016 rose by nearly 200,000 tonnes to 1.13 million tonnes, causing 26 million tonnes of carbon dioxide emissions from production to disposal according to research by the government's waste advisory body Wrap.*
- **I pledge to choose repair over buying a new product.** *80% of the carbon emitted in relation to a new laptop is released during the manufacturing and distribution processes, so try and get products repaired rather than simply buying new.*
- **I pledge to try to grow my own vegetables.** *Although the carbon savings are nowhere near as significant as switching to a plant-based diet, growing your own vegetables can be a great way to start understanding the food production chain and give you insight into the benefits of eating locally.*

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Brief Equality Impact Assessment

APPENDIX D

What is being assessed?	Climate Change Strategy	What are the key aims of it?	To assess and mitigate the impact on the climate of the council's activities and how to achieve net zero carbon town by 2030		
Who may be affected by it?	Community, Staff				
Date of full EqIA on service area	(planned or completed)				
Form completed by:	Gareth Wall, Tom Ridley, Claire Kenny	Start date	2020	End date	2020
		Review date	Annually		

Explain the potential positive, negative or unequal impact on the following characteristics and how likely this is:			
Age	potential positive Youth and future generations will disproportionately face the burden of global warming	Race	potential positive Possible economic decline from global warming could increase civil unrest and strain community relations
Disability	potential negative The greening of transport, buildings infrastructure and of economic activity has the potential to affect access	Religion or belief	potential positive Possible economic decline from global warming could increase civil unrest and strain community relations
Gender reassignment	potential positive Potential economic decline from global warming could increase civil unrest and strain community relations	Sex	potential negative Climate action has the potential to increase the triple burden on women who disproportionately provide reproductive and community labour as well as workforce
Marriage or civil partnership	potential negative The cost of greening of transport, homes and of economic activity could disproportionately affect single people who have to bear the economic burden on their own, esp women	Sexual orientation	potential positive Potential economic decline from global warming could increase civil unrest and strain community relations
Pregnancy & maternity	potential negative Greening of transport, buildings infrastructure and of economic activity could affect access and work options	Socio-economic ⁱ	potential negative The cost of greening of transport, homes and of economic activity could disproportionately affect lower income families.
Other: low lying properties (geographical)	potential positive rising sea levels and increased frequency of incidents of extreme weather will disproportionality affect	Other: English language literacy ⁱⁱ	potential negative Engagement might exclude those with lower levels of English language literacy

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

What data / information are you using to inform your assessment?	2019 SBC equalities report	Have any information gaps been identified along the way? If so, please specify	There is limited accurate/ up-to-date data on many characteristics given it's been a decade since the last census. A substantial review will be required once the 2021 data is released.
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What further work / activity is needed as a result of this assessment?

Action	Responsible officer	How will this be delivered and monitored?	Deadline
If a negative or unequal (high or low) impact has been identified, you should assess this further in a Full EqIA	Tom Ridley	Development of a full EqIA	Summer 2020

Approved by Assistant Director/ Strategic Director:

Date:

Please send this EqIA to equalities@stevenage.gov.uk

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

ⁱⁱ Also non-statutory,

Meeting Executive
Portfolio Area Communities, Community Safety and Equalities
Date 12 February 2020



LICENSING ACT 2003 - REVIEW OF STATEMENT OF LICENSING POLICY

NON KEY DECISION

Authors Maurice Clay | 2175
Lead Officers Zayd Al-Jawad | 2257
Contact Officer Maurice Clay | 2175

1 PURPOSE

- 1.1 To consider the Council's draft Statement of Licensing Policy as required under the Licensing Act 2003 (the Act).
- 1.2 To note that the draft Statement of Policy was considered by the Council's General Purposes Committee at their meeting on 30th January 2020.

2 RECOMMENDATIONS

- 2.1 That the Executive notes the report and agrees the proposed Stevenage Borough Council Licensing Act 2003 Statement of Licensing Policy 2020-2025 (attached at Appendix A).
- 2.2 That the Executive recommends the Stevenage Borough Council draft Licensing Act 2003 Statement of Licensing Policy 2020-2025 to the Council for adoption.

3 BACKGROUND

- 3.1 The Council is the licensing authority for the purposes of the Act and consequently is under a duty to prepare a Statement of Licensing Policy that it proposes to apply in exercising its functions under the Act. Section 5 of the Act requires licensing authorities to publish such a policy every five years in accordance with prescribed requirements
- 3.2 The Statement of Licensing Policy sets out the general approach the Council will take when carrying out its regulatory role under the Act and promoting the four licensing objectives:
- The prevention of crime and disorder
 - Public safety
 - The prevention of public nuisance
 - The protection of children from harm
- 3.3 Each objective is of equal importance. There are no other statutory licensing objectives, so that the promotion of the four objectives is a paramount consideration at all times.
- 3.4 However, the legislation also supports a number of other key aims and purposes. These are vitally important and should be principal aims for everyone involved in licensing work. They include:
- protecting the public and local residents from crime, anti-social behaviour and noise nuisance caused by irresponsible licensed premises;
 - giving the police and licensing authorities the powers they need to effectively manage and police the night-time economy and take action against those premises that are causing problems;
 - recognising the important role which pubs and other licensed premises play in our local communities by minimising the regulatory burden on business, encouraging innovation and supporting responsible premises;
 - providing a regulatory framework for alcohol which reflects the needs of local communities and empowers local authorities to make and enforce decisions about the most appropriate licensing strategies for their local area; and
 - encouraging greater community involvement in licensing decisions and giving local residents the opportunity to have their say regarding licensing decisions that may affect them.
- 3.5 Licensing authorities are responsible for administering the Act and this function is delegated to the council's General Purposes Committee. The Committee is responsible for considering and proposing the authority's licensing policy through developing a statement of licensing policy prior to its approval by the licensing authority (Full Council), and for taking decisions on specific licence applications or issues.

- 3.6 Statutory guidance for licensing authorities is issued by the Secretary of State under Section 182 of the Act, often referred to as ‘Section 182 guidance’. Licensing authorities have a duty to have regard to this guidance and it should be adhered to unless there is good reason to depart from it. The Section 182 guidance is a comprehensive and useful tool describing the discharge of functions under the Act, including processes for hearings, and is updated periodically.
- 3.7 In shaping a policy, the licensing authority must have regard to the Section 182 guidance as well as giving appropriate weight to the views of the local community. Whilst there is a certain amount of flexibility in setting an approach to making licensing decisions, this cannot be inconsistent with the provisions in the Act. The statement cannot create new requirements for applicants outside of the Act, or override the right of anyone to make an application under the Act, make representations or seek a review of a licence.
- 3.8 The policy takes on additional significance in the event that an applicant challenges or appeals the Council’s decision on a specific application. At this point the Magistrates court will adopt the licensing authority’s policy as if it were its own.
- 3.9 The Policy seeks to strike a balance between the interests of licence holders, applicants and residents in the promotion of the licensing objectives defined by the Act. Additionally, it outlines the licensing authority’s expectations of licence holders in promoting the licensing objectives, whilst advising on the licensing authority’s obligations under the Act, including its interpretation of the Act and/or Statutory Guidance where necessary. The Statement is designed to offer appropriate protection for residents and a streamlined approach to regulation that eases unnecessary burdens on businesses.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

Proposed changes

- 4.1 A limited number of additions and amendments to the existing Statement of Licensing Policy were consulted upon. In all major respects however the format of the new policy reflects that of its predecessor and is in line with central government and Local Government Association guidance and best practice.
- 4.2 The draft policy can be found at Appendix A; all additions or variations from the 2014-2019 policy have been highlighted in grey. There are no changes to the intent or direction in the proposed 2020-2025 policy.
- 4.3 In summary the proposed changes are as follows:
- Licensable activities have been described more fully, earlier in the document.
 - Responsible authorities under the Act have been elaborated.

- Reference has been made to the Council's new cultural strategy.
- The sections relating to cumulative impact, early morning restriction orders and late night levy have been rationalised.
- The section relating to mandatory conditions has been revised and updated.
- Reference has been made to the Council's policy and procedures in respect of child sexual exploitation.
- The section on enforcement has been revised to reflect guidance and outline the proportionate and risk-based approach to be adopted.
- The section relating personal licences has been revised to reflect current requirements in respect of right to work.
- Reference has been made to the Council's policy and procedures in respect of modern slavery.

Consultation

- 4.4 Before determining its policy, the licensing authority must consult the persons listed in section 5(3) of the 2003 Act. These are:
- the chief officer of police for the area;
 - the fire and rescue authority for the area;
 - each local authority's Director of Public Health in England (DPH) or Local Health Board in Wales for an area any part of which is in the licensing authority's area,
 - persons/bodies representative of local premises licence holders;
 - persons/bodies representative of local club premises certificate holders;
 - persons/bodies representative of local personal licence holders; and
 - persons/bodies representative of businesses and residents in its area.
- 4.5 The views of all these persons or bodies should be given appropriate weight when the policy is determined. It is recognised that in some areas, it may be difficult to identify persons or bodies that represent all parts of industry affected by the provisions of the Act, but licensing authorities must make reasonable efforts to do so.
- 4.6 To comply with this requirement, the licensing authority published the draft Policy on a dedicated webpage on the Council's website with details of the consultation period and an explanation of how to make a representation. The page was available between 13th December 2019 and 19th January 2020.
- 4.7 Consultation responses were specifically invited by letter or email from all responsible authorities, all premises licence holders within the Council's area and all organisations listed in Appendix B.
- 4.8 As a result of the consultation exercise only one response was received from the British Beer and Pub Association (BBPA). They stated that they are

encouraged to see mention of partnership working, particularly with regard to Pubwatch both locally and nationally. The Association's specific comments were as follows:

- The Challenge 21 scheme should be highlighted as an example of an initiative that venues can use to ensure that under-age alcohol sales are prevented.
- The need to undertake consultation prior to implementation of an Early Morning Restriction Order or Late Night Levy.
- Clarification required of the Council's policy with respect to recovery of annual fees.

All of these comments have been acknowledged and incorporated in the draft policy attached at Appendix A. The full text of the BBPA response is reproduced at Appendix C.

- 4.9 The draft Statement of Policy was considered by the Council's General Purposes Committee at their meeting on 30th January 2020; the Committee was broadly supportive of the revised policy. Members requested that the section of the policy which describes the Temporary Event Notice (TEN) process be expanded to include a description of the limitations which are placed on TEN applications (this can be found at Paragraph 19.5 of the policy). They also agreed that the title and references to the policy should more appropriately be "Licensing Policy 2020-2025" to reflect the anticipated timing of the adoption of the policy.
- 4.10 Section 5 of the Licensing Act 2003 requires licensing authorities to publish a statement of licensing policy every five years in accordance with prescribed requirements. The adoption of the statement of licensing policy is a non-executive function by virtue of the Act and Statutory Guidance and is reserved for Full Council.
- 4.11 The only alternative option would be to adopt a policy that differs in content and/or extent from the document proposed here, but this would necessitate a further period of consultation. An alternative policy has not been considered as the one proposed here achieves an effective balance between ensuring the promotion of the licensing objectives and avoiding being overly prescriptive or prohibitive to applicants and licence holders.

5 IMPLICATIONS

Financial Implications

- 5.1 Fees under the Licensing Act were fixed by government regulations in 2005 and have not been reviewed since. Premises and club premises licence fees are based on the rateable value of the premises. Whilst the fees set by statute were intended to provide full cost-recovery, they no longer reflect the true costs incurred in administering the Act. The Local Government Association continues to lobby government to encourage review of the fee structure.

Legal Implications

- 5.2 The Licensing Authority has a statutory duty to produce a Statement of Policy under the Licensing Act 2003. Inadequate implementation of the Act would result in lack of clarity and direction for businesses and residents.

Equalities and Diversity Implications

- 5.3 An Equalities Impact Assessment was carried out in connection with the previous review, when no significant impacts were identified to any individuals or businesses. The Assessment has been reviewed in light of the proposed Policy renewal.

Climate change implications

- 5.4 Licensing officers work with premises licence holders to encourage them to meet carbon reduction responsibilities in respect of their business.

Safeguarding children implications

- 5.5 One of the four licensing objectives is the protection of children from harm. The proposed policy states in detail how the licensing authority expects those with responsibilities under the act to meet this objective.

BACKGROUND DOCUMENTS

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

- BD1 Licensing Act 2003
- BD2 Revised Guidance issued under section 182 of the Licensing Act 2003 (April 2018)
- BD3 Licensing Act 2003 Statement of Policy 2014-19

APPENDICES

- A Licensing Act 2003 draft Statement of Policy
- B List of organisations consulted
- C Consultation response from the British Beer and Pub Association

Stevenage

BOROUGH COUNCIL



LICENSING ACT 2003

LICENSING POLICY 2020-2025

For the period [dates]
As approved by Full Council on [date]

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Executive Summary

Stevenage Borough Council is the Licensing Authority under the Licensing Act 2003 (the Act) and has the responsibility for granting premises licences, club premises certificates, temporary event notices and personal licences in the Borough in respect of the sale and/or supply of alcohol and the provision of regulated entertainment and late night refreshment.

It is intended that this policy will be used by a wide range of people within the Borough, including organisations which require authorisations under the Act, residents and others who may be affected by their activities, and by the statutory bodies with responsibilities under the Act. The policy sets out the general approach to making licensing decisions. It does not prevent any individual from making any application, under the terms of the Act, and having that application considered on its individual merits, nor does it override the right of any person to make representations on an application or to seek a review of a licence or certificate where the Act allows them to do so.

The Act requires the Licensing Authority to prepare and publish its licensing policy every five years following consultation. The Licensing Authority will keep the policy under review and may make such revisions to it as it considers appropriate, so as to ensure that the licensing objectives continue to be met.

Stevenage Borough Council is situated in the County of Hertfordshire, which contains ten District Councils in total. Stevenage was designated as Britain's first new town in 1946 and the Council area has a population estimated to reach 89,000 during 2019 making it the smallest in the County in terms of population. In terms of area it is also the smallest, covering approximately 20 square miles and is surrounded by the districts of North Hertfordshire and East Hertfordshire. Set in the attractive countryside of north Hertfordshire; Stevenage is an urban authority, enjoying the amenities of a well-planned new town together with a history dating back to Roman times. The town is divided into distinct land use areas, the town centre, Old Town and railway station are the core of the town. They are surrounded by individual residential neighbourhoods containing around 38,000 homes. Local neighbourhood centres provide shops and community facilities for residents.

1. Purpose and Scope of the Licensing Policy

- 1.1 The purpose of this policy is to set out the approach that the Licensing Authority intends to take when determining applications and carrying out its duties with regard to regulation and enforcement. The policy does not seek to fully explain the various application processes, however guidance and advice on making an application or requesting a review of a licence is available from the Licensing Authority on request. Applicants and members of the public are advised to contact the Licensing Authority in the event of any enquiry for appropriate advice.
- 1.2 The Act requires the Licensing Authority to carry out its licensing function so as to promote the four licensing objectives:
- **The prevention of crime and disorder**
 - **Public safety**
 - **The prevention of public nuisance**
 - **The protection of children from harm**
- 1.3 Before the Licensing Authority determines its policy for any five year period, it must consult with those persons listed in section 5(3) of the Act. These are:
- a) The chief officer of police for the borough;
 - b) Hertfordshire Fire and Rescue Service;
 - c) Hertfordshire Trading Standards;
 - d) Hertfordshire Local Safeguarding Children's' Board;
 - e) Stevenage SoSafe Community Safety Partnership;
 - f) Persons/bodies representative of local holders of premises licences;
 - g) Persons/bodies representative of local holders of club premises certificates;
 - h) Persons/bodies representative of local holders of personal licences;
 - i) Persons/bodies representative of business and residents in the Borough.
- 1.4 The Licensing Authority recognises, in particular, that as part of implementing its cultural strategy, proper account will have to be taken of the need to encourage and promote live music, dancing and theatre for the wider cultural benefit of the community. Any conditions that may be required for these activities between the hours of 11pm and 5am for audiences of any size will not, therefore, discourage the promotion of such entertainment but will relate solely to the promotion of the licensing objectives.
- 1.5 The specific activities which require a licence under the provisions of the Act and which are covered in the policy statement include:
- The retail sale of alcohol (including via the internet or mail order);
 - The supply of alcohol to members of a registered club;
 - The provision of entertainment to the public or to members of a club or events with a view to making profit and to which the public are not admitted, including raising money for charity where the entertainment involves:

- a theatrical performance
 - a film exhibition
 - any indoor sporting event including boxing or wrestling
 - the performance of live music
 - the playing of recorded music
 - a 'dance' performance
 - the provision of facilities for dancing or for making music and/or entertainment of a similar nature such as karaoke; between the hours of 11pm and 8am the following morning (as amended by the Live Music Act 2012), or for audiences above 500 at any time.
 - The supply of any hot food or drink between 11pm and 5am.
- 1.6 In determining a licence application, the principle adopted by Licensing Authority will be that each application will be determined on its merits. In considering every application, under the terms of this policy, regard will be given to Government guidance under Section 182 of the Act, to the Act generally and to any supporting regulations issued by Central Government.
- 1.7 Any individual preparing an operating schedule is at liberty to volunteer any measures as a step he or she intends to take to promote the licensing objectives. When incorporated into the licence or certificate as a condition, these measures become enforceable under the law and a breach of such a condition could result in prosecution.
- 1.8 The Police Reform and Social Responsibility Act 2011 introduced for the first time provisions to enable the Licensing Authority itself to make representations in respect of an application to grant, or vary a premises licence, or club premises certificate. Stevenage Borough Council as the Licensing Authority will only make representations in situations where, for example, there have been a number of minor, unconnected complaints that in themselves, do not require another responsible authority to make a representation, but when considered together, may constitute a public nuisance or represent breaches of licensing conditions as observed by Licensing Officers, which have then undermined the licensing objectives.

2. Licensing and other legislation

- 2.1 The Licensing Authority will avoid duplication with other statutory and regulatory regimes, and the control measures that they afford in any conditions derived from an application's operating schedule, for provisions contained in the following:
- (a) The Gambling Act 2005
 - (b) The Environmental Protection Act 1990
 - (c) The Noise Act 1986
 - (d) The Clean Neighbourhoods and Environment Act 2005
 - (e) The Regulatory Reform (Fire Safety) Order 2005
 - (f) The Health and Safety at Work etc. Act 1974
 - (g) The Equality Act 2010
- 2.2 The Licensing Authority can only impose conditions on a licence that are necessary and in proportion to the promotion of the licensing objectives. Where

other existing legislation already places certain statutory responsibilities on an employer or operator of a premises, it cannot be necessary to impose the same or similar duties.

- 2.3 The Licensing Authority will seek to avoid confusion and duplication by not imposing licence conditions that are required under other legislation, except where they can be exceptionally justified to promote the licensing objectives.
- 2.4 The Council's Planning Policies are set out in its Local Development Scheme. Government guidance in the form of Planning Policy Guidance (PPG) and National Planning Policy Framework (NPPF) are also relevant when applying for premises licences and reference to these will be made.
- 2.5 Licensing is separated from planning and licence applications will not, therefore, be a re-run of the planning application. In general the Licensing Authority will expect that, prior to the submission of a licensing application; the appropriate planning permission will have been resolved before a licence application is made and that any change to operating hours sought does not exceed those authorised by the planning permission. It is recognised that in certain situations a provisional statement may be sought alongside planning permission.

3. Policies, Strategies and Partnership Working

- 3.1 The Licensing Authority will continue to promote and work in partnership with the nominated responsible authorities, the Police and Crime Commissioner, Directors of Public Health, and our partners within the Community Safety Partnership to discharge its responsibilities identified by other Government and local strategies and initiatives, where they impact on the objectives of the Licensing Act. National strategies and initiatives are:
 - Stevenage PubWatch Scheme
 - Alcohol Harm Reduction Strategy
 - Action plan to Tackle Alcohol Related Crime through local initiatives such as Family Intervention Project (FIP), No More project as examples.
 - National Licensing Week
- 3.2 The Licensing Authority will consider each application on its own merits, but may make reference to other adopted Council policies including;
 - The Council's Corporate Plan 'Future Town, Future Council'
 - So Stevenage (Safer Stronger Communities)
 - Joint Advisory Group's Action Plan
 - Crime and Disorder Strategies
 - Regulators' Code
- 3.3 Stevenage PubWatch has been developed to enhance the safety, security, comfort and wellbeing of customers and staff for all types of premises that form its membership. The Licensing Authority will take an active part in the scheme and will work with all licence holders to promote Stevenage as being a safe and vibrant place.

- 3.4 The Licensing Authority fully supports the use of proof of age schemes for patrons using venues within Stevenage Borough, namely Validate, Challenge 21 and other PASS schemes in conjunction with our partners at Trading Standards.
- 3.5 Orders made by the Council under the Police and Criminal Justice Act 2001 to control the drinking of alcohol in the streets will be regularly reviewed along with this policy.

4. Licensable activities

4.1 This policy relates to the following activities that are required to be licensed under the Act:

- Retail sale of alcohol
- Supply of alcohol by or on behalf of a club, or to the order of a member of the club
- Provision of 'regulated entertainment' to the public, club members or with a view to profit
- Provision of late night refreshment (Supply of hot food and/or drink from any premises between 11pm and 5am)

4.2 Regulated entertainment includes:

- Performance of a play
- Exhibition of a film
- Indoor sporting events
- Boxing/wrestling entertainment
- Performance of live music
- Playing of recorded music
- Performance of dance

4.3 In certain circumstances some of the above activities have been deregulated. The Live Music Act and Deregulation Act 2015 are designed to encourage more performances of 'live' music. The Act removes the licensing requirements for:

- Amplified 'live' music between 8am and 11pm before audiences of no more than 200 people on premises authorised to sell alcohol for consumption on the premises.
- Amplified 'live' music between 8am and 11pm before audiences of no more than 200 people in workplaces not otherwise licensed under the 2003 Act (or licensed only for the provision of late night refreshment)
- Unamplified 'live' music between 8am and 11pm in all venues.
- The provision of entertainment facilities.

4.4 The Legislative Reform (Entertainment Licensing) Order 2014 and Deregulation Act 2015 deregulated some of the licensable activities under the 2003 Act in addition to the deregulation created by the Live Music Act 2012. As a result, the following activities are no longer licensable between the hours of 8am and 11pm on any day:-

- Performances of plays up to an audience of 500 people;
- Exhibitions of dance up to an audience of 500 people;
- Indoor sport up to an audience of 1000 people;
- 'not for profit' film exhibitions up to an audience of 500;

- Playing of recorded music up to an audience of 500 on premises authorised to sell alcohol;
- Playing of recorded music in a church hall, community hall, or other similar community premises, that is not licensed to sell alcohol, up to an audience of 500 people and the organiser obtains consent from the person responsible for the premises;
- Playing of recorded music at a non-residential premises of a local authority, a school or a hospital up to an audience of 500 people and the organiser obtains consent from the local authority or the school or the health care provider for the hospital.

5. The Licensing Authority as a Responsible Authority

- 5.1 Licensing authorities themselves are included within the prescribed list of responsible authorities under the Act.
- 5.2 As a responsible authority, the Licensing Authority will not make representations on behalf of other parties such as residents, local councillors or local community groups, as they are already afforded the ability to make representations regarding licensing applications.
- 5.3 The only occasion when the Licensing Authority will depart from the above principle is in circumstances where any of the parties have not been afforded an opportunity to make representations, and it is aware that there are relevant grounds on which a representation should be submitted.
- 5.4 In this instance, the representation will be submitted by an officer who has the approved delegation, and has not been a part of the administrative process of the application under consideration.

6. Responsible Authorities

- 6.1 Responsible authorities are public bodies that must be fully notified of applications and that are entitled to make representations to the Licensing Authority in relation to the application for the grant, variation or review of a premises licence. For all premises, responsible authorities include:
- the relevant licensing authority and any other licensing authority in whose area the premises is situated;
 - the chief officer of police;
 - the local fire and rescue authority;
 - the relevant enforcing authority under the Health and Safety at Work etc. Act 1974;
 - the local authority with responsibility for environmental health;
 - the local planning authority;
 - a body that represents those who are responsible for, or interested in, matters relating to the protection of children from harm;
 - each local authority's Director of Public Health (DPH)
 - the local weights and measures authority (trading standards); and
 - Home Office Immigration Enforcement (on behalf of the Secretary of State).

6.2 Full details of all of the responsible authorities, as prescribed under the Act are available from the Licensing team, and will also be available on the Council's web-site.

7. Culture, Live Music, Dancing and Theatre

7.1 The Licensing Authority wishes to encourage and promote live music, dance and theatre for the wider cultural benefit of the community. It will seek to achieve a balance between the potential for limited neighbourhood disturbance and the benefits of cultural activities, particularly for children, and will not allow the views of vocal minorities to predominate over the general interests of the community.

7.2 The Licensing Authority will only attach licence conditions that are reasonable, proportionate, and strictly necessary for the promotion of the licensing objectives. The Authority is aware of the need to avoid measures as far as possible that deter live music, dancing and theatre for example by imposing indirect costs of a disproportionate nature.

7.3 The Licensing Authority will monitor the impact of licensing on regulated entertainment in the Borough, particularly on live music and dancing between the hours of 11pm and 8am and for indoor sporting events, as outlined in supporting regulations to the Act. If there is evidence that licensing requirements deter such activities, the Authority will consider how to prevent this, and if necessary will revise this Policy.

7.4 The Licensing Authority is aware of the value to the community of a broad range of cultural entertainments, particularly live music, dancing and theatre. We wish to encourage these activities for the benefit of all.

7.5 Informed through community stakeholder consultation and commissioned by Stevenage Borough Council and Arts Council England, 'Stevenage Re-Imagined: A Ten-Year Arts and Heritage Strategy' was launched in June 2019 and is working to make Stevenage a creative destination town. The strategy brings together a number of ambitions to build on Stevenage's unique arts and heritage legacy in recognition of both the economic and social benefits that a strong cultural offer can bring.

7.6 The Council on its own behalf has sought premises licences for appropriate public spaces within the Borough, specifically Fairlands Valley Park and King George V Playing Fields. Further licences may be sought in the Council's name going forward. Licensing of these spaces will make it easier for people to organise suitable cultural events. We will consider any request for permission to use such public spaces for cultural activities with our colleagues in Parks and Landscapes, and all such events will be notified to the Council's Safety Advisory Team.

7.7 Consideration will be given to the particular characteristics of any event, including the type, scale and duration of the proposed entertainment, especially where limited disturbance only may be caused.

7.8 Incidental performance of live music or the playing of recorded music may not be regarded as regulated entertainment under the Act in certain circumstances. This is where they are incidental to another activity which is not entertainment or the provision of entertainment facilities. Whether or not music is incidental to other activities will be judged on a case by case basis but:

- The playing of live or recorded music at volumes which predominate other activities at a premises would *not* normally be regarded as incidental;
- A juke box played at moderate levels would normally be regarded as incidental to the other activities.

7.9 Spontaneous performance of music, singing or dancing does not amount to the provision of regulated entertainment, unless facilities are provided and made available for the purpose or purposes of enabling the entertainment to take place.

8. Circuses

8.1 The Licensing Authority has taken note of the guidance provided by Central Government regarding licensing provisions for circuses.

8.2 Should a circus operator wish to sell alcohol, or provide late night refreshment, it would be necessary for the event organiser to apply for the relevant permissions in accordance with the Licensing Act 2003, and also to seek permission before making such an application from the land owner or managing agent.

8.3 The Licensing Authority has a premises licence in place for the area known as Fairlands Valley, where historically, circuses have held performances. Any person wishing to hold a circus in this area will need to obtain permission from the premises licence holder (Stevenage Leisure Limited), and would be required to comply with the conditions of the licence for this area.

9. Cumulative Impact

9.1 'Cumulative Impact' means the potential impact on the promotion of the licensing objectives of a significant number of licensed premises concentrated in one area. An example of this impact would be the increase in crime and disorder or public nuisance in a town centre resulting from a large concentration of licensed premises in one area over and above the impact of the individual premises themselves. At the present time a saturation policy has not been adopted.

9.2 The cumulative impact of licensed premises on the promotion of the licensing objectives is a matter which the Council can properly consider in developing its Licensing Policy Statement.

9.3 The Licensing Authority recognises that there is a difference between the commercial need and the cumulative impact of premises in an area. Commercial need is the commercial demand for other licensed premises and is a matter for planning consideration and market forces. It does not form part of this Licensing Policy Statement.

9.4 The Licensing Authority will not operate a quota of any kind, nor will it ordinarily seek to impose general limitations on trading hours in particular areas.

9.5 In considering issues of cumulative impact the Licensing Authority will be mindful that, in addition to the licensing functions, there are a number of other mechanisms, both within and outside the licensing regime, for addressing nuisance and disorder. These include, but are not limited to:

- (i) planning controls;
- (ii) positive measures to create a safe and clean town centre environment in partnership with local businesses, transport operators and other departments of the local authority;
- (iii) the provision of CCTV surveillance in town centres, ample taxi ranks, provision of public conveniences open late at night, street cleaning and litter patrols;
- (iv) powers of local authorities to designate parts of the local authority area as places where alcohol may not be consumed publicly;
- (v) police enforcement of the general law concerning disorder and anti-social behaviour, including the issuing of fixed penalty notices and new powers introduced by the Anti-social Behaviour, Crime and Policing Act 2014;
- (vi) the prosecution of any personal licence holder or member of staff at such premises who is selling alcohol to people who are drunk;
- (vii) the confiscation of alcohol from children;
- (ix) police and local authority powers to close down instantly for up to twenty-four hours any licensed premises or temporary event on grounds of disorder, the likelihood of disorder or noise emanating from the premises causing a nuisance; and
- (x) the power of the police, other responsible authorities or a local resident or business to seek a review of the licence or certificate in question.

9.6 The Council will also address the issue of crime and disorder through the SoSafe Community Safety Partnership in line with strategic objectives for crime and disorder reduction within the district. The success of these measures in reducing nuisance and disorder will be subject to ongoing review.

9.7 Any decision to carry out a cumulative impact assessment would require a public consultation. The Licensing Authority has no plans to carry out such an assessment at the time of writing this policy.

10. Early Morning Restriction Orders (EMRO)

10.1 The ability to implement an EMRO is a power conferred on licensing authorities by the Police Reform and Social Responsibility Act 2011. An EMRO would enable the Licensing Authority to restrict the sale of alcohol in the whole, or in part, of the district between midnight and 06:00hrs on all or some days.

10.2 The Licensing Authority could consider making an EMRO in relation to problem areas if it had evidence that the order is appropriate for the promotion of the licensing objectives.

- 10.3 It is important to be aware that the restriction would only relate to the sale or supply of alcohol and would have no effect on regulated entertainment.
- 10.4 The Licensing Authority is of the view that an EMRO is a power that should be used sparingly due to the potential impact on the night-time economy. There are many other powers available under the Act to address specific problem premises and the police have a number of powers for dealing with disorder under other legislation.
- 10.5 An EMRO is most appropriate for situations where the use of other powers has been unsuccessful or where the problem is so significant that only an EMRO would offer a viable solution.
- 10.6 Any decision to implement an EMRO would require a public consultation. The Licensing Authority has no plans to implement any EMROs at the time of writing this policy.

11. Late Night Levy

- 11.1 The ability to implement a levy is a power conferred on licensing authorities by the Police Reform and Social Responsibility Act 2011. This would enable the Council to charge a levy to all persons who are licensed to sell alcohol within a specified time period between midnight and 06:00hrs as a means of raising a contribution towards the costs of policing the late-night economy.
- 11.2 The levy would apply to all premises where the licence allowed alcohol sales within the specified period irrespective of whether or not they were trading during those hours. Additionally, the levy would apply to the district as a whole, including premises such as village pubs that are often the centre of a community with little or no impact on the licensing objectives.
- 11.3 A minimum of seventy percent of the levy must be given to the police however there is no statutory requirement for it to be spent on policing the late-night economy or even on the district in which it was levied.
- 11.4 The Licensing Authority would consider making a levy if it had evidence that the order is appropriate for the promotion of the licensing objectives.
- 11.5 The Licensing Authority is strongly of the view that a levy is a power that should be used sparingly due to the potential impact on the night-time economy. There are many other powers available under the Act to address specific problem premises and the police have a number of powers for dealing with disorder under other legislation.
- 11.6 As a levy would impact on all businesses within the specified timings it would be an unreasonable charge for well-managed premises that were not impacting on the licensing objectives.
- 11.7 A levy is most appropriate for situations where the use of other powers has been unsuccessful or where the problem is so widespread within the district that only a levy would offer a viable solution.

11.8 Any decision to implement a levy would require a public consultation. The Licensing Authority has no plans to implement a levy at the time of writing this policy.

12. Licensing Hours

- 12.1 The Government's view is that longer licensing hours should be encouraged in the interests of avoiding a concentration of disturbance while ensuring that nuisance is minimised to local residents. Furthermore it is held by the Government that shops and public houses generally should be permitted to sell alcohol during hours they intend to operate. Entertainment providers should be encouraged to provide a range of entertainment during their operating hours and to promote live music, dancing and theatre for the wider cultural benefit of the community.
- 12.2 The Licensing Authority acknowledges the view of Government and accepts the principle of 24 hour opening for licensed premises, but considers that it is self-evident that a risk of disturbance to residents is greater when licensable activities continue late into the night and the early hours of the morning. It is also acknowledged that the majority of licensed premises will not wish to remain open for 24 hours even if their licence permits it. Where an applicant applies to extend their current opening hours, the Licensing Authority will expect their operating schedule to detail the measures to be taken to ensure the licensing objectives have been addressed, and where necessary for small businesses to comply with the licensing objectives.
- 12.3 The Licensing Authority recognises that longer licensing hours for the sale of alcohol would avoid large numbers of people leaving premises at the same time, which in turn could reduce the friction at late night fast food outlets, taxi ranks, minicab offices and other sources of transport that can lead to disorder and disturbance.
- 12.4 Fixed trading hours within designated areas will not be set as this could lead to significant movements of people across boundaries at particular times seeking premises opening later, with the attendant concentration of disturbance and noise. Such an approach could unfairly disadvantage residents in one area with respect to another, as well as potentially lead to peaks of disorder and disturbance, a situation that the Act seeks to avoid.
- 12.5 The Licensing Authority will deal with the issue of licensing hours having due regard to the individual merits of each application. However, consideration will be given to imposing stricter conditions in respect of noise control where premises are situated in mainly residential areas and representations have been made to the Licensing Authority.
- 12.6 This policy will not attempt to artificially introduce staggered closing times and the principle of a 'lock-in' period after which no further customers are to be admitted to the premises, will not be applied.
- 12.7 The Licensing Authority will generally consider granting licences to shops, stores and supermarkets to sell alcohol for consumption off the premises at any times they are open for shopping. However, it may consider there are very good reasons for restricting those hours, for example, where police

representations are made in respect of isolated shops known to be the focus of disorder and disturbance.

13. Conditions

- 13.1 Licensing is about the control of licensed premises, qualifying clubs and temporary events within the terms of the Act. Where representations are made and if considered necessary, conditions will be attached to licences, certificates and permissions that will address matters which are within the control of individual licensees and any mandatory conditions prescribed in the Act itself.
- 13.2 The Licensing Authority may not impose any condition unless it has been satisfied at a hearing of the necessity to impose conditions on the basis of the representations raised. It will then only impose conditions necessary to promote the licensing objectives.
- 13.3 When considering conditions, the Licensing Authority will primarily focus on the impact of the activities taking place at licensed premises on members of the public living, working or engaged in normal activity in the vicinity of the premises. The vicinity means those locations where the licensed premises can be identified as the source or cause of concern.
- 13.4 The Licensing Authority acknowledges that the licensing function is not to be used for the general control of anti-social behaviour by individuals when they are beyond the direct control of the licensee and the vicinity of any premises concerned. However, as a matter of policy, the council expects every holder of a licence, certificate or permission to be responsible for minimising the impact of their activities and any anti-social behaviour by their patrons in the vicinity of their premises.
- 13.5 In this respect, the Licensing Authority recognises that, apart from the licensing function, there are a number of other mechanisms available for addressing issues of unruly behaviour that can occur away from licensed premises, including:
- planning controls;
 - ongoing measures to create a safe and clean environment in these areas in partnership with local businesses, transport operators and other Council Departments;
 - designation of parts of the Borough as places where alcohol may **not** be consumed publicly;
 - regular liaison with the Police on law enforcement issues regarding disorder and anti-social behaviour, including the issue of fixed penalty notices, prosecution of those selling alcohol to people who are drunk; confiscation of alcohol from adults and children in designated areas and instantly closing down licensed premises or temporary events on the grounds of disorder, or likelihood of disorder or excessive noise from the premises;
 - the power of the police, other responsible authority or a local resident or business to seek a review of the licence or certificate.
- 13.6 The Licensing Authority seeks to address many of these issues through the SoSafe Community Safety Partnership to create a safe and secure Stevenage,

in line with the strategic objectives for crime and disorder reduction within the Borough, through initiatives such as the No More Project and Family Intervention Project, Box Clever as local examples.

- 13.7 The Licensing Authority will also endeavour to work with other local authorities and other enforcement agencies, particularly in Hertfordshire and Bedfordshire, to ensure a consistent approach is taken to licensing matters whilst respecting the differing needs of the individual communities throughout the area.
- 13.8 Operating Schedules for licensed premises and club premises are the key to ensuring compliance with the four licensing objectives. In the vast majority of cases, the terms of the Operating Schedule should translate into the licence conditions that set out how the business will be run. The Licensing Authority will endeavour to work in full co-operation with licensees and applicants to minimise the number of disputes that might otherwise arise in this area.
- 13.9 Prospective holders of new premises licences, and those seeking variations to existing premises licences, are advised to consult with the Council's licensing officers and the various responsible authorities at the earliest possible planning stages in order to reduce the risk of confusion and dispute arising.
- 13.10 The Licensing Authority will seek to impose the minimum conditions necessary on events and premises that present the lowest risk to public safety, particularly where such events are charitable in nature.
- 13.11 Conditions attached to licences or certificates will be tailored to the individual style and characteristics of the particular premises and events concerned. In general, conditions attached to either a premises licence or a club premises certificate will be:
- clear
 - enforceable
 - evidenced
 - proportionate
 - relevant
 - be expressed in plain language capable of being understood by those expected to comply with them.
- 13.12 Conditions can only be attached to a premises licence or a club premises certificate if they are so applied at a licensing hearing, unless the authority, the premises user and the relevant responsible authority all agree that a hearing is not necessary.
- 13.13 However, where considered appropriate, and necessary for the promotion of the Licensing Objectives, the Licensing Authority may consider attaching conditions drawn from its Pool of Conditions. This is available on request from the Licensing team but should not be regarded as an exhaustive or exclusive list and will be applied by the Licensing Authority at its discretion.

14. Mandatory conditions

- 14.1 The Licensing Authority acknowledges that there are mandatory conditions that apply to all premises licences and separate mandatory conditions that apply to all club premises certificates.
- 14.2 Section 19 of the Act contains a mandatory condition for premises licences whereby there can be no sale of alcohol without a designated premises supervisor named on the licence or where the designated premises supervisor does not hold a valid personal licence, and where every sale of alcohol must be made or authorised by a personal licence holder.
- 14.3 The Council does not expect the designated premises supervisor to be available at the premises at all times, however he/she is expected to exercise control over day-to-day management of the premises. In the absence of the designated premises supervisor, a senior member of staff should be authorised, preferably in writing, to deputise for the designated premises supervisor and the deputy's role should be made known to all staff.
- 14.4 At a review of a premises where relevant representations are received in relation to ineffective management of the premises when alcohol is available to the public, the Council will consider imposing a condition requiring a personal licence holder to be present at all times whilst alcohol is being supplied.
- 14.5 When the Licensing Act 2003 (Mandatory Licensing Conditions) Order 2010 SI 2010/860 introduced new mandatory conditions as part of section 19 of the Act with effect from 6th April 2010 and 1st October 2010, the Council chose not to re-issue all existing licences to include these conditions. When the Council processes an application to vary an existing licence the full range of mandatory conditions will be included on the licence. The absence of mandatory conditions on a licence does not invalidate those conditions; it is the licence / certificate holders' responsibility to be aware of, and comply with, all mandatory conditions.
- 14.6 The Licensing Authority strongly believes that irresponsible drinks promotions, specifically those that encourage patrons to drink more than they otherwise would or within a shorter time period, should be discouraged and will fully implement the respective paragraphs in the Guidance.
- 14.7 In the case of a review of an existing licence or certificate where there is evidence that an irresponsible alcohol promotion is contributing to an adverse effect on the licensing objectives, the Council will consider this as evidence of the ineffectiveness of the management of the premises

15. Licensing Objectives

- 15.1 The following paragraphs set out Stevenage Borough Council Licensing Policy relating specifically to each of the four licensing objectives.
- 15.2 All applicants will need to provide evidence to the licensing authority in respect of each of the four licensing objectives information which is relevant to the individual style and characteristics of their premises and events. Existing

licensed premises will only be required to supply such information to when a variation is being applied for.

- 15.3 Special measures may be required occasionally or for specific types of event such as when a popular live band or promotions are planned, which are intended, or likely to attract larger audiences or audiences of a different nature. These can often have a significant impact on the achievement of the licensing objectives. Reference should be made in the applicants operating schedule where applicable, to such occasions and the additional measures, which are planned to achieve the licensing objectives.

Prevention of crime and disorder

- 15.4 The proximity of entertainment venues to residential and other premises is an issue requiring detailed assessment in order to minimise the potential for crime and disorder problems arising from patrons.
- 15.5 In addition to the requirements for the Licensing Authority to promote the licensing objectives, it also has a duty under Section 17 of the Crime and Disorder Act 1998 to do all it reasonably can to prevent crime and disorder in the Borough.
- 15.6 The Licensing Authority will consider attaching conditions to licences when representations are made, to deter and prevent crime and disorder both inside and within the immediate vicinity of the premises, these may include Conditions drawn from the Pool of Conditions relating to Crime and Disorder or from the premises operating schedule.
- 15.7 In considering all licence applications, the Licensing Authority will consider the adequacy of measures proposed to deal with the potential for crime and disorder having regard to all the circumstances of the application and when representations have been received. The Licensing Authority will particularly consider:
- Control over any areas other than the public highways.
 - The steps taken or proposed to be taken, by the applicant to prevent crime and disorder.
 - The use of special promotions.
 - Any known association with drug taking or dealing.
 - Any criminal record, including formal cautions, of the licensee or any person with a significant interest in the business.
 - The giving of false or misleading information by the applicant in the operating schedule or verbally to Licensing Authority or other enforcement officers.
 - The supply of alcohol for which the requisite excise duty has not been paid.
- 15.8 When addressing crime and disorder the applicant should identify any particular issues (particular to the type of premises and /or activities) which are likely to adversely affect the promotion of the crime and disorder objective. Any steps proposed to address identified issues should be included with the applicant's operating schedule.

Public Safety

- 15.9 The Act covers a wide range of premises that require licensing, including, cinemas, concert halls, theatres, nightclubs, public houses, cafes/restaurants and fast food outlets and takeaways.
- 15.10 Each of these types of premises present a mixture of risks, with many common to most premises and others unique to specific operations. It is essential that premises are constructed or adapted and operated so as to acknowledge and safeguard occupants against these risks. The Licensing Authority will expect Operating Schedules to satisfactorily address these issues.
- 15.11 It should be noted that conditions relating to public safety should be those that are necessary, in the particular circumstances of any individual premises or club premises, and should not duplicate other requirements of the law. Equally, the attachment of conditions to a premises licence or club premises certificate will not in any way relieve the duty holder of the statutory duty to comply with the requirements of other legislation. These include the Health and Safety at Work etc. Act 1974, associated regulations, the requirements under the Management of Health and Safety at Work Regulations 1999 and the Regulatory Reform (Fire Safety) Order 2005 to undertake risk assessments. However, these regulations will not always cover the unique circumstances that arise in connection with licensing and entertainments at specific premises. It is in these cases that licence conditions will be used as appropriate.
- 15.12 The Licensing Authority will consider attaching Conditions to licences and permissions where representations have been made, in order to promote safety. In considering all licence applications, the Licensing Authority will consider the adequacy of measures proposed to ensure public safety having regard to all the circumstances of the application.
- 15.13 Where an applicant identifies an issue in regard to public safety which is not covered by existing legislation, the applicant should identify in their operating schedule the steps to be taken to ensure public safety. Depending on the individual style and characteristics of the premises and/or events, the Licensing Authority will particularly consider:
- the arrangements for ensuring, safety and absence of risks to health in connection with the use, handling, storage and transport of articles and substances;
 - the provision of such information, instruction, training and supervision as is necessary to ensure health and safety;
 - the maintenance of premises in a condition that is safe and without risks to health and the provision and maintenance of means of access to and egress from it that are safe and without such risks;
 - the provision and maintenance of an environment that is safe and without risks to health;
 - the provision and maintenance of plant and systems of work that are safe and without risks to health;
 - controlling the keeping and use of explosive or highly flammable or otherwise dangerous substances,
 - measures to prevent overcrowding;
 - prior notification of special events

Prevention of Public Nuisance

- 15.14 The proximity of entertainment venues to residential and other premises is an issue requiring detailed assessment in order to minimise the potential for nuisances to people living, working or sleeping the vicinity of the premises.
- 15.15 The concerns mainly relate to noise nuisance, light pollution and noxious smells and due regard will be taken on the impact these may have and the Licensing Authority will expect Operating Schedules to satisfactorily address these issues. The Licensing Authority will also take into account previous history of the premises.
- 15.16 The Licensing Authority may consider attaching conditions to licences and permissions when relevant representations have been made, to prevent public nuisance. When the licensable activities include the supply of alcohol, the council will consider the adequacy of measures proposed to deal with the potential for nuisance and/or anti-social behaviour having regard to all the circumstances of each application. The Licensing Authority will particularly consider:
- The steps taken or proposed to be taken by the applicant to prevent noise and vibration escaping from the premises, including music; noise from ventilation equipment, and human voices. Such measures may include the installation of soundproofing, air conditioning, acoustic lobbies, noise limiting devices and other noise amelioration measures.
 - The steps taken or proposed to be taken by the applicant to prevent disturbance by customers arriving at or leaving the premises. Such measures may include CCTV and the use of door supervisors in the immediate vicinity of the premises. This will be of greater importance between 22.00 hrs and 07.00 hrs, than at other times of the day.
 - The steps taken or proposed to be taken by the applicant to prevent queuing (either by pedestrian or vehicular traffic). If some queuing is inevitable then queues should be diverted away from neighbouring premises or be otherwise managed to prevent disturbance or obstruction.
 - The steps taken or proposed to be taken by the applicant to ensure staff and patrons leave the premises quietly and orderly manner.
 - The arrangements made or proposed for parking by patrons, and the effect of parking by patrons on local residents and other businesses.
 - Whether there is sufficient provision for public transport for patrons, including taxis and private hire vehicles.
 - Whether licensed taxis or private hire vehicles are likely to disturb local residents.
 - The installation of any special measures where licensed premises are or are proposed to be located near sensitive premises such as dwellings, residential homes, nursing homes, hospitals, hospices or places of worship.
 - The use of gardens, patios, forecourts and other open-air areas.
 - Delivery and collection arrangements, including proximity to noise sensitive premises and the time of such activities.

- The siting of external lighting, including security lighting that is installed inappropriately.
- The siting of any other equipment or facilities used in conjunction with the premises.
- Whether activities on the premises would lead to increased refuse storage or disposal problems.
- Whether activities on the premises would lead to additional litter, including fly posting and illegal placards in the vicinity of the premises
- The history of previous nuisance complaints proved against the premises, particularly where statutory notices have been served on the present licensees.
- The contribution the applicant makes or proposes to make towards the cost of CCTV surveillance, litter collection or associated street furniture.

Protection of Children from Harm

15.17 The wide range of premises that require licensing means that children can be expected to visit many of these, often on their own, for food and/or entertainment.

15.18 The Act does not prohibit children under 16 from having access to any licensed premises, save for when the premises are being used exclusively or primarily for the supply of alcohol for consumption on the premises under the authorisation of either a premises licence, a club premises certificate or a temporary events notice, unless accompanied by an adult, or between the hours of midnight and 5:00am unaccompanied. However the Licensing Authority recognises that limitations may have to be considered where it appears necessary to protect and prevent children from experiencing physical, moral or psychological harm.

15.19 The Licensing Authority will consult with the appropriate Hertfordshire Safeguarding Children Board on any application that indicates there may be concerns over access for children.

15.20 The Licensing Authority will judge the merits of each individual application before deciding whether to impose conditions limiting the access of children to individual premises when representations have been made. The Licensing Authority will in particular consider:

- where there have been convictions for supply of alcohol to minors or premises with a reputation for underage drinking
- where there is a known association with drug taking or dealing
- where there is a strong element of gambling on the premises
- where entertainment of an adult or sexual nature is commonly provided

15.21 The Licensing Authority will consider any of the following options when dealing with a licence application following representations, limiting the access of children is considered necessary to prevent harm to children:

- Limitations on the hours when children may be present.
- Limitations on ages below 16 and/or 18.

- Limitations or exclusion when certain activities are taking place.
- Requirements for an accompanying adult.
- Full exclusion of people under 18 from the premises when any licensable activities are taking place.

15.22 No conditions will be imposed requiring that children be admitted to any premises and, where no limitation is imposed, this will be left to the discretion of the individual licensee.

15.23 The Act contains a number of sections designed to protect children in licensed premises and the Licensing Authority will work closely with the police to ensure the appropriate enforcement of the law, especially relating to the sale and supply of alcohol to children.

15.24 Films cover a vast range of subjects, some of which deal with adult themes and/or contain, for example, scenes of horror, violence or sexual nature that may be considered unsuitable for children within certain age groups.

15.25 In order to prevent children from seeing such films, the Licensing Authority will impose conditions requiring licensees to restrict children from viewing age-restricted films classified according to the recommendations of the BBFC, or by the Licensing Authority.

15.26 Many children go to see and/or take part in an entertainment arranged especially for them, for example dance or drama school productions, and additional arrangements are required to safeguard them while at the premises.

15.27 Where regulated entertainment is specially presented for children, the Licensing Authority will, following representations, require the following arrangements in order to control their access and egress and to assure their safety:

- An adult member of staff to be stationed in the vicinity of each of the exits from any level, subject to there being a minimum of one member of staff per 50 children or part thereof.
- No child, unless accompanied by an adult to be permitted in the front row of any balcony.
- No standing to be permitted in any part of the auditorium during the performance unless an approved area has been agreed by the council.
- Such other measures as may be specified by the area child protection committee.

15.28 The Licensing Authority will expect Operating Schedules to satisfactorily address these issues. Following relevant representations, it will consider attaching conditions to licences and permissions to prevent harm to children.

15.29 Child sexual exploitation is a form of child abuse which is complex and can be manifested in different ways. Essentially it involves children and young people receiving something – for example, accommodation, alcohol, drugs, gifts or affection – in exchange for sexual activity or having others perform sexual activities on them. The Council recognises that this form of exploitation could potentially be linked to licensed premises and as such will seek to promote knowledge and understanding of the issue amongst those in the licensed trade.

Where potential instances of child sexual exploitation are identified to the Licensing Authority these will be referred to the appropriate bodies.

16. Enforcement

16.1 Stevenage Borough Council delivers a wide range of enforcement services aimed at safeguarding the environment and the community on which business can fairly trade. The administration and enforcement is one part of this service.

16.2 The Council will have regard to the Regulators' Code which can be found here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/300126/14-705-regulators-code.pdf

16.3 The Code provides a clear, flexible and principles-based framework for how regulators should engage with those they regulate. Nearly all regulators, including local authorities, must have regard to it when developing policies and procedures that guide their regulatory activities.

16.4 The Council is committed to accord with the principles of good enforcement and practice by carrying out its regulatory functions in a fair, open and consistent manner and will abide also by its own Enforcement Policy which is freely available from the Council, as is this Policy and details of the Council's Complaints Procedure.

16.5 Inspections of all licensed premises will be undertaken by the Licensing Authority on the basis of risk ensuring that enforcement is proportionate and targeted at higher risk premises which require greater attention, and allowing a lighter touch in relation to lower risk premises.

16.6 The Licensing Authority will seek to work proactively with other responsible authorities in enforcing licensing legislation. It expects the responsible authorities to share information about licence holders and licensed premises and to consult closely with the Licensing Authority when any enforcement action may be required. The Licensing Authority has signed the Hertfordshire Licensing Enforcement Protocol in conjunction with the other responsible authorities within the county. Inspections will take place at the discretion of the Licensing Authority and its partner agencies and resources will be concentrated on areas of need.

16.7 The Council expects responsible authorities to lead on enforcement action that falls within their normal working remit. In respect of non-compliance with an authorisation, the Licensing Authority would ordinarily take the lead assisted, where applicable, by witness statements from responsible authorities.

16.8 The Licensing Authority may carry additional inspections where complaints have been received from any of the responsible authorities, other agencies, members of the public or where information that a breach of licence may occur.

16.9 The Council will consider the use of Closure Notices under section 19 of the Criminal Justice and Police Act 2001 as a method of enforcing licence conditions. This procedure clearly identifies the actions a licence holder needs

to take to rectify the situation within a set period of time and the consequences of not doing so. In the event of non-compliance with a Closure Notice, the Council will apply to the courts for a Closure Order.

17. Licence Reviews

- 17.1 An interested party, a body representative or a local Councillor as defined in the Act, and/or responsible authority have the power to seek a review of either a premises licence or club premises certificate, using the prescribed application form, if they are of the opinion that one or more of the licensing objectives are not being met by the licence holder.
- 17.2 The Licensing Authority, in determining if the application for a review is relevant, will have regard to the current guidance issued by the Secretary of State under section 182 of the Act in so far as to whether an application is frivolous, vexatious or repetitious. Representations made by a responsible authority cannot be deemed as being frivolous, vexatious or repetitious.
- 17.3 Once the licence is before the Licensing Committee (see Section 21 below) at a review hearing, there are several options available to the committee. They include:
- Modification to the current conditions of the licence;
 - Exclusion of a licensable activity currently permitted on a licence, or certificate;
 - Removal of the designated premises supervisor;
 - Suspension of the licence, or certificate, for a period not exceeding three months; or
 - Revocation of the licence, or certificate.
- 17.4 In instances where the crime prevention objective is being undermined, revocation, even in the instance of this being a first review of the premises licence, or club premises certificate, will be given serious consideration. See also here *R on the application of Bassetlaw DC v Worksop Magistrates Court*.
- 17.5 The Licensing Authority in its duties recognises that it cannot itself initiate any review application. The role of the Licensing Authority will be solely to administer the process, and to determine the application by way of a hearing, at which time evidence to support the review can be given.
- 17.6 The Licensing Authority recognises the importance of partnership working, and will pro-actively support working with interested parties and/or businesses in the vicinity of a licensed premise or club, and responsible authorities, to allow the holders of a licence or club premises certificate the opportunity to address concerns raised at the earliest opportunity, with a view to resolve matters informally where possible.

18. Licence Suspensions

- 18.1 The payment of an annual fee for a premises licence or club premises certificate is a statutory requirement by virtue of the Act. The responsibility for ensuring prompt payment rests entirely with the licence or certificate holder.

While the Local Authority will issue an invoice for the due fee and one subsequent reminder, it will not accept the alleged absence or loss of a reminder letter or an invoice as a reason for non-payment as there is no statutory requirement for such documents to be issued.

- 18.2 The suspension of either a premises licence or club premises certificate is not immediate if the payment was not made before, or at the time that it was due, either as a result of there being an administrative error, or where the holder raised a dispute as to their liability to pay the fee on or before the due date. In these instances, there is a grace period of 21 days to allow for resolution of a dispute, or to correct an error. Should the disputed error not be resolved following the end of the 21 day period, the licence will then be suspended.
- 18.3 In all instances of suspension, the Licensing Authority will write to the licence holder to advise of the suspension, the correspondence of which will include the date on which the suspension is to take effect, which in all instances will be 2 days after the day the notice is given.
- 18.4 In all instances of suspension, the Licensing Authority will notify Hertfordshire Constabulary and the relevant responsible authorities as defined under the Act. The procedures for suspension are described in the regulations, and the section 182 guidance; the Licensing Authority will follow these principles.
- 18.5 The lifting of a suspension will only take place from the day on which the Licensing Authority receives the payment of the outstanding fee. In all instances, confirmation that the suspension has been lifted in writing will be made the following working day after the payment has been received. Notification will also be provided to Hertfordshire Constabulary, and the relevant responsible authorities as notified at the time the suspension notice was given.

19. Temporary Event Notices

- 19.1 The process of issuing a Temporary Event Notice (TEN) is designed to be a light-touch process, and as such, the carrying on of any of the licensable activities does not have to be authorised by the Licensing Authority on an application, instead, the applicant serves notice to the required agencies.
- 19.2 Certain temporary events do not require a licence and can be notified to the Licensing Authority by a TEN giving a minimum of 10 working days notice. This period begins the day after receipt of the notice and does not include the day of the event itself.
- 19.3 Premises users are now permitted under the Act a limited number of late TENs. A late TEN is a notice given no earlier than nine and no later than five working days before the event date. Late TENs are designed to assist premises users who require, for reasons beyond their control, to still serve a notice of intent for their event to the required authorities.
- 19.4 Applicants in the instance of a late TEN need to be aware that, should an objection be raised by either the Police or Environmental Health with regard to any of the four licensing objectives, the event cannot go ahead. Event size, location or timing may not allow sufficient time for organisers to carry out full

and proper discussions on the possible crime and disorder, public nuisance and health and safety issues with the Licensing Authority, Police and other interested parties or body representatives.

19.5 A number of limitations are imposed on the use of TENs by the 2003 Act:

- the number of times a premises user may give a TEN is 50 times in a calendar year for a personal licence holder and five times in a calendar year for other people;
- the number of times a premises user may give a late TEN is limited to 10 times in a calendar year for a personal licence holder and twice for other people. Late TENs count towards the total number of permitted TENs (i.e. the limit of five TENs a year for non-personal licence holders and 50 TENs for personal licence holders). A notice that is given less than ten working days before the event to which it relates, when the premises user has already given the permitted number of late TENs in that calendar year, will be returned as void and the activities described in it will not be authorised.
- the number of times a TEN may be given for any particular premises is 15 times in a calendar year;
- the maximum duration of an event authorised by a TEN is 168 hours (seven days);
- the maximum total duration of the events authorised by TENs in relation to individual premises is 21 days in a calendar year;
- the maximum number of people attending at any one time is 499; and
- the minimum period between events authorised under separate TENs in relation to the same premises (not including withdrawn TENs) by the same premises user is 24 hours.

19.6 The Licensing Authority recommends that to ensure events occur with the minimum of risk, at least 28 days notice is given. Some events may be more difficult to assess in advance it recommends that not more than 90 days notice is given.

19.7 The Licensing Authority and relevant authorities including representatives from the Police, Fire and Ambulance have agreed to a Safety Advisory Team (SAT) for the Borough. The purpose of the team is to provide advice on the organisation and safety, and to assist with meeting with the requirements of other legislation that protects local residents and businesses, to persons planning to hold temporary event. Applicants giving notification to the licensing authority of a temporary event should have regard to the SAT advice. For further information please contact the Licensing Team on 01438 242908.

20. Sexual Entertainment

20.1 Stevenage Borough Council has adopted the provisions under the Local Government (Miscellaneous Provisions) Act 1982, schedule 3 for the licensing of sex shops, cinemas and sexual entertainment venues, as amended.

20.2 Premises seeking to provide regulated entertainment at their premises that will commonly be of an adult nature should consult with the Licensing Authority in the first instance as to whether separate permission will be required.

- 20.3 In summary, premises seeking to provide sexual entertainment such as lap-dancing or like activity more frequently than 11 times a year, and on more than one occasion per month will need to ensure that they have the appropriate permission(s) for these activities from the Licensing Authority in accordance with the Local Government (Miscellaneous Provisions) Act 1982, as well as those in accordance with the Licensing Act 2003.
- 20.4 Should an application for a sexual entertainment venue be required under the Local Government (Miscellaneous Provisions) Act 1982, and relevant representations received as to this, consideration will be given as to the grant of any additional licence where the premises in question are in the vicinity of:
- Residential Housing;
 - Schools;
 - Play areas;
 - Children’s nurseries or pre-school facilities;
 - Places of religious worship or education;
 - Historic buildings;
 - Tourist attractions;
 - Predominantly family shopping areas;
 - Community facilities or public buildings e.g. youth clubs, libraries, sports centres.
- 20.5 In so far as it relates to the licensing objectives, and taking into account location, the Licensing Authority may determine the nature of any external signage for the premises seeking to provide the adult entertainment.
- 20.6 The Licensing Authority will also expect that the entertainment occurring on the premises should only be visible to those who have chosen to visit and enter the premises, irrespective of its location in the Borough.
- 20.7 The Licensing Authority is keen to ensure that any premises seeking to provide any such entertainment of an adult nature is proactive in its operations to promote the licensing objective “Protection of Children from Harm”, and will expect operating schedules to address this matter by giving consideration to conditions as to entrance policy, security measures for staff and customers alike, staff training and management policies so as to ensure that this, as well as the other three licensing objectives are fully promoted.

21. Administration, Exercise and Delegation of Functions

- 21.1 A major principle underlying the Act is that the licensing functions contained within the Act should be delegated to an appropriate level so as to ensure speedy, efficient and cost effective service delivery.
- 21.2 The Licensing Authority is committed to the principle of delegating its powers to ensure that the objectives are met and has arranged for its licensing functions to be discharged in accordance with the guidance issued by the Secretary of State. These arrangements are set out in the table at the Appendix 1.

- 21.3 The power of the Licensing Authority under the Act may be carried out by the Council's Licensing Committee, or one or more officers acting under delegated authority.
- 21.4 The Licensing Committee will be made up of 13 members with a quorum of four who will hear any relevant representations from authorised persons, responsible authorities and interested parties in the form of a hearing.
- 21.5 Many of the decisions and functions are administrative in nature, including the grant of non-contentious applications, such as those licences and certificates where no representations have been made. All such matters will be delegated to Licensing Officers and reported to the members of the Licensing Committee.
- 21.6 In support of the table of delegation as at Appendix 1, delegation to officers for the following has also been provided in respect of:
- Power to suspend a premises licence or club premises certificate for non-payment of annual fee
 - Power to specify the date on which suspension takes effect. This will be a minimum of 2 working days
 - Power to impose existing conditions on a premises licence, club premises certificate and Temporary Event Notice where all parties agree that a hearing is unnecessary
 - Power to make representations as a responsible authority.
- 21.7 This form of delegations is without prejudice to officers being able to refer an application to the committee, if considered appropriate in the circumstances of any particular case.
- 21.8 Whilst the hearing of a contested licence application is quasi-judicial in nature, the Committee will aim to keep proceedings as informal as possible. However, a degree of formality is needed to ensure that all parties receive a fair hearing. The procedures adopted by Stevenage Borough Council as the Licensing Authority are designed to ensure that all parties are able to express their view openly and fairly. The Committee procedure is inquisitorial rather than adversarial and whilst applicants, interested parties, and responsible authorities are entitled to bring legal representation with them if they wish, this is by no means a requirement.
- 21.9 Whilst the Committee usually meets in public, it does have the power to hear certain applications in private. The Committee will, however, always reach its decision in private. A public announcement of the decision will be made at the end of the hearing. The decision determined by the Committee will be accompanied with clear, cogent reasons for the decision, having due regard to the Human Rights Act 1998, the four licensing objectives and all other relevant legislation.
- 21.10 The Committee will determine each case before it on its merits. However, in determining the application the Licensing Committee will consider:
- The case and evidence presented by all parties;
 - The promotion of the four licensing objectives;
 - Guidance by central Government;

- This Licensing Policy.

21.11 Where the Committee determines that it is appropriate to attach conditions to a licence/certificate it will ensure those conditions are focused on the activities taking place at the premises, on members of the public, living working or engaged in normal activity in the area concerned. Such conditions will be proportionate to the activity to be controlled and will only be imposed in the interests of the licensing objectives.

22. Applications for Personal Licences

22.1 Any individual may apply for a personal licence whether or not he or she is currently employed or has business interests associated with the licence use. An applicant has to demonstrate that they have an appropriate licensing qualification, are aged over 18 years, do not have a relevant or foreign criminal conviction or have been required to pay an immigration penalty. In addition they must also demonstrate that they have the right to work within the United Kingdom. Any Personal Licence issued in respect of an application made on or after 6 April 2017 will become invalid if the holder ceases to be entitled to work in the United Kingdom.

22.2 Applicants with unspent criminal convictions for relevant offences set out in the Licensing Act are encouraged to first discuss their intended application with the police and local authority licensing officers before making an application. The Licensing Authority and police will arrange to hold interview(s) with prospective personal licence holders to discuss the circumstances surrounding the conviction. Applicants may bring with them supporting evidence, character references or representations to the meeting(s).

22.3 The holder of a Personal Licence is required by the Act to report (as soon as reasonably practicable) to the Licensing Authority any change to their name or address. Similarly should they receive a conviction for any relevant criminal offence or foreign offence or have been required to pay an immigration penalty they must report this in writing (again as soon as reasonably practicable) on receipt of which the Licensing Authority has the discretion to suspend, for up to 6 months, or to revoke the Licence.

22.4 A personal licence is required by individuals who may be engaged in making and authorising the sale or supply of alcohol. Not every person retailing alcohol at a premises licensed for that purpose needs to hold a personal licence although the Licensing Authority expects that every person authorised to make a sale of alcohol is clearly identified, for example by way of a written statement.

22.5 A joint interview will always be arranged where the police are minded to object to the transfer of a designated premises supervisor on the grounds that such a transfer may undermine the crime prevention objective.

23. Equalities and human rights

Human Rights

23.1 The Human Rights Act 1998 incorporated the European Convention on Human Rights and makes it unlawful for a local authority to act in a way which is

incompatible with a Convention right. The Licensing Authority will have particular regard to the following relevant provisions in determining licence applications:

- **Article 1**
That every person is entitled to the peaceful enjoyment of his or her possessions
- **Article 6**
In the determination of civil rights and obligations everyone is entitled to a fair public hearing within a reasonable time by an independent and impartial tribunal established by law.
- **Article 8**
That everyone has the right to respect for private and family life, home and correspondence.

Equality

- 23.2 The Equality Act 2010 places a legal obligation on public authorities to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation; to advance equality of opportunity; and to foster good relations, between persons with different protected characteristics, and to promote equality of opportunity and good relations between persons of different racial groups. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 23.3 The Licensing Authority will therefore have due regard to this responsibility when imposing conditions on licences so as to ensure that they could not directly or indirectly lead to discrimination against any racial group.
- 23.4 Further guidance as to this matter is available from the Government Equalities Office and the Equality and Human Rights Commission.

Modern slavery

- 23.5 Stevenage Borough Council is committed to ending all forms of modern slavery. Through working in partnership with local residents, Hertfordshire Police, organisations such as the Salvation Army and the Modern Slavery Helpline the council aims to make the borough of Stevenage an even safer, place to live, work and visit. As a signatory of the Charter for Modern Slavery the council is also aware of its wider social responsibility and is committed to having a positive impact on the working conditions of all those involved in supplying its goods and services.

Appendix 1

Table of Delegations of Licensing Functions

MATTER TO BE DEALT WITH	LICENSING COMMITTEE	OFFICERS
Initial and five yearly review of licensing policy	Recommend policy to Full Council	
Application for personal licence	If a police objection made	All other cases
Application for personal licence, with unspent convictions	All cases	All other cases
Application for premises licence/club premises certificate	If a relevant representation made	All other cases
Application for provisional statement	If a relevant representation made	All other cases
Application to vary premises licence/club premises Certificate	If a relevant representation made	All other cases
Application to vary designated premises supervisor	If a police objection	All other cases
Request to be removed as designated premises supervisor		All cases
Determination of a Police or Environmental Health Representation to a temporary events notice (except a late TENs)	All cases	
Application for transfer of premises licence	If a police objection made	All other cases
Application for Interim Authorities	If a police objection made	All other cases
Application to review premises licence/club premises certificate	All cases	
Decision on whether a complaint is irrelevant, frivolous, vexatious, etc		All cases
Decision to object when local authority is a consultee and not the lead authority	All cases	
Determination of an application to vary a premises licence at a community premises to include alternative licence conditions	If a police objection is made	All other cases
Decision whether to consult other responsible authorities on minor variation applications		All cases
Determination of minor variation application		All cases

Appendix 2

Other policies, legislation, case-law and guidance sources

Related Legislation

Policing and Crime Act 2009
Anti Social Behaviour Act 2003
Crime and Disorder Act 1998
Crime and Security Act 2010
Criminal Justice and Police Act 2001
Private Security Industry Act 2001
Race Relations Act 1976 (as amended by the Race Relations (Amendment) Act 2000)
The Clean Neighbourhoods and Environment Act 2005
The Health Act 2006
Violent Crime Reduction Act 2006
Regulatory Reform (Fire Safety) Order 2005
Violent Crime Reduction Act 2006
Provision of Service Regulations 2009
Legislative Reform (Minor Variations to Premises Licences and Club Premises Certificates) Order 2009
Legislative Reform (Supervision of Alcohol Sales in Church and Village Halls etc.) Order 2009
Crime and Security Act 2010
Legislative Reform (Licensing) (Interim Authority Notices etc) Order 2010
Legislative Reform (Licensing Act 2003 Mandatory Licensing Conditions) Order 2010
Police Reform and Social Responsibility Act 2011
Live Music Act 2012
The Licensing Act 2003 (Descriptions of Entertainment) (Amendment) Order 2013

Relevant case law regarding policy statements

Limits of licensing policy:

BBPA & Others v Canterbury City Council [2005] EWHC 1318 (Admin)

“Strict” licensing policies and exceptions to policy:

R (Westminster City Council) v Middlesex Crown Court and Chorion plc [2002] LLR 538

Cumulative impact policies and hours:

R (JD Weatherspoon plc) v Guildford Borough Council [2006] EWHC 815 (Admin)

Duplication and conditions:

R (on the application of Bristol Council) v Bristol Magistrates’ Court [2009] EWHC 625 (Admin)

Extra-statutory notification by the licensing authority:

R (on the application of Albert Court Residents Association and Others) v Westminster City Council [2010] EWHC 393 (Admin)

The prevention of crime and disorder: ambit of the objective

Blackpool Council, R (on the application of) v Howitt [2008]

Statement of Licensing Policy 2020-25 – Post consultation draft

Crime and disorder: sanctions on review: deterrence
Bassetlaw District Council, R (on the application of) v Workshop Magistrates Court [2008]

Guidance Documents

Home Office 'Practical Guide for Preventing and Dealing with Alcohol Related Problems

Home Office Safer Clubbing Guide

Home Office Alcohol Disorder Zone Guidance

Home Office Designated Public Place Order (DPPO) guidance

Home Office s182 Guidance

Test Purchasing Guidance

Protecting young people from alcohol related harm

Licensing large scale events (music festivals, etc)

Licensing Village Halls

Councillor Handbook: Licensing Act 2003

Councillor Handbook: Community Events

Managing Crowds Safely

5 Steps to Risk Assessment

The Guide to Safety at Sports Grounds

Safety Guidance for Street Arts, Carnivals, Processions and Large-Scale Performances

UK BIDS: Business Improvement Districts (national BIDS advisory service)

Appendix 3

Useful Contacts

Association of Convenience Stores (ACS)

<https://www.acs.org.uk/>

Federation House, 17 Farnborough Street, Farnborough, Hampshire, GU14 8AG

E-mail: acs@acs.org.uk

Association of Town and City Management (ACTM)

<http://www.atcm.org/>

PO Box 242 Westerham TN16 9EU

E-mail: info@atcm.org

British Beer and Pub Association (BBPA)

<http://www.beerandpub.com>

Brewers Hall, Aldermanbury Square, London, EC2V 7HR

Tel: 020 7627 9191

E-mail: contact@beerandpub.com

British Board of Film Classification (BBFC)

<https://bbfc.co.uk/>

3 Soho Square, London, W1D 3HD

E-mail: feedback@bbfc.co.uk

British Institute of Inn Keeping (BII)

<https://www.bii.org/>

Infor House, 1 Lakeside Road, Farnborough, GU14 6XP

Email: enquiries@bii.org

British Retail Consortium (BRC)

<https://www.brc.org.uk/>

2 London Bridge, London SE1 9RA

Email: info@brc.org.uk

Circus Arts Forum

www.circusarts.org.uk

E-mail: info@circusarts.org.uk

Department for Culture, Media and Sport (DCMS)

www.culture.gov.uk

100 Parliament Street, London, SW1A 2BQ

E-mail: enquiries@culture.gov.uk

Equity

<http://www.equity.org.uk/>

Guild House, Upper St Martins Lane, London, WC2H 9EG

Tel: 020 7379 6000

E-mail: info@equity.org.uk

Federation of Licensed Victuallers Associations (FLVA)

<http://www.flva.co.uk>

The Raylor Centre, James Street, York, YO10 3DW

Email: admin@flva.co.uk

Home Office

www.homeoffice.gov.uk

2 Marsham Street, London, SW1P 4DF

Email: public.enquiries@homeoffice.gov.uk

Institute of Licensing (IoL)

<http://www.instituteoflicensing.org/>

Ridgeway, Upper Milton Wells, Somerset, BA5 3AH

Email: info@instituteoflicensing.org

Local Government Association (LGA)

<https://www.local.gov.uk/topics/licences-regulations-and-trading-standards>

17 Smith Square, Westminster, London SW1P 3HZ

E-mail: info@local.gov.uk

National Association of Licensing and Enforcement Officers (NALEO)

<https://www.naleo.org.uk/>

37 Little Paddocks, Ferring, West Sussex, BN12 5NJ

Email: info@naleo.org.uk

National Pub Watch

<http://www.nationalpubwatch.org.uk/index.php>

PO Box 3523, Barnet, EN5 9LQ

Night Time Industries Association (NTIA)

<https://www.ntia.co.uk/>

Email: info@ntia.co.uk

Office for Product Safety and Standards (OPSS)

<https://www.gov.uk/government/organisations/office-for-product-safety-and-standards>

4th Floor Cannon House, 18 The Priory Queensway, Birmingham, B4 6BS

Email: OPSS.enquiries@beis.gov.uk

Outdoor Arts UK

outdoorartsuk.org.uk

54 Charlton Street, London, NW1 1HS

Email info@outdoorartsuk.org

Portman Group

<https://www.portmangroup.org.uk>

4th Floor, 20 Conduit Street, London, W1S 2XW

Tel: 020 7290 1460

E-mail: info@portmangroup.org.uk

UK Cinema Association (UKCA)

<https://www.cinemauk.org.uk/>

3 Soho Square, London, W1D 3HD

UK Hospitality (UKH)

<https://www.ukhospitality.org.uk/>

6th Floor, 10 Bloomsbury Way, London, WC1A 2SL

Email: info@ukhospitality.org.uk

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APPENDIX B – LIST OF ORGANISATIONS CONSULTED

Association of Convenience Stores (ACS)

<https://www.acs.org.uk/>

Federation House, 17 Farnborough Street, Farnborough, Hampshire, GU14 8AG

E-mail: acs@acs.org.uk

Association of Town and City Management (ACTM)

<http://www.atcm.org/>

PO Box 242 Westerham TN16 9EU

E-mail: info@atcm.org

British Beer and Pub Association (BBPA)

<http://www.beerandpub.com>

Brewers Hall, Aldermanbury Square, London, EC2V 7HR

Tel: 020 7627 9191

E-mail: contact@beerandpub.com

British Board of Film Classification (BBFC)

<https://bbfc.co.uk/>

3 Soho Square, London, W1D 3HD

E-mail: feedback@bbfc.co.uk

British Institute of Inn Keeping (BII)

<https://www.bii.org/>

Infor House, 1 Lakeside Road, Farnborough, GU14 6XP

Email: enquiries@bii.org

British Retail Consortium (BRC)

<https://www.brc.org.uk/>

2 London Bridge, London SE1 9RA

Email: info@brc.org.uk

Circus Arts Forum

www.circusarts.org.uk

E-mail: info@circusarts.org.uk

Department for Culture, Media and Sport (DCMS)

www.culture.gov.uk

100 Parliament Street, London, SW1A 2BQ

E-mail: enquiries@culture.gov.uk

Equity

<http://www.equity.org.uk/>

Guild House, Upper St Martins Lane, London, WC2H 9EG

Tel: 020 7379 6000

E-mail: info@equity.org.uk

Federation of Licensed Victuallers Associations (FLVA)

<http://www.flva.co.uk>

The Raylor Centre, James Street, York, YO10 3DW

Email: admin@flva.co.uk

Home Office

www.homeoffice.gov.uk

2 Marsham Street, London, SW1P 4DF

Email: public.enquiries@homeoffice.gov.uk

Institute of Licensing (IoL)

<http://www.instituteoflicensing.org/>

Ridgeway, Upper Milton Wells, Somerset, BA5 3AH

Email: info@instituteoflicensing.org

Local Government Association (LGA)

<https://www.local.gov.uk/topics/licences-regulations-and-trading-standards>

17 Smith Square, Westminster, London SW1P 3HZ

E-mail: info@local.gov.uk

National Association of Licensing and Enforcement Officers (NALEO)

<https://www.naleo.org.uk/>

37 Little Paddocks, Ferring, West Sussex, BN12 5NJ

Email: info@naleo.org.uk

National Pub Watch

<http://www.nationalpubwatch.org.uk/index.php>

PO Box 3523, Barnet, EN5 9LQ

Night Time Industries Association (NTIA)

<https://www.ntia.co.uk/>

Email: info@ntia.co.uk

Office for Product Safety and Standards (OPSS)

<https://www.gov.uk/government/organisations/office-for-product-safety-and-standards>

4th Floor Cannon House, 18 The Priory Queensway, Birmingham, B4 6BS

Email: OPSS.enquiries@beis.gov.uk

Outdoor Arts UK

outdoorartsuk.org.uk

54 Charlton Street, London, NW1 1HS

Email info@outdoorartsuk.org

Portman Group

<https://www.portmangroup.org.uk>

4th Floor, 20 Conduit Street, London, W1S 2XW

Tel: 020 7290 1460

E-mail: info@portmangroup.org.uk

UK Cinema Association (UKCA)

<https://www.cinemauk.org.uk/>

3 Soho Square, London, W1D 3HD

UK Hospitality (UKH)

<https://www.ukhospitality.org.uk/>

6th Floor, 10 Bloomsbury Way, London, WC1A 2SL

Email: info@ukhospitality.org.uk

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**Stevenage Borough Council
Consultation – Review of Statement
of Licensing Policy – December 2019**



The British Beer & Pub Association is the UK's leading organisation representing the brewing and pub sector.

Our members account for some 90 per cent of beer brewed in Britain today, and own around 20,000 of the nation's pubs. A full list of our members can be found [here](#).

Our members operate pubs across the UK and, as such, are impacted by national and local licensing issues. We welcome the opportunity to respond to this consultation and our views are set out below.

Introduction

The British Beer & Pub Association is the UK's leading organisation representing the brewing and pub sector. Our members account for 90% of the beer sold in the UK and own around 20,000 of Britain's pubs.

The pub plays a vital role in community cohesion and social life in Britain. They remain one of the few places where communities can come together to socialise. The British pub has been part of people's lives for hundreds of years. First and foremost, they are businesses which serve their local communities and contribute much to the social life of each and every community. The pub sector has enormous potential to generate economic growth and create jobs. It can also play an important part in local regeneration projects and has been at the heart of the regeneration of many of our key towns and cities over the last fifteen years. A major study undertaken by Oxford Economics in 2018 clearly identifies the significant local impact of brewing and pubs. Currently over £1.5 billion is invested in the pub sector per annum. Indeed, pubs are labour-intensive businesses so this investment directly correlates to jobs. Pubs employ 600,000 people across the UK, often providing vital work in small towns and villages. Indeed, 45% of those employed in the sector are aged 16-24 providing a vital route to work and first career-step for many young people.

Across Britain, 30 million people visit Britain's pubs each month, with over 15 million people drinking beer.

BBPA's Support for the Proposed Revisions to the Statement of Licensing Policy (SoLP) 2019-2024

Our review of the changes identified in the revised Statement of Licensing Policy Statement noted that these are mostly administrative, bringing the policy up to date and in accordance with recent legislation.

On the basis that all of the proposed changes are those that have been identified as such on the revised Policy Statement, we can confirm that we are content with the proposed changes subject to the specific points made below.

BBPA's Feedback on Proposed Revisions to the SoLP

Section 3 - we are encouraged to see the inclusion of partnership working, particularly with organisations like National PubWatch and the local Stevenage PubWatch.

Paragraph 3.4 – we would also highlight the Challenge 21 scheme as an example of an initiative that venues can use to ensure that under-age alcohol sales are prevented. This scheme could also be referenced as an example in the paragraphs that cover Protection of Children from Harm.

Paragraph 7.3 – we were unsure if the stated time period of 11pm to 8pm should in fact be 11pm to 8am.

Sections 9, 10 & 11 – we support the decisions not to implement either a CIA, an EMRO or Late Night Levy at this time. We agree that any such decision, if taken, should be based on robust evidence. We support the inclusion of a number of other mechanisms that can be used to address specific problems before resorting to either a CIA, or EMRO or Late Night Levy. We note that whilst the Licensing Policy confirms that a consultation would be held before deciding whether or not to implement a Late Night Levy, there is no equivalent confirmation for either a CIA or EMRO. We would suggest that the Policy be amended to confirm that a consultation would be required for both a CIA and an EMRO.

Paragraph 18.1 – whilst there may be no statutory requirement to for licence renewal reminders to be sent, it seems very unreasonable and counter-productive to purposely not issue a reminder and then suspend licences that that fail to renew on time. We would recommend that either a commitment to issue reminders is given, or greater leniency is

given to licence holders that miss the renewal deadline (e.g. a notification is issued that allows the licence holder a reasonable extension to renew before the licence is suspended).

BBPA contact re this response:

Andrew Green, Policy Manager – Pub Operations

agreen@beerandpub.com / 0207 627 9144

Meeting: EXECUTIVE

Portfolio Area: Environment and Regeneration

Date: 12 February 2020

HOUSEHOLD WASTE MANAGEMENT POLICY

KEY DECISION

Authors – David Brown Ext. 2776
Lead Officers – Lloyd Walker Ext. 2517
Contact Officer – Lloyd Walker Ext. 2517

1 PURPOSE

1.1 This report seeks approval of a Household Waste Management Policy, which sets out how waste and recycling services will operate in Stevenage.

2 RECOMMENDATIONS

- 2.1 That the draft Household Waste Management Policy, attached as Appendix A to the report, be approved.
- 2.2 That authority to amend the policy be delegated to the Strategic Director (RP), after consultation with the Portfolio Holder for Environment and Regeneration.

3 BACKGROUND

- 3.1 Stevenage Borough Council is committed to supporting resident’s efforts to minimise the generation of waste and maximise re-use and recycling. The council has to meet targets that are set in law for diverting biodegradable waste from landfill.
- 3.2 The policy document, service standards and parameters detailed within it will be reflected in the configuration of the new operations management system due to go live from end of March 2020.
- 3.3 The Portfolio Holder for Environment and Regeneration and the Portfolio Holder Advisory Group (PHAG) have been consulted on the policy. The importance of waste minimisation, behavioural change and the need for communications with residents were noted.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1	The council currently has no policy that sets out the specification of our services or acts as the approved foundation for the decisions that are made regarding their delivery. The proposed policy will help residents to understand what they can expect from the service.
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4.2	The objectives of the policy are to improve recycling rates, contribute to the council's wider environmental objectives around climate change, future proof the service with regard to the Government's emerging Resources and Waste Strategy and contribute to the council's financial security programme.
4.3	Changes to Existing Practice
4.3.1	Residual Household Waste Collections - 180 litre wheeled bins will be provided as standard for refuse containment to all low rise households. Current practice is a 240 litre wheeled bin. Exceptions will continue to apply for certain situations (e.g. clinical and larger households).
4.3.2	Replacement Waste Receptacles - A charge will be applied for replacement refuse containers, where the loss is not due to reported theft or damage caused by the council. The charge will not apply to recycling containers.
4.3.3	Larger Waste Receptacles - The qualifying threshold will be increased from five or more persons in the household to six. Households of six to seven can request a 240 litre refuse container and households of eight or more can request a 360 litre refuse container. This is a pro rata decrease in line with decreasing the size overall, to encourage recycling and reduce general waste.
4.3.4	Bins Not Put Out For Collection – If a resident reports a missed bin that has been recorded by the collection team as not being presented, their waste will be collected on the next scheduled collection day. Information will also be provided regarding the use of the Household Waste Recycling Centre (HWRC). Future consideration may be given to a chargeable service to collect bins in these circumstances.
4.3.5	Missed Collections a. Missed collections reported before 12:00 will be collected on the same day. This is an enhancement of the service. If collected on the same day it will not be considered a missed collection for reporting purposes. b. Reports received after 12:00 on the scheduled collection day will be collected by 16:00 hours the following day. c. Reports received after 16:00 on the day following the scheduled collection day, will not be considered a missed bin. Residents will be advised that their refuse will be collected on the next scheduled collection day.
4.3.6	Excess Waste & Overloaded Bins - Two additional black bags of side waste will be taken after the Christmas period. This is a reduction of one black bag to existing practice and is to reduce the amount of general waste generated and encourage recycling. Side waste will not be removed at any other time in line with current practice.

5 IMPLICATIONS

5.1 Financial Implications

- 5.1.1 Charges for replacement bins have been approved as part of the council's financial security programme. This is expected to deliver a saving of £20k per annum as a result of reduced demand and additional cost recovery.
- 5.1.2 180 litre bins will be provided as replacements for damaged or lost 240 litre bins, therefore there will be no additional costs. An accelerated replacement programme to increased recycling rates may be considered at a future date, but this option would have to be costed and appraised through a business case.

5.2 Legal Implications

Under the Environmental Protection Act 1990, councils have a duty to collect household waste free of charge. However, they can impose conditions such as the type and size of bins used, what can be put in them and where they must be placed.

5.3 Equalities and Diversity Implications

- 5.3.1 The policy has taken account of the needs of disabled residents. Residents who are unable to safely manoeuvre a waste receptacle to the required collection point due to infirmity or ill health can request an assisted collection service.

5.4 Risk Implications

- 5.4.1 Some of the proposed changes to current practices may be unpopular with some residents. A communications strategy will be prepared to ensure that there is a clear and consistent message regarding the implementation of the policy.
- 5.4.2 Experience elsewhere does not suggest that there is a significant risk of increased fly tipping. However, trends will be closely monitored as the policy is implemented. Where appropriate additional capacity will be provided (see 4.3.3 above).
- 5.4.3 Efforts have been made to align the policy with the proposals within the Government's emerging Resources and Waste Strategy. However, it should be noted that this strategy has not been finalised.
- 5.4.4 If approved, this policy will support the council's climate change pledge by encouraging residents to reduce general waste and increase recycling.

5.5 Environmental and Climate Change Implications

- 5.5.1 The policy will contribute towards minimising waste and increasing recycling, which will contribute to the Council's efforts to tackle climate change. The Council currently has a recycling rate of 40% (2018/19) and has aspirations to increase this.

5.6 Service Delivery Implications

- 5.6.1 One of the objectives of the policy is to set out clear service delivery standards.

5.7 Information Technology Implications

- 5.7.1 The policy document, service standards and parameters detailed within it will be reflected in the configuration of the new operations management system (Collective) due to go live from the end of March 2020.
- 5.7.2 Collective will integrate with the new CRM system being implemented by the council. This will increase the amount of information available to Customer Service Centre advisors and in turn residents. With real time information it will reduce avoidable contact and allow residents to self-serve.

BACKGROUND PAPERS

None.

APPENDICES

Appendix A – Draft Household Waste Management Policy

Stevenage Direct Services



Household Waste Management Policy

November 2019

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1. Objective
2. General Service Arrangements
 - a) Residual Household Waste Collections
 - b) Kerbside Recycling Collections
 - c) Organic Food Waste Collections
 - d) Preparation for Collection
 - e) Access for Collection Vehicles
 - f) Public & Bank Holiday Arrangements
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 - h) Waste Receptacle Cleansing
3. Replacement Waste Receptacles
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5. Education & Awareness
6. New Developments
7. Bins Not Put Out for Collection
8. Missed Collections
9. Excess Waste & Overloaded bins
10. Contamination
11. Assisted Collections
12. Special Bulky Household Waste Collection Service
13. Subscribed Green Waste Collection Service
14. Appointment Bulk Green Waste Collection Service
15. Clinical Waste
16. Educational Establishments and Charities

Appendix A

1. **Objective**

- 1.1 Stevenage Borough Council (the council) is committed to supporting resident's efforts to minimise the generation of waste through waste prevention and the re-use of materials and to maximise the recycling of waste that is generated.
- 1.2 The council has to meet targets that are set in law for diverting biodegradable waste from landfill.
- 1.3 This document supports the delivery of the Hertfordshire Joint Municipal Waste Management Strategy. The core principle of this policy and the Hertfordshire strategy is that, reducing the amount of waste we produce is better than recycling, and recycling is better than disposal.
- 1.4 This policy sets out how waste and recycling services in Stevenage will be operated and can be used by residents.

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2 General Service Arrangements

- 2.1 The council will collect household refuse, household recyclables and green garden & food waste on an alternate weekly basis in most areas of Stevenage.
- 2.2 The collection day will normally be the same day of the week for refuse and for recycling.
- 2.3 We aim to keep your collection day the same from year to year, but occasionally it may be necessary to change this to ensure our collection rounds take account of new developments, remain balanced and efficient.
- 2.4 We will sometimes need to put different collection arrangements in place than those provided to the majority of the town in order to better fit local circumstances e.g. where access arrangements are difficult. These will always be operated within the overarching principles of this policy and will be fully communicated to the relevant households.

Household Refuse Collections

- 2.5 All suitable households shall be provided with one black 180 litre wheeled bin for the storage of household refuse that cannot be recycled or composted. Collections will be made on a fortnightly basis. A larger wheeled bin will be provided in exceptional circumstances - please refer to the '*Exceptional Circumstances*' section.
- 2.6 Households that are unable to accommodate wheeled bins will be provided with a weekly sack collection service. A year's supply of purple coloured residual household waste sacks will be provided to these households once a year.
- 2.7 Multi-occupancy households will be provided with communal household refuse containers.

Kerbside Recycling Collections

- 2.8 All suitable households¹ shall be provided with a minimum of:
- one blue 60 litre bag for the storage of paper and card, including magazines and newspapers
 - one black 60 litre bag for the storage aluminium and steel cans, plastic bottles, tubs, pots and trays, including tetra pak
 - one red 23 litre caddy for the storage of glass bottles, pots and jars
- Collections will be made on a fortnightly basis. Additional containers will be provided upon request for suitable households that require more recycling capacity.
- 2.9 A small number of households are unable to accommodate wheeled bins or recycling boxes. These properties will be provided with a weekly sack collection service. A year's supply of clear household recyclable waste sacks will be provided to these households once a year.

Appendix A

Green Garden Waste & Food Waste

- 2.10 All suitable households will be provided with a brown 240 litre wheeled bin for the storage of green garden waste and food waste. Collections will be made on a fortnightly basis.
- 2.11 Multi-occupancy households will be provided with communal household recyclable waste containers.

Presentation of Refuse & Recyclables for Collection

- 2.12 Waste and recycling receptacles must be presented at the curtilage (boundary) of the property, at the point nearest the highway by 7am on the appointed day of collection.
- 2.13 Waste and recycling receptacles shall be returned to a safe location as close to the collection position as possible once emptied. Householders should return their receptacles back within the curtilage of their property by the end of the collection day.
- 2.14 The council will only empty wheeled bins and containers that it has issued.
- 2.15 The council will visit properties and householders who report difficulties in being able to present their waste containers e.g. steep steps or slopes to agree a presentation arrangement.
- 2.16 Householders with a shared driveway will need to present their waste receptacles for collection at the end of their shared drive, at a point nearest to the highway.
- 2.17 Households located on long driveways will need to present their waste receptacles at the point nearest the highway for collection. The council will visit such locations to determine the most appropriate presentation location with the household.
- 2.18 Any variation to this policy will be at the discretion of the Operations Manager or designated Officer. Their decision will be deemed to be final.

Access for Collection Vehicles

- 2.19 Residents are asked to leave reasonable vehicular access for refuse and recycling collection vehicles. Collection operatives may leave tags on bins where access difficulty is experienced requesting assistance from residents to overcome the problem.

Public & Bank Holiday Arrangements

- 2.20 The council will implement a 'catch up' schedule following any public or bank holiday that prevents waste collection services being undertaken on their normal scheduled day. Waste collections will in the main be made one day later than normal utilising Saturday's for collections normally undertaken on a Friday.
- 2.21 The council will publish a Refuse and Recycling Collection Holiday Schedule with revised collection day information for residents each year. This schedule

Appendix A

will be posted on the council's website. www.stevenage.gov.uk and where possible published in the local /social media prior to public or bank holidays.

2.22 The council's Refuse and Recycling Collection Holiday Schedule may be subject to change in the event of unforeseen circumstances such as inclement weather or major events. Any such changes will be communicated on the council's website and via social media.

2.23 Residents can sign up for text and/or email waste alerts through the council's website at:
<http://www.stevenage.gov.uk/reminders/sbcwasteandrecyclingreminder.asp>.

Inclement Weather

2.24 In the event of inclement weather e.g. snow or ice the council shall assess whether it is safe to carry out waste collections. Waste collection services will be suspended if it is not safe to undertake collection.

2.25 Notification of service suspension shall be posted on the front page of the council's website, posted on appropriate social media networks and forwarded to the local media.

2.26 In the event that collections are not made due to inclement weather, the council will attempt to make collections the following day. If collections cannot be made the following day, they will be carried out on the next scheduled collection day. The council will collect up to two tied refuse sacks (assuming standard refuse sack dimensions) of side waste presented on the next collection date after this type of disruption in service.

Waste Receptacle Cleansing

2.27 The council does not provide a waste receptacle cleaning service. Residents are responsible for maintaining their waste receptacles in a clean and hygienic condition.

3.0 Replacement Waste Receptacles

3.1 Charges for supplying replacement wheeled refuse bins were introduced by Stevenage Borough Council in 2019.

3.2 Charges have been introduced to help mitigate the increased financial pressures the council faces and cover the cost of supplying replacement containers and their delivery.

3.3 These charges apply to replacement refuse containers only and payment will be taken prior to any replacement being ordered and/or delivered. This charge will be waived in circumstances where bins are damaged by our crews or reported as stolen to the Police. If your bin is stolen, you should contact the Police on 101 and obtain an incident reference number.

3.4 Please visit ****insert web address**** for details of our current charges.

3.5 Damaged receptacles will where possible be repaired in the first instance. Where this is not possible a replacement unit will be ordered for the household. Replacement receptacles will be delivered within ten working days from the date of order.

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3.6 Proof of address will be required for all replacement receptacles.

4.0 Additional Waste Receptacles

Residual Household Waste - Black Wheeled Bin

- 4.1 The council will under normal circumstances collect a maximum of 180 litres of residual waste contained within the black, wheeled bin provided. However, the council recognises that some households may produce more than 180 litres of residual waste despite active participation in the council's recycling services. Where this is the case, the council will consider providing additional residual waste capacity (bin(s)) following an assessment of the households needs.
- 4.2 The council will work with the household to make sure that every reasonable effort has been made to minimise the generation of waste, maximise the diversion of recyclable waste from the residual waste stream and determine that the need for additional capacity is an ongoing requirement.
- 4.3 Households will need to demonstrate that they have gone through the above stages and meet one of the following criteria to qualify for additional residual waste capacity:
- a) 6 or more people are in permanent residence at the property*; Properties with 6 to 7 occupants will be provided a 240 litre bin.
 - b) Properties with 8 + occupants will be provided a 360 litre bin.
 - c) large amounts of non-hazardous medical waste is generated at the property*
- 4.4 The council will seek to remove receptacles from households identified as having additional residual waste receptacles beyond the provision of this policy.

Requests for larger waste containers can be made on-line at ** or by calling *

5.0 Education & Awareness

5.1 Some households may have residual waste capacity issues due to not recycling or not diverting as much recyclable material from the black bin as possible. Residents who contact the council to request additional residual waste capacity due to not being able to fit all of their waste in their residual waste black wheeled bin will be offered the following:

Step 1: the opportunity to discuss their concerns with a Customer Contact Centre Agent.

Step 2: a visit from a Waste Management Officer to discuss their waste arrangements and provide advice on maximising their recycling effort.

6.0 New Developments

6.1 All development proposals for low rise residential developments with individual household waste storage arrangements must as a minimum be designed to accommodate the standard waste receptacle provision set out in section two above for residual waste, recyclable waste and organic food

Appendix A

waste. All designs must provide adequate access arrangements to enable full size waste collection vehicles to service all households within the proposed development. The developer will be required to incorporate the cost of providing waste receptacles within the section 106 developer contributions for the scheme.

6.2 Developers are required to contact the council regarding any development proposals for flatted properties or other developments with shared waste facilities to discuss and confirm the council's requirements for:

- a) communal waste container provision and capacity
- b) access for waste collection vehicles
- c) the design of refuse/recycling receptacle storage areas.

7.0 Missed Collections

7.1 Missed collections reported by residents to the council by 12 noon on the day of the missed collection will be rectified that day (subject to no record being present on the electronic round sheet specifying that the receptacle was not presented for collection).

7.2 Missed collections reported after 12 noon on the day of the missed collection will be rectified by 4.00 pm the following working day (subject to no record being present on the electronic round sheet specifying that the receptacle was not presented for collection).

7.3 Missed collections not reported by the next working day (and subject to no record being present on the electronic round sheet specifying that the receptacle was not presented for collection), will not be considered as missed and will be collected on the next scheduled collection day.

8.0 Excess Waste & Overloaded Bins

8.1 The council will only collect waste contained within an approved waste receptacle. Excess refuse, recycling, green garden wastes presented alongside a waste receptacle will not be removed.

8.2 The council will accept up to two additional black refuse sacks of residual household waste and domestic recyclable waste contained within cardboard boxes left alongside the household's waste receptacles for the first collection after the Christmas and New Year holidays.

8.3 Waste receptacles that are overloaded resulting in the bin being too heavy to manoeuvre safely or the receptacle lid not being able to be closed properly will not be collected by the council.

8.4 The structure of a waste receptacle can fail during the lifting process when excessive weight is contained within the unit. There is a risk that receptacles will fall off of the lifting equipment on the collection vehicle during the lifting process and strike the collection operatives if the structure of the unit fails. Similarly waste can fall out of the receptacle whilst being manoeuvred or lifted if the lid is cannot be closed properly due to the amount of waste within the unit.

8.5 Residents will be notified by way of tag or sticker left on the waste receptacle if it is found to be too heavy or overloaded. Residents will be asked to remove the excess waste and dispose of this material at an appropriate

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facility (e.g. HWRC). The waste receptacle will be collected on the next scheduled day of collection once the identified issue has been addressed.

NB: Residents should check the weight of their waste receptacles as they are filled during the week. A receptacle will be considered to be overweight if it cannot be manoeuvred without significant effort.

9.0 Contamination

9.1 Waste receptacles that contain inappropriate materials will not be collected. Inappropriate waste in one waste receptacle can render a whole vehicle load as contaminated. This will result in the load being rejected by the processing facility and ultimately being placed in landfill.

9.2 Residents will be notified by way of tag or sticker left on the waste receptacle if it is found to be contaminated. Residents will be asked to remove the contamination and dispose of this material at an appropriate facility (e.g. HWRC). The waste receptacle will be collected on the next scheduled day of collection once the identified issue has been addressed.

Appendix A

What Can and Cannot Be Placed into Waste Receptacles?

Kerbside Recycling - Blue Bag	
Yes	No
<p>Paper including shredded paper Newspapers and magazines Envelopes and junk mail Telephone directories (please remove the outer cover before recycling) Card and Cardboard including cereal boxes, toilet rolls and corrugated cardboard (this can be folded flat and left to the side of the blue box if too big to fit). Food and juice cartons (tetrapak)</p>	<p>Residual Household Waste Plastic or Plastic bags Metals Animal waste Nappies Glass</p>
Kerbside Recycling - Black Bag	
Yes	No
<p>Plastic bottles, tubs, pots and trays Steel and aluminium cans/tins</p>	<p>Residual Household Waste Plastic bags Metals Animal waste Nappies Glass</p>
Green / Food Waste – Brown Wheeled Bin	
Yes	No
<p>Hedge trimmings Grass cuttings Leaves Weeds, dead flowers Small branches/twigs (2 inch in diameter maximum and must be cut to fit in the bin) Prunings Christmas trees as long as it is chopped up and the lid closed. All food waste (raw or cooked) compostable bags (with the seed logo) or newspaper for wrapping food.</p>	<p>Soil, turf Concrete, rubble General household waste Coal and wood ash Japanese knotweed</p>
Residual Household Waste - Black Wheeled Bin	
Yes	No
<p>Only items not listed in yes columns above including: Small amounts of dog and cat waste (must be wrapped in plastic bags) Sanitary items and nappies (wrapped)</p>	<p>Any item listed in the 'yes' columns for kerbside recycling and green waste above. Rubble, bricks, soil or very heavy items Textiles, shoes and books Batteries Full/part full paint tins Chemicals Wood Electrical items</p>

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10.0 Assisted Collections

- 10.1 Residents who are unable to safely manoeuvre a waste receptacle to the required collection point due to infirmity or ill health can request to receive an assisted collection service. Requests for assistance can be made online at: https://eforms.stevenage.gov.uk/ufs/ufsmain?formid=ASSISTED_REFUSE_COLLECTION&ebz=1_1580462074898&ebd=0&ebz=1_1580462074898.
- 10.2 Residents who receive an assisted collection will have their waste receptacle collected from a mutually agreed location, emptied on the collection vehicle and then returned to the same location.
- 10.3 Assisted collections will be reviewed on an annual basis and assistance arrangements ceased where they are no longer valid.

11.0 Special Bulky Household Waste Collection Service

- 11.1 The council offers a chargeable collection service of up to six household items in one visit, which are too bulky for the normal residual collection service e.g. household furniture and white goods.
- 11.2 Collection crews will only collect items that are easily handled by two operatives and are located outside of the property. Collection crews will not enter households to remove items or climb or carry items up or down stairs.
- 11.3 Charges and specific details of the items that can be collected are posted on the council's website. Charges are applied on the number of items to be collected. A specific charge is applied for the collection of refrigeration/CFC equipment.
- 11.4 Residents can book an appointment on-line at ** or by calling 01438 218888.

12.0 Clinical Waste

- 12.1 The council will provide a non-chargeable collection of clinical waste to all households within the borough following receipt of a referral from a resident's health authority (doctor or district nurse).
- 12.2 Clinical waste must be placed and sealed in special black clinical waste sacks and be placed in the agreed collection location on the arranged collection day. Replacement black sacks will be left at the household by the collection operatives each week.

13.0 Educational Establishments and Charities

- 13.1 The council will upon request make arrangements for the collection of domestic waste arising from charity shops selling donated goods originating from domestic property but will apply a charge for the cost of collecting the material. No charge will be applied for the disposal of this material.
- 13.2 Waste arising from premises occupied by a charity and used for charitable purposes is considered to be commercial waste as defined within the Controlled Waste (England and Wales) Regulations 2012.
- 13.3 The council will upon request make arrangements for the collection of domestic waste arising from premises used wholly or mainly for public meetings but will apply a charge for the cost of collecting the material. No charge will be applied for the disposal of this material.

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- 13.4 The council will upon request make arrangements for the collection of waste from premises forming part of a university, school or other educational establishment (not maintained by the Borough, operated as an institution within the further education sector (within the meaning of section 91 of the Further and Higher Education Act 1998) or as an Academy) but will apply a charge for the cost of collecting and disposing of the material in accordance with the Controlled Waste (England and Wales) Regulations 2012.
- 13.5 The council will upon request make arrangements for the collection of waste from a residential or nursing home but will apply a charge for the cost of collecting and disposing of the material in accordance with the Controlled Waste (England and Wales) Regulations 2012.

Meeting EXECUTIVE
Portfolio Area Resources
Date 12 FEBRUARY 2020



FINAL GENERAL FUND AND COUNCIL TAX SETTING 2020/2021

KEY DECISION

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

1. PURPOSE

- 1.1 To consider the Council's draft 2020/21 General Fund Budget, Council Tax Support Scheme and draft proposals for the 2020/21 Council Tax.
- 1.2 To consider the projected 2019/20 General Fund Budget

2. RECOMMENDATIONS

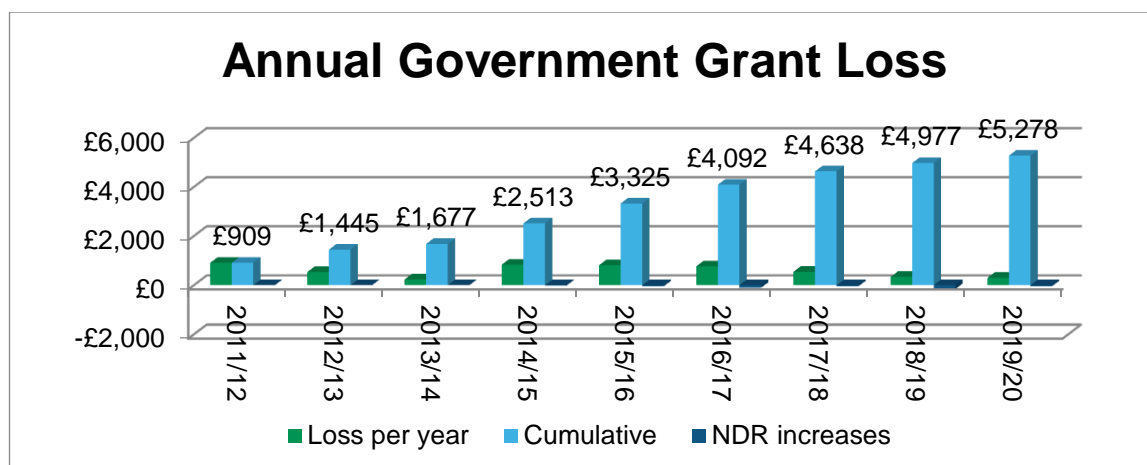
That the following proposals be recommended to Council on 26 February 2020:

- 2.1 That the 2019/20 revised net expenditure on the General Fund of £9,678,680 be approved.
- 2.2 That a draft General Fund Budget for 2020/21 of £9,069,830 be proposed for consultation purposes, with a contribution from balances of £349,030 and a Band D Council Tax of £215.57 (assuming a 2.37% increase).
- 2.3 That the updated position on the General Fund and the Risk Assessment of General Fund balances, be approved.
- 2.4 That a minimum level of General Fund reserves of £2,920,935, in line with the 2020/21 risk assessment of balances be approved.
- 2.5 That the contingency sum of £400,000 within which the Executive can approve supplementary estimates, be approved for 2020/21, (unchanged from 2019/20).
- 2.6 That the 2020/21 proposed Financial Security Options of £846,964 and including fees and charges of £117,490 be included in the final budget.

- 2.7 That 2020/21 business rate gains totalling £1.14Million above the baseline need be allocated as set out in paragraph 4.6.7 of this report.
- 2.8 That the 2020/21 Council Tax Support scheme is approved as set out in section 4.8 to this report.
- 2.9 That New Homes Bonus of £30,380 is transferred to the reserve to fund future potential shortfalls in funding paragraph 4.4.4 refers
- 2.10 That the comments from the Overview and Scrutiny Committee be noted.

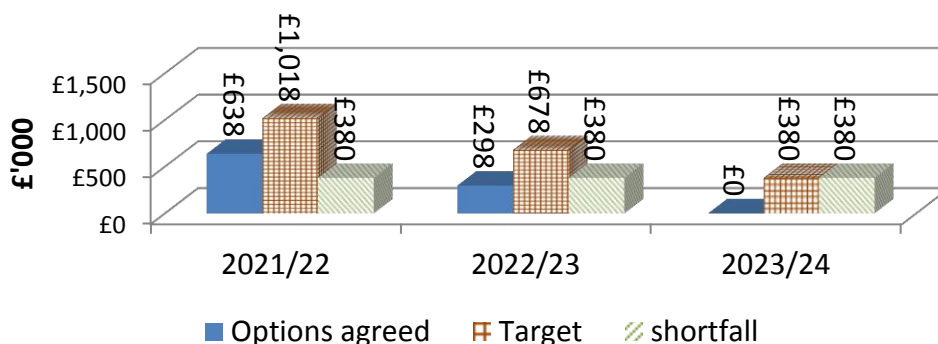
3. BACKGROUND

- 3.1 This report is an update on the Council’s Draft General Fund and Council Tax setting report 2020/21 presented to the January 2020 Executive meeting. This report gives any updates on the 2019/20 and 2020/21 budgets, including Financial Security options and growth bids and pressures, Council Tax and Council Tax Support scheme.
- 3.2 The General Fund Budget forms part of the Council’s Budget and Policy Framework. Under Article 4 of the Constitution, the Budget includes: the allocation of financial resources to different services and projects; proposed contingency funds; setting the council tax; the council tax support scheme; decisions relating to the control of the Council’s borrowing requirement; the control of its capital expenditure; and the setting of virement limits.
- 3.3 As reported in the January report there is an on-going need for Financial Security savings targets to fund inflationary and service pressures along with the absorption of central government grant losses of £5.3Million by 2019/20.



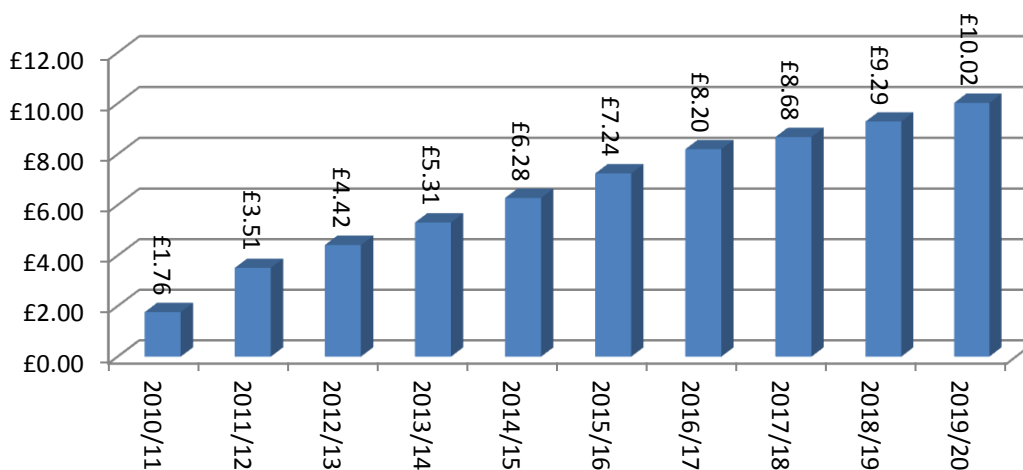
- 3.4 The January Executive report identified that in addition to the Financial Security options presented to the committee, there is funding gap of £2.1Million over the period 2021/22-2023/24, after the options agreed in previously years, future years options approved at the November Executive and those agreed at the January Executive are approved. This has been exacerbated by growth pressures that have arisen within the three year period. A summary of the funding gap still to be identified is shown below.

Financial Security Target 2020/21-2022/23 £2.1M



3.5 The drive for budget efficiencies has been in place for the last ten years as a result of lower government funding (see paragraph 3.3), while at the same time resourcing existing services, absorbing inflationary pressures and addressing other central government policy changes e.g. apprenticeship levy, national insurance increases, reductions in housing benefit administration grant and service pressures from welfare reforms. The total identified savings implemented since 2010/11 is summarised in the chart below.

General Fund Budget Savings achieved £'M



3.6 The General Fund budget currently has a draw on reserves, however the MTFs has a key principle: 'achieve an on-going balanced budget by 2022/23 by ensuring inflationary pressures are matched by increases in fees and income or reductions in expenditure'. This is critical as the managed use of balances in the MTFs starts to converge with minimum balance levels. The January report projected the following use of balances.

General Fund Balances £'000	2019/20	2020/21	2021/22	2022/23	2023/24
Opening balance 1 April	(£4,794)	(£3,884)	(£3,733)	(£3,678)	(£3,812)
Use of/ (Contribution to) Balances	£910	£149	£55	(£135)	(£115)
Closing balance 31 March	(£3,884)	(£3,733)	(£3,678)	(£3,812)	(£3,927)

- 3.7 At the November 2019 meeting, the Executive approved a package of Financial Security budget options, growth and pressures and fee increases to be included in the 2020/21 Budget. These were approved at the January Executive (subject to Overview and Scrutiny) and totalled £864,644 for 2020/21.
- 3.8 There were also 2020/21 growth options totalling £163,470 and pressures of £372,750 which were approved at the January Executive (subject to Overview and Scrutiny).
- 3.9 Whilst the MTFs contains projections of future income levels and assumptions of savings required, there is difficulty in projecting financial resources beyond 2020/21 with the government's announcement of a one year funding settlement on the 4 September, (rather than a multi-year settlement). The proposals for the Fair Funding review and any reset of business rates, now deferred to 2021/22 means considerable uncertainty about future funding. Councils like Stevenage have benefited from business rate gains in the last few years to fund regeneration aims and support General Fund balances, a full reset would see those gains disappear through an adjustment to the tariff payable to the government.
- 3.10 The January Executive report updated Members on the Hertfordshire business rates pool, which potentially increases Stevenage Borough Council business rates by a further £455K, in addition to the existing projected gains of £650K net of the 50% levy. Based on the current financial position, the CFO recommended in the November and January reports that part of the 2020/21 business rate gains should be used to increase General Fund balances and part to be held in an allocated reserve to pump prime saving initiatives or increase balances if options are not realised in line with estimates (see also paragraph 4.67-4.6.8).
- 3.11 Members were advised in the November MTFs report that the Government had consulted on allowing District Authorities to increase their council tax by £5.00 on a band D or up to 2% which ever was the greater. This would mean a maximum increase of 2.37%. The level of council tax increases was included in the finance settlement published on the 20 December 2019 and the January budget report contained a 2.37% increase in council tax for 2020/21. This equated to a Stevenage precept of £215.57 on a Band D property.
- 3.12 The Budget and Policy Framework Procedure Rules in the Constitution, prescribe the Budget setting process, which includes a consultation period. The timescale required to implement this process is outlined below:

Date	Meeting	Report
January 2020	Executive	Draft 2020/21 General Fund budget, Council Tax and Council Tax Support (incorporating Financial Security Options)
	Overview and Scrutiny	Draft 2020/21 General Fund budget, Council Tax and Council Tax Support (incorporating Financial Security Options)
February 2020	Executive	Final 2020/21 General Fund budget, Council Tax and Council Tax Support
	Overview and Scrutiny	Final 2020/21 General Fund budget, Council Tax and Council Tax Support
	Council	Final 2020/21 General Fund budget, Council Tax and Council Tax Support

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

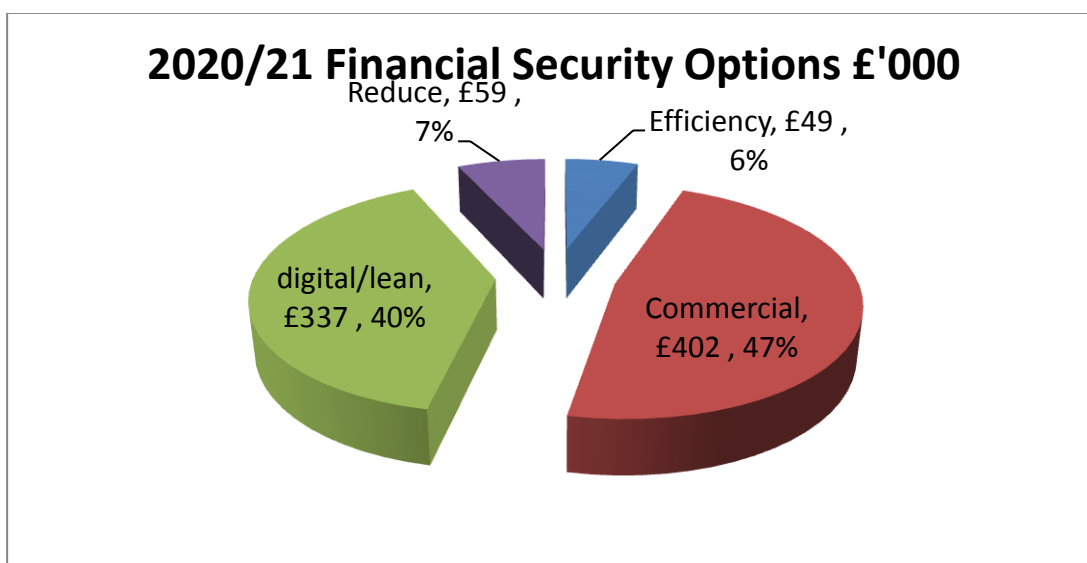
4.1 Financial Security Options

4.1.1 At the January Executive, Members approved General Fund Options of £864,644 which was an increase of £23,142 on the £841,502, reported at the November Executive, mainly as a result of a restructure option from Stevenage Direct Services.

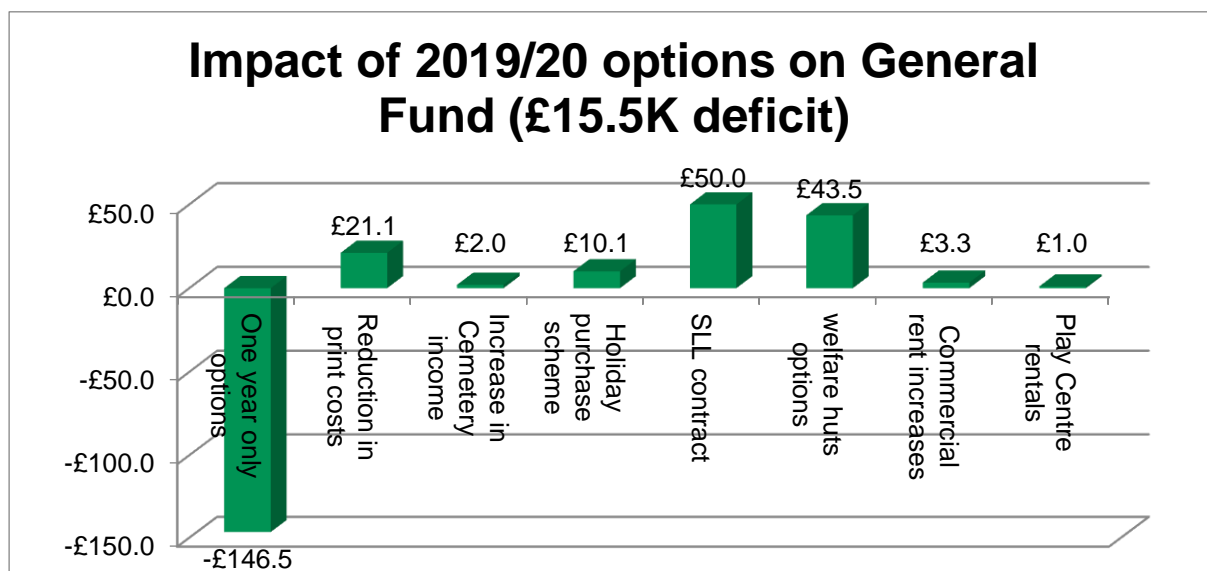
4.1.2 There has been one change since the January Executive and that relates to option number FS47 addition income from recycles of £75,000. Other recycling streams have been retendered and this has reduced the overall saving to an estimated £4,320.

4.1.3 However in the January report additional commercial property income of £53,000 was projected and included in the General Fund budget for 2019/20 and 2020/21.

4.1.4 This means the savings identified for 2020/21 now total £846,964. A summary of the proposed options is shown below and the detailed options were appended to the January Executive General Fund Budget and Council Tax report (Appendix C & D).



4.1.5 There are also savings options from 2019/20 that have a positive impact on the General Fund totalling £19K additional income or savings. However this included an option relating to expanding Trade Waste service (SC10) which has been delayed by one year, which means for 2020/21 the £19K surplus becomes a net deficit of £15.5K. The General Fund prior year savings are summarised below and remain unchanged from the January report.



4.1.6 Officers together with the Leaders Financial Security Group (LFSG) will continue to work towards identifying options to contribute to the Financial Security target.

4.2 Fees and Charges

4.2.1 2020/21 fees, charges and concessions were reviewed at the January Executive following scrutiny and recommendations from LFSG, as detailed in Appendix D to the January budget report (£117,490) and included in the Financial Security totals in 4.1 above. The majority of fee increases agreed at the November Executive have been implemented in January 2020, with the exception of garage rent increases. There are no changes to report from the January Executive.

4.3 Growth and Service Pressures

4.3.1 There was no growth allowance in the MTFs for 2020/21, however the November Financial Security report identified some unavoidable growth and service pressures which were recommended for approval as part of the Draft January General Fund budget and are summarised below.

	2020/21	2021/22	2022/23	Total
Growth	£163,470	£176,532	£173,202	£513,204
Pressures	£372,750	£148,970	£148,970	£670,690
Total	£536,220	£325,502	£322,172	£1,183,894

4.3.2 Some of the options were for inclusion in the budget for a limited time period, due to the financial pressures the council faces. Members recommended for approval at the January Executive some options These were:

- Digital bids £131,823 (General Fund share two years)- these have been approved for two years pending the publication of a digital strategy which should articulate the outcomes and financial benefits of any investment recommended.
- Climate change officer- £72,869 (General Fund share two years) this has been approved for two years, to be reviewed after that period to determine whether the post is still required on-going.

4.3.3 However the growth bids relating to managing the allotments function following cessation of volunteer arrangement, Members approved at the January Executive that the saving be implemented by 31 October 2020 and not 1 April 2021, this would save the Council a projected £11,000 in 2020/21.

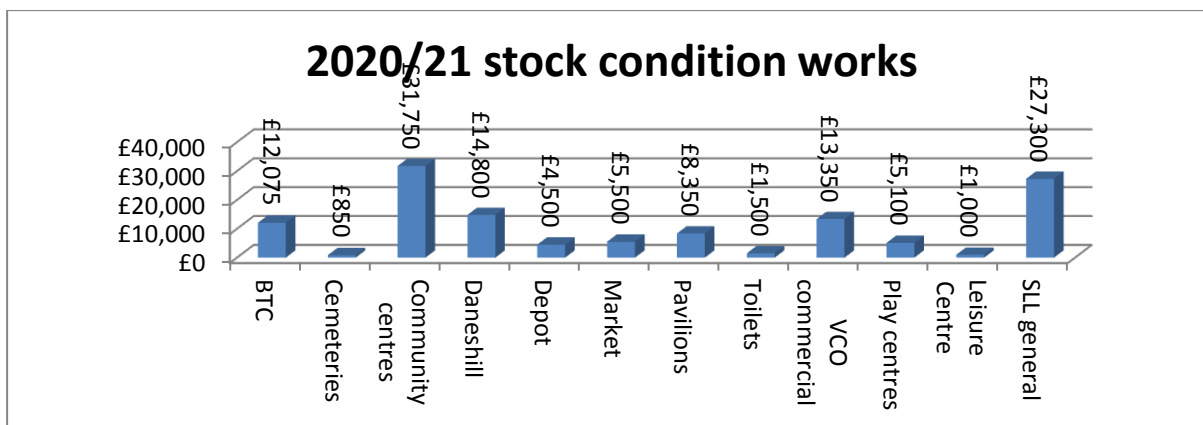
4.3.4 A limited number of bids were also recommended for permanent inclusion in the budget and these remain unchanged from the January report and are summarised below.

Growth	2020/21	General Fund	HRA
Regeneration team	£27,710	£27,710	£0
Digital platform-self serve	£10,000	£6,660	£3,340
E-car club extend contract	£18,620	£12,475	£6,145
Old Town Christmas lights event	£7,000	£7,000	£0
Total	£63,330	£53,845	£9,485

4.3.5 There were three growth bids that were not approved at the November Executive, which related to two 2021/22 bids for additional homeless staff if new burdens funding does not continue. While Members recognise the value of the posts, LFSG and the Executive recommended that the bids are not included in future budgets until the outcome of future central government funding is known. For 2020/21 the flexible support grant and homeless reduction grant totals £406,811 for 2020/21 and this money has been transferred to an allocated reserve to either fund future years staff costs or new pressures that arise in 2020/21.

4.3.6 There was a growth bid considered for an additional community officer, which would increase the level of volunteering and events above that currently carried out. However due to the current financial position the bid was not recommended for approval.

4.3.7 At the January Executive a one year pressure was identified of £128,000 relating to revenue maintenance works that are required on council assets. In addition the senior leadership team have commissioned an audit of compliance checks across all the Council's assets. A growth of £128,000 (one off) has been included in the 2020/21 budget to allow for any works and a summary of where the works relate to is summarised below.



4.3.8 The revised growth bids are summarised in the table below and total £653,220 for 2020/21.

	2020/21	2021/22	2022/23	Total
Growth-January Executive	£163,470	£176,532	£173,202	£513,204
Allotment growth reduction	(£ 11,000)	£0	£0	(£ 11,000)
Pressures- January Executive	£372,750	£148,970	£148,970	£670,690
Stock condition survey work	£128,000			£128,000
Total	£653,220	£325,502	£322,172	£1,300,894

4.3.9 The January report identified the potential pressure of the bus station as part of the Town Centre Regeneration scheme (SG1), if the identified Local Enterprise Board (LEP) GD3 monies allocated to the bus station are not released borrowing may be required, this would significantly impact on the General Fund at an estimated £52,000 per Million spent. **This has not been included in the budget at the current time.** However the Treasury Management Strategy has increased the operational boundary to allow for additional borrowing if the GD3 monies are not realised and the mitigation would be:

- Significant increase in the savings target required by circa £160K-£260K/or reduction in services
- Suspension of capital programme, with the exception of urgent works.

4.4 New Homes Bonus

4.4.1 The Council receives New Homes Bonus (NHB) for every additional property in its tax base, (at 80% of the equivalent national average value Band D property above a 40% threshold) and has received this gain (from 2019/20) for a four year period. A threshold of 0.4% of the tax base has to be achieved before any NHB is payable. But for the 2020/21 NHB award the government in provisional settlement has said this will apply for one year only, with a review of the award criteria for NHB for 2021/22 onwards.

4.4.2 The January General fund budget report identified there was a funding gap between projected NHB mounts should NHB cease from 2021/22, or based on a projection where the Council did not attract any future funds as shown below.

New Homes Bonus £'000			
	2020/21	2021/22	2022/23
Play & Bins (Capital)CNM	£312	£363	£226
CNM other	£138	£88	£224
Contribution to Capital Reserve	£250	£250	£250
General Fund	£164	£0	£0
Total Expenditure	£864	£700	£700
Potential Funding identified November	£784	£298	£8
Shortfall (shortfall)/surplus	£80	(£402)	(£692)

**note the playground refurbishment programme completes in 2022/23*

4.4.3 The report recommended, the use of NHB as summarised in the table below and a transfer of £30K to reserves to fund any future year shortfalls in CNM or capital funding.

New Homes Bonus £'000	2020/21 Revised
Play & Bins (Capital)CNM	£312
CNM other	£75
Contribution to Capital Reserve	£250
General Fund	£117
Total Expenditure	£754
Potential Funding	£754
Balance available for 2021/22	£30

4.4.4 If the legacy NHB payments continued for 2021/22 and new criteria for NHB resulted in no new funding for the Council, there would be £328K available which would preclude a significant amount of the commitments identified in 4.4.2. Once the methodology is known the Capital Strategy funding will need to be updated.

4.5 Finance Settlement

4.5.1 The provisional finance settlement was published on the 20 December 2019 and totalled £2,675,543. The final finance settlement had not been published at the time of writing the report and a verbal update will be given at the Executive, if there are any changes from the provisional. The exact figure for this will not be known until the

estimate for business rates or the NNDR 1 form is completed. This has to be done by the end of January 2020 for the financial year 2020/21.

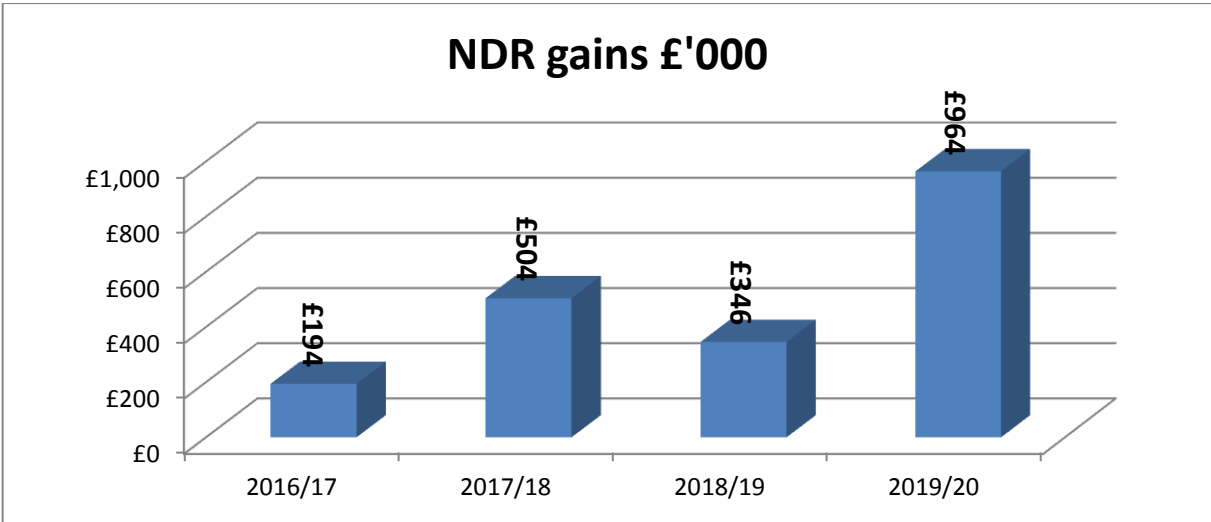
Finance Settlement	
	2020/21
Revenue Support Grant	£0
Business Rates:	
Business Rates	£2,572,439
Under indexing (s31 grant)	£103,104
Total	£2,675,543

4.5.2 Stevenage Borough Council would have had negative Revenue Support Grant (RSG) from 2019/20 of £27,145, however the government signalled in the provisional finance settlement consultation that this would not be a cost to councils in 2019/20 and 2020/21. However the impact of the Fair Funding review on negative RSG is not yet known.

4.5.3 The Government has indicated in the Autumn Budget and the 2020 technical budget consultation that they remain committed to reforming local government finance.

‘In 2020 the Government plans to carry out a multi-year Spending Review, which will lay the groundwork for reforms. We will continue to work towards our aim to implement these reforms in 2021-22, including a full reset of business rates retention baselines.’

4.5.4 The Council has consistently benefited from business rate gains (2019/20 relates to the one off Hertfordshire Pilot) that have been used to support the Council’s regeneration ambitions and General Fund balances, a reset could/will see these gains removed.



4.6 Business Rates and the Pooling

4.6.1 The November Financial Security Report to the Executive identified that the baseline funding, (resources from business rates) which is the amount the

government has assessed the Council needs, increases by the September CPI of 1.7%, gains above the baseline assessment can be retained by the Council after a levy is charged.

- 4.6.2 In 2019/20 the government approved a Hertfordshire Pilot which meant 75% of business rates (including gains), retained in Hertfordshire, with Stevenage retaining £994K,(above the baseline need) to support regeneration ambitions and General Fund balances.
- 4.6.3 There are no new NDR pilots for 2020/21, however Local authorities are able to come together on a voluntary basis to pool their business rates. This gives potential for the generation of additional business rate growth through collaborative arrangements, and allows retention of a higher proportion of growth.
- 4.6.4 The 2020/21 pool composition includes Stevenage, (the first time since 2015/16). The Pool governance states that any safety net payments to be a first call on the pool (where pool members fall below their base assessment), with the balance of benefits then shared 70% Districts, 15% County Council and 15% growth fund plus any gains that would have been paid if the pool didn't exist. In the event of an overall loss, i.e. safety net payments exceed levy retained, this would similarly be split.
- 4.6.5 The 2020/21 Stevenage NDR gains were estimated to be £1.105Million in the Draft General Fund report. The estimated amount of business rates to be retained by SBC has been calculated for next year and is £35K higher. While this seems a significant amount of money, Members should note that NDR gains are not on-going. The government intends to do a partial or full reset of business rates for 2021/22 which will potentially mean all or most of current gains are removed (see also paragraphs 4.5.3- 4.5.4).
- 4.6.6 There is also considerable uncertainty about the level of appeals still to be heard, the Council has not been made aware of any appeals heard on the 2017 list and is carrying a significant appeals provision to take account of this.
- 4.6.7 **Based on the 2020/21 calculation of gains from the NNDR1 form, the CFO recommends that 2020/21 NDR gains of £1.14Million (£1.105Million draft report) should be used for:**
- **One off funding of priority growth £204,688 (2 years funding),**
 - **To increase General Fund balances £480,314 (draft report £445,312)**
 - **To transfer £455,000 to an allocated reserve to give a cushion to the General Fund if Financial Security options are not realised/in line with projections or if pump priming monies are required to make change happen.**
- 4.6.8 The Council (via the Executive) must approve the level of estimated 2020/21 business rates it will receive by 31 January each year. However at the January

Executive Members delegated this to the Assistant Director (Finance and Estates) following consultation with the Portfolio Holder for Resources.

4.7 Council Tax

4.7.1 Part of the budget setting process includes consideration of council tax levels. The provisional settlement allows for a 2% or £5.00 on a Band D (2.37%), whichever is the greater, before a referendum is required.

4.7.2 Responses to the Government's council tax referendum principles published in the technical consultation are summarised below:

- Responses to the technical consultation indicate strong support for this proposal. A large majority (80%) of respondents were in favour.
- The responses received from 81 shire districts suggested a high level of demand for the extra flexibility, with 59 (73%) agreeing with the proposal as did the CFO on behalf of the Council.
- Almost a third of respondents (32%) argued that the cash figure should be greater than £5, as did the CFO on behalf of the Council.

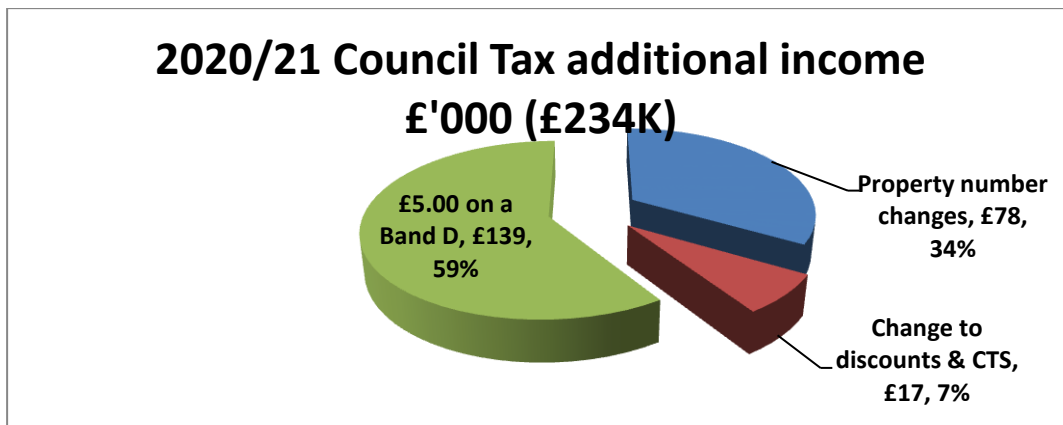
After consideration of the responses to the technical consultation, the Government decided to include a £5 on an Band D or up to 2%, whichever is the higher. The consultation on the finance settlement closed on the 17 January 2020 and at the time of writing the report the final settlement had not been published.

4.7.3 The table below shows the increase per property band based on a 2.37% increase. The numbers have been revised since the January Executive for rounding adjustments

Council Tax increase modelled for Stevenage Precept 2020/21				
Council Tax band	2019/20	2.37% increase	Total cost per year	Total cost per week
A	£140.38	£3.33	£143.71	£2.76
B	£163.78	£3.89	£167.67	£3.22
C	£187.17	£4.45	£191.62	£3.68
D	£210.57	£5.00	£215.57	£4.15
E	£257.36	£6.11	£263.47	£5.07
F	£304.16	£7.22	£311.38	£5.99
G	£350.95	£8.33	£359.28	£6.91
H	£421.14	£10.00	£431.14	£8.29

4.7.4 Increasing council tax by 2.37% versus 1.99% nets the Council an additional £22,490 in 2020/21 per year, which contributes to meeting Financial Security targets alongside the options contained within this report and protect front line services.

4.7.5 The additional income from council tax based on the 2020/21 approved tax base for that year is estimated to be £233,690 which is calculated as per the pie chart below.



4.7.6 Council tax is a key funding resource and locally raised taxation has become more important to the General Fund as central funding has reduced or risk transferred to local authorities in terms of regulations and policy changes regarding business rates and new homes bonus, all be it constrained in terms of increases.

4.7.7 As in previous years the council tax increase will not be agreed until the February Council meeting. Based on the increasing financial dependency the General Fund budget has on council tax the Assistant Director (Finance and Estates) recommends a 2.37% increase be considered by the Executive and Overview and Scrutiny Committee.

4.8 Council Tax Support

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

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

4.8.3 The Council must, in the following order, consult with major precepting authorities (i.e. Hertfordshire County Council and Police and Crime Commissioner for Hertfordshire), publish a draft scheme in such manner as it thinks fit, and consult such other persons as it considers are likely to have an interest in the operation of the scheme. The CFO wrote to both precepting authorities regarding the proposal for 2020/21 and at the date of writing the report HCC had no objections to the scheme proposed and no response had been received from the PCC.

4.8.4 The Portfolio Holder Advisory Group received a presentation on 23 July 2019 and agreed to recommend to Council that the scheme remains unchanged for 2020/21. Subsequently a report was presented to the November Executive which approved the current scheme continue to apply for working age claimants with upratings, (the scheme for elderly residents is still prescribed by central government).

4.8.5 The current **working age** scheme is fully means tested and there is no tolerance for changes in income before impacting on entitlement. Members have previously agreed no additional protection for individual groups, other than that required in law (pensionable aged claimants), and that built into the original Council Tax Benefit

scheme. All working age customers have to pay at least 8.5% of their liability. The increase has been based on potential precept increases of:

- SBC- 2.37% or £5.00 on a band d
- HCC-3.99% based on £2.00 adult social care precept and 1.99% council tax increase (estimated based on provisional settlement limits)
- PCC-£5.00 on a band d or 2.66% (funding not yet known at the time of writing the report)

4.8.6 The impact of the estimated increases for 2020/21 would mean an increase of £5.46 per year or £0.11 per week for those on maximum benefit, (band d property).

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

8.5% per year	2018/19	2019/20	2020/21 (2.37% incr for all preceptors)	Est. 2020/21 Increase per year	Est. 2020/21 Increase per week
Band A	£95.71	£99.65	£103.29	£3.64	£0.07
Band B	£111.66	£116.26	£120.51	£4.25	£0.08
Band C	£127.61	£132.87	£137.72	£4.86	£0.09
Band D	£143.56	£149.47	£154.94	£5.46	£0.11
Band E	£175.46	£182.69	£189.37	£6.68	£0.13
Band F	£207.36	£215.91	£223.80	£7.89	£0.15
Band G	£239.26	£249.12	£258.23	£9.10	£0.18
Band H	£287.12	£298.95	£309.87	£10.92	£0.21

4.8.7 As part of the Budget and Policy framework the CTS scheme is required to follow the timetable set out in paragraph 3.12. **Members are recommended to agree the existing scheme updated for benefit changes for 2020/21.**

4.9 General Fund Net Expenditure

4.9.1 The 2019/20 projected and the 2020/21 draft General Fund net expenditure is summarised in Appendix A. The 2020/21 net budget has decreased by £66,600 compared to the January Executive, however this includes increased S31 grants and there is an on-going pressure of £65,030.

Summary of 2020/21 budget movements	On-going?	£	On-going £
January Executive		£ 9,136,430	
Lower costs/Increased Income:			
Increased parking and permit income (on-going £25K)	Y-part	(£ 80,000)	(£ 25,000)
Inflation and recharge changes	Y	(£ 20,140)	(£ 20,140)
change to savings option	Y	(£ 11,000)	
Homeless grant award 202/21	N	(£ 406,810)	
Reduction in print costs	Y	(£ 20,000)	(£ 20,000)
Increased Costs/lower Income:			

Summary of 2020/21 budget movements	On-going?	£	On-going £
Salary budget and inflation changes	Y	£ 18,930	£ 18,930
Reduction in Housing Benefit admin subsidy (DWP)	Y	£ 9,820	£ 9,820
Contribution to Capital one off	N	£ 250,000	
Recycling income changes	Y	£ 70,680	£ 86,770
Transfer to homelessness reserve	N	£ 406,810	
Other on-going	Y	£ 71,170	£ 14,650
Other one off	N	(£ 55,830)	
Total budget movements		£ 233,630	£ 65,030
Change between Net Expenditure and core resources:			
Increased S31's relief (Business rates -reduces business rates "below the line" neutral impact	N	(£ 300,230)	
Updated General Fund 2020-21 net budget		9,069,830	

4.9.2 The reasons for the changes to the budget are summarised below:

- There is an estimated £80,000 of additional income for parking permits from businesses and the public of which £25,000 is projected to be on-going.
- The settlement for homeless grants have been published and total £406,810, Members will be aware that that funding was required beyond 2020/21 to fund the team and the grant will transferred to a allocated reserve and drawn down as needed.
- The 2020/21 funding for the rough sleeper initiative was announced on the 28 January and the grant and anticipated spend has been included in the budget.
- A one off contribution to capital is proposed for next year of £250,000 to ensure there are sufficient funds for the capital programme, however if the Locality Reviews outlined in the Capital Strategy generate some land sales the contribution will not be needed. This will be assessed for the closure of accounts for 2020/21 and increases the draw on balances for the General Fund.
- The re-procurement of recycling materials is projected to show a £70,680 reduction income and this will be on-going until the contract is renewed.
- The on-going net costs are a number of budgetary corrections partly offset by assumptions about SG1 assets being demolished buildings.
- The increase in s31 grant for NDR reliefs is the estimated impact on the business rate yield compensated by the government for the increase in reliefs for small businesses from 33% to 50%, the legislation is currently not in place and neither is the software changes required and this will mean rebilling of a proportion of the annual bills. The Society of District Treasurers in response to the settlement stated that Council's should be compensated for any additional costs.

4.9.3 **The 2019/20 General Fund working budget** has increased by £14,430 compared to the January report, a summary is shown in the table below.

Summary of 2019/20 budget movements	On-going?	£	On-going £
November MTFs (20/11/19 Executive)		£ 9,876,140	
January Executive		(£ 211,890)	(£ 128,440)
revised January budget		£ 9,664,250	(£ 128,440)
Lower costs/Increased Income:			
Increase land rental income	N	(£ 25,000)	
Other changes	N	(£ 570)	
Increased Costs/lower Income:			
Increase in garage repair costs	N	£ 20,000	
Lower garage lets	N	£ 20,000	
Total budget movements		£ 14,430	
Updated General Fund 2019-20 net budget		9,678,680	(£ 128,440)

4.10 Projected General Fund Balances

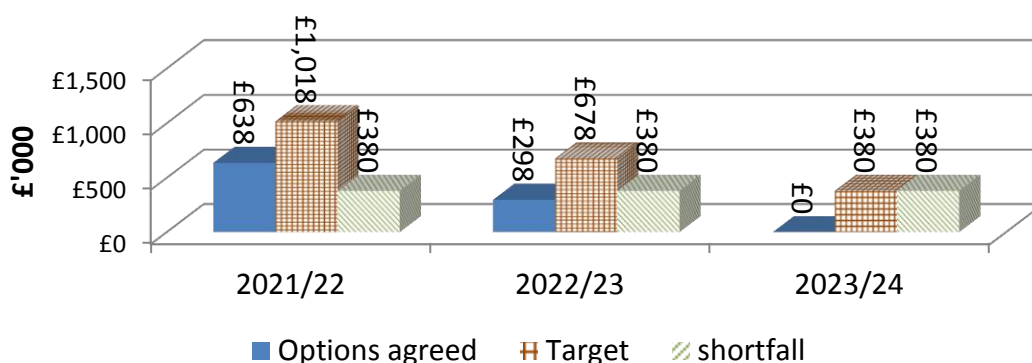
4.10.1 The projected General Fund balances and council tax requirement are shown below.

	2019/20 Estimate	2019/20 Projected	2020/21 Estimate
Net Expenditure*	£8,802,520	£9,678,680	£9,069,830
(Use of)/ Contribution to Balances	(£48,446)	(£924,610)	(£349,030)
Budget Requirement	£8,754,074	£8,754,070	£8,720,800
Business Rates	(£2,562,580)	(£2,562,580)	(£2,665,314)
Total Government Support	(£2,562,580)	(£2,562,580)	(£2,665,314)
(Return) /Contribution to Collection Fund (NDR)	(£380,962)	(£380,962)	£380
Collection Fund Surplus (ctax)	(£55,621)	(£55,621)	(£67,265)
Council Tax Requirement	£5,754,911	£5,754,911	£5,988,601
Council Tax Base	27,330	27,330	27,781
Council Tax Band D	£210.57	£210.57	£215.57
Council Tax Band C	£187.17	£187.17	£191.62

4.11 Financial Security Targets Future Years

4.11.1 The Financial Security target for 2021/22-2023/24 is £2.1 Million, however, Members have approved options with a future years impact of £938K, which leaves £1.14 Million to be identified for the period. Members approved the smoothing of the savings target over the period 2021/22-2023/24 at the January Executive.

Financial Security Target 2021/2-2023/24 £2.1M



4.11.2 The Financial Security report to the November Executive identified that relying on efficiency savings options is proving more difficult. This leaves commercial and increasing income which brings the risk of not achieving the income, or digital options to increase productivity and so reduce headcount and net General Fund expenditure. This has led the Senior Leadership Team (SLT) to explore more transformational options, this is preferable to cutting or reducing services.

4.12 General Fund Reserve Projections

4.12.1 General Fund balances are projected to be £3.5Million by 2023/24 which means a reduction of £1.290Million from balances held at 1 April 2019.

General Fund Balances £'000	2019/20	2020/21	2021/22	2022/23	2023/24
Opening balance 1 April	(£4,794)	(£3,869)	(£3,520)	(£3,395)	(£3,459)
Use of/ (Contribution to) Balances	£925	£349	£125	(£65)	(£45)
Closing balance 31 March	(£3,869)	(£3,520)	(£3,395)	(£3,459)	(£3,504)
Closing balance 31 March January Executive	(£3,884)	(£3,733)	(£3,678)	(£3,812)	(£3,927)
Variance	£15	£213	£283	£353	£423

4.12.2 The General Fund balances have reduced by £423K since the January report a significant factor being the one off contribution to capital proposed for 2020/21 of £250K. However as previously stated this will only be drawn down if additional Locality Review site sales are not realised in year.

4.12.3 Despite the improvement in projections for NDR gains and NHB, these are one off due to the uncertainty around future levels of retained business rates and NHB. There are also significant business rate gains for 2019/20 (as a result of the Hertfordshire Pilot) and in 2020/21 (Hertfordshire Pool), which still need to be realised.

4.12.4 In addition some of the proposals for growth as shown in Appendix E of the January report which are time limited may need further funding.

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

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

4.13 Risk Assessment of General Fund balances

4.13.1 The General Fund balance was risk assessed for 2020/21 and the minimum level of balances required is £2,920,935, unchanged from the January report.

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

4.13.3 New risks for 2020/21 that have been added to the risk assessment of balances include:

- Increased cost of bed and breakfast costs based on the level of increased expenditure identified in 2020/21
- Increased revenue repair costs as a result of the stock condition surveys
- Increased cost of capital works requiring funding as a result of re-phasing/deferring works in the Capital.

4.14 Contingency Sums

4.14.1 The Executive will recall that a Contingency Sum needs to be determined by the Council as part of the Budget and Policy Framework in order to avoid the need for Council to consider all supplementary estimates during the course of the year. This contingency sum constitutes an upper cumulative limit during the financial year within which the Executive can approve supplementary estimates, rather than part of the Council's Budget Requirement for the year. A sum of £400,000 is proposed for 2020/21, this remains unchanged from the current year.

4.15 Allocated Reserves

4.15.1 The allocated reserves as at 31 March 2021 are estimated to be £2.75 Million, this is £689K higher than that reported in the January report (£2.061 Million). This is largely due to the homeless reserve of £406K and the omission of the fixed term growth of £117K. The allocated reserves are summarised in the following table.

Allocated Reserve	Balance as at 1 April 2019	Est. transfer to/from reserves	Forecast balance as at 31 March 2020	Est. transfer to/from reserves	Forecast balance as at 31 March 2021
New Homes Bonus	(£ 728)	£ 633	(£ 96)	£ 66	(£ 30)
Business Rates Reserve	(£ 172)	(£ 275)	(£ 447)	£ 0	(£ 447)
Business Rates Reserve-equalisation reserve	£ 0	£ 0	£ 0	(£ 455)	(£ 455)
Regeneration Assets	(£ 1,342)	£ 417	(£ 925)	(£ 76)	(£ 1,001)
Insurance Reserve	(£ 113)	£ 113	£ 0	£ 0	£ 0
Regeneration Fund (SG1)	(£ 724)	£ 155	(£ 569)	£ 295	(£ 274)
Town Centre	(£ 55)	£ 31	(£ 24)	£ 0	(£ 24)

Allocated Reserve	Balance as at 1 April 2019	Est. transfer to/from reserves	Forecast balance as at 31 March 2020	Est. transfer to/from reserves	Forecast balance as at 31 March 2021
ICT Reserve	(£ 54)	£ 54	(£ 0)	£ 0	(£ 0)
LAMs reserve	(£ 61)	£ 61	(£ 0)	£ 0	£ 0
Planning Delivery Grant	(£ 61)	£ 20	(£ 41)	£ 41	£ 0
Funding of fixed term growth	£ 0	£ 0	£ 0	(£ 117)	(£ 117)
Homeless Reserve	£ 0	£ 0	£ 0	(£ 406)	(£ 406)
Total	(£ 3,311)	£ 1,209	(£ 2,102)	(£ 653)	(£ 2,755)

4.15.2 The largest reserve is for Regeneration Assets (£1Million), this reserve has funds the cost of assets held for the SG1 scheme supported by income from the Town Square and Plaza. The balances on the reserve have benefited significantly from the minimum revenue provision (MRP) review, however the balances are held to fund the debt on assets that will be demolished and also to fund future works to the assets.

4.16 Consultation

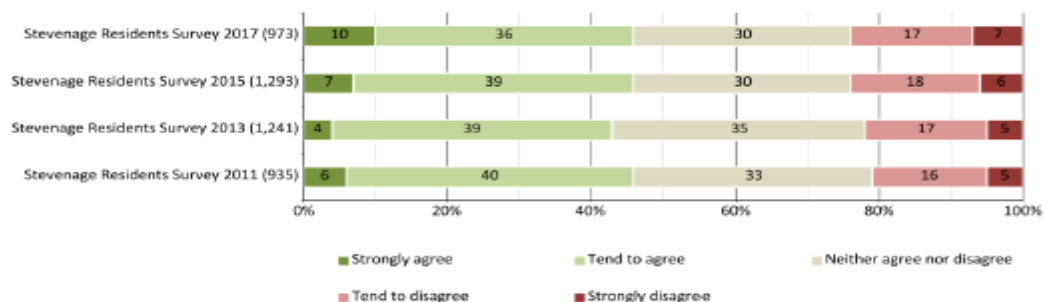
4.16.1 In previous years the views of residents and stakeholders have been attained through consultation, finding out their preferences for reducing services, increasing fees and charges and increasing Council Tax. No further consultation was considered as a result of the General Election in December.

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

Value for money

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

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



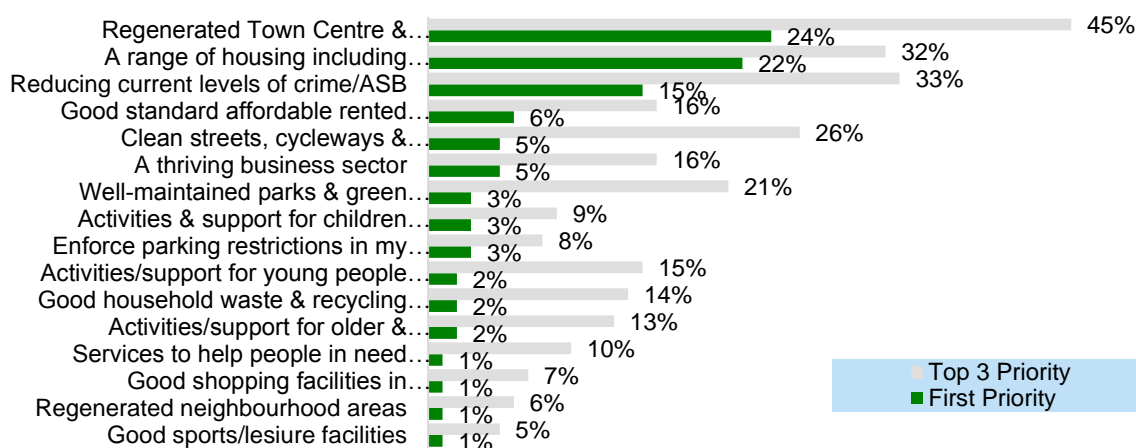
4.16.3 Residents were asked how best to make the savings required by ranking the options provided from 1 to 5, with 1 being the most preferred option and 5 being the least preferred option. The results are shown in the table below.

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

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

4.16.4 The top ranked option by residents was 'reducing paperwork and interacting with more residents on line'. This chimes with the digital/lean work stream.

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



4.16.6 The Financial Security package includes staff related options (introducing staff car park charges) which a corporate message has been published to inform staff, however the option will be subject to consultation.

4.16.7 In addition a number of options impact on the Council's partners/contractors such as the CAB and Stevenage Leisure Limited (SLL), consultation has started with these partners in terms of the level of changes proposed.

4.16.8 There are also significant changes proposed for allotment charges beyond 2020/21 as a result of responsibility being passed back to the Council for the management of the allotments, Members approved at the November Executive to passport the additional £22K of costs to the allotment holders from 2021/22. The notice period of 12 months is no longer applicable as stated in the report and Members agreed at the January Executive to bring this forward during 2020/21. Allotment holders will be written to, to advise them of the change.

4.17 Chief Finance Officer's Commentary

4.17.1 The Chief Finance Officer is the Council's principal financial advisor and has statutory responsibilities in relation to the administration of the Council's financial

affairs (Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988). This commentary is given in light of these statutory responsibilities.

- 4.17.2 The Council has evolved its budget strategy to meet the ongoing challenging economic conditions whether because of funding cuts, welfare reforms or inflationary increases. The financial strategy to deal with this is the 'Financial Security' strand of 'Future Town Future Council'.
- 4.17.3 Officers regularly update the MTFs to ensure that a clear financial position for the Council can be demonstrated over the next five years. This medium term view of the budget gives a mechanism by which future 'budget gaps' can be identified allowing for a measured rather than reactive approach to reducing net expenditure. The Financial Security year round approach to identifying budget options means that work is on-going throughout the year to bridge the gap.
- 4.17.4 The Council has taken significant steps over recent years to balance its budget and one of the principle aims of the MTFs is 'achieve an on-going balanced budget by 2022/23 by ensuring inflationary pressures are matched by increases in fees and income or reductions in expenditure'. This is projected to meet the target by £64,542 (January report £151,717) return to balances in 2022/23. However there is a significant draw on balances through the MTFs period and a £1.4Million (£1.1Million January report) draw on balances between 2019/20 and 2021/22. This forecast is also reliant on identifying and delivering further savings of £778K currently unidentified for the period 2021/22-2022/23 and implementing identified savings options. As stated in the report efficiency savings cannot be relied on to meet the funding gap and a transformational approach is required. The Senior Leadership Team is investigating options to meet this challenge.
- 4.17.5 Despite General Fund balances being higher than the minimum level during the MTFs period, the future retained business rates and amount of NHB is not currently known and any current projections in the MTFs could be significantly different.
- 4.17.6 The Council while trying to ensure financial stability, is also in one of its most ambitious phases with the Council looking to redevelop and regenerate the town centre and at the same time improve the housing market in Stevenage. Both these priorities come with the risk of potentially needing to invest more resources. To mitigate some of this risk some business rate gains are recommended to be ring fenced to meet any future regeneration needs are earmarked for the Council's top priorities.
- 4.17.7 The MTFs shows that in future years there is still a draw on General Fund balances up to 2022/23. This is the impact of on-going increases in inflationary pressures compounded by projected government funding cuts.

4.18 Leaders Financial Security Group

- 4.18.1 The LFSG chaired by the portfolio holder for Resources on behalf of the Leader and with cross party representation has been meeting frequently since August 2016. The group has;

1. Reviewed the GF assumptions regarding the 2020/21 onwards saving target
2. Reviewed the GF MTFS assumptions
3. Reviewed the GF 2020/21 Financial Security package
4. Reviewed the GF 2020/21 Fees and charges

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

4.19 Overview and Scrutiny Comments

4.19.1 The Overview and Scrutiny Committee met on the 27 January and received an update on the budget from the CFO.

4.19.2 Members raised questions about the increase in charges in the Old Town car parks the car parks were invariably under-utilised. The Assistant Director (Finance & Estates) advised the committee that there was a continued requirement to make savings of a significant amount.

4.19.3 The Assistant Director (Finance & Estates) confirmed that all the savings options recommended by the Leader's Financial Security Group had been accepted by the Executive with the exception of the proposal to cease hard copy production of the Chronicle magazine. However, this had been offset by savings identified as a result of managerial changes within Stevenage Direct Services.

5. IMPLICATIONS

5.1 Financial Implications

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

5.2 Legal Implications

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

5.3 Risk Implications

5.3.1 There are risk implications to setting a prudent General Fund budget if the Fees and charges and Financial Security options are not achieved and crucially if future options are not found to meet the targets outlined in the report. The risk to financial security has also been increased as the Council's ambitions have meant significant growth bids and service pressures have been identified above the MTFS assumptions. If this trend were to continue then the General Fund balances would be substantially eroded and potentially beyond the level that would be deemed a prudent level. The Council faces considerable risks with future reductions to central

government grant funding and the ever changing landscape of Local Government Finance.

5.3.2 Risk implications are dealt within the body of the report and specifically within sections 4.12, 4.13 and 4.17.

5.4 Equalities and Diversity Implications

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

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

5.4.2 These duties are non-delegable and must be considered by Council when setting the Budget in February 2020.

5.4.3 To inform the decisions about the Budget 2020/21 officers have begun Equality Impact Assessments (EqIAs) for service-related savings proposals. These are currently in draft form, since they must consider appropriate evidence and the findings of consultation with various stakeholders to inform the decision by Council in February 2020. Where there is a potentially negative impact, officers will collect further information and identify actions to mitigate the impact as far as possible. These EqIAs are summarised and attached as Appendix F to the January Executive report with further information on the process to date and planned activity. EqIAs for future years' savings will be presented alongside the draft Budget for the relevant year.

5.4.4 An overarching EqIA will also be developed once individual EqIAs are finalised for Council in February 2020. This will consider the collective impact of the Budget on people with protected characteristics.

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

5.5 Climate Change Implications

5.5.1 The Council declared a climate change emergency at the June 2019 Council meeting with a resolution to work towards a target of achieving net zero emissions by 2030.

5.5.2 To support the work required to achieve this aim, resources totalling £108,760, or £54,380 per year, (General Fund share £72,869 in total) to fund a climate change officer/works to meet the Council's climate change aims have been recommended for approval.

5.5.3 This has been approved for two years, to be reviewed after that period to determine the effectiveness of the role and whether the post is still required on-going.

BACKGROUND DOCUMENTS

BD1 General Fund Medium Term Financial Strategy (2019/20-2023/24)

BD2 Financial Security Options (November Executive)

BD3 Draft General Fund and Council Tax setting 2020/21 (January Executive) The relevant appendices for the budget are appended to this report.

APPENDICES

A Robustness of Estimates

B Draft Council Tax resolution

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

1 ROBUSTNESS OF ESTIMATES

The council process for producing the budget estimates involves responsible budget holders and finance officers reviewing and projecting the Base Budget. The Working Budget Estimates are determined against a background of ongoing quarterly budget monitoring for the current financial year and an evaluation of the outturn position and Budgets carried forward from the previous financial year. The 2020/21 Estimates are determined by evaluating and costing all known changes, including pay and price levels, legislative changes, demands for services and policy developments. The council has sufficient reserves to allow a contribution from balances in order to set a balanced budget for 2020/21 and the current Budget Process has rigorously reviewed current budgets to secure another year of necessary Financial Security Savings. As part of the 2020/21 Budget process the council has had to meet the challenge of historic Government Grant reductions, changes to the rules for New Homes Bonus (one year only 2020/21) as well as absorbing inflationary and legislative changes within its Medium Term Financial Strategy. The overall budget process is co-ordinated by the Accountancy Section in liaison with the various Business Units and the council's Strategic Leadership Team. The Budget is recommended by the Executive, for approval by Council after it has been through the Scrutiny process required by the Council's Constitution. The process includes consideration of risks and uncertainties associated with projections of future pay, prices, interest rates and projected levels and timing of other potential liabilities. The challenge to the budget process is provided by both the Leader's Financial Security Group and the Scrutiny and Overview Committee and also in the case of the HRA the Housing Management Advisory Board.

The Council has needed to adapt to the on-going central grant reductions, the transfer of funding risk to local government with the localisation of business rates and welfare reforms. Financial monitoring arrangements provide the Executive with a quarterly update on the performance of the budget, with action plans where significant adverse variances have resulted. The Medium Term Financial Strategy is under constant review to ensure that a clear financial position for the council can be demonstrated for the next five years aided by the Council's Financial Security priority. This is necessary as the significant cuts in public expenditure and funding from the government have been realised and likely to extend beyond the current parliament. The CFO has identified that further Financial Security savings options are required for the period 2021/22-2023/24 of £2.1 Million to ensure a balanced budget. This target includes the impact of reducing New Homes Bonus and the Council's budget by 2022/23 will not assume any contribution from this resource.

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

The Assistant Director (Finance and Estates) considers that the Estimates and the processes used to produce them are sound and robust. A further update on the 2019/20

General Fund and HRA budgets will be presented to the March Executive, together with any on-going impacts.

2 ADEQUACY OF RESERVES

The council's annual budgetary process and the assessment of the adequacy of Reserves are undertaken in the context of robust medium term financial forecasting. Whilst the Council currently has reasonably significant levels of Reserves, the Council's Medium Term Financial Strategy acknowledges that the £1.325Million of these will be utilised in the medium term as a result of projected future under funding and inflation and growth pressures. This is based on the assumption that there will not be a fundamental change to the Council's core funding under the Fair Funding Review.

The council has risk assessed the level of General Fund balances required, based on information from service managers and this was presented to Members as part of the January Draft General Fund Budget report, the level of reserves required for 2020/21 was £2,920,935 and remains unchanged.

Total available General Fund balances as at 1st April 2020 are estimated to be £3,869,452 (after 2019/20 contribution to balances from the General Fund of £924,610). Total General Fund balances as at 1st April 2021 are estimated to be £3,520,422 (after 2020/21 contribution from balances to the General Fund of £349,030). These levels of balances meet the minimum level of risk assessed balances that are needed to meet unforeseen expenditure arising in the year and expenses arising before income is received.

Total available HRA balances as at 1st April 2020 are estimated to be £18,853,169 (after contribution from balances in 2019/20 of £2,448,890). Total available HRA balances as at 1st April 2021 are estimated to be £22,269,799 (after contribution to balances in 2020/21 of £3,416,630).

It is estimated that the council will have General Fund £3,013,604 capital receipts and £1,726,306 regeneration ring fenced receipts and £350,000 capital reserve as at 1st April 2020 (this includes an assumption that under spends of £350,000 have been realised for 2019/20) and the Council has a need to borrow in 2020/21 of £27,921,440 including £23,802,670 for the HRA. There has been challenge to capital bids by the Leaders Financial Security group and Senior Leadership Team (SLT) and the current Strategy is requires contributions from General Fund balances and a target has been set to realise £1Million from Locality Reviews. This would ensure the programme was affordable but some of the spend has been deferred for future years and there is a need to build up future capital resources to meet further capital schemes.

It is estimated that the council will have General Fund £661,045 capital receipts and £nil capital reserve as at 1st April 2021, (this includes an assumption that under spends of £500,000 have been realised for 2019/20 and £350,000 for 2020/21 totalling £850,000).

It is estimated that the Council will have HRA £5,847,708 capital receipts, (£9,412,858 as at 1 April 2020) and £2,672,815 Major Repair Reserve balances as at 1st April 2021, (£12,028,306 as at 1 April 2020). The HRA capital programme is based on the latest stock condition information updated from the Business Plan approved at the December 2019 Executive.

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

In coming to a view on the adequacy of reserves, risks in the area of litigation, business continuity, civil emergency, failure of information systems, budgetary control and interest rate

calculations have been considered in terms of the possible maximum financial impact and their probability of occurrence. Ongoing assessment of the financial risks to the council, its budget and Medium Term Financial Strategy, are embedded as part of the council's overall Corporate Risk Management processes. On this basis, the Assistant Director (Finance and Estates) considers the level of general balances to be adequate for the 2020/21 financial year.

3 SPECIFIC RESERVES

As part of the budget preparation process, the current and projected levels of the council's allocated reserves have been considered. Following this review, the Assistant Director (Finance and Estates) confirms these reserves are £2,756,004 (General Fund) and £5,000,000 (HRA) as at 1 April 2021 (£2,102,210 (General Fund) and £5,000,000 (HRA) as at 1 April 2020) and continue to be required.

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STEVENAGE BOROUGH COUNCIL

Tuesday 12 February 2020

COUNCIL TAX RESOLUTION

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

1. That the following be approved:
 - a. the revised working revenue estimates for the year 2019/20 amounting to £9,678,680 and the revenue estimates for 2020/21 amounting to £9,069,830;
 - b. the contribution from balances totalling £924,610 in 2019/20;
 - c. the contribution from balances totalling £349,030 in 2020/21.

2. That it be noted that at its meeting on 22 January 2020 the Executive calculated the amount of 27,780.7 Band D equivalent properties as its council tax base for the year 2020/21 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 31B of the Local Government Finance Act 1992 as amended by Section 74 of the Localism Act 2011.

3. That the following amounts be calculated by the Council for the year 2020/21 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by Section 74 of the Localism Act 2011:
 - a. £82,599,746 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2)(a) to (f) of the Act, less the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d)
 - b. £76,611,145 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act.
 - c. £5,988,601 Being the amount by which the aggregate at 3a above exceeds the aggregate at 3b above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year.
 - d. £215.57 Being the amount at 3c divided by the amount at 2 above, calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its council tax for the year
 - e. Valuation Bands

A	£ 143.71
B	£ 167.67

C	£ 191.62
D	£ 215.57
E	£ 263.47
F	£ 311.38
G	£ 359.28
H	£ 431.14

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

4. a. That it be noted that for the year 2020/21 Hertfordshire County Council have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands

A	£
B	£
C	£
D	£
E	£
F	£
G	£
H	£

- b. That it be noted that for the year 2020/21 Hertfordshire Police Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 and amended by Section 27 of the Police and Magistrates' Court Act 1994, for each of the categories of the dwellings shown below:

Valuation Bands

A	£
B	£
C	£
D	£
E	£
F	£
G	£
H	£

5. That, having calculated the aggregate in each case of the amounts at 3e. and 4a. and b. above, the Council in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts for council tax for the year 2020/21 for each of the categories of dwellings shown below:

Valuation Bands

A	£
B	£
C	£
D	£
E	£
F	£
G	£
H	£

6. To determine in accordance with Section 52ZB Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2020/21 is not excessive in accordance with principles approved by the Secretary of State under Section 52ZC having calculated the aggregate in each case of the amounts at 3e.

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Meeting EXECUTIVE
Portfolio Area Resources
Date 12 FEBRUARY 2020



FINAL CAPITAL STRATEGY 2019/20-2024/25

KEY DECISION

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

1. PURPOSE

- 1.1 To approve revisions to the 2019/20 General Fund and Housing Revenue Account Capital Programme and approve the final Capital Programme for 2020/21 for consideration by Council.
- 1.2 To provide Members with an update on the Council's draft five Year Capital Strategy and the resources available to fund the Capital Strategy.
- 1.3 To provide Members with an update on government changes to prudential borrowing requirements.
- 1.4 To provide Members with an update on the Council's investment strategy as required by the updated prudential code.
- 1.5 To set out the Council's approach to funding its key Future Council priorities.
- 1.6 To set out the work of the Leader's Financial Security Group (LFSG) in reviewing all General Fund capital bids prior to inclusion in the 2020/21 onwards Capital Strategy.

2. RECOMMENDATIONS

EXECUTIVE:

That the following proposals be recommended to Council on 26 February 2020:

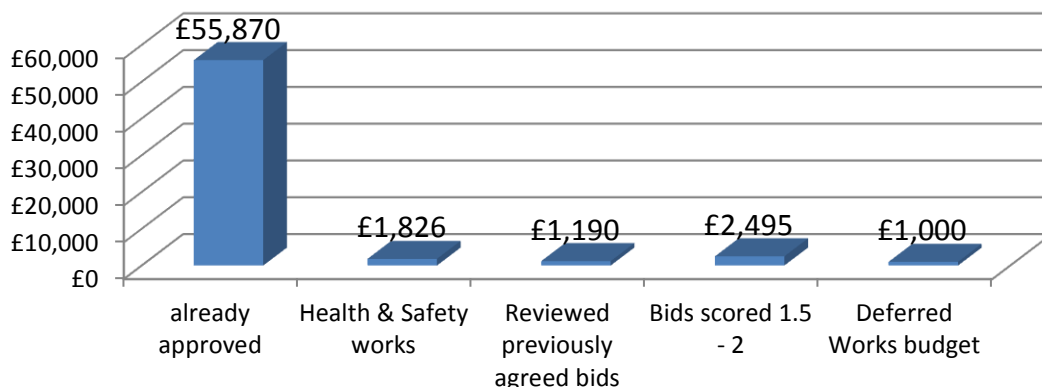
- 2.1 That the final 2020/21 General Fund Capital Programme as summarised in the report be approved.
- 2.2 That the final 2020/21 HRA Capital Programme as summarised in the report be approved.
- 2.3 That the updated forecast of resources as summarised in the report be approved.
- 2.4 That the Council's investment strategy for non-treasury assets, section 3.2 of the report be approved.
- 2.5 That the approach to resourcing the General Fund capital programme as outlined in the report be approved.
- 2.6 That the actions required to ensure the General Fund programme is funded as outlined in paragraphs 4.9.3-4.9.9 of the report be noted.
- 2.7 That the approach and progress on Locality Reviews be noted and the target to realise receipts for 2020/21.
- 2.8 That the growth bids now included in the Capital Strategy be approved.
- 2.9 That the return of Right to Buy one for one receipts as outlined in section 4.14 of the report be noted.
- 2.10 That the 2020/21 de-minimis expenditure limit (section 4.15 of the report) be approved.
- 2.11 That the 2020/21 contingency allowance (section 4.16 of the report) be approved.
- 2.12 That the work undertaken by LFSG on behalf of the Executive in reviewing and challenging the General Fund Capital Strategy be noted.

3. BACKGROUND

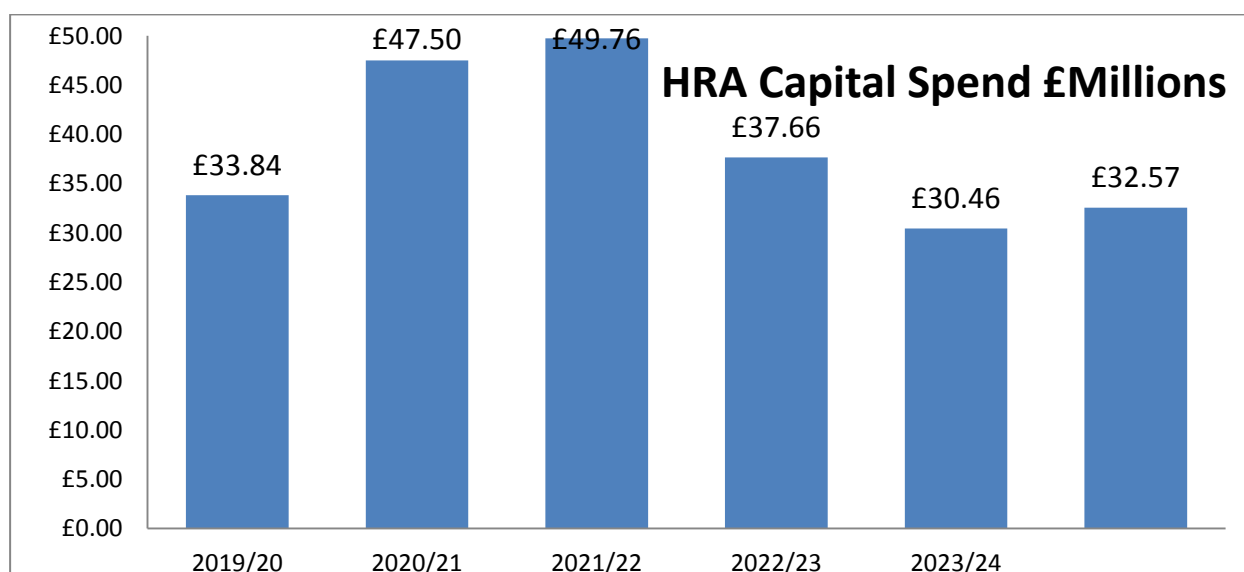
3.1 Introduction

- 3.1.1 This report is an update on the Council's Draft General Fund and HRA capital strategy 2020/21- 2024/25 presented to the January 2020 Executive meeting. This report gives updates on the 2019/20 and 2020/21 budgets and resourcing for the General Fund and HRA programme
- 3.1.2 The draft General Fund programme totalled £62.38Million (subject to sufficient resources being available and is summarised in the table below. This did not include any changes as a result of the approval of the Kenilworth tender at the January Executive.

General Fund Capital 2020/21-2024/25 £'000



3.1.3 The HRA programme included in the Draft Capital Strategy totalled £231 Million and was in line with the Business Plan, with the exception of changes arising from the Kenilworth scheme as summarised below.



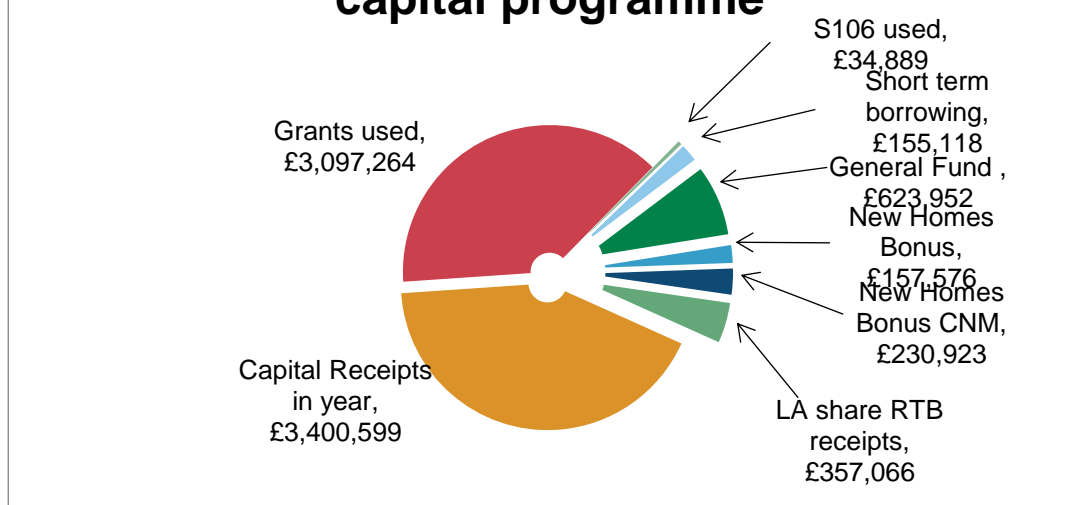
3.1.4 The purpose of the Capital Strategy is to show how the Council determines its priorities for capital investment, how much it can afford to borrow and setting out any associated risks. As a result of changes to the Prudential Code this Strategy now shows how capital financing and treasury management activity contribute to the provision of services and implications for future financial sustainability.

3.1.5 The framework the government uses to control how much councils can afford to spend on capital investment is known as the Prudential Framework. The objectives of the Prudential Code, which sets out how this framework is to be applied, are to ensure that local authorities' capital investment plans are:

- affordable, prudent and sustainable;

- that treasury management decisions are taken in accordance with good professional practice; and
 - that local strategic planning, asset management planning and proper option appraisal are supported.
- 3.1.6 The Government has issued guidance revising the disclosures required in the Capital Strategy from 1 April 2018 onwards and includes:
- an Investment Strategy
 - disclosure of other investments (other than held for treasury management purposes) contribution to service delivery objectives and/or place making role
 - indicators that allow Members and the public to assess a local authority's total risk exposure as a result of investment decision, including how these investments have been funded, rate of return and additional debt servicing costs taken on
 - the approach to assessing risk of loss before entering and whilst holding an investment
 - the steps taken to ensure that elected Members and Statutory officers have the appropriate skills and governance
- 3.1.7 Some of these disclosures may be shown in the Treasury Management Strategy instead of the Capital Strategy.
- 3.2 **General Fund Investment Strategy**
- 3.2.1 **General Fund** – The capital programme has been rationalised for a number of years as the Council has had reducing capital receipts to fund spend and the period of austerity since 2010/11 has meant limited ability to afford prudential borrowing. This has meant a fix on fail approach to assets with no significant improvements, with the exception of initiatives such as the playground improvement programme (reducing the overall playgrounds maintained) and the garage refurbishment programme which sought to protect and improve the income generated from rents for the General Fund and the Co-operative Neighbourhood programme.
- 3.2.2 Alternative sources of funding have been used to fund the programme with the General Fund and New Homes Bonus (NHB) funding a significant proportion of the programme.
- 3.2.3 The level of General Fund revenue contributions to the Council's capital programme in 2018/19 was £1,012K. This included a contribution of £638K from NHB (£250K contribution to capital reserve, £231k for the Co-operative Neighbourhood Programme (CNM), and £157K for other NHB schemes.

2018/19 financing of General Fund capital programme



- 3.2.4 The level of NHB the Council has received over the last three years has significantly reduced and the 2020/21 allocation is for one year only with the government already signalling a review of the criteria for awarding the funding from 2021/22. Removal of the funding will put an increased funding strain on the capital programme. The Chief Finance Officer (CFO) will be monitoring the level of receipts available and will make adjustments to the Strategy. In addition further reductions in central funding through any changes to the fair funding (now due 2021/22) review could also impact on revenue resources available for capital.
- 3.2.5 The Council has currently identified limited disposal opportunities for future receipts, with the competing demand of one of the Council's top 'Future Town Future Council' priorities, Housing Development.
- 3.2.6 The Asset Management Strategy approved at the 11 July 2018 Executive had a key action for the Council to undertake locality reviews of its current land and buildings, identifying new opportunities for better use of existing buildings, identifying potential sites (land and buildings) for release for sale (establishing a much needed new development pipeline for potential capital receipts) and identifying land for the Council's own housing building programme (meeting our Future Town Future Council ambitions). The work of the Locality Reviews is detailed in section 4.7.
- 3.2.7 Bids have been assessed on a set of criteria, in an attempt to ensure scarce resources are targeted, which has been updated to reflect the Future Town Future Council (FTFC) corporate priorities, as set out below;
- Category 1 : FTFC
 - Category 2 : Income generating asset schemes (Financial Security)
 - Category 3 : Mandatory/health and safety requirements
 - Category 4 : Schemes to maintain operational effectiveness
 - Category 5 : Match funding schemes
- 3.2.8 There has been limited prudential borrowing to fund capital schemes due to the on-going cost to the General Fund and would 'normally' only be used to support

category 2 schemes (Income generating asset schemes -Financial Security), with capital receipt, external grants and the new revenue reserve for capital being used to fund the other categories. The following principles have been applied to new bids:

- Assets due for regeneration should have only essential or health and safety growth bids.
- Re-profile spend to later years if reviews of the service are due.
- Include only the initial works to schemes until the business case is proven.

3.2.9 However the “fix on fail” approach to assets with no improvements to meet current or future needs is not a sustainable position going forward. This approach was adopted during a prolonged period of austerity, but now cannot be pursued on-going if the Council’s assets are going to remain fit for purpose.

3.2.10 The growth bids submitted within this report are not in the main about improvement of assets and future proofing them to meet e.g. the climate change agenda, current and future needs of the community, but an attempt to just keep buildings operational. This is based on the limited financial resources which cannot resource beyond essential works and indeed only a proportion of the works bid for are currently identified for inclusion in the programme.

3.2.11 The introduction of the Co-operative Neighbourhood Management programme, (a ‘Future Town Future Council’ (FTFC) priority), has been implemented to improve the ‘whole place’ by improving the assets within a given ward area at the same time. The asset improvements include the playground improvement programme (February 2017 £1.49Million) and the garage improvement programme (July 2016, £9.24Million). However playground improvements have been funded from New Homes Bonus. Future years funding allocations could be significantly lower than the projected spend, due to the government review of NHB next year.

3.2.12 In determining the playground improvement programme, officers recommended to Members which facilities should be provided within Stevenage, based on mapping of need/location. This means some site were decommissioned to allow significant improvements to a smaller number of play areas, while ensuring decommissioned sites are appropriately landscaped.

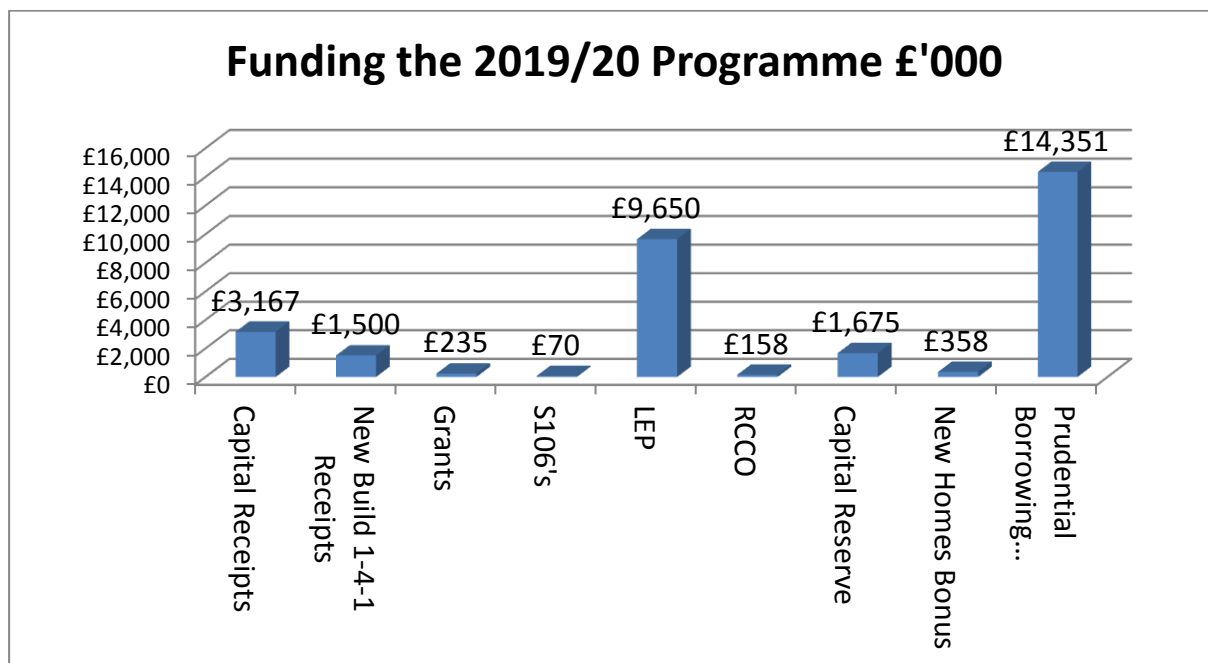
3.2.13 The timing of the ward works is summarised below, however for 2020/21 the value of monies available is reduced due to the amount of available New Homes Bonus (NHB).

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

3.2.14 The remaining schemes within the existing Capital Strategy (with the exception of regeneration schemes) are still based on high priority works to keep existing assets operational (without improvement) and the replacement of vehicles over an extended life cycle of seven years. The works to community assets are based on priority works to keep buildings operational until the Community Centre review

and the Locality reviews (approved as part of the Asset Management Strategy) are completed. This is to ensure that scarce resources are not invested in assets which may be redeveloped or consolidated as part of the outcome of the reviews. This means the current programme has not been developing this type of asset to future proof them, or provide new assets.

3.2.15 The current approved capital programme (approved February 2019 and as amended by quarterly monitoring and supplementary reports) is fully funded, (but spending was on a priority basis for 2019/20) and shown in the following chart.

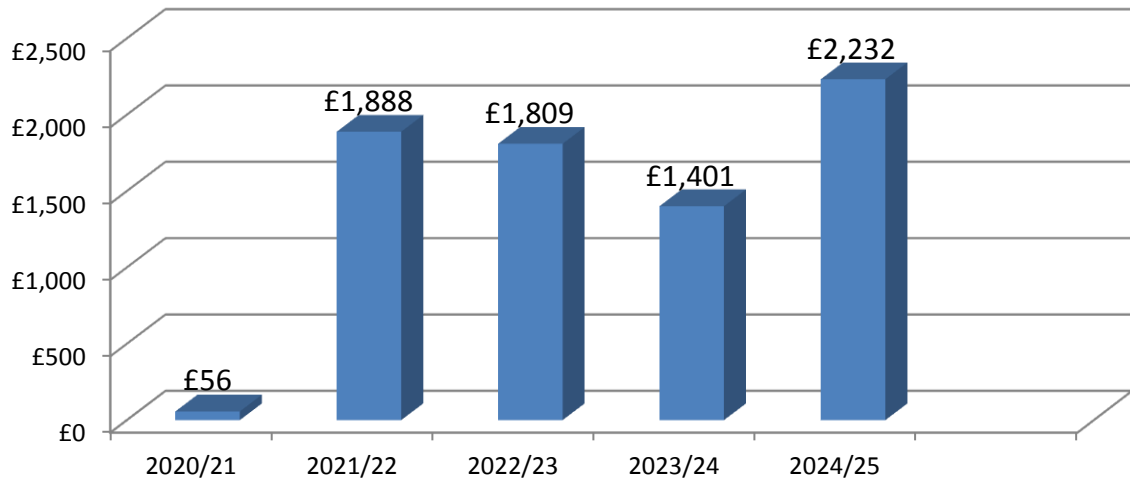


3.2.16 The level of resources available to fund the Draft Capital Strategy and included in the January report was deemed to be insufficient for 2020/21 at £56K, a number of actions were to be considered, which included:

- Consider deferring more of the programme in the category scoring an average score of 1.5-2
- Consider assuming a higher underspend at year end contribution to the Capital Reserve of say a further £200K
- Consider a one off contribution from General Fund balances of say £300K
- Consider a hold on all schemes with the exception of health and safety bids
- Prioritise the disposal of land sites (identified as part of the Locality Review work) after consultation with Members
- Consider using the budgeted amount for historic borrowing of £95K which would lever in approximately £1.35Million of new borrowing (interest and MRP on assets with a 25 year life). However this may also be needed to help fund the bus station.

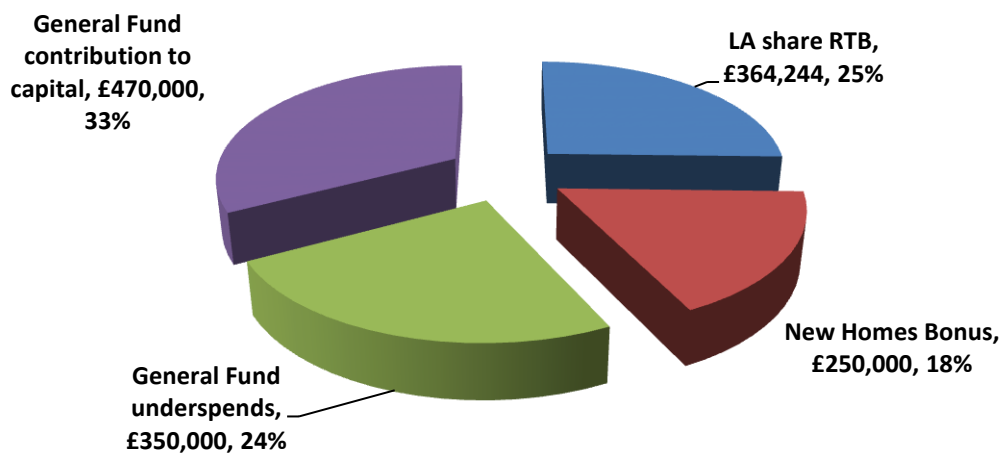
3.2.17 The level of resources unallocated in the January Draft Capital Strategy for the General Fund is summarised below.

Draft Capital Strategy unallocated capital resources year end £'000



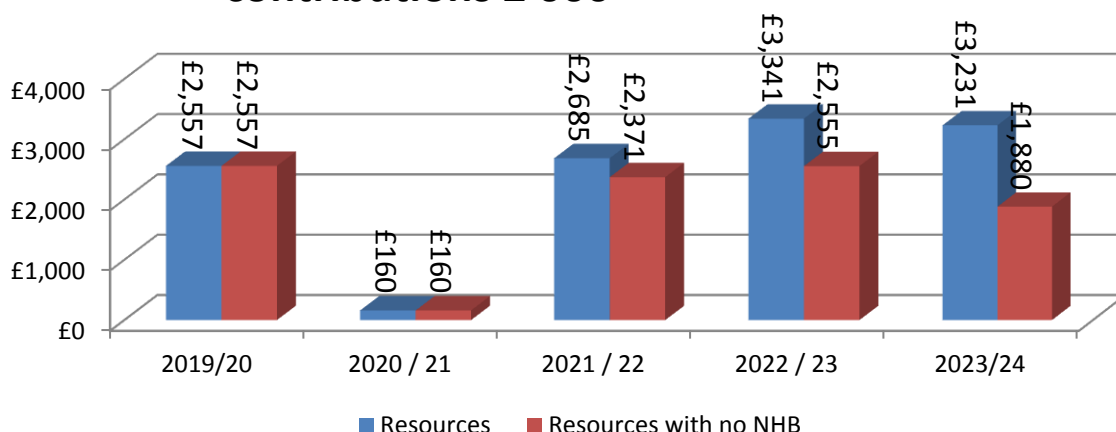
3.2.18 The Capital Reserve, which is a significant source of the capital programme funding, will receive a 2020/21 budgeted £470K contribution from the General Fund with potentially up to £350K underspends, (identified at year end), giving a General Fund maximum contribution of £820K . NHB contributes £250K and £364K from the Local Authority Share of Right to Buy receipts as shown in the following chart.

Capital Reserve Funding 2020/21



3.2.19 If no new NHB was available beyond 2020/21 the impact on year end capital resources would be as shown below a reduction of £1.35Million by 2023/24.

Impact on Capital Resources of no NHB contributions £'000



3.2.20 The Capital strategy approved by Members at the February 2018 Council, discussed the issue of the bus station funding which is currently situated in the centre of the SG1 redevelopment area. Its relocation is pivotal to enable the transformation of the town centre. There has been £8Million of GD3 funding earmarked for this but the monies still had not been released as revised governance arrangements submitted to central government had not been approved. For 2020/21 SBC will need to allocate a funding for the bus station if the GD3 monies are not released. However circa £6Million funding would be incurred by the General Fund, approximately £306,000 per year in borrowing costs. Which would require an increase in the Financial Security targets for the General Fund, or curtail any capital works for the next year and beyond.

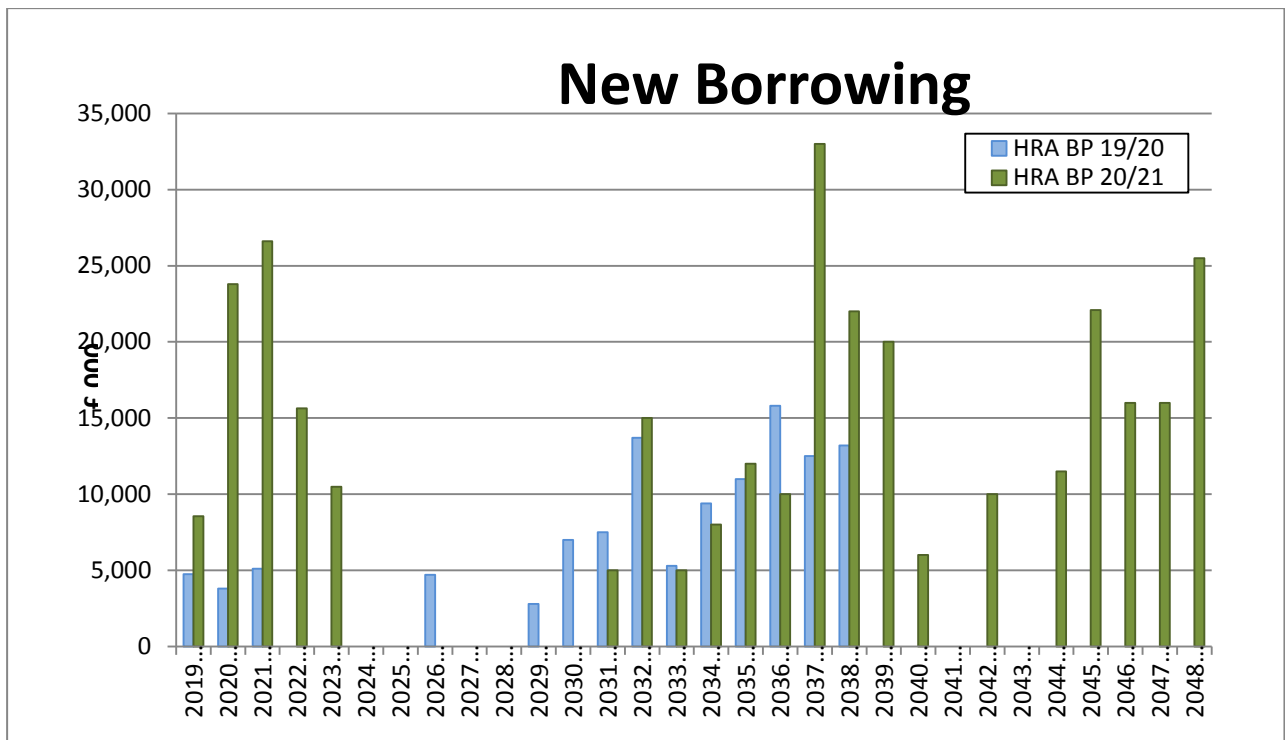
3.2.21 The options from the draft Capital Strategy are a combination of:

- Fund the works from borrowing and an annual increase cost to the General Fund- a £1Million growth is equivalent to circa £51,000 cost PA in interest and minimum revenue provision (MRP- 50 year life) costs.
- Identify Regeneration earmarked receipts that will be received by 2019/20-2020/21.
- Review the capital programme and putting on hold part of the programme until resources are released

To determine spending priorities in line with the Council's priorities, the Leader's Financial Security Group (LFSG) met in November and December to review all General Fund capital bids (2020/21 onwards) and made a number of recommendations and these are contained within this report.

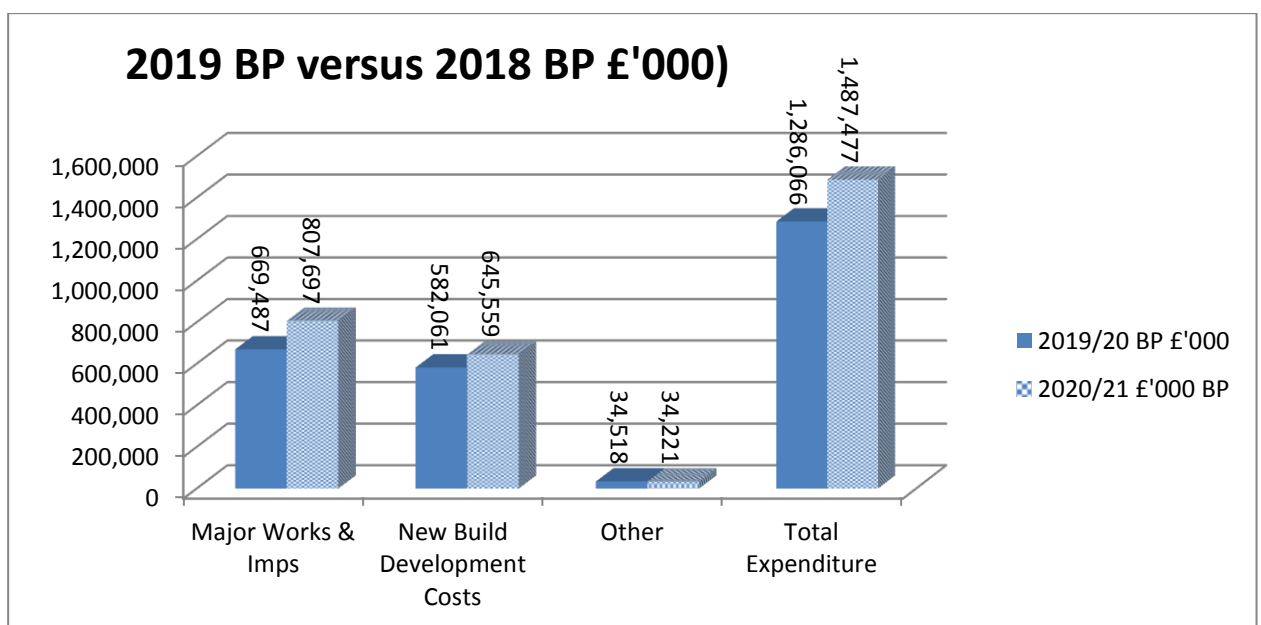
3.3 Housing Revenue Account (HRA) Investment Strategy

3.3.1 The HRA capital programme was revised as part of the HRA Business Plan update to the December Executive. The 30 year HRA capital programme totals £1.485Billion with additional borrowing as summarised in the table below.



3.3.2 The Business Plan (BP) plan includes additional borrowing (shown above) and a more ambitious new build programme and increase in capital works to existing homes. The new borrowing in the 2018 BP totalled £116.6Million, however the 2019 update now has new borrowing of £322.2Million.

3.3.3 The additional capital expenditure that has been approved as part of the HRA BP over the 30 years is summarised in the chart below and there is an additional £201Million of capital expenditure has been projected as well as revenue growth which funds planned maintenance, anticipated changes relating to the Hackett review and decent homes. A summary of the two 30 year plans is shown below.



3.3.4 The new build programme was £582Million in the 2018 BP and the updated plan now includes £645.6Million of spend, with 2,433 new build homes and an additional 175 units in the first 10 years of the programme.

3.4 Budget and Policy Framework

3.4.1 The approval for capital budgets is set out in the Budget and Policy Framework Procedure Rules in the Constitution, which prescribes the Budget setting process. This includes a consultation period. The timescale required to implement this process is outlined below:

Date	Meeting	Report
Jan-20	Executive	Draft 2020/21 General Fund and HRA Capital Strategy
	Overview and Scrutiny	Draft 2020/21 General Fund and HRA Capital Strategy
Feb-20	Executive	Final 2020/21 General Fund and HRA Capital Strategy
	Overview and Scrutiny	Final 2020/21 General Fund and HRA Capital Strategy
	Council	Final 2020/21 General Fund and HRA Capital Strategy

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

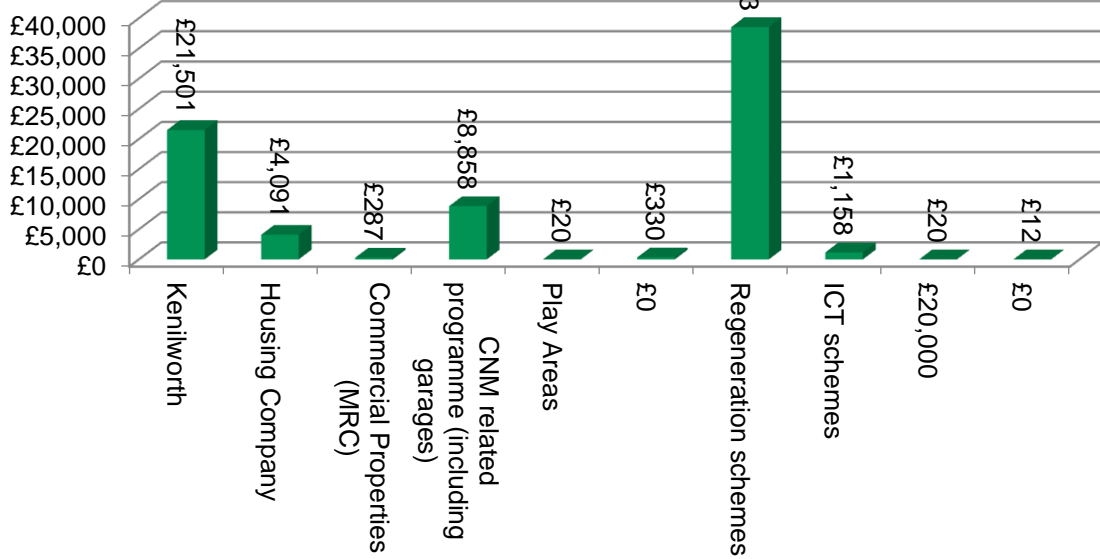
4.1 Capital Programme – 2020/21 General Fund Bids not requiring re-approval

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

- Schemes with previous specific approvals, e.g. garage programme, playground improvements and ICT digital strategy.
- Vehicles which are on a seven year replacement programme (the programme has been reviewed but did not require bids to be submitted).
- Regeneration schemes already approved as part of SG1, (funded from allocated reserves and LEP funding).
- Works which had commenced in 2018/19 and where part of the scheme spend is due in 2019/20.

4.1.2 These schemes now total £75Million (draft Strategy £57Million) over the period 2020/21-2023/24 and are summarised below. The regeneration schemes include the bus station and public sector hub. The increase between draft and final relates mainly to the General Fund element of the Kenilworth scheme.

Capital 2020/21-2024/25 £'000



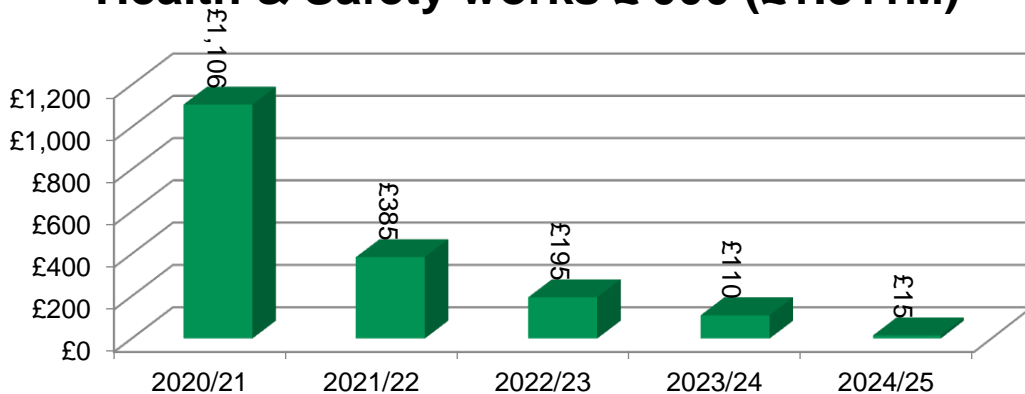
4.1.3 The capital bids submitted by officers with supporting rationale, were appended to the January Draft report (Appendices A and B) and had been reviewed and assessed by the Leader's Financial Security Group (LFSG).

4.1.4 The LFSG scored all options between zero (not supported at all) up to two (strongly supported) based on the principles set out in paragraphs 3.2.5-3.2.6. All scores were averaged and scores of 1.5 or more were considered as supported by the group and were recommended to the Executive for inclusion in the Capital Strategy.

4.2 Capital Bids Included in the Capital Programme.

4.2.1 Recommended in the January Executive were a number of bids classified as Health and Safety related and were also supported by LFSG. These bids now total £1.811Million (£1,825Million Draft Strategy) over the period 2020/21-2024/25, the January Executive was advised that added to this was boiler works at Bedwell Community Centre, which the Executive endorsed based on the usage and needs of the community.

Health & Safety works £'000 (£1.811M)

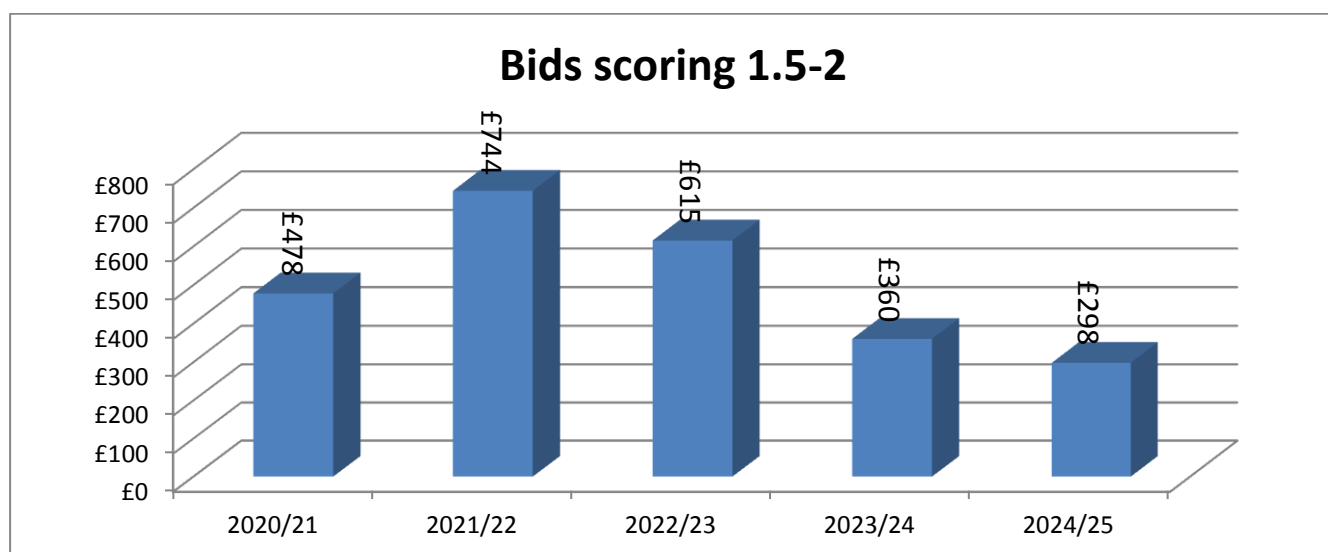


4.2.2 January Executive was advised that all bids scoring an average score of 1.5 or above are included in the Capital Strategy LSFG (0= not recommended to 2=strongly recommended) due the financial constraints of the current capital programme. This recommendation remains unchanged for the Final Capital Strategy.

4.2.3 The bids were then further reviewed to challenge the profiling of the bids or whether they could be re-profiled ensure the capital programme was adequately resourced. This phasing shown in the January report remains unchanged and is summarised in the table below;

Ref.	Capital Bid	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000	24/25 £'000
C39	Depots: Planned Preventative Works: boiler replacement	(£ 25)	£0	£25	£0	£0
C39	Depots: Planned Preventative Works: re-roofing	(£ 475)	£475	£0	£0	£0
C43	BTC Planned Preventative Works: roof lights in old building and workshops	£0	(£ 41)	£41	£0	£0
C43	BTC Planned Preventative Works: replace lights and controls	£0	(£ 131)	£131	£0	£0
C24	MSCP Planned Preventative Works	(£ 200)	(£ 50)	£0	£5	£245
C55	Aqua Splash Park, SALC, Swim Centre, and Fairlands Valley Sailing Centre Planned Preventative Works	(£ 46)	(£ 290)	£40	£0	£0
C65	phased replacement of Xmas lights in town centre and High Street	(£ 6)	£6	£0	£0	£0
TOTAL		(£ 752)	(£ 31)	£237	£5	£245

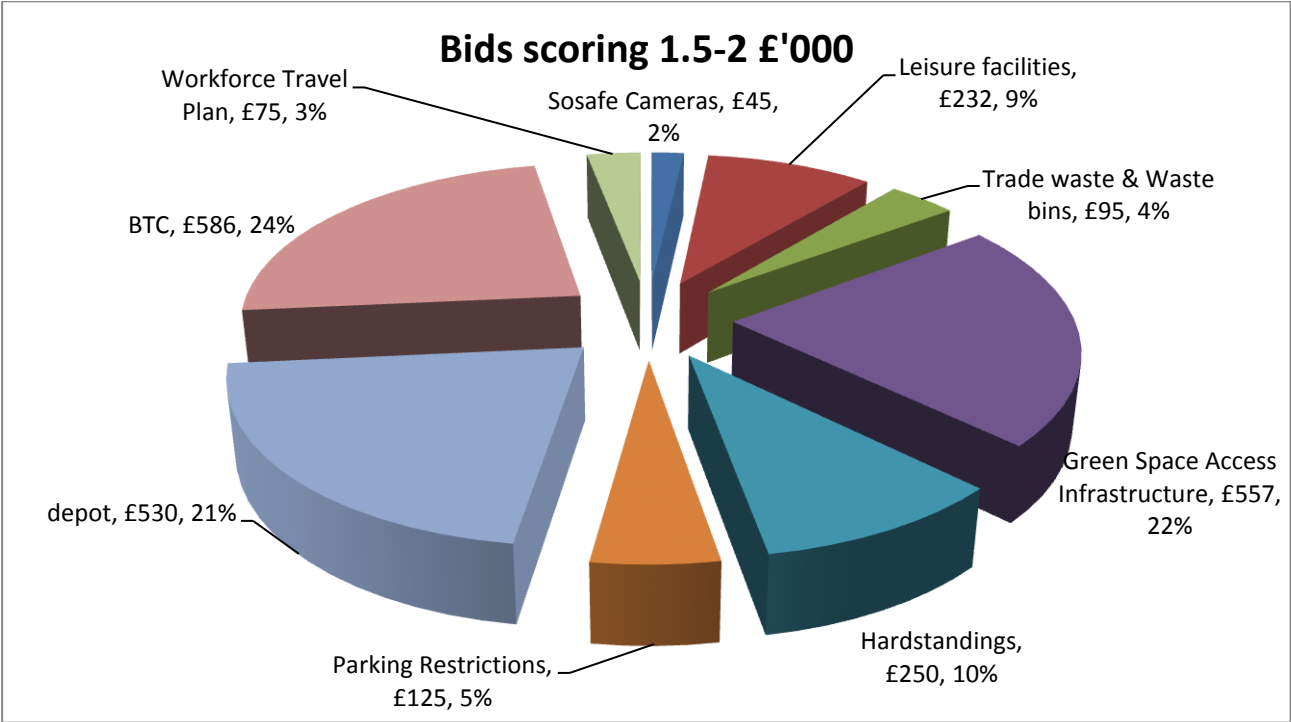
4.2.4 In the January Executive there were bids scoring bids 1.5 and above of £2.495Million and are summarised below.



4.2.5 The works are categorised over the period 2020/21-2024/25 of which 67% relates to three areas

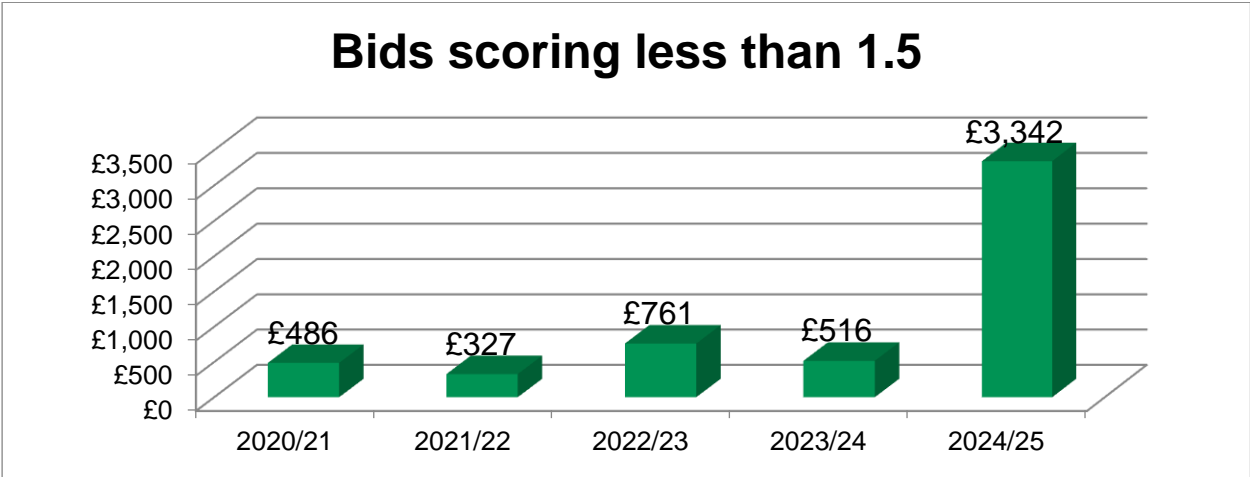
- Works to the BTC £586K
- Green Space infrastructure £557K
- Cavendish Road depot £530K.

A summary of the bids is shown in the pie chart below.

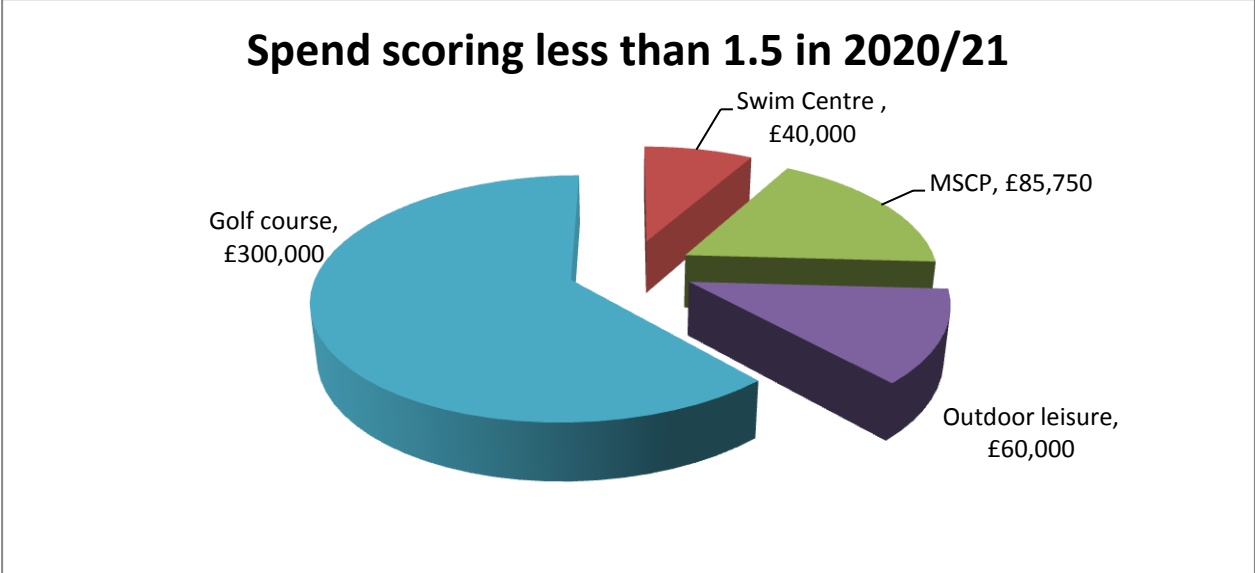


4.3 Bids Scoring Less Than an Average Score of 1.5

4.3.1 There are growth bids totalling £5.4Million, (draft Capital Strategy £5.7Million), scoring less than an average of 1.5. The reduction relates an estimated £296K not required in 2024/25 relating to leisure facilities. The Executive was advised in the Draft Capital Strategy that only £486K related to 2020/21 and the majority of the spend is in later years as shown below.



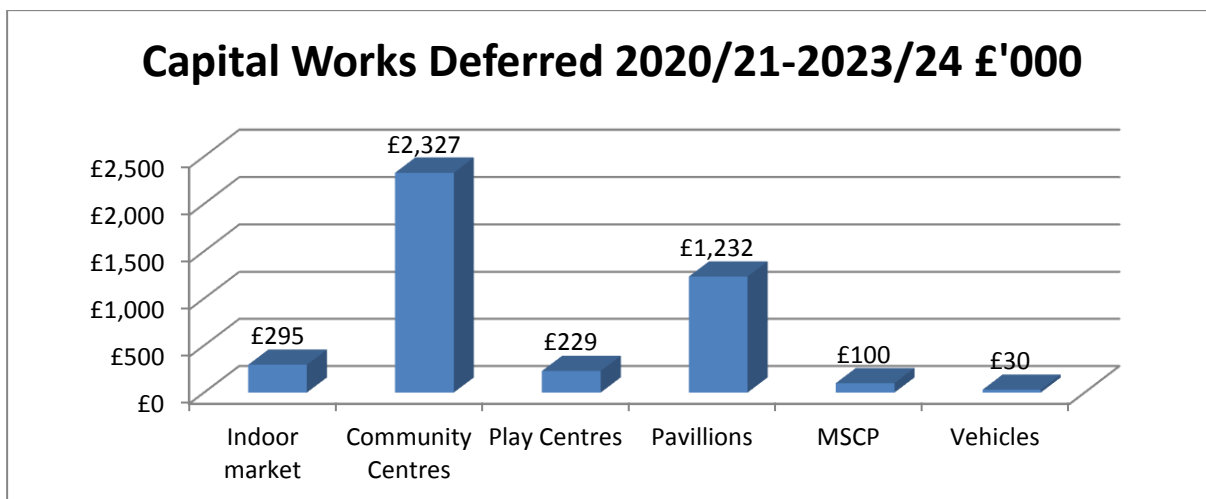
4.3.2 The bids relating to 2020/21 are summarised in the pie chart below, should any of this spend become unavoidable an allowance of £200,000 has been included in the Capital Strategy for 2020/21. As resources become available from the Locality Reviews, subject to any further pressures identified, these future year bids can be reviewed for inclusion in the 2021/22 Capital Strategy update.



4.3.3 The Council’s Senior Leadership Team in considering the Capital Strategy recommended that the bid relating to works to the Multi-Storey Car Park of £250K per year from 2021/22 onwards should be included in the proposed Capital Strategy, despite scoring less than an average of 1.5. This is because of the need to ensure the MSCP remains operational particularly as some car parks will be redeveloped as part of the regeneration programme in the town. This change has been reflected in sections 4.8 and 4.9 of the report.

4.4 Capital Bids Requiring Further Reviews/Business cases

4.4.1 As Members were informed at the January Executive there were some options that were not supported or required further reviews of assets prior to their inclusion in the programme. LFSG were not able to score these bids without understanding more fully the impact of any future reviews in terms of community centres and Locality Reviews. The works total £4.2Million with £746K in 2020/21 and are summarised below.



*excludes MSCP works in paragraph 4.3.3

4.4.2 Some of the growth bids require a business case to determine the benefits which may then lead to their inclusion in a future update of the Capital Strategy.

4.5 Capital Bids Not Supported Due to Financial Constraints

4.5.1 At the January Executive Members noted that there was also one bid which LSFG considered worthy of support but based on the current financial position of the Capital Strategy could not approve its inclusion in the Strategy due to funding constraints. This option is shown below and included in.

Ref.	Capital Bid	2020/21	Commentary
C59	Improving environmental credentials of build at Kenilworth Close	900,000	To improve the environmental credentials of the scheme at Kenilworth Close and reduce running costs for the scheme and help tackle the climate change. Provide an opportunity for local authority leadership in accordance with LGA Climate emergency agenda. Other sites and grant funding opportunities will also be explored to deliver this.
TOTAL		£900,000	

4.5.2 At the January Executive, Members supported the inclusion of this in a future Capital Strategy as a high priority should funding become available to support the Council's climate change ambitions.

4.6 Bids not recommended

4.6.1 There were a total of two bids not recommended totalling £45K and these are shown below and remain unchanged from the January Executive.

BIDS NOT RECOMMENDED				
Ref.	Score	Capital Bid	2020/21 £'000	Capital Bid
C63	0.8	Pin Green Play Centre - Refurbish Washroom	25	The area was re-inspected recently and it was reported that the area should be 'earmarked' for refurbishment within 5 years as deterioration was noted in comparison with previous findings. The washroom is currently useable and was not strongly supported as a growth bid
C53	0.8	Stevenage Golf Centre - Greenkeepers accommodation	20	Temporary building has reached the end of its useful life and requires removal and making good of the site. The accommodation is not used by SBC and as such not considered as a priority and was not strongly supported as a growth bid
BIDS NOT RECOMMENDED			£45	

4.6.2 As stated in paragraph 4.3.2, a deferred works reserve is proposed for inclusion in the capital strategy should any costs become unavoidable. The Total value of works deferred, pending reviews, scoring less than 1.5 or not recommended total £1.278Million for 2020/21 and the £200K deferred works reserve represents 16% of the total in 2020/21. This means there is an element of risk with the Strategy and therefore it is critical that the Locality Reviews are completed.

4.7 Locality Review Update

4.7.1 The January Executive outlined the approach to Locality reviews which was included as an action from the Asset Management Strategy. The Executive were advised that progress has been challenging with the restructure of the Estates section and the change in staffing personnel.

4.7.2 Workshops were held with Members in 2018-2019 to identify any opportunities that they may be aware of to support the Locality Review work.

4.7.3 The programme has been recently been reinvigorated and has a ward by ward focus, while also looking at adjoining wards for any other opportunities. The first three wards have been initially reviewed with the following aims:

1. Re-provide future Proof sustainable Council assets and consider co-locating assets that are within near proximity-with an aim at to be cost neutral.
2. Align with other Council initiatives such as the Community Centre reviews and garage refurbishment programme
3. Target a 20% reduction in maintenance costs by either improving or divesting assets.
4. Release Capital from surplus/underutilised assets/land
5. Increase Income for the General Fund from the Council's assets where appropriate

4.7.4 The Locality Review Board has started to meet monthly and is sponsored by the Assistant Director (Finance and Estates), the Board includes officers from different business units who use or manage the Council's assets. During the process planning colleagues have been consulted with to determine option viability and the Board have recommended which options merit further work before consultation with the relevant ward Members, Resources Portfolio Holder and the Leader of the Council. These options include:

- Potential opportunities of small land site disposals to support the capital programme and also finance sustainable improvements to existing assets.
- Re-provision and future proofing of community assets

4.7.5 The current timetable for completion of the Locality Reviews is July 2020, the outcome should be a list of high level of opportunities to be consulted on and also a site disposal list.

4.7.6 Based on the work to date and subject to consultation with Members it is recommended that a target of £1Million is an outcome for the reviews in 2020/21 to support the funding of the Capital Strategy.

4.8 Summary Capital Programme 2020/21-2024/25

4.8.1 The Capital Strategy for 2020/21-2024/25 now totals £82.30Million, including assumptions about the regeneration schemes such as the public sector hub, bus station and public realm works.

Capital Bid	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Already approved and not in new bid list	£18,525	£5,027	£16,041	£21,715	£13,492	£74,800
Health and Safety and urgent works (Priority 3 bids)	£1,106	£385	£195	£110	£15	£1,811
Reviewed previously agreed bids	£120	£249	£116	£705	£0	£1,190
Bids scored 1.5 - 2	£478	£744	£615	£360	£298	£2,495
Further bid recommended for inclusion by SLT - MSCP	£0	£250	£250	£250	£250	£1,000
Deferred Works budget	£200	£200	£200	£200	£200	£1,000
Proposed Capital Strategy schemes	£20,429	£6,854	£17,418	£23,340	£14,255	£82,296

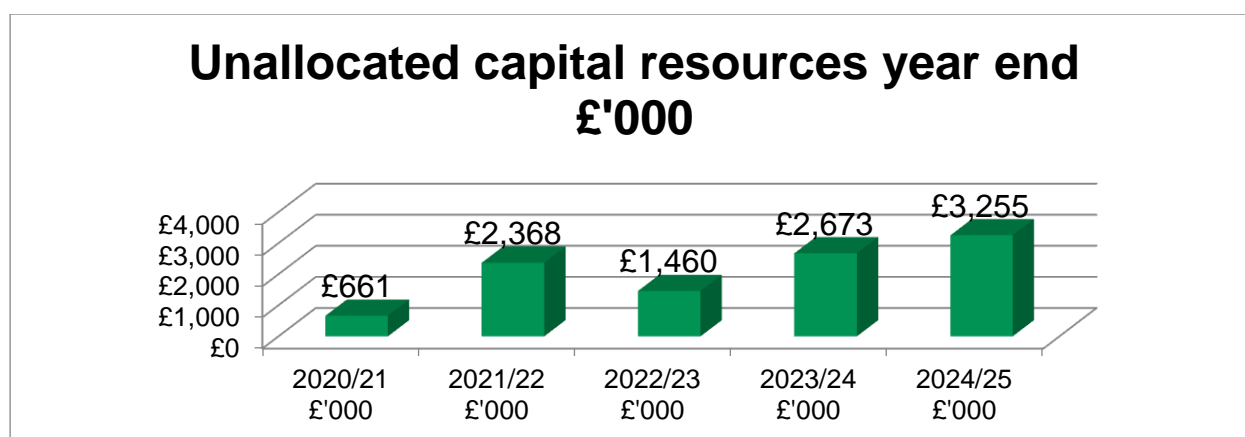
4.9 Capital Resources for the General Fund Capital Strategy

4.9.1 The projected resources available to fund the Capital Strategy now total £85.55Million, which is £3.25Million, (Draft Strategy £2.23Million) more than the bids included in the updated Capital Strategy as summarised below.

Capital Resources available	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Capital Receipts	£5,934	£4,790	£0	£10,173	£0	£20,798
Capital Receipts - assumed for Hub			£2,474	£13,384	£13,384	£29,242
Capital Reserve	£1,784	£1,438	£1,442	£1,445	£1,449	£7,558
Regeneration Asset Reserve	£200	£0	£0	£0	£0	£200
Grants, LEP, S106 and other contributions	£7,519	£816	£4,344	£3,916	£0	£16,594
New Homes Bonus	£465	£363	£226	£0	£0	£1,053
Revenue contribution to capital spend (RCCO)	£59	£4	£4	£4	£4	£75
Prudential Borrowing Approved	£4,119	£1,702	£4,209	£0	£0	£10,031
Total Capital Resources available	£20,079	£9,113	£12,600	£28,922	£14,837	£85,551

**assumed to be funded from SG1 land value receipts.*

4.9.2 However there is a significant amount of deferred works as summarised in paragraph 4.6.2 and there may be risk around receipt realisation, as the use of capital receipts is dependent on delivery of the sites to the market. The current bids and funding leaves a balance of only £661K at the end of 2020/21 unallocated as summarised below. However the level of balances left beyond 2020/21 if realised would allow some deferred works to be included in a future update.



4.9.3 In the January report the unallocated balance was £56K and this was not deemed sufficient. The actions required (as outlined in paragraph 3.2.16) have been completed and the following assumptions/changes made:

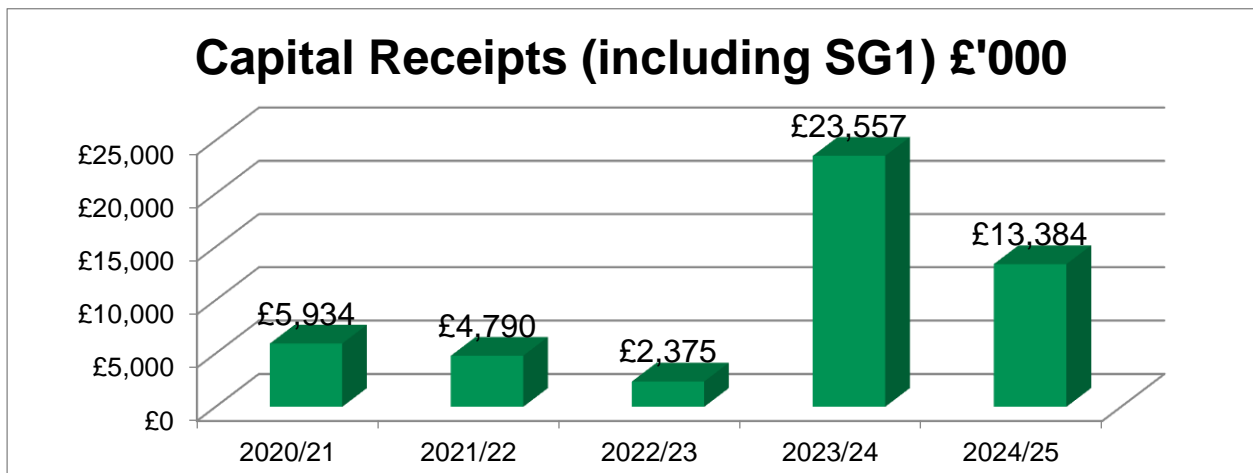
- Increase in contribution from the General Fund in 2020/21 one off £250K – this will only be drawn on if the Locality Reviews do not deliver additional capital receipts.

- Increase in General Fund underspends from year end £150K- this will require control over carry forward budgets, however an underspend of this level, £500K including the planned £350K contribution is not unreasonable
- Review of profiled spend - £58,000 moved from 20/21 to 21/22
- Review of S106 Monies –There are anticipated some S106’s to become due in 2020/21 due to development in the town and these will be considered for potential funding of the programme subject to the conditions applied.
- If any of the garage site disposals are not realised then the garage programme spend will need to be reduced by that amount.

4.9.4 **The CFO considered** the level of balances required as a minimum £500K-£750K and the **£661K is a sufficient year-end balance**. However this will need to be kept under review and the delivery of the Locality Reviews is imperative. This also assumes that the bus station monies will be released.

4.9.5 In considering the risk these are:

- Potential for scheme overspends
- Potential for not spending all the LEP monies by the deadline and therefore some costs falling on the Council’s resources
- Potential for delay in realising capital receipts – there are £5.9Million of land/asset sales to be achieved in 2020/21. As shown in the chart below.



- The deferred works budget of £200K would not be sufficient to fund any works not currently funded in the Strategy
- Potential that the bus station is not funded from GD3 monies
- Potential future risk to the level of Capital Reserve available of NHB funding which would jeopardise the £250K NHB contribution to the fund and CNM contributions
- Potential for no General Fund underspends. The **Capital Reserve for 2020/21** is reliant on General Fund underspends of £500K and £350K per year (not included in General Fund projected year end balances).

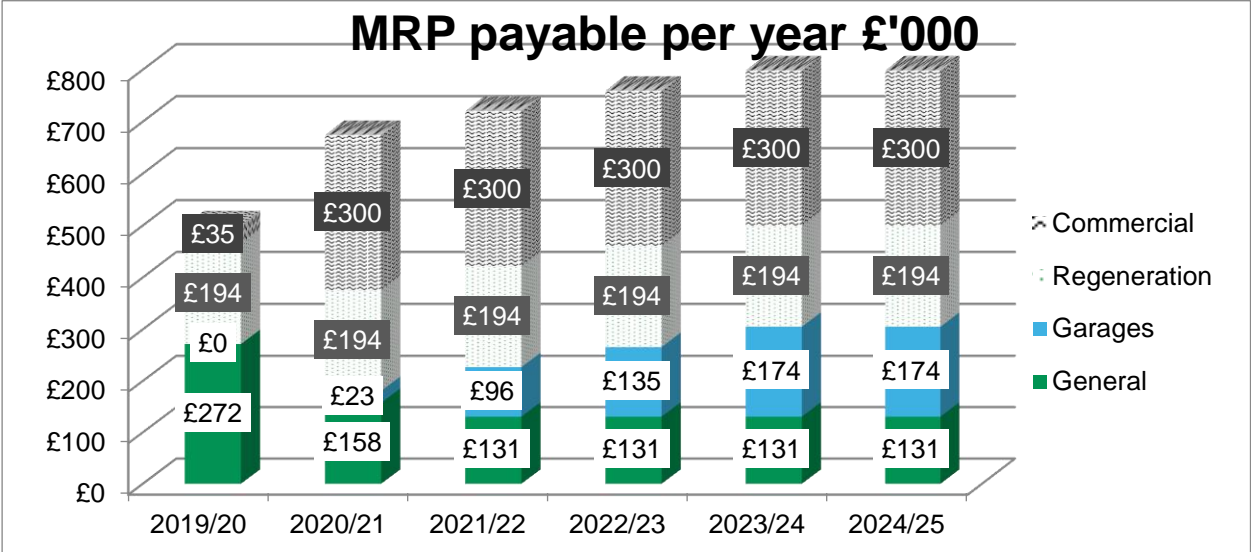
4.9.5 The CFO may consider in addition to the actions taken above:

- Prioritise the disposal of land sites (identified as part of the Locality Review work) after consultation with Members (section 4.7 refers)
- Consider using the budgeted amount for historic borrowing of £95K which would lever in approximately £1.35Million of new borrowing (interest and MRP on assets with a 25 year life). However this may also be needed to help fund the bus station.
- Review the progress of funding for the bus station from GD3 monies. Currently Members have approved the ring fencing for regeneration £1.726Million of capital receipts which are not shown in the Capital Strategy as available for funding the programme. This falls short of the amount needed should the bus station funding not be released and also may be required for other regeneration projects. The table below identifies the potential shortfall in funding.

Bus Station Funding £'000	2019/20	2020/21	Total
Funding required for the Bus station	£500	£5,876	£6,376
Funding from Regeneration reserve	£75		
Funding from General Fund borrowing provision		£1,350	£1,350
Funding from Regeneration earmarked Receipts	£425	£1,301	£1,726
Shortfall- defer capital schemes/increase borrowing costs/dispose of other assets		£3,225	£3,225
Total	£500	£5,876	£6,301

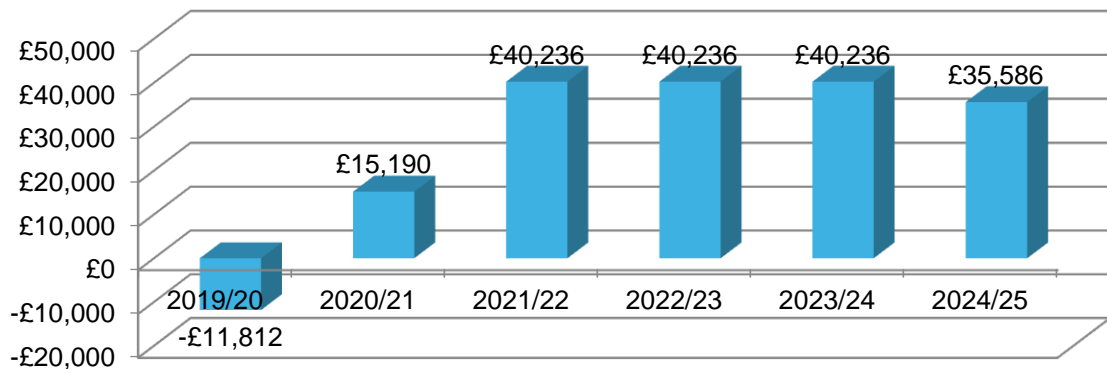
- 4.9.6 The Treasury Management operational boundary for prudential borrowing has been increased to allow the Council to borrow in the short term for the bus station. To fund the borrowing would require an increase in the General Fund savings target required/ potential reduction in General Fund services/putting on hold a significant part of the capital programme.
- 4.9.7 Following on from the immediate actions identified above, in the short term the following actions need to be monitored by the Assets and Capital Group:
- Delivery of 2020/21 and 20201/22 sites for sale- realised by evaluating how the maximum value can be delivered (Asset Management Strategy). Failure to deliver will lead to either further reductions in the programme or increase in borrowing costs and adverse impact on General Fund resources
 - Identify and review bringing forward strategic sites for development/disposal
 - Ensure the Capital Programme remains within the budgeted spend and minimises any additional expenditure requirements
- 4.9.8 The Locality Board needs to deliver:
- The high level reviews by July 2020 to deliver financially sustainable assets by reviewing condition and considering whether continued investment represents value for money.
 - Bring forward windfall sites as soon as possible identified as part of the Locality Reviews (subject to Member consultation and approval to dispose of).
Target of £1Million

- 4.9.9 The Regeneration Steering Group needs to ensure that LEP funding is maximised to minimise any risk to the Council’s finances.
- 4.9.10 The alternative to the approach set out in paragraphs 4.9.5-4.9.9 is to consider borrowing to fund capital expenditure. In the recent past borrowing has been used when the costs of borrowing have been funded from receipts generated, e.g. commercial property purchases OR the business case has determined that the borrowing costs are in the main funded as in the case of the garage programme.
- 4.9.11 The use of borrowing would put an on-going pressure on the General Fund and would require an increase in the level of Financial Security savings required in future years. The current level of Minimum Revenue Provision (MRP) paid in the General Fund is shown in the following table.



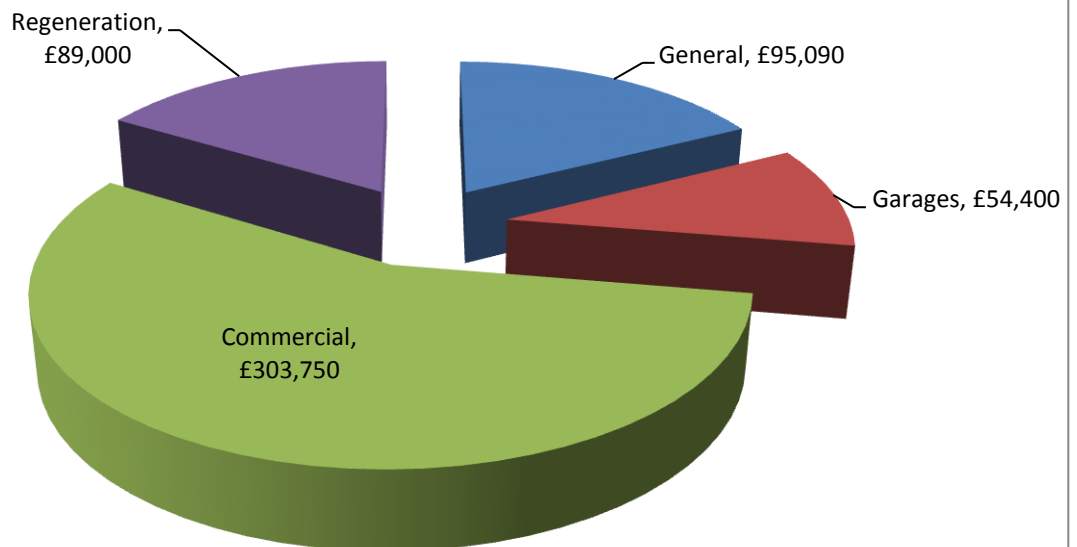
- 4.9.12 All of the commercial and regeneration property MRP (and interest) is funded from income generated from those assets. MRP is payable regardless of whether the borrowing is taken externally or whether internal investment balances are used.
- 4.9.13 An action from the 2018 Capital Strategy was for the CFO to review the lives of the assets funded from borrowing to determine whether the MRP payment in year is appropriate. This was undertaken as part of the mid-year Treasury Management review of 2019/20. The useful lives of all assets financed through borrowing were reviewed. Following this review asset lives now ranges from 7 years (ICT equipment) to 50 years (Investment properties, regeneration sites and carparks for example).
- 4.9.14 The outcome of the review is included in the General Fund draft budget and MTFS and has had the following impact on the General Fund, (included in the numbers above). There was an adverse impact of £11K in 2019/20, increasing to a £40K saving per year by 2021/22.

Impact of MRP review on General Fund Budget per year



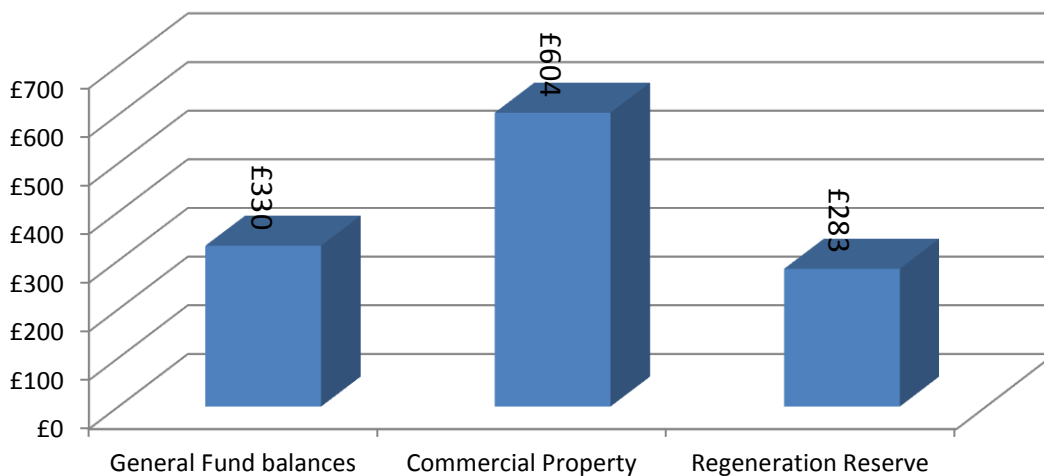
4.9.15 The 2020/21 projected interest costs on borrowing is estimated to be £542,240 (2019/20 £570,690). The 'general' interest budget (shown in the chart below) relates to capital expenditure for the period 2011/12-2013/14 but where external loans have not yet been taken.

Interest Costs 2020/21



4.9.16 The total cost of borrowing in 2020/21 is £1.164Million or an estimated 2% of gross General Fund expenditure. However the majority of this cost is met from within the income generated from assets as shown below.

Borrowing costs for the General Fund 2020/21 £1.217Million



Interest rates are 3.06% for a 25 year loan as at 7/1/2020, which would mean a cost per £million (based on assets with a 25 year life) of £71,000. An annual use of borrowing would be an incremental increase in General Fund costs, which would need to be met from increasing the Financial Security Target for the General Fund.

4.10 Investment in Commercial Property

- 4.10.1 The Prudential Code outlined in paragraphs 3.1.5-3.1.7 require the disclosure of other investments (other than held for treasury management purposes) contribution to service delivery objectives and/or place making role and any indicators used to measure this.
- 4.10.2 The Council approved (28 February 2017), a Commercial Property Investment Strategy which, while making a contribution to the General Fund of an estimated £200,000 per year (1.6% of total General Fund rental income). The Strategy focuses on the acquisition of property investments within the Borough boundary. This boundary includes the “functional economic market areas” which are linked to employment areas within the emerging Local Plan. This is to support the Council’s ambition for Stevenage and town centre regeneration by investing in the town to help create a vibrant town centre and by so doing enable the Council to be more financially resilient by delivering on its Financial Security aims.
- 4.10.3 In considering further investment opportunities the site has to meet the Council’s investment criteria as set out in the Property Investment Strategy (Report Executive 21 February 2017). In addition, in setting the General Fund risk assessment of balances an allowance of 10% is made, (compared to 2.5% of other commercial rental income) to accommodate any loss of income from this new source.
- 4.10.4 In 2019/20 there has been no new purchases, a number of properties have been assessed but were not able to give an acceptable return or strong enough covenant.

- 4.10.5 The lack of investment purchases have been exacerbated by a number of issues including:
- The staffing capacity in the Estates section which although has been restructured is not fully staffed yet and have needed to focus on regeneration activity.
 - Increase in PWLB rates available to Local Authorities by 1%. So to date only one property has been purchased (other options are being pursued) and is projected to make a net return of £49,000 for the General Fund in 2019/20. The General Fund assumes a £200,000 net return per year for 2020/21 (2.2% of net budget for 2020/21).
 - The lack of suitable property investments currently available
- 4.10.6 Action taken to mitigate the impact on the General Fund is:
- The CFO has recently sought counsel's opinion on investing in property inside and outside the Stevenage boundary in pursuant of supporting the financial provision of the Council's services.
 - Review of the Strategy to revise the scope of investments
- 4.10.7 The Council's Property Investment Strategy will be reviewed to potentially include purchases outside the Stevenage Boundary and Local Plan economic area. Although this will need to be assessed on a case by case basis, in general considering the Prudential code and the applicable legislation the CFO does not consider this to be borrowing in advance of need.
- 4.10.8 The Council's Medium Term Financial Strategy has identified an on-going funding gap of £2.1Million for the next three years and the purchase of property assets will allow the continuation of existing services for the benefit of Stevenage residents and purchases are not acquired solely for profit.
- 4.10.8 In determining whether statutory officers and elected Members involved in the investment decision making have appropriate capacity, skills and information to take informed decisions and the approach to assessing loss, the following steps are taken:
- A commercial property purchase has to be in accordance with the Strategy approved by Members
 - Based on a set of due diligence carried out by a qualified surveyor with external expertise if required.
 - The financial calculation is completed by a qualified accountant and includes a central, optimistic and pessimistic scenario, which is then reviewed by the 151 officer or her deputy and meets the threshold for financial return as set out in the Strategy.
 - Member sign off in the process is based on the suite of documents as outlined above in order to conclude that the investment decision is sound.
 - A detailed business case with financial forecast will also be required for complex transactions.

4.11 Other capital investments.

- 4.11.1 The Council has purchased a number of properties in the town centre to enable it to meet its regeneration aims. These properties were purchased using LEP funding and totalled £1.4Million in 2018/19 and a further £3.9Million in 2019/20. These properties have been purchased for regeneration purposes and therefore

do not fall under the Property Investment Strategy. However in making these strategic acquisitions a full risk assessment is undertaken to ensure the cost of carrying these assets in the short to medium term can be met by the Council. The Regeneration Asset allocated reserve has been setup specifically to cover these costs.

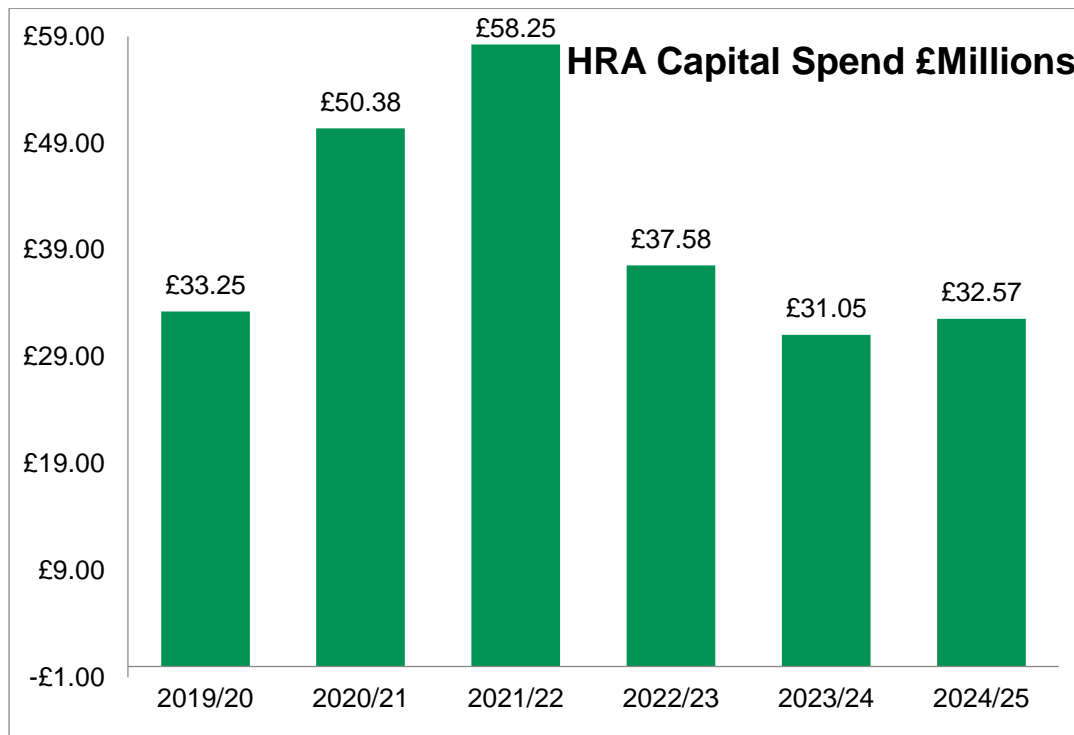
4.11.2 The Council has undertaken a long term lease for a mixed development scheme on Queensway in the town centre. This is a lease arrangement and falls outside the scope of capital investment. As part of the decision making process a risk assessment was undertaken and presented to Members. Key Officers were given training on their roles and responsibilities for the new governance arrangements for the Limited Liability Partnership.

4.11.3 External legal, financial and commercial advice was procured to ensure the validity and viability of the business case presented to Members.

4.12 Capital Programme – Housing Revenue Account (2019/20-2024/25)

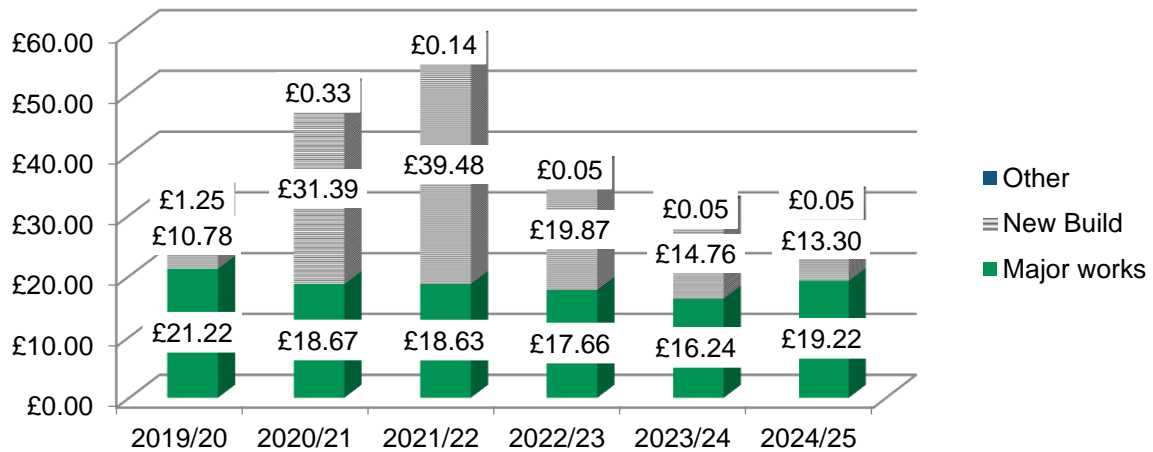
4.12.1 The HRA Business Plan presented to the December 2019 Executive has revised the approach to borrowing in light of the lifting of the HRA borrowing cap by the Chancellor. The approach taken is based on the HRA need to borrow and affordability. As such the revenue contribution to capital originally identified to fund the HRA capital programme for 2019/20 and beyond has been replaced with new borrowing.

4.12.2 The capital programme is summarised below and totals £243.08Million.



4.12.3 The split between major works, new build and other is shown in the following chart.

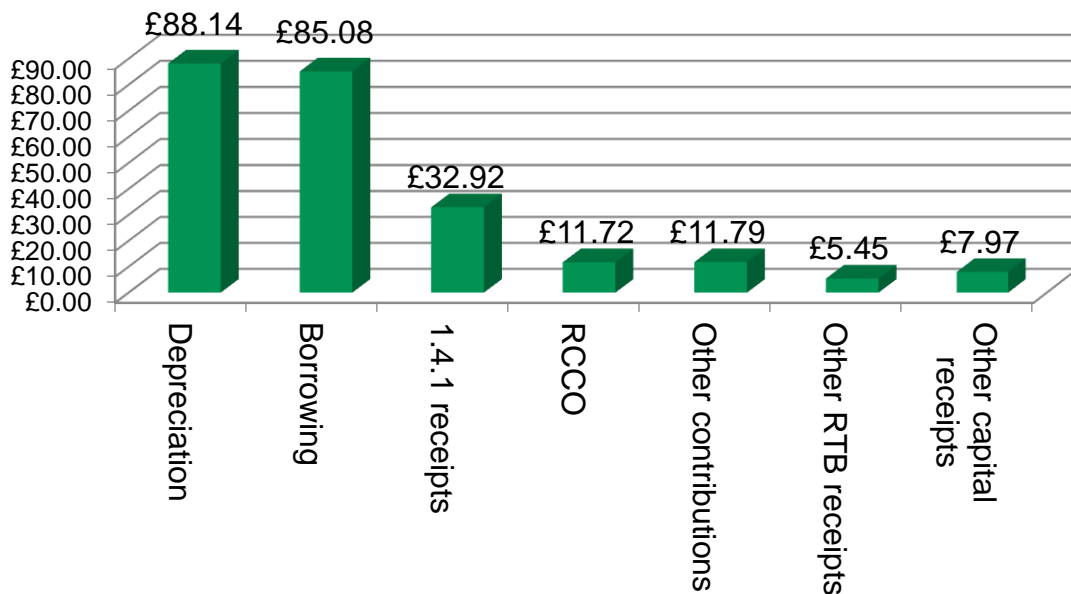
HRA Capital Spend in £Millions



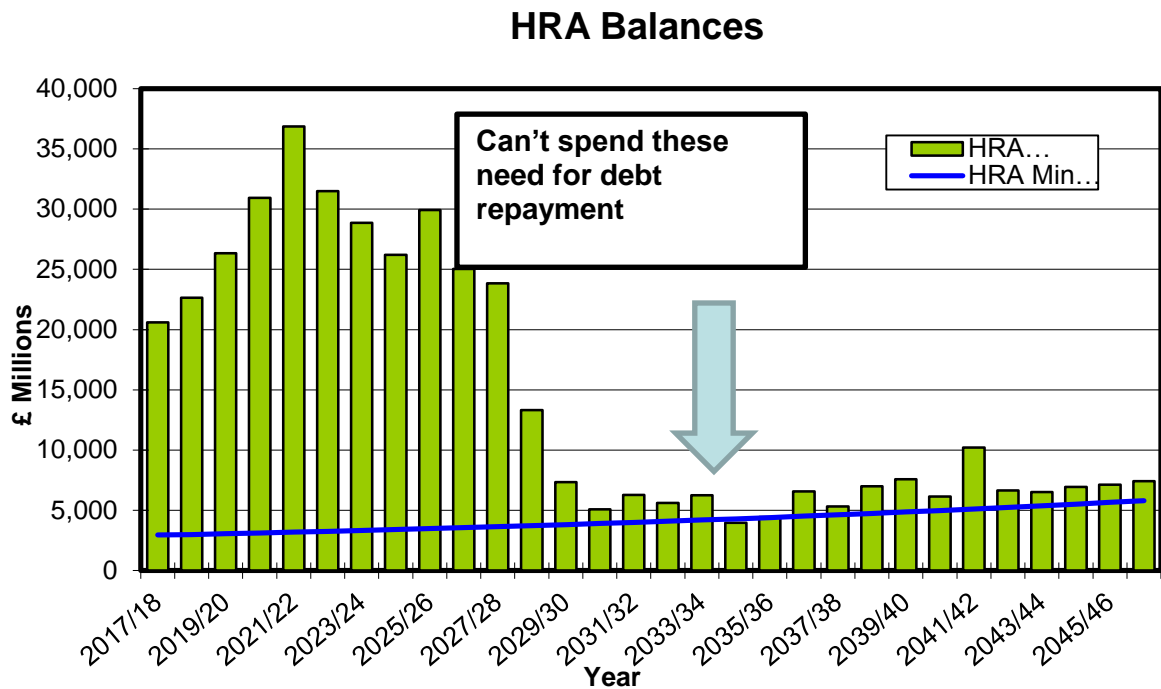
4.13 Capital Programme – HRA Resources (2019/20-2024/25)

4.13.1 The HRA capital programme funding has switched between revenue contributions to borrowing, the main funding sources, of which the largest percentage is funded from the HRA (via depreciation charges), this accounts for 36% (73%, 2019/20) of total funding. Borrowing now is 35% of funding for the period (2019/20, 8.7%) with Capital receipts from the sale of council houses 15.8% (13.5%, 2019/20) of total funding; however as Members will be aware the 1.4.1 receipts have restricted use.

HRA Capital Resources £Millions

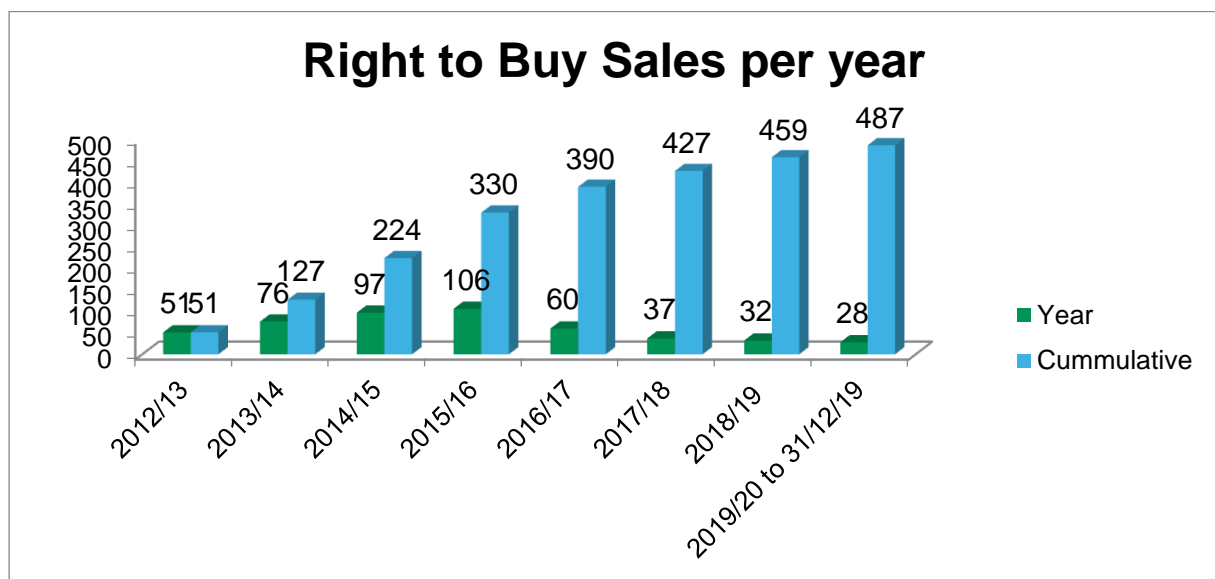


4.13.2 The dependency on HRA revenue budgets to fund the programme has been significantly reduced up to and including 2023/24, however the cost of borrowing for the HRA means that the HRA balances are projected to be at minimum levels during the middle part of the business plan as summarised below.

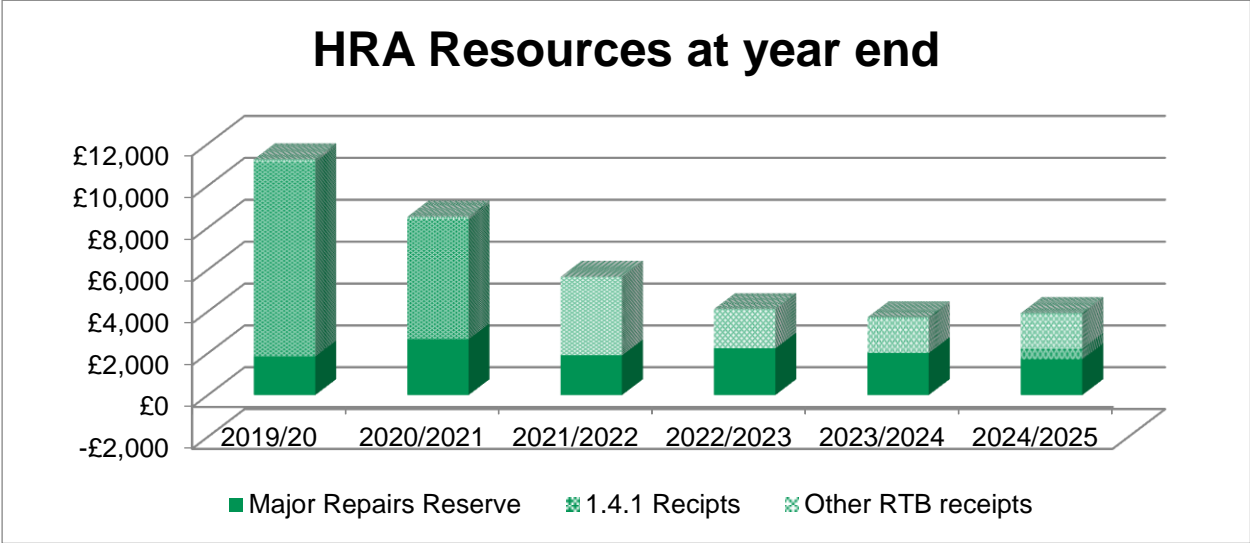


4.13.3 The HRA risk assessment of balances reflects the need to hold higher reserves to fund interest rate fluctuations and £5Million has also been set aside in allocated reserve to allow for interest rate changes. This was agreed as part of the HRA BP report to the December Executive.

4.13.4 The HRA capital programme funding is based on 35 RTB sales per year (2019/20 onwards), RTB's have fluctuated since self-financing was introduced and in 2019/20 (up to 27/1/2020) there have been 30 RTB sales.



- 4.13.5 HRA capital resources have been subject to a number of government policy changes impacting on the level of rents raised (reduction of £225Million from the four year 1% rent reduction) and on the level of RTBs, with the increase in discounts since 2012/13, which have more than doubled from £34,000 in 2011/12 to £82,800 in 2019/20.
- 4.13.6 The 2019/20 and 2020/21 HRA budget assumes new loans totalling £8.6Million and £23.8Million respectively. The interest payable in 2019/20 and 2020/21 is estimated to be £6,866,810 and £7,837,130 respectively.
- 4.13.7 The majority of resources available at year end are restricted use 1-4-1 receipts as shown in the following table.



4.14 Return of One for One Receipts

- 4.14.1 Members have been previously advised that receipts may need to be returned in 2019/20 and this is now estimated to be £372K. Projections are very much dependent on the level and profiling of capital expenditure between January and April 2020. On a repayment amount of £372K the estimated interest payment is £55k which can be funded from the debt receipt portion of RTB receipts. It is anticipated that a further £317K may have to be returned in the first quarter of 2020/21 with an associated interest cost of £47K.
- 4.14.2 Members approved at the January Executive that officers write to the Secretary of State to request that these monies are not returned to the government but are allocated for the Council’s ambitious housing building schemes such as Kenilworth.

4.15 De Minimis Level for Capital Expenditure 2020/21

- 4.15.1 Accounting best practice recommends that the Council approves a de minimis level for capital expenditure, or a value below which the expenditure would not be treated as capital. This would mean that the expenditure would not be recorded on the asset register nor be funded from capital resources.
- 4.15.2 The limit set for 2020/21 remains unchanged at £5,000 in the Draft Capital Strategy, this applies to a scheme value rather than an individual transaction.

4.16 Contingency Allowance for 2020/21

- 4.16.1 The contingency allowance for 2019/20 is £250,000, the contingency proposed for 2020/21 is set at £250,000, for schemes requiring funding from existing capital resources. A limit of £250,000 is also set for schemes for each Fund that have new resources or match funded resources identified in addition to those contained within this report. This limit applies individually to both the General Fund and the HRA. This contingency sum constitutes an upper limit on both funds within which the Executive can approve supplementary estimates, rather than part of the Council's Budget Requirement for the year.
- 4.16.2 A new contingency allowance is proposed relating to the use of restricted use or 1.4.1 receipts for registered providers to ensure that the Council achieves nominal rights and doesn't have to return 1.4.1 receipts to the government. This contingency allowance is a further £500,000 for 2020/21.

4.17 Overview and Scrutiny

- 4.17.1 Overview and Scrutiny met on the 28 January and the Assistant Director (Finance and Estates) presented the Draft Capital Strategy at that meeting.
- 4.17.2 In response to a Member's query regarding why capital bid C59 (Improving the environmental credentials of the build at the Kenilworth Close scheme) had not been recommended for inclusion in the Capital Strategy, the Assistant Director (Finance & Estates) explained that, though not agreed as an additional resolution, the Executive had requested that, should there be a financial overachievement of land and asset sales during the year, then priority should be given to some of this income being earmarked for improvement of the environmental credentials of the build at the Kenilworth Close scheme.

5 IMPLICATIONS

5.1 Financial Implications

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

5.2 Legal Implications

- 4.9.6 None identified at this time

5.3 Risk Implications

- 5.3.1 There are significant risks around achieving the level of disposals or land sales budgeted for, failure to do so could lead to reducing the capital programme in year. The estimated dates of receipts very much rely on a series of steps being successful at estimated dates, for instance tenders and planning meetings. The Council manages this risk by reviewing and updating the Strategy quarterly, including resources. This will enable action to be taken where a receipt looks doubtful.
- 5.3.2 As part of the council's obligations to its regeneration partner, Mace, the bus station needs to be relocated as part of SG1. Funding for the bus relocation has

been approved as part of the Growth Deal 3 package, however no response has been received to the new governance arrangements and as yet funds have not been released. If funding is not available to costs of £6.1Million will need to be funded by the Council.

- 5.3.3 The General Fund programme is funded from an assumption that £500,000 of underspends will be available to fund the programme for 2020/21 and £350K on-going. If they do not materialise there would be a shortfall of £1.9Million over a five year period, which would necessitate a reduction in the programme or borrowing.
- 5.3.4 There are a number of deferrals in the capital programme and schemes not approved. An amount of £200,000 is included in the General Fund programme to address any additional unavoidable capital spend, however there is a risk that this may not be sufficient.
- 5.3.5 The level of year end balances for the General Fund is £661K which is low but within the £500-£750K. There is a risk that this could lead to more prudential borrowing and increased costs to the General Fund.
- 5.3.6 There are potential contractual risks around tendering contracts in the current market conditions which indicate increased costs of materials and trades as a result of higher inflationary pressures and the unknown impact of BREXIT.
- 5.3.7 The Council's ambition around regeneration, housing delivery and Neighbourhood regeneration could increase pressure on scarce capital resources.
- 5.3.8 The level of RTB receipts if reduced does contribute to HRA balances in terms of rent and meets the Council's council homes waiting list need, but may reduce resources available in the short term to fund the HRA capital programme. This will require a re-phasing of the programme in the short term or the consideration of additional borrowing.

5.4 Equalities and Diversity Implications

- 5.4.1 This report is of a technical nature reflecting the projected spend for the year for the General Fund and HRA capital programme. None of the budget changes reported will change any existing equalities and diversity policies and it is not expected that these budget changes will impact on any groups covered by statutory equalities duties.
- 5.4.2 Schemes contained within the capital programme will have an EQIA particularly those relating to housing schemes.

5.5 Climate Change Implications

- 5.5.1 The council's buildings across the town do not meet the climate change agenda in terms of use of energy efficiency or divestment of use of fossil fuels and in their current condition they would undermine the Council's attempt to be carbon zero by 2030.
- 5.5.2 However, there is an opportunity with the Locality Review agenda to have design principles built into renewed assets in terms of energy efficiency and sustainable energy sources. This should be a core principle of any future designs arising from the Locality Reviews. There would be a further benefit of reduced energy costs.

- 5.5.3 The climate change agenda is far wider than just the buildings the Council uses, the Council are also examining the vehicle fleet the Council uses and consideration will be given to reducing the carbon impact of the fleet moving forward.

BACKGROUND DOCUMENTS

- BD1 2nd Quarter Capital Monitoring report (November 2019 Executive)
- BD2 Final HRA Rent Setting and Budget Report (January 2020 Executive) – elsewhere on this agenda
- BD3 HRA Business Plan 2019 update (December 2019 Executive)
- BD4 Draft Capital Strategy (January 2020 Executive)

APPENDICES

- A - General Fund Capital Strategy summary
- B - HRA Capital Strategy summary

APPENDIX A - GENERAL FUND CAPITAL STRATEGY

Scheme	2019/20			2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	Q2 Working Budget	February Final Revised Budget	Variance Working v Revised Budget	February Final Revised Budget	February Final Revised Budget	February Final Revised Budget	February Final Revised Budget	February Final Revised Budget
	£	£	£	£	£	£	£	£
General Fund - Schemes								
Stevenage Direct Services	2,645,010	2,645,010	0	4,583,400	2,745,900	2,471,800	1,232,000	132,000
Housing Development	2,457,000	2,516,060	59,060	4,120,300	2,404,430	11,219,590	7,848,010	0
Finance and Estates	13,773,370	13,773,370	0	241,100	15,000	76,020	15,000	15,000
Corporate Projects, Customer Services & Technology	897,860	897,860	0	572,210	273,370	104,180	104,180	104,180
Housing and Investment	571,860	506,930	(64,930)	939,850	570,500	277,000	157,000	60,000
Regeneration	9,850,150	9,850,150	0	9,280,590	0	2,474,000	13,384,000	13,384,000
Communities and Neighbourhoods	285,030	405,030	120,000	363,500	305,000	255,000	60,000	20,000
Planning and Regulatory	714,760	614,760	(100,000)	128,000	340,000	340,000	340,000	340,000
Deferred Works Reserve	14,600	14,600	0	200,000	200,000	200,000	200,000	200,000
Total Schemes	31,209,640	31,223,770	14,130	20,428,950	6,854,200	17,417,590	23,340,190	14,255,180
General Fund -Resources								
Capital Receipts	2,955,388	2,409,092	(546,296)	5,273,159	2,072,449	2,824,035	17,974,718	13,634,000
New Build 1-4-1 Receipts - for RP Grants	1,500,000	1,500,000	0	0	0	0	0	0
Grants and other contributions	235,299	294,359	59,060	1,623,092	805,921	4,343,535	3,916,192	0
S106's	69,995	69,995	0	20,000	10,000	0	0	0
LEP	9,650,150	9,574,560	(75,590)	5,875,590	0	0	0	0
RCCO	157,920	659,286	501,366	59,000	4,000	4,000	4,000	4,000
Regeneration Asset Reserve	0	75,590	75,590	200,000	0	0	0	0
Capital Reserve (Revenue Savings)	1,314,000	1,314,000	0	1,420,000	1,070,000	1,070,000	1,070,000	488,708
Capital Reserve (Housing Receipts)	361,068	361,068	0	364,243	367,886	371,565	375,280	128,472
New Homes Bonus	358,170	358,170	0	464,554	362,500	226,000	0	0
Prudential Borrowing Approved	14,350,650	14,350,650	0	4,118,770	1,702,400	4,209,390	0	0
Short Term borrowing and funded from private sale	257,000	257,000	0	1,010,542	459,044	4,369,065	0	0
Total Resources (General Fund)	31,209,640	31,223,770	14,130	20,428,950	6,854,200	17,417,590	23,340,190	14,255,180
General Funds Receipts BG902								
Unallocated B/fwd	(3,330,472)	(3,330,472)		(3,013,604)	(661,045)	(2,368,054)	(1,460,015)	(2,672,732)
In Year Receipts	(2,198,956)	(2,247,342)		(3,177,600)	(4,790,000)	(2,375,040)	(23,556,500)	(13,384,000)
Used in Year	2,955,388	2,409,092		5,273,159	2,072,449	2,824,035	17,974,718	13,634,000
Ring Fenced Receipts Used to Repay ST Borrowing	412,118	155,118		257,000	1,010,542	459,044	4,369,065	0
General Fund Receipts Unallocated C/fwd	(2,161,922)	(3,013,604)		(661,045)	(2,368,054)	(1,460,015)	(2,672,732)	(2,422,732)
Capital Reserve Resource								
Unallocated B/fwd	(594,431)	(594,431)		(350,000)	(0)	(0)	(0)	(0)
In Year Resource	(1,430,637)	(1,430,637)		(1,434,243)	(1,437,886)	(1,441,565)	(1,445,280)	(1,449,033)
Used in Year	1,675,068	1,675,068		1,784,243	1,437,886	1,441,565	1,445,280	617,180
Capital Reserve Unallocated C/fwd	(350,000)	(350,000)		(0)	(0)	(0)	(0)	(831,854)

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Scheme	2019/2020			2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	Q2 Working Budget £	January Final Revised Budget £	Variance Working v Revised Budget £	January Final Revised Budget £	January Final Revised Budget £	January Final Revised Budget £	January Final Revised Budget £	January Final Revised Budget £
SUMMARY								
Capital Programme Excluding New Build	21,218,830	21,218,830		18,670,440	18,633,070	17,655,150	16,238,210	19,215,640
New Build (Housing Development)	11,367,690	10,780,390	(587,300)	31,387,571	39,483,802	19,868,976	14,760,701	13,300,710
Special Projects & Equipment	155,000	155,000						
IT Including Digital Agenda	1,094,620	1,094,620		326,000	135,170	51,320	51,320	51,320
TOTAL HRA CAPITAL PROGRAMME	33,836,140	33,248,840	(587,300)	50,384,011	58,252,042	37,575,446	31,050,231	32,567,670
HRA USE OF RESOURCES								
MRR (Self Financing Depreciation)	8,966,756	21,227,791	12,261,035	11,662,060	13,613,031	12,822,027	14,024,761	14,792,106
Revenue Contribution to Capital	11,333,653		(11,333,653)					11,719,160
New Build Receipts	2,840,827	2,633,769	(207,058)	6,980,232	9,913,698	5,609,792	4,079,739	3,702,600
Debt Provision Receipts	855,393	720,000	(135,393)	861,300	898,200	936,400	975,900	1,058,400
Section 20 Contribution	797,711		(797,711)	3,173,114	1,364,190	1,612,132	73,361	76,069
Land Receipts	400,000		(400,000)	400,000	4,250,000	919,473	1,183,821	1,219,335
S106				417,264		30,000	232,649	
Developer Contributions (Kenilworth)		24,971	24,971	3,087,370	1,610,582	5,622		
Grant	85,800	85,800						
Borrowing	8,556,000	8,556,508	508	23,802,670	26,602,340	15,640,000	10,480,000	
TOTAL HRA RESOURCES FOR CAPITAL	33,836,140	33,248,840	(587,300)	50,384,011	58,252,042	37,575,446	31,050,231	32,567,670
		(0)					(0)	
Major Repair Reserve Bought Forward (BH930)	(10,919,793)	(10,919,793)		(1,848,452)	(2,672,815)	(1,903,044)	(2,235,197)	(2,016,587)
Depreciation (increasing MRR)	(12,156,450)	(12,156,450)		(12,486,424)	(12,843,261)	(13,154,181)	(13,806,151)	(14,482,764)
MRR Used (decreasing MRR)	8,966,756	21,227,791		11,662,060	13,613,031	12,822,027	14,024,761	14,792,106
Major Repair Reserve Carried Forward	(14,109,487)	(1,848,452)	0	(2,672,815)	(1,903,044)	(2,235,197)	(2,016,587)	(1,707,245)
Total RTB Receipts Bought Forward	(10,132,532)	(10,132,532)		(9,412,858)	(5,847,708)	(3,755,533)	(1,879,481)	(1,701,713)
Total RTB Receipts Received	(4,250,147)	(4,131,079)		(4,276,382)	(8,719,724)	(4,670,139)	(4,877,871)	(5,275,185)
Total RTB Receipts Used by General Fund (RP)		591,600						
Receipts used for Registered Providers								
Repayment of One for One Receipts		905,384						
Debt Provision Receipts Used for Provision of Interest on Repaid One for One Receipts								
Total RTB Receipts Used by HRA & General Fund (for RP)	3,696,220	3,353,769		7,841,532	10,811,898	6,546,192	5,055,639	4,761,000
Total RTB Receipts Carried Forward	(10,686,460)	(9,412,858)		(5,847,708)	(3,755,533)	(1,879,481)	(1,701,713)	(2,215,898)

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Meeting Audit/ Executive/ Council
Portfolio Area Resources
Date 03 February/ 12 February/ 26 February
2020



ANNUAL TREASURY MANAGEMENT STRATEGY INCLUDING PRUDENTIAL CODE INDICATORS 2020/21

NON KEY DECISION

Author – Belinda White Ext 2430
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Lead Officer – Clare Fletcher Ext 2933
Contact Officer – Clare Fletcher Ext 2933

1 PURPOSE

- 1.1 To recommend to Council the approval of the Treasury Management¹ Strategy 2020/21, including its Annual Investment Strategy and the prudential indicators following considerations from Audit and Executive committees.

2 RECOMMENDATIONS

- 2.1 That subject to any comments from Audit Committee, the Treasury Management Strategy is recommended to Executive and Council for approval.

¹ CIPFA definition of treasury management and investments as “ the management of the Local Authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks”.

- 2.2 That Members approve draft prudential indicators for 2020/21.
- 2.3 That Members approve the minimum revenue provision policy.
- 2.4 That Members approve an increase to the maximum level of long term (invested for longer than 12 months) investments from £10Million to £20Million when cash balances are higher than £30Million.

3 BACKGROUND

3.1 The Council is required to receive and approve (as a minimum) three main treasury reports each year. The annual treasury management strategy including the Prudential Indicators (this report) is forward looking, it is the first and most important of the three and includes:

- Treasury Management Strategy
- Investment Strategy
- Capital Plans and prudential indicators
- Minimum Revenue Provision (MRP) policy

3.1.1 The second is the mid-year treasury management report – this is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

3.1.2 The third is the annual treasury report – this is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

3.1.3 Before being recommended to Council the reports are required to be adequately scrutinised, and this is undertaken by the Audit Committee and Executive.

3.2 Treasury Management Strategy

3.2.1 The key principle and main priority of the Treasury Management Strategy (TMS) is to maintain security of principal invested and portfolio liquidity. With regard to this, the aims of the strategy are:

- i) To ensure that there is sufficient counter party availability and to maintain required levels of liquidity so that the Council has cash available to meet its payment obligations to its suppliers.
- ii) To look for possible changes to the TMS which would increase returns on investments made including alternative investment opportunities with the aim of increasing returns on investments whilst maintaining the security of the monies invested.

3.2.2 The 2019/20 Prudential Code Indicators and TMS Report were approved by Council on the 27 February 2019, and had been updated to reflect new guidance on considering the risk and implications for non-treasury investments (for example commercial property purchases) decisions. The

previous Capital Strategy, also approved by Council on the 27 February 2019, set out the policies for Investment in Commercial Property and Other capital investments. No additional strategy updates have been required for 2020/21.

- 3.2.3 The returns achievable on the Council's investments are currently modest based on the low Bank of England base rate and the risk appetite of the TM Strategy, which is compliant with the advice from the Council's treasury advisors, Link Asset Management. The Monetary Policy Committee (MPC) has not changed the Bank of England base rate since the increase to 0.75% on 2 August 2018. In 2019/20 investment returns of 0.93% are forecast with a target of 0.902% for 2020/21.
- 3.2.4 There is still ongoing uncertainty over Brexit, and the impacts after the transition period that may affect sterling. It may result in higher borrowing costs in future PWLB (Public Works Loan Board) rates as these rates are linked to gilts. The HRA and General Fund capital strategies both have significant borrowing requirements over the next few years and officers continue to monitor movements in the borrowing rates.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 LEGISLATIVE AND OTHER CHANGES IMPACTING ON THE TREASURY MANAGEMENT STRATEGY

- 4.1.1 There have been no revisions since the CIPFA Prudential Code and CIPFA Treasury Management Code came into force from 1st April 2018.
- 4.1.2 Each Authority now has a requirement to determine how best to report actual and planned non-financial / commercial activity to Members, arising from the investments described in paragraph 3.2.2. The Council has undertaken a small value of non-treasury investment to date, and the relevant statutory prudential indicators have been separated between their General Fund, HRA and Commercial components (see Appendix C).

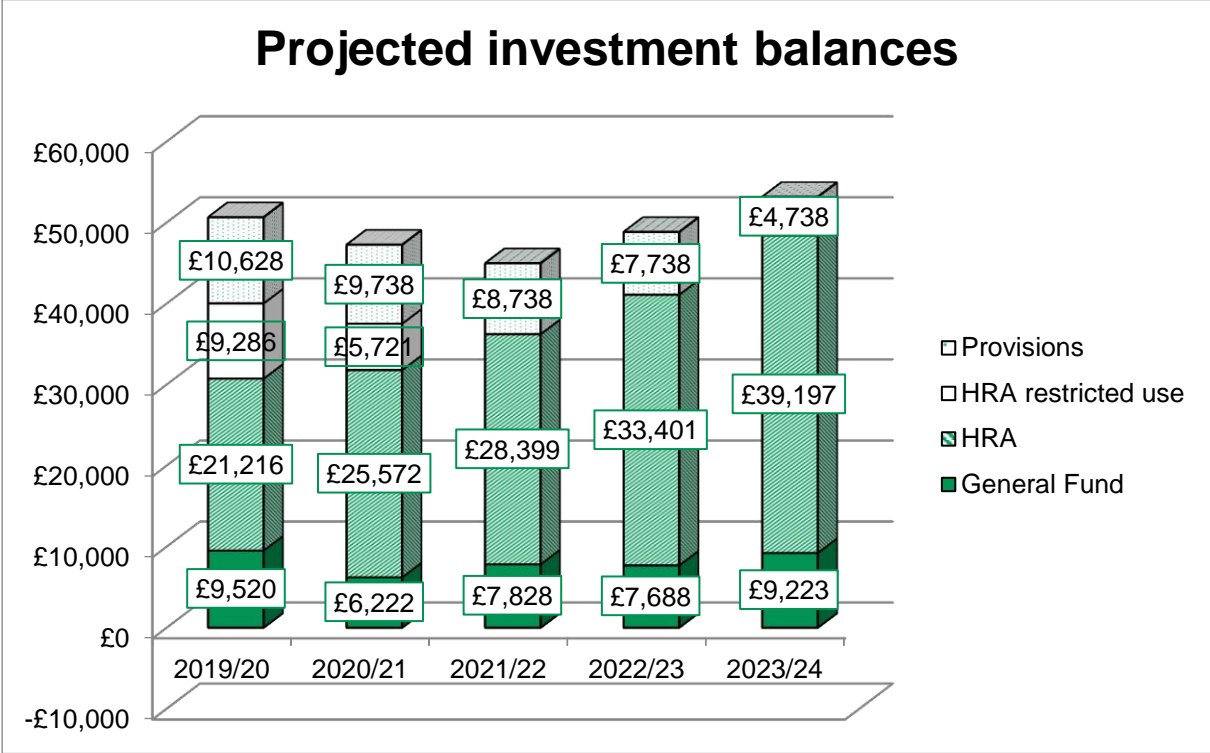
4.2 Comments from the Audit Committee

- 4.2.1 *To be incorporated into report to Executive and Council.*

4.3 Performance of Current Treasury Strategy

- 4.3.1 For the 2019/20 financial year to 31 December 2019 returns on investments have averaged 0.975% and total interest earned was £470,984 contributing to General Fund and Housing Revenue Account revenue income.
- 4.3.2 Cash balances as at 31 December 2019 were £63.03Million and are forecast to be £50.70Million as at 31 March 2020. The Council's balances are made up of cash reserves e.g. HRA and General Fund balances, restricted use receipts e.g. right to buy one for one receipts and balances held for provisions such as business rate appeals.

4.3.3 In considering the Council’s level of cash balances, Members should note that the HRA Business Plan, General Fund MTFs and the Capital Strategy have a planned use of resources over a minimum of five and up to 30 year period, which means, while not committed in the current year, they are required in future years. This means that the Council’s cash for investment purposes of £50.70Million as at 31 March 2020 is going to be used for revenue and capital plans approved by Members. This impact on cash available to invest is shown in the chart below.



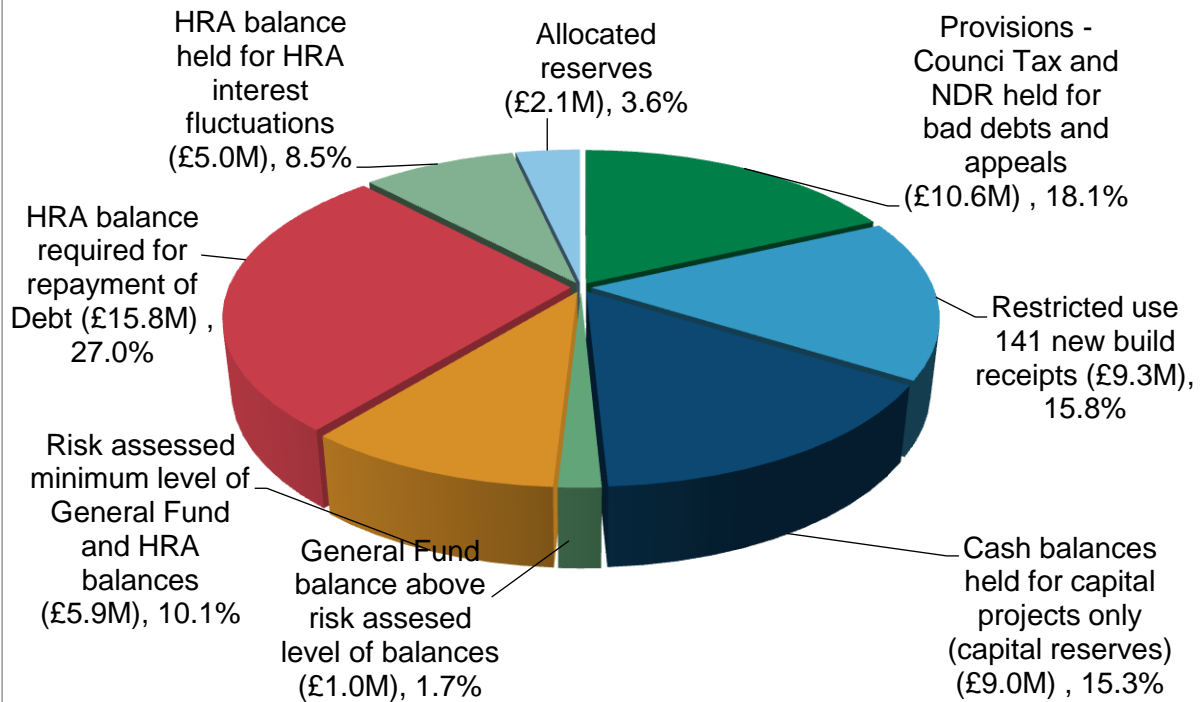
Note 1: General Fund and HRA balances are net of internal borrowing at year end

4.3.4 In addition to the balances projected to be held as at 31 March 2020 there are other balances invested that cannot be used to run services. These may be balances related to restricted RTB receipts which in 2019/20 total £9.3Million. There are also balances held for future events such as business rate appeals yet to be realised and again these balances cannot be used to fund services.

4.3.5 Reserves and provisions forecast to total £58.8Million as at 31 March 2020, however the actual cash held is forecast to be £50.7Million, a difference of £8.1Million. This is because both the HRA and the General Fund have used investment (cash) balances totalling £8.1Million rather than take external borrowing as interest rates are so low, (see also para 4.7.3).

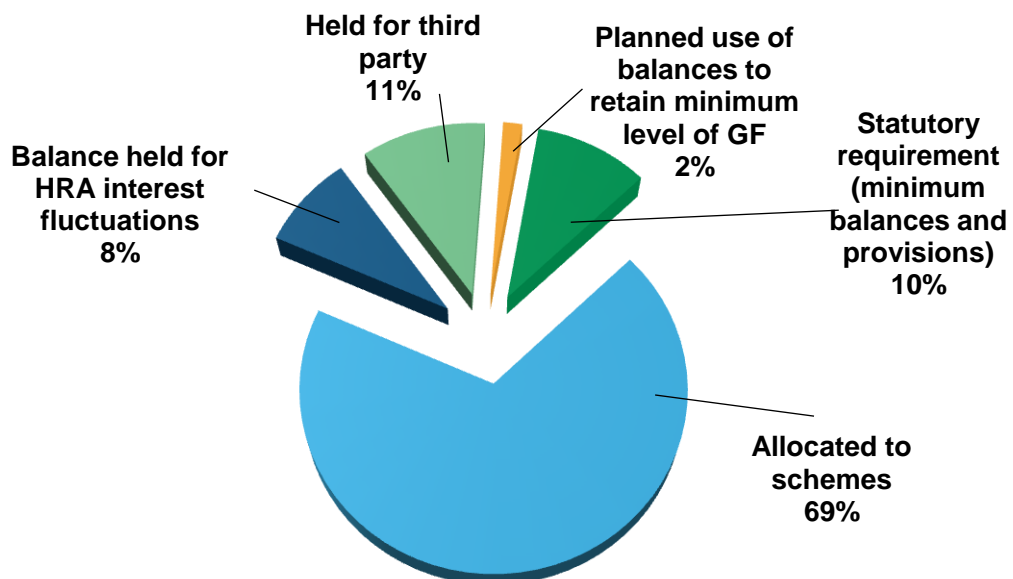
4.3.6 The majority of cash balances are held for the repayment of HRA debt (27.0%) and to fund the Council’s capital programme (31.1%, which includes 15.8% restricted RTB receipts for new build). Despite these sums held for the capital programme, external borrowing is still required as detailed in the 2020/21 capital strategy report. The forecast balances are summarised in the following chart.

Forecast Cash Reserves as at 31 March 2020



Note 2: balances gross of internal borrowing of £8.1 Million

4.3.7 These cash balances can be further analysed between allocated, held for statutory requirements and held for third parties. This identifies that of the £58.8 Million, all cash balances have been allocated, so unless allocated reserves are no longer needed in the future, there are currently no cash resources available for new projects. In addition the capital strategy identifies the need for external borrowing and a number of capital schemes have not been approved due to the lack of funding resources.



Analysis of cash balances

- 4.3.8 The Council's current investment portfolio consists of "conventional" cash investments: deposits with banks and building societies, Money Market Funds and loans to other Local Authorities. Currently no investments have been made with any of the other approved instruments within the Specified and Non-specified Investment Criteria (see Appendix D), partly due to the "above base rate" investment returns which are being offered for standard cash deposits, and those being achieved by the TM team.
- 4.3.9 There have been no breaches of treasury counter party limits during 2019/20, with the investment activity during the year conforming to the approved strategy. Any breach would be notified to the Chief Finance Officer. The Council has had no liquidity difficulties and no funds have been placed with the Debt Management Office (DMO) during 2019/20, demonstrating that counterparty limits and availability for placing funds approved in the TM Strategy are working as at the time of writing this report.

4.4 Review of the Treasury Management Strategy and Proposed changes

- 4.4.1 The 2019/20 TMS was revised to maintain the key principles of security and liquidity to accommodate the cash balances forecast to be held by the Council. In accordance with the prudential code the Council will continue to apply credit criteria in order to generate a list of highly credit worthy counterparties whilst maintaining diversification.
- 4.4.2 To comply with the new Code requirement a list of non-treasury investments is included in Treasury Management Practices. The non-treasury investments have been defined as properties solely held for rental income either directly by Stevenage BC or held via a wholly owned company. Stevenage BC holds no other types of "non-treasury" investments.
- 4.4.3 The Chief Finance Officer proposes to increase the maximum level of long term (invested for longer than 12 months) investments from £10Million to £20Million when cash balances are higher than £30Million. This is to enable greater flexibility to use opportunities to invest longer term when forecast balances are expected to be higher due to the timing of expenditure. The Chief Finance Officer proposes no changes to the other treasury limits contained in the Treasury management Strategy (Appendix D).

4.5 Prudential Indicators

- 4.5.1 It is a requirement of the Local Government Act 2003 that Councils must 'have regard to the Prudential Code and set prudential indicators to ensure capital investment plans are affordable, prudent and sustainable'.
- 4.5.2 This Strategy's Prudential Indicators are included in Appendix C and are based on the Final Capital Strategy reported to the Executive in February 2020 approved by Council on 26th February 2020. Should changes be made to the capital strategy prior to Council approval these changes will be incorporated into the final treasury management strategy to be approved by Council on 26th February 2020

4.5.3 **The Operational boundary** is the limit beyond which external debt is not normally expected to exceed and in most cases will be similar to the Council's Capital Financing Requirement (CFR). Officers recommend that the operational borrowing limit is increased to:

- to accommodate continued uncertainty regarding the release of GD3 LEP monies and the cost of relocating the Bus Station, an essential requirement to progress the SG1 regeneration phase of the town centre.
- To accommodate uncertainty regarding the timing of significant land sales.
- To reflect the identified borrowing requirement in the capital strategy.
- To reflect the capital programme financing requirement includes capital receipts and the uncertainty of when these receipts may materialise.
- To reflect the valuation of the finance lease of Queensway properties in the town centre.

4.5.4 The **Authorised limit** for external debt has in turn been increased and represents a control on the maximum level of borrowing. This represents the legal limit to which the Council's external debt cannot exceed.

4.5.5 The Council is asked to approve the following authorised limit.

Authorised Limit for external debt	2019/20	2020/21	2021/22	2022/23
	£000	£000	£000	£000
General Fund Finance lease (accounted for as borrowing)	11,875	26,875	26,875	26,875
General Fund – Borrowing for capital expenditure	43,442	46,669	47,448	50,665
Total Borrowing - General Fund	55,317	73,544	74,323	77,540
Borrowing - HRA	223,824	247,627	274,229	289,869
Total	279,141	321,171	348,552	367,410

4.6 The Council's Borrowing Position

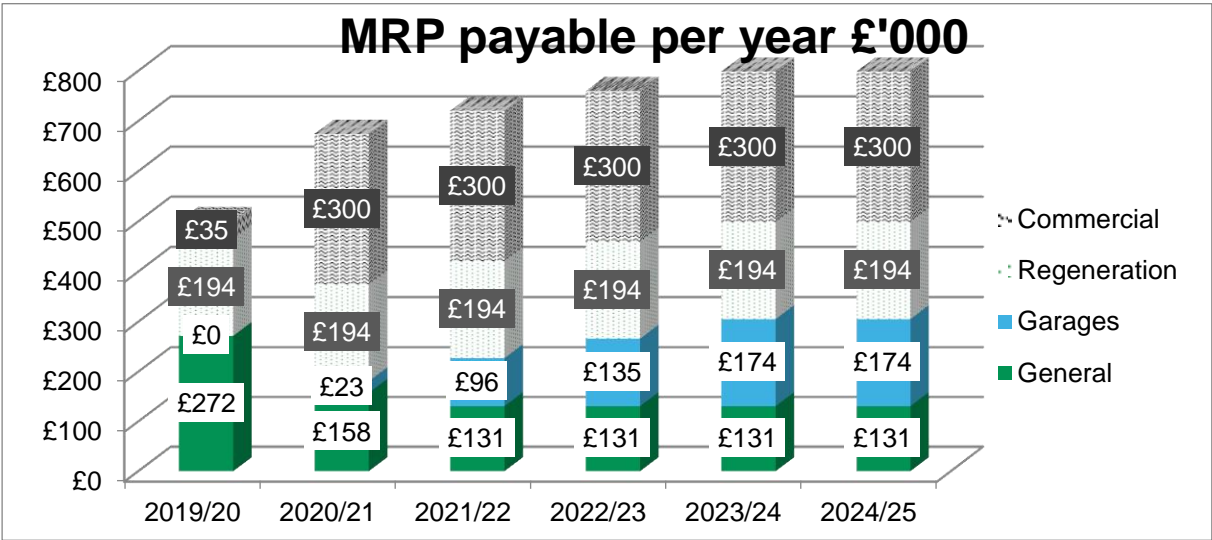
4.6.1 The Council had external debt of £205.351 Million as at 31 December 2020 and is broken down as follows:

Purpose of Loan	PWLB Loan £'000
General Fund Regeneration Assets	2,677
HRA	
Decent Homes	7,763
Self Financing	194,911
Total HRA Loans	202,674
Total Debt at 31st December 2020	205,351

- 4.6.2 The HRA borrowing of £1.81million in 2018/19 has not been taken to date, internal (cash) balances have been used and the timing of taking external borrowing is being dependent on cash balances held and forecast borrowing rates.
- 4.6.3 In 2019/20 there has been a General Fund loan repayment of £131,579 in August 2019, and a further £131,579 is due to be repaid in February 2020. In addition approved prudential borrowing for the investment property portfolio and garage strategy is due to be taken, the timing of which is dependent on actual spend.
- 4.6.4 Cash and investment balances have been used in preference to external borrowing as the costs of internal debt (investment interest foregone at 0.93%) is significantly lower than external borrowing (3.02% based on 25 year loan). It is the view of the Chief Financial Officer that this approach will continue to be considered while interest rates remain low.

4.7 Minimum Revenue Provision

- 4.7.1 Where capital expenditure has been funded from borrowing, whether this be actual external borrowing or internal borrowing the Council is required to set aside a Minimum Revenue Provision (MRP). This amount is calculated based on the approved MRP policy (appendix B) based on the life of the asset.
- 4.7.2 Borrowing decisions and subsequent MRP payments impact on the affordability of capital schemes. The MRP policy was updated as part of the mid-year Treasury Management review of 2019/20 to reflect the revised useful lives of assets financed through borrowing. Current projections of MRP payments based on the updated policy are detailed in the following chart.



4.8 Future borrowing requirements

- 4.8.1 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded by taking loans out with PWLB. Instead the Council's reserves, balances and cash flow have been used (as mentioned above).

This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

- 4.8.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2020/21 treasury operations. The Assistant Director (Finance and Estates) will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- 4.8.3 It is the Council's intention not to borrow in advance of need. However, should this happen as part of the optimising treasury management position of the Council and minimising borrowing risks, the transaction will be accounted for in accordance with proper practices.
- 4.8.4 The Council's treasury advisors now forecast the Bank of England base rate to increase to 1.0% in March 2021. Base rate and borrowing rate forecasts are shown in the table below. However there is volatility and uncertainty over Brexit and rates are monitored regularly.

Link Asset Services Interest Rate View														
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.30	2.40	2.40	2.50	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20	3.20
10yr PWLB Rate	2.60	2.70	2.70	2.70	2.80	2.90	3.00	3.10	3.20	3.20	3.30	3.30	3.40	3.50
25yr PWLB Rate	3.20	3.30	3.40	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00	4.10	4.10
50yr PWLB Rate	3.10	3.20	3.30	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90	4.00	4.00

Source: Link Asset Services 23 December 2019

- 4.8.5 The Treasury's Certainty Rate for borrowing remains available and enables the Council to take PWLB loans at 20 basis points (0.2%) below the standard PWLB rate. The rates shown in the table above do not include that adjustment. There have been no further rate changes since the 100bps change in October 2019, increasing the PWLB margin over gilt yields from 80bps to 180bps. This change may result in other sources of borrowing being preferential to PWLB, such as the Municipal Bond Agency.
- 4.8.6 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 borrowing rate. The interest payable in 2019/20 and 2020/21 is estimated to be £6,866,810 and £7,837,130 respectively.
- 4.8.7 The HRA Business Plan presented to Executive on 16 December 2019 identified that the lifting of the HRA borrowing cap meant that the HRA was not constrained by the £217.685Million cap set as part of the self-financing settlement. The 2019 HRA Business Plan looked at a revised approach to

borrowing, versus using revenue contributions to capital. This was based on the HRA need to borrow and affordability as identified in the BP action plan.

4.9 Investments

- 4.9.1 The Council complies fully with CIPFA Treasury Management Code 2017. The Council also complies with guidance on self-financing and the investment guidance issued by Ministry of Housing, Communities and Local Government (MHCLG).
- 4.9.2 In managing the TM function other areas kept under review include:
- Training opportunities available to Members and officers (the most recent training for Members took place on 5th September 2019)
 - That those charged with governance are also personally responsible for ensuring they have the necessary skills and training
 - A full mid-year review of the TMS will be reported in 2020/21
- 4.9.3 The 2020/21 Strategy uses the credit worthiness service provided by Link Asset Services (formerly known as Capita Treasury Solutions) the Council's treasury advisors. This service uses a sophisticated modelling approach which utilises credit ratings from the three main credit rating agencies and is compliant with CIPFA code of practice.
- 4.9.4 While Link Asset Services may advise the Council, the responsibility for treasury management decisions remains with the Council at all times and officers do not place undue reliance on the external service advice.
- 4.9.5 The TM limits for 2020/21 (Appendix D) have been reviewed and no changes to these limits are being proposed.
- 4.9.6 The latest list of "Approved Countries for Investment" is detailed in Appendix E. This lists the countries that the Council may invest with providing they meet the minimum credit rating of AA- . The Council retains the discretion not to invest in countries that meet the minimum rating but where there are concerns over human rights issues.

4.10 Non Treasury Investments

- 4.10.1 The update to the Prudential Code introduced the requirement for local authorities to produce a capital strategy to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and considers prudence, sustainability and affordability. As mentioned in paragraph 3.2.3 the definition of investments has been widened to include non- treasury investments. The 2020/21 Capital Strategy (Council 26 February 2020) includes more details on the Councils non treasury investments.

4.11 Other Treasury issues

- 4.11.1 **Brexit - UK Sovereign rating and investment criteria:** If there were to be a negative reaction to Brexit, then it is possible that credit rating agencies could downgrade the sovereign rating for the UK from the current level of AA (or

equivalent). The Council's investment criteria only use countries with a rating of AA- or above. The UK current Sovereign rating is AA as at 23-1-2020. There is a possibility that this may change due to reactions to Brexit. The UK rating will be exempt from the sovereign rating investment criteria so in this event if it were to result in the UK being downgraded below AA- it would not impact on the Council's ability to invest with UK institutions. Other investment criteria will be considered in this event to ensure security of funds for the Council.

4.11.2 **Queensway Properties LLP** -In December 2018 the Council entered into a 37 year agreement with Aviva to facilitate the regeneration of Queensway in the town centre. A separate legal entity, Queensway Properties LLP, was incorporated to manage the rental streams and costs associated with the scheme. The Council's treasury management team offered its services to the LLP to manage and invest its surplus cash flows through a service level agreement, however to date no investment activities have been undertaken on their behalf.

4.11.3 **Queensway Properties LLP 2nd phase** –the first phase of the head lease has been recognised on the Council's balance sheet and the operational borrowing limit was increased to reflect the valuation. When the second phase of residential properties becomes available to let the Council's lease payments will increase to reflect this. As such the balance sheet valuation of the finance lease will increase and the operational and authorised borrowing limits for the General Fund will need to be increased accordingly. This has been reflected in the TM indicators but may be subject to change after external audit review. Any updates regarding the valuation of the Queensway head lease will be reported in future treasury management reports.

4.11.4 **IFRS16 – Leasing** – Some currently off balance sheet leased assets may need to be brought onto the balance sheet under IFRS 16. This will be a requirement for closing of the accounts for 2020/21, and could impact the Capital Financing Requirement and external debt (Other long-term liabilities), and the authorised limit and operational boundary would need to allow for these.

5 IMPLICATIONS

5.1 Financial Implications

5.1.1 This report is of a financial nature and outlines the Prudential Code indicators and the principles under which the treasury management functions are managed.

5.2 Legal Implications

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

5.3 Risk Implications

- 5.3.1 The current policy of not borrowing externally only remains financially beneficial while prevailing differentials between investment income rates and borrowing rates remain, and balances remain buoyant. When this changes, the Council may need to borrow at a higher rate, leading to a significant additional revenue cost in year.
- 5.3.2 There remains uncertainty on the impact of exiting the EU on UK economy and borrowing rates. Officers monitor interest rate forecasts to inform the timing of borrowing decisions.
- 5.3.3 The Council's Treasury Management Strategy is based on limits for counterparties to reduce risk of investing with only a small number of institutions.
- 5.3.4 The thresholds and time limits set for investments in the Strategy are based on the relative ratings of investment vehicles and counter parties. These are designed to take into account the relative risk of investments and also to preclude certain grades of investments and counterparties to prevent loss of income to the Council.

5.4 Equalities and Diversity Implications

- 5.4.1 This report is technical in nature and there are no implications associated with equalities and diversity within this report. In addition the council retains the discretion not to invest in countries that meet the minimum rating but where there are concerns over human rights issues.

5.5 Climate Change

- 5.5.1 The council's investment portfolio is sterling investments and not directly in companies. However the TM team will review the use of Money Market funds in 2020/21 to ensure, where possible, money market funds that invest in environmentally sustainable companies are used. In this way the TM team will align with the Council's ambition to attempt to be carbon neutral by 2030.

Background documents

- BD1 Annual Treasury management Review of 2018/19
- BD2 2019/20 Mid Year Treasury Management Review
- BD3 Draft Capital Strategy 2019/20 – 2024/25 (Executive 22 January 2020)

Appendices

- A Treasury Management Strategy
- B Minimum Revenue Provision Policy
- C Prudential Indicators
- D Specified and Non-Specified Investment Criteria
- E Approved Countries for investment

Appendix A Treasury Management Strategy 2020/21

Treasury Management Policy Statement

- 1.1 The Council defines its treasury management activities as: *“The management of the authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”*.
- 1.2 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
- 1.3 The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
- 1.4 This Strategy has been prepared in accordance with the CIPFA Treasury Management Code 2017. This requires the Council to approve the Treasury Management Strategy annually and to produce a mid-year report. In addition, Members in both Executive and Scrutiny functions receive monitoring reports and regular reviews. The aim of these reporting arrangements is to ensure that those with ultimate responsibility for the treasury management function appreciate fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.
- 1.5 The Act requires the Council to set out its Treasury Management Strategy for borrowing and to prepare an Annual Investment Strategy to set out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments.

2. Annual Investment Strategy

- 2.1 The Council is required to prepare an Annual Investment Strategy. The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

The Council’s investment policy has regard to the following: -

- Ministry of Housing, Communities and Local Government (MHCLG) Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2018

The Council’s investment priorities will be security first, portfolio liquidity second and then yield, (return).

2.2 The guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

- a. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- b. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.
- c. **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- d. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in appendix D under the categories of ‘specified’ and ‘non-specified’ investments.
 - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
 - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

The Council has determined that it will limit the maximum total exposure to non-specified investments as detailed in Appendix D.

- e. **Lending limits and Transaction Limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in Appendix D and will consider investments longer than 365 days
- f. This authority has engaged **external consultants**, Link Asset Services, to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
- g. All investments will be denominated in **sterling**.
- h. The Council only invests in counterparties with a high credit quality in the UK or other countries meeting minimum AA- sovereign rating. The Council understands that changes have taken place to the ratings agencies and that their new methodologies mean that sovereign ratings are now of lesser importance in the assessment process. However, the Council continues to specify a minimum sovereign rating as the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution (see Appendix E).

- i. As a result of the change in accounting standards for 2018/19 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years commencing from 1.4.18.)
- 2.3 The borrowing of monies purely to invest or on-lend in order to make a return is unlawful and this Council will not engage in such activities.

3 Creditworthiness policy

- 3.1 The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. Based on this this main principle, the Council will ensure that:
- It maintains a policy covering the categories of financial instruments it will invest in, maximum investment duration, criteria for choosing counterparties with adequate security, and monitoring their security.
 - It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's Prudential indicators of the maximum principal sums invested in excess of 364 days.
- 3.2 The Assistant Director (Finance and Estates) will maintain a counterparty list in compliance with the criteria in the Strategy for Specified and Non-Specified Investment and will revise the criteria and submit them to Council for approval as necessary.
- 3.3 In determining the credit quality, the Council uses the Fitch credit ratings, together with Moody and Standard & Poor's equivalent where rated. Not all counterparties are rated by all three agencies and the Council will use available ratings.
- 3.4 The Council also applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:
- credit watches and credit outlooks from credit rating agencies;
 - CDS spreads to give early warning of likely changes in credit ratings;
 - sovereign ratings to select counterparties from only the most creditworthy countries.
- Link Asset Services's modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments.

- 3.6 Credit ratings will be monitored whenever an investment is to be made, using the most recent information. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.
- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
 - in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.
- 3.8 Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data including information on government support for banks and the credit ratings of that government support.
- 3.9 The Council receives updates from Link on future changes to Money Market Funds (MMF) that might affect the liquidity or risk of the fund. The Council is likely to change its approach to the use of MMF should liquidity or risk be adversely affected.
- 3.10 The Municipal Bond Agency is currently in the process of being set up and it is likely to be offering loans to local authorities in the near future. It is also hoped that the borrowing rates will be lower than those offered by the Public Works Loans Board (PWLB). The Council intends to make use of this new source of borrowing as and when appropriate.
- 3.11 In-house funds.** Investments will be made with reference to the core balance and cash flow requirements, anticipated capital financing requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.
- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
 - Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

4 Country limits

- 4.1 The Council has determined that it will only use approved counterparties from UK or selected countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). This is part of the criteria used to produce the Council's Counterparty List.

5 Current Investments and Interest Rate Forecast

5.1 At the 31 December 2019 the Council had £63.03Million on deposit with various the institutions.

5.2 **Interest Rate Forecast** - The Bank of England base rate remains at 0.75% as at 31 December 2019. Link now forecast that Bank Rate will increase gradually over the next few years to reach 1.25% by 2nd quarter 2022.

Bank Rate forecasts (source: Link 23rd December 2019) for financial year ends (March) are:

- 2019/20 0.75%
- 2020/21 1.00%
- 2021/22 1.00%
- 2022/23 1.25%

5.3 Investment returns expectations.

The Council has budgeted for investment returns of 0.93% in 2019/20 and is budgeting for returns of 1.06 % in 2020/21. For comparison Link's suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

	As at 23-12-19
2019/20	0.75%
2020/21	1.00%
2021/22	1.20%
2022/23	1.30%

And are based on the following assumption:

There is still ongoing uncertainty over Brexit, and the impacts after the transition period that may effect sterling. It may result in higher borrowing costs in future PWLB (Public Works Loan Board) rates as these rates are linked to gilts. The HRA and General Fund capital strategies both have significant borrowing requirements over the next few years and officers continue to monitor movements in the borrowing rates.

6 Borrowing Strategy and Policy on Borrowing in Advance of Need

6.1 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

6.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2020/21 treasury operations. The Assistant Director (Finance and Estates) will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

6.3 The Operational Boundary and Authorised Borrowing Limits must be approved as part of the Prudential Code Indicators before the start of each financial year. The revised 2019/20 limits and proposed limits for 2020/21 are:-

	2019/20 Revised	2020/21
	£000	£000
Operational Boundary	271,141	313,171
Authorised Limit	279,141	321,171

6.4 Based on the capital programme 2020/21 (February 2020 Update) resourcing projections, the Council has the following borrowing requirements in 2020/21 are projected:

- General Fund £4,118,770 (£2,534,400 in relation to the 10 year plan for the garages estates approved by Council on 20 July 2016, and £1,584,370 in relation to the wholly owned housing development company).
- HRA £23,802,670 (£14,116,204 on work to existing housing stock and £9,686,466 on housing development).

6.5 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

6.6 In determining whether borrowing will be undertaken in advance of need the Council will;

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
- consider the merits and demerits of alternative forms of funding
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

6.7 Borrowing may be taken to facilitate investment in regeneration and/or economic improvements for the town. This may include investment in special purpose vehicles owned by the Council to facilitate regeneration aspirations. Any such investments will be presented to Members

7 End of year investment report

7.1 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Outturn Report.

8 Policy on the use of external service providers

8.1 In July 2016, the Council tendered for its treasury management advisors. As a result of which, Link Asset Services (formerly known as Capita Asset Services) was reappointed on a five year contract. The new contract commenced on 26

October 2016.

8.2 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

8.3 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

9 Scheme of Delegation and Role of Section 151 officer

9.1 **The Council** has the role of:

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual strategy.
- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers and agreeing terms of appointment.

9.2 **The Audit Committee** has the role of reviewing the policy and procedures and making recommendations to Council.

9.3 **The Section 151 Officer** has the role of:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the

- authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
 - ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
 - ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
 - provision to Members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
 - ensuring that members are adequately informed and understand the risk exposures taken on by an authority
 - ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
 - creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following (covered in Annual Capital Strategy Report).

9.4 Reporting arrangement to the Council and the Audit Committee is as below:

Area of Responsibility	Council Committee	Frequency
Treasury Management Policy Statement (revised)	Council	Initial adoption in 2010
Treasury Management Strategy / Annual Investment Strategy / Minimum Revenue Provision (MRP) policy	Council	Annually before the start of the year
Treasury Management Strategy / Annual Investment Strategy / MRP policy – mid-year report	Council	Annually before the end of the year
Treasury Management Strategy / Annual Investment Strategy / MRP policy – updates or revisions at other times	Council	As required.
Annual Treasury Outturn Report	Council	Annually by 30 th November
Scrutiny of Treasury Management Strategy	Audit Committee	Annually before the start of the year
Scrutiny of Treasury Management performance	Audit Committee	Quarterly (General Fund updates)

Appendix B

Minimum Revenue Provision Policy

Minimum Revenue Provision Policy Statement 2020/21

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

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

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

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

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

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

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

Additional Information

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

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

2. Statutory duty

Statutory Instrument 2008 no. 414 s4 lays down that:

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

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

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

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

3. Government Guidance

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

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

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

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

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

The four recommended options are thus:

Option 1: Regulatory Method

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

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

Option 2: Capital Financing Requirement Method

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

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

Option 3: Asset Life Method.

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

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

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

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

There are two methods of calculating charges under option 3:

equal instalment method – equal annual instalments,

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

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

Option 4: Depreciation Method

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

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

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

4. Date of implementation

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

Appendix C
Treasury Management Prudential Indicators

2020/21 Treasury Management Strategy

Capital Expenditure (Based on Final Capital Strategy February 2020):	2019/20	2019/20	2020/21	2021/22	2022/23
	Revised Mid year review 19-20	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec
	£000	£000	£000	£000	£000
General Fund	32,923	31,224	20,429	6,854	17,418
HRA	33,706	33,249	50,384	58,252	37,575
Total	66,629	64,473	70,813	65,106	54,993

Ratio of financing costs to net revenue stream:	2019/20	2019/20	2020/21	2021/22	2022/23
	Revised Mid year review 19-20	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec
	%	£000	£000	£000	£000
General Fund Capital Expenditure	6.77%	5.60%	6.43%	7.62%	7.73%
HRA Capital Expenditure	16.78%	16.83%	18.68%	20.56%	21.18%

General Fund: Net revenue stream is the RSG, NNDR grant and Council Tax raised for the year.

HRA: The net revenue stream is the total HRA income shown in the Council's accounts from received rents, service charges and other incomes. The ratio of financing costs to net revenue stream reflects the high level of debt as a result of self financing.

Authorised Limit for external debt	2019/20	2019/20	2020/21	2021/22	2022/23
	Revised Mid year review 19-20	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec
	£000	£000	£000	£000	£000
Borrowing - General Fund	48,407	55,317	73,544	74,323	77,540
Borrowing - HRA	224,034	223,824	247,627	274,229	289,869
Total	272,441	279,141	321,171	348,552	367,410

The authorised limit in that it is the level up to which the Council may borrow without getting further approval from Full Council. The Council may need to borrow short term for cash flow purposes, exceeding the operational boundary. The authorised limit allows for £8m headroom above the Operational Boundary (£2m General Fund and £6m HRA), which is in addition to our capital plans. The Operational Boundary and Authorised Limit include £15m for the Queensway residential lease, and £6m for the Bus Station.

Operational Boundary for external debt	2019/20	2019/20	2020/21	2021/22	2022/23
	Revised Mid year review 19-20	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec
	£000	£000	£000	£000	£000
Borrowing - General Fund	46,407	53,317	71,544	72,323	75,540
Borrowing - HRA	218,034	217,824	241,627	268,229	283,869
Total	264,441	271,141	313,171	340,552	359,410

The operational boundary differs from the authorised limit in that it is the level up to which the Council expects to have to borrow. The Council may need to borrow short term for cash flow purposes, exceeding the operational boundary. The operational boundary allows for £7m headroom in addition to our capital plans (£5m General Fund and £2m HRA) plus £15m from 20/21 for the Queensway residential lease (acquisition values), and £6m for the Bus Station. £11.75m for the Queensway commercial lease is in the 19/20 opening figures.

Gross & Net Debt	31/03/2020	2019/20	2020/21	2021/22	2022/23
	Revised Mid year review 19-20	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec
	£000	£000	£000	£000	£000
Gross External Debt - General Fund	30,124	16,896	20,752	22,191	26,137
Gross External Debt - HRA	211,231	211,231	235,033	261,636	277,276
Gross External Debt	241,355	228,127	255,785	283,826	303,413
Less Investments	(63,741)	(50,564)	(46,688)	(45,201)	(49,373)
Net Borrowing	177,614	177,562	209,097	238,625	254,040

The Gross External Debt is the actual debt taken out by the Council plus any relevant long term liabilities. The Gross External Debt should not exceed the Operational Boundary for external debt. For 2019/20 there is estimated borrowing of £14.35m for the General Fund and £8.6m for the HRA, none of which has been taken to date.

The Net Borrowing is defined as gross external debt less investments. The net borrowing requirement may not, except in the short term, exceed the total capital financing requirement in the preceding year, plus the estimates of any additional financing.

Capital Financing Requirement	31/03/2020	2019/20	2020/21	2021/22	2022/23
	Revised Mid year review 19-20	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec	Revised Final Cap Feb 20 Exec
	£000	£000	£000	£000	£000
Capital Financing Requirement GF	41,407	42,317	45,544	46,323	49,540
Capital Financing Requirement HRA	216,034	215,824	239,627	266,229	281,869
Total Capital Financing Requirement	257,441	258,141	285,171	312,552	331,410

The Capital Financing Requirement (CFR) reflects the amount of money the Council would need to borrow to fund its capital programme. This is split between the Housing Revenue Account CFR (HRACFR) and the General Fund CFR (GFCFR).

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

Table 1

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

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

Table 2

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

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

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Table 3 **Treasury Limits**

Investment Instrument	Cash balances less than £30Million	Cash balances higher than £30Million
	Limits	Limits
Variable Rate Investments (Excluding Enhanced Cash Funds)	Maximum holding £30M	Maximum holding 100%
Counterparty limits (to encompass all forms of investment)	Maximum £5M	Maximum £8M
Instant Access Or Overnight Deposit	Maximum holding 100%	
Fixed Rate less than 12 month maturity	Maximum holding 100%	
Fixed Rate more than 12 months to maturity (includes all types of Fixed Rate Investments i.e. Certificates of Deposits)	Maximum £5M	Maximum £20M
Money Market Funds - Traditional Instant Assess (Counterparty Limit per Fund)	Maximum £5M per MMF	Maximum £8M per MMF
	No limit on total cash held	
Enhanced Cash Funds	Maximum £3M	
Certificates of Deposits	Maximum £5M	
Property Funds	Maximum of £3M - No durational limit. Use would be subject to consultation and approval	

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

APPENDIX E: Approved Countries (with Approved counterparties) for Investments (as at 17th January 2020)

Based on lowest available rating

AAA

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

AA+

- Finland

AA

- France
- United Arab Emirates
- U.K.

AA-

- Belgium
- Qatar

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

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