

Public Document Pack

Daneshill House
Danestrete
Stevenage
Hertfordshire

18 February 2020

Dear Sir/Madam

Notice is hereby given that a meeting of the Stevenage Borough Council will be held in the Council Chamber, Daneshill House, Danestrete, Stevenage on Wednesday, 26 February 2020 at 7.00pm and you are summoned to attend to transact the following business.

Yours faithfully

Matthew Partridge
Chief Executive

AGENDA

PART 1

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

2. MINUTES - 29 JANUARY 2020

To approve as a correct record the Minutes of the Meeting of the Council held on 29 January 2020

Pages 5 – 18

3. MAYOR'S COMMUNICATIONS

To receive any communications that the Mayor may wish to put before Council

4. MAIN DEBATE - 2020/21 COUNCIL TAX AND GENERAL FUND AND CAPITAL BUDGETS

To approve the Council's Final General Fund Budget for 2020/21, projected 2019/20 General Fund Budget and final proposals for the 2020/21 Council Tax and Council Tax Support Scheme

Reports and Appendices attached

Pages 19 – 184

5. PETITIONS AND DEPUTATIONS

None.

6. QUESTIONS FROM THE YOUTH COUNCIL

In accordance with Standing Orders, written responses to the following questions will be tabled at the Council meeting:

Questions from the Youth Council

- (A) "How could Brexit affect Stevenage?"
- (B) "How do we deal with items being dumped at different places (such as trolleys)?"
- (C) "Could there be a cycle track as part of the Town Centre regeneration?"
- (D) "Could the King George Field be reviewed to provide better use for young people e.g. include cycling and multi sports use?"

7. QUESTIONS FROM THE PUBLIC

None.

8. LEADER OF THE COUNCIL'S UPDATE

In accordance with the Council's Standing Orders, the Leader of the Opposition shall be given the opportunity to raise one matter relevant to the Borough that has arisen since the last meeting of the Council. The Leader of the Council shall then have the opportunity to advise the Council of matters relevant to the Borough that have arisen since the last meeting.

9. NOTICE OF MOTIONS

None.

10. QUESTIONS FROM MEMBERS TO COMMITTEE CHAIRS/PORTFOLIO HOLDERS

In accordance with Standing Orders, written responses to the following questions will be tabled at the Council meeting:

- (A) Question from Councillor Alexander Farquharson

"What is the Council doing to ensure that vulnerable residents, who struggle to manage their finances, are not taken advantage of by credit card and loan companies?"
- (B) Question from Councillor Jody Hanafin

"Could the Council provide an update on the situation regarding the provision of a new Post Office in the Old Town's High Street and advise whether any progress has been made toward sourcing a temporary facility in the meantime?"

(C) Question from Councillor Graham Lawrence

“Given the Government’s decision to ban the sale of petrol & diesel cars by 2035, what is this Council doing to ensure that all new developments in Stevenage are future proofed by having a plentiful number of electric car charging points installed?”

(D) Question from Councillor Margaret Notley

“As there is already very limited disabled parking provision at the car parks adjacent to Stevenage railway station, will extra spaces be made available after the completion of the fifth platform as the need is likely to increase?”

11. UPDATE FROM SCRUTINY CHAIRS

To receive an update from the Chairs of each of the Scrutiny Committees on recent activities

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

To consider an Officer report that recommends the approval of the Treasury Management Strategy 2020/21 including the Annual Investment Strategy and the prudential indicators

Report and Appendices attached

Pages 185 – 216

13. MEMBERS' ALLOWANCES SCHEME 2020/21 (INCLUDING IRP REPORT)

To consider the Independent Remuneration Panel report that recommends to Council a Members' Allowances Scheme for 2020/21

Report and Appendices attached

Pages 217 – 228

14. PAY POLICY STATEMENT 2020/2021

To consider an officer report recommending the pay policy statement for the financial year 2020/21

Report and Appendix attached

Pages 229 – 234

15. LICENSING ACT 2003 STATEMENT OF PRINCIPLES/POLICY

To consider an officer report that recommends to Council the adoption of the Statement of Licensing Policy, as required under the Licensing Act 2003

Report and Appendices attached

Pages 235 – 286

16. AUDIT COMMITTEE MINUTES

To note the draft Minutes of the Audit Committee meeting held on 3 February 2020.

Pages 287 - 290

STEVENAGE BOROUGH COUNCIL

COUNCIL MINUTES

Date: Wednesday, 29 January 2020

Time: 7.00pm

Place: Council Chamber, Daneshill House, Danestrete

Present: Councillors: Simon Speller (Mayor), Doug Bainbridge, Sandra Barr, Philip Bibby CC, Stephen Booth, Lloyd Briscoe, Rob Broom, Adrian Brown, Jim Brown, Teresa Callaghan, Laurie Chester, Michael Downing, Alex Farquharson, John Gardner, Michelle Gardner, Jody Hanafin, Richard Henry, Jackie Hollywell, Lizzy Kelly, Graham Lawrence, John Lloyd, Mrs Joan Lloyd, Lin Martin-Haugh, Sarah-Jane McDonough, Andy McGuinness, Maureen McKay, John Mead, Sarah Mead, Adam Mitchell CC, Margaret Notley, Robin Parker CC, Claire Parris, Loraine Rossati, Graham Snell, Sharon Taylor OBE CC, Jeannette Thomas and Tom Wren

Start / End Start Time: 7.00pm
Time: End Time: 11.15pm

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

Apologies for absence were received on behalf of Councillors Dave Cullen and Liz Harrington.

At this juncture, the Mayor apologised to Councillor Robin Parker for the comments made to him at the end of the last Council meeting. Councillor Parker accepted the apology.

The Mayor then advised that he had accepted as urgent a late Motion concerning smart motorways, which had been circulated around the Council Chamber. Additionally the Mayor agreed to vary the order of business to bring forward Item 11, the Scrutiny Chairs' Updates to be taken immediately after item 7.

2 **MINUTES - 16 OCTOBER 2019**

It was **RESOLVED** that the Minutes of the Council meeting held on 16 October 2020 are approved as a correct record and signed by the Mayor.

3 **MAYOR'S COMMUNICATIONS**

The Mayor was proud to introduce two award winners from the Herts Business Awards – Supporting Young People Category - Jill Eaton from Sporting Futures and Tom and Rebecca from Bambuu Brush – New Business of the Year. Both winners gave a short presentation on the work they were doing within their organisations.

The Mayor then provided updates on engagements since the last Council meeting and upcoming events, highlighting the following:

- Christmas morning visit to the Lister Hospital;
- Holocaust Memorial Day (HMD) Event held on 27 January 2020. The Mayor particularly thanked Terry and Gillian Wolfe from the Stevenage Liberal Synagogue for their involvement in the event. The Leader of the Council, Councillor Sharon Taylor also referred to the moving contributions made by Lesley Urbach and Stuart Nagler MBE JP DL. Councillor Taylor then suggested that the Council could facilitate with the help of the Youth Council and the Youth Mayor, an additional HMD event next year primarily for young people.
- A Charity Concert at the Gordon Craig Theatre had been arranged for 11 March 2020;
- 75th anniversary of Day – the Mayor encouraged local councillors and communities to take part in activities to commemorate the anniversary.

4 **MAIN DEBATE - COMMUNITY WEALTH BUILDING**

Paul Cheeseman, the Council's Lead Officer on Community Wealth Building (CWB) and Professor Michael Brookes of the Hertfordshire Business School gave a presentation on CWB.

In presenting the item, Mr Cheeseman and Professor Brookes made reference to the National and International Context, some recent examples of CWB work around the UK and CWB in the local context.

The Council was informed of the foundations of CWB in Stevenage including:

- Procurement and social value;
- Training and Skills;
- Co-operative and Social Economy Growth;
- Tackling Climate Change.

The Mayor thanked Mr Cheeseman and Professor Brookes for their informative presentation.

A full debate ensued. Points raised included:

- The CWB agenda had typically been adopted by unitary authorities however, it was agreed that the agenda was closely linked to the work being undertaken in Stevenage by the Council;
- The collaborative working undertaken by the Council would enable more funding to be drawn into Stevenage;
- In Stevenage the issue was more about inclusive growth than unemployment which had been the focus for other local authorities;
- For CWB to be successful the whole of the county should be involved;
- Contracts should be procured locally where possible;
- In response to a question, Members were advised that local businesses

would be encouraged to bid for contracts through the procurement strategy and events such as 'Meet the Buyer'.

After the conclusion of the debate, it was moved, seconded and **RESOLVED:**

“That this Council understands the benefits of community wealth building, drawing from learning both nationally and internationally, and believes that further opportunities can be unlocked for the local economy and our residents through work with partners in the town around;

- procurement and social value
- training and skills
- growing the social economy growth
- effectively tackling climate change

and that this Council commits to developing an inclusive Economy Charter based on these foundations to build community wealth, to ensure that future regeneration and growth in Stevenage works for everyone.”

5 **PETITIONS AND DEPUTATIONS**

None received.

6 **QUESTIONS FROM THE YOUTH COUNCIL**

None received.

7 **QUESTIONS FROM THE PUBLIC**

None received.

At this juncture, as indicated by the Mayor, the Council heard the Scrutiny Chairs' updates – see Item 11.

8 **LEADER OF THE COUNCIL'S UPDATE**

The Leader of the Opposition asked the Leader of the Council if it was time to revisit the new homes target in the Local Plan following announcements from the Office of National Statistics (ONS) reducing the required numbers of new houses and there being the possibility that more windfall sites would be coming forward.

In response, the Leader of the Council advised that officers would provide the Leader of the Opposition with a detailed response on this issue but noted that the ONS number was only lower for a one year period. The need for new homes was still urgent and the Council was keen to do all it could to help to provide the homes that local people needed.

The Leader reported on a meeting she and the Chief Executive had attended with Nick Carver, Chief Executive East and North Herts NHS Trust at the Lister Hospital and that during the meeting he had indicated that over 250 people could have been

discharged if adequate care arrangements had been in place. The Leader stressed the importance of everyone doing what they could to continue to lobby the Government on this issue.

The Council then received updates on the following:

- Homelessness and Rough Sleeping;
- Major Refurbishment Contract;
- Housing Programme On-site;
- Kenilworth Close;
- Sale of former Kodak Site;
- Stevenage Bioscience Catalyst - one of six new Life Science Opportunity Zones in UK;
- SG1;
- People's Orchards;
- Arts Council Award for Stevenage Day.

The Leader agreed to circulate the written updates to Members following the meeting.

9 NOTICE OF MOTIONS

(i) Luton Airport Expansion

Councillor Robin Parker moved and Councillor Stephen Booth seconded a motion as set out in the Agenda.

An amendment was moved by Councillor Lloyd Briscoe and seconded by Councillor John Gardner. Members raised the following issues during the debate:

- The noise and pollution from the aircraft flying in and out of Luton Airport had been a long standing problem for people in Stevenage;
- Additional flights would add to the climate change emergency;
- It was noted that London Luton Airport (LLA) were reliant on the introduction of more efficient aircraft but they were responsible for the expansion of the Airport;
- One of the problems was the cost of flying was far cheaper than the public transport alternative;
- The public transport provision between Stevenage and the Airport was inadequate;
- It was suggested that the Airport was not currently complying with current air quality standards;
- The intention of the amendment was to clarify the original motion and make much more of an impact.

It was then **RESOLVED** that the amendment be approved.

Following further debate, the substantive motion was then put to the vote and it was **RESOLVED**:

“That in view of our recent declaration of a climate emergency, the considerable detrimental impact on Stevenage resulting from over-flying and also taking into account the opportunities that Luton Airport provides, this Council opposes further expansion of Luton Airport unless sufficient mitigation is secured and that expansion can be proved to have a net zero carbon impact. The assessment of this impact must include a complete assessment of the additional traffic generated both by passengers and users of the airport itself and the travel to work of staff employed at the airport.

This Council also requires reassurance from Luton Airport on the emergency procedures relating to ‘fuel dumping’ which arise from the recent incident in Los Angeles.

This Council will continue to raise concerns about noise, environmental impact, aviation carbon levels in the South East, and transport connectivity in our representations on the forthcoming Planning Application to be considered by the Planning Inspector.”

(ii) Animal Welfare

Councillor Jackie Hollywell moved and Councillor Sharon Taylor seconded a revised motion which had been circulated around the Chamber.

Following discussion, Councillor Hollywell agreed to accept a further revision to the motion to replace ‘silent fireworks’ with ‘low noise fireworks’.

During further debate, the following issues were raised:

- Thanks were given to the public and to the RSPCA for their contributions and commitment and dedication to this issue;
- Fireworks caused distress to domestic pets as well as wildlife and farm animals;
- Individuals could not be stopped from having fireworks but the Council should be leading the way in terms of low noise displays.

The revised motion was then put to the vote and it was **RESOLVED**:

“That Stevenage Borough Council takes animal welfare seriously and pledges to work with partners to ensure that we do all we can within our Borough to protect animals from harm and to encourage the highest standards of animal welfare.

The Council notes the campaign to ban the release of sky lanterns and balloons supported by the RSPCA, the Marine Conservation Society, National Farmers Union and other national wildlife bodies, as both have been shown to be unsafe for animals and the environment and can cause injury, suffering and death by ingestion, entanglement and entrapment.

The Council also acknowledges that extensive use of high decibel fireworks can cause distress to both residents and their animals. A number of councils across the UK are seeking consultation from citizens on proposals from the RSPCA to further limit the permitted sales days and for all public firework displays to be licensed.

The Council also notes and welcomes the enactment of the Wild Animals in Circuses Act which bans the use of Wild Animals in Circuses in England, and came into force at the start of this month (January 2020).

In addition, the Council extends our support to the police and local animal welfare organisations for the full enforcement of the law around animal welfare, which in Hertfordshire includes illegal hare coursing, dog fighting and other wildlife and animal crimes.

Stevenage Borough Council is keen to continue progress on issues of animal welfare and request officers to look into the feasibility of the introduction of policies relating to:

- The release of sky lanterns and helium balloons from council land and property;
- The timing and licencing of fireworks displays;
- Moving as quickly as possible to using low noise fireworks for our public fireworks display;
- Encouraging other organisations within the Stevenage Borough area organising fireworks displays to use low noise fireworks;
- Prohibiting the use of animals in circuses performing in the Stevenage Borough Council area;
- Working with our partners in the Police and animal welfare organisations to support the enforcement of the hunting ban, illegal hare coursing and dog fighting as well as other wildlife and animal crimes.

(iii) A1M Smart Motorway

Councillor Lloyd Briscoe moved and Councillor Sharon Taylor seconded an urgent motion which had been accepted by the Mayor concerning smart motorways. The following issues were raised during the debate:

- Near misses had increased dramatically on those roads where smart motorways had been introduced;
- Concern was expressed regarding the misleading information received at the all Member briefing from Highways England last year;
- No decision should be made on the introduction of the smart motorway in this area, currently due to begin in Spring, until the results of the Government review had been published later in the Summer.

Following debate and upon being put to the vote it was **RESOLVED**:

'That this Council notes with growing concern the issues being raised relating to the safety of 'Smart Motorway' systems. Most recently through a body of evidence exposed in the BBC Panorama programme screened on 27th January.

This Council now believes there can be no justification for any further introduction of 'Smart Motorway' systems anywhere on UK roads.

In the light of emerging evidence, Council demands;

1. An urgent review by the Secretary of State for Transport into the 'Smart Motorway' proposals for the A1(M) between Junctions 6 - 8.
2. That no implementation of 'Smart Motorway' on this stretch of the A1M be carried out while the urgent review takes place.
3. That alternative proposals for relieving congestion on the A1(M) be brought forward as quickly as possible.
4. That officers of the Council communicate this resolution to the Secretary of State with immediate effect.'

10

QUESTIONS FROM MEMBERS TO COMMITTEE CHAIRS / PORTFOLIO HOLDERS

Council received seven questions (all of which were detailed in the agenda). The responses to the seven questions were circulated at the Meeting and are appended. Answers to the supplementary questions are set out below:

(B) Question from Councillor Robin Parker, CC

In response to a supplementary question from Councillor Parker, Councillor John Gardner advised that he was not aware of any formal request from the developer of Park Place to change the ground floor units from retail to residential.

(C) Question from Councillor McGuinness

In response to a supplementary question from Councillor McGuinness, Councillor John Gardner advised that the recycling bags had been provided in response to requests from the public to change the way recycling was collected. Councillor Gardner suggested that the Environment and Economy Scrutiny Committee could choose to monitor how the new arrangement was working.

(D) In response to a supplementary question from Councillor Farquharson, Councillor John Gardner advised that Members should follow the planning process for the SG1 plans and that the development would have a lower carbon impact than many other schemes.

(E) In response to Councillor Hanafin's question, the Mayor advised that he would make a personal pledge to end the provision of red meat in catering at Mayoral events.

(F) In response to a supplementary question from Councillor Mitchell, Councillor John Gardner agreed to ask officers to provide a written response explaining why since 2012 this Council had the highest or second highest rate of fly tipping across the County.

(G) In response to a supplementary question from Councillor Notley, Councillor Rob Broom advised that the roll-out of the devices for Members was planned to commence after the start of the new Municipal Year in May and would include support for Members. He also agreed that presentations received at meetings would be circulated electronically rather than in hard copy.

11 **UPDATE FROM SCRUTINY CHAIRS**

This item was taken immediately following Item 7.

The Chair of the Overview and Scrutiny Committee informed Council that in addition to the Work Plan items, the Committee was part way through a review of the Council's Scrutiny arrangements.

The Chair of the Community Select Committee informed Members that the Select Committee had concluded their review on Sports and Leisure in Stevenage. One of the findings of the review was that the majority of people visiting the Gordon Craig Theatre were Stevenage residents which was contrary to what was previously thought. The Chair also thanked the Culture, Wellbeing and Leisure Service Manager for his help on the site visits carried out by Members of the Committee.

The Chair of the Environment and Economy Select Committee advised Council that the review on Post Offices in Stevenage had been completed. The review of the Neighbourhood Centres would commence in the next couple of weeks. He also suggested that the CWB presentation, which the Council had received earlier during this meeting, could help inform future scrutiny reviews.

12 **REPORT REFERRED FROM THE EXECUTIVE - HOUSING REVENUE ACCOUNT FINAL BUDGET PROPOSALS 2020/2021 AND RENT SETTING**

Council considered a report, which updated Members on the final proposals on the Housing Revenue Account (HRA) budgets and rent-setting for 2020/2021.

Prior to the debate, the Mayor referred to the Supplementary Agenda, which set out the Executive's recommendations to Council following consideration of this matter at its meeting held on 22 January 2020.

In moving the Motion, Councillor Thomas advised that the 2020/21 budget included a rent increase for all council homes for the first time in four years. She also referred to the new build programme and the estimated 2,433 new Council homes over a 30 year period; the major refurbishment contract of all flat blocks in the Town, retro fitting of sprinklers in high rise blocks and the development at Kenilworth Close.

In seconding the motion, Councillor Mrs Joan Lloyd informed Council that the

balances at the end of the year would help us to finance the borrowing to continue to invest in our homes and to build new ones.

It was then **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, is confirmed.
3. That the 2020/21 HRA budget, as set out in Appendix A to the report is approved.
4. That the revised 2019/20 HRA budget, as set out in Appendix A to the report, is approved.
5. That the HRA Fees and Charges, as outlined in Appendix C to the report are approved.
6. That the 2020/21 service charges are approved.
7. That the minimum level of reserves for 2020/21, as shown in Appendix E to the report is approved.
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 the comments from the Overview and Scrutiny Committee, as set out in the report are noted.
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.

13 **OFFICER REPORT - COMMUNITY INFRASTRUCTURE LEVY (CIL)**

Council considered a report that informed Members of the key outcomes of the public examination of the Community Infrastructure Levy (CIL) Draft Charging Schedule (DCS); provided a summary of the Examiner's report and sought approval of the charging schedule.

It was moved by Councillor John Gardner, seconded by Councillor Lloyd Briscoe and **RESOLVED**:

1. That the outcomes of the independent examination are noted.
2. That the content of the Examiner's Report are noted.
3. That the Examiner's modifications and recommendation to approve the Charging Schedule, and supporting Instalments Policy and Payments in Kind Policy, attached at Appendices B-D to the report are accepted;
4. That the Charging Schedule, and supporting Instalments Policy and Payments in Kind Policy, to be brought into effect on 01 April 2020 is approved;
5. That the setup of an allocated financial reserve to draw down on for the CIL Officer post with an annual review is approved.

14 **REPORT REFERRED FROM THE EXECUTIVE - 2019/20 MID YEAR TREASURY MANAGEMENT REVIEW**

Members received a report that provided an update on the Treasury Management activities in 2019/20 and review effectiveness of the 2019/20 Treasury Management and Investment Strategy including the 2019/20 prudential and treasury indicators.

It was moved by Councillor Mrs Joan Lloyd, seconded by Councillor Maureen McKay and **RESOLVED**:

1. That the 2019/20 Treasury Management Mid-Year review is approved.
2. That the latest approved Countries for investments are approved (Appendix D).
3. That the updated authorised and operational borrowing limits are approved (paragraph 4.4.7).
4. That the updated MRP policy is approved (paragraph 4.4.10 and Appendix E).

15 **AUDIT COMMITTEE MINUTES**

It was **RESOLVED** that the minutes from the Audit Committee meetings held on 12 and 27 November 2019 are noted.

CHAIR

COUNCIL – 29 JANUARY 2020

MEMBERS QUESTIONS AND ANSWERS

Questions to Portfolio Holders

(A) Question from Councillor Stephen Booth

“How many homes/flats have been built in Stevenage that did not require planning permission i.e. under the government's legislation allowing office conversions?”

Answer:

Using the Smart Herts database, between 01 April 2013 and 31 March 2019 there were 489 completions flats with a further 39 permitted new flats still to be completed.

(B) Question from Councillor Robin Parker, CC

“What assistance is being offered to the developer in filling the empty new retail units in Park Place?”

Answer:

The Council is eager to see the retail units occupied on the ground floor of Park Place. The development is of course a private scheme, and it is the responsibility of the developer to ensure that the spaces are let, with the Council not privy to the commercial negotiations between the owner and prospective tenants. Notwithstanding this, the Council has been proactive in supporting the developer as far as possible. This includes: Including a range of planning uses in the original planning permission to allow flexibility for commercial opportunities, meeting with the developer to discuss different types of uses possible outside of the current uses, sharing intelligence about prospective tenants that may be suitable for Park Place and passing on commercial contacts where appropriate, and promoting Park Place in marketing material alongside other town centre developments. This is of course in the context of the national challenges facing retail and High Streets that have been well documented, and the work the Council and its partners have done to secure government funding, develop a regeneration programme which is now embedded in the Local Plan, and bring forward significant development schemes, including the work with Reef, Mace and the public realm improvements which will all support the transformation of the town centre and encourage new opportunities.

(C) Question from Councillor Andy McGuinness

“Which members of the Executive have personally tested the use of the new proposed recycling bags before recommending them to be rolled out across Stevenage?”

Answer:

Recycling bags have been tested with our residents rather than elected Members.

During September 2018 – January 2019 270 households (in Manor and Symonds Green wards) were invited to participate in a pilot to test 60lt recycling bags against the existing blue and black boxes. Over 80% of households participated in the pilot. Officers subsequently sought feedback from the households in the pilot area. Around 40% of households responded. One of the key findings of this survey was that 54% of respondents preferred the bags to the boxes, with 12% having no strong opinion.

Residents provided feedback which has been built into the specification for the bags now ordered. The weight sewn into the base of the bag has been increased, and additional fastenings have been added to enable the lids to be fixed down more securely in order to keep water out and to prevent contents escaping in windy weather.

(D) Question from Councillor Alex Farquharson

“How are you ensuring that the SG1 plans submitted by MACE are environmentally friendly?”

Answer:

Now that the planning application for SG1 has been submitted and validated, the proposals must be considered on their merits against National Planning Policy and the Council’s Local Plan, including any environmental criteria. Given this application will be considered by Planning Committee in due course, there are limits to what the Council can comment on in detail at this time. However, I would remind the Member that the materials issued through the public consultation included proposals to include an all-electric energy strategy reflecting decarbonisation of the grid, the inclusion of Photovoltaic panels included in the first phase, high quality public realm including green roofs, and access to a range of sustainable transport options. Ultimately it is for the planning process to consider the proposals, but the submission of the application is a significant milestone for the Town Centre.

(E) Question from Councillor Jody Hanafin

“In support of our council's aim to become carbon neutral, will SBC follow the excellent examples set by Cambridge and Goldsmiths Universities and pledge to end the provision of red meat in catering at council and civic events?”

Answer:

As Members are aware the Council is putting together a Climate Change Strategy, to be considered by the Executive next month and we will be establishing our Citizen's Panel reflecting our cooperative ethos. It is in these forums that individual interventions should be raised for potential inclusion within the climate change action plan that will be developed alongside the strategy.

(F) Question from Councillor Adam Mitchell

“What is the Council doing to discourage the blight of fly-tipping?”

Answer:

The Hertfordshire Fly Tipping Group, a sub group of Waste Aware, is a multi-agency taskforce including the Boroughs, Districts and County Council as well as the Police, Office of the Police and Crime Commissioner, Herts Fire & Rescue, the Environment Agency, the National Farmers Union and Keep Britain Tidy which have come together to improve how Hertfordshire responds to fly tipping. Stevenage Borough Council is a member of this group. In 2019 the group delivered a high profile project to raise awareness of fly-tipping and providing advice to residents and businesses about their responsibility in terms of disposing of their waste.

We have information and guidance on our web pages, about what constitutes fly-tipping, what people can do to protect themselves, and where they can legitimately dispose of waste, plus there is a link to the SCRAP Fly-tipping leaflet. There have been social media postings to raise awareness, and we provide leaflets and information at events. In addition, the Environmental Policy & Development team have developed a leaflet to advise businesses specifically on their responsibilities. This leaflet has been provided to the Town Centre Manager and the Business Relationship Manager for distribution at their respective upcoming networking events.

The Community Safety Team investigate reports of fly tipping in the town, enforcement action is taken against individuals that fly tip, this includes the use of Fixed Penalty Notices, Community Protection Notices and Warning, recharges to remove the tip and enforcement action against tenancies.

SBC are part of a pilot that uses the Proceeds of Crime Act (POCA), the pilot scheme was introduced through the Police and Crime Commissioner (PCC) to support landowners who have been victims of fly-tipping on their private land. The pilot follows a light-touch process, in asking district and borough councils to expand their existing service to include fly-tipping on specific types of private

land and to subsequently pass the cost of this clearance onto the PCC. This work is supported by Hertfordshire's Fly Tipping Group, and is in line with their work programme, helping to improve knowledge in relation to fly tipping on private land, including the number and types of incidents occurring and typical clear up costs.

(G) Question from Councillor Margaret Notley

“When will the Council introduce a paperless system for Council meetings, to reduce the amount of unnecessary paper consumed, thus contributing to the reduction in carbon?”

Answer:

The council already has the Modern.Gov system which can provide committee papers electronically. There are proposals in development to supply councillors with a mobile device to access this system which. Subject to further consideration and sign off it may be possible for the devices to be distributed post the elections in May.

Meeting COUNCIL
Portfolio Area Resources
Date 26 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

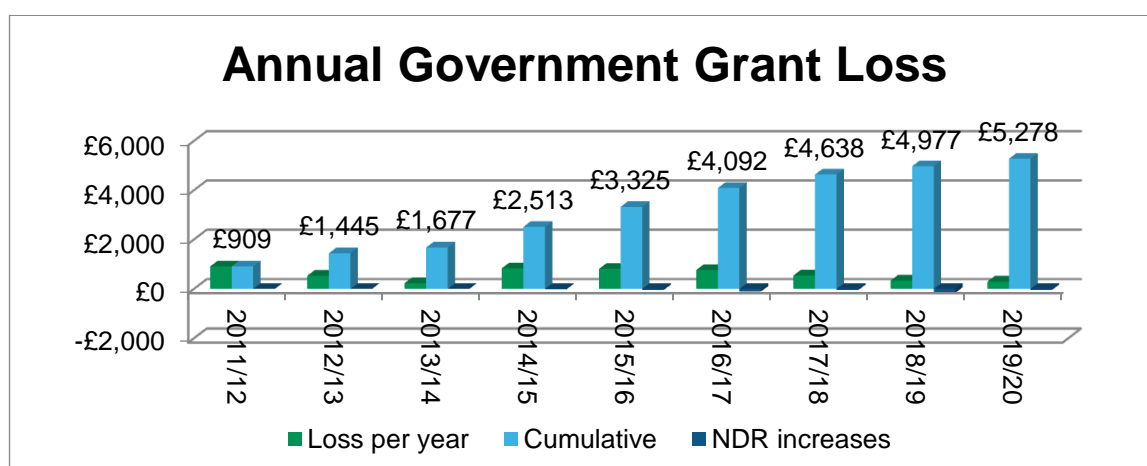
That Council are recommended to approve:

- 2.1 The 2019/20 revised net expenditure on the General Fund of £9,678,680 be approved.
- 2.2 That a 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 (Appendix B).
- 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 (Appendix C).

- 2.7 That the 2020/21 proposed Growth bids and pressures of £653,220 (Appendix E) be approved
- 2.8 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.
- 2.9 That the 2020/21 Council Tax Support scheme is approved as set out in section 4.8 to this report.
- 2.10 That New Homes Bonus of £30,380 is transferred to the reserve to fund future potential shortfalls in funding paragraph 4.4.4 refers
- 2.11 That the advice of the Assistant Director (Finance and Estates) on the robustness of the draft budget and the adequacy of reserves (Appendix D) be noted.
- 2.12 That the comments from Overview and Scrutiny be noted.

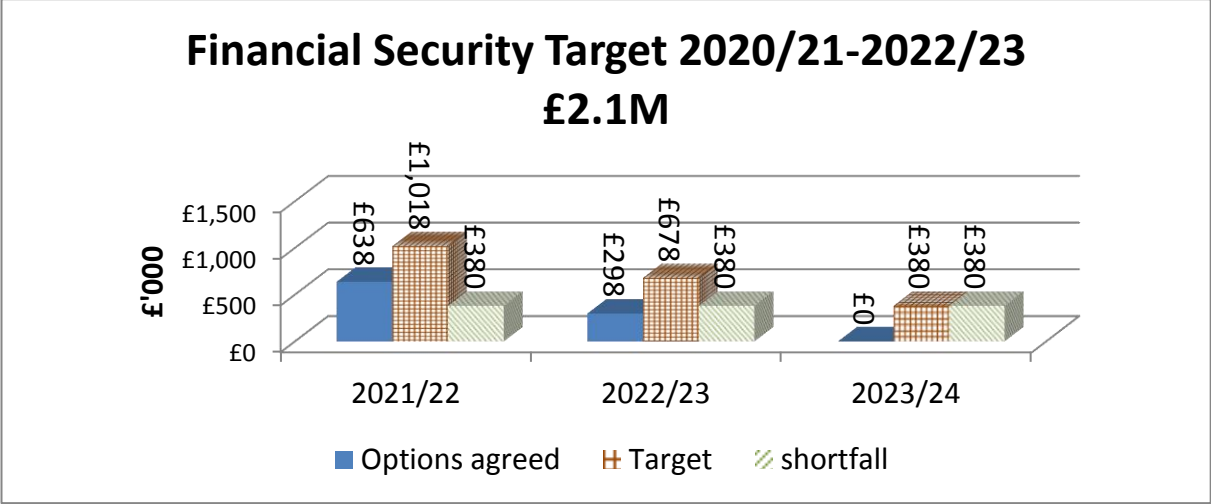
3. BACKGROUND

- 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.

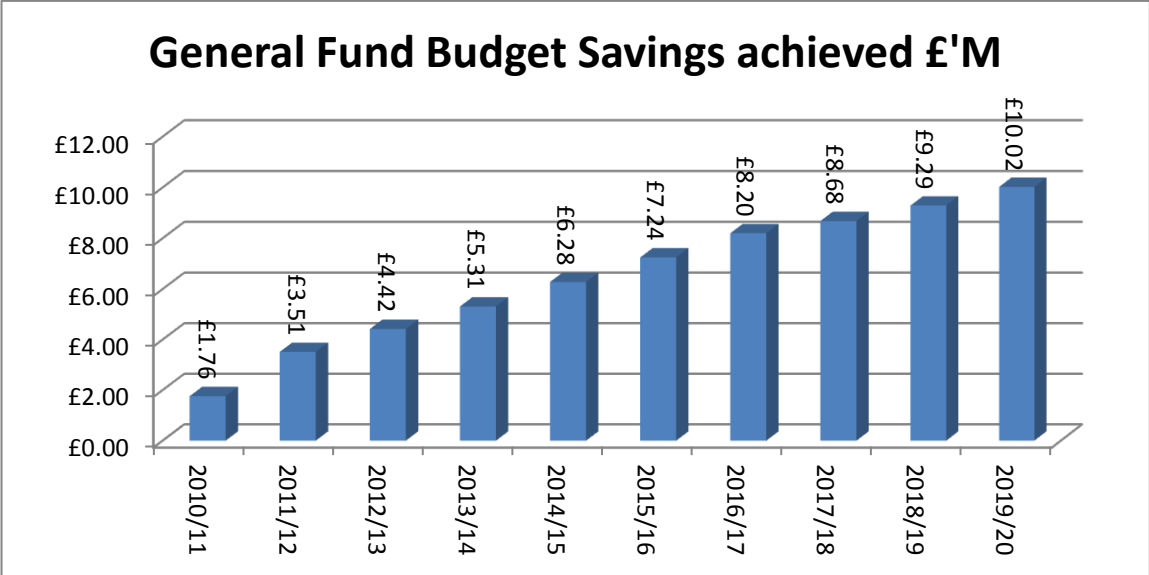


- 3.4 The January Executive report identified that in addition to the Financial Security options presented to the committee, there is funding gap of £2.1Million over the period 2021/22-2023/24, after the options agreed in previously years, future years

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.



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.



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 4.6.7).
- 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% whichever 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

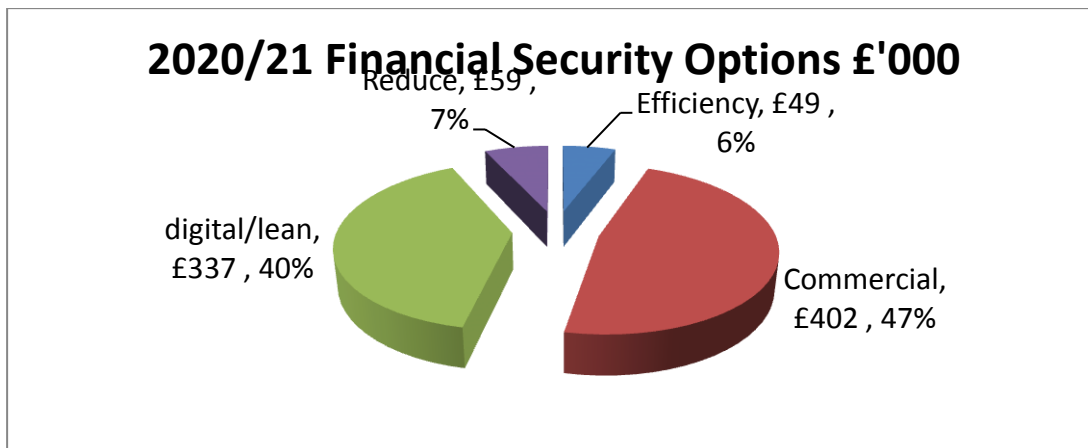
4.1 Financial Security Options

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.

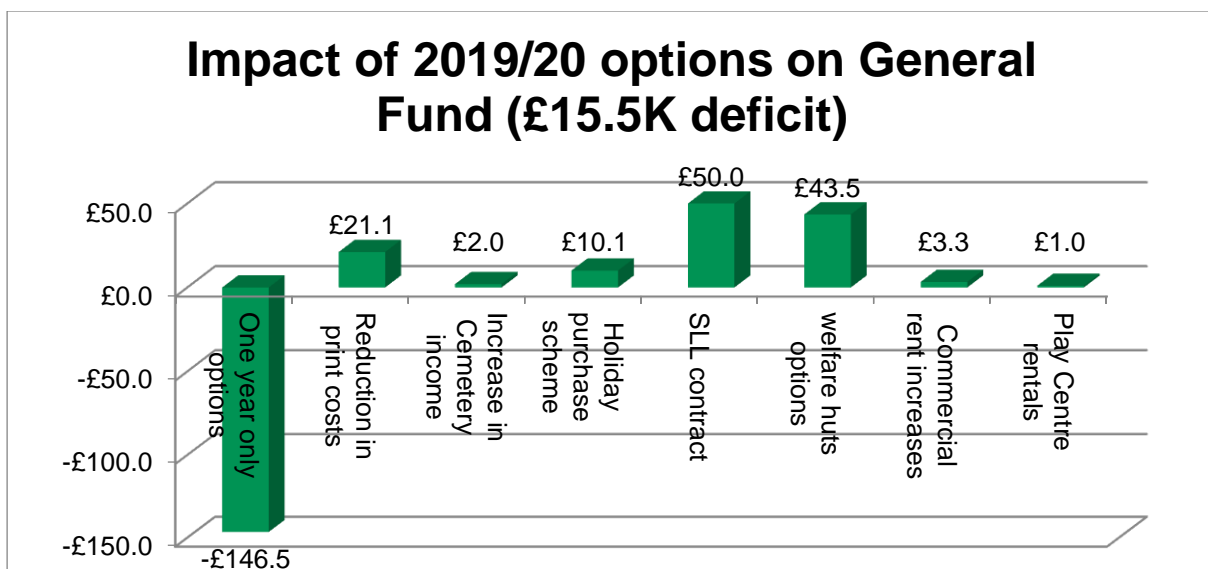
4.1.2 There has been one change since the January Executive and that relates to option number FS47 addition income from recyclates of £75,000. Other recycling streams have been retendered and this has reduced the overall saving to an estimated £4,320.

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 are appendices C&D to this report.



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 and detailed in Appendix D.

	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.

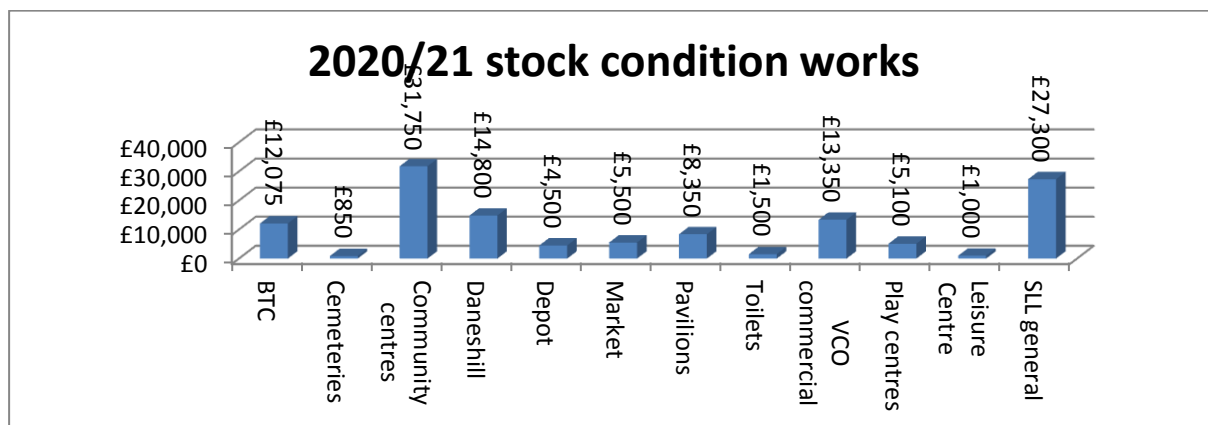
Growth	2020/21	General Fund	HRA
Regeneration team	£27,710	£27,710	£0
Digital platform-self serve	£10,000	£6,660	£3,340
E-car club extend contract	£18,620	£12,475	£6,145
Old Town Christmas lights event	£7,000	£7,000	£0
Total	£63,330	£53,845	£9,485

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 Partnership (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 amounts 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	£784
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 was published on the 7 February and remains unchanged from the provisional.

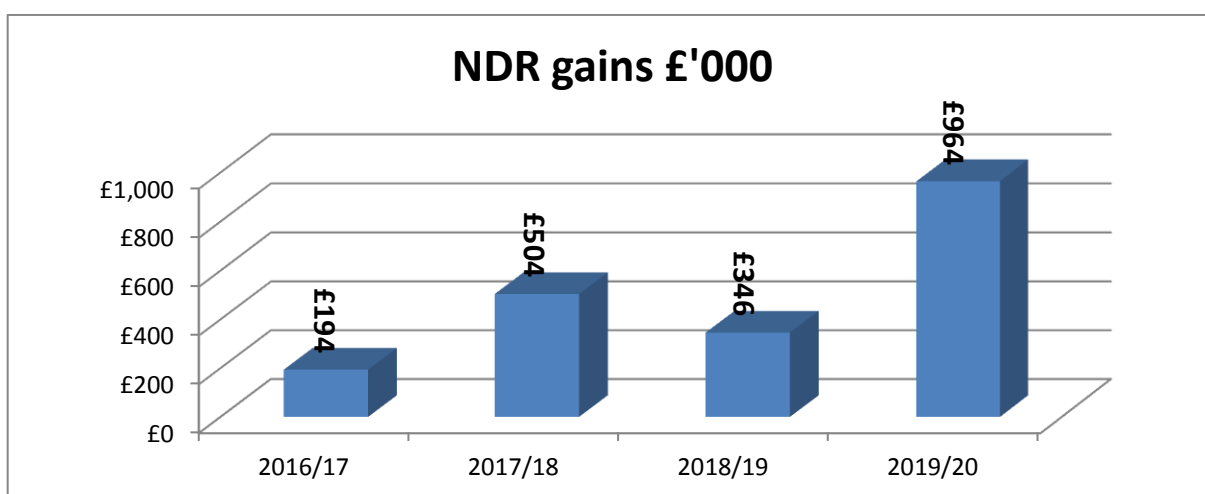
Finance Settlement	
	2020/21
Revenue Support Grant	£0
Business Rates:	
Business Rates	£2,572,439
Under indexing (s31 grant)	£103,104
Total	£2,675,543

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). 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.
- 4.6.6 **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.**
- 4.6.7 The Council (via the Executive) had to 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. This was completed by the deadline.

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.

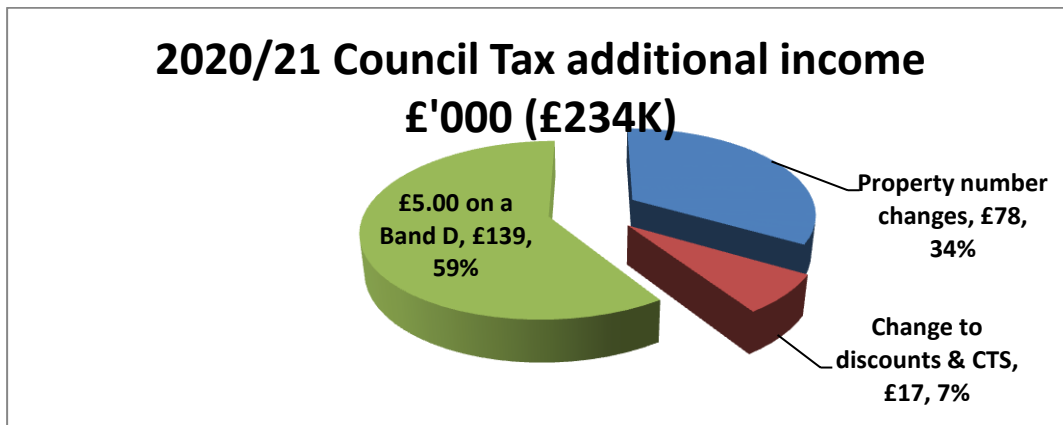
After consideration of the responses to the technical consultation, the Government decided to include a £5 on a Band D or up to 2%, whichever is the higher. The consultation on the finance settlement closed on the 17 January 2020 and the final settlement was received on the 7 February and there were no changes.

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) recommended a 2.37% increase be considered by the Executive and Overview and Scrutiny Committees.

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 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-£10.00 on a band D

4.8.6 The impact of the estimated increases for 2020/21 would mean an increase of £5.89 per year or £0.11 per week (February report £5.46 per year) 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	Est. 2020/21 Increase per year	Est. 2020/21 Increase per week
Band A	£95.71	£99.65	£103.57	£3.92	£0.08
Band B	£111.66	£116.26	£120.84	£4.58	£0.09
Band C	£127.61	£132.87	£138.10	£5.23	£0.10
Band D	£143.56	£149.47	£155.36	£5.89	£0.11
Band E	£175.46	£182.69	£189.88	£7.19	£0.14
Band F	£207.36	£215.91	£224.41	£8.50	£0.16
Band G	£239.26	£249.12	£258.93	£9.81	£0.19
Band H	£287.12	£298.95	£310.72	£11.77	£0.23

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)

Summary of 2020/21 budget movements	On-going?	£	On-going £
Inflation and recharge changes	Y	(£ 20,140)	(£ 20,140)
change to savings option	N	(£ 11,000)	
Homeless grant award 202/21	N	(£ 406,810)	
Rough sleepers funding (bid for)	N	(£177,500)	
Reduction in print costs	Y	(£ 20,000)	(£ 20,000)
Increased Costs/lower Income:			
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	
Rough sleepers spend	N	£177,500	
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 £177,500.
- 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)

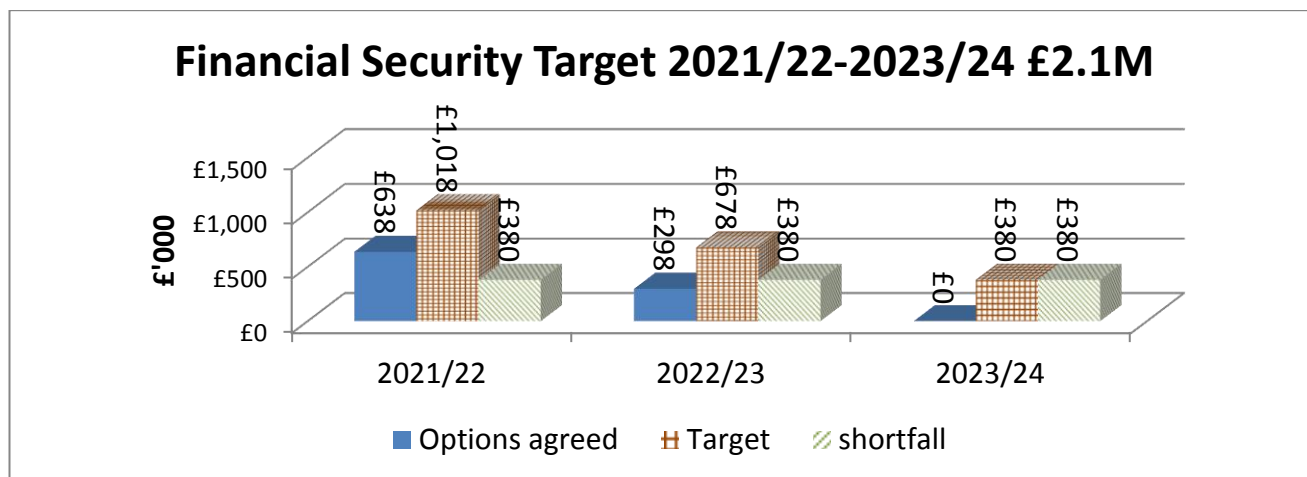
4.10 Projected General Fund Balances

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)	(£924,606)	(£349,030)
Budget Requirement	£8,754,074	£8,754,074	£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.



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 £3.5 Million by 2023/24 which means a reduction of £1.290 Million 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 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)

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
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)
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

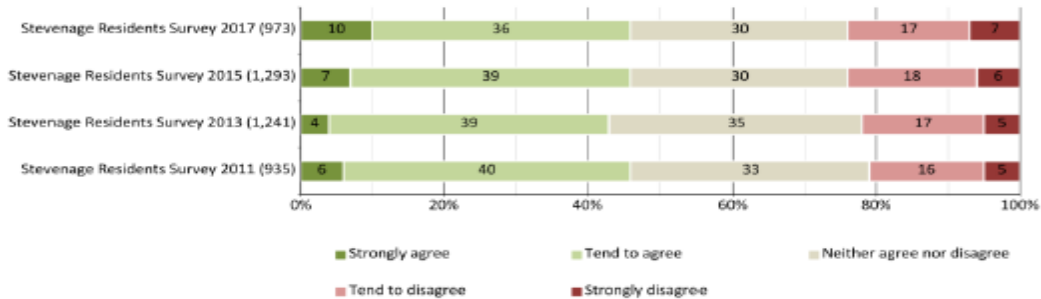
4.16.1 In previous years the views of residents and stakeholders have been attained through consultation, finding out their preferences for reducing services, increasing fees and charges and increasing Council Tax. No further consultation was considered as a result of the General Election in December.

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



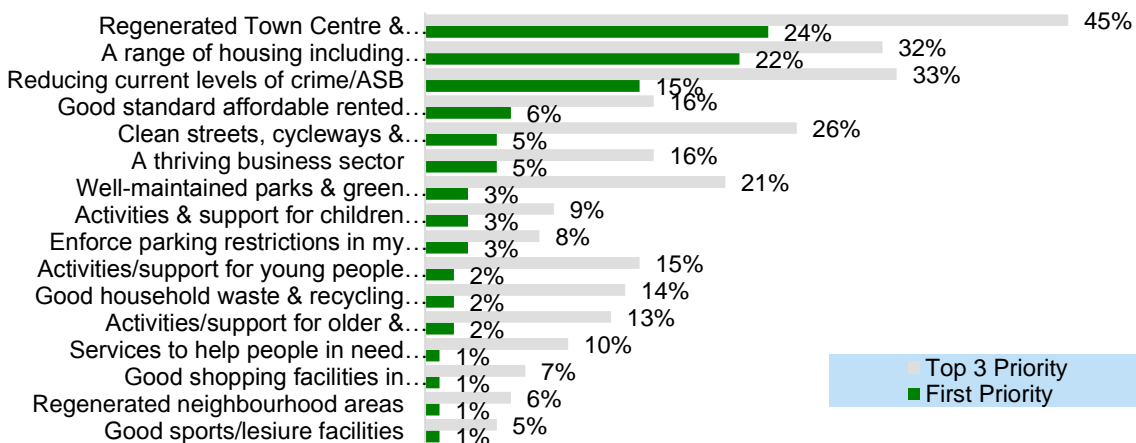
4.16.3 Residents were asked how best to make the savings required by ranking the options provided from 1 to 5, with 1 being the most preferred option and 5 being the least preferred option. The results are shown in the table below.

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) for 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 £760K 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 as 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 H to this report. EqIAs for future years' savings will be presented alongside the draft Budget for the relevant year.

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

APPENDICES

- A General Fund Budget summary
- B Risk Assessment of Balances
- C Financial Security Options 2020/21
- D Robustness of Estimates
- E Growth Bids and Pressure 2020/21
- F Draft Council Tax resolution
- G Staff EQIA
- H Financial Security Options EQIA

General Fund Summary

	Actual 2018/19 £	Original Budget 2019/20 £	Working Budget 2019/20 £	Original Budget 2020/21 £
Summary of Expenditure				
Portfolio:				
Community Services	5,581,578	4,463,620	4,676,720	4,550,660
Housing Services	2,236,878	1,990,980	2,361,430	1,614,520
Environmental Services	8,693,236	6,661,060	7,018,720	6,865,900
Local Community Budgets	100,800	100,800	100,800	100,800
Resources	(7,466,698)	(4,353,470)	(5,040,520)	(4,225,240)
Resources - Support	117,893	(30,830)	564,140	160,930
Trading Accounts - Direct Services *	0	(29,640)	(2,610)	2,260
Net General Fund Expenditure	9,263,688	8,802,520	9,678,680	9,069,830
Government Support - Revenue Support Grant	(351,230)	0	0	0
Government Support - Retained Business Rates (NDR)	(2,539,149)	(2,562,580)	(2,562,580)	(2,665,314)
Transfer to/from Collection Fund (Council Tax)	(139,616)	(55,621)	(55,621)	(67,265)
Transfer to/from Collection Fund (NDR)	(30,293)	(380,962)	(380,962)	380
NNDR Levy	303,713	0	0	0
District Precept	(5,532,344)	(5,754,911)	(5,754,911)	(5,988,601)
Use of General Fund Balances	974,769	48,446	924,606	349,030
General Fund Balance:				
Balance 1 April	(5,768,830)	(4,096,483)	(4,794,061)	(3,869,455)
Use of Balances in Year	974,769	48,446	924,606	349,030
General Fund Balance 31 March	(4,794,061)	(4,048,037)	(3,869,455)	(3,520,425)
Allocated Revenue Reserves:				
Balance 1 April	(2,849,582)	(1,401,101)	(3,311,142)	(2,102,211)
Use of Balances in Year	(461,560)	(160,216)	1,208,931	(653,790)
Allocated Revenue Reserves Balance 31 March	(3,311,142)	(1,561,317)	(2,102,211)	(2,756,001)
Total Revenue Reserves	(8,105,203)	(5,609,354)	(5,971,666)	(6,276,426)
Council Tax Bands for 2020/21		2019/20		2020/21
2.37% Increase on Band D Property:				
BAND A		140.38		143.71
BAND B		163.78		167.67
BAND C		187.17		191.62
BAND D		210.57		215.57
BAND E		257.36		263.47
BAND F		304.16		311.38
BAND G		350.95		359.28
BAND H		421.14		431.14

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APPENDIX B: RISK BASED ASSESSMENT OF THE LEVEL OF GENERAL FUND BALANCES 2020/21

Potential Risk Area	Comments including any mitigation factors		
Income from areas within the base budget where the Council raises "Fees and Charges"	Potential risk that the budgeted level of income from activities where the Council is charging for services will not be achieved. This is anticipated largely to be as a result of the downturn in economy, but could also be as a result of poor weather, new competition. All "fees and charges" income is reviewed as part of the monthly/quarterly budget monitoring process. All budgets are profiled over the year based upon previous experience.		
	Calculated Risk		
Specific Areas	Estimated Income	Likelihood Percentage	Balances Required
Parking Income* (on street/offstreet)	£4,699,860	4.0%	£187,994
Development Control Income	£409,330	10%	£40,933
Recycling Income	£602,990	2.5%	£15,075
Garages	£3,350,050	0.50%	£16,750
Trade Refuse & Skips	£830,320	0.50%	£4,152
Indoor Market	£423,600	5.00%	£21,180
Commercial Property Income	£3,538,770	5.00%	£176,939
Commercial Property Income Property Fund income target not achieved	£875,000	10.00%	£87,500
Total			£550,523

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

Potential Risk Area	Comments		
Demand Led Budgets	Potential risk that spending on parts of the budget where the Council has a legal duty to provide the service increases significantly. Individual budgets reviewed as part of the monthly budget monitoring process. All budgets are profiled over the year based upon previous experience and so any variances should show up during the year.		
	Calculated Risk		
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Housing Benefit maximum risk based on not meeting threshold for Local Authority errors.	£180,000	25%	£45,000
Loss of Business Rates yield	£1,722,439	maximum loss (7.5%)	£129,183
Lower S31 Grants than anticipated which means the NNDR yield would be higher but would not be returned to the General Fund until 2019/20.	£850,000	10%	£85,000
Increase in bad debts as a economic changes impacting on charging for services	£79,790	20%	£15,958

Potential Risk Area	Comments		
Demand Led Budgets continued	Potential risk that spending on parts of the budget where the Council has a legal duty to provide the service increases significantly. Individual budgets reviewed as part of the monthly budget monitoring process. All budgets are profiled over the year based upon previous experience and so any variances should show up during the year.		
	Calculated Risk		
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
NEW: There is an increased cost of Bed and Breakfast as a result of higher homelessness (exposure based on projected costs for 2019/20)	£200,000	50%	£100,000
NEW: Repair costs required as a result of the stock survey are higher than budgeted for	£128,000	10%	£12,800
Costs associated with the capital cost of funding the bus station to enable SG1 if LEP monies not released	£207,400	50%	£103,700
NEW: risk of capital works requiring funding as a result of rephasing/deferring works in the Capital Strategy	£200,000	100%	£200,000
Costs associated with Town Centre Regeneration not budgeted for (funding identified for costs known at the current time).	£400,000	10%	£40,000
Housing Benefit overpayment net income reduces and results in a pressure on the General Fund	£1,006,480	5%	£50,324
Total			£781,965

Potential Risk Area	Comments including any mitigation factors		
Changes since budget was set	Potential risk that things change since the budget estimates were made and the estimates are then under budgeted for.		
	Calculated Risk		
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Transitional Vacancy Rate 4.5%	£584,960	5.00%	£29,248
Less staff time charged to capital than budgeted	£493,210	10.00%	£49,321
NEW pay award is higher than budgeted for	£19,440,128	0.25%	£45,420
Contractual inflation 1% increase	£9,813,218	1.00%	£39,569
Utility and fuel inflation usage/costs increase	£812,600	5.00%	£40,630
Borrowing costs will be higher than estimated on new borrowing in Capital Strategy	£149,490	0.5% increase in basis points	£10,977
Total			£215,165

Potential Risk Area	Comments including any mitigation factors		
Other Risks	Potential risk that savings options will not be realised as a result of delay or unforeseen circumstances.		
	Calculated Risk		
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Savings Options	£864,644	10.00%	£86,464
Total			£86,464

Potential Risk Area	Comments including any mitigation factors		
Estimated balances required for any over spend or under -recovery of expenditure and income	This calculation replaces the calculation based on Net Expenditure		
	Calculated Risk		
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Gross Income (excludes specific income listed above)	£45,296,414	1.50%	£679,446
Gross Expenditure (excludes specific expenditure listed above)	£40,491,455	1.50%	£607,372
Total			£1,286,818

Level of Balances Assumed in General Fund Based on risk

£2,920,935

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FINANCIAL SECURITY OPTIONS 2020/21

Ref No	Description of Savings Proposal	Implementation costs	No of staff affected	£ General Fund Year 1	£ HRA Year 1	Ongoing (Y/N) or No of further years available	Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Potential Timing (put the date you estimate it will be implemented, consider any consultation required)
CATEGORY A - IMMEDIATE EFFICIENCY OPTIONS								
FS1	Release of event cleansing budget	£0	0	£15,000	£0	Y	Cleaning Materials since rationalisation of Convenience codes no longer required and cleansing pop concert budget not required.	April 2020
FS7	Centralisation of all marketing and advertising budgets and apply a 15% reduction. Figures based on 2019/20 budgets that total £79,150		0	£10,000	£0	Y	Would require more effective use of digital marketing channels. Under this approach the Communications and Marketing Team would co-ordinate marketing and advertising activity and prioritise future spend on behalf of the Council. The total budget includes Town Centre promotion (£10K), garages (£10K), market (£10K).	April 2020
FS4 2	Remodel the Executive Support Team and Members Services.	£4,729	1	£5,759	£2,837	Y	Rationalise posts in the Executive Support Team and Member Services based on opportunities following vacancies and retirements. Will require consultation	April 2020
SB6	Replace Centrex Telephone Lines		0	£9,900	£5,100	y	New phones would use our Mitel telephone system, so reliability in linked to IT infrastructure. 36 of the 90 lines have already been decommissioned there is a 3 month notice period and the lines need to be completed by December 2019. Other ICT projects may impact on delivery, capital investment of £10K required.	April 2020
pre vio usl y app rov ed Nov 201	Ageing, expensive technology used to Play Centres etc., could be replaced by IP phones running from our Mitel system. Current spend ~£24k							

FINANCIAL SECURITY OPTIONS 2020/21

Ref No	Description of Savings Proposal	Implementation costs	No of staff affected	£ General Fund Year 1	£ HRA Year 1	Ongoing (Y/N) or No of further years available	Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Potential Timing (put the date you estimate it will be implemented, consider any consultation required)
FS40	Reduction in one FTE in Shared Service (SBC 43%) post vacant	£0		£8,170	£0	Y	Caseload is reducing but the post levels are still high from real time information from the DWP/HMRC. Trial reduction in one FTE on retirement. This will be piloted on the benefit part of the service from October 2019	April 2020
TOTAL		£4,729	1	£48,829	£7,937			

CATEGORY B - NEW INCOME GENERATION/COMMERCIALISATION OPTIONS/FEEs

FS21	Cessation of Commercial Clinical Waste Service-	£0	0	-£3,750	£0	Y	Includes £56,000 of income which will not be achieved with cessation of the service. The commercial waste users will sign posted to other providers. Domestic clinical waste will be in with general domestic waste rounds. Commercial decision to stop net cost to the tax payer. Commercial decision to stop net cost to the tax payer.	April 2020
FS45	Cessation of Keep Britain Tidy Membership	£0	0	£4,500	£0	Y	Membership providing reduced value and minimal impact following cessation.	April 2020
FS46	Cessation of SDS budget contribution to SLL to cover loss of fishing licence income at Fairlands Valley.	£0	0	£4,500	£0	Y	This payment has been paid to SLL for about 8 years as SLL no longer got the income from the licences or fishing tickets. This arrangement is historic. Requires negotiation with SLL	April 2020

FINANCIAL SECURITY OPTIONS 2020/21

Ref No	Description of Savings Proposal	Implementation costs	No of staff affected	£ General Fund Year 1	£ HRA Year 1	Ongoing (Y/N) or No of further years available	Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Potential Timing (put the date you estimate it will be implemented, consider any consultation required)
FS24	Increased income from HA adverts on Choice based Lettings (CBL)	£0		£1,340	£660	Y	Adverts are currently charged at £30 (2019/20) proposal to increase to £50 2020/21, £60 in 21/22 and £70 for 22/23	1 April 2020
FS25	Sell IOSH accredited training to other LAs	£0	0	£999	£501	N-dependent on pilot	Would use existing Corporate Health and Safety Team to deliver training. Proposal would be trialled during 2020/21. Will require further market research to understand potential demand.	1 April 2020
FS26	Increase in commercial income based on current lease renewals	£0		£111,300	£0	Y	This assumes that 90% achievable of the £54K not yet confirmed and in addition to the 2019/20 savings package. Rent renewals dramatically fall after 2020/21. Assumes occupancy rates and lease renewal projections as planned	1 April 2020
FS27	SLA with Queensway LLP	£0		£24,000	£0	Y	SLA agreed with Queensway to perform finance function. Dependent on Queensway having sufficient funding to afford the cost and need resourcing from the council	Immediate
FS28	SLA with Housing WOC	£0		£15,000	£0	Y	SLA included in WOC report to Council in May. Dependent on WOC having sufficient funding to afford the cost and need resourcing from the council	Immediate
FS29	SLA with CCTV	£0		£11,000	£0	Y	Agreed by CCTV Board	Immediate

FINANCIAL SECURITY OPTIONS 2020/21

Ref No	Description of Savings Proposal	Implementation costs	No of staff affected	£ General Fund Year 1	£ HRA Year 1	Ongoing (Y/N) or No of further years available	Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Potential Timing (put the date you estimate it will be implemented, consider any consultation required)
FS48	sell services to Hertsmere Council	£0	3	£15,000	£10,000	Y	This will reduce the level of procurement available to SBC as the service also provides services to EHDC	January 2020
FS47	Additional income generation as a result of new 12 months contracts let for recycle processing. (options reduced for impact of other recycling contracts).	£0	0	£4,320	£0	Y	The contract has been let (September 2019). For plastic, glass , aluminium and steel. Paper is not included as this is part of a Hertfordshire consortium income is predicated on market prices and fluctuations in volatile market. Equalisation fund required for income fluctuations. Set up of equalisation reserve for income above the £75K up to £100K	April 2020
FS60	New income generation from new Cemetery service - Saturday burials and internments.	£0	0	£8,010	£0	Y	Based on eight internments in a financial year and premium charge applied.Predicated on demand	January 2020
FS30	Review business concessions in place and estimate a reduction by 10% in year 1 and 20% in year 2 (implementation costs for new validators)	£0		£10,000	£0	Y	The saving is shown in advance of the work to rationalise and review the concessions for hotels and businesses. May lead to resistance from some users, to reduce concessions to a maximum of 25% for business/bulk users and 50% for those delivering a significant regeneration benefit to Stevenage Town Centre. Potential lost of them as customers . Capital investment in new validators may be required.	1 April 2020
FS31	Savings to come in lump sums not spread equally per year.	£0		£0	£0	Y	Always to provide a more considerate service balancing out peak and troughs Income levels are based on predicted demand - a equalisation reserve recommended	January 2020
FS51	Increase budget for land rental and street hoarding	£0		£10,000	£0	Y	This is predicted income over and above the current budgetThere is a risk income will reduce as this is based on demand led activity	Immediate

FINANCIAL SECURITY OPTIONS 2020/21

Ref No	Description of Savings Proposal	Implementation costs	No of staff affected	£ General Fund Year 1	£ HRA Year 1	Ongoing (Y/N) or No of further years available	Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Potential Timing (put the date you estimate it will be implemented, consider any consultation required)
FS3 2	Additional fees from Cory's Mill Lane income beyond Fees & Charges. (current tariff up to 2 hours £1.50 (increase 10pence-20pence) 3 hours £2.00 increase 20pence)	£0		£21,600	£0	Y	Still competitively priced, the Corey's Mill charges have not been increased since implemented. This would be a 10pence increase. There is a risk income will reduce as this is based on demand led activity	January 2020
FS3 3	Review planning income in line with predicted demands, create and equalisation reserve with any balance over the £25K identified into a reserve with a cap level to be determined.	£0		£25,000	£0	Y	Always to provide a more considerate service balancing out peak and troughs. Income levels are based on predicted demand - a equalisation reserve recommended	January 2020
SE9	Consider active marketing in relation to pavilions	£0	0	£3,000	£0	Y	Increase in footfall and community usage. Dependent on Asset Strategy/ Community Centres Review/ Online bookings system investment required	April 2019
FS6	Introduce a compulsory charge for all staff with a car parking season ticket	£0	All	£18,817	£6,900	Y	Would require consultation with staff and the Unions. The scheme still needs to be finalised and will be in consultation with staff. Mechanism for payment would need to be determined e.g. taken at source. Any income exceeding the amount in year will be used to fund the workforce travel plan initiatives. Consultation would be required	July 2020
SE1 0	Fees and charges General Fund	£0	0	£117,490	£0	Y	Reported November Executive and introduced January with the exception of garage increases due in April.	January 2019

FINANCIAL SECURITY OPTIONS 2020/21

Ref No	Description of Savings Proposal	Implementation costs	No of staff affected	£ General Fund Year 1	£ HRA Year 1	Ongoing (Y/N) or No of further years available	Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Potential Timing (put the date you estimate it will be implemented, consider any consultation required)
TOTAL		£0	3	£402,126	£18,061			
CATEGORY C - SERVICE REDESIGN/PROCESS CHANGES/DIGITAL								
FS2	Reconfiguration of Market & Garages Team	£0	1	£52,000	£0	Y	Review of current structure arrangements with a view to aligning certain garage processes with like activity from other business units e.g. letting and debt recovery processes.	
SD1 2-	Systemise back office processes at Cavendish Road using new technology and removal of paper systems (assumes redeployment for redundant roles)	£0	2	£20,000	£0	Y	Head count reduction -Efficiency realised from the automation of certain manual Operations work processes. Redeployment opportunity exists within the Stevenage Direct Services Business Unit for affected personnel. Funding already in budget and implementation has been commenced (September 2019). Subject to consultation	April 2020
NEW	Reconfiguration of Refuse, street scene and grounds tier five management	£0	9	£57,136	£0	Y	Subject to consultation 27 January start date	May 2020
FS4	Reconfiguration of Out of Hours & Standby Arrangements		0	£23,803	£24,197	Y	Calls will be routed via the CCTV as now (ICT calls currently not through CCTV) and then a script will be issued for services so call outs are minimised, excludes independent living and CCTV call outs.	April 2020
SD1 2	Reduce team - process review, internal post review , impacts of the compliance contract and staff self serve on reporting issues.	£20,000	2	£15,000	£5,000	Y	One member of staff has retired and the saving has effectively been achieved	Immediate

FINANCIAL SECURITY OPTIONS 2020/21

Ref No	Description of Savings Proposal	Implementation costs	No of staff affected	£ General Fund Year 1	£ HRA Year 1	Ongoing (Y/N) or No of further years available	Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Potential Timing (put the date you estimate it will be implemented, consider any consultation required)
FS38	Review Reconciliation function and structure, (there are 5 currently in post)	£0	11	£12,000	£4,000	Y	The saving is based on a review of the function and adding two apprentice posts for succession planning, the savings have been generated from re-designing some work processes. Further efficiencies can be generated from digital and ICT improvements. This is subject to consultation and capital investment	1 April 2020
SD8	Paperless committees - progressive plan to achieve committees which are digital by default - Detailed analysis of costs undertaken and clarity between EHDC costs and SBC	£0	0	£1,500	£500	Y	Require effective member engagement and joint working to deliver - cultural change, training, device management etc. Requires workstyle assessment in terms of devices (mobile or desktop in committee rooms) and review of the current BYOD policy for members / allowances. There will need to assessment of Digital skills / ICT infrastructure resilience and what if any equipment is provided	01 June 2020
FS15	Business Unit Review: Tier 5 and 6 savings from staff restructures	£181,965	136	£39,854	-£18,770	Y	The transformation of the housing delivery service, incorporating the design principles agreed by Members and making efficiencies through the use of technology. There are more posts than people so the redundancy costs are worse case scenario. Level of savings subject to the outcome of the consultation.	Immediate - tier 5 tier 6 April 2020
FS16	Cease Locata contract (choice based lettings system)- to be integrated into Northgate housing system			£16,750	£8,250	Y	Northgate system now has additional functionality which can provide an integrated process which will allow customers to self serve from December 2019.	1 January 2020

FINANCIAL SECURITY OPTIONS 2020/21

Ref No	Description of Savings Proposal	Implementation costs	No of staff affected	£ General Fund Year 1	£ HRA Year 1	Ongoing (Y/N) or No of further years available	Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Potential Timing (put the date you estimate it will be implemented, consider any consultation required)
FS39	Review function and structure-(vacancies allow the reconfiguration)	£0	0	£50,000	£0	Y	A business Unit review of the play service has been undertaken with proposals to reconfigure staffing to minimise costs when play centres closed (£45K) and set up an on-line marketing offer versus paper print model (cost £5K). No reduction in service and an increase in operational hours, Subject to consultation and may require capital investment	1 April 2020
FS44	Reduce establishment x 2 No. FTE within Streets & Grounds Maintenance Service, can be removed through agency staff posts rather than permanent staff	£0	0	£36,000	£4,000	Y	Predicated on service review delivery and efficiencies and productivity gains through route optimisation and improved working practices etc. Service standard will be maintained. Subject to consultation and round optimisation	April 2020
FS49	Reduction 1FTE support post and use apprentice for grow your own model	£0	0	£13,215	£0	Y	The apprentice appointed 1 October 2019- March 2021. Reliant on digitising and improving LCB process and on-line payments. Some upfront costs and capital investment.	October 2020
TOTAL		£201,965	161	£337,258	£27,176			

CATEGORY D - STOP / REDUCE OPTIONS

FS41	Reduce the size of the Graduate Programme from 4 to 3 people per annum		0	£18,750	£0	Y	Total annual budget per is £151,200 which funds four graduates. This option would reduce the number of graduates to three at any one time.	April 2020
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FINANCIAL SECURITY OPTIONS 2020/21

Ref No	Description of Savings Proposal	Implementation costs	No of staff affected	£ General Fund Year 1	£ HRA Year 1	Ongoing (Y/N) or No of further years available	Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Potential Timing (put the date you estimate it will be implemented, consider any consultation required)
SB9	Renegotiation of CAB contract			£40,000	£0	Y	Advice Services Contract (currently with the CAB)- Redesign a new contract specification to meet forthcoming welfare reform changes and re-procure Advice Services Contract at a reduced overall sum, but supplementing in-house advice and support. Total budget is £192k. CAB have recently been awarded funding from central government to support welfare reforms.	April 2020
TOTAL		£0	0	£58,750	£0			
FINANCIAL SECURITY OPTIONS		£206,694	165	£846,964	£53,174			

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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 £1.290Million 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 £3,869,455 (after 2019/20 contribution from balances to the General Fund of £924,606). Total General Fund balances as at 1st April 2021 are estimated to be £3,520,425 (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, (£1,848,452 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 S151 Officer 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 S151 Officer 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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GROWTH PROPOSALS & KNOWN BUDGET PRESSURES

£890,113	£653,220	£236,893
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APPENDIX E

STEVENAGE BOROUGH COUNCIL

Ref No	Ranking	Name of Service	Description of Growth Proposal	Growth in 2020/21	£ General Fund Year 1	£ HRA Year 1	Ongoing (Y/N) or No of further years available	Impact of Growth Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Requires Capital Investment (Y/N)	Requires ICT Investment (Y/N)	Potential Timing
REVENUE GROWTH - New Proposals / Services											
G11	3.00	Digital	Digital Content Officer	32,270	£21,490	£10,780	2 years	Grade 4 Digital Content Officer - Growth Required to create and maintain website content	N	N	01 April 2020
G13	3.00	Digital	Web accessibility testing and auditing	20,000	£13,320	£6,680	2 years	New legislation concerning accessibility of digital content and services with fines for non-compliance (the new GDPR). Compliance to be achieved by end of 2021. this applies internal/external. There is software at the moment to check for compliance but is small scale (only licenced for 2000 pages) and will need expanding. The legislation also 'recommends' an annual audit which we can do ourselves or commission. This is a new market for compliance products to support implementation, it will mature as the legislation requirements become the new norm and our own competence to create compliant content/services will improve.	N	N	01 April 2020
G14	2.67	Digital	Digital Projects Manager	£24,600	£16,380	£8,220	2 years	Digital Projects Manager – Manage the development more digital solutions, new technology to deliver on-line services and innovate in the area. Committing to a permanent role now will secure resilience for the CTOC programme which the council needs to deliver a significant step change in digital service provision to realise the digital financial targets, improved customer offer and staff productivity.	N	N	01 April 2020
G15	3.00	Digital	Digital Platform self book-in and scan additional "Kiosk" module licences	10,000	£6,660	£3,340	Y	The Firmstep CRM product already procured comes with a customer self book-in module for front of house appointments (such as GP clinics use) and the ability for customers to self-scan in requested documents at a station in the reception area. This reduces staff invention and improves the customer experience, the growth bid is the on-going licence costs. This will contribute to delivering saving SD7	N	N	01 April 2020
G20	1.00	Allotments	New post to manage allotments	10,000	£10,000	£0	N	0.5 FTE for allotment coordinator role. SBC assuming responsibility for allotment function following cessation of volunteer arrangement. Net income £29K per year consider charging the cost on. To charge the cost of the post and software would mean an increase of 66% . A small allotment is 2.5 rods and the proposed increase in price would result in an annual charge per year of £36.16 (or 70p per week) ,an increase in 2021/22 of 28 pence per week on the current costs.	Y	Y	01 April 2020
G21	1.00	Allotments	New system to manage allotments	1,000	£1,000	£0	N	Licence fee for allotment management software. Requires £10k capital for initial procurement of system.	Y	Y	01 April 2020
G22	2.33	Climate Change agenda	Post required to project manage the climate change agenda item for the Council	54,380	£36,435	£17,945	2 years	This post is required to co-ordinate manage the climate change projects to ensure delivery. (Based on grade 8 post). Costs include employers on-costs. Potential to use corporate graduates for funding.	N	N	01 April 2020

STEVENAGE BOROUGH COUNCIL

Ref No	Ranking	Name of Service	Description of Growth Proposal	Growth in 2020/21	£ General Fund Year 1	£ HRA Year 1	Ongoing (Y/N) or No of further years available	Impact of Growth Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Requires Capital Investment (Y/N)	Requires ICT Investment (Y/N)	Potential Timing
G26	2.00	Climate Change agenda	E car club pilot to be funded on-going	18,620	£12,475	£6,145	Y	The contributes to the climate change agenda, with the use of electric cars The contract is for the use of 3 of the 4 cars for staff Monday to Friday from 8am to 5pm at a cost of £17,160 per year. Any staff use of the 4th car or use of our contracted cars out of hours is charged at £4.58 +VAT per hour. Any public use of our contracted cars within our contracted hours is rebated at the same rate,. An additional £1462 per year cost for the maintenance contract of the charging point. There are currently 70 members of staff signed up to use the cars. Most months however see on average about 15 active users whilst nearly half of all booked time is used by the neighbourhood wardens. The total contracted hours are 7020 but charging intervals reduce the usable hours to 5856. The total average number of hours booked by staff is 4023 per year representing 69% utilisation.	N	N	01 April 2020
G23	2.83	Regeneration Team	Additional posts required to manage the SG1, client function for Queensway and progress capital projects such as MSCP, Hub and GD3 bids	27,713	£27,710	£3	Y	Some posts to date have been part funded by business rate gains however this is not guaranteed and to attract the calibre of staff fixed term and temporary posts are recommended to be made permanent.	N	N	01 April 2020
G24	2.33	Christmas Lights	Old Town Christmas lights	7,000	£7,000	£0	Y	The old Town Business Partnership is no longer resourcing the costs of the lights switch on in the Old Town. If the switch on is to be continued in the future a growth bid is required	N	N	01 April 2020
TOTAL GROWTH OPTIONS				205,583	152,470	53,113					

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APPENDIX F

STEVENAGE BOROUGH COUNCIL

Wednesday 26 February 2020

FORMAL COUNCIL TAX RESOLUTION INCORPORATING PRECEPTS FROM HERTFORDSHIRE COUNTY COUNCIL AND THE HERTFORDSHIRE POLICE AND CRIME COMMISSIONER

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 £924,606 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.	<u>Valuation Bands</u>	
	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

	Basic Amount Of Council Tax	Adult Social Care Charge	2020/21 Council Tax
A	£ 860.82	£ 81.98	£ 942.80
B	£ 1,004.26	£ 95.67	£ 1,099.93
C	£ 1,147.75	£ 109.32	£ 1,257.07
D	£ 1,291.21	£ 122.99	£ 1,414.20
E	£ 1,578.16	£ 150.31	£ 1,728.47
F	£ 1,865.07	£ 177.66	£ 2,042.73
G	£ 2,152.03	£ 204.97	£ 2,357.00
H	£ 2,582.42	£ 245.98	£ 2,828.40

- 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	£ 132.00
B	£ 154.00
C	£ 176.00
D	£ 198.00
E	£ 242.00
F	£ 286.00
G	£ 330.00
H	£ 396.00

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	£1,218.51
B	£1,421.60
C	£1,624.69
D	£1,827.77
E	£2,233.94
F	£2,640.11
G	£3,046.28
H	£3,655.54

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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Full Equality Impact Assessment APPENDIX G

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

What is being assessed?		Impact of Proposed Staff Saving 2020-2021	
Lead Assessor	HR Manager (Employee Resourcing)	Assessment team	NGDP Graduates
Start date	April 2020	End date	March 2023
When will the EqIA be reviewed?	On-going reviews over the next 3 years and specifically as consultation in each business unit or overall saving commences.		

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Who may be affected by it?	<p>Early indications from the proposals for the Budget 2020-2023 are that there may be in the region of 6 redundancies or replacements within the savings proposals and wider changes of working practice across the Council which may affect the Councils workforce as a whole. The proposals for 2020/2021 onwards require further investigation and the impact of each proposal on the equality profile of and diversity within the workforce will be considered.</p>
What are the key aims of it?	<p>As part of the Financial Security options for 2020-2023, the Council have identified a need to savings across the workforce. The savings will be made through service related savings and staff related expenditure, comprising of organisational restructures, potential redundancies, changes in ways of working and changes to staff benefits provision.</p> <p>There are policies in place to support staff through these periods of change including an organisational change policy and an employee assistance programme. This helps to ensure that there are clear procedures in place for staff and training is being provided to managers and appropriate staff. Each of these policies has had an EqIA.</p> <p>The purpose of this EqIA is to identify the impact on the workforce profile of:</p> <ul style="list-style-type: none"> The savings proposed for 2020-2023. For the purpose of this EqiA the full workforce has been considered as part of the impact profile as some savings will impact across the Council's workforce. Individual EqiAs will be performed on each of the proposals when it comes forward for

consultation.

- It should also be noted that for the staff related benefits proposal (car parking), if this proceeds, we would need to work through the arrangements for this, which would likely include further steps to mitigate any impacted to all protected characteristics.

This is intended to guide decision making in considering the savings proposals over the next three years. The Council values diversity in its workforce. We recognise that the composition, skills, understanding and commitment of our workforce adds to our ability to deliver responsive, personalised services to our equally diverse community.

The Council is committed to supporting all staff that are affected by change, in the first instance through their line managers and the HR&OD service. Staff can take advice from their trade union representative who may accompany them to meetings. In addition, further support is also available to staff in the form of our Employee Assistance Programme (Optum) and Outplacement support for those staff impacted the proposed changes

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

What sources of data /	Workforce profile data (correct as of October 2019) broken down by protected characteristics
------------------------	--

<p>information are you using to inform your assessment?</p>	<p>including: age, gender, religion, ethnicity, disability, sexual orientation and marital status.</p> <p>Where possible and appropriate, comparisons of the workforce profile are made with the make-up of the local community (Census 2011).</p> <p>NB: There was insufficient information about gender reassignment for analysis.</p>
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<p>In assessing the potential impact on people, are there any overall comments that you would like to make?</p>	<p>This will be a working document that will need to be reviewed at regular intervals to consider the impact of the proposed changes as more information becomes available.</p>
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Evidence and impact assessment

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

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Age					
<p>Positive impact</p>	<p>In line with our policies we will aim to redeploy staff wherever possible to retain skills and experience</p>	<p>Negative impact</p>	<p>There is potential to lose older employees with the additional opportunity to request Voluntary redundancy as redundancy pay increases with length of service Proposals around charges for car parking may adversely impact on older workers who may find it more difficult to walk or cycle to work.</p>	<p>Unequal impact</p>	

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

	2019	% of Stevenage Community
Under 25	62	11.8%
25-29	76	7.3%
30-34	91	21.2%
35-39	76	
40-44	66	
45-49	78	20.3%
50-54	112	
55-59	129	
60-65	63	4.9%
65+	13	14.1%
No data	20	
	786	

The table reflects that Stevenage Borough Council has a higher representation across the age ranges between “50-54” and “55-59” when compared to the local community. Furthermore, Stevenage Borough Council has a lower representation of the age ranges “under 25” and “40-44” when compared to the local community.

Comparisons for 16-25’s can be misleading as many residents in this age range seek education and training alongside or rather than full time employment.

With regards to the age range 65+, comparisons for 65 and over can be misleading as health factors attributed to age may impact on a person’s ability to work. Many people may choose to retire as they get older. To provide a point of comparison, according to the Office for National Statistics (2018) 13.9% of people over 65 were in employment.

In terms of staff potentially affected by the proposals, Stevenage Borough Council workforce age profile will not be significantly impacted as the spread of staff potentially at risk is relatively even across the age range categories.

Proposals around charges for car parking may adversely impact on older workers who may find it more difficult to walk or cycle to work

<p>What opportunities are there to promote equality and inclusion?</p>	<p>We will look to retain employees in line with the Redeployment Policy wherever it is possible to identify suitable alternative employment.</p> <p>The Council has an embedded Flexible Retirement Policy that supports workers aged over 55 to reduce their working hours and access their pensions to support the transition to retirement and maintain employment to an older age.</p> <p>In 2017 the Council launched an Early Careers Network to help support those earlier in their careers at SBC.</p>	<p>What do you still need to find out? Include in actions (last page)</p>	<p>We need to continue to keep the potential impact of the savings proposals under review, as further detail is known.</p> <p>We will discuss with staff alternative options for commuting to work such as car sharing to minimise the impact of car park charges.</p>
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<p align="center">Disability e.g. physical impairment, mental ill health, learning difficulties, long-standing illness</p>					
<p>Positive impact</p>	<p>We will consider and make reasonable adjustments to support disabled staff with both selection process and appointment into available suitable alternative employment opportunities</p>	<p>Negative impact</p>	<p>Proposals around charges for car parking may adversely impact on staff with physical disabilities as they may find it more difficult to walk to work or commute by other means.</p>	<p>Unequal impact</p>	

<p>Please evidence the data and information you used to support this assessment</p>	<p>Stevenage Borough Council workforce data as of October 2019</p> <table border="1" data-bbox="718 215 1136 521"> <tr> <td></td> <td>Total</td> </tr> <tr> <td>Left Blank</td> <td>26</td> </tr> <tr> <td>No</td> <td>689</td> </tr> <tr> <td>Refused</td> <td>7</td> </tr> <tr> <td>Unknown</td> <td>12</td> </tr> <tr> <td>Yes</td> <td>52</td> </tr> <tr> <td>Grand Total</td> <td>786</td> </tr> </table> <p>As demonstrated in the table, employees who have self-declared themselves as disabled do not appear to be disproportionately impacted by the proposals. However, due to the numbers of employees who have left blank, refused to state or selected the unknown option, it is not possible to know if any of these employees have a disability.</p>				Total	Left Blank	26	No	689	Refused	7	Unknown	12	Yes	52	Grand Total	786
	Total																
Left Blank	26																
No	689																
Refused	7																
Unknown	12																
Yes	52																
Grand Total	786																
<p>What opportunities are there to promote equality and inclusion?</p>	<p>It may be possible to work with a charity and other organisations to assist with identifying and funding appropriate reasonable adjustments (such as Access to Work) to help any employees impacted by the savings proposals to maintain employment.</p>	<p>What do you still need to find out? Include in actions (last page)</p>	<p>We need to continue to keep the potential impact of the savings proposals under review, as further detail is known.</p> <p>We will need to ask all staff to review and update their personal records, including declaring their disability status.</p> <p>We need to discuss the impact of car parking charges with staff and how this will impact upon their ability to get to work and maintain employment with the Council.</p>														

Gender reassignment

Positive impact	n/a	Negative impact	n/a	Unequal impact	n/a
Please evidence the data and information you used to support this assessment		There is insufficient data to analyse the workforce profile in relation to gender reassignment and possible impact. Out of the 786 employees, 41 answered no and no data is held for other employees.			
What opportunities are there to promote equality and inclusion?				What do you still need to find out? Include in actions (last page)	

Marriage or civil partnership					
Positive impact	No positive impacts anticipated	Negative impact	No negative impacts anticipated	Unequal impact	
Please evidence the data and information you used to support this assessment		Count of Current Marital Status			
		Current Marital Status		Total	
		Separated		12	
		Left Blank		20	
		Civil Partnership		11	
		Divorce		21	
		Living with Partner		38	
		Married		371	
		Prefer not to say		11	
		Single		288	
Unknown		5			
Widow		9			
		Grand Total		786	
		It is not anticipated that the proposals will have any disproportionate impacts on this staff group. However, individual EQiAs of each of the savings will be undertaken to confirm this.			

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

Pregnancy & maternity			
Positive impact	Negative impact	Unequal impact	
Please evidence the data and information you used to support this assessment	Data numbers too small for EQiA data to be meaningful.		
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

Race			
Positive impact	Negative impact	Unequal impact	
Please evidence the data and information you used to support this assessment	Count of Ethnic Origin		
	Ethnic Origin	Total	
		26	
	ASBBAN	*	
	ASBCHI	*	
	ASBIND	14	
	ASBOTH	*	
	ASBPAK	*	
	BACBAF	14	
	BACBCA	9	
	BACBOT	7	
	INP	10	
	MB	*	
	MIXOTH	*	
MIXWBA	*		
MIXWBC	6		

	MIXWHA	6	<p>Stevenage Borough Council has a combined representation of 80.9% of white British employees. This is an increase from the 78.91% from 2014. The remaining 20% are many other BME groups. * Categories represent information for 5 or fewer employees which may be identifiable so have been blanked out. EQiAs will be performed on each of the savings proposals individually to ensure there are no adverse impacts on any individual group.</p>
	OMB	6	
	OTHETH	*	
	OWB	18	
	PNS	5	
	WHG-TR	*	
	WHIRSH	7	
	WHITEB	636	
	WHITEG	*	
	Grand Total	786	
What opportunities are there to promote equality and inclusion?	A Recruitment and Selection Policy is in place, to promote equality.	What do you still need to find out? Include in actions (last page)	We need to consider how the savings proposals may impact upon this profile, once further detail is known.

Religion or belief					
Positive impact		Negative impact		Unequal impact	
Please evidence	Count of			Religion	% of Stevenage

the data and information you used to support this assessment	Religion					Community (percentage)
	Religion	Total			Christian	54.4
	Left blank	26			Buddhist	0.5
	Buddhism	*			Hindu	1.2
	Christianity	345			Jewish	0.2
	Hinduism	*			Muslim	2.0
	Information not provided	35			Sikh	0.4
	Muslim	9			Other	0.5
	No religious belief	292			No religion	34.1
	Other	18			Not stated	6.7
	Prefer not to say	53				
	Sikhism	*				
	Grand Total	786				
	<p>As demonstrated in the table, the proposals do not appear to have any significant disproportionate impacts. However, it should be noted the combined total percentage of categories 'not stated' & 'prefer not to say' or they left it blank which totals 18.3%. It is not therefore possible to be certain of the impact. Also, the council as a strong representation with the Stevenage Community. EQiAs will be performed on each of the savings proposals individually to ensure there are no adverse impacts on any individual group.</p>					
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)		We need to consider how the savings proposals may impact upon this profile, once further detail is known.		

Sex					
Positive impact	In line with our policies we will aim to redeploy staff wherever possible	Negative impact		Unequal impact	

	to retain skills and experience regardless of sex.																
Please evidence the data and information you used to support this assessment	<table border="1"> <thead> <tr> <th></th> <th>2019 Headcount</th> <th>2019 Percentage</th> </tr> </thead> <tbody> <tr> <td>Female</td> <td>447</td> <td>56.87%</td> </tr> <tr> <td>Male</td> <td>339</td> <td>43.12%</td> </tr> <tr> <td>Total</td> <td>786</td> <td>100.00%</td> </tr> </tbody> </table> <p>It is not anticipated that the proposals will have any disproportionate impacts on this staff group. However, individual EQiAs of each of the savings will be undertaken to confirm this.</p>						2019 Headcount	2019 Percentage	Female	447	56.87%	Male	339	43.12%	Total	786	100.00%
		2019 Headcount	2019 Percentage														
	Female	447	56.87%														
Male	339	43.12%															
Total	786	100.00%															
What opportunities are there to promote equality and inclusion?	All roles at SBC are now advertised as suitable for job share or flexible working opportunities.	What do you still need to find out? Include in actions (last page)															

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Sexual orientation				
e.g. straight, lesbian / gay, bisexual				
Positive impact	Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment	Count of Sexual Orientation		Percentage 2019	
	Sexual Orientation	Total		

	Left blank	26	3.31%	
	Bisexual	*	0.51%	
	Gay	*	0.51%	
	Heterosexual	685	87.15%	
	Homosexual	*	0.13%	
	Information Not Provided	35	4.45%	
	Lesbian	*	0.51%	
	Prefer Not To Disclose	27	3.44%	
	Grand Total	786		
	<p>As demonstrated in the table above, the areas potentially impacted the most are the “Prefer not the state” option and “Not Provided” option. By the very nature of these options, it is not possible to analyse the potential impact.</p> <p>There has been insufficient data in this area previously to draw comparisons and no data was gathered in the Census 2011 about the local community’s sexual orientation.</p> <p>*Represents groups of less than 5 employees as these may be identifiable if published.</p>			
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	We need to consider how the savings proposals may impact upon this profile, once further detail is known.	

<p>Socio-economic¹ e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users, social value in procurement</p>			
Positive impact		Negative impact	Unequal impact
Please evidence the data and information you used to support this assessment	<p>Whilst no data is held on the socio-economic background of our workforce, some of the proposed savings could be seen to have an impact on those on lower incomes compared to those on higher incomes. These impacts will be assessed fully as each</p>		

¹Although 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.

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

What are the findings of any consultation with:

Staff?	Consultation with staff will be undertaken for each of the savings proposals as they are implemented.	Residents?	
Voluntary & community sector?		Partners?	
Other stakeholders?			

**Approved by Assistant Director / Strategic Director:
Date:**

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

Equality at Stevenage Borough Council

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

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

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

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

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

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

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

FINANCIAL SECURITY: 2020/21 Appendix H

Overall Equality Impact Assessment of proposals

Savings Proposals 2020/21

Prior to their consideration at Executive in November 2019, all savings proposals were reviewed to determine any potential impact on Stevenage residents in terms of their protected characteristics under the Equality Act 2010. The majority of these have no public impact and so have not been subject to any further EqIA.

Where a negative, positive or disproportionate impact is likely, Assistant Directors and other appropriate managers have drafted Brief or Full EqIAs. These have been summarised over the following pages and will inform the recommendations made at Executive on 22 January and 12 February 2020. Action to further analyse or mitigate the impact on equality groups is identified where appropriate.

The following activity has taken/will take place:

November 2019 – February 2020	EqIAs finalised considering further evidence as necessary
January and February 2020	Consideration of all completed EqIAs at Council meetings



Summary Of Equality Impact Assessments APPENDIX H

Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
Page 85	<p>FS16</p> <p>Cease Locata contract (choice based lettings system) - to be integrated into Northgate housing system</p>	<p><u>Positive/Neutral Impact</u></p> <p>Overall The proposal is to cease the contract with Locata and provide the equivalent service using our existing Northgate system, thus keeping all data in one system.</p> <p>Customers will still be able to place bids in the same way they have done previously so in this respect the outcomes for customers are unchanged. All applicants will have equal access to enable them to place bids on suitable accommodation. Those who are unable to do so will have access to our assisted bids service so they have an equal opportunity to bid.</p> <p>With the development of a future online offer, customers will be able to access their information and make their own updates in real time, resulting in an improved service.</p> <p>Age A support service is offered for those who are unable to place bids themselves, which is more often (but not exclusively) those who are older.</p>	None	Jaine Cresser



Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
Page 86		<p>Disability Properties are allocated in accordance with the allocation policy which may give preference to those who have a disability based on an independent medical assessment.</p> <p>Pregnancy/Maternity Properties are allocated in accordance with the allocation policy which may give preference to those who are pregnant based on an independent medical assessment.</p> <p>Socio Economic Properties are allocated in accordance with the allocation policy which may give preference to those who are homeless based on their individual circumstances.</p>		
FS21	Cessation of Commercial Clinical Waste Service	<p><u>Positive Impact</u></p> <p>Overall New domestic clinical collection arrangements will be implemented as a result of this decision (both services were historically delivered by a common resource). This will result in more convenient and discrete collection arrangements for customers who receive statutory domestic clinical collections. Domestic clinical waste will be collected along with normal refuse collections.</p> <p>Commercial companies will be signposted to alternative providers for their commercial clinical waste needs.</p>	<p>Notice of service cessation and signpost to alternative commercial collection providers to be sent to the Council's commercial clients.</p> <p>Alternative domestic clinical collection arrangements to be developed and implemented.</p>	Craig Miller/ Lloyd Walker



Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
		<p><u>Unequal Impact</u></p> <p>Socio Economic The continuation of council provided commercial services would require higher charges to be applied to commercial companies that could be passed through to customers.</p>		
<p>FS22</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 87</p>	<p>Selling Careline services to private sector tenants/ residents</p>	<p><u>Positive Impact</u></p> <p>Overall The cost for the service is cheaper than other providers and people receive a response service by a staff member to all calls which is unique in Stevenage. The monitoring only service is cheaper than its main competitor Herts Careline.</p> <p>Age This service is available to people of all ages that feel at risk due to a vulnerability.</p> <p>Disability This service is accessible to all as it links to other telecare equipment to support people to live independently at home with different types of disabilities. On very rare occasions we will not be able to offer it to those who are bed bound and lack capacity but this would be discussed with other professionals and family for them to move on to more appropriate support.</p>	<p>Actively promote customers to apply for attendance allowance where applicable.</p>	<p>Jaine Cresser</p>



Appendix H

Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
		<p><u>Negative Impact</u></p> <p>Socio Economic People have to pay for this service and there are no concessions. Generally people who own their own homes have more disposable income but also if they apply for attendance allowance, it would pay for the weekly charge. The attendance allowance is not financially assessed.</p>		
<p>FS60 page 88</p>	<p>New income generation from new cemetery service - Saturday burials and internments</p>	<p><u>Positive Impact</u></p> <p>Overall Provides further choice and accessibility to burial and cemetery services for residents and customers.</p> <p>Religion or belief Market intelligence suggests that Saturday burials can be favoured by certain faith groups.</p> <p>Socio Economic The Council's concessions policy would apply to this chargeable service and would offer discounted rates to those receiving certain income based benefits. The Council has also introduced a new Sanctum offer to its cemetery product range. This product is a more affordable offer compared to burial or interment options.</p>	<p>Saturday burial and interment services to be added to the Cemetery marketing materials.</p>	<p>Craig Miller/ Lloyd Walker</p>



Appendix H

Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
FS30	Parking - review business concessions in place and estimate a reduction by 10% in year 1 and 20% in year 2 (implementation costs for new validators)	<p><u>Positive Impact</u></p> <p>Socio Economic Supports the regeneration of the town centre: the proposal introduces 2 bands for concessions, which gives more clarity and is fairer than the current ad hoc approach. One of the bands specifically supports the regeneration of the town centre.</p>	Keep under review and be aware of potential issues.	Zayd Al-Jawad
FS32 Page 89	On street parking - additional fees from Coreys Mill Lane income beyond Fees & Charges. Current tariff up to 2 hours £1.50 (increase 10pence-20pence) 3 hours £2.00 (increase 20pence)	<p><u>No Significant Impact</u></p> <p>Age Older people accessing the hospital by car can use the bays SBC provide at a lower cost than the hospital. The minor increase in parking is not significant in terms of the costs of owner/running a car.</p> <p>Disability Those with a disability using the hospital will have access to disabled parking provision.</p> <p>Pregnancy/Maternity The maternity unit provides dedicated spaces</p>	Keep under review and be aware of potential issues.	Zayd Al-Jawad
SE9	Consider active marketing in relation to pavilions	<p><u>Positive Impact</u></p> <p>All Protected Characteristics</p>	Review EQIA as proposals develop.	Rob Gregory



Appendix H

Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
		The proposal is in its early stages of consideration, but would look to maximise use of pavilions and given current occupancy rates this is a positive opportunity to increase usage across protected characteristic groups.		
FS6 Page 90	Introduction of car parking charges for council employees	<p><u>Unequal/Negative Impact</u></p> <p>Age Proposals around may adversely impact on older workers who may find it more difficult to walk or cycle to work.</p> <p>Disability Proposals may adversely impact on staff with physical disabilities as they may find it more difficult to walk to work or commute by other means.</p> <p>Socio-economic Whilst no data is held on the socio-economic background of our workforce, the proposal could be seen to have an impact on those on lower incomes compared to those on higher incomes.</p>	<p>Develop a car parking charges policy.</p> <p>Complete a full EqIA and consider the approach to addressing some of the potential unequal impacts within the design of the policy</p> <p>Consult with staff and trade unions in the development of the policy</p>	Clare Davies/ Kirsten Frew
SE10	Road facing garages - apply a 9.84% increase in the rental charge	<p><u>No Significant Impact</u></p> <p>Overall In general terms the impact will be neutral because the proposed increase is to be applied consistently and is not influenced by a customer's protected characteristic.</p>	Review of charge application and EQIA to ensure continued applicability alongside the annual corporate fees and charges	Craig Miller/ Carlo Perricone



Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
Page 91		<p>The Council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.</p> <p>In addition, the Council has availability within its non-road facing garage stock and these units can be offered as a more affordable option for any customer who is unable to meet the increased charge for a road facing unit. It is acknowledged that alternative non-road facing garages could be further away from a customer's property than their existing unit and this could have greater impact on the elderly and/or those with a disability. The Council will seek to identify the closest alternative to the customer's home in such instance and will where possible prioritise these units for customers with such particular need.</p>	setting process.	
SE10	Above inflation increase in fees and charges applied to charge for purchasing a Grant of Exclusive Right to a Grave (Adult) and reduction of Grant period from 100 years to 50 years.	<p><u>No Significant Impact</u></p> <p>Overall The proposed increase is to be applied consistently and is not influenced by a person's protected characteristics.</p> <p>The Council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.</p> <p>In addition the Council has introduced a new Sanctum service to its cemetery service offering in Q4 2019. Sanctums provide a more affordable solution for the interment of ashes compared to traditional grave burials or interments.</p>	Review of charge application and EQIA to ensure continued applicability alongside the annual corporate fees and charges setting process.	Craig Miller/ Lloyd Walker



Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
<p>SD8</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 92</p>	<p>Paperless committees - progressive plan to achieve committees which are digital by default</p>	<p><u>Positive Impact</u></p> <p>Disability For persons with visual impairment accessibility functions allow access for text to audio capability.</p> <p><u>Unequal/Negative Impact</u></p> <p>Age Depends on ICT literacy – although this isn't necessarily linked to age.</p> <p>Disability Physical disability could hinder the ability to carry a laptop.</p> <p>Pregnancy/Maternity Pregnancy could hinder the ability to carry a laptop.</p>	<p>Digital Skills Self-Assessment for Members to help identify level of ICT literacy and to tailor support for Members.</p> <p>Assisted Digital Support to be offered to Members to improve their digital literacy and to be able to use Mod.gov software.</p> <p>Pool laptops to be available that Members who have physical disabilities can use.</p>	<p>Richard Protheroe</p>
<p>SB9</p>	<p>Renegotiation of CAB (CA) contract</p>	<p><u>Positive & Negative Impact</u></p> <p>Overall The reduction in a core grant will impact on any voluntary organisation's existing operating model. Conversations have begun with CA Stevenage to understand what these will be and how best to mitigate against any adverse impact on the communities of Stevenage and in particular any protected characteristic groups.</p>	<p>Obtain further customer data from CA.</p> <p>Work with CA to explore opportunities to modernise the operating model and identify potential alternative funding sources to</p>	<p>Rob Gregory</p>



Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
Page 93		<p>However, re-negotiating CA Stevenage’s core grant may also provide an opportunity to re-focus efforts on new opportunities to reach more people, looking at new engagement methods, opportunities for external funding and commissioning and in encouraging more collaboration with other VCS partners. By adopting a Co-operative Council approach this review can be conducted positively.</p> <p>For the majority of protected characteristic groups, the potential impact is currently unclear: unless the operating model changes to respond to servicing demand whilst reducing costs, there could be a reduction at the speed in which all clients can be seen, including those with a protected characteristic.</p> <p><u>Unequal or Negative Impact</u></p> <p>Socio Economic A significant number of clients to CA suffer financial hardship. Unless the operating model changes to respond to servicing this demand whilst reducing costs, there could be a reduction at the speed in which all clients can be seen.</p>	<p>mitigate any impact.</p> <p>Feed progress on the above into a revised EQIA in February 2020.</p>	

Full Equality Impact Assessment

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

What is being assessed?		Cessation of using Locata to deliver CBL			
Lead Assessor	Jaine Cresser			Assessment team	
Start date	1 Nov 19	End date	5 Nov 19		
When will the EqIA be reviewed?	5 Nov 2020				

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Who may be affected by it?	Customers bidding for properties currently use the Locata system to place their bids. This includes existing tenants, and those on the Housing Register. We also offer this service on behalf of Housing Associations with stock in Stevenage.
What are the key aims of it?	<p>We are proposing to cease the contract with Locata and provide the service using our existing Northgate system, thus keeping all our data in one system.</p> <p>Customers will still be able to place bids in the same way they have done previously so the outcomes for customers are unchanged.</p> <p>With the development of a future online offer, customers will be able to access their information and make their own updates in real time, so an improved offer.</p>

What positive measures are in place (if any) to help fulfil our legislative duties to:					
Remove discrimination & harassment	All applicants will have equal access to enable them to place bids on suitable accommodation - those that can't will	Promote equal opportunities	All applicants will have equal access to enable them to place bids on suitable accommodation - those that can't will	Encourage good relations	All applicants will have equal access to enable them to place bids on suitable accommodation - those that can't will

	have access to our assisted bids service so they have an equal opportunity to bid.		have access to our assisted bids service so they have an equal opportunity to bid.		have access to our assisted bids service so they have an equal opportunity to bid.
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What sources of data / information are you using to inform your assessment?	The Housing Register
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In assessing the potential impact on people, are there any overall comments that you would like to make?	The customer experience should be no different. In the medium term, customers will also be able to complete their application online providing a seamless approach through one system. All the information will be held on one system which customers will be able to access through an online customer account by the end of the financial year. Long term a holistic online offer will be of benefit to customers.
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Evidence and impact assessment

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

Age	
Negative impact	
n/a – we are able to provide a support service for those who are unable to place bids themselves which will assist in them being able to place bids on suitable accommodation, which is more often (but not exclusively) those who are older.	
Please evidence the data and information you used to support this assessment	Age profile of those on the Housing Register

What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	
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Disability			
e.g. physical impairment, mental ill health, learning difficulties, long-standing illness			
Properties are allocated in accordance with the allocation policy which may give preference to those who have a disability based on an independent medical assessment.			
Please evidence the data and information you used to support this assessment	Independent medical advisor assessments supported by Dr's medical reports.		
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

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Gender reassignment N/A			
Positive impact		Negative impact	Unequal impact

Marriage or civil partnership N/A			
Positive impact		Negative impact	Unequal impact

Pregnancy & maternity – N/A			
Positive impact		Negative impact	Unequal impact
Please evidence the data and information you used to support this assessment	Properties are allocated in accordance with the allocation policy which may give preference to those who are pregnant based on an independent medical assessment.		
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

Race – N/A			
Positive impact		Negative impact	Unequal impact

Religion or belief – N/A			
Positive impact		Negative impact	Unequal impact

Sex – N/A			
Positive impact		Negative impact	Unequal impact

Sexual orientation – N/A e.g. straight, lesbian / gay, bisexual			
Positive impact		Negative impact	Unequal impact

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Socio-economic¹ e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users, social value in procurement			
Properties are allocated in accordance with the allocation policy which may give preference to those who are homeless based on their individual circumstances			
Please evidence the data and information you used to support this assessment			
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

¹Although 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.

Other – N/A				
please feel free to consider the potential impact on people in any other contexts				
Positive impact		Negative impact		Unequal impact

What are the findings of any consultation with:

Staff?	None	Residents?	None – no impact
Voluntary & community sector?		Partners?	
Other stakeholders?			

Overall conclusion & future activity

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Explain the overall findings of the assessment and reasons for outcome (please choose one):		
1. No inequality, inclusion issues or opportunities to further improve have been identified		
Negative / unequal impact, barriers to inclusion or improvement opportunities identified	2a. Adjustments made	
	2b. Continue as planned	Cease the Locata contract and move the service to be part of the integrated Northgate database
	2c. Stop and remove	

Detail the actions that are needed as a result of this assessment and how they will help to remove discrimination & harassment, promote equal opportunities and / or encourage good relations :				
Action	Will this help to remove, promote and / or encourage?	Responsible officer	Deadline	How will this be embedded as business as usual?

Approved by Assistant Director / Strategic Director: Jaine Cresser Assistant Director (Housing and Investment)
Date: 8/11/19

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

What is being assessed?	Cessation of Commercial Clinical Waste Collection Service	What are the key aims of it?	To cease the council's non-statutory commercial clinical waste collection service.		
Who may be affected by it?	Commercial companies e.g. skin piercers, tattoo parlours etc.		To mitigate potential adverse financial impacts on the council's budget as a result of the service making a loss.		
Date of full EqIA on service area (planned or completed)					
Form completed by:	Lloyd Walker, Operations Manager Stevenage Direct Services	Start date		End date	
		Review date	05/11/2019		

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What data / information are you using to inform your assessment?	Financial analysis of service performance and future financial forecasts. Market intelligence	Have any information gaps been identified along the way? If so, please specify	None
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Explain the potential positive, negative or unequal impact on the following characteristics and how likely this is:			
Age	No material impact – commercial companies will be signposted to alternative providers for their commercial clinical waste needs. Age has no bearing on this arrangement.	Race	No material impact – commercial companies will be signposted to alternative providers for their commercial clinical waste needs. Race has no bearing on this arrangement.

Disability	No material impact – commercial companies will be signposted to alternative providers for their commercial clinical waste needs. Disability has no bearing on this arrangement.	Religion or belief	No material impact – commercial companies will be signposted to alternative providers for their commercial clinical waste needs. Religion or belief has no bearing on this arrangement.
Gender reassignment	No material impact – commercial companies will be signposted to alternative providers for their commercial clinical waste needs. Gender reassignment has no bearing on this arrangement.	Sex	No material impact – commercial companies will be signposted to alternative providers for their commercial clinical waste needs. Sex has no bearing on this arrangement.
Marriage or civil partnership	No material impact – commercial companies will be signposted to alternative providers for their commercial clinical waste needs. Marital status has no bearing on this arrangement.	Sexual orientation	No material impact – commercial companies will be signposted to alternative providers for their commercial clinical waste needs. Sexual orientation has no bearing on this arrangement.
Pregnancy & maternity	No material impact – commercial companies will be signposted to alternative providers for their commercial clinical waste needs. Pregnancy & maternity has no bearing on this arrangement.	Socio-economic ²	The continuation of council provided services would require higher charges to be applied to commercial companies that could be passed through to customers.
Other			

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

Where there is a likely positive impact , please explain how it will help to fulfil our legislative duties to:					
Remove discrimination & harassment		Promote equal opportunities		Encourage good relations	New domestic clinical collection arrangements will be implemented as a result of this decision (both services were historically delivered by a common resource). This will result in more convenient and discrete collection arrangements for customers who receive statutory domestic clinical collections. Domestic clinical waste will be collected along with normal refuse collections.

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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
Notice of service cessation and signpost to alternative commercial collection providers to be sent to the council's commercial clients.	Lloyd Walker	Monthly performance reviews with Assistant Director.	Q3 - 2019/20



Appendix H

Alternative domestic clinical collection arrangements to be developed and implemented.	Lloyd Walker	Monthly performance reviews with Assistant Director.	Q1 - 2020/21
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Approved by Assistant Director/ Strategic Director: Craig Miller

Date:

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

Full Equality Impact Assessment

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

What is being assessed?		Careline services in the Private Sector			
Lead Assessor	Karen Long			Assessment team	
Start date	1 Nov 19	End date	3 Nov 19		
When will the EqIA be reviewed?	Dec 2020				

Who may be affected by it?	Owner occupiers or people living in the private sector.
What are the key aims of it?	To provide and extend the Careline service to those who are living in the private sector

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What positive measures are in place (if any) to help fulfil our legislative duties to:					
Remove discrimination & harassment	The service will be provided to both council and private residents in Stevenage	Promote equal opportunities	The service will be provided to both council and private residents in Stevenage	Encourage good relations	

What sources of data / information are you using to inform your assessment?	<ul style="list-style-type: none"> • Number of owner occupiers and private rented over the age of 65 in Stevenage – POPPI 2011 • People aged 65 and over who need help with at least one self-care activity - POPPI 2011 • Population aged 65 and over - POPPI
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<p>In assessing the potential impact on people, are there any overall comments that you would like to make?</p>	<p>The cost for the service is cheaper than other providers and people receive a response service by a staff member to all calls which is unique in Stevenage. The monitoring only service is cheaper than its main competitor Herts Careline.</p>
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Evidence and impact assessment

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

Page 104

Age			
Negative impact			
<p>There is no negative impact. This service is available to people of all ages that feel at risk due to a vulnerability.</p>			
<p>Please evidence the data and information you used to support this assessment</p>			
<p>What opportunities are there to promote equality and inclusion?</p>		<p>What do you still need to find out? Include in actions (last page)</p>	

<p style="text-align: center;">Disability e.g. physical impairment, mental ill health, learning difficulties, long-standing illness</p>	
Positive impact	
<p>This service is accessible to all as it links to other telecare equipment to support people to live independently at home with all</p>	

different types of disabilities. On very rare occasions we will not be able to offer it to those who are bed bound and lack capacity but this would be discussed with other professionals and family for them to move on to more appropriate support.

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

Positive impact		Negative impact		Unequal impact	
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Marriage or civil partnership N/A

Positive impact		Negative impact		Unequal impact	
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Pregnancy & maternity – N/A

Positive impact		Negative impact		Unequal impact	
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Race – N/A

Positive impact		Negative impact		Unequal impact	
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Religion or belief – N/A

Positive impact		Negative impact		Unequal impact	
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Sex – N/A			
Positive impact		Negative impact	Unequal impact

Sexual orientation – N/A e.g. straight, lesbian / gay, bisexual			
Positive impact		Negative impact	Unequal impact

Socio-economic³ e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users, social value in procurement			
Negative Impact:			
People have to pay for this service and there are no concessions. Generally people who own their own homes have more disposable income but also if they apply for attendance allowance which is to support them with things like this, it would pay for the weekly charge. The attendance allowance is not financially assessed.			
Please evidence the data and information you used to support this assessment			
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

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Other – N/A please feel free to consider the potential impact on people in any other contexts			
Positive impact		Negative impact	Unequal impact

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

What are the findings of any consultation with:

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

Overall conclusion & future activity

Explain the overall findings of the assessment and reasons for outcome (please choose one) :		
1. No inequality, inclusion issues or opportunities to further improve have been identified	No inequality issues have been highlighted due to the private sector being able to access attendance allowance that is not financially assessed and the service is designed to support people with disabilities.	
Negative / unequal impact, barriers to inclusion or improvement opportunities identified	2a. Adjustments made	
	2b. Continue as planned	There is nothing from the outcome of the EQIA to prevent us continuing with the service.
	2c. Stop and remove	

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Detail the actions that are needed as a result of this assessment and how they will help to remove discrimination & harassment, promote equal opportunities and / or encourage good relations :				
Action	Will this help to remove, promote and / or encourage?	Responsible officer	Deadline	How will this be embedded as business as usual?
To actively promote customers to apply for attendance allowance where applicable.	This will help customers access the service that they need.	Kelly Potts	Ongoing	It will be part of the promotion and assessment process.

Approved by Assistant Director / Strategic Director: Jaine Cresser

Date: 7/11/19

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

Page 108

What is being assessed?	Introduction of a new Saturday Burial and Interment Service. Increased charges will be payable for Saturday services	What are the key aims of it?	To provide further choice and accessibility to burial and cemetery services for residents and customers.		
Who may be affected by it?	Residents and customers choosing SBC cemeteries for the burial or interment of deceased relatives etc.				
Date of full EqIA on service area (planned or completed)					
Form completed by:	Lloyd Walker, Operations Manager Stevenage Direct Services	Start date		End date	
		Review date	05/11/2019		

What data / information are you using to inform your assessment?	Market intelligence in terms of appetite for service. Benchmarking data for burial fees and charges.	Have any information gaps been identified along the way? If so, please specify	None
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Explain the potential positive, negative or unequal impact on the following characteristics and how likely this is:			
Age	No impact. Saturday services will be accessible to all.	Race	No impact. Saturday services will be accessible to all.
Disability	No impact. Saturday services will be accessible to all.	Religion or belief	Potential positive impact as market intelligence suggests that Saturday burials can be favoured by certain faith groups.
Gender reassignment	No impact. Saturday services will be accessible to all.	Sex	No impact. Saturday services will be accessible to all.
Marriage or civil partnership	No impact. Saturday services will be accessible to all.	Sexual orientation	No impact. Saturday services will be accessible to all.
Pregnancy & maternity	No impact. Saturday services will be accessible to all.	Socio-economic ⁴	The council's concessions policy would apply to this chargeable service and would offer discounted rates to those receiving certain income based benefits. The council has also introduced a new Sanctum offer to its cemetery product range. This product is a more affordable offer compared to burial or interment options.
Other			

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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	Saturday cemetery services will provide greater choice and

⁴Although 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.



					convenience for our residents and customers.
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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
Saturday burial and interment services to be added to the Cemetery marketing materials.	Lloyd Walker	Monthly performance reviews with Assistant Director.	Q3 - 2019/20

Approved by Assistant Director/ Strategic Director: Craig Miller

Date: 06/11/2019

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

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

What is being assessed?	Growth proposals to : Review business concessions in place and estimate a reduction by 10% in year 1 and 20% in year 2 (implementation costs for new validators)	What are the key aims of it?	Clearer and fairer concession policies for business contracts: The proposal introduces 2 bands for concessions, which gives all more clarity and is fairer than the current ad hoc approach. One of the bands specifically supports the regeneration of the town centre.		
Who may be affected by it?	External : Customers				
Date of full EqIA on service area (planned or completed)					
Form completed by:	Zayd Al-Jawad	Start date	01/10/2019	End date	01/10/2020
		Review date	01/06/2020		

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What data / information are you using to inform your assessment?	Existing and proposed Job Descriptions. Existing contracts	Have any information gaps been identified along the way? If so, please specify	
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Explain the potential positive, negative or unequal impact on the following characteristics and how likely this is:			
Age	N/A	Race	N/A
Disability	N/A	Religion or belief	N/A
Gender reassignment	N/A	Sex	N/A
Marriage or civil partnership	N/A	Sexual orientation	N/A



Pregnancy & maternity	N/A	Socio-economic ⁵	Positive impact - Supports the regeneration of the town centre
Other	N/A		

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

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

Action	Responsible officer	How will this be delivered and monitored?	Deadline
Keep under review and be aware of potential issues			

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Approved by Assistant Director/ Strategic Director: Zayd Al-Jawad
Date: 29.10.2019

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

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

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

What is being assessed?	Growth proposals to: Additional fees from Corey's Mill Lane income beyond Fees & Charges. Current tariff up to 2 hours £1.50 (increase 10pence-20pence) 3 hours £2.00 (increase 20pence)	What are the key aims of it?	Still competitively priced, the Corey's Mill charges have not been increased since implemented. This would be a 10-20pence increase			
Who may be affected by it?	External: Customers					
Date of full EqIA on service area (planned or completed)						
Form completed by:	Zayd Al-Jawad	Start date	01/10/2019	End date	01/10/2020	
		Review date	01/06/2020			

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What data / information are you using to inform your assessment?	Hospital uses	Have any information gaps been identified along the way? If so, please specify	
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Explain the potential positive, negative or unequal impact on the following characteristics and how likely this is:			
Age	Older people accessing the hospital by car can use the bays SBC provide at a lower cost than the hospital. The minor increase in parking is not significant in terms of the costs of owner/ running a car.	Race	N/A

Disability	Those with a disability using the hospital will have access to disabled parking provision.	Religion or belief	N/A
Gender reassignment	N/A	Sex	N/A
Marriage or civil partnership	N/A	Sexual orientation	N/A
Pregnancy & maternity	The maternity unit provides dedicated spaces	Socio-economic ⁶	N/A
Other	N/A		

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	

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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
Keep under review and be aware of potential issues	Zayd Al-Jawad	1:1 and REAL conversations	01/10/2020

Approved by Assistant Director/ Strategic Director: Zayd Al-Jawad

Date: 29.10.2019

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

⁶Although non-statutory, the council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.

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

What is being assessed?	Increasing Pavilion Usage	What are the key aims of it?	Increase occupancy rates of SBC assets and respond to financial security ambitions.		
Who may be affected by it?	Current user groups				
Date of full EqIA on service area (planned or completed)	April 2020				
Form completed by:	Rob Gregory	Start date	Nov 19	End date	
		Review date			

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What data / information are you using to inform your assessment?	Current usage/bookings	Have any information gaps been identified along the way? If so, please specify	
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Explain the potential positive, negative or unequal impact on the following characteristics and how likely this is:			
Age	Positive	Race	Positive
Disability	Positive	Religion or belief	Positive
Gender reassignment	Positive	Sex	Positive
Marriage or civil partnership	Positive	Sexual orientation	Positive
Pregnancy & maternity	Positive	Socio-economic ⁷	Positive
Other			

⁷Although non-statutory, the council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.



Where there is a likely positive impact , please explain how it will help to fulfil our legislative duties to:				
Remove discrimination & harassment		Promote equal opportunities	Opportunities to increase usage from protected characteristic groupings.	Encourage good relations

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

Action	Responsible officer	How will this be delivered and monitored?	Deadline
Review EQIA as proposals develop			

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Approved by Assistant Director: Rob Gregory

Date:

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

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

What is being assessed?	Introduction of car parking charges for Council employees	What are the key aims of it?	To consider the potential impact of the introduction of staff parking charges on all staff and particularly those under the protected characteristics		
Who may be affected by it?	All employees				
Date of full EqIA on service area (planned or completed)	April 2020				
Form completed by:	Clare Davies, Senior HR&OD Manager	Start date	December 2019	End date	TBC
		Review date	April 2020		

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What data / information are you using to inform your assessment?	Workforce Information (as at October 2019)	Have any information gaps been identified along the way? If so, please specify	N/A
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Explain the potential positive, negative or unequal impact on the following characteristics and how likely this is:			
Age	Proposals around charges for car parking may adversely impact on older workers who may find it more difficult to walk or cycle to work	Race	Nothing disproportionate identified currently
Disability	Proposals around charges for car parking may adversely impact on staff with physical disabilities as they may find it more difficult to walk to work or commute by other means.	Religion or belief	Nothing disproportionate identified currently
Gender reassignment	There was insufficient information about gender	Sex	Nothing disproportionate identified currently

	reassignment for analysis		
Marriage or civil partnership	Nothing disproportionate identified currently	Sexual orientation	Nothing disproportionate identified currently
Pregnancy & maternity	Data numbers too small for EQiA data to be meaningful.	Socio-economic ⁸	Whilst no data is held on the socio-economic background of our workforce, the proposal could be seen to have an impact on those on lower incomes compared to those on higher incomes.
Other	Nothing identified		

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Where there is a likely positive impact , please explain how it will help to fulfil our legislative duties to:					
Remove discrimination & harassment	Consider approach to address some of the unequal impacts in the design of the car parking charges policy	Promote equal opportunities		Encourage good relations	Consult with staff and trade unions in the development of the policy

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	Clare Davies	In the consultation and development of the car parking charges policy	June 2020

Approved by Strategic Director: Richard Protheroe

Date: 31.12.19

⁸Although non-statutory, the council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.

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

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What is being assessed?	Proposal to apply a 9.84% increase in the rental charge applied to road facing garages.	What are the key aims of it?	Benchmarking of fees and charges applied by like authorities is undertaken as part of the annual fees and charges setting process. This process identified a differential in the amount charged by SBC for premium garages when compared to other local authority charges. The aim of this proposal is to align the council's charges with the current market position. Road facing garages are in demand and are readily let when they become available. These garages incorporate a parking space in front of the garage building itself.		
Who may be affected by it?	1,491 existing road facing garage tenants and prospective lessees.				
Date of full EqIA on service area (planned or completed)					
Form completed by:	Craig Miller	Start date	01/04/20	End date	31/03/21
		Review date	01/09/2020		

What data / information are you using to inform your assessment?	Benchmarking data and current demand data for premium/road facing garages.	Have any information gaps been identified along the way? If so, please specify	None
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Explain the potential positive, negative or unequal impact on the following characteristics and how likely this is:			
Age	None...The proposed increase is to be applied	Race	None...the proposed increase is to be applied consistently

	<p>consistently and is not influenced by a customer's age.</p> <p>The council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.</p>		<p>and is not influenced by a customer's race.</p> <p>The council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.</p>
Disability	<p>None...the proposed increase is to be applied consistently and is not influenced by disability.</p> <p>The council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.</p>	Religion or belief	<p>None...the proposed increase is to be applied consistently and is not influenced by a customer's religion or beliefs.</p> <p>The council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.</p>
Gender reassignment	<p>None...the proposed increase is to be applied consistently and is not influenced by gender reassignment.</p> <p>The council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.</p>	Sex	<p>None...the proposed increase is to be applied consistently and is not influenced by a customer's gender.</p> <p>The council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.</p>
Marriage or civil partnership	<p>None...the proposed increase is to be applied consistently and is not influenced by a customer's marital or civil status.</p>	Sexual orientation	<p>None...the proposed increase is to be applied consistently and is not influenced by a customer's sexual orientation.</p>

	The council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.		The council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.
Pregnancy & maternity	<p>None...the proposed increase is to be applied consistently and is not influenced by pregnancy or maternity.</p> <p>The council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.</p>	Socio-economic ⁹	<p>The council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.</p> <p>The council has availability within its non-road facing garage stock. These units can be offered as a more affordable option for any customer who is unable to meet the increased charge for a road facing unit.</p>
Other	Location of alternative garages where road facing garages may not be affordable – alternative non-road facing garages could be located in locations that are further away from a customer's property than their existing unit. This could have greater impact on the elderly and/or those with a disability.		

⁹Although 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.

	The council will seek to identify the closest alternative to the customer's home in such instance and will where possible prioritise these units for customers with such particular need.	
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Where there is a likely positive impact , please explain how it will help to fulfil our legislative duties to:					
Remove discrimination & harassment	No	Promote equal opportunities	No	Encourage good relations	No

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

Page 122

Action	Responsible officer	How will this be delivered and monitored?	Deadline
Review of charge application and EQIA to ensure continued applicability.	Carlo Perricone	Review alongside corporate fees and charges setting process.	September '20

Approved by Assistant Director/ Strategic Director: Craig Miller

Date: 12th December 2019

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

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

Page 123

What is being assessed?	Proposal to apply a 24.82% increase in the charge applied for the purchase of an exclusive right to a grave for an adult. Additionally, a reduction in the grant period from 100 years to 50 years.	What are the key aims of it?	Benchmarking of fees and charges applied by like authorities is undertaken as part of the annual fees and charges setting process. This process identified a differential in the amount charged by SBC for Grants of Exclusive Rights for adult graves when compared to other local authority charges. The aim of this proposal is to align the council's charges with the current market position. Similarly, the length of grant provided by SBC was much longer than others. The reduction of this period to 50 years was felt to be commensurate with the generational span of family members who would be involved in the upkeep of a plot etc.			
Who may be affected by it?	Prospective customers from 01/04/20.					
Date of full EqIA on service area (planned or completed)						
Form completed by:	Craig Miller	Start date	01/04/20	End date	31/03/21	
		Review date	01/09/2020			

What data / information are you using to inform your assessment?	Benchmarking data	Have any information gaps been identified along the way? If so, please specify	None
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Explain the potential positive, negative or unequal impact on the following characteristics and how likely this is:			
Age	None...The proposed increase is to be applied consistently and is not influenced by a customer's age.	Race	None...the proposed increase is to be applied consistently and is not influenced by a customer's race.

	The council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.		The council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.
Disability	<p>None...the proposed increase is to be applied consistently and is not influenced by disability.</p> <p>The council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.</p>	Religion or belief	<p>None...the proposed increase is to be applied consistently and is not influenced by a customer's religion or beliefs.</p> <p>The council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.</p>
Gender reassignment	<p>None...the proposed increase is to be applied consistently and is not influenced by gender reassignment.</p> <p>The council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.</p>	Sex	<p>None...the proposed increase is to be applied consistently and is not influenced by a customer's gender.</p> <p>The council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.</p>
Marriage or civil partnership	<p>None...the proposed increase is to be applied consistently and is not influenced by a customer's marital or civil status.</p> <p>The council's approved concessions policy will continue to apply for</p>	Sexual orientation	<p>None...the proposed increase is to be applied consistently and is not influenced by a customer's sexual orientation.</p> <p>The council's approved concessions policy will continue to apply for customers who are in receipt</p>

	customers who are in receipt of qualifying benefits.		of qualifying benefits.
Pregnancy & maternity	<p>None...the proposed increase is to be applied consistently and is not influenced by pregnancy or maternity.</p> <p>The council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.</p>	Socio-economic ¹⁰	<p>The council's approved concessions policy will continue to apply for customers who are in receipt of qualifying benefits.</p> <p>The council has introduced a new Sanctum service to its cemetery service offering in Q4 2019. Sanctums provide a more affordable solution for the interment of ashes compared to traditional grave burials or interments.</p>

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

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

Action	Responsible officer	How will this be delivered and monitored?	Deadline
Review of charge application and EQIA to ensure continued applicability.	Lloyd Walker	Review alongside corporate fees and charges setting process.	September '20

Approved by Assistant Director/ Strategic Director: Craig Miller

Date: 12th December 2019

¹⁰Although non-statutory, the council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.

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

What is being assessed?	Paperless Committees	What are the key aims of it?	Reduce use of papers for committees by supplying access to papers via laptops or tablets		
Who may be affected by it?	Members (councillors), Member services staff				
Date of full EqIA on service area (planned or completed)					
Form completed by:	Simon Russell	Start date	29/10/2019	End date	
		Review date			

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What data / information are you using to inform your assessment?	Professional experience having implemented similar solution at two previous authorities.	Have any information gaps been identified along the way? If so, please specify	
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Explain the potential positive, negative or unequal impact on the following characteristics and how likely this is:			
Age	Potentially negative depending on ICT literacy – although this isn't necessarily linked to age	Race	No impact
Disability	<p>Potential negative impact for persons with a physical disability, which hinders their ability to carry a laptop.</p> <p>Positive for persons with visual impairment as accessibility functions allows access for text to audio capability.</p>	Religion or belief	No impact

Gender reassignment	No impact	Sex	No impact
Marriage or civil partnership	No impact	Sexual orientation	No impact
Pregnancy & maternity	Negative during period of pregnancy which may hinder the ability to carry a laptop	Socio-economic ¹¹	No impact
Other			

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	For persons with visual impairment accessibility functions grants greater access to documents. Grants access to equipment to increase ICT literacy and improve current skills.	Encourage good relations	

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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
Digital Skills Self- Assessment for Members to help identify level of ICT literacy and to tailor support for Members	Simon Russell	Self- Assessment Questionnaire	March 2020
Assisted Digital Support to be offered to Members to improve their digital literacy and to be able to use Mod.gov software.	Simon Russell	Through 1-2-1 or dedicated sessions	May 2020

¹¹Although 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.



Pool laptops to be available that Members that have physical disabilities can use.	Simon Russell	Part of 2020/21 Hardware Replacement Programme	June 2020
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Approved by Strategic Director: Richard Protheroe
Date: 29 October 2019

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

Full Equality Impact Assessment

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

What is being assessed?		CA Stevenage- Financial Security Options			
Lead Assessor	Rob Gregory			Assessment team	Paul Cheeseman (Interim Community Development Manager) Aamani Rehman Community Inclusion Officer
Start date	September 2019	End date	March 2020		
When will the EqIA be reviewed?	January 2020				

Who may be affected by it?	Customers/Residents
What are the key aims of it?	To reduce the SBC annual grant contribution to CA Stevenage by up to £40,000 (18.7%) (13.5% cash and in-kind grant contribution) as part of the SBC Financial Security arrangements.

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What positive measures are in place (if any) to help fulfil our legislative duties to:					
Remove discrimination & harassment	Maintenance of independent advice services contract to provide support to residents across Stevenage	Promote equal opportunities	Targeting the different needs of different parts of the community with programmes and targeted support.	Encourage good relations	Maintain strong leadership across community and voluntary sector.

What sources of data / information are you using to inform your assessment?	Population data, child poverty statistics, data available from CA Stevenage.
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In assessing the potential impact on people, are there any overall comments that you would like to make?	The reduction in a core grant will impact on any voluntary organisation's existing operating model. Conversations have begun with CA Stevenage to understand what these will be and how best to mitigate against any adverse impact on the communities of Stevenage and in particular any protected characteristic groups.
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Evidence and impact assessment

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

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Age			
Positive impact	Negative impact	Neutral impact	
Please evidence the data and information you used to support this assessment	No evidence to support negative impact on particular age groups.		
What opportunities are there to promote equality and inclusion?	Use service data and area data to better target population segments.	What do you still need to find out? Include in actions (last page)	CA Performance Data

Disability			
e.g. physical impairment, mental ill health, learning difficulties, long-standing illness			
Positive impact	Negative impact	Neutral impact	
Please evidence the data and information you used to support this assessment	A significant number of clients to CA suffer disabilities. Unless the operating model changes to respond to servicing this demand whilst reducing costs, there could be a reduction at the speed in which all clients can be seen, including those with disabilities.		
What opportunities are there to promote equality and inclusion?	Look at new ways to reach target group.	What do you still need to find out? Include in actions (last page)	CA Performance Data

Gender reassignment				
Positive impact	Negative impact		Neutral impact	✓
Please evidence the data and information you used to support this assessment		Unclear on impact. This data is not currently collected by CA		
What opportunities are there to promote equality and inclusion?	Look at new ways to reach target group.	What do you still need to find out? Include in actions (last page)	CA Performance Data	

Marriage or civil partnership				
Positive impact	Negative impact		Neutral impact	✓
Please evidence the data and information you used to support this assessment		Unclear on impact. Unless the operating model changes to respond to servicing this demand whilst reducing costs, there could be a reduction at the speed in which all clients can be seen.		
What opportunities are there to promote equality and inclusion?	Look at new ways to reach target group.	What do you still need to find out? Include in actions (last page)	CA Performance Data	

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Pregnancy & maternity				
Positive impact	Negative impact		Neutral impact	✓
Please evidence the data and information you used to support this assessment		Unclear on impact. Unless the operating model changes to respond to servicing this demand whilst reducing costs, there could be a reduction at the speed in which all clients can be seen.		
What opportunities are there to promote equality and inclusion?	Look at new ways to reach target group.	What do you still need to find out? Include in actions (last page)	CA Performance Data	

Race			
Positive impact	✓	Negative impact	
Neutral impact	✓		
Please evidence the data and information you used to support this assessment	Unclear on impact. Unless the operating model changes to respond to servicing this demand whilst reducing costs, there could be a reduction at the speed in which all clients can be seen.		
What opportunities are there to promote equality and inclusion?	Look at new ways to reach target group.	What do you still need to find out? Include in actions (last page)	

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Religion or belief			
Positive impact		Negative impact	
Neutral impact	✓		
Please evidence the data and information you used to support this assessment	Unclear on impact. Unless the operating model changes to respond to servicing this demand whilst reducing costs, there could be a reduction at the speed in which all clients can be seen.		
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

Sex			
Positive impact	✓	Negative impact	
Neutral impact			
Please evidence the data and information you used to support this assessment	Unclear on impact. Unless the operating model changes to respond to servicing this demand whilst reducing costs, there could be a reduction at the speed in which all clients can be seen.		
What opportunities are there to promote equality and inclusion?	Look at new ways to reach different target groups in different ways.	What do you still need to find out? Include in actions (last page)	

Sexual orientation e.g. straight, lesbian / gay, bisexual			
Positive impact	Negative impact	Neutral impact	
✓			
Please evidence the data and information you used to support this assessment		Unclear on impact. Unless the operating model changes to respond to servicing this demand whilst reducing costs, there could be a reduction at the speed in which all clients can be seen.	
What opportunities are there to promote equality and inclusion?	Look at new ways to reach different target groups in different ways.	What do you still need to find out? Include in actions (last page)	

Socio-economic¹² e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users, social value in procurement			
Positive impact	Negative impact	Neutral impact	
	✓		
Please evidence the data and information you used to support this assessment		A significant number of clients to CA suffer financial hardship. Unless the operating model changes to respond to servicing this demand whilst reducing costs, there could be a reduction at the speed in which all clients can be seen.	
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

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Other please feel free to consider the potential impact on people in any other contexts			
Positive impact	Negative impact	Neutral impact	
✓			
Please evidence the data and information you used to support this assessment		Re-negotiating CA Stevenage's core grant may also provide an opportunity to refocus efforts on new opportunities to reach more people, looking at new engagement methods, opportunities for external funding and commissioning and in encouraging more collaboration with other VCS partners. By adopting a Co-operative Council approach this review can be conducted positively.	

¹²Although non-statutory, the council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.

What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	
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What are the findings of any consultation with:

Staff?	Internal conversations held with related departments	Residents?	N/A at this stage
Voluntary & community sector?	Initial conversations held with CA Stevenage	Partners?	N/A
Other stakeholders?			

Overall conclusion & future activity

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Explain the overall findings of the assessment and reasons for outcome (please choose one) :		
1. No inequality, inclusion issues or opportunities to further improve have been identified		
Negative / unequal impact, barriers to inclusion or improvement opportunities identified	2a. Adjustments made	
	2b. Continue as planned	This review will need to be monitored as the process progresses and as more information becomes available from CA Stevenage
	2c. Stop and remove	

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

Action	Responsible officer	How will this be delivered and monitored?	Deadline
Obtain further customer data from CA	Interim Community Development Manager	Liaison meetings with CA. Information will feed into a revised EQIA to be included in the February budget setting reports to Executive and Council	February 2020



Appendix H

Work with CA to explore opportunities to modernise the operating model and identify potential alternative funding sources to mitigate any impact	Interim Community Development Manager	Liaison meetings with CA. Progress will feed into a revised EQIA to be included in the February budget setting reports to Executive and Council.	February 2020 and ongoing
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Approved by Assistant Director/Strategic Director: Rob Gregory
Date: 20/12/19

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Meeting COUNCIL
Portfolio Area Resources
Date 26 FEBRUARY 2020



FINAL CAPITAL STRATEGY 2019/20-2024/25

KEY DECISION

Authors Clare Fletcher x 2933
Contributors Senior Leadership Team
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.
- 1.2 To provide Members with an update on the Council's 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

COUNCIL:

- 2.1 That the final 2020/21 General Fund Capital Programme as detailed in Appendix C be approved.

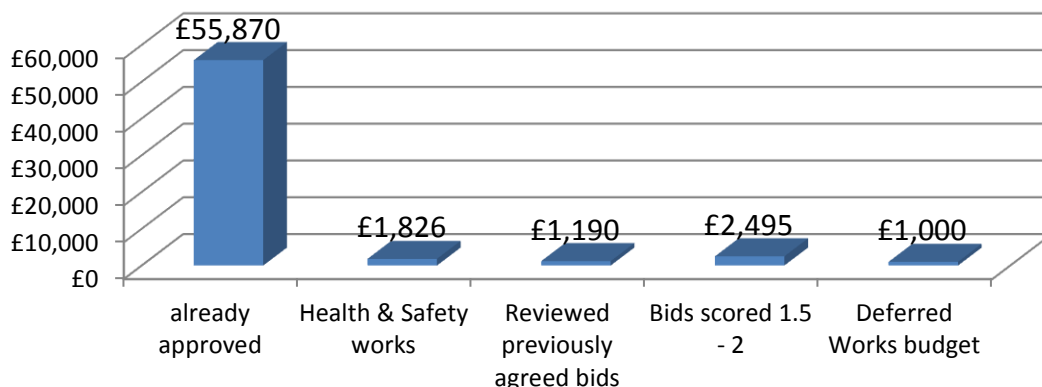
- 2.2 That the final 2020/21 HRA Capital Programme as detailed in Appendix D be approved.
- 2.3 That the updated forecast of resources as detailed in Appendix C (General Fund) and Appendix D (HRA) to the report be approved.
- 2.4 That the Council's investment strategy for non-treasury assets, section 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 4.9.3-4.9.8 of the report be noted.
- 2.7 That the approach and progress on Local Asset Reviews be noted and the target to realise receipts for 2020/21.
- 2.8 That the growth bids now included in the Capital Strategy (Appendix A to the report) 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 allowances (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

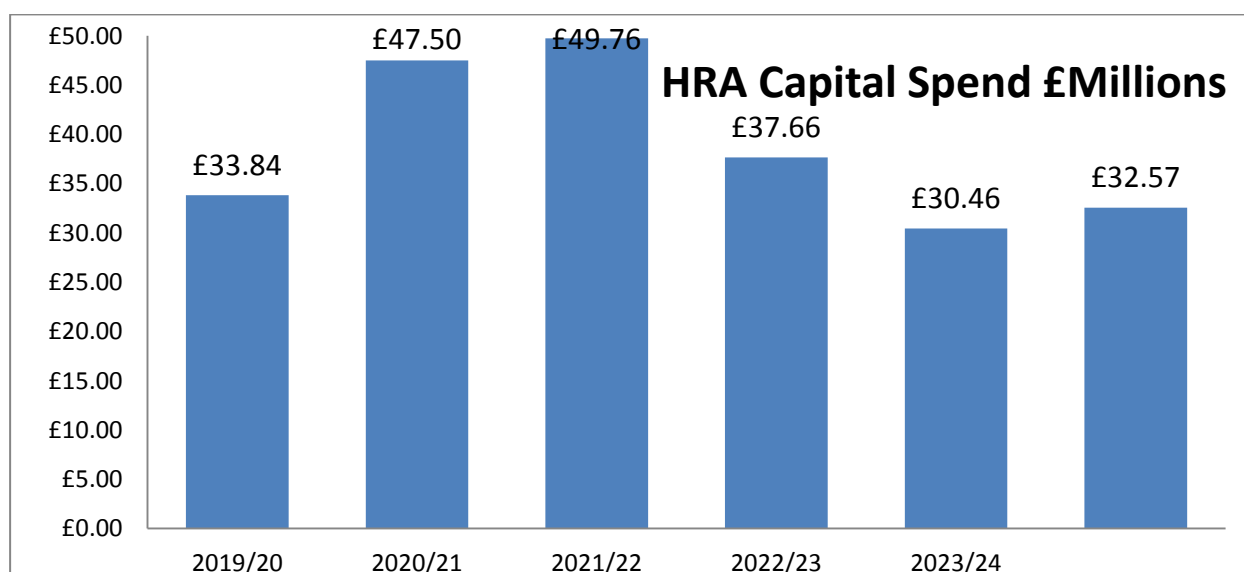
3.1 Introduction

- 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.



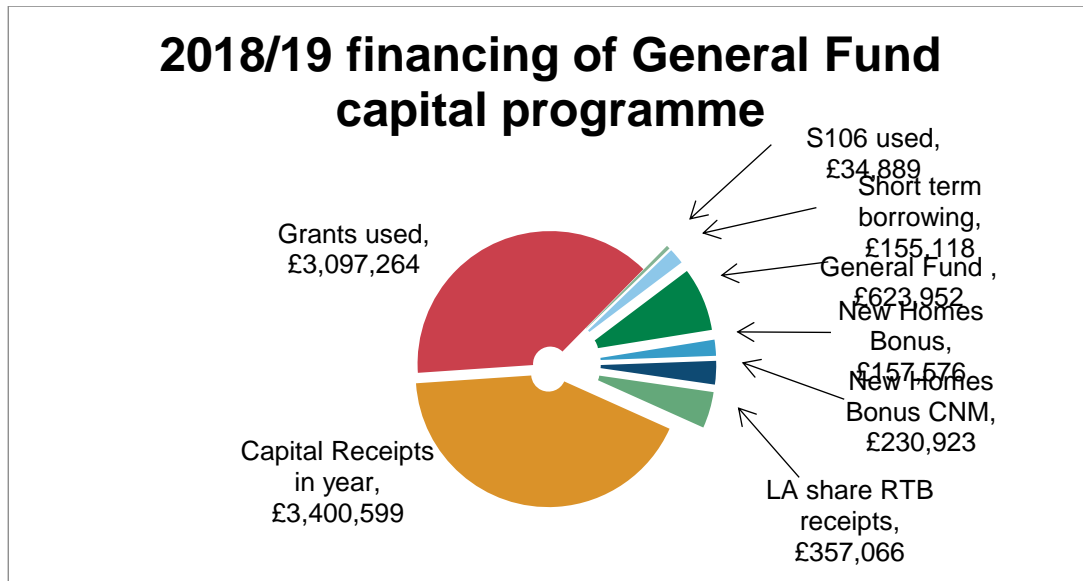
3.1.4 The purpose of the Capital Strategy is to show how the Council determines its priorities for capital investment, how much it can afford to borrow and setting out any associated risks. As a result of changes to the Prudential Code this Strategy now shows how capital financing and treasury management 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 local asset 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 local asset 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.

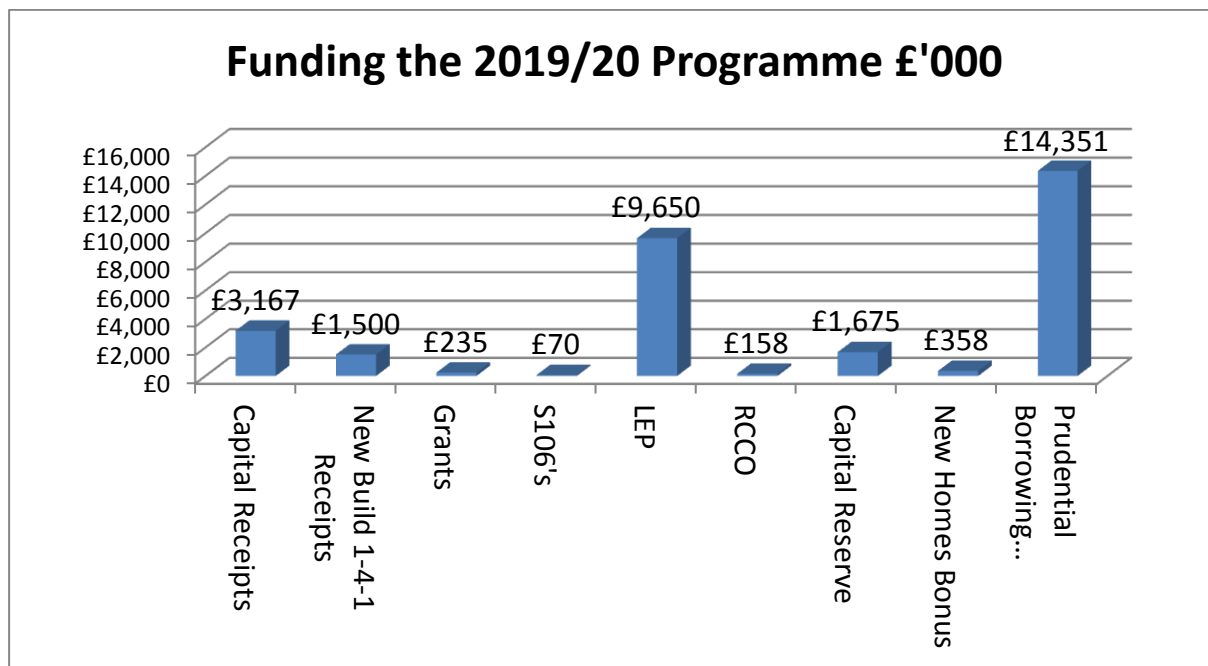
3.2.13 The timing of the ward works is summarised below, however for 2020/21 the value of monies available is reduced due to the amount of available New Homes Bonus (NHB).

	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 local asset 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.

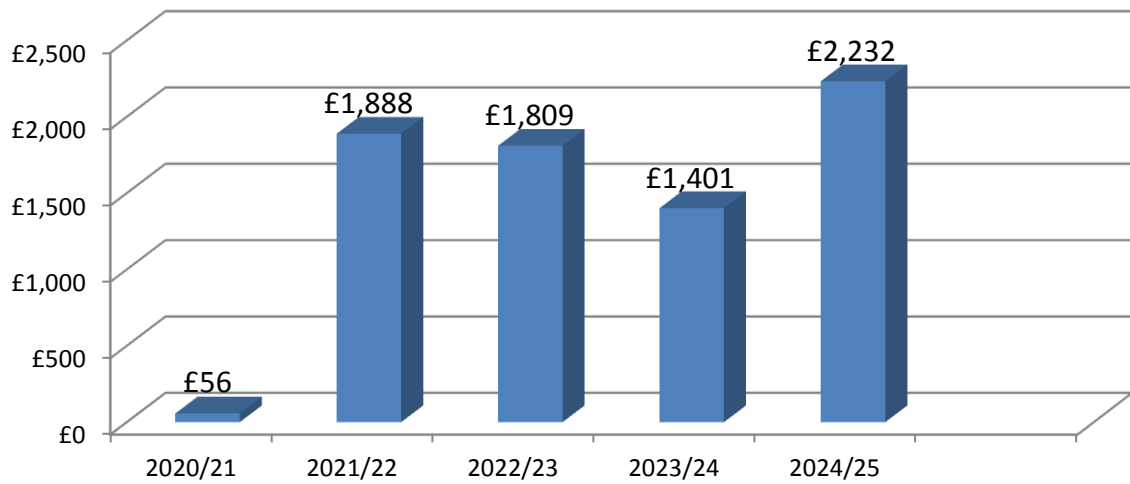


3.2.16 The level of resources available to fund the Draft Capital Strategy and included in the January report was deemed to be insufficient for 2020/21 at £56K, a number of actions were considered, which included:

- 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 local asset 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.

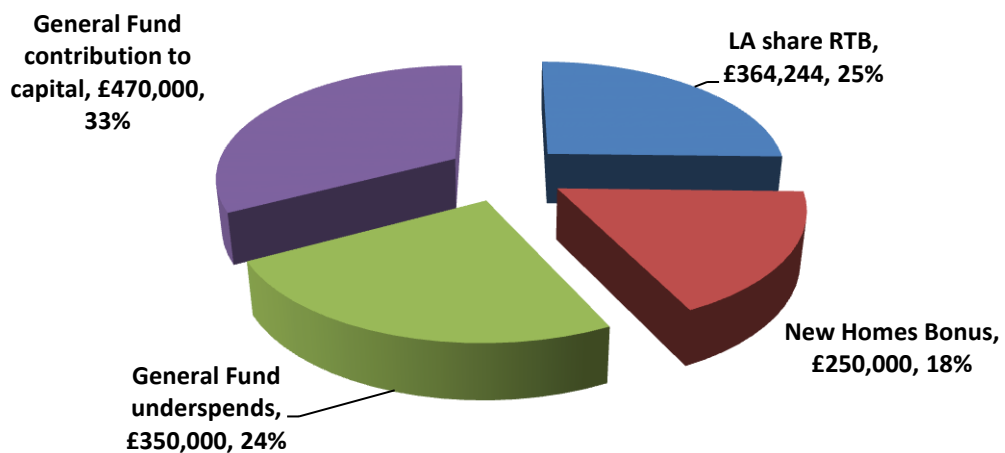
3.2.17 The level of resources unallocated in the January Draft Capital Strategy for the General Fund is summarised below.

Draft Capital Strategy unallocated capital resources year end £'000



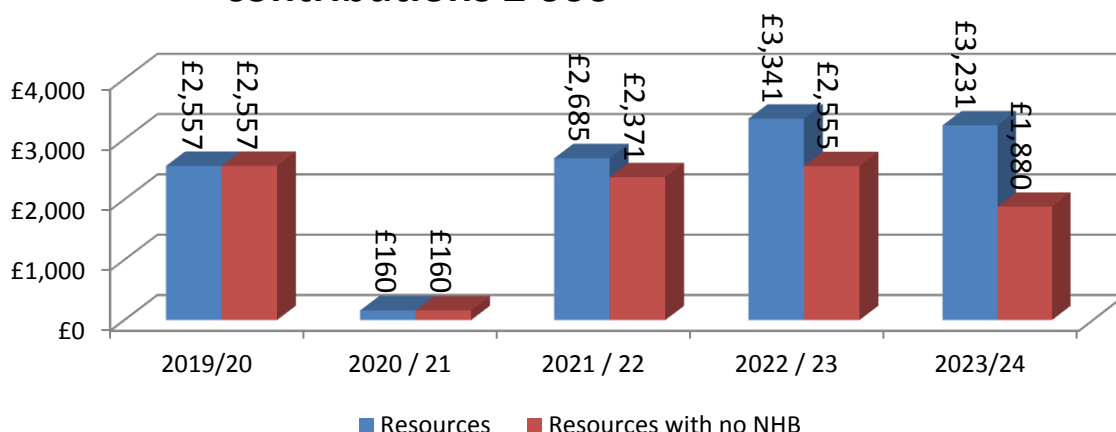
3.2.18 The Capital Reserve, which is a significant source of the capital programme funding, will receive a 2020/21 budgeted £470K contribution from the General Fund with potentially up to £350K underspends, (identified at year end), giving a General Fund maximum contribution of £820K. NHB contributes £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 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.

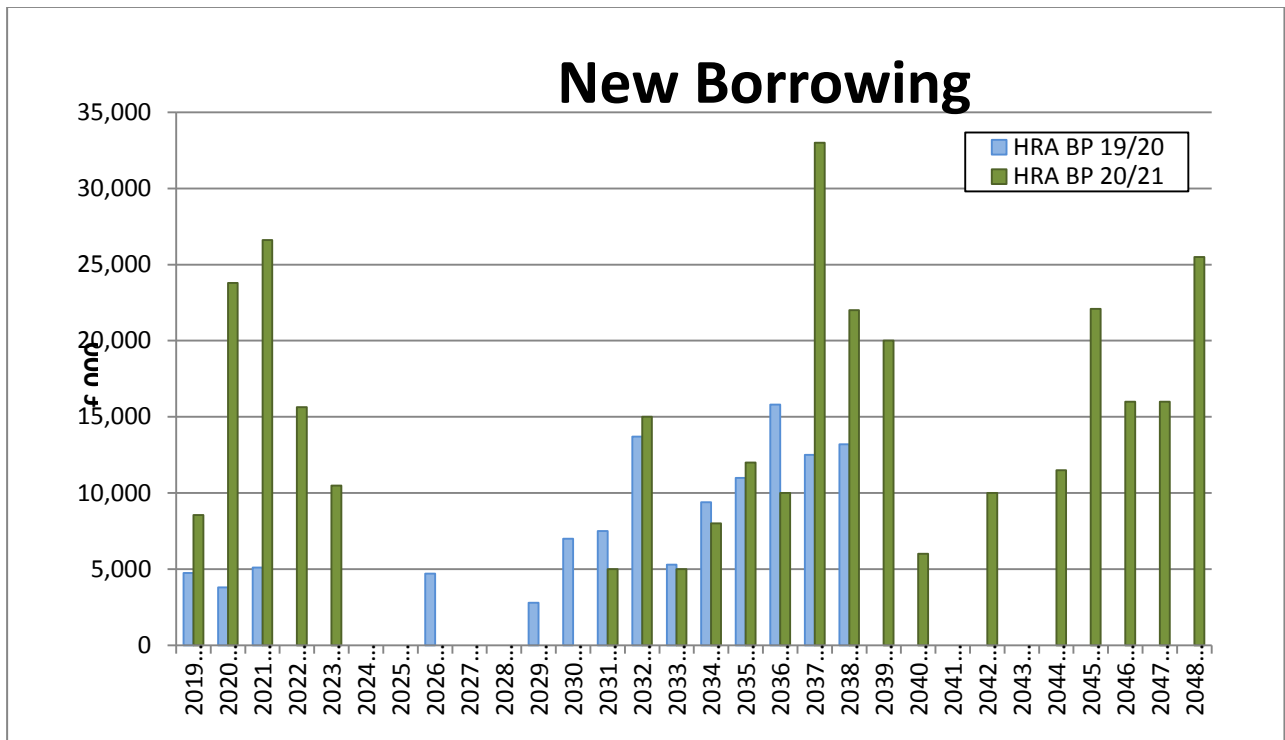
3.2.21 The options from the draft Capital Strategy are a combination of:

- 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 and summarised in Appendix A.

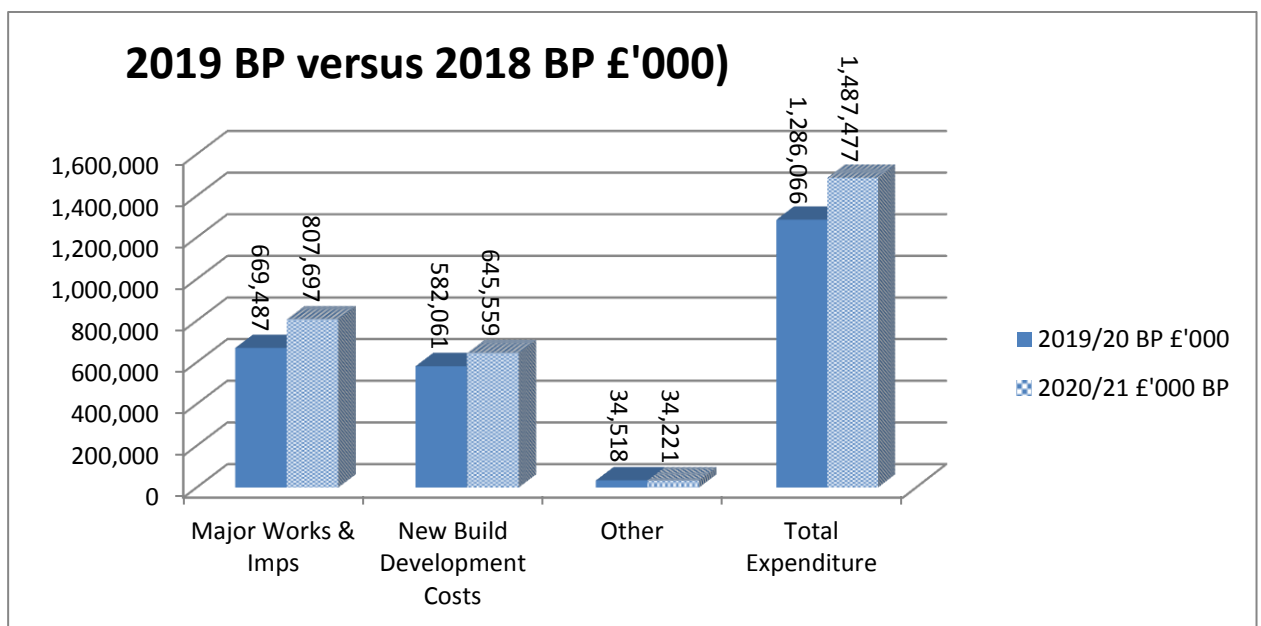
3.3 Housing Revenue Account (HRA) Investment Strategy

3.3.1 The HRA capital programme was revised as part of the HRA Business Plan update to the 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

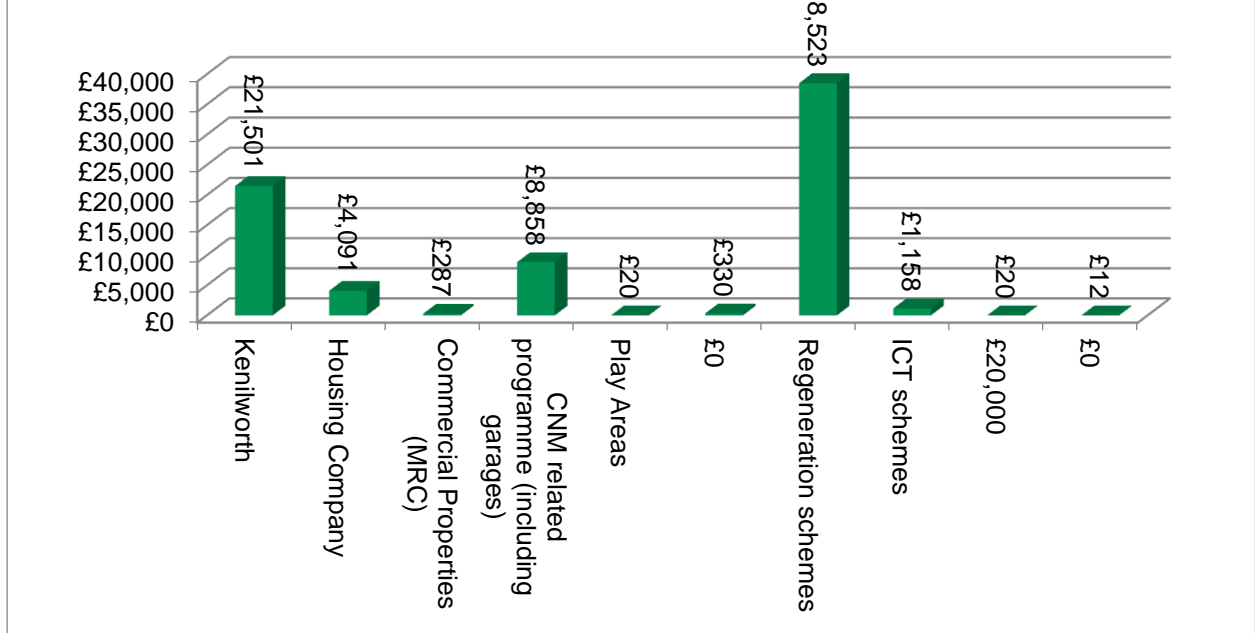
4.1 Capital Programme – 2020/21 General Fund Bids not requiring re-approval

4.1.1 As reported in the January and February Capital Strategies, 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



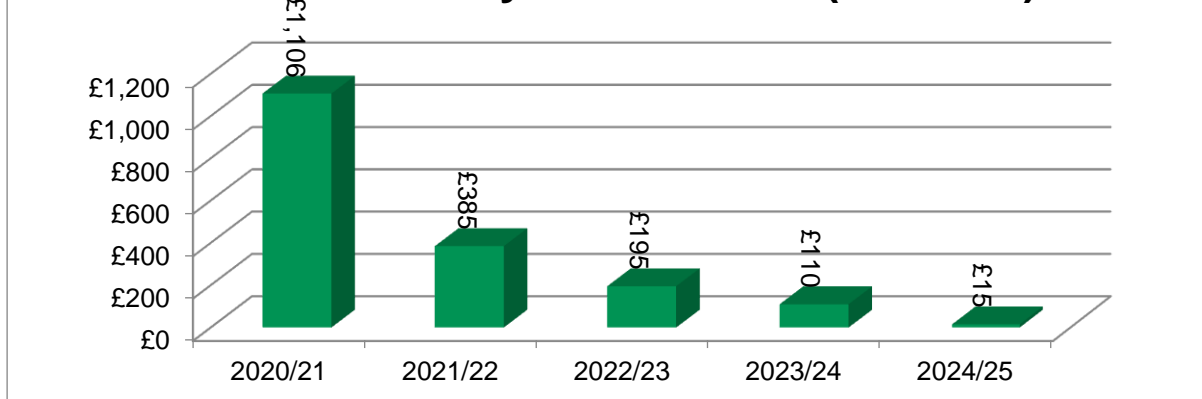
4.1.3 The capital bids submitted by officers with supporting rationale, these are summarised in Appendix A and B to this report and had been reviewed and assessed by the Leader's Financial Security Group (LFSG).

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 3.2.7-3.2.9. 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 Executive were a number of bids classified as Health and Safety related and were also supported by LFSG. These bids (detailed in Appendix A) now total £1.811Million (£1,825Million Draft Strategy) over the period 2020/21- 2024/25, the 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)

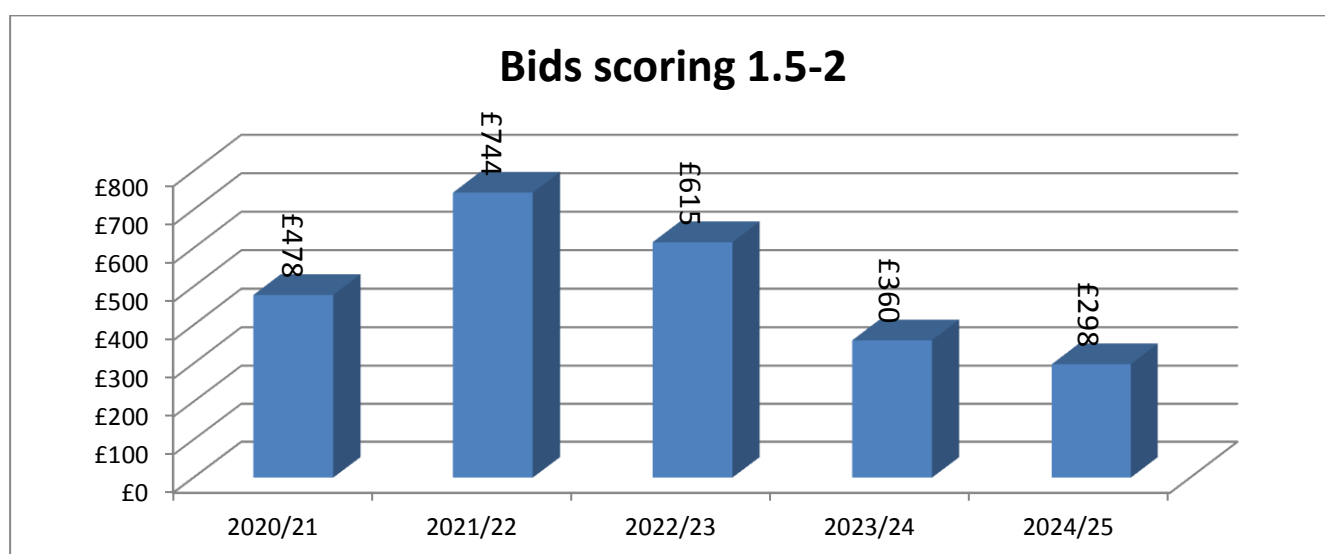


4.2.2 The Executive was advised that all bids scoring an average score of 1.5 or above are included in the Capital Strategy LSF (0= not recommended to 2=strongly recommended) due the financial constraints of the current capital programme. This recommendation remains unchanged for the Final Capital Strategy.

4.2.3 The bids were then further reviewed to challenge the profiling of the bids or whether they could be re-profiled to 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

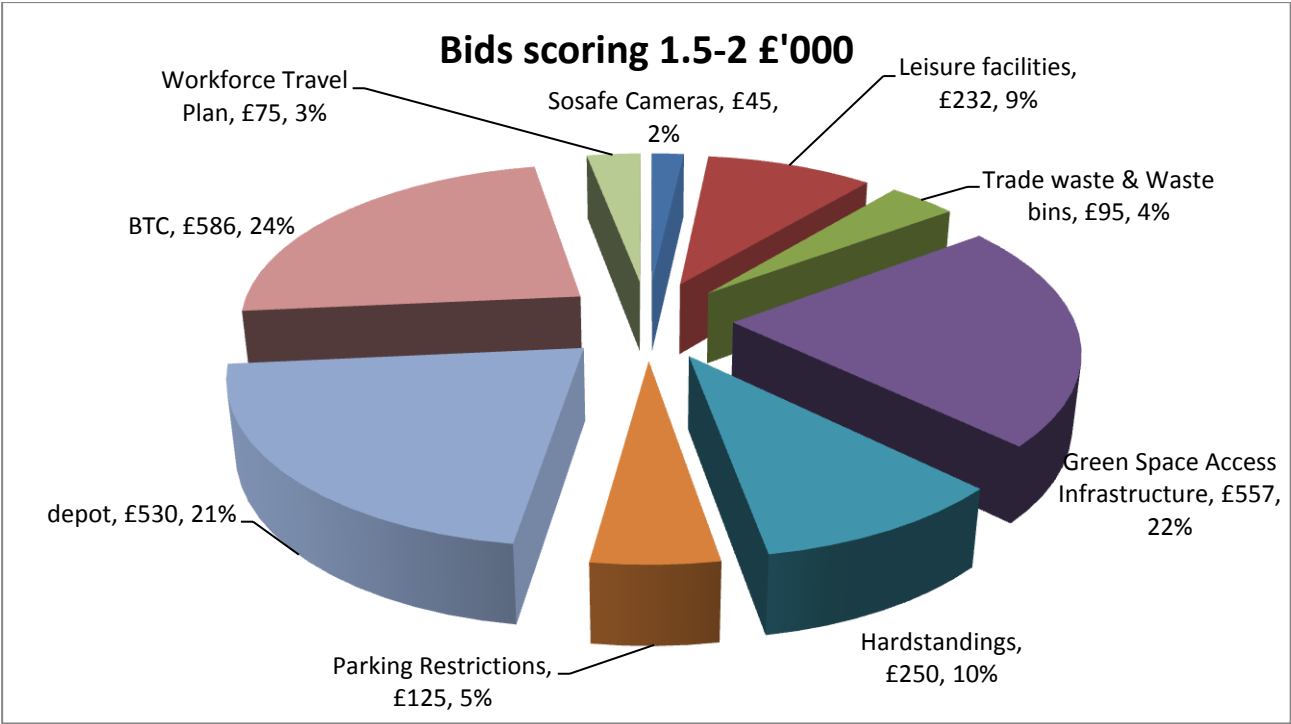
4.2.4 In the January Executive there were bids scoring bids 1.5 and above of £2.495Million and are summarised below detailed in Appendix A.



4.2.5 The works are categorised over the period 2020/21-2024/25 of which 67% relates to three areas

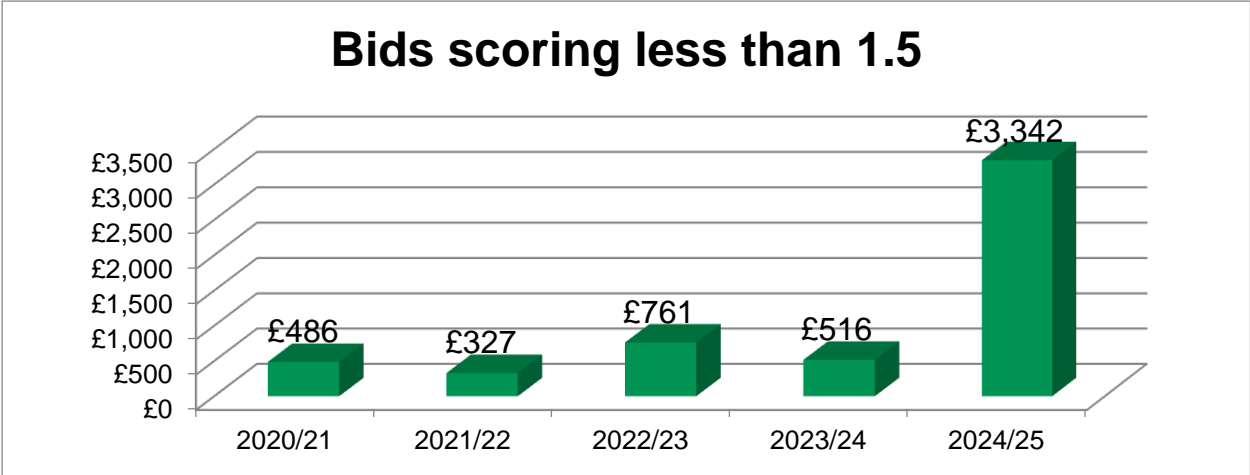
- Works to the Business Technology Centre (BTC) £586K
- Green Space infrastructure £557K
- Cavendish Road depot £530K.

A summary of the bids is shown in the pie chart below and detailed in Appendix A.

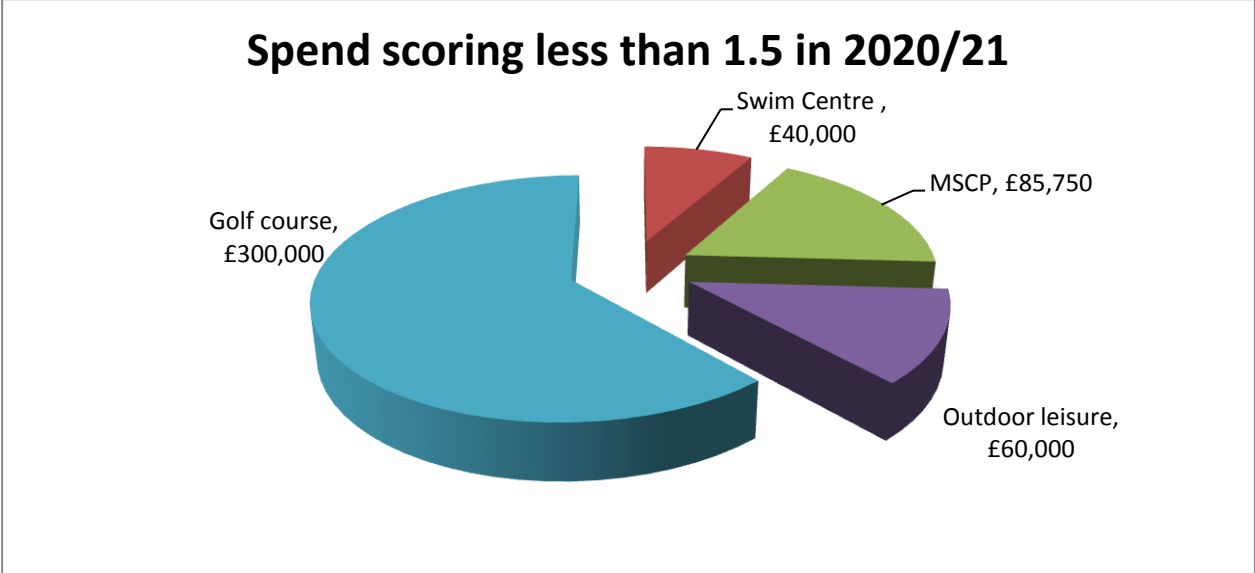


4.3 Bids Scoring Less Than an Average Score of 1.5

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.



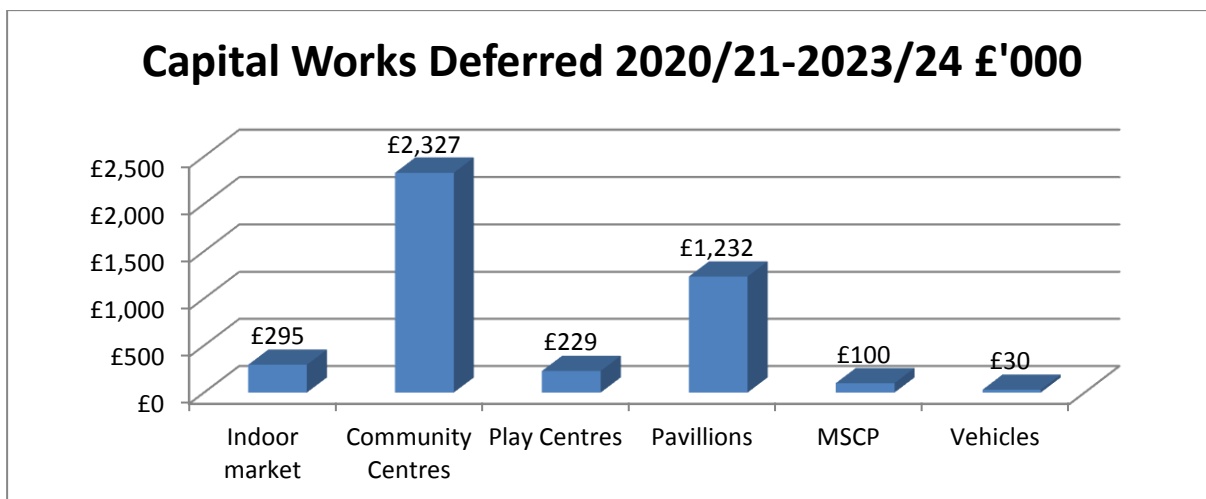
4.3.2 The bids relating to 2020/21 are summarised in the pie chart below, should any of this spend become unavoidable an allowance of £200,000 has been included in the Capital Strategy for 2020/21. As resources become available from the local asset reviews, subject to any further pressures identified, 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 and was approved at the February Executive.

4.4 Capital Bids Requiring Further Reviews/Business cases

4.4.1 As Executive 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 local asset reviews. The works total £4.2Million with £746K in 2020/21 and are summarised below and detailed in Appendix B.



*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 The 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 Appendix B

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 The 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 local asset reviews are completed.

4.7 Local Asset Review Update

4.7.1 The January Executive outlined the approach to local asset 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 local asset 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 local asset 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 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 local asset 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

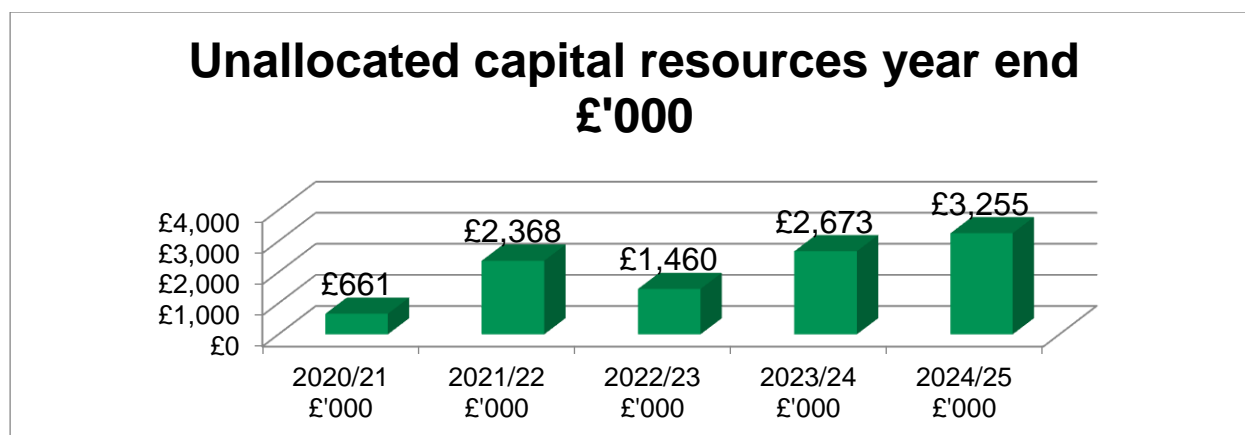
4.9 Capital Resources for the General Fund Capital Strategy

- 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:

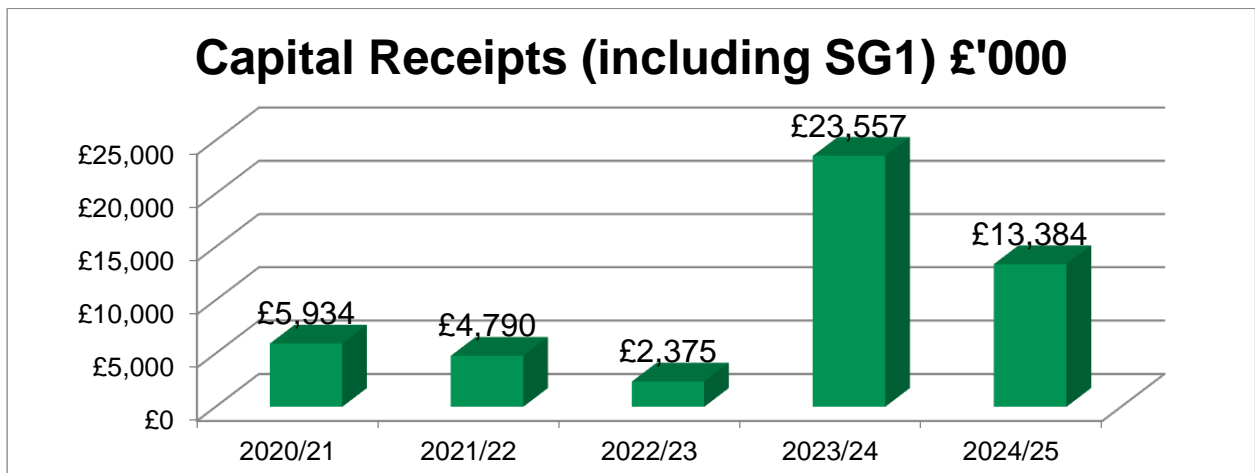
- Increase in contribution from the General Fund in 2020/21 one off £250K – this will only be drawn on if the local asset reviews do not deliver additional capital receipts.

- 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 local asset 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).

4.9.6 The CFO may consider in addition to the actions taken above:

- Prioritise the disposal of land sites (identified as part of the local asset 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 may also 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

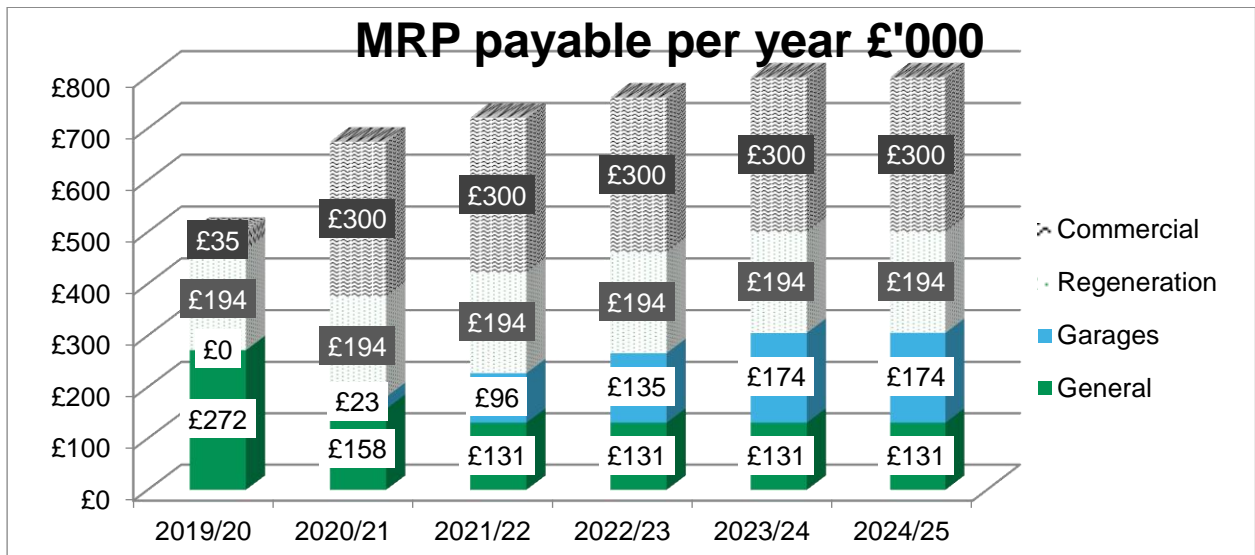
- 4.9.7 The Treasury Management operational boundary for prudential borrowing has been increased to allow the Council to borrow in the short term for the bus station. To fund the borrowing would require an increase in the General Fund savings target required/ potential reduction in General Fund services/ putting on hold a significant part of the capital programme.
- 4.9.8 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 2021/22 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.
- 4.9.9 The Local Asset 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 local asset reviews (subject to Member consultation and approval to dispose of). Target of £1Million

4.9.10 The Regeneration Steering Group needs to ensure that LEP funding is maximised to minimise any risk to the Council's finances.

4.9.11 The alternative to the approach set out in paragraphs 4.9.5-4.9.10 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.

4.9.12 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.

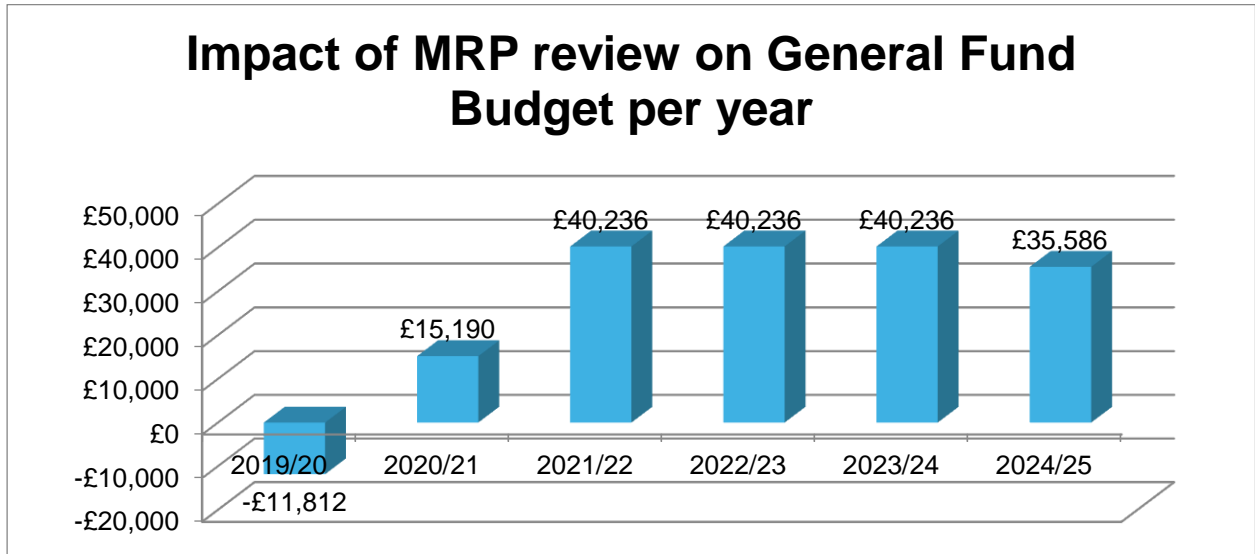


4.9.13 All of the commercial and regeneration property MRP (and interest) is funded from income generated from those assets. MRP is payable regardless of whether the borrowing is taken externally or whether internal investment balances are used.

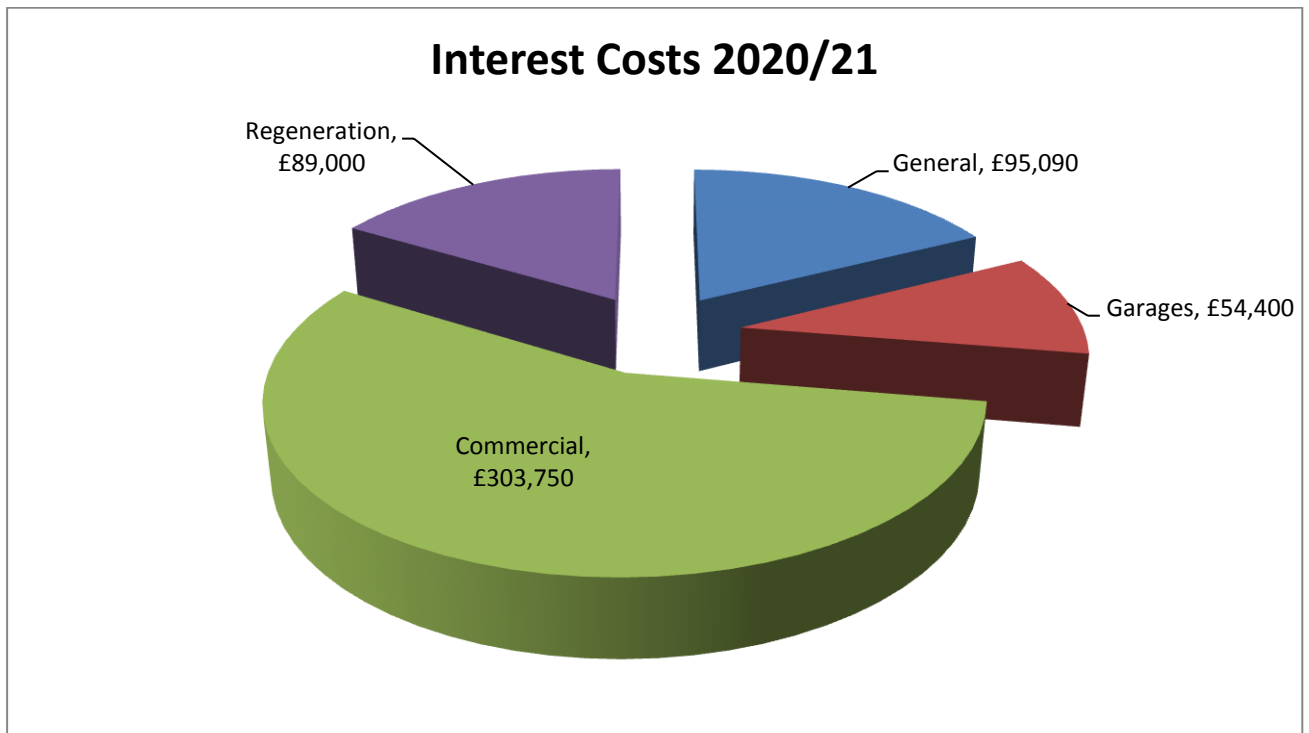
4.9.14 An action from the 2018 Capital Strategy was for the CFO to review the lives of the assets funded from borrowing to determine whether the MRP payment in year is appropriate. This was undertaken as part of the mid-year Treasury Management review of 2019/20. The useful lives of all assets financed through borrowing were reviewed. Following this review asset lives now ranges from seven years (ICT equipment) to 50 years (Investment properties, regeneration sites and car parks for example).

4.9.15 The outcome of the review is included in the General Fund budget and MTFS and has had the following impact on the General Fund, (included in the numbers

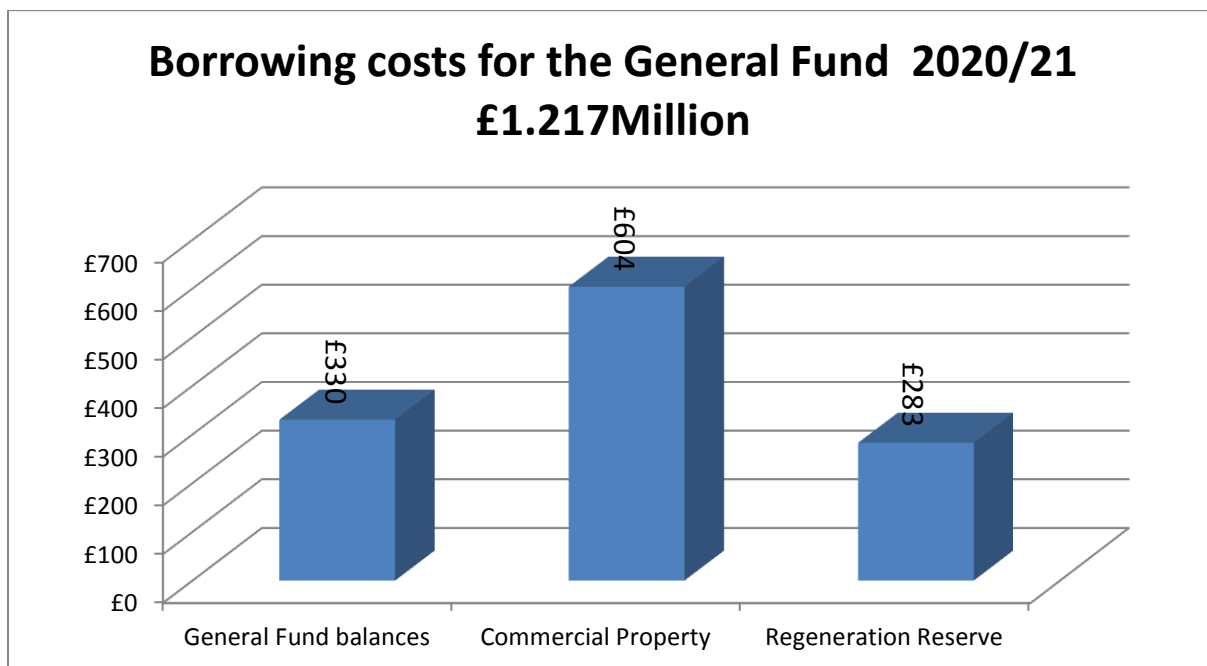
above). There was an adverse impact of £11K in 2019/20, increasing to a £40K saving per year by 2021/22.



4.9.16 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.



4.9.17 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.



4.9.18 Interest rates are 3.06% for a 25 year loan as at 7/1/2020, which would mean a cost per £1million (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.
- 4.10.9 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 their 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.

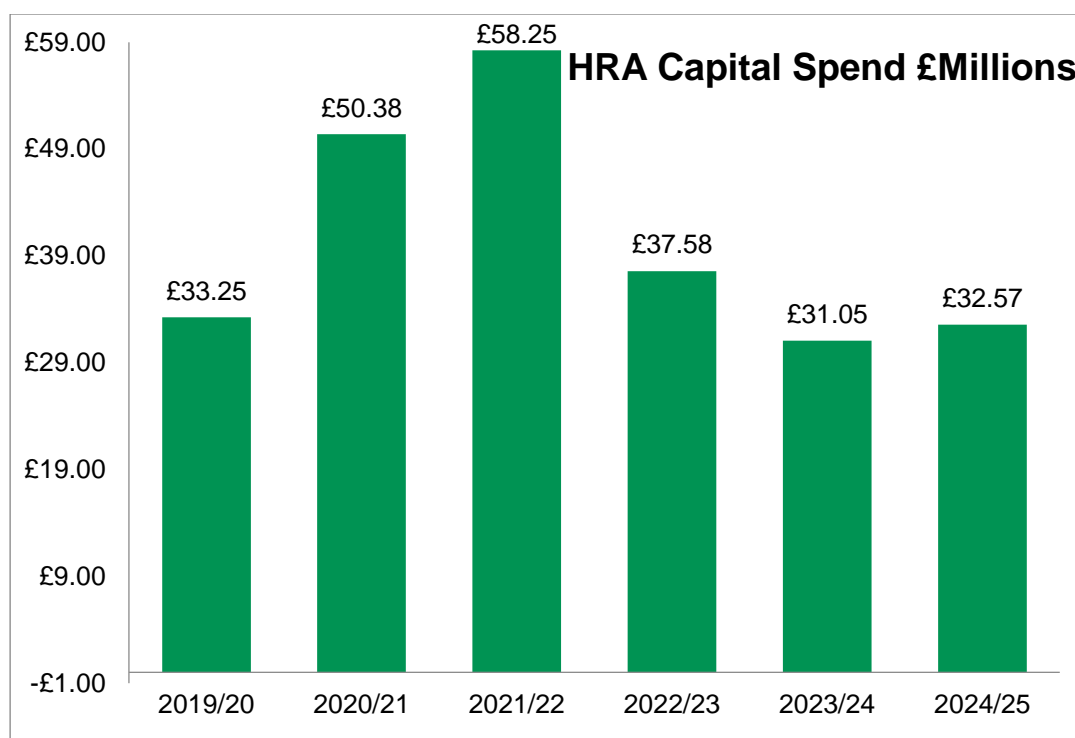
4.11.2 The Council has undertaken a long term lease for a mixed development scheme on Queensway in the town centre. This is a lease arrangement and falls outside the scope of treasury investment. As part of the decision making process a risk assessment was undertaken and presented to Members. Key Officers 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.

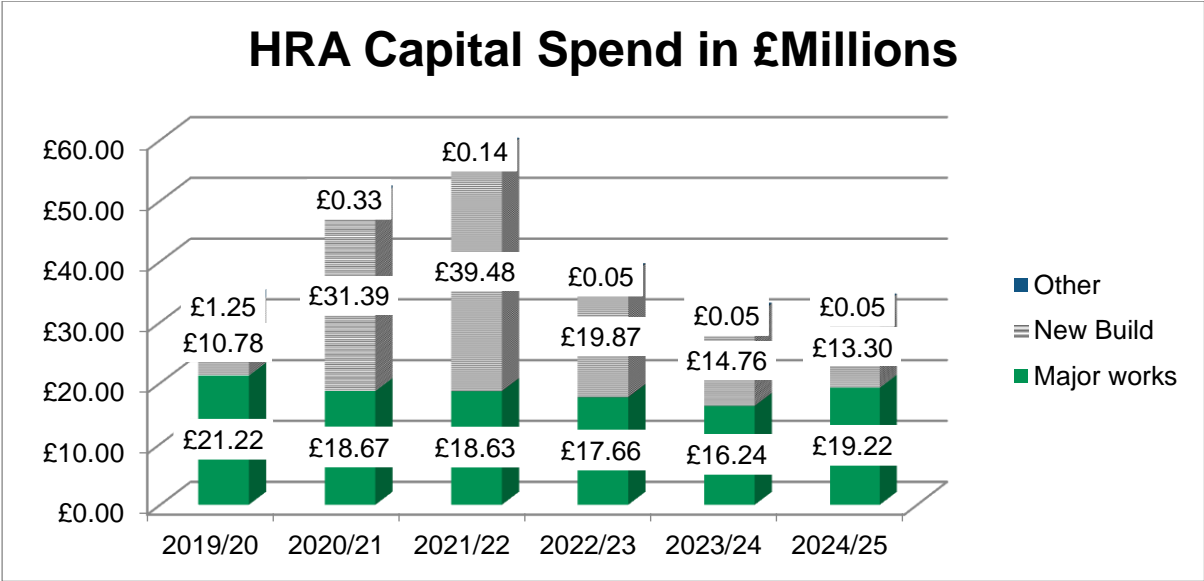
4.12 Capital Programme – Housing Revenue Account (2019/20-2024/25)

4.12.1 The HRA Business Plan approved by Council January 2020 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 included in the Appendix D totals £243.08Million.

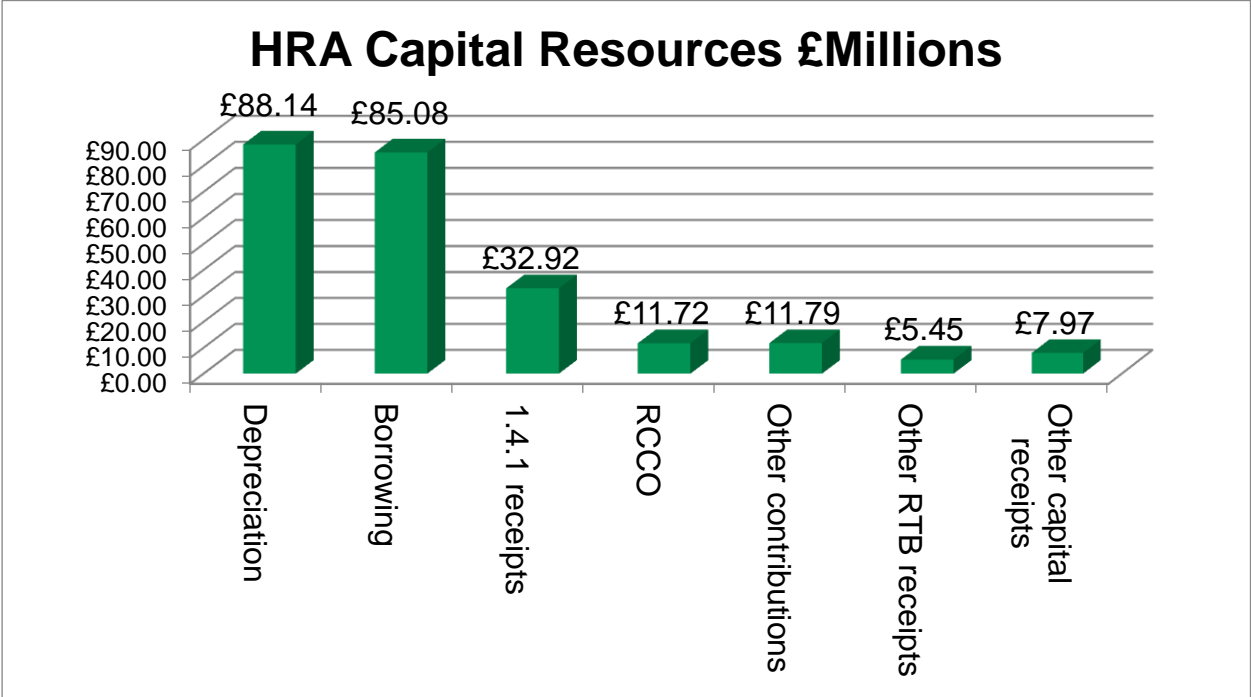


4.12.3 The split between major works, new build and other is shown in the following chart.

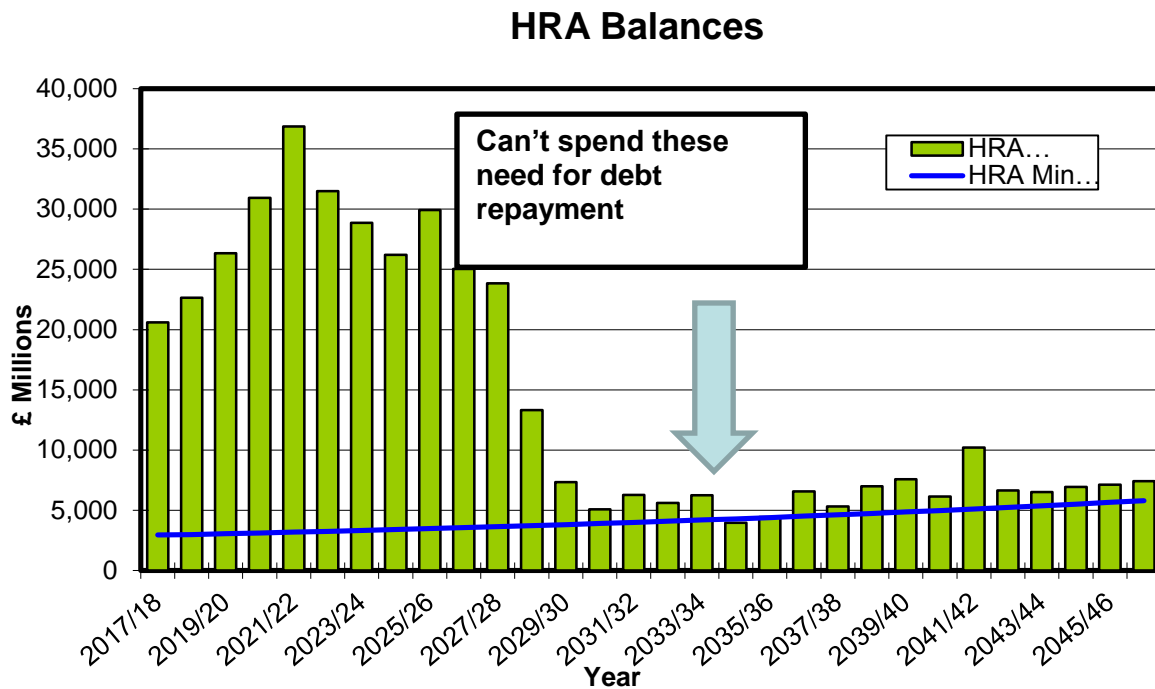


4.13 Capital Programme – HRA Resources (2019/20-2024/25)

4.13.1 The HRA capital programme funding has switched from 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.

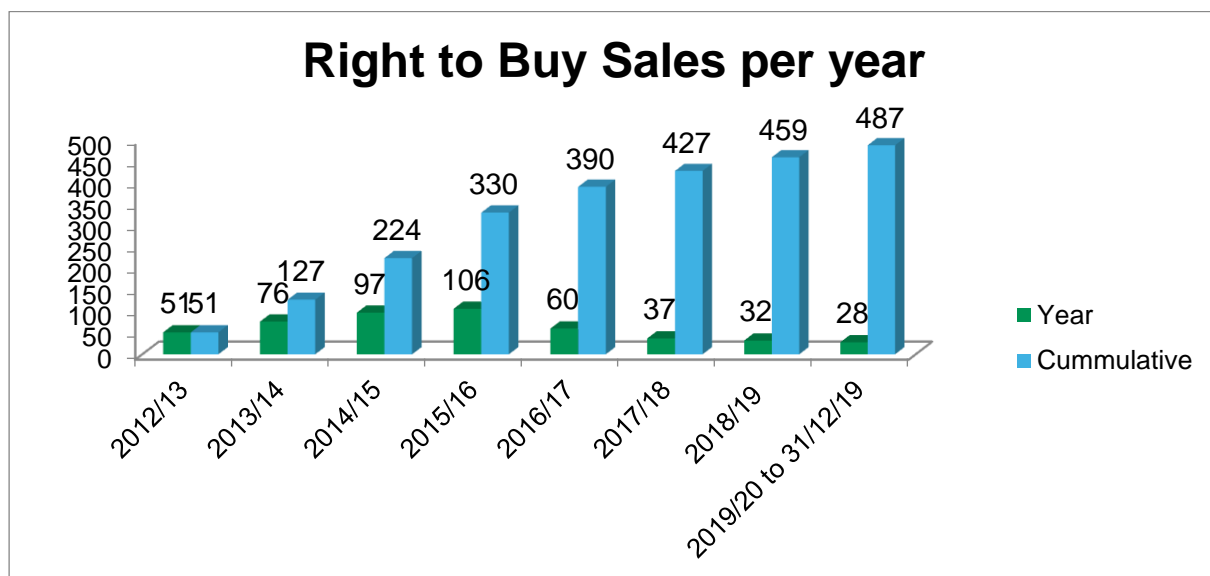


4.13.2 The dependency on HRA revenue budgets to fund the programme has been significantly reduced up to and including 2023/24, however the cost of borrowing for the HRA means that the HRA balances are projected to be at minimum levels during the middle part of the business plan as summarised below.

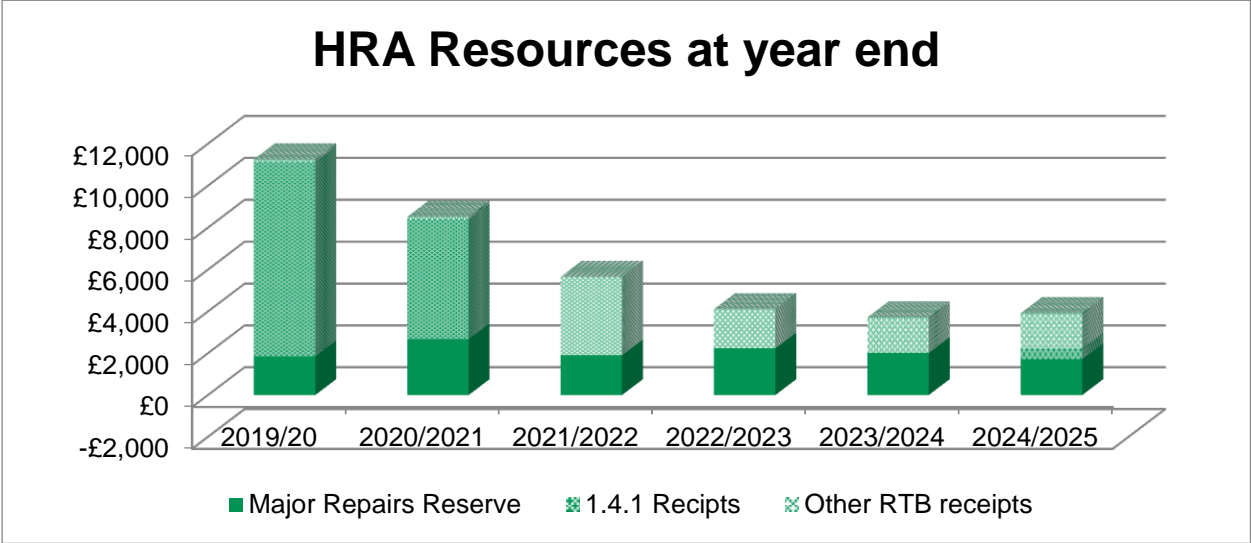


4.13.3 The HRA risk assessment of balances reflects the need to hold higher reserves to fund interest rate fluctuations and £5Million has also been set aside in allocated reserve to allow for interest rate changes. This was agreed as part of the HRA BP report to January Council.

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

- 4.9.7 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 in Appendix B. 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 local asset 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 local asset 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 Council)
- BD3 HRA Business Plan 2019 update (December 2019 Executive)
- BD4 Capital Strategy (February 2020 Executive)

APPENDICES

- A - General Fund Capital Bids for Consideration
- B - General Fund bids not included in the Capital Strategy
- C - General Fund Capital Strategy
- D - HRA Capital Strategy

STEVENAGE BOROUGH COUNCIL

CAPITAL GF - FINANCIAL SECURITY 2020/21 - 2024/25

Priority 1
Priority 2
Priority 3

Priority 4 Schemes to maintain operational efficiency
Priority 5 Match funding schemes
Priority 6 Financial efficiency

Ref No	Ranking (Av Score)	Priority (1-6) (see list)	Description of Growth Proposal	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Capital in 2023/24	Capital in 2024/25	Reason for Spend	Consequence of delaying spend/alternative course of action
ESSENTIAL BIDS (PRIORITY 3 H&S)										
C1	N/A	3	Fairlands Valley Park Dam Works	£25,000					Statutory requirement in order to comply with Reservoirs Act 1975, S.10 (3) c	Potential for enforcement action, and risk of flooding in the south of the town, should the dam fail.
C10	N/A	3	Cavendish Depot - Renovation/Yard Drainage	£90,000					Current drainage is failing and may compromise sites' waste permit to operate.	Inability to use waste site if infrastructure does not comply with the requirements for the waste permit.
C18	N/A	3	Station ramp: H&S Works: for example resurfacing steps/ramps and window strengthening works.	£40,000					To ensure continued use of the building is maintained. Includes £30,000 previously agreed from the Capital Strategy for resurfacing works.	Risk of closure of the ramp
C25	N/A	3	MSCP: H&S Works: for example staircase resurfacing			£20,000			H&S Works: such as staircase resurfacing.	May compromise use of Multi storey carpark
C27	N/A	3	Daneshill: 2019/20 H&S Works for example electrical works, emergency lighting, fire and air con works.	£15,000	£18,000				Includes identified risk assessment works and information from the most recent condition survey.	Risk of further deterioration leading to more extensive works (additional cost) or failure of the component giving rise to a possible health and safety issues.
C29	N/A	3	Daneshill H&S Works: for example emergency lighting, fire alarm and electrical works.	£45,000			£65,000		To ensure the health and safety of public and users of the building is maintained.	Failure of a component may giving rise to a health and safety issues. The 23/24 work is subject to bringing the hub forwards
Page 169	N/A	3	Community Centres: 2019/20 Backlog H&S Works: for example anti-slip to staircases, fire doors, and ventilation to heating systems at The Oval and Springfield House.	£12,850					To ensure the health and safety of public and users of the building is maintained. New items discovered during condition survey.	Risk of closure
	N/A	3	Community Centres H&S Works: for example DDA upgrades, staircase upgrades, replacement fire escape doors, and fire upgrade works at Bedwell, The Oval, St Nicholas, Springfield House, Timebridge, and Douglas Drive Day Centre.	£21,000	£33,500	£60,000			To ensure the health and safety of public and users of the building is maintained. Includes £30,000 agreed from Capital strategy to replace windows/doors at St Nicholas CC (21/22).	Risk of closure
C40	N/A	3	Depots: H&S Works: for example new lighting, fire suppression works, and railings replacement at Cavendish Road.	£290,000					To ensure the health and safety of public and users of the building is maintained.	Risk of closure
C42	N/A	3	BTC H&S Works: for example structural floor works, electrical and fire detection.	£100,000	£38,000				To ensure the health and safety of public and users of the building is maintained.	Risk of closure
C44	N/A	3	BTC 2019/20 H&S Works: for example lift repair, disabled alarm, electrical and fire detection works.	£30,000					To ensure the health and safety of public and users of the building is maintained.	Risk of closure
C47	N/A	3	Bandley Hill Play Centre - Fencing	£8,000					This could be a safeguarding and security issue, fencing requirement has been reviewed and reduced the estimated cost from the previous estimates	Temporary Heras fencing has now been in situ for two years and requires regular manual handling which should be avoided.
C54	N/A	3	SALC and the Swim Centre H&S Works: for example pipework replacement, electrical, fire detection, and disabled alarm works	£200,000	£280,000	£100,000			To ensure the health and safety of public and users of the building is maintained.	Risk of closure
C15	N/A	3	Corey's Mill Lane parking	£26,000					To provide additional pay & display parking capacity to meet excess demand from hospital visitors. Cost will be recovered from parking income.	More on-street congestion.

Ref No	Ranking (Av Score)	Priority (1-6) (see list)	Description of Growth Proposal	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Capital in 2023/24	Capital in 2024/25	Reason for Spend	Consequence of delaying spend/alternative course of action
C56	N/A	3	SALC, Swim Centre, and Fairlands Valley Sailing Centre 2019/20 H&S Works: for example anti-slip staircase, pipework, emergency lighting, fire detection, electrical and mechanical works	£73,500					To ensure the health and safety of public and users of the building is maintained.	Risk of closure
REV43	N/A	3	Energy Performance Survey and proposed building works (on commercial properties)	£15,000	£15,000	£15,000	£15,000	£15,000	Under the current approved programme, £15kpa is included for survey works. However, the resulting testing and minor electrical works carried out are de minimus and therefore being charged to revenue as maintenance cost. In 2023/24, due to legislation change there will be requirement to carry these out (including for Community Centres) and further capital bids may be required.	
C62	N/A	3	Stevenage Arts & Leisure Estimated 20 electrical distribution boards to be replaced				£30,000		This is a proportion of the distribution board within the building that may need to be replaced, further investigation would be required.	Recommend phased replacement based on electrical surveys or known failures which should avoid any loss of service
C55	N/A	3	Boat house as essential H&S works for dry rot	£15,000					Risk of closure of building and cause disruption to sailing activities.	
C31	N/A	3	Community Centres: Planned Preventative Works: to replace boiler at Bedwell CC	£100,000					Risk of closure of building if the boiler fails	
SUB-TOTAL OF ESSENTIAL BIDS (PRIORITY 3 H&S)				£1,106,350	£384,500	£195,000	£110,000	£15,000		
REVIEWED PREVIOUSLY AGREED BIDS				Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Capital in 2023/24	Capital in 2024/25		
C64	N/A	4	Allotment Maintenance System	£10,000					Allotment function is returning to the council following cessation of Community Group. System is required to issue licences and rental charges etc. S106 Funding is available for this scheme	Manual system will require additional administrative support resource.
C7	N/A	4	Welfare improvements at out based hubs	£10,000					Current facilities do not meet welfare requirements and additional welfare needs at hub for out-based workers following the ceasing of the yellow huts.	Time lost and additional fuel etc. if crews have to travel to Cavendish as the only SBC welfare facility.
C9	N/A	4	Review of Fleet	£100,000	£249,000	£116,400	£705,000	£0	Replacement of various vehicles	Include hire costs, lost time and inefficiency.
SUB-TOTAL OF REVIEWED BIDS				£120,000	£249,000	£116,400	£705,000	£0		
BIDS SCORED 1.5 - 2				Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Capital in 2023/24	Capital in 2024/25		
C46	2.00	4	The SoSafe partnership have 8 mobile cameras, three of those cameras are 11 years old and are not really fit for purpose. Previously there has never been a plan for replacement of the cameras and although initially the outlay is quite high this will drop down in 2021/22	£25,000	£5,000	£5,000	£5,000	£5,000	To be able to use mobile CCTV for monitoring purposes in hotspot areas of the town, help keep victims of crime and ASB safe and to ask for a deterrent. 5 new cameras then 1 per year rolling programme	Mobile cameras that are old and not working to their original capability which means they are not fit for purpose.
C11	1.83	4	Waste Receptacles	£15,000					Purchase of waste and recycling containers to supply new households and provide stock for replacement/additional container requests. Purchases needed every year, but people will now have to pay for replacements after 1 year. This is in addition to the revenue budget that the service already has for replacement	Inability to provide new households with waste and recycling containers and/or replace containers that have been lost or damaged.
C12	1.83	2	Trade Waste Containers	£20,000	£20,000	£20,000	£20,000		Container supply to allow the expansion of the council's trade waste business - it is making money, but this could be improved.	Inability to expand trade waste services and yield greater income.
C13	1.83	4	Green Space Access Infrastructure	£0	£148,000	£153,000	£128,000	£128,000	There is no formal programme of resurfacing of parks footpaths, car parks and access roads. We currently rely on ad hoc works being undertaken (via revenue budgets) when we become aware of H&S concerns. However, a technical inspection of our parks access infrastructure, in 2017) indicates that our parks access infrastructure is deteriorating, and we can no longer rely on ad hoc patching repairs, funded from revenue.	There has not been a regular programme of surfacing to the parks access infrastructure for many years. Existing surfaces are beginning to fail. The longer it is left the more expensive the job will become - spend to save.
C39	1.83	4	Depots: Planned Preventative Works: For example door and boiler replacements, reroofing, and air conditioning works at St Nicholas Grounds Enclosure, Shephalbury Storage, and Cavendish Road.	£30,000	£475,000	£25,000			Works necessary to ensure that the building remains watertight, secure, operational and is fit for purpose. Includes £500,000 previously agreed in the Capital Strategy for Reroofing at Cavendish Road. 20/21 includes £25K for essential repairs and £5K gutter lining	Risk of the need to close part or all of the building, leading to operational disruption and additional remedial costs and loss of income.

Ref No	Ranking (Av Score)	Priority (1-6) (see list)	Description of Growth Proposal	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Capital in 2023/24	Capital in 2024/25	Reason for Spend	Consequence of delaying spend/alternative course of action
C43	1.83	4	BTC Planned Preventative Works: for example roofing, shutter, replacement lift, external works, ventilation/air con works.	£256,000	£6,000	£172,000	£92,000	£60,000	Works necessary to ensure that the building remains watertight, secure, operational and is fit for purpose. Roofing works need to be done as it is currently leaking.	Risk of the need to close part or all of the building, leading to operational disruption and additional remedial costs and loss of income.
C49	1.83	4	Stevenage Arts & Leisure Water leak on to ground floor and into Bowls Hall	£30,000					It is suspected that the leak source is from the patio area on the 1st floor, this issue needs to be investigated and resolved to avoid costly internal damage (leak could damage new flooring that is planned to be put down).	The consequences of not resolving this could result in internal structural and fittings damage to SALC also claims by the contractor to SBC or SBC insurance
C50	1.83	4	Fairlands Valley Park Sailing Centre - Boathouse	£12,000					The Boathouse has a rising damp problem that is adversely affecting the building and stock. The issue wasn't apparent when was just used to store boats	The rising damp is damaging the integrity of the building, cycle stock and retail goods, it is also an unhealthy environment for staff to work in.
C17	1.67	4	Parking Restrictions	£25,000	£25,000	£25,000	£25,000	£25,000	To provide for the forward programme of new parking restrictions including cost of signs and lines and staff time	Required to meet the Council's Parking Enforcement objectives
C60	1.60	4	Stevenage Swimming Centre Pool circulation pumps					£15,000	The circulation pumps would have come to the end of their useful life	Main Pool pumps are 1/3 duty (e.g. 3 of 4) and teaching pool 100% (e.g. 1 of 2) it is unlikely that all pumps would fail at the same time therefore unlikely that the pools would require closure and could continue with existing pumps on the proviso that that there is a phased pump replacement.
C61	1.60	4	Stevenage Swimming Centre Electrical distribution boards				£25,000		Recommended date for replacement but could still be compliant	Recommend phased replacement based on electrical surveys or known failures which should avoid any loss of service
C44	1.50	4	Workplace Travel Plan (WTP)	£15,000	£15,000	£15,000	£15,000	£15,000	To implement projects identified in the WTP to support the Council's Climate Change agenda.	Failure to meet targets for transport modal shift
C46	1.50	4	Hard standings	£50,000	£50,000	£50,000	£50,000	£50,000	To replace areas of parking hardstand which have reached the end of their design life and are beyond economic repair.	Increased risk of trip insurance claims
C48	1.50	1	SLL Leisure management contract- end of contract capital provision.			£150,000			Planning for end of contract. It is likely that SBC may have some liabilities in relation to the conditions of the buildings, primarily to improve the facilities to make them more attractive to the market. Spend would be required to ensure that income opportunities are maximised for any potential bidding contractor. SBC is intending to build a new wet and dry leisure facility and a new or refurbished theatre, however some spend will still be required for Fairlands Valley Park Sailing Centre and Stevenage Golf Centre plus it appears that the new leisure centre will not be built prior to the end of the contract term. £150k is early estimate.	Failure to present buildings in a fit for purpose state will have a very negative effect on potential bidders for the Leisure Management contract and will therefore either be costed into the bids or claims could be made against the council to either rectify the issues or for loss of income/increased expenditure.
SUB-TOTAL OF BIDS SCORED 1.5-2				£478,000	£744,000	£615,000	£360,000	£298,000		
SUB-TOTAL OF RECOMMENDED BIDS				£1,704,350	£1,377,500	£926,400	£1,175,000	£313,000		

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STEVENAGE BOROUGH COUNCIL

GENERAL FUND BIDS NOT INCLUDED IN THE CAPITAL STRATEGY

Ref No	Ranking (Av Score)	Priority	Description of Growth Proposal	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Capital in 2023/24	Capital in 2024/25	Reason for Spend	Consequence of delaying spend/alternative course of action
BIDS SCORED BELOW 1.5										
C65	1.40	4	Christmas lights	£0	£12,000	£6,000	£6,000	£6,000	Deteriorating condition of Christmas Lights and need for phased replacement	Gradually reduced Xmas decoration offer in town centre and High Street. Purchase Spring 2020 for Xmas 2020.
C51	1.40	4	Stevenage Golf & Conference Centre - Pond	£40,000					The 18th Hole feature pond, loses water located at the top of the course it needs to be dredged and a liner placed into it. The pond used to be populated with fish and was a high profile visible feature of the course. Now it is dry most of the year and is an eyesore on the course	This is a key feature to the golf course and also acts as a conduit for drainage from the car park and buildings. Options could include simply filling the pond in and installing appropriate drainage however the pond is a big feature for players and provides an excellent vista for users of the conference and wedding facility. Some loss of income may be experienced.
C45	1.33	4	Business Technology Centre- Future Works All Categories Across all categories and all sites.(future years cost to be reviewed in Capital Strategy updates)					£1,378,000	Future works identified from condition survey for years 2024 - 2029 required to maintain integrity of buildings. However a future funding strategy is required after the next 2 years. These costs will be considered in a future update of the capital strategy	Risk of closure of buildings and further deterioration.
C57	1.33	4	Swim Centre 2019/20 Planned Preventative Works for example BMS replacement and flooring works	£40,000					Works necessary to ensure that the building remains watertight, secure, operational and is fit for purpose.	Risk of further deterioration leading to more extensive works (additional cost).
C24	1.25	4	MSCP Planned Preventative Works: for example lighting replacements, concrete and surface treatment works.	£25,000	£200,000	£250,000	£250,000	£245,000	Works necessary to ensure that the building remains watertight, secure, operational and is fit for purpose. These costs will be considered in a future update of the capital strategy.	Risk of the need to close part or all of the building, leading to operational disruption and additional remedial costs and loss of income.
C26	1.25	6	MSCP Essential General Improvements and Internal Decorations				£40,000		Staircase decorations, to maintain a satisfactory environment that is fit for the operational use of the building.	Risk of reducing the appeal of the carpark leading to loss of income
C28	1.20	4	Daneshill: Planned Preventative Works: for example reroofing, leaking windows, heating and air con works.	£60,750			£220,000		Works necessary to ensure that the building remains watertight, secure, operational and is fit for purpose. 23/24 work subject to bringing the hub forwards	Risk of the need to close part or all of the building, leading to operational disruption and additional remedial costs and loss of income.
C55	1.17	4	SALC, Swim Centre, and Fairlands Valley Sailing Centre & Aqua Park maintenance/replacement works, mechanical and electrical replacement flooring, reroofing, lift replacement & structural works	£60,000	£115,000	£505,000		£0	Works necessary to ensure that the building remains watertight, secure, operational and is fit for purpose. SLL are liable for non-structural works, SBC will need to do the structural inc. electrical works.	Risk of the need to close part or all of the building, leading to operational disruption and additional remedial costs and loss of income.
C52	1.17	4	Stevenage Golf & Conference Centre - Brook - Flood prevention scheme	£260,000					To avoid future flood damage to Golf Course. The brook at the Golf Course is approximately half a mile long (both sides of the bank account for 1 mile in total). During prolonged periods and high levels of rain the brook overflows on to the course which has the effect of making some of the course unplayable greens 12 -16. This has not been a significant problem since 2012 which was the last period of prolonged and heavy rainfall until 2019 (we have some video and images of the flooding) which cuts out large parts of the course. There is also continuing erosion of the soft verge banks which widens the brook, reduces the flow of water and a consequential risk of significant damage to ten crossing bridges. SBC Officers have consulted with the Environment Agency (EA) who agreed that a proposal for two overflow ponds and bank widening and reinforcement would be appropriate. The Brook is used by the EA as an outflow for the adjacent reservoirs. This item was first requested for 17/18 then 18/19 and not recommended by LFSG.	Failure to deal with the flooding issue will result in continued erosion and loss of playing holes plus damage to greens.
C41	1.00	4	Depots Future Works: All Categories Across all categories and all sites. (future years cost to be reviewed in Capital Strategy updates)					£99,200	Future works identified from condition survey for years 2024 - 2029 vital to maintain integrity of buildings. These costs will be considered in a future update of the capital strategy	Risk of closure of buildings and further deterioration.
C58	1.00	6	Future Works All Categories Across all categories and all SALC sites.(future years cost to be reviewed in Capital Strategy updates)					£1,614,000	Future works identified from condition survey for years 2024 - 2029 vital to maintain integrity of buildings. These costs will be considered in a future update of the capital strategy	Risk of closure of buildings and further deterioration.
SUBTOTAL BIDS SCORED BELOW 1.5				£485,750	£327,000	£761,000	£516,000	£3,342,200		

BIDS DEFERRED UNTIL FURTHER STRATEGY OR BUSINESS CASE										
C6		4	Spare van for Arboreal team	£30,000					Spare van for Arboreal team that will give resilience to service but also allows for the teams to have flexible working by making a third team up for additional reactionary work so as not to impact on schedules.	Potential schedule delays pending reactionary and safety works required
C20		4	Indoor Market: 2019/20 Backlog Planned Preventative Works for example hot air curtains.	£20,000					Hot air curtain works previously agreed and placed on hold.	Risk of further deterioration leading to more extensive works (additional cost) or failure of the component.
C21		4	Indoor Market: Planned Preventative Works: for example heating, lighting, and works to doors and windows.	£65,000					Works necessary to ensure that the building remains watertight, secure, operational and is fit for purpose. (Includes £65,000 previously agreed from Capital Strategy for new lighting but was put on hold due to resourcing pressures)	Risk of the need to close part or all of the building, leading to operational disruption and additional remedial costs and loss of income.
C22		6	Indoor Markets Future Works All Categories Across all categories and all sites.					£210,000	Future works identified from condition survey for years 2024 - 2029 vital to maintain integrity of buildings. These costs will be considered in a future update of the capital strategy	Risk of closure of buildings and further deterioration.
C23		4	MSCP: 2019/20 Backlog Planned Preventative Works for example lighting improvements.	£100,000					Lighting works to car park levels, previously agreed and placed on hold. Further cost savings if introduce LED lights. Need a business case.	Risk of further deterioration leading to more extensive works (additional cost)
		6	Community Centres: 2019/20 Backlog Essential Planned Preventative Works	£20,000					External decorations to St Nicholas CC previously agreed and placed on hold	Risk of further deterioration leading to more extensive works (additional cost)
C31		4	Community Centres: Planned Preventative Works: for example boiler and heating replacements/upgrade works, internal cracking (latent defects claim), refurbishment of toilets/kitchen areas, reroofing, and window security works/replacements across all Community Centres.	£393,800	£170,100	£256,750	£384,500		Works necessary to ensure that the building remains watertight, secure, operational and is fit for purpose. Includes £60,000 agreed from Capital Strategy to reroof Timebridge CC (20/21), and £25,000 agreed from Capital Strategy to replace windows and doors at Symonds Green CC (20/21).	Risk of the need to close part or all of the building, leading to operational disruption and additional remedial costs and loss of income.
C32		6	Community Centres: Future Works All Categories Across all categories and all Centres.					£1,005,600	Future works identified from condition survey for years 2024 - 2029 vital to maintain integrity of buildings. These costs will be considered in a future update of the Strategy	Risk of closure of buildings and further deterioration.

Ref No	Ranking (Av Score)	Priority	Description of Growth Proposal	Capital in 2020/21	Capital in 2021/22	Capital in 2022/23	Capital in 2023/24	Capital in 2024/25	Reason for Spend	Consequence of delaying spend/alternative course of action
C33		6	Community Centres Planned Preventative Works: for example external decorations and fascia/soffit replacement works at Bedwell, Chells Manor, The Oval, and St Nicholas.	£13,000	£48,700		£35,000		Works required to ensure that the building elements and components remain fit for purpose. Includes £5,000 on hold from previous bid - Bedwell CC Cladding.	Risk of further deterioration leading to more extensive works (additional cost)
C35		6	Play Centres: Future Works All Categories Across all categories and all Centres.					£174,300	Future works identified from condition survey for years 2024 - 2029 vital to maintain integrity of buildings. These costs will be considered in a future update of the Strategy	Risk of closure of buildings and further deterioration.
C36		6	Play Centres: Planned Preventative Works: for example washroom/kitchen refurbishments, works to secure external doors and trips to floor finishes at Bandley Hill, Pin Green, and St Nicholas Play Centres.	£55,000					Works necessary to ensure that the building remains watertight, secure, operational and is fit for purpose. Includes £30,000 agreed from Capital Strategy to replace fenestrations at Bandley Hill PC, and £10,000 to replace doors at St Nicholas PC.	Risk of the need to close part or all of the building, leading to operational disruption and additional remedial costs and loss of income.
C37		6	Pavilions: Future Works All Categories Across all categories and all Pavilions					£569,000	Future works identified from condition survey for years 2024 - 2029 vital to maintain integrity of buildings. These costs will be considered in a future update of the Strategy	Risk of closure of buildings and further deterioration.
C38		4	Pavilions: Planned Preventative Works: for example heating and lighting works/replacement, reroofing, and refurbishment of showers/kitchen areas across all Pavilions except Meadway.	£50,000	£155,000	£223,000	£235,000		Works necessary to ensure that the building remains watertight, secure, operational and is fit for purpose.	Risk of the need to close part or all of the building, leading to operational disruption and additional remedial costs and loss of income.
SUB TOTAL OF BIDS DEFERRED UNTIL FURTHER STRATEGY OR BUSINESS CASE				£746,800	£373,800	£479,750	£654,500	£1,958,900		
BIDS NOT RECOMMENDED										
C63	0.80	4	Pin Green Play Centre - Refurbish Washroom	£25,000					Identified in 2012/2013 SCS as an internal element being essential for use & occupation with a limited remaining lifespan predicted -The area was 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 SCS findings.	The washroom is functional and will continue to be so but will need more regular maintenance.
C53	0.17	4	Stevenage Golf Centre - Greenkeepers accommodation	£20,000					Temporary building has reached the end of its useful life and requires removal and making good of the site. Leaseholder would have the opportunity to provide its own accommodation.	Risk of building collapsing.
SUB-TOTAL OF BIDS NOT RECOMMENDED				£45,000	£0	£0	£0	£0		
BIDS RECOMMENDED WHEN FUNDS ARE AVAILABLE										
C59	1.83	4	Improving environmental credentials of build at Kenilworth Close	£900,000					To improve the environmental credentials of the scheme at Kenilworth Close and reduce the long term operational costs for the scheme and help tackle the climate emergency. This will provide a demonstration project and provide an opportunity for local authority leadership in accordance with LGA Climate emergency agenda. This will make Kenilworth Close an exemplar site for a site that addresses the climate emergency and lowers long term operational costs as a result. Other sites and grant funding opportunities will also be explored to deliver this.	Higher long term costs of maintaining building. Reputational impact of not addressing climate change agenda.
SUB-TOTAL OF BIDS RECOMMENDED WHEN FUNDS ARE AVAILABLE				£900,000	£0	£0	£0	£0		
SUB-TOTAL OF BIDS NOT RECOMMENDED				£2,177,550	£700,800	£1,240,750	£1,170,500	£5,301,100		

APPENDIX C - GENERAL FUND CAPITAL STRATEGY

Cost Centre	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		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	
	Finance and Estates	13,773,370	13,773,370		241,100	15,000	76,020	15,000	15,000
	Corporate Projects, Customer Services & Technology	897,860	897,860		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		9,280,590		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		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								
BG902	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						
BG904	Grants and other contributions	235,299	294,359	59,060	1,623,092	805,921	4,343,535	3,916,192	
BG860	S106's	69,995	69,995		20,000	10,000			
	LEP	9,650,150	9,574,560	(75,590)	5,875,590				
	RCCO	157,920	659,286	501,366	59,000	4,000	4,000	4,000	4,000
	Regeneration Asset Reserve		75,590	75,590	200,000				
BG916	Capital Reserve (Revenue Savings)	1,314,000	1,314,000		1,420,000	1,070,000	1,070,000	1,070,000	488,708
BG903	Capital Reserve (Housing Receipts)	361,068	361,068		364,243	367,886	371,565	375,280	128,472
	New Homes Bonus	358,170	358,170		464,554	362,500	226,000		
	Prudential Borrowing Approved	14,350,650	14,350,650		4,118,770	1,702,400	4,209,390		
	Short Term borrowing and funded from private sale	257,000	257,000		1,010,542	459,044	4,369,065		
	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
BG905	Ring Fenced Receipts Used to Repay ST Borrowing	412,118	155,118		257,000	1,010,542	459,044	4,369,065	
	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)				
	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	(831,853)

Cost Centre	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
		£	£	£	£	£	£	£	£
	Stevenage Direct Services								
	<u>Parks & Open Spaces</u>								
KC218	Hertford Road Play Area (S106 Funded)	25,000	25,000						
KE911	Play Area Improvement Programme	192,340	192,340	243,000	283,500	220,000			
KE097	Litter bins	125,000	125,000	73,000	83,000	10,000	4,000	4,000	
KE329	Play Areas Fixed Play	20,810	20,810	10,000	10,000				
KE494	Green Space Access Infrastructure	45,000	45,000						
KE494	Green Space Access Infrastructure	50,000	50,000						
	<u>Other</u>								
KG002	Garages	1,153,890	1,153,890	3,657,400	1,952,400	1,952,400	375,000		
KE487	Cavendish Depot - Road Markings and Barriers	12,750	12,750						
KE495	Cavendish Depot - Renovation/Yard Drainage	10,000	10,000	90,000					
KE496	Refurbishment of Weston Rd Cemetery Office	6,500	6,500						
KS263	Waste and Recycling System	110,000	110,000						
KE226	Allotment Maintenance System			10,000					
GROWTH	FVP Dam Works			25,000					
	<u>Vehicles,Plant,Equipment</u>								
KE349	Waste Receptacles	15,000	15,000	15,000					
KE497	Trade Waste Containers	20,000	20,000	20,000	20,000	20,000	20,000		
Various	Vehicle/Plant replacement Programme	858,720	858,720	330,000	169,000	116,400	705,000		
GROWTH	Vans for Supervisors			25,000	25,000				
GROWTH	Replacement mower for LK10 AHC			45,000					
GROWTH	Welfare improvements at out based hubs			10,000					
GROWTH	Replacement shops van			30,000					
GROWTH	Van				20,000				
GROWTH	Maxi Truck EL 4WD 48V 4WD articulated truck				35,000				
GROWTH	Green Space Access Infrastructure				148,000	153,000	128,000	128,000	
	Total Stevenage Direct Services	2,645,010	2,645,010	4,583,400	2,745,900	2,471,800	1,232,000	132,000	
	<u>Housing Development Scheme (Joint GF/HRA)</u>								
KG030	Grants To Registered Providers	591,600	591,600						
KG030	Grants To Registered Providers contingency	908,400	908,400						
KG032	Building Conversion into New Homes - Ditchmore Lane	257,000	257,000						
Various	Housing Development Scheme (Joint GF/HRA)		59,060	59,060	2,535,930	2,404,430	8,712,600	7,848,010	
KG033	Private Sales Schemes - Wedgwood Way								
KG038	Wholly Owned Housing Development Company (WOC)	700,000	700,000	1,584,370		2,506,990			
	Total Housing Development (including grants to Registered Providers)	2,457,000	2,516,060	59,060	4,120,300	2,404,430	11,219,590	7,848,010	

Cost Centre	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
		£	£	£	£	£	£	£	£
	Finance & Estates								
KG025	Garage Site Assembly	100,000	100,000						
KR912	Investment Property	13,244,050	13,244,050						
KR914	IDOX Property Management Software	17,200	17,200						
KR915	Energy Performance Surveys and Proposed Building Works	15,000	15,000		15,000	15,000	15,000	15,000	15,000
KR916	Commercial Properties Refurbishment (MRC Programme)	387,120	387,120		226,100		61,020		
KR147	Commercial Properties - Asbestos Removal	10,000	10,000						
	Total Finance & Estates	13,773,370	13,773,370		241,100	15,000	76,020	15,000	15,000
	Corporate Projects, Customer Services & Technology								
	IT General								
KS268	Infrastructure Investment	617,080	617,080		546,690	271,690	104,180	104,180	104,180
	Total IT General	617,080	617,080		546,690	271,690	104,180	104,180	104,180
	Employer of Choice (EOC)								
KS260	Replacement HR & Payroll System	1,240	1,240						
KS269	New Intranet	33,260	33,260						
	Total EOC	34,500	34,500						
	Connected to Our Customer (CTOC)								
KS271	Corporate Website - Redesign	106,510	106,510		8,020	680			
KS274	New CRM Technology	139,770	139,770		17,500	1,000			
	Total CTOC	246,280	246,280		25,520	1,680			
	Total Corporate Projects, Customer Services & Technology	897,860	897,860		572,210	273,370	104,180	104,180	104,180
	Housing and Investment								
	Play Centres								
KC914	Pin Green - Recover Flat Roof	21,000	21,000						
KC915	Bandley Hill - Replace Hall Floor Covering	12,500	12,500						
	Community Centres								
KE902	Community Centres General	32,000	32,000						
KE471	St Nicholas - Boiler and Hot Water Installation Upgrade	40,000	40,000						
KE515	St Nicholas Annexe - External Decorations	20,000	20,000						
KE472	The Oval - Replace Radiators	8,000	8,000						
KE499	The Oval - Replace Windows	11,000	11,000						
KE488	Springfield House - Boundary Wall	52,150	52,150						
Growth	Community Centres: 2019/20 Backlog H&S Works				12,850				
Growth	Community Centres Urgent and H&S Works				21,000	33,500	60,000		
Growth	Community Centres: Planned Preventative Works: to replace boiler at Bedwell CC				100,000				

Cost Centre	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
		£	£	£	£	£	£	£	£
	Housing and Investment cont.								
	Park Pavilions								
KE907	Park Pavilions General	9,000	9,000						
KE475	Chells - Decommission Shower & Provide Hot Water To Changing Rooms	21,380	21,380						
KE500	Ridlins - M&E Refurbishment of AHU Plant & Controls	25,000	25,000						
KE479	Canterbury Way - Demolition	25,000	25,000						
KE493	King George V - Electrical Mains Intake & Supply Head	10,860	10,860						
	Cemeteries								
KE904	Cemetery Buildings	15,000	15,000						
	Depots								
KE480	Cavendish Rd - Office Alterations	44,930		(44,930)					
KE501	CavendishRd - Re-roofing (Ascertain Level of Works Required)	15,000	15,000						
Growth	Depots: Urgent and H&S Works				290,000				
Growth	Depots: Planned Preventative Works				30,000	475,000	25,000		
	Other								
Growth	MSCP: Urgent and H&S Works						20,000		
	Council Offices								
KR900	Council Offices	19,380	19,380						
KR141	Corporate Buildings - Essential Health & Safety Electrical Works	19,270	19,270						
KR142	Corporate and Commercial Buildings - Condition survey	5,000	5,000						
KR149	Daneshill House - Test & Risk Assessment Remedial Works	15,000	15,000						
Growth	Daneshill: 2019/20 Backlog Urgent and H&S Works				15,000	18,000			
Growth	Daneshill: Urgent and H&S Works				45,000			65,000	
	Operational Buildings								
KE503	Indoor Market - New Hot Air Curtains	20,000		(20,000)					
KR917	BTC - Roof Replacement Preliminary Works	15,000	15,000						
Growth	BTC 2019/20 Backlog H&S Works				30,000				
Growth	BTC Urgent and H&S Works				100,000	38,000			
Growth	BTC Planned Preventative Works				256,000	6,000	172,000	92,000	60,000
	Town Centre								
KR136	Preparation Works to Units 1,4,5 of the former QD Building	7,890	7,890						
KR138	Town Square Assets - Condition Survey	10,000	10,000						
KE504	Station Ramp	52,500	52,500		40,000				
KR145	Town Chambers / Square - External Facade Structural Repairs	45,000	45,000						
	Total Housing and Investment	571,860	506,930	(64,930)	939,850	570,500	277,000	157,000	60,000

Cost Centre	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
		£	£	£	£	£	£	£	£
	Regeneration								
	Total Land Assembly	6,018,730	6,018,730						
KE439	Town Square Improvements (GD1)	3,131,420	3,131,420		2,505,000				
KE466	Bus Interchange (GD3)	500,000	500,000		5,875,590				
KE506	Public Sector Hub	200,000	200,000		900,000		2,474,000	13,384,000	13,384,000
	Total Regeneration	9,850,150	9,850,150		9,280,590		2,474,000	13,384,000	13,384,000
	Community & Neighbourhoods								
KC900	Arts and Leisure Centre - Pipework	111,000	231,000	120,000					
KC202	Fairlands Valley Park - Aqua	27,660	27,660						
KC228	Stevenage Golf Centre - Boiler Replacement	8,660	8,660						
KC224	Leisure Stock Condition	19,810	19,810			20,000			
KC225	Bandley Hill Play Centre - Treehouse	29,900	29,900						
KC229	Bandley Hill Play Centre - Fencing Replacement	23,000	23,000		8,000				
KC230	Pin Green Play Centre Equipment	35,000	35,000						
KE224	CCTV - Replacement Cameras	20,000	20,000		25,000	5,000	5,000	5,000	5,000
KE507	Cycleways Installations (subject to £100k Arts Council grant bid)	10,000	10,000						
GROWTH	SALC and the Swim Centre Urgent and H&S Works				200,000	280,000	100,000		
GROWTH	Stevenage Arts & Leisure Estimated 20 electrical distribution boards							30,000	
GROWTH	SALC, Swim Centre, and Fairlands Valley Sailing Centre 2019/20 Backlog H&S Works				73,500				
GROWTH	Stevenage Arts & Leisure Water leak				30,000				
GROWTH	Fairlands Valley Park Sailing Centre - Boathouse				12,000				
GROWTH	Stevenage Swimming Centre Pool circulation pumps								15,000
GROWTH	Stevenage Swimming Centre Electrical distribution boards							25,000	
GROWTH	SLL Leisure management - end of contract capital provision						150,000		
GROWTH	Boat house as essential H&S works for dry rot				15,000				
	Total Community & Neighbourhoods	285,030	405,030	120,000	363,500	305,000	255,000	60,000	20,000

Cost Centre	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
		£	£	£	£	£	£	£	£
	Planning & Regulatory								
KE119	Off Street Car Parks (Multi Storey Car Parks)	189,620	189,620			250,000	250,000	250,000	250,000
KE508	Multi-storey Car Park - New Entrances/Resurfacing	15,000	15,000						
KE900	Off Street Car Parks (Surface Car Parks)								
KE122	MSCP's Lighting Improvements	100,000		(100,000)					
KE516	Town Centre Ramps Improvements	45,000	45,000						
KE201	Hard standings	50,000	50,000		50,000	50,000	50,000	50,000	50,000
KE100	Residential Parking	123,160	123,160						
KE100	Residential Parking	30,000	30,000						
KE470	Electric Car Charging Points	15,000	15,000						
KE217	Parking Restrictions	45,700	45,700						
KE217	Parking Restrictions	24,000	24,000		25,000	25,000	25,000	25,000	25,000
KE509	Onstreet Contactless pay	10,000	10,000						
	Planning & Regulatory cont.								
KE443	Parking Enforcement - Old Town Permit Parking Area Implementation	12,000	12,000		12,000				
KE444	Coreys Mill Lane - Additional Parking Capacity	25,280	25,280		26,000				
KG010	House Renovation/Improvement Grants								
KG011	Disabled Facilities Grants	30,000	30,000						
GROWTH	Workplace Travel Plan				15,000	15,000	15,000	15,000	15,000
	Total Planning & Regulatory	714,760	614,760	(100,000)	128,000	340,000	340,000	340,000	340,000
KR911	Deferred Works Reserve	14,600	14,600		200,000	200,000	200,000	200,000	200,000

Cost Centre	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								
BH930	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
BH901	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
BH903	Debt Provision Receipts	855,393	720,000	(135,393)	861,300	898,200	936,400	975,900	1,058,400
BH905	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)

Cost Centre	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 £
	CAPITAL PROGRAMME EXCL. NEW BUILD								
	Planned Investment including Decent Homes								
KH157	Decent Homes - Redecs	20,000	20,000		20,000	20,000	20,000	20,000	
Various1	Decent Homes - Internal Works	1,618,710	1,618,710		1,705,670	1,802,910	1,779,870	14,403,740	
Various2	Decent Homes External Works	205,000	205,000						
Various3	Decent Homes - Roofing								
Various4	Decent Homes - Flat Blocks	12,280,160	12,280,160		12,602,600	12,852,780	11,780,400		
KH300	MRC Miscellaneous	260,000	260,000						
KH205	Communal Heating	1,200,000	1,200,000		1,313,300	1,316,820			
KH092	Lift Installation - Inspection & Remedial Works	437,800	437,800		303,070	265,390			
KH287	Temporary Lift Provision - Flat Blocks				450,000	450,000			
KH291	Sprinkler Systems - Flat Blocks	1,989,440	1,989,440						
KH294	High Rises - Preliminary Works	190,000	190,000						
	Health & Safety								
KH085	Fire Safety	81,400	81,400		80,190	80,410	79,380		
KH112	Asbestos Management	379,870	379,870		374,250	375,250	370,460		
KH114	Subsidence	102,540	102,540		101,020	101,290	100,000		
KH144	Contingent Major Repairs	378,940	378,940		425,480	435,560	440,000		
	Estate & Communal Area								
KH223	Asset Review - Challenging Assets	110,000	110,000		606,140	607,770	600,000		
KH224	Asset Review - Sheltered (non RED)	1,300,000	1,300,000		505,120				
	Other HRA Schemes								
KH174	Energy Efficiency Pilot Projects	15,200	15,200		15,150	15,190	15,000		
KH094	Disabled Adaptations	649,770	649,770		569,520	585,320	599,950		
	New Business Plan expenditure				(401,070)	(275,620)	1,870,090	1,814,470	
	TOTAL CAPITAL PROGRAMME EXCL. NEW BUILD	21,218,830	21,218,830		18,670,440	18,633,070	17,655,150	16,238,210	
	CAPITAL PROGRAMME NEW BUILD								
KH233	New Build Programme	11,367,690	10,780,390	(587,300)	31,387,569	38,781,914	18,965,292	13,829,908	12,342,000
	Build for sale					701,888	903,680	930,790	958,715
KH233	TOTAL CAPITAL PROGRAMME NEW BUILD	11,367,690	10,780,390	(587,300)	31,387,571	39,483,802	19,868,976	14,760,701	13,300,710

Cost Centre	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 £
	SPECIAL PROJECTS & EQUIPMENT								
	HRA Equipment								
KH015	Capital Equipment (including Supported Housing Equipments)	30,000	30,000						
KH278	Vans for RVS	125,000	125,000						
	Sub Total Special Projects & Equipment	155,000	155,000						
	INFORMATION TECHNOLOGY								
	IT General (IT)								
KH268	Infrastructure Investment	343,290	343,290		304,370	133,820	51,320	51,320	51,320
KH235	ICT Equipment	10,000	10,000						
KH296	Keystone Module (to support fire safety)	32,000	32,000						
KH297	Tablets (x144)	5,330	5,330						
	Total General IT	390,620	390,620		304,370	133,820	51,320	51,320	51,320
	Employer Of Choice (EOC)								
KH259	Replacement HR & Payroll System	610	610						
KH269	New Intranet	16,380	16,380						
	Total EOC	16,990	16,990						
	Connected To Our Customers (CTOC)								
KH271	Corporate Website - Redesign	54,870	54,870		4,130	350			
KH288	New CRM Technology	369,770	369,770		17,500	1,000			
	Total CTOC	424,640	424,640		21,630	1,350			
	Housing All Under One Roof programme (HAUOR)								
KH283	Housing Improvements	155,960	155,960						
KH260	On-Line Housing Application Form	41,750	41,750						
KH286	Housing Document Management System	52,660	52,660						
KH293	Online Tenants Self-Service	12,000	12,000						
	Total HAUOR	262,370	262,370						
	TOTAL ICT INCLUDING DIGITAL AGENDA	1,094,620	1,094,620		326,000	135,170	51,320	51,320	51,320

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Meeting Council
Portfolio Area Resources
Date 26 February 2020



ANNUAL TREASURY MANAGEMENT STRATEGY INCLUDING PRUDENTIAL CODE INDICATORS 2020/21

NON KEY DECISION

Author – Belinda White Ext 2515
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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 following scrutiny from Audit Committee and Executive, the Treasury Management Strategy is recommended to 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 the 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 (formerly known as Capita Treasury Solutions). 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 Executive and Audit Committee

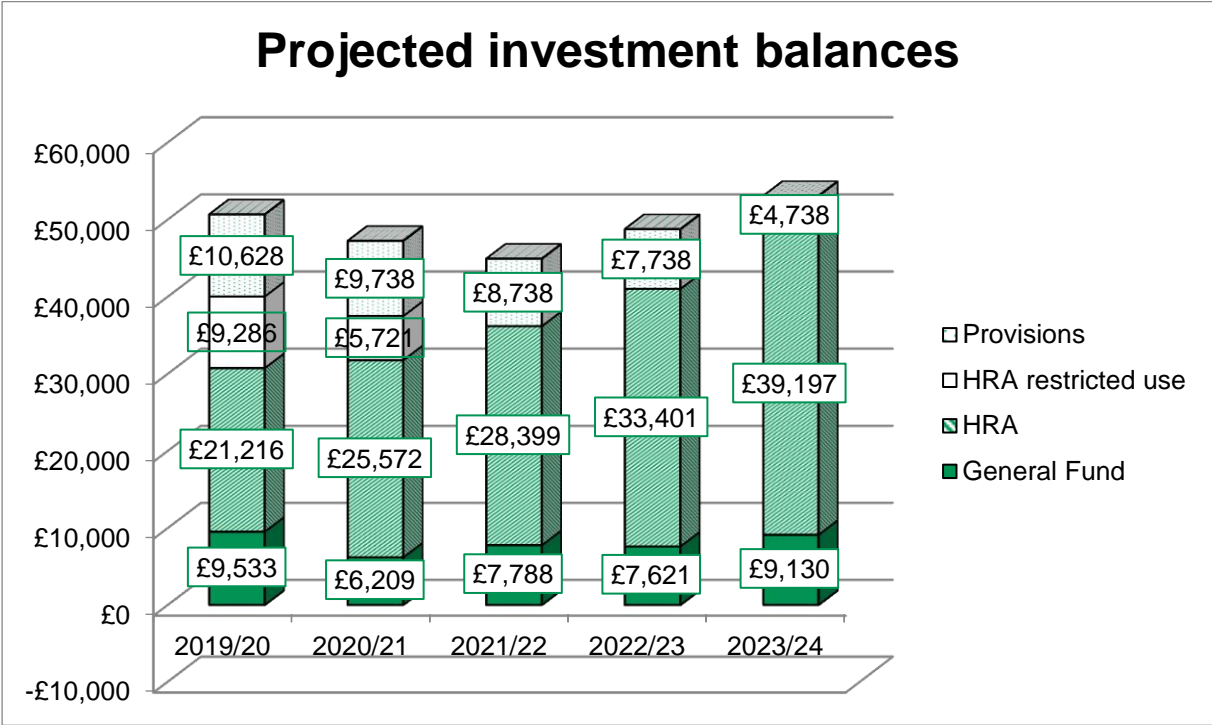
- 4.2.1 Following scrutiny of the TM strategy Audit Committee requested clarification from Chief Financial Officer (CFO) on Queensway transactions and borrowing limits.
- 4.2.2 Audit Committee have requested a further training session on Treasury Management, in addition to general audit training and further information on risk management.
- 4.2.3 There have been no changes made to the Treasury Management Policy as a result of Audit Committee and Executive reviews.
- 4.2.4 Audit and Executive supported the recommendation to increase the maximum level of long term investments to £20Million (recommendation 2.4).

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 (HRA BP), General Fund Medium Term Financial Strategy (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.

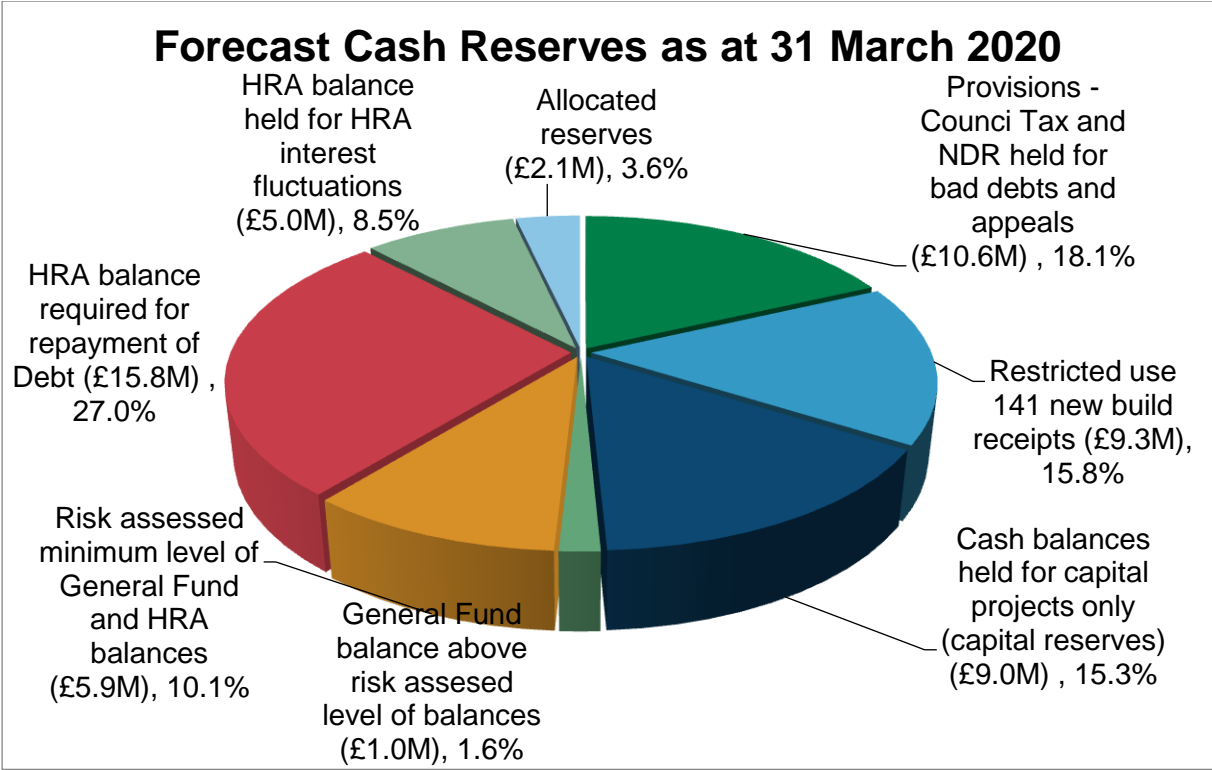


Note 1: General Fund and HRA balances are net of internal borrowing at year end

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 Right To Buy (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.

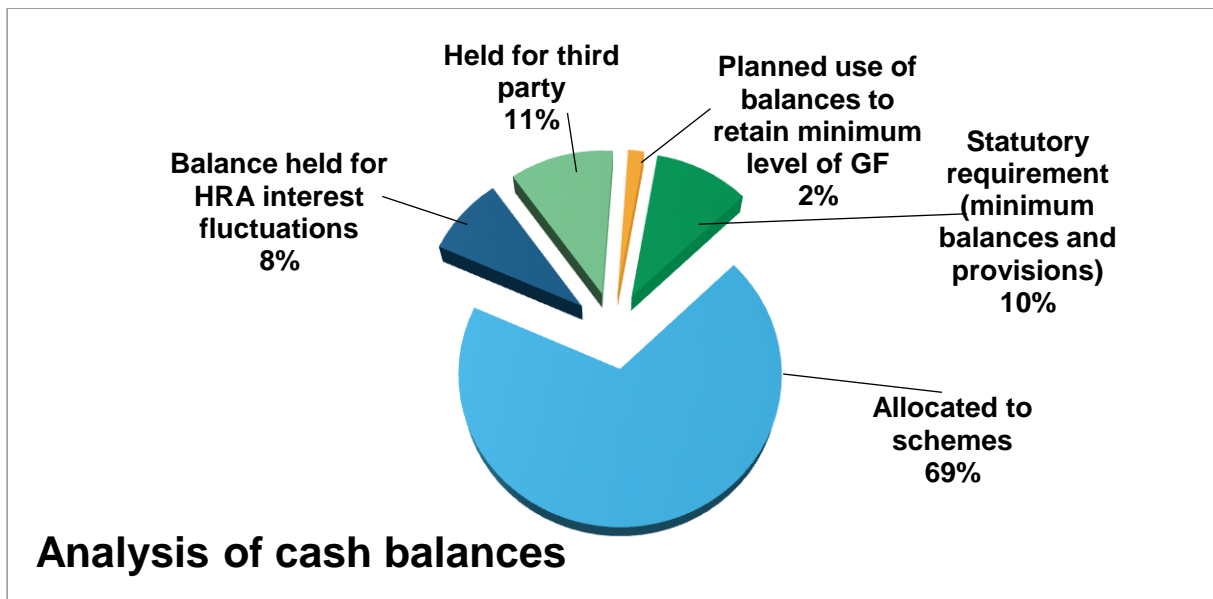
4.3.5 Reserves and provisions forecast to total £58.8Million as at 31 March 2020, however the actual cash held is forecast to be £50.7Million, a difference of £8.1Million. This is because both the HRA and the General Fund have used investment (cash) balances totalling £8.1Million rather than take external borrowing as interest rates are so low, (see also para 4.6.4).

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.



Note 2: balances gross of internal borrowing of £8.1Million

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 £58.8Million, 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.



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 Treasury Management (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 (CFO). 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 (TMS) are working as at the time of writing this report. However as recommended in paragraph 4.4.3 an increase in the level of long term investments is recommended to improve returns for the Council.

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 (TMPs). 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 CFO 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 CFO proposes no changes to the other treasury limits contained in the TMS (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 also being presented to 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:

- 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.
- Accommodate uncertainty regarding the timing of significant land sales.
- Reflect the identified borrowing requirement in the capital strategy.
- Reflect the capital programme financing requirement includes capital receipts and the uncertainty of when these receipts may materialise.
- 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

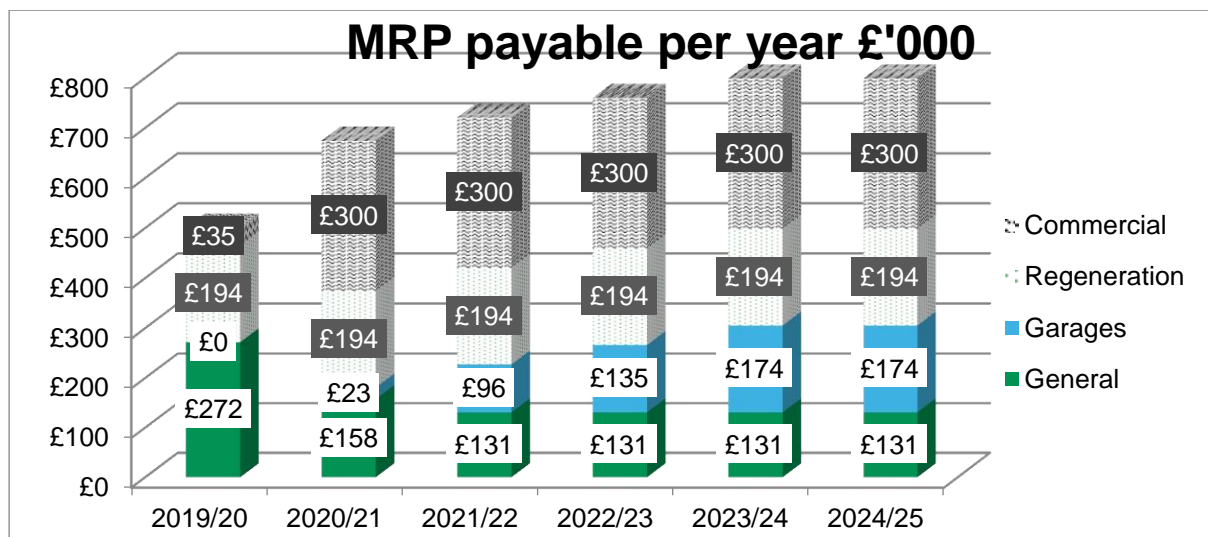
- 4.6.1 The Council had external debt of £205.351Million as at 31 December 2020 and is broken down as follows:

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 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 (3.00% based on 25 year loan). It is the view of the CFO 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 for the General Fund. This means that the capital borrowing need for the General Fund (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 CFO 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 advisor's latest forecast is a 1.0% base rate increase in June 2021 (an update to the forecast timing of March 2021 as reported to Audit Committee and Executive). 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													
	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	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.80	0.80	0.90	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.90	1.00	1.00	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	0.90	0.90	1.00	1.10	1.20	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.30	2.30	2.40	2.40	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.00	3.10
10yr PWLB Rate	2.50	2.50	2.60	2.60	2.70	2.80	2.90	3.00	3.10	3.10	3.20	3.20	3.30
25yr PWLB Rate	3.00	3.00	3.10	3.20	3.30	3.40	3.50	3.60	3.70	3.80	3.80	3.90	3.90
50yr PWLB Rate	2.90	2.90	3.00	3.10	3.20	3.30	3.40	3.50	3.60	3.70	3.70	3.80	3.80

Source: Link Asset Services 31 January 2020

- 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 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 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 BP 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 BP 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 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. The CFO 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 (see also para 4.4.3) .
- 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 3.2.2 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 13 February 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 TM 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 TMS 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 TMS 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 Councils 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 Final Capital Strategy 2019/20 – 2024/25 (Council 26 February 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

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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 considered 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. No changes were deemed to be required to the use of existing approved investment instruments. (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 has been established for some time. It has not issued any bonds to date, although is expected to launch the first bond issue in the near future. It had been hoped that the borrowing rates available would be lower than those offered by the Public Works Loans Board (PWLB), and given the rise of 1% in PWLB borrowing rates in October 2019 this is more likely. 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 £63.03 Million on deposit with various the institutions.

5.2 **Interest Rate Forecast** - The Bank of England base rate remains at 0.75% as at 31 January 2020. 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 31 January 2020) for financial year ends (March) are:

- 2019/20 0.75%
- 2020/21 0.75%
- 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 0.902 % 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 31-01-20
2019/20	0.70%
2020/21	0.90%
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

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 is necessary to make adequate provision for the repayment of debt in the form of Minimum Revenue Provision in the accounts for the unfunded element of prior year's capital expenditure funded by internal borrowing. 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 2020/21 is £500,499 based on the Final 2020 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 are being 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)	(50,664)	(47,240)	(44,925)	(48,760)
Net Borrowing	177,614	177,463	208,545	238,902	254,653

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 (subject to regular reviews of government share percentage).	
	Short Term Deposit		
Debt Management Office or UK Local Authority	Any deposit	No limit	
Money Market Funds	Instant Access	AAA rated	Instant Access

Table 2

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

Investment Counterparty	Investment Instrument	Minimum High Credit Quality Criteria	Investment Duration
Banks or Building Societies	Any deposits with maturity up to a maximum of five years	Fitch: Short Term F1+ and Long Term AA- and Moody, Standard & Poor, equivalent where rated, the lowest rating used where different	Maximum duration suggested by Treasury Advisor's (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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Meeting: COUNCIL

Portfolio Area: Members' Services

Date: 26 FEBRUARY 2020

MEMBERS' ALLOWANCES – REPORT OF INDEPENDENT REMUNERATION PANEL

Author –	Jackie Cansick	Ext. 2938
Lead Officers –	Matt Partridge	Ext. 2456
Contact Officer –	Jackie Cansick	Ext. 2216

1. PURPOSE

- 1.1 To consider the report of the Independent Panel on Members' Allowances and in the light of that report approve the Scheme of Allowances for 2020/2021.

2. RECOMMENDATIONS

- 2.1 That the report of the Independent Panel be noted and that findings form the basis of the formal Members' Allowances Scheme and the allowances paid the Mayor and Deputy Mayor.
- 2.2 That in accordance with the comments of the Panel regarding payment of carers' allowances, the scheme be extended to accept payments to relatives who do not live in the same household as the Councillor. In all circumstances receipts must be submitted.
- 2.3 That in the light of the report of the Independent Panel the draft formal Scheme shown at Appendix B to this report be approved for 2020/2021.
- 2.4 That following the recommendation from the Independent Panel allowances be increased in line with future staff pay wards covered by the terms and conditions of the National Joint Council for Local Government Services (NJC) once known and as recommended by the Panel. This indexation to apply until 2024 subject to any further Independent Panel reports.

3. BACKGROUND

- 3.1 In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 before an authority makes or amends a scheme that authority shall have regard to the recommendations made to it by an independent remuneration panel.
- 3.2 The Council's Independent Remuneration Panel currently comprises –

- Marian Hurle BEd, DMS, Former CEO Stevenage Citizens Advice Bureau
- Nicholas Moss OBE JP, Independent Adviser on North Hertfordshire District Council
- Bill Welch ACIS, Former Corporate Director, Stevenage Borough Council

3.3 The last full review of the Stevenage Members' Allowances Scheme by an Independent Panel was reported to Council in February 2016.

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 The report of the Panel is attached at Appendix A and the proposed Members' Allowance Scheme can be seen at Appendix B.

4.2 The Panel concluded that the remuneration for basic allowances and SRAs continues to be appropriate. It was also recommended that the allowances should continue to be linked to any pay awards applicable to NJC staff.

4.3 The Panel recognised that the Council is fulfilling its obligations under the regulations that an SRA should be paid to at least one Member not in a controlling group.

4.4 Section 8 b) i) of the report addresses the level of Special Responsibility Allowance paid to the Chair of the Licensing Committee. The Panel have concluded that with effect from 1 April 2020 the level of Special Responsibility Allowance be reduced to £4,382 p.a.

4.5 The Panel also considered the role of Minority Group Leader(s) and has recommended that this position should attract a Special Responsibility Allowance £1,500 p.a. (see section 8 a) b) ii) of the report).

4.6 A further area of explored by the Panel was allowances that may be claimed for child care and other dependents (Section 8 b) vii) of the report refers). The Panel considered that having these allowances available could help reduce barriers to potential candidates seeking election as a Councillor. The proposed levels of these allowances are –

- Child Care up to a maximum of £11.00 per hour
- Dependent Care up to a maximum of £25.00 per hour

The Panel noted the current prohibition on payments to relatives and have expressed the view that the Council may wish to reconsider this restriction and perhaps contemplate limiting any restriction to carers living in the same household as the person(s) requiring care. Receipts would still need to be provided.

- 4.8 Reference is made in the report of the Independent Panel to assistance provided to the Mayor and Deputy Mayor. It should be noted that these 'allowances' are not included in the formal Members' Allowances Scheme.
- 4.9 In accordance with the regulations, on receipt of the Panel's report the Council has ensured that copies are available for inspection by members of the public at Daneshill House and has placed a public notice in a local newspaper stating that such a recommendations from the Panel have been received; describing the main features of the Panel's recommendations and the recommended amounts for each allowance; stating that copies of the report are available for inspection; and specifying the address of the principal office at which copies are made available.
- 4.10 It is for Council to consider the report of the Panel and agree a Scheme.

5. IMPLICATIONS

5.1 Financial Implications

- 5.1.1 Funding for the proposed Scheme has been included within the 2020/21 Budget to be considered elsewhere on the agenda for this Council meeting.

5.2 Legal Implications

- 5.2.1 The provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003 have directed the convening of the Independent Panel; its consideration, report and recommendations; and the process of publicising the recommendations
- 5.2.2 In making or revising the Scheme, the Council must have regard to the Panel's report but is not strictly obliged to follow its recommendations, although it would be advisable to have good reasons for not doing so.

APPENDICES

- Appendix A – Report of Independent Remuneration Panel
- Appendix B – Proposed Scheme for 2020/2021

BACKGROUND DOCUMENTS

- Local Authorities (Members' Allowances) (England) Regulations 2003

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Stevenage Borough Council

Members' Allowances Scheme

The report of the Independent Remuneration Panel

December 2019

1. Introduction

The Members' Allowances Scheme for Stevenage Borough Council (the Council) was last reviewed in 2015. There is a statutory * requirement for the scheme to be based on recommendations of an independent review. For this purpose an Independent Panel was convened in August – November 2019 by the Council's Chief Executive.

*Local Authorities (Members' Allowances) (England) Regulations 2003

2. Membership of the Panel

- **Marian Hurlle BEd, DMS, Former CEO Stevenage Citizens Advice Bureau (Panel Chair)**
- **Nicholas Moss JP, Independent Person, North Hertfordshire District Council.**
- **Bill Welch ACIS, Former Corporate Director, Stevenage Borough Council.**

3. Terms of Reference

The Panel was asked to review the Members' Allowances Scheme and to produce a report for the Council.

4. Context of the Report

The basic functions and Member decision-making structure of the Council have remained as they were in 2015.

The Council has around 700 employees covering about 120 services or functions. The Council is also landlord to 8,200 homes with plans for a further 350 new homes over the next few years. There are 39 Members of the Council.

The town continues to face unique challenges resulting, not least, from its diverse population. The town is also diverse economically. Life expectancy in the town is seven years less than in other parts of Hertfordshire. There are high levels of smoking and personal debt. Some residents have complex needs that require more support from Council staff and Councillors.

Additionally, the panel was conscious of a number of initiatives that the Council is undertaking. They include town centre regeneration, housing development, the co-operative neighbourhood management programme and its work on homelessness and rough-sleeping.

These challenges are made more difficult by the need for the Council to manage within a tight budget. Taken together they put substantial demands on both the Council's Members and on the services for which they are ultimately responsible.

5. Process of the Review

We met seven times between August and November 2019.

All Councillors were invited to meet us or to make written representations.

We met the Leader of the Council, the Deputy Leader, the Leaders of the Opposition parties, and the Mayor and Deputy Mayor.

We were briefed by the Chief Executive and a Senior Director and were provided with relevant documentation.

We were very ably supported by Jackie Cansick (Constitutional Services Manager) and her colleagues.

We express our thanks to them all.

In addition to our interviews with Members and Officers we reviewed the 2015 Independent Remuneration Panel report and other information about allowances from the Council and other Authorities in Hertfordshire and elsewhere. This research helped to inform our review.

6. Basis of our Recommendations

Our recommendations comply with the Local Authorities (Members' Allowances) (England) Regulations 2003. We also had regard to the associated guidance.

Subject to our recommendations, we concluded that the current scheme of allowances and expenses is sound.

7. Basic Allowances

We noted that the Basic Allowance paid to members of the Council continues to be higher than the Basic Allowance paid to members of other Councils in Hertfordshire.

We considered this Allowance in terms of Members' effort and commitment. We also took into account the long-established principle that some element of the work should be voluntary. Having balanced these points we concluded that the approach underpinning the Basic Allowance continues to be justified because of the particular demands on the Council, as summarised in the *Context of the Report* section. We concluded that the remuneration level for the Basic Allowance continues to be justified.

8. Special Responsibility Allowances (SRA)

General observations

We noted that the SRA paid to members of the Council's Executive and to other Members who occupy significant positions within the Council, as permitted by the regulations, continue to be among the highest in Hertfordshire.

We considered the SRA in terms of Members' effort and commitment. We took into account also the long- established principle that some element of the work should continue to be voluntary. Having balanced these points we concluded that special responsibility allowances continue to be justified because of the particular demands on the Council, as summarised in the *Context of the Report* section.

Specific considerations

Licensing Committee Chair

However, during our review, it became apparent that one position for which an SRA is paid warranted further consideration. The Licensing Committee has had little business to consider: it has met only once during the last two years. We understand that its work outside Committee meetings is also limited.

In these circumstances we cannot justify the current SRA payable. However, given that the committee is a statutory requirement under the Licensing Act 2003 it follows, first, that it needs a chair and, second, that the holder of that position can reasonably be regarded as having a special responsibility. In balancing these two considerations – statutory obligation, but limited work - we recommend a lower payment of £4382 from 1st April 2020 subject to any uprating as discussed below.

Minority group leader

The Panel's report of 2015 considered the appropriateness of an SRA for a Minority Group Leader. It did not recommend making such a payment, but suggested that the subject could be considered in the future.

The current Panel received representations from the leaders of the two Opposition Parties. Only one receives an SRA: the Leader of the Majority Opposition Group. We are persuaded that the position of the Minority Opposition Group Leader(s) is such that an SRA is also justified on the following grounds.

We have noted the powers available to the Council under the regulations to make such a payment. We have concluded that the roles of the group leaders are, and are likely to continue to be, similar. In these circumstances it is difficult to justify paying one, but not the other(s). However, we believe that the position of the majority Opposition Leader should continue to be acknowledged by a higher payment than to any other Minority Group Leader(s).

In recommending a figure we have taken into account the fact that any payments made by other Authorities in Herts are very modest. Accordingly, we recommend a payment of £1,500 from 1st April 2020 subject to any uprating as discussed below.

Allowances for Independent Persons for Standards and for the Audit Committee

These allowances as defined in the existing scheme should continue.

Allowance for the Mayor and Deputy Mayor

We noted that the Mayor and Deputy Mayor perform an important and valued role within the community of Stevenage with significant duties. On that basis we concluded that these allowances* should continue.

** These allowances are outside the formal Members' Allowances Scheme*

Travel and Subsistence Allowances

The existing arrangements for members' travel and subsistence allowances should continue.

Allowances for expenses incurred in arranging care for children and other dependents

The Panel was advised that no claims had been made against this provision. However, we recommend that it should continue to be available, consistent with the Council's policy on equality.

We recommend an increase to the rate applicable having noted that it has remained unchanged since at least 2015, during which time costs have risen. Having these allowances available could help reduce barriers to potential candidates seeking election as a Councillor. An increase would also be in line with the Council's policies on equality. The proposed allowances have regard for our understanding of current market rates.

Child Care up to a maximum of £11.00 per hour

Dependent Care up to a maximum of £25.00 per hour

These allowances can be claimed by Councillors attending approved duties.

There will be a maximum allowance of 20 hours per month. Receipts will need to be provided. The panel noted the current prohibition on payments to relatives. The Council may wish to reconsider this restriction and perhaps contemplate limiting any restriction to carers living in the same household as the person(s) requiring care.

Basis for Uplift

We recommend that all allowances should continue to be uprated in accordance with the percentage increase of any pay award made to officers under the NJC terms and conditions of service. Such uprating would be based on the allowances quoted below.

Summary of Allowance Recommendations

In summary the panel recommend that the following allowances are implemented from the 1st of April 2020 subject to any uprating as referred to above.

Basic and Special Allowances

Basic Allowance - Paid to all Members - £7,804

Special Responsibility Allowances

- (i) Leader of the Council -21,909
- (ii) Executive Members - £10,730
- (iii) Chair of Planning and Development Committee - 10,730
- (iv) Chair of Overview & Scrutiny Committee - £9635
- (v) Chair of Licensing Committee £4382
- (vi) Chairs of Select Committees - £5,477
- (vii) Chair of Audit Committee - £4,382
- (viii) Leader of the Opposition - £4,382

Leader of minority opposition party(ies). £1,500

Independent Person for Standards and for Audit Committee Allowances

Independent Person for Standards £1,325

Independent Person for Audit Committee £1,325

Deputy Mayor £5,477

Travel and Subsistence Allowances

The existing arrangements for members' travel and subsistence allowances should continue.

Child care and Dependent Care Allowances

Child Care up to a maximum of £11.00 per hour

Dependent Care up to a maximum of £25.00 per hour

Consolidation of allowances paid, as published

As noted in the 2015 report, we recommend that, when Members' allowances are published, the basic allowance, any special responsibility or other allowances are presented as consolidated figures. This format will make it clear to the electorate the total amount that has been paid to each Member. Where any Member has elected to forgo his/her entitlement or any part of his/her entitlement to allowances that such election is made clear. We recommend that the reduced amount is also made clear.

We confirm that the foregoing views are those of the members of the Independent Remuneration Panel. We commend our recommendations to the Council for its consideration.

Marian Hurle

Nicholas Moss

Bill Welch

STEVENAGE BOROUGH COUNCIL

MEMBERS' ALLOWANCES SCHEME

EFFECTIVE FROM 1 April 2020 to 31 March 2021

Subject to 2020/2021 NJC pay award

Stevenage Borough Council has made the following Members' Allowances scheme under the Local Government Act 2000 and the Local Authorities (Members' Allowances) (England) Regulations 2003.

1. This scheme may be cited as the Stevenage Borough Council Members' Allowances Scheme, and shall have effect for the year 1 April 2020 to 31 March 2021.

2. In this scheme,

"Councillor" means a Member of the Stevenage Borough Council who is a Councillor; "year" means the period ending on 31 March 2021.

3. Basic Allowance

A basic allowance shall be paid to each Councillor from 1 April 2020.

4. Special Responsibility Allowances

1) For each year a special responsibility allowance shall be paid to those Councillors who hold the special responsibilities in relation to the authority that are specified in the schedule to this scheme.

2) Subject to paragraph 6, (part year entitlements) the amount of each such allowance shall be the amount specified against that special responsibility in that schedule.

3) Members are only able to claim one SRA.

5. Renunciation

A Councillor may by notice in writing to the Chief Executive elect to forego any part of their entitlement to an allowance under this scheme.

6. Part-year Entitlements

Payment of Basic and Special Responsibility Allowances will be pro-rata where Councillors do not serve for a full year on the Council.

7. Payments

Payments shall be made on a regular monthly basis. Claims for dependent carer's allowances and travel and subsistence allowance shall be made within two months of being incurred.

8. Suspension of Payments

The Council will withhold all allowances to any Councillor who is suspended for misconduct and will require Councillors to repay any allowance already paid during a period of suspension.

Basic Allowances

Basic Allowance	Paid to All Members	£7,804
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Special Responsibility Allowances

(i)	Leader of the Council	£21,909
(ii)	Executive Members	£10,730
(iii)	Chair of Planning and Development Committee	£10,730
(iv)	Chair of Overview & Scrutiny Committee	£9,635
(iv)	Chair of Licensing Committee	£4,382
(v)	Chairs of Select Committees	£5,477
(vi)	Chair of Audit Committee	£4,382
(vii)	Leader of the Opposition	£4,382
(viii)	Leader of minority opposition party(ies)	£1,500

Payment to Specific Co-opted Members

Independent Member - Audit Committee	£1,325
Independent person who must be consulted on alleged breaches of a code of conduct	£1,325

Carer's Allowance

The following amounts may be claimed for Councillors attending approved duties.

Childcare	Maximum of £11.00 per hour
Dependant care	Maximum of £25.00 per hour

Payment to relatives that live in the same household as the Councillor will not be admissible and there will be a maximum allowance of 20 hours per month. Receipts will need to be provided.

Travel, Subsistence and Other Allowances

The allowances for travel and subsistence will be the same as those fixed for employees of the Council from time to time. Claims to be submitted within 2 months of the date to which they relate.

Variations

The Basic and Special Responsibility Allowances details above are index linked to any pay awards applicable to NJC staff.



Meeting: **COUNCIL**

Portfolio Area: Resources

Date: 26 February 2020

PAY POLICY STATEMENT

Author Kirsten Frew Ext No. 2321

Contributors Katia Cousins Ext No 2383

Clare Fletcher Ext No 2933

Contact Officer Clare Davies Ext No. 2164

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1. PURPOSE

1.1 To approve the pay policy statement for the financial year 2020/21.

2. RECOMMENDATIONS

2.1 That the Pay Policy Statement set out in accordance with the Localism Act 2011 and the Local Government Transparency Code 2015, as attached at Appendix 1 to this report, be approved.

2.2 That the pay policy is placed on the Council's web site and that a notice of the policy is published in the next edition of Chronicle.

3. BACKGROUND AND REASONS FOR RECOMMENDED COURSE OF ACTION

3.1 The Localism Act requires local authorities to adopt annually a statutory pay policy statement which must then be published (including on the Council's website) 'to help local people understand how public money is being spent in their area and to hold the Town Hall to account'. The first of these Pay Policy Statements was approved on 29 February 2012 and has been published annually since then.

3.2 No remuneration may be made to officers which falls outside the Pay Policy Statement although it will be possible for a meeting of the Council to amend the Statement at any time.

- 3.3 The Pay Policy Statement must include its policies on the following matters:-
- the remuneration of its chief officers
 - the level and elements of remuneration for each chief officer,
 - the remuneration of chief officers on recruitment
 - increases and additions to remuneration for each chief officer
 - the use of performance related pay
 - the use of bonuses for chief officers
 - the approach to the payment of chief officers on their ceasing to hold office
- 3.4 'Remuneration' of chief officers includes pay and terms and conditions which may apply in the future and to chief officer appointments which may be made in the future.
- 3.5 The Statement may also set out policies relating to other terms and conditions relating to Chief Officers.
- 3.6 The Statement must also set out:
- The relationship between the remuneration of its chief officers and that of its employees who are not chief officers.
 - The Authority's definition of its 'lowest paid employees' for these purposes and the reasons for this definition and
 - The remuneration of its 'lowest paid employees'
- 3.7 For clarity, 'Chief Officer' includes the Head of Paid Service (the Chief Executive), the Chief Finance Officer, the Monitoring Officer (Borough Solicitor), non-statutory chief officers(the Strategic Directors), and deputy chief officers (Assistant Directors).
- 3.8 In approving its pay policy statement the Council must have regard to any guidance issued or approved by the Secretary of State. In 2012, 'Openness and accountability in local pay' ("the Guidance") was issued. The Council is not bound to follow the guidance but must take it into account in approving the Statement.
- 3.9 The Act itself does not require local authorities to publish specific salary details in the Pay Policy Statement. However, the Accounts and Audit (England) Regulations 2011 and the Local Government Transparency Code 2015 require the publication in the accounts of salary bands and the salaries of Chief Officers. Salary bands for these posts have therefore been included in the Pay Policy Statement as suggested in the Guidance.
- 3.10 The Guidance refers extensively to the Hutton Review of Fair Pay in the Public Sector. This Review comments on fairness in pay and that the salary gap between the highest and lowest paid officers has grown in recent years. Hutton suggests that the relationship between chief officers and other employees is explained and taken into account in remuneration decisions for all staff. This relationship he recommends can be illustrated by the publication of pay multiples – the ratio between the highest paid employee and mean average earnings.

- 3.11 The Statement therefore includes pay multiples comparing the Chief Executive's remuneration against the lowest paid employees and mean average earnings across the Council.
- 3.12 The Guidance also expresses concerns that senior staff moving posts within the public sector could be seen as driving up average pay levels particularly where the sector as a whole is paying twice through a salary and a pension. As a closely related issue 'Authorities should use their Pay Policy Statement to explain their policies towards re-engaging chief officers who have received severance or redundancy payments from that authority'. Although it is not envisaged that any such appointments will be made the Council has adopted a policy which relates to all Council officers, including chief officers and states that "Any employee who takes voluntary redundancy will not be permitted to return to the employment of Stevenage Borough Council, either as a permanent or fixed term employee, for a minimum period of 12 months following the date of their redundancy. There is no restriction on returning to employment following compulsory redundancy".

There is no restriction on returning to the wider public sector, however, in line with the Redundancy Payment (Local Government) (Modification) Order 1999 (as amended) officers who are made redundant, receive an offer of employment from another public body before their employment terminates and then start work in the new job within 4 weeks of that termination will lose their entitlement to a redundancy payment.

- 3.13 The proposed pay policy takes account of the supplementary statutory guidance issued under the Localism Act 2011, in February 2013 by the Secretary of State, on pay policy statements and remuneration above £100,000
- 3.14 There have been no changes to the terms and conditions of chief officers in the last 12 months. As yet no pay award for 2020/21 has been agreed for chief officers, in line with relevant terms and conditions, any pay award that is agreed will be implemented.

4. EQUALITIES AND DIVERSITY IMPLICATIONS

- 4.1 The Council has a legal obligation to comply with the Equality Act 2010, and to ensure equal pay for work of equal value, for men and women. The Council implemented single status with effect from 1 July 2014 to ensure compliance.
- 4.2 The Council published its Gender Pay Gap report in March 2019 in line with The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. A copy of this report is published on the Council's website: <http://www.stevenage.gov.uk/content/15953/33537/20596/Gender-Pay-Gap-Report-2019.pdf>. A further report on the Council's Gender Pay Gap will be published in March 2020.

APPENDICES

Appendix 1 - Stevenage Borough Council Pay Policy Statement 2020/21.

APPENDIX 1 – PAY POLICY STATEMENT FOR STEVENAGE BOROUGH COUNCIL

This Pay Policy Statement is made in accordance with Chapter 8 of the Localism Act 2011.

This policy shall apply from 1 April 2020 to 31 March 2021 subject to amendment by Council.

To date no Chief Officers' Pay Award has been agreed for 2020/21 at a national level. Should an award be agreed this will be implemented in line with national guidance.

Remuneration bands of senior officers are set out here:

Head of Paid Service/ Chief Executive	£104773-£121767
Deputy Chief Executive (Strategic Directors pay band plus 10%)	£87624-£101837
Strategic Directors	£79658-£92579
Monitoring Officer/ Borough Solicitor	Employed by Hertfordshire County Council as part of a shared legal service.
Section 151 Officer	The section 151 officer receives a supplement of up to £7000 per annum
Assistant Directors	£66147-£76877
Assistant Directors (with Recruitment and Retention premium attached)	£70647-£81377

*Lowest Paid Employees with effect from 1 April 2019	£18,065
Mean Average Basic Earnings	£31,806

*Excludes apprentices. 'Lowest Paid Employee' means the employees on the lowest grade assuming that the posts are full time

- Any employee, up to and including those on grade 6, is eligible for an overtime payment at an enhanced rate of +0.33 of their basic salary for any overtime hours worked Monday to Saturday and +1.00 for any overtime hours worked on a Sunday for any additional hours worked over 37 per week.

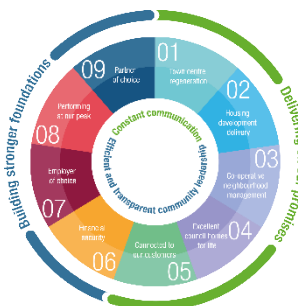
Employees at or below Grade 6 that are required to undertake non-standard working are entitled to non-standard working enhancements. In addition to their normal salary those employees at or below grade 6, who are required as part of their contracted hours to work on a Saturday, or for longer than 4 consecutive hours between 10pm and before 7am receive a shift enhancement of +0.33 of their basic salary for those hours, and employees at or below grade 6 who are required to work on a Sunday as part of their contracted hours receive a shift enhancement of +1.00 of their basic salary, this rate of enhancement also applies to any hours worked on a public holiday.

2. With effect from 1 January 2014 the Council commenced paying the Living Wage to all employees, excluding apprentices. SBC updates the Living Wage on 1 April each year. With effect from 1 April 2020 this will be £18065 (£9.36 per hour)
3. The pay of the Chief Executive (including payments for elections) is currently 6.74 times the pay of the lowest paid worker and this ratio is not expected to change significantly. The pay of the Chief Executive is currently 3.82 times the pay of mean average earnings.
4. Strategic Directors and the Chief Executive are paid an allowance of £24.95 per month for expenses but otherwise no bonuses performance related pay or other forms of additional remuneration are paid to Chief Officers or Deputy Chief Officers.
5. Many of the Chief Officers, Deputy Chief Officers and other employees receive a payment for attending and performing certain duties at elections. These payments are set in line with guidance produced per election type.
6. Salary packages amounting to £100,000 or more for new appointments will be approved by Full Council.
7. Salary increments are paid annually by default for all employees of the Council up to the top of the pay grade
8. The pay of Chief Officers and Deputy Chief Officers is based on job evaluations undertaken through the Inbucon scheme.
9. The terms and conditions of Chief Officers and Deputy Chief Officers are set in accordance with the JNC.
10. Chief Officers and Deputy Chief Officers including any new appointments at this level will be made in accordance with the pay scales set out above.
11. All employees including Chief Officers and Deputy Chief Officers are entitled to redundancy payments based on the same multiple of 2.5 times statutory provision and based on actual weekly pay.
12. Any redundancy or severance packages of £100,000 or more must be approved by Full Council.
13. Any employee who takes voluntary redundancy will not be permitted to return to the employment of Stevenage Borough Council, either as a permanent or fixed term employee, for a minimum period of 12 months following the date of their redundancy. There is no restriction on returning to employment following compulsory redundancy but an employee who is re – employed following redundancy must have a break of at least four weeks between the termination

of the first employment and the start of the second in order to retain a redundancy payment

14. All employees including Chief Officers and Deputy Chief Officers are entitled to retirement pensions calculated in the same way under the Local Government Pension Scheme (Administration) Regulations 2008, Regulations 2014 and the Council Pension Discretion Policy. These Regulations require the Council to publish its policy on increasing an employee's total pension and on awarding additional pension.
15. The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 require the Council to formulate, review and publish its policy on making discretionary payments on early termination of employment.
16. The terms and payment of terminating the employment of any officer of the Council in any contentious circumstances which do not result from an award made by an Employment Tribunal or Court are settled by the Council on the basis of the legal merits of the case, the time and disruption which protracted litigation would involve, any limit of statutory entitlement on monetary claim available to an employee and what is considered prudent in all the circumstances.

Meeting Council
Portfolio Area Communities, Community Safety and Equalities
Date 26 February 2020



LICENSING ACT 2003 - REVIEW OF STATEMENT OF LICENSING POLICY

NON KEY DECISION

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Lead Officers Zayd Al-Jawad | 2257
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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 and recommended for adoption by Executive at a meeting on 12th February 2020.

2 RECOMMENDATIONS

- 2.1 That Council adopts the proposed Stevenage Borough Council Licensing Act Statement of Policy 2020-2025 as attached at appendix A of the report.

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. 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 The draft Statement of Policy was considered by the Executive at the meeting on 12th February. The Executive noted that the fees relating to activities connected to the Licensing Act 2003 were statutory, but had not been reviewed since 2005. The Local Government Association were continuing to lobby the Government for a review of the fees or allowing Local Authorities to set their own fees. In respect of the recycling of empty bottles by licensees, the Senior Environmental Health and Licensing Manager was asked to investigate whether the Licensing Authority could impose conditions requiring such recycling on new licences. If not, he was further asked to lobby the Government requesting that licensing authorities were granted such powers.
- 4.11 The Executive resolved that the proposed Stevenage Borough Council Licensing Act 2003 Statement of Licensing Policy 2020-2025 be agreed and that the Council be recommended to adopt the Policy.
- 4.12 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.
- 4.13 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

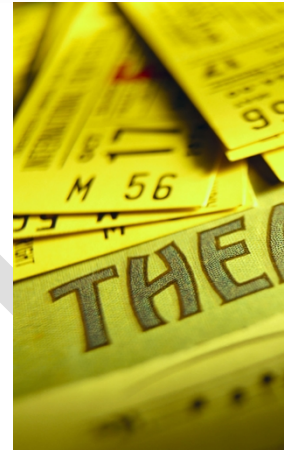
APPENDICES

- A Licensing Act 2003 draft Statement of Policy 2020-25
- B List of organisations consulted
- C Consultation response from the British Beer and Pub Association

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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)

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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

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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:

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STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

Date: Monday, 3 February 2020

Time: 6.00pm

Place: Shimkent Room, Daneshill House, Danestrete

Present: Councillors: Maureen McKay (Chair), John Gardner (Vice-Chair), Sandra Barr, Stephen Booth, Laurie Chester, Lizzy Kelly and Graham Lawrence.
Geoff Gibbs (Independent Co-opted Member).

Start / End Time: Start Time: 6.00pm
End Time: 6.39pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillor Dave Cullen.

There were no declarations of interest.

2 MINUTES - 12 NOVEMBER 2019 AND 27 NOVEMBER 2019

It was **RESOLVED** that the Minutes of the meetings of the Audit Committee held on 12 November 2019 and 27 November 2019 be approved as correct records and signed by the Chair.

The Chair announced that a presentation on the progress of the Council's ICT Strategy would be submitted to the next meeting of the Committee to be held on 17 March 2020.

In respect of Minute 3 of the meeting of the Committee held on 27 November 2019, it was noted that an appropriate senior officer in the Regeneration Team would be invited to a future meeting in the summer of 2020 to provide an update on the financial risks associated with the Queensway LLP.

In terms of the 2018/19 external audit, the Assistant Director (Finance & Estates) advised that Ernst & Young had 5 outstanding queries. Due to priority work on the Council's budget for 2020/21, she had been unable to respond to these queries, but would do so during February 2020, thereby enabling the Statement of Accounts to be signed off.

The Assistant Director (Finance & Estates) commented that Hertfordshire CFO's would be collectively writing to the Public Sector Audit Appointments (PSAA) regarding clarification about EY's move to for a 30 September deadline for 2019/20 audit of accounts from the 31 July for audit sign off of the accounts. It was the CFO's preference that if the Finance Team were required to publish their unaudited

accounts by the end of May each year, it would be backward step to wait until the end of September for the accounts to signed off.

3 ANNUAL TREASURY MANAGEMENT STRATEGY INCLUDING PRUDENTIAL CODE INDICATORS 2020/21

The Assistant Director (Finance and Estates) presented a report which would be recommended to Council at its meeting on 26 February 2020 seeking approval of the Treasury Management Strategy 2020/21 including its Annual Investment Strategy and the prudential indicators.

The Assistant Director (Finance & Estates) advised that, as at 31 December 2019, cash balances were £63.03Million, and were forecast to be £50.70Million as at 31 March 2020. She referred to the Projected Investment Balances chart set out in Paragraph 4.3.3 of the report, and the chart in Paragraph 4.3.6, which showed the allocation of forecast reserves as at 31 March 2020. She reported that there had been no breaches of treasury counter party limits during 2019/20.

The Assistant Director (Finance & Estates) stated that it was proposed to increase the maximum level of long term (invested for longer than 12 months) investments from £10Million to £20Million when cash balances were higher than £30Million. This was 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 Assistant Director (Finance & Estates) explained that the Operational boundary was the limit beyond which external debt was not normally expected to exceed and in most cases would be similar to the Council's Capital Financing Requirement (CFR). It was recommended that the operational borrowing limit was increased 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;
- accommodate uncertainty regarding the timing of significant land sales;
- reflect the identified borrowing requirement in the capital strategy;
- reflect the capital programme financing requirement including capital receipts and the uncertainty of when these receipts may materialise; and
- reflect the valuation of the finance lease of Queensway properties in the town centre.

The Assistant Director (Finance & Estates) commented that the Authorised limit for external debt had in turn been increased and was a control on the maximum level of borrowing. This represented the legal limit to which the Council's external debt cannot exceed. The revised Authorised limit was set out in the table at Paragraph 4.5.5 of the report.

The Assistant Director (Finance & Estates) drew attention to Paragraph 4.8.4 of the report, where the Council's treasury advisors had forecasted the Bank of England

base rate to increase to 1.0% in March 2021. However, the Bank of England had subsequently agreed to the base rate increasing by 0.75% in March 2021, with a projected further 0.25% increase in June 2021. She added that the Housing Revenue Account Business Plan's existing loans had an average interest rate of 3.38%, based on £202.674Million of borrowing.

The Assistant Director (Finance & Estates) concluded by referring to the UK Sovereign rating and investment criteria. If there was a negative reaction to Brexit, then it was 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 used countries with a rating of AA- or above. As at 23 January 2020, the UK current Sovereign rating was AA. The UK rating would be exempt from the sovereign rating investment criteria, and so in the event that the UK was downgraded below AA-, it would not impact on the Council's ability to invest with UK institutions. Other investment criteria would be considered in this event to ensure security of funds for the Council.

In response to Members' questions, the Assistant Director (Finance & Estates) replied:

- The Treasury Management Strategy contained sufficient flexibility to allow borrowing to fund the Bus Station Re-location project should Growth Deal 3 funds be not forthcoming, however this would have a financial impact to be addressed elsewhere;
- It was anticipated that the second phase of the Queensway scheme would commence in Spring 2021; and
- There was an update on cash balances held and although projected £50.7Million at year end, the Assistant Director (Finance and Estates) pointed Members to the Final Capital Strategy report which showed in a chart that higher balances were required to be held now for the Housing Revenue Account (HRA) as HRA balances reduce close to minimum balances in the middle of the HRA Business Plan. In addition a proportion of the balances relate to provisions and third party balances.

The Assistant Director (Finance & Estates) acknowledged Members' requests for additional general audit training and a further session on treasury management. She commented that she intended to arrange an All Member training session on Financial Risks in late March/early April 2020, to ensure that Members were fully aware of the challenging General Fund position going forward, which the Committee welcomed.

At a Member's request, the Assistant Director undertook to consider the inclusion of trends in risk management in the year end Risk Management report.

The Chair asked for an item to be included on the Committee's Work Plan for 2020/21 in respect of the allocation of Section 106 monies.

It was **RESOLVED**:

1. That the Treasury Management Strategy 2020/21 be recommended to the Executive and Council for approval.
2. That the draft prudential indicators for 2020/21 be approved.
3. That the minimum revenue provision policy be approved.
4. That 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 be approved.

4 URGENT PART 1 BUSINESS

None.

5 EXCLUSION OF PUBLIC AND PRESS

It was **RESOLVED**:

1. That under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as described in paragraphs 1-7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access to information) (Variation) Order 2006.
2. That Members considered the reasons for the following reports being in Part II and determined that the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.

6 PART II MINUTES - AUDIT COMMITTEE - 12 NOVEMBER 2019

It was **RESOLVED** that the Part II Minutes of the meeting of the Audit Committee held on 12 November 2019 be approved as a correct record and signed by the Chair.

In the previous Committee Minutes there was reference to a CIPFA report on the assessment of models for the Council to provide a Corporate Landlord function. The Assistant Director (Finance & Estates) advised that she would be preparing a briefing note for Members on this matter.

7 URGENT PART II BUSINESS

None.

CHAIR