

Public Document Pack

Daneshill House
Danestrete
Stevenage
Hertfordshire

16 February 2021

Dear Sir/Madam

Notice is hereby given that a meeting of the Stevenage Borough Council will be held virtually via Zoom on Wednesday, 24 February 2021 at 7.00pm and you are summoned to attend to transact the following business.

Yours faithfully

Matthew Partridge
Chief Executive

AGENDA

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

2. MINUTES - 28 JANUARY 2021

To approve as a correct record the Minutes of the Special meeting of the Council held on 28 January 2021.

Page Nos. 7 - 10

3. MAYOR'S COMMUNICATIONS

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

4. MAIN DEBATE - 2021/22 COUNCIL TAX AND GENERAL FUND AND CAPITAL BUDGETS

To approve the Council's Final General Fund and Capital Budgets for 2021/22, projected 2020/21 General Fund and Capital Budgets, and final proposals for the 2021/22 Council Tax and Council Tax Support Scheme.

Reports and appendices attached.

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5. PETITIONS AND DEPUTATIONS

None.

6. QUESTIONS FROM THE YOUTH COUNCIL

None.

7. QUESTIONS FROM THE PUBLIC

In accordance with Standing Orders, written answers to these questions will be tabled at the Council meeting.

(A) Question from David Healey

What is the Council doing to make electric car charging spaces and facilities accessible in town and residential areas, noting the government requirement for all electric and hybrid cars by 2030? Will a task team be appointed to see the rollout for facilities in the residential areas, on request, for those without off street parking? There are extensive Government grants available for up to 75% and even more funding has just been added. A joint team from the environmental and transport portfolios should work on a master plan.

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. ANNUAL TREASURY MANAGEMENT STRATEGY INCLUDING PRUDENTIAL CODE INDICATORS 2021/22

To consider an Officer report that recommends the approval of the Treasury Management Strategy 2021/22 including the Annual Investment Strategy and the prudential indicators.

Report and Appendices attached

Page Nos. 231 - 266

10. UPDATE FROM SCRUTINY CHAIRS

To receive updates from the Chairs of the Scrutiny Committees on the recent activities of those Committees.

11. NOTICE OF MOTIONS

(i) **SBC communications with new residents**

To consider the following motion submitted by Councillor Stephen Booth.

“That the Council ensures that new residents, whether new to Stevenage or moving from other parts of the town, in addition to their Council Tax demand, receive a leaflet welcoming them to the area, explaining who their ward

representatives are and how to contact them, their access to local facilities, what town wide facilities are available to them and useful information of these services and other essential services via web addresses and phone numbers."

12. QUESTIONS FROM MEMBERS TO COMMITTEE CHAIRS/PORTFOLIO HOLDERS

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

(A) Question from Councillor Stephen Booth

"Why has it taken so long for the Council to apply planning enforcement proceedings to a house under construction at 8 Magellan Close, despite repeated and detailed e-mails to the Planning Department from local residents and councillors recording blatant breaches of planning permission?"

(B) Question from Councillor Andy McGuinness

'What updates have the Council been given about progress on the commencement of works to the Gresley Park Development?'

(C) Question from Councillor Robin Parker CC

'The 7 replacement Stevenage 'town entry' signs recently appeared at the main entrances to the town, and my investigations reveal that the cost to Stevenage Council Tax payers is £5,240, which includes paying an artist to design them, and that the decision to spend funds on this project was that of the Leader alone.

- a. Why was such an important and publicly visible symbol of Stevenage not allowed to be discussed with other councillors or the tax paying public?
- b. How many complaints about the old signs were received, and from whom?
- c. What was wrong with the old signs?
- d. Why has the information contained on the old style of signs been omitted?
- e. Why was this project imperative at a time when, largely as a result of the Covid-19 pandemic, SBC's finances are in a precarious position and savage service cuts are being made by the Labour Executive Members?'

(D) Question from Councillor Graham Snell

'At the last Planning and Development Committee meeting, on the 3rd of February, an item was discussed about various options regarding dramatic changes to Lytton Way and the area around it in the Town Centre. This included a list of options for long term redevelopments including a new Railway Station, Leisure Centre, Theatre and various other new buildings.

A very detailed report was discussed in brief and noted at the P&D meeting which was produced in part by David Lock Associates, described as 'Stevenage Connection, Area Action Plan'.

- a. How long has this project been in the planning stage?
- b. How much did the David Lock Report actually cost including an estimate of the cost of officer involvement?
- c. Has the Public Consultation timetable taken into account the long-term implications of the Covid-19 pandemic and the widely projected changes to work practices, particularly on much of the Retail Industry?

(E) Question from Councillor Tom Wren

'According to the Hertfordshire Waste Partnership 2019/2020 Annual Report, the percentage of household waste recycled in Stevenage has now declined to less than 40%. Stevenage has also had the lowest recycling rate of all the ten local authorities in Hertfordshire for the past 5 years and with very little improvement in this time.

What action does the Council plan to take to improve this rate?

The Annual Report can be found here:

<https://www.hertfordshire.gov.uk/media-library/documents/environment-and-planning/waste-and-recycling/residual-waste-treatment-contracts/hwp-annual-report-2019.20.pdf>

13. MEMBERS' ALLOWANCES SCHEME 2021/22

To agree a proposed Members' Allowances Scheme for 2021/22.

Report and appendix attached.

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14. PAY POLICY STATEMENT 2021/22

To consider an officer report recommending the Pay Policy Statement for the financial year 2021/22.

Report and Appendix attached

Page Nos. 271 - 278

15. EXCLUSION OF PRESS AND PUBLIC

To consider the following motions –

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

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

16. THE FORMATION OF A WHOLLY OWNED HOUSING DEVELOPMENT COMPANY - RENEWED BUSINESS PLAN APPROVAL AND FINANCIAL PROJECTIONS

To approve recommendations relating to a revised Business Plan for the Wholly Owned Housing Development Company.

[Recommendations 2.2.1 to 2.2.4 in the report are referred to Council for approval.]

Report and Appendix attached.

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STEVENAGE BOROUGH COUNCIL

COUNCIL MINUTES

Date: Thursday, 28 January 2021

Time: 7.00pm

Place: Virtual (via Zoom)

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

Start / End Time: Start Time: 7.00pm
End Time: 8.02pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from the Youth Mayor, the Chair of the Youth Council and Councillor Adrian Brown.

There were no declarations of interest.

The Mayor paid tribute to SBC staff who had lost their lives in recent months and passed his condolences to their families, friends and colleagues. He stated that two Members of the Council had been hospitalised with Covid-19. He welcomed Councillor Graham Snell to the meeting and hoped that he was recovering well, and reported that it was expected that Councillor Adrian Brown would be discharged from hospital within the next few days.

The Mayor advised that the Strategic Director (RP) would provide a national and local update on the Covid-19 pandemic at the end of the meeting.

The Mayor took the opportunity to state that he had the pleasure of announcing that a number of Councillors were to receive a certificate in recognition of their years of service as Councillors to Stevenage Borough Council, namely:

- Councillor Jackie Hollywell – 20 years' service;
- Councillors Richard Henry and Simon Speller for 25 years' service; and
- Councillor Dave Cullen for 35 years' service.

The Mayor advised that all of those Members would receive their certificates by post following the meeting.

2 MINUTES - 16 DECEMBER 2020

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

3 REPORT REFERRED FROM THE EXECUTIVE - HOUSING REVENUE ACCOUNT FINAL BUDGET PROPOSALS 2021/2022 AND RENT SETTING

The Council considered a report in respect of the Housing Revenue Account (HRA) Final Budget proposals and rent setting for 2021/22. The recommendations of the Executive, made at its meeting held on 20 January 2021, had been circulated to Members on a supplementary agenda.

The Executive's recommendations contained in the supplementary agenda were moved and seconded.

In response to Members' questions, the Strategic Director (CF) replied:

- In relation to Paragraph 5.4.4 of the report - the additional £500,000 included in the HRA Business Plan regarding operational implications of regulatory changes made after the Grenfell tragedy, this funding was for associated matters wider than just the cladding issue, such as Fire Safety measures and the designation of an officer responsible for the buildings;
- In respect of Paragraph 5.4.5 of the report – the interest rate reserve of £5.7M set up to offset any future variances from expected rates, this figure might seem high, but it related to such variances over the 30 year lifetime of the HRA Business Plan;
- With regard to the section in Appendix F to the report referring to cash collected in SBC controlled car parks, the situation pre-Covid pandemic provided the option of cash or card payments. The financial security option outlined in Appendix F was to cease cash payments going forward;
- In relation to consultation on the HRA Budget/rent Setting, the members of the Housing Management Advisory Board had been consulted on the report via e-mail, but no comments had been received.

During the debate, it was clarified that the recommendations referred solely to the HRA Budget, and not the General Fund Budget, which would be submitted for approval to the 24 February 2021 Council meeting. It was agreed that the relevant recommendations would be amended to state this explicitly.

Upon the amended motion being put to the vote, it was therefore **RESOLVED**:

1. That the HRA rent on dwellings be increased, week commencing 5 April 2021, by 1.5% which is an average increase of £1.46 for social rents, £2.38 for affordable rents and £1.80 for Low Start Shared Ownership homes per week (based on a 52 week year). 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 2021/22 HRA budget, as set out in Appendix A to the report, be

approved.

3. That the 2021/22 HRA Financial Security options, as set out in Appendix B to the report, be approved.
4. That the 2021/22 HRA growth options, as set out in Appendix C to the report, be approved.
5. That the 2021/22 HRA Fees and Charges, as set out in Appendix D to the report, be approved.
6. That the 2021/22 HRA service charges be approved.
7. That the minimum level of HRA reserves for 2021/22, as shown in Appendix E to the report, be approved.
8. That the HRA contingency sum of £250,000 within which the Executive can approve supplementary estimates, be approved for 2021/22 (unchanged from 2020/21).
9. That the comments from the Overview and Scrutiny Committee, as set out in the report, be noted.

At this juncture, and as announced by the Mayor at the beginning of the meeting, the Strategic Director (RP) provided a verbal update on the national and local positions in respect of the Covid-19 pandemic. The Mayor asked Members to e-mail any questions they had on the update to the Strategic Director (RP), and noted that the next Coronavirus Emergency Committee meeting was due to take place at 10.00am on Tuesday, 2 February 2021.

MAYOR

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Meeting EXECUTIVE
Portfolio Area Resources
Date 10 FEBRUARY 2021



FINAL GENERAL FUND AND COUNCIL TAX SETTING 2021/22

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 2021/22 General Fund Budget, Council Tax Support Scheme and draft proposals for the 2021/22 Council Tax.
- 1.2 To consider the projected 2020/21 General Fund Budget

2. RECOMMENDATIONS

That the following proposals be recommended to Council on 24 February 2021:

- 2.1 That the 2020/21 revised net expenditure on the General Fund of £11,056,840 be approved.
- 2.2 That a draft General Fund Budget for 2021/22 of £1,165,480 (as adjusted for the transfer from S31 grant allocated reserve to the General Fund of £8,395,960 to allow for the repayment to the Collection Fund of that amount) be proposed for consultation purposes, with a contribution from balances of £326,067 and a Band D Council Tax of £220.57 (assuming a 2.32% increase).
- 2.3 That the Risk Assessment of General Fund balances of £3,650,000 be approved.
- 2.4 That the contingency sum of £400,000 within which the Executive can approve supplementary estimates, be approved for 2021/22, (reflecting the level of balances available above the minimum amount).
- 2.5 That the 2021/22 Fees and Charges increase of £131,700 be noted as approved at the January (Appendix I to this report).

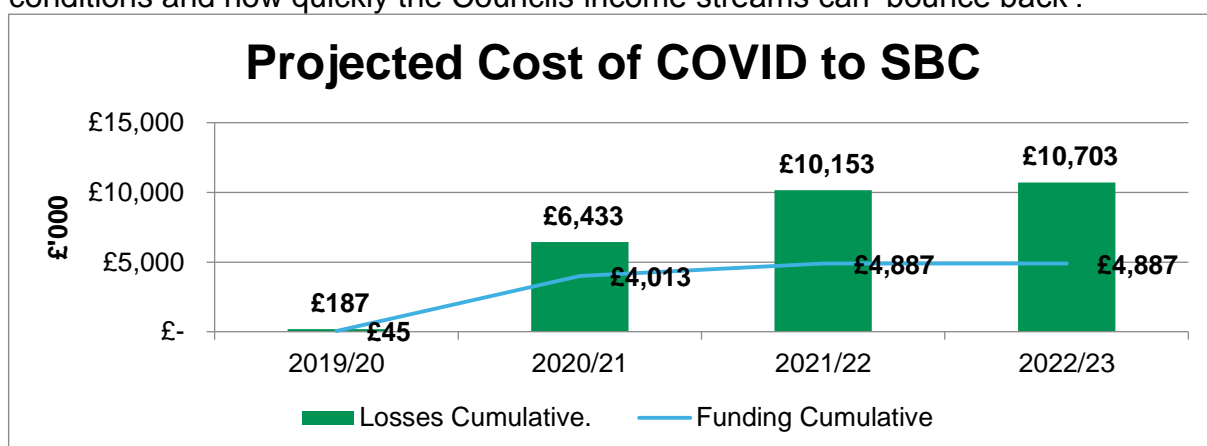
- 2.6 That the 2021/22 proposed Financial Security Options of £1,703,728 of which £1,462,182 relates to the General Fund (Appendix C to this report) be approved.
- 2.7 That the Growth bids of £260,365 of which £166,966 relates to the General Fund share (Appendix E to this report), are approved in principle as set out in the report and the priority order of implementation is approved as set out in paragraph 4.3.2.
- 2.8 That the General Fund pressures of £656,540 are noted, (Appendix E to this report).
- 2.9 That the 2021/22 Council Tax Support scheme is approved as set out in section 4.8 to this report.
- 2.10 That use of New Homes Bonus be noted section 4.4 refers.
- 2.11 That the Executive approve the Financial Security targets for the General Fund as set out in section 4.11.
- 2.12 That the Executive approves the use of the additional COVID grants as set out in sections 4.5 and 4.6.
- 2.13 That the Executive request the Senior Leadership Team to identify further options totalling £500K which could be implemented if the impact of COVID and other recessionary pressures are worse than projected (paragraph 4.1.5 refers).
- 2.14 That the Executive request the Senior Leadership Team to bring forward a Productivity Focused Transformation Programme by June 2021 to set out the plan for future savings (paragraph 3.9 refers).
- 2.15 That in accordance with the Council's Budget and Policy Framework Procedure Rules, the Council be recommended to continue with the current Co-operative Corporate Plan, subject to further review in Autumn 2022, (paragraph 4.16.4-4.16.5 refers).
- 2.16 That the comments from Overview and Scrutiny, Leaders Financial Security group and all Member group update (as set out in paragraphs 4.1.2-4.1.4) be noted.
- 2.17 That Members note the Equalities Impact Assessments appended to this report in Appendices G and H

3. BACKGROUND

- 3.1 This report is an update on the Council's Draft General Fund and Council Tax setting report 2021/21 presented to the January 2021 Executive meeting. This report gives any updates on the 2021/22 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.

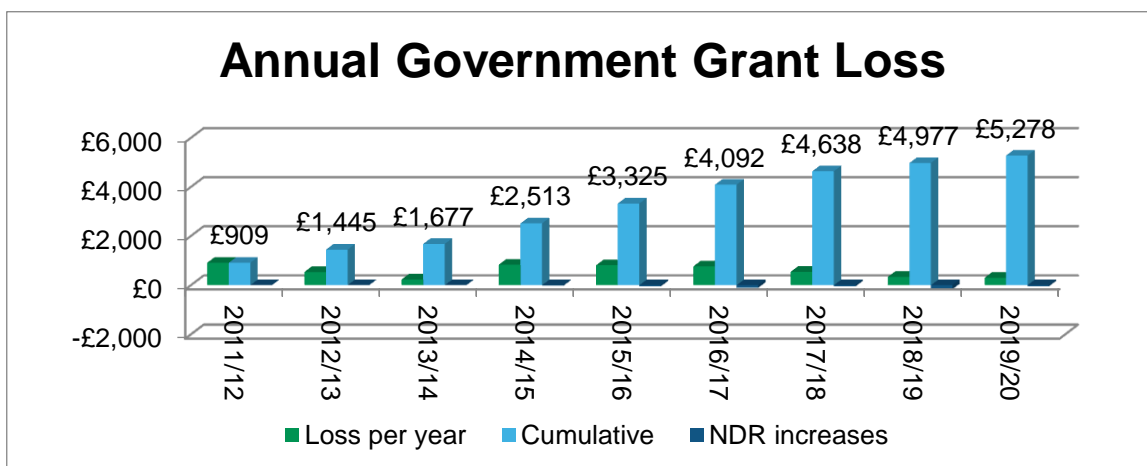
- 3.3 The January Draft General Fund report set out the impact of COVID on the Council's General Fund budgets (£9.7Million assumed in the Draft General Fund report), with a further £500K of costs assumed for homeless and election costs resourced from COVID funding included in the provisional finance settlement, (see paragraph 4.5.6-4.5.7). The projected gap between government funding and losses has necessitated the General Fund Financial Strategy (MTFS) to be updated with mitigating actions on three occasions during 2020, (June, September and December 2020 Executive meetings). Members approved financial resilience measures that improved General Fund balances for this and future financial years.

The projected financial impact of COVID on the Council's finances and updated for the assumed additional costs of homeless and elections is set out below. This is a projected £5.8Million gap in funding which has been funded from the measures set out in previous MTFS update reports. Members should note that any forecasts will depend on prevailing economic conditions and how quickly the Councils income streams can 'bounce back'.



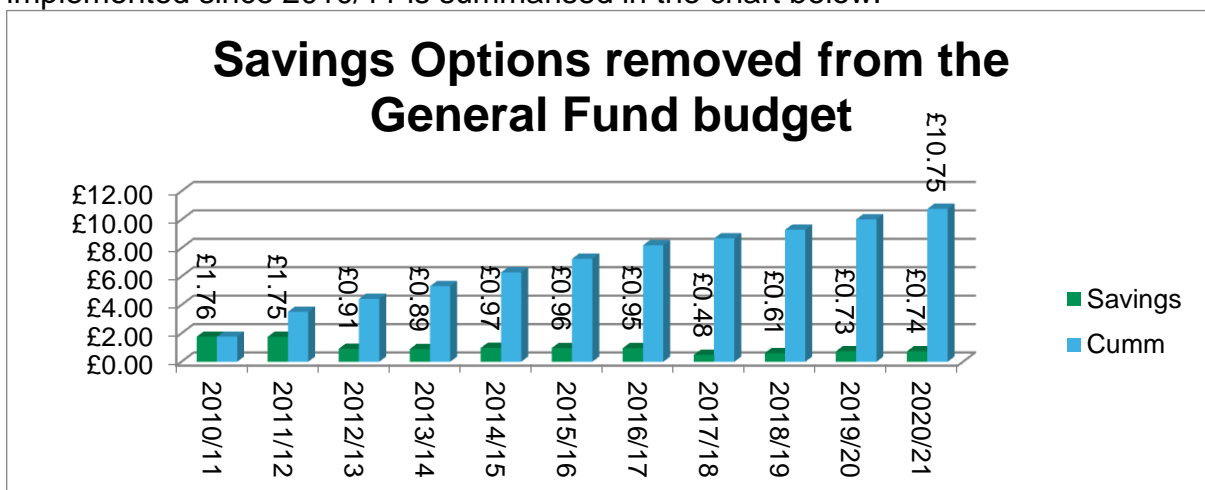
- 3.4 The funding gap has been reduced by a series of measure such as use of ring fenced capital receipts and Locality Review capital receipts to minimise revenue contributions to capital by some £2.6Million in total, alongside the use of business rate gain reserves, one off saving measure and the use of balances.
- 3.5 Most of the measures taken above are one off in nature (i.e. NDR reserve, use of ring-fenced receipts) and if losses are higher than estimated then additional measures will need to be taken. Additional risk mitigation measures approved as part of the Financial Security Report to the December Executive were:
- Increase risk assessment of balances for further COVID losses £1.2Million
 - Income equalisation reserve of £250K to absorb in year income losses if lower than budgeted, including fee increases for 2021/22
- 3.6 The Finance settlement was published on the 17 December and consultation finished on the 14 January, the outcome of the consultation to the provisional settlement was not known at the time of writing the report. The 2021/22 finance settlement for SBC as currently known, is set out in section 4.5 to this report.
- 3.7 The ability to deal with the COVID funding gap must be considered in the context of a decade of government funding cuts, which has meant most Councils including SBC have needed to have on-going Financial Security

savings target to fund inflationary and service pressures along with the absorption of central government grant losses which were £5.3Million by 2019/20.



3.8 The government has taken measures to stop Councils raising funding via commercial investment by curtailing the use of PWLB borrowing if a Council's Capital Strategy includes investment property purchase. From 26 November 2020, new restrictions were implemented which mean Councils are precluded from access to cheap Public Works Board (PWLB) funding if Capital Strategies include purchase of Commercial Investments, whether from borrowing (not just from PWLB) or other means. SBC's Investment Strategy Fund has been deleted from the SBC Capital Strategy to allow continued use of PWLB including £50Million Housing Revenue Account borrowing for this and next year. However, the new rules also reversed the 100bsp increase announced October 2019 for all but housing, which will improve the viability of business cases for regeneration and other programmes.

3.9 The January Draft budget report included of General Fund savings of £1,462,182 and Fees and Charges of £131,700, with a funding gap of £2.419Million for 2022/23-2024/25. The drive for budget reductions has been in place for the last ten years as a result of lower government funding (see paragraph 3.7), while at the same time resourcing new priorities such as regeneration, 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 quantum of identified savings implemented since 2010/11 is summarised in the chart below.



The ability to keep delivering significant levels of savings has become more difficult, with total value of annual savings reductions declining. There have been new initiatives introduced such as the Council's 'Cooperative Commercial and Insourcing Strategy'. This will contribute to future years' options but cannot be solely relied on in a period where income streams are vulnerable to recessionary impacts. Similarly there is an ongoing need to improve productivity and secure efficiencies by transforming how we work, in part also to ensure that the new Cooperative Working model is fully embedded. The alternative to using these methods is to make service reductions and due to the challenge for 2021/22 in a limited way this has been unavoidable in order to set a balanced budget.

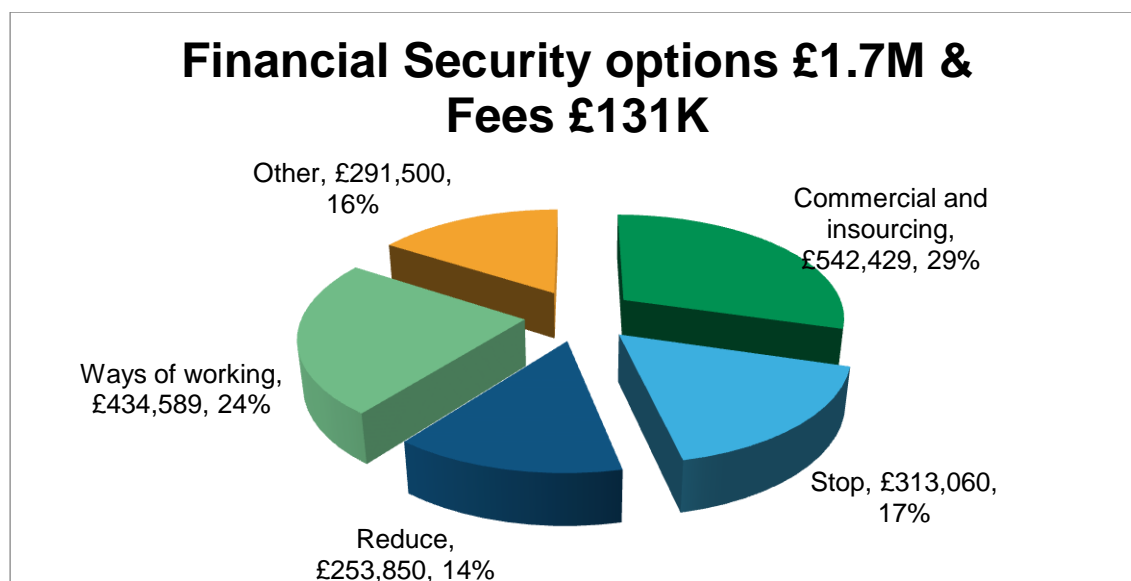
- 3.10 The impact of COVID has increased the difficulty of meeting the MTFS key principle: 'achieve an on-going balanced budget by 2022/23 by ensuring inflationary pressures are matched by increases in fees and income or reductions in expenditure'. This was updated in the September 2020 MTFS to the following year, 2023/24. This principle is critical as the managed use of balances in the MTFS starts to converge with minimum balance levels.
- 3.11 Whilst the MTFS contains projections of future income levels and assumptions of savings required, there is difficulty in projecting financial resources beyond this year, due to:
- The impact of COVID on income and expenditure next year is difficult to predict and will depend on whether the economy can recover sufficiently.
 - BREXIT deal and any potential increase in cost of goods and contracts.
 - Increased welfare pressures as a result of higher unemployment, an increase in Council tax support numbers has been built into the council tax base.
 - The government's further one year funding settlement, (rather than a multi-year settlement). The proposals for the Fair Funding review and any reset of business rates, now deferred to 2022/23 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
 - Government measures beyond 2021/22 to reduce public spending.
- 3.12 The January Draft report included a 2.32% increase in Council tax (or £5 on a Band D) as allowed for in the provisional finance settlement. However due to the increase in discounts the tax base is projected to reduce for the first time in 10 years and the projected increase in council tax income is estimated to be only £128,559. The level of council tax increase will not be decided until the February Council meeting.
- 3.13 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
Dec-20	Executive	Financial Security Report with 2021/22 savings proposals for the General Fund and HRA ✓
	Overview and Scrutiny	Financial Security Report with the three year savings proposals for the General Fund and HRA ✓
Jan-21		Draft 2021/22 General Fund budget, Council Tax and Council Tax Support ✓
	Overview and Scrutiny	Draft 2021/22 General Fund budget, Council Tax and Council Tax Support ✓
Feb-21	Executive	Final 2021/22 General Fund budget, Council Tax and Council Tax Support
	Overview and Scrutiny	Final 2021/22 General Fund budget, Council Tax and Council Tax Support
	Council	Final 2021/22 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 2021 Executive, Members approved Financial Security options of **£1.704Million** of which General Fund Options totalled £1.462Million and HRA £242K. These options remain unchanged. A summary of the proposed options (including fees and charges see section 4.2 below) are shown below and the options are detailed in Appendix C & I.



4.1.2 Leaders Financial Security Group (LFSG) reviewed the options as requested at the December Executive and 44 out of 45 options were fully supported with five out of six members supporting the remaining option, FS28- reducing LCB's. There were also a number of specific comments raised which were:

- FS6 -Leaving grass longer in the parks- LFSG asked whether sowing meadow flowers could be considered (when the budget position allowed), as and the AD Stevenage Direct Services reported that allowing grasslands to grow won't generate beautiful looking wildflower meadows per se and in many locations will simply achieve long grass / meadowland. Paths would be mowed two metres wide as Members wanted to be assured that there would be enough mown space in the parks to walk and for residents to be able to fulfil recreational needs.
- FS7 – Stop strimming round objects- LFSG requested that strimming was completed around park seats to ensure they were useable for the public
- FS13 Cease Community Transport- LFSG supported the saving, noting the difficulties of operating the service and the cost. The Members were advised that users were charged £3-4 per trip and that there are taxi firms in the town that can cater for disabled users.
- FS26 close the print room- Some LFSG members had concerns about the June deadline for councillors using digital devices by June and some members would need greater support than others. LFSG also had concerns about the ability to read some reports (finance papers on a digital device). The Strategic Director (S151) noted that report content would need to be suitable for on screen viewing. The AD ICT and Transformation undertook to work up a timetable for implementation and that if necessary the timescale may need to be reviewed.
- FS28- Reducing LCB's this option was supported by five out of six LFSG Members, the question of why the Youth Mayors LCB was higher than ward Members, the Strategic Director (S151) responded that both had been reduced by 40% and that in addition a process for carrying forward a proportion of LCB monies was being reviewed.
- FS45-Cease cash collections, LFSG asked that signage for car parks was clear at the entrance that cash was no longer taken and that alternative arrangements were made for the payment for disabled parking permits.

4.1.3 An **all Member** session on the 2021/22 General Fund budget was held on the 11 January 2021 and a number of questions were raised about staff redeployment and ensuring that the impact of measures such as not strimming round objects was properly assessed. Members also requested that consideration be given when finances improve to relook at the following spend items;

- Level of LCB budgets for each ward member
- The reintroduction of the graduate scheme
- The community transport scheme

4.1.4 **Overview and Scrutiny** considered the savings options on the 26 January and a number of issues were raised which are summarised below and also comments raised in part from the LFSG and all Members session scrutiny. These are summarised as:

- Concern about leaving longer grass in parks and ensuring that adequate signage was displayed regarding tics;

- One member of the committee asked why the Youth Mayor reduction in grant was not the same as the Member allocation, the Member was advised that the reduction for both was 40% and that the Youth Mayor allowance was utilised in conjunction with the Youth Council.
- The CFO confirmed that ability to carry forward a proportion of LCB's would be considered and reported back to Members.

4.1.5 In addition to the options the Executive approved a recommendation in the draft budget report to identify a further £500K of options by March 2021 to potentially consider if the financial position worsened as a result of COVID. The CFO deems this necessary in light of the on-going COVID impact on the Council's finances. The Senior Leadership Team is recommended to identify further options by March 2021. This means further action can be taken quickly if required to ensure the resilience of General Fund balances.

4.1.6 The Financial Security options include a number of service reductions and this has been inevitable based on the level of savings required, EQIA's have been completed for these options and are included in Appendix G and H to this report.

4.2 Fees and Charges

4.2.1 2021/22 fees and charges were scrutinised by LFSG and approved as part of the Draft January report and totalled £131,700. The majority of fee increases agreed were recommended for a February 2021 implementation, with the exception of garage rent increases which are implemented in April 2021.

4.2.2 As a result of the continuing lock down restrictions for the retail sector, it was agreed at the January Executive to defer implementation of the market fees and charges until 1 July 2021 at a reduction in fee income for 2021/22 of £2,000.

4.3 Growth and Service Pressures

4.3.1 The Draft January 2020 report recommended the inclusion of growth and pressures as summarised below and detailed in Appendix E. This remains unchanged from that report.

	2021/22
Growth	£166,966
Pressures	£656,540
Total	£823,506

4.3.2 The growth options recommended related to Council priorities and all are on-going cost to the General Fund. Due to the current financial position (as a result of COVID), the CFO recommended in the January 2021 report that the growth is not implemented until such time income budgets in particular are in line with the assumptions in the 2021/22 budget. Review points are suggested every quarter as part of quarterly monitoring. The process to add additional costs into the General Fund is on prioritisation to ensure affordability. The prioritisation recommended as set out in the Draft General Fund budget to the January Executive is as follows:

Priority	Growth	General Fund	HRA	Total
1	Mainstream No More -Core	£37,500	£12,500	£50,000

Priority	Growth	General Fund	HRA	Total
2	New Commercial Officer post	£33,000	£22,000	£55,000
3	Seed money for CNM	£18,000	£0	£18,000
4	Mainstream culture post	£50,000	£0	£50,000
5	Enhanced Information Governance Service.	£28,466	£12,200	£40,666
	Total	£166,966	£46,700	£213,666

4.3.3 The pressures totalling £656,540 are deemed unavoidable and therefore no prioritisation has been given and are included in the 2021/22 budget.

4.4 New Homes Bonus (NHB)

4.4.1 The January 2021 budget report identified an increase in the number of affordable properties in Stevenage giving an additional £67,480 of NHB for 2021/22, this is a one off payment and no other payments are due, as new NHB is based on the threshold calculation for new properties in the tax base which was not reached. The January 2021 report recommended this additional funding supported the projected capital funding gap as a result of funding reductions to the NHB scheme.

4.4.2 The Locality Reviews disposal sites approved by Members at the September 2020 and January 2021 Executive, provide funding for loss of NHB and crucially removes revenue contributions to capital (RCCO) from the General Fund, increasing General Fund balances over the medium term by £474K per year. This is summarised in the table below and shows this measure can remain in force until 31 March 2027. This would leave £104K of receipts and the end of that period but would be insufficient to avoid RCCO beyond 2027/28 so additional sites will be required for disposal or future capital spend reduced from then onwards.

Spend Requirements :	21/22	22/23	23/24	24/25	25/26	26/27	Total
	£'000						
Contribution to Capital Reserve	£0	£7	£250	£250	£250	£250	£1,007
Play & Bins (Capital)CNM	£0	£284	£220	£0	£0	£0	£504
Contribution to RCCO GF	£474	£474	£474	£474	£474	£474	£2,844
Total	£474	£765	£944	£724	£724	£724	£4,355
Receipts required each year	(£474)	(£765)	(£944)	(£724)	(£724)	(£724)	(£4,355)
Estimated receipts remaining							(£104)

4.4.3 The Financial Settlement did trail changes to the NHB scheme with the government writing,
 “We will soon be inviting views on how we can reform the scheme from 2022-23 to ensure it is focused where homes are needed most “.
 At the time of writing the report no further details have been published.

4.5 Finance Settlement

4.5.1 The finance settlement published 17 December 2020 included additional COVID funding allocations. A summary of the non-COVID funding is shown below. At the time of writing the report the outcome of the settlement consultation was not known

Original Finance Settlement (2021/22)	
Revenue Support Grant	£0
Business Rates:	
Business Rates	£2,585,301
Under indexing	£129,104
Other adjustments	£0
Total Business Rates	£2,714,405
NHB (legacy payments)	£365,478
Lower Tier services grant*	£140,043
Total	£3,219,926

4.5.2 The level of lower tier grant (one off) was based on 2013/14 Settlement Funding Assessment levels (£86Million nationwide) and used to fund a 'floor', to ensure that no authority has a total 'Core Spending Power' less than in 2020/21. The Lower tier service grant increased the SBC's core spending power (government calculation) up to 2020/21 levels as is demonstrated below.

Core Spending Power Calculation			
	2020/21	2021/22	Variance
Assumed Council Tax	£5,988,685	£6,236,612	£247,926
Business Rates:			£0
Business Rates	£2,572,439	£2,572,439	£0
Under indexing	£103,104	£134,035	£30,931
Total Business Rates	£2,675,543	£2,706,474	£30,931
NHB (legacy payments)	£784,378	£365,478	(£418,901)
Lower Tier services grant	£0	£140,043	£140,043
Total Core Spending Power	£9,448,606	£9,448,606	£0

4.5.3 The Government remains committed to reforming local government finance and this will include the fair funding review and reset of business rates. However the statement on the review was,
 "There may be an opportunity to do so next year and my department will work with the Treasury to review that" and when further pressed, the Secretary of State was **"not able to confirm when we will bring that forward"**. No further detail had been published at the time of writing this report.

4.5.4 The government also published a response to Sir Tony Redmond's Independent review into the oversight of local audit and the transparency of local authority

financial reporting. A full response will be made by the government in spring 2021. The majority of the recommendations have been agreed, or partly agreed. This included :

- Introduction of a new standardised statement of service information and costs which will need to be presented alongside the accounts.
- The recommendation to re-extend the deadline for audited financial statements to 30 September
- The proposed creation of an Office of Local Audit and Regulation. The government will make.

4.5.5 Funding of £15Million was announced to support authorities with the anticipated rise in audit fees for 2021/22, with funding to be allocations to be confirmed in the new year. No further details had been published at the time of writing this report.

4.5.6 The government also announced **£1.55 billion COVID-19 Expenditure Pressures Grant – Allocations**. This funding un-ring -fenced and payable in April 2021, (£500,208, unchanged from the January report) and is to fund:

- Adult social care, children's services, public health services,
- household waste services,
- **Shielding the clinically extremely vulnerable, homelessness and rough sleeping, domestic abuse**
- Managing excess deaths,
- Support for re-opening the country
- **The additional costs associated with the local elections in May 2021.**

4.5.7 **Councils have been advised that they should plan on the basis of not receiving any additional funding for the above pressures.** Members approved in the January 2021 report to ring fence this for the purposes identified above on the basis that no further funding will be made available.

4.5.8 The government also announced a **Local Council Tax Support grant**, (£670million) of new, un-ringfenced funding that will be provided to authorities in recognition of the increased costs of providing local council tax support following the pandemic. The funding has been assumed in the budget based on the provisional settlement as the final settlement has not been published. It was allocated on the basis of each billing authority's share of the England level working-age local council tax support caseload, adjusted to reflect the average bill per dwelling in the area. **The indicative funding allocation for Stevenage was £118,850** and Members approved in the January 2021 report to use it to support General Fund balances.

4.5.9 The government published the **Local tax income guarantee** for 2020/21, this compensated local authorities for 75% of irrecoverable losses in council tax and business rates income in respect of 2020-21, based on:

- For council tax, a comparison of each authority's council tax requirement and an adjusted Net Collectable Debit.
- For business rates, this is broadly a comparison of income as calculated in the National Non-Domestic Rates ('NNDR') statistical collection forms 1 and 3.

4.5.10 This is estimated to be £195,389 for 2020/21 on business rates with nothing projected for council tax and is payable after the NNDR3 (the actual outturn for

2020/21) is completed, (July 2021). The amount of compensation may change based on the outturn position and is 75% of losses and included in the 2020/21 working budget, but budgeted to be transferred to the NDR reserve to match the projected deficit which must be repaid to the Collection Fund over a three year period as directed by the government.

Transfer to (from) Collection Fund	2020/21	2021/22	2022/23	2023/24	Total
Income tax funding (NDR)	(£195,390)	£0	£0	£0	(£195,390)
Trf. to and (from NDR reserve)	£195,390	(£65,130)	(£65,130)	(£65,130)	£0
Repay Deficit to Collection Fund		£86,839	£86,839	£86,839	£260,518
Total net cost to General Fund	£0	£21,709	£21,709	£21,709	£65,128

4.5.11 There is also an extension of the Sales Fees and Charges scheme based on the 2020/21 income budgets. This is estimated at £255K in the budget and will run for the first three months of 2021/22.

4.5.12 A full summary of the 2021/22 Finance settlement is shown below:

Finance Settlement	
2021/22	
Non COVID related funding:	
Business Rates	£2,585,301
Under indexing	£134,035
Total Business Rates	£2,719,336
NHB (legacy payments)	£365,478
Lower Tier services grant	£140,043
Redmond Review (higher audit fees)	TBC
Government Support non COVID	£3,224,857
COVID related costs:	
Share of £1.55Billion	£500,208
Local Government Support grant (£670M) (indicative)	£118,859
Income Guarantee Scheme (estimated)	£255,000
Government Support COVID	£874,067
	£4,098,924
2020/21	
Local tax income guarantee for NNDR	£195,389
Grand Total	£4,294,313

4.6 Business Rates

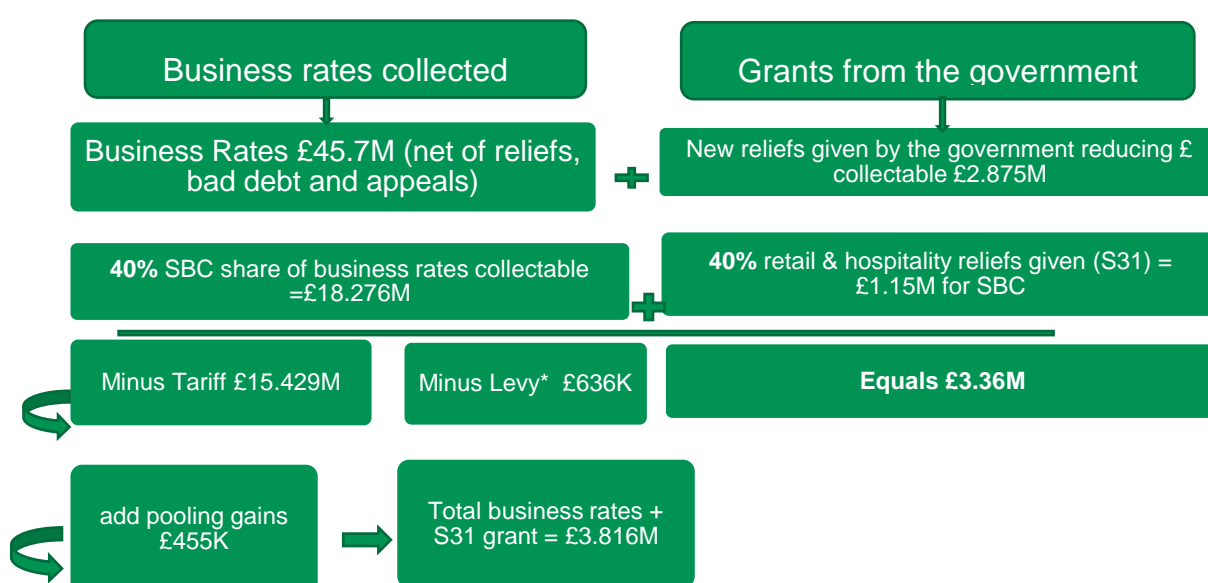
2020/21

4.6.1 The government calculates the value of business rates kept by Stevenage and this is called the baseline need. The base line need for 2020/21 was £2.572Million, there is also an assumption that £103K would be payable in Section 31 grants to compensate Councils for changes to increases in business rates the government had made in previous years, (including moving from RPI to CPI for the annual

increase, which is a lower inflation index), that have reduced the amount collectable.

4.6.2 The £2.572Million is much lower than SBC's 40% share of the business rate yield after any reliefs of £18.3Million, (100% circa £45M). This is because the government applies a 'tariff' which reduces that 40% share down to the 'base line need', (before any growth), the tariff for 2020/21 payable to the government is £15.43Million. After that a 'levy' is applied to any gains **above that baseline need at rate of 50%**.

4.6.3 The original budget business rates the Council assumed for 2020/21 was £3.816Million, which included Hertfordshire pooling gains of £455K. This means Stevenage had £1.28Million of business rates above the baseline assessment that could be retained by SBC.



**not all gains above the baseline of £2.57Million are subject to the levy of 50%*

4.6.4 The Hertfordshire pool is where a number of councils come together to maximise gains by reducing the amount of levy payable to the government. The pool which included Stevenage in 2020/21, (the first time since 2015/16) was estimated to increase business rate gains by £455K. 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 In summary the 2020/21 General Fund budget included :

- S31 grants of £1.15Million shown in net General Fund expenditure
- Business rates of a net £2.67Million shown in core resources (from the Collection Fund, net of the tariff and including business rate gains from the pool).

Business Rate Income	2020/21
Business Rates from Collection Fund fixed	(£18,276,130)

Business Rate Income	2020/21
Tariff fixed for 2020/21	£15,429,346
Levy Due (will change depending on actual gains)	£636,470
Gains due from the pool reducing the levy due (can change)	(£455,000)
Total Business Rates	£2,665,314
S31 Grants in General Fund net expenditure (will change based on actual reliefs given)	(£1,150,231)
Total business rates kept by SBC	(£3,815,545)

- 4.6.6 However, the level of S31 grants can be different from the original budget, as they are accounted for in the **year they are raised**, while assumed business rates from the Collection Fund are **fixed** for the year, regardless of the level of business rates collected, (the £2.67Million). It can take up to two years for the impact of changes between original budget and outturn for that year.
- 4.6.7 The impact described in para. 4.6.6 can cause some distortions to the General Fund and there is a huge distortion in 2020/21 because the **government increased the level of additional retail and hospitality reliefs from £925K to £21Million**, as the government extended retail and hospitality reliefs to the whole sector in March 2020. This means SBC's share of S31 grants has **increased to £9.55Million** to be paid in year while still taking the budgeted income from the Collection Fund, a total of £12.14Million for 2020/21, or £8.6Million too much (estimated at £8Million in the draft report). This measure was taken as the tariff of £15.4Million was still payable to the government from the General Fund and the S31 grants offset the cash flow impact.
- 4.6.8 The NDR position is summarised below and shows that the increase in S31 grants requires a repayment back to the Collection Fund of £8.6Million, (of which £8.4Million relates to S31 grants). Members approved the transfer of the 'overpayment' relating to S31 grants to a reserve to be repaid to the Collection Fund in 2021/22.

	Business rates 2020/21			
	2020/21 Original £'000	2020/21 Year end £'000	2020/21 should have been	Variance (repaid to Collection Fund)
General Fund Net Expenditure:				
S31 income	(£ 1,150)	(£ 9,546)	(£ 9,546)	£0
Total General Fund	(£ 1,150)	(£ 9,546)	(£ 9,546)	£0
Core Resources:				
Business Rates(from)/to Collection Fund	(£ 2,847)	(£ 2,847)	£5,780	£8,627
Levy	£636	£612	£612	£0
Pooling gains	(£ 455)	(£ 368)	(£ 368)	£0
Total business rates	(£ 2,665)	(£ 2,602)	£6,025	£8,627

Business rates 2020/21			
Total Business rates & S31 grant	(£ 3,815)	(£ 12,149)	(£ 3,521)
			£8,627

- 4.6.9 As stated in paragraph 4.5.9-4.5.10, the government has determined that the losses that have arisen between the 2020/21 Original and projected NDR must be spread over a three period (with the exception of the overpayment arising from the increased S31 grants and locally determined discretionary reliefs) .The repayments/(returns) to/from the Collection Fund for 2019/20-2020/21 are summarised below. The CFO recommends that the 2020/21 gains from business rates are transferred to the allocated reserve until they are realised and transferred back to the General Fund in 2022/23, or at the earliest when the 2020/21 outturn position is known (July 2021), (see also paragraph 4.5.10).

Transfer to (from) Collection Fund	2021/22	2022/23	2023/24	Total
2019/20 gains returned to the General Fund	(£821)			(£821)
Return of overpayment from 2020/21	£8,396			£8,396
Spreading of 2020/21 losses	£87	£87	£87	£261
Total	£7,662	£87	£87	£7,836

**the council claimed £195K from the income guarantee which is set at 75% of losses, this is an estimate only but has been included in the 2020/21 accounts*

Business Rates 2021/22

- 4.6.10 The 2020 Finance Settlement in December announced no increase in NDR for businesses next year and this means the Council will receive Section 31 grant to compensate for the uplift loss on business rates collectable (September CPI , 0.5%).
- 4.6.11 Business rates have been calculated for 2021/22 (NDR 1 has been completed) and the business rates retained by the Council are above the baseline need calculated by the government. There is an estimated £586,555 of gains after the levy has been applied as summarised below.

Business Rates	2021/22
Share of collectable business rates	(£ 18,185,764)
Tariff payable	£15,429,346
Total From Collection Fund	(£ 2,756,418)
Estimated S31 grants payable	(£ 815,225)
Total Business rate income	(£ 3,571,643)
Levy due	£412,639
Total Retained business rates	(£ 3,159,004)
Base line need	(£ 2,572,439)
Gains above the base line	(£ 586,565)

- 4.6.12 Projecting Business Rates for 2021/22 gains is very difficult, with potentially more business failures, which will impact on the level of collectable business rates for 2021/22, if retail and hospitality sector is impacted further by COVID. So although

gains are currently forecast (with an assumed increase in bad debts allowance), a total of £474,440 (or 80%) has been transferred to the NDR allocated reserve. This should not be returned to the General Fund until 2023/24, to ensure that the gains are realised and is currently included in allocated reserves balances.

4.6.13 The Council (via the Executive) must approve the level of estimated 2021/22 business rates it will receive by 31 January each year, this was delegated to the CFO following consultation with the Portfolio Holder for Resources by the due date.

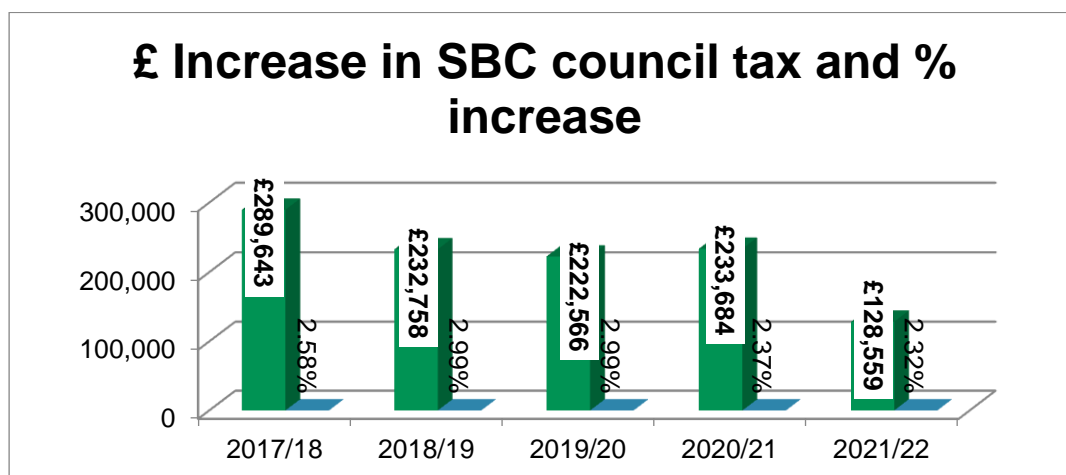
4.7 Council Tax

4.7.1 Part of the budget setting process includes consideration of council tax levels. The finance settlement allows for a 2% or £5.00 on a Band D (2.32%), whichever is the greater, before a referendum on an amount above this is required. The provisional settlement consultation does not closed until 14 January but the Draft Budget assumes the 2.32% increase.

4.7.2 The table below shows the increase per property band based on a 2.32% increase.

Council Tax increase Stevenage Precept 2021/22				
Council Tax band	2020/21	2.32% increase	Total cost per year	Total cost per week
A	£143.71	£3.33	£147.05	£2.83
B	£167.67	£3.89	£171.56	£3.30
C	£191.62	£4.45	£196.06	£3.77
D	£215.57	£5.00	£220.57	£4.24
E	£263.47	£6.11	£269.59	£5.18
F	£311.38	£7.22	£318.60	£6.13
G	£359.28	£8.34	£367.62	£7.07
H	£431.14	£10.00	£441.14	£8.48

4.7.3 Increasing council tax by 2.32% versus 1.99% nets the Council an additional £19,697 per year. Due to the projected tax base for 2021/22 being 0.17% lower than the 2020/21 tax base, (due to increased reliefs and CTS projections) the increase in the council tax with a 2.32% increase is only £128,559 additional income, much lower increase for SBC than in previous years, (see para.4.5.8 re council tax support grant funding).



4.7.4 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 level of increase. As in previous years the council tax increase will not be agreed until the February Council meeting, but is recommended by the CFO.

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 current **working age** scheme requires those all maximum benefit to pay 8.5% of their council tax bill for the year. This equated to £138.10 for a band c council home in 2020/21 (an additional 25% discount for a single person) or £2.66 per week.

4.8.5 Members approved in the October Executive Council Tax Support report to retain the existing scheme for 2021/22. **Members are recommended to agree the existing scheme uprated for benefit changes for 2021/22.**

4.9 General Fund Net Expenditure

4.9.1 The 2020/21 projected and the 2021/22 draft General Fund net expenditure is summarised below. The January report identified a 2021/22 net budget **decrease** of £467,100 compared to the December's MTFS and included £177,101 of additional COVID losses. In this update the budget has **increased** by £437,120, however this is primarily related to the increase transfer back to the General Fund of monies that have to be repaid to the Collection Fund*, (S31 Reserve).

Summary of 2021/22 budget movements		£	On-going £
2021/22 budget before return of ring-fenced S31 reserve	£9,195,460		
Reduced by S31 reserve (see para. 4.6.5)	(£8,000,000)		
Total Net budget reported December 2020	£1,195,460		
Changes reported at the Draft General Fund report:			
COVID related	£58,241		
Non COVID related	(£385,298)		(£282,439)
Finance settlement (lower tier grant)	(£140,043)		£0

Summary of 2021/22 budget movements		£	On-going £
Total changes reported Draft Budget January 2021 Executive	(£467,100)		(£282,439)
Changes reported at the Draft General Fund report:			
New Reported variations:			
Reduction in garage borrowing costs due to reduction in PWLB rates and re-profiling of the capital budgets	(£108,230)		(£51,500)
Increase in trf from S31 allocated reserve (see para. 4.6.5)	(£395,960)		
Lower NDR S31 grants estimated in Final budget	£34,780		
Removal of CCTV company dividend - not achievable	£50,000		£50,000
Additional cost of replacing paving slabs	£6,000		
Net transfer of NDR gains to future years (se para 4.6.9 & 4.5.11)	£864,310		
Other minor differences	(£13,780)		£52,900
Total budget movements	£437,120		£51,400
Updated General Fund 2021/22 net budget	£1,165,480		(£229,539)

4.9.2 There is an on-going positive impact on balances for future years of £229,539, however £163,192 relates to increased recharges to the HRA which may in future years swing back to the General Fund. There is still a need to find financial security saving for future years to ensure, (that in line with the MTFS) there is move from the current draw on balances per year to a contribution to balances by 2023/24, (revised from 2022/23 in the September 2020 MTFS update).

4.9.3 The 2020/21 General Fund working budget increased by £457,810 in the draft budget report and included £362,240 of COVID related costs. The 2020/21 General Fund budget has now projected to **reduce** by £132,650 due to the COVID funding that related to use of marshals and compliance measures in the town centre which is now being recognised in the budget.

4.9.4 There are remaining entries relate to matching NDR costs to the years they are repayable in* and the revised General Fund budget is now £11,056,840 and recommended for approval.

Summary of 2020/21 budget movements		£
Working Budget		£11,189,490
Increase in S31 grants (NDR)*		(£ 395,960)
Local tax income guarantee (COVID)*		(£ 195,390)
Reduction in transfer to reserve for 2020/21 pooling gains as they are projected to be £87K lower*		(£ 87,300)
Transfer income guarantee COVID funding to NDR reserve (para. 4.5.11 refers)*		£195,390
COVID funding Marshals - NEW		(£ 45,350)
Increase transfer to S31 reserve *		£395,960
Total Movements		(£ 132,650)
Updated General Fund 2020/21 net budget		£11,056,840

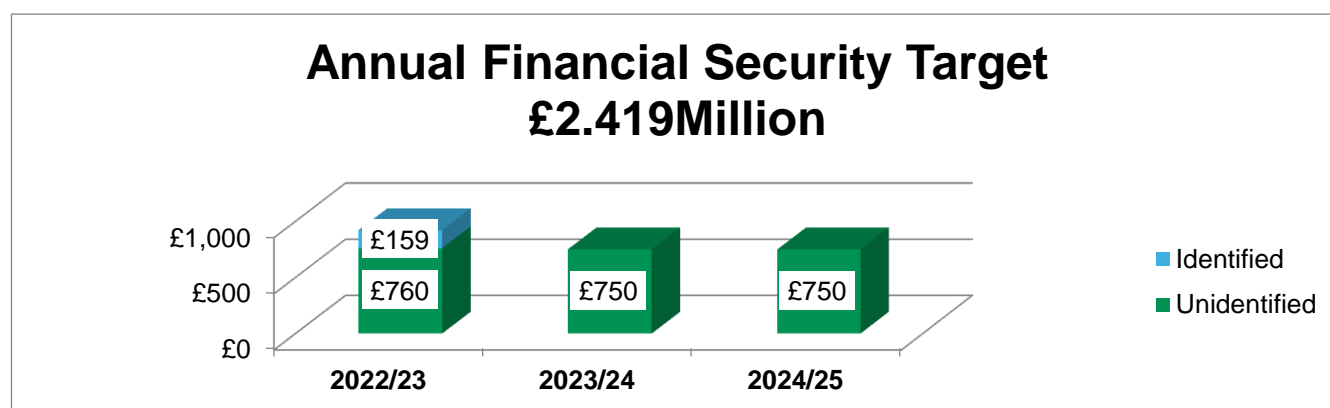
4.10 Projected General Fund Balances

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

	2020/21 Estimate	2020/21 Projected	2021/22 Estimate
Net Expenditure excluding S31 grants	£10,220,060	£12,196,410	£10,376,665
S31 grants NNDR	(£1,150,230)	(£9,535,530)	(£815,225)
Transfer of S31 grants	£0	£8,395,960	(£8,395,960)
Total Net Expenditure*	£9,069,830	£11,056,840	£1,165,480
(Use of)/ Contribution to Balances	(£349,030)	(£2,409,851)	(£326,067)
Budget Requirement	£8,720,800	£8,646,989	£839,413
Business Rates	(£2,665,314)	(£2,591,503)	(£2,343,779)
Total Government Support	(£2,665,314)	(£2,591,503)	(£2,343,779)
(Return) /Contribution to Collection Fund (NDR) re 2020/21	£0	£0	£8,482,799
(Return) /Contribution to Collection Fund (NDR) pre 2020/21	£380	£380	(£821,128)
Collection Fund Surplus (ctax)	(£67,265)	(£67,265)	(£40,152)
Council Tax Requirement	£5,988,601	£5,988,601	£6,117,154
Council Tax Base	27,781	27,781	27,734
Council Tax Band D	£215.57	£215.57	£220.57
Council Tax Band C	£191.62	£191.62	£196.06

4.11 Revision of Financial Security Targets Future Years

4.11.1 The Financial Security target for 2022/23-2024/24 is £2.419 Million (unchanged from the January 2021 report), as summarised below. This will need to be reviewed at the next MTFS update to ensure firstly that there is a contribution to balances by 2023/24 and secondly to reflect any further impacts of COVID on the General Fund.



4.11.2 Officers are working on an additional 500K of options that could be implemented if the General Fund financial resilience reduced and minimum balance levels were breached. These will be brought back to the Executive.

4.11.3 The Financial Security savings options going forward are anticipated to be driven through the Transformation and Commercial and Insourcing Strategy. If sufficient savings cannot be identified through these initiatives then the probability of further service reductions is likely as the ability to deliver efficiency savings has diminished.

4.12 General Fund Reserve Projections

4.12.1 General Fund balances are projected to be £4.5Million by 2024/25 which means a reduction of £2.43Million from balances held at 1 April 2020.

Balances £'000	2020/21	2021/22	2022/23	2023/24	2024/25
Revised Balances at 31 March each Year:	(£ 6,930)	(£ 4,520)	(£ 4,194)	(£ 4,205)	(£ 4,249)
use of balances	£2,410	£326	(£ 11)	(£ 44)	(£ 251)
General fund Balance 1 March	(£ 4,520)	(£ 4,194)	(£ 4,205)	(£ 4,249)	(£ 4,500)
Minimum	(£ 2,920)	(£ 3,650)	(£ 3,200)	(£ 3,000)	(£ 2,900)
Var	(£ 1,600)	(£ 544)	(£ 1,005)	(£ 1,249)	(£ 1,600)

4.12.2 The projected year end balances for 2021/22 are £544K above the risk assessed balances of £3.65Million, however this is a minimal cushion against COVID losses, which need to be reassessed as a result of the extended lockdown into 2021/22 and potentially implementing the further £500K of options.

4.12.3 The level of balances as a result of the package of Financial Security options recommended for approval has significantly improved the Council's financial resilience. There are still risks:

- Realising the level of business rate gains for 2020/21, the MTFS assumes (and as updated by the completion of the NDR 1) that £938K of the £1.28Million total gains will be realised. This will not be known until the NNDR3 claim is submitted post April 2021 and the pooling gains realised from the Hertfordshire Pool (£367K). However the pooling element of the gains has not been realised in the General Fund until 2022/23. In the current economic position this still remains a risk but the risk is reduced in 2020/21 by deferring a proportion of the gains until 2022/23.
- Increased COVID losses for 2020/21 and 2021/22
- Ability to implement the level of savings outlined in the report

4.12.4 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 balances have been risk assessed for 2021/22 and the minimum level of balances required is £3.65Million

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.

4.11.3 A new risk that has been added to the risk assessment of balances includes:

- Increased cost COVID in 2021/22 estimated to be £1.2Million in addition to that assumed within the budget.

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, however due regard will need to be given to breaching minimum balances.

4.15 Allocated Reserves

4.15.1 The allocated reserves as at 31 March 2022 are estimated to be £2.826Million, which is a reduction of £1.572Million (36% of total reserves) from 1 April 2020. The allocated reserves are summarised in the following table.

Allocated Reserve	Balance as at 1 April 2020	Anticipated transfer to/from reserves	Forecast balance as at 31 March 2021	Anticipated transfer to/from reserves	Forecast balance as at 31 March 2022
New Homes Bonus	(£630)	£169	(£461)	£227	(£234)
Business Rates Reserve	(£1,235)	(£680)	(£1,915)	£617	(£1,298)
Business Rates Reserve S31 grants	£0	(£8,396)	(£8,396)	£8,396	£0
Regeneration Assets	(£1,122)	£660	(£462)	(£221)	(£684)
Insurance Reserve	(£103)	£35	(£68)	£0	(£68)
Regeneration Fund (SG1)	(£826)	£229	(£597)	£399	(£198)
Town Centre	(£34)	£0	(£34)	£0	(£34)
Transformation Reserve	(£60)	£0	(£60)	£0	(£60)
Planning Delivery Grant	(£40)	£40	£0	£0	£0
Income equalisation reserve	£0	£0	£0	(£250)	(£250)
Rough Sleeper & Homeless reserve	(£347)	£154	(£193)	£193	£0
Total	(£4,398)	(£7,789)	(£12,187)	£9,361	(£2,826)

14.5.2 This has increased from the draft budget as there are 2020/21 and 2021/22 NDR gains forecast which are held in the reserve until realised and the revision to recognising business rate gains and the income guarantee compensation for business rates. The use of reserves does not take into account any use of the Income Equalisation reserve which may be required in 2021/22 and assumes the level of business rates as set out in paragraph 4.12.3.

4.16 Consultation

4.16.1 The residents' survey has not been completed this year due to COVID and would be in principle completed next year. The previous survey (2017) asked for the views of residents and stakeholders on their preferences for reducing services, increasing fees and charges and increasing Council Tax. 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. A number of the savings options relate to new ways of working (24%)

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

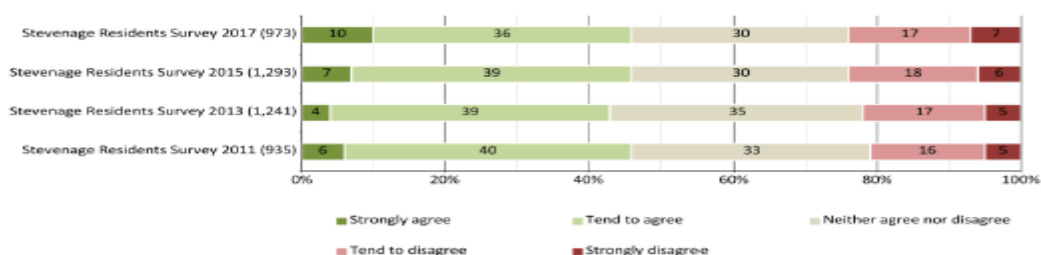
Option	Overall Rank
Reduce time and money spent on paperwork by interacting with more residents and customers online	1
Spend less by reducing or cutting the services that you tell us are not a priority	2
Increase income from fees and chargeable services, to keep the council's element of Council Tax as 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

4.16.2 The 2017 residents' survey 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 The Financial Security package includes staff related options for which informal consultation has commenced, however all the option will be subject to the outcome of the formal consultation process. The impact on staff is summarised below, this is subject to consultation.

Option	No of staff	Redundancy	Vacant /retire/ turnover/no impact
Community Transport	5	4	1
Director support	1	0	1
Member Services	1	0	1
Constitutional services	3	0	3
CSC/Customer focus	7	2	5
Print Room	1	1	0
Facilities Management	4	0	4
Revs and Bens	1	0	1
Financial Services	3	0	3
Total	26	7	19

4.16.4 The General Fund MTFS has a set of principles used for financial purposes, one of which is to ensure that resources are aligned with the Council's Corporate Plan and Future Town Future Council (FTFC) priorities and that growth is limited to the Council's top priorities. The Corporate Plan is included in the Budget and Policy Framework and is therefore subject to Council approval.

4.16.5 The current FTFC Co-operative Corporate Plan was approved as a five year plan from 2016 to 2021 and is therefore due for revision. At the present time Member and officer focus continues to be on responding to the COVID-19 pandemic, and EU transition. Furthermore, the Covid-19 recovery plans agreed by the Executive in July 2020 will help shape the Council's priorities and programmes and associated funding for the coming financial year. In this context, officers proposed to the Executive at its December meeting that the current plan and existing FTFC programmes are extended into 2022/23. This will provide officers and Members with the opportunity to thoroughly review the plan. Having considered this proposal, Executive resolved that, in accordance with the Council's Budget and Policy Framework Procedure Rules, the Council be recommended to continue the adoption of the current Co-operative Corporate Plan, subject to further review in Autumn 2022.'

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 and latterly to meet the financial threat of COVID. 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 2023/24 by ensuring inflationary pressures are matched by increases in fees and income or reductions in expenditure'.

4.17.5 The impact of COVID has increased the need to implement further financial resilience measures, which were contained in the June 2020 COVID Recovery MTFS report, September 2020 MTFS and in the December 2020 Financial Security Report. This has been a difficult budget to set but financial resilience measures taken/for approval have increased the security of the Council's position, these are:

- Monthly monitoring of COVID financial impacts to allow any required financial remedies to be taken quickly.
- Holding General Fund capital and revenue expenditure in 2020/21 (June 2020 COVID Recovery MTFS report).
- Reduce the use of reliance on Revenue Contributions to Capital (RCCO) by identifying sites for disposal and using capital receipts rather than revenue (September 2020 MTFS report).
- Identification of sufficient level on-going Financial Security options to ensure General Fund balances are above or at the minimum level required for 2021/22.
- Identify £500K of further options to be worked up by March 2021, that if required can be implemented if the financial challenges in 2021/22 are worse than currently projected.
- Increase the level of minimum balances required to reflect an allowance for further COVID losses (December 2020 Financial Security Report)
- Implement an Income Equalisation Reserve of £250K to allow for fluctuations in fee increases realised and income during 2021/22 (December 2020 Financial Security Report).
- Ring-fence COVID funding in the provisional settlement for housing and a COVID secure election in 2021/22.
- Recommended approval of Financial Security options and fees of £1.5 Million
- Recognising 2021/22 business rate gains when realised and 80% are not in the 2021/22 General Fund budget.

4.17.5 There is small contribution to balances projected in 2023/24, however there is a significant draw on balances through the MTFS period and a need to deliver savings through the MTFS period, this is also in the context of COVID and Brexit on the Council's finances.

4.17.6 The current projections of balances and the measures the Council has taken to date and as set in this report have meant the level of balances projected are sufficient to set the 2021/22 budget, if all options included in the report are approved. **However the CFO considers that as set out in the December Financial Security report, further options of a minimum £500K should be considered by the Executive so that additional action can be taken quickly if the financial position worsens or options recommended for approval are not delivered early on 2021.**

4.17.7 While delivering one of the most difficult budgets, the Council is also continuing with 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. There is a ring fenced reserve for Regeneration and further estimates of resources have been included in the General Fund MTFS.

5. IMPLICATIONS

5.1 Financial Implications

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

5.2 Legal Implications

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

5.3 Risk Implications

- 5.3.1 There are risk implications to setting a prudent General Fund budget if the Fees and charges (Appendix I) and Financial Security options (Appendix C) 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 a result of COVID but decisive measures have been taken as outlined in paragraph 4.17.4.

- 5.3.2 The Council's ambitions have meant significant growth bids and service pressures included in the MTFS assumptions. However, decisions to invest are backed by business cases to do so.

- 5.3.3 The Council faces considerable risks with future reductions to central government grant funding and the ever changing landscape of Local Government Finance. Areas of risk include:

- Fair Funding Review – still to be concluded
- Business rates reset and the ability for Council's to retain growth in the yield-still to be concluded
- Changes to borrowing rules- PWLB changes November 2020 meaning the inability to spend for yield and borrow from PWLB.
- Ensuring sufficient funding for government initiatives such as rough sleeper and COVID pressures.

- 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 2021.

- 5.4.3 To inform the decisions about the Budget 2021/22 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 2021. Where there is a potentially negative impact, officers will collect further information and identify actions to mitigate the impact as far as possible. These EqIAs are summarised and attached in **Appendix H** with further information on the process to date and planned activity. EqIAs for future years' savings will be presented alongside the draft Budget for the relevant year.
- 5.4.4 An overarching EqIA will also be developed once individual EqIAs are finalised for Council in February 2021. This will consider the collective impact of the Budget on people with protected characteristics.
- 5.4.5 As well as considering the impact on service delivery and equality, an EqIA concerning all strands of potential discrimination will be required by the Head of Paid Service on proposed redundancies and restructures per savings proposal and as a whole. It is proposed that this will be produced alongside the required restructure consultation documents as it is only at this stage that the actual impact on staff will start to be known. As the proposals will be delivered over a range of different timescales, the whole, i.e. combined EqIA, will be reviewed periodically with the Council's Strategic Management Board. All staff impacts are summarised at **Appendix G**.

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 2050.
- 5.5.2 To support the work required to achieve this aim, time limited resources have been included in the 2021/22 budget.

BACKGROUND DOCUMENTS

- BD1 General Fund Medium Term Financial Strategy (2020/21-2024/25)
BD2 Financial Security Options (December 2020 Executive)
BD3 Draft General Fund budget (January 2021 Executive)

APPENDICES

- A General Fund Budget summary
B Risk Assessment of Balances
C Financial Security Options 2021/22
D Robustness of Estimates
E Growth Bids and Pressure 2021/22
F Draft Council Tax resolution
G Staff EQIA
H Financial Security Options EQIA
I Fees and Charges 2021/22

General Fund Summary

	Actual 2019/20 £	Original Budget 2020/21 £	Working Budget 2020/21 £	Original Budget 2021/22 £
Summary of Expenditure				
Portfolio:				
Community Services	4,433,156	4,380,490	4,397,260	4,161,710
Housing Services	2,723,595	1,614,520	1,873,900	2,658,140
Environmental Services	6,143,136	7,040,200	10,518,140	7,914,320
Local Community Budgets	92,108	100,800	109,000	68,300
Resources	(6,990,848)	(4,225,240)	(6,272,490)	(13,671,240)
Resources - Support	564,000	160,930	418,160	70,690
Trading Accounts - Direct Services *	0	(1,870)	12,870	(36,440)
Net General Fund Expenditure	6,965,145	9,069,830	11,056,840	1,165,480
Government Support - Retained Business Rates (NDR)	(2,909,395)	(2,665,314)	(2,591,503)	(2,343,779)
Transfer to/from Collection Fund (Council Tax)	(55,621)	(67,265)	(67,265)	(40,152)
Transfer to/from Collection Fund (NDR)	(380,962)	380	380	7,661,672
District Precept	(5,754,911)	(5,988,601)	(5,988,601)	(6,117,154)
Use of General Fund Balances	(2,135,744)	349,030	2,409,851	326,067
General Fund Balance:				
Balance 1 April	(4,794,061)	(6,929,805)	(6,929,805)	(4,519,954)
Use of Balances in Year	(2,135,744)	349,030	2,409,851	326,067
General Fund Balance 31 March	(6,929,805)	(6,580,775)	(4,519,954)	(4,193,887)
Allocated Revenue Reserves:				
Balance 1 April	(3,311,142)	(4,398,550)	(4,398,550)	(12,187,243)
Use of Balances in Year	(1,087,408)	(653,790)	(7,788,693)	9,360,648
Allocated Revenue Reserves Balance 31 March	(4,398,550)	(5,052,340)	(12,187,243)	(2,826,595)
Total Revenue Reserves	(11,328,355)	(11,633,115)	(16,707,198)	(7,020,483)
Council Tax Bands for 2020/21		2020/21		2021/22
2.37% Increase on Band D Property:				
BAND A		143.71		147.05
BAND B		167.67		171.55
BAND C		191.62		196.06
BAND D		215.57		220.57
BAND E		263.47		269.59
BAND F		311.38		318.60
BAND G		359.28		367.62
BAND H		431.14		441.14

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APPENDIX B : RISK BASED ASSESSMENT OF THE LEVEL OF GENERAL FUND BALANCES 2021/22

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 and the impact of Covid-19. 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/off-street)	£3,264,690	2.0%	£65,294
Development Control Income	£410,830	5.0%	£20,542
Recycling Income	£396,220	2.5%	£9,906
Garages	£3,582,020	1.0%	£35,820
Trade Refuse & Skips	£821,320	2.5%	£20,533
Indoor Market	£431,600	5.0%	£21,580
Commercial Property Income	£3,569,280	5.0%	£178,464
NEW : COVID losses arising from a loss of fees and charges			£1,000,000
Total			£1,352,138

* 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 (including as an impact of Covid-19). 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	40%	£72,000
Loss of Business Rates yield	£1,869,336	maximum loss (7.5%)	£140,200
Lower S31 Grants than anticipated which means the NNDR yield would be higher but would not be returned to the General Fund until 2022/23.	£850,000	5%	£42,500
REVISED: Increase in bad debts as a economic changes impacting on charging for services	£52,000	100%	£52,000
NEW: There is an increased cost of Bed and Breakfast as a result of higher homelessness (exposure based on impact of COVID)	£80,000	100%	£80,000
risk of capital works requiring funding as a result of rephasing/deferring works in the Capital Strategy	£200,000	50%	£100,000
NEW: Costs related to COVID in ICT, PPE and other related costs			£68,000
Housing Benefit overpayment net income reduces and results in a pressure on the General Fund	£492,480	10%	£49,248
Total			£603,948

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%	£543,780	5.00%	£27,189
Less staff time charged to capital than budgeted	£641,320	10.00%	£64,132
REVISED: pay award is higher than budgeted for- not considered applicable for 2021/22	£19,440,128	0.00%	£45,420
Contractual inflation 1% increase	£8,974,626	1.00%	£36,188
Utility and fuel inflation usage/costs increase	£884,170	4.50%	£39,788
Borrowing costs will be higher than estimated on new borrowing in Capital Strategy	£238,649	0.5% increase in basis points	£10,977
Total			£223,693

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	£1,462,182	13.50%	£197,395
Total			£197,395

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)	£44,182,254	1.50%	£662,734
Gross Expenditure (excludes specific expenditure listed above)	£40,908,064	1.50%	£613,621
Total			£1,276,355

Level of Balances Assumed in General Fund Based on risk

£3,653,529

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FINANCIAL SECURITY OPTIONS 2021/22

Fund	Projected 2021/22	Projected 2022/23
General Fund	£1,462,182	£1,588,047
HRA	£241,546	£283,372
Total	£1,703,728	£1,871,419

Ref No	Portfolio holder	Name of Service	Description of Savings Proposal	Implementati on costs (any redundancy/ capital)	If staff affected indicate no. of staff	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)	£ General Fund Year 1	£ HRA Year 1
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2021/22 Budget Options

FS1	Children, young people & Leisure	Play	Further rationalise Play Service and reduce dedicated holiday play schemes in Bedwell and Symonds Green to pop up activities as per Summer 2020 (The service received 47,310 attendances in 2019/20)			Y	Potential impact on children and families. The Play service rationalised in 2019/20 delivering a £50,000 saving. The service is highly regarded but discretionary and SBC remains one of the only councils to maintain a free play service. This option reduces activity for summer play schemes, currently dedicated to Bedwell and Symonds Green. These would be replaced with a rationalised pop-up play offer rotating across the town during School holidays. with some income generation through charges for professional child minders and those who are not Stevenage residents.	1 April 2021	15,000	0
FS2	Children, young people & Leisure	Stevenage Leisure Limited	Reduce Contract Sum working with SLL				The advance to SLL is based on no management fee for 2021/22 and 2022/23, however there is no plan as to how this will be delivered so an assumption of a £150K reduction has been assumed	1 April 2021	150,000	0
FS3	Community &Community Safety	PCSO's	Stop funding PSCO's		3	Y	Cease the funding to Hertfordshire Police for PCSOs. The council has introduced 4 Neighbourhood Wardens who maintain a visible neighbourhood presence. No performance data on the SBC investment is currently provided by the Police. A number of other districts in Hertfordshire have ceased funding of PCSOs in recent years.	1 April 2021	96,050	0
FS5	Environment & Regeneration	Allotments	Increase allotment fees to break even- Consider phasing the increase over 2 to 3 years, we have 16 sites and 100% occupation with a waiting list of 300.			Y	Allotments provide a leisure facility that supports physical health, mental wellbeing, and community. In order to breakeven, we would need to increase income from £39,890 to £71,570.The average plot size is 100.23m2 which currently costs £35.08 (at £0.35). The proposal to increase charges in 2020/21 was delayed and will implemented with the forthcoming charge for 2021/22, proposal was to increase to £54.00 per year on a 100.23m2). LSFG recommended £60.00. (Increase would be £11K saving for 2020/21 and £4K saving 2021/22, total increase £15K) .For reference, in 2018/19 we charged £0.34/ m2 whilst WHDC and NHDC were charging £0.44 and £0.50/m2 respectively.	1 February 2021	4,000	0
FS6	Environment & Regeneration	Parks & Open Spaces	Leaving grass longer in parks - the reduction in cost will be from reduced agency and overtime costs			Y	Grass at Canterbury Way PF, Chells Park, Hampson Park, Meadway PF and Shephalbury Park will be largely left to grow long and be managed as meadow grassland i.e. a single cut, and clearance, once a year in September / October. Wide paths will be cut through the grass to enable access and closer enjoyment of the wildlife. Some reduction in area available for informal kickabouts, etc.	Spring 2021	60,000	0
FS7	Environment & Regeneration		Stop strimming of obstacles in parks and open spaces- the reduction in cost will be from reduced agency and overtime costs				Longer grass around base of obstacles. No complaints received during 2020.	1 April 2021	25,000	0

FINANCIAL SECURITY OPTIONS 2021/22

Fund	Projected 2021/22	Projected 2022/23
General Fund	£1,462,182	£1,588,047
HRA	£241,546	£283,372
Total	£1,703,728	£1,871,419

Ref No	Portfolio holder	Name of Service	Description of Savings Proposal	Implementati on costs (any redundancy/ capital)	If staff affected indicate no. of staff	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)	£ General Fund Year 1	£ HRA Year 1
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2021/22 Budget Options

FS10	Environment & Regeneration	Trade Waste & Junk removal	Recruit officer to sell trade waste service and related complementary SBC services			Y	Business case for expansion of current trade waste offer and development of total waste solutions offer with SLT for review. For year 1 potential revenue to be gained of £364k, net income of £109k dependent on the recruitment and performance of a Commercial Officer.		54,500	0
FS11	Environment & Regeneration	SDS overtime and Agency budgets	Reduce spend on overtime and agency costs in Stevenage Direct Services			Y	Reduce overtime/agency budgets across Stevenage Direct Services (SDS) through active management of staffing, there is a risk if there is significant sickness increase or turnover of staff costs may increase		50,000	0
FS12	Environment & Regeneration	Planning Policy	EC17 Planning Policy and ET700 Staff costs for Technical Support, AD and Business Relationship Manager	£0	0	Y	None. Declined demands as Local Plan and ass. Documents being completed and being replaced by more Joint Planning work across Herts. Saving from Junes team restructure	Immediate	14,000	0
FS13	Housing & Older People	Community Transport	Cease service entirely.(The Community transport service provides 95 trips per year and 310 registered users, at a cost of £1,566 per trip)	£51,000	5	Y	The service currently cannot be run due to the vulnerability of the users and the majority of drivers who are also in the vulnerable category. Due to the rationale that the service is not likely to be operational for a considerable amount of time and maybe the way this type of service is run will need to be changed permanently which would make the service not operable. This will be subject to consultation and require the vehicles to be sold. Cease service completely and signpost to HCC service and North Herts Community Transport scheme.	1 May 2021	91,670	0
FS14	Leader of the Council	Fairtrade	Cease payment			Y	The Council pays a subscription which costs £1,500 per year.	1 April 2021	1,005	495
FS15	Leader of the Council	CE, Directors & Support	Reduce support to Directors and CE by reducing Executive support by 0.5FTE	£0	1	Y	Reduce the Executive support to 2.5FTE from 3.5FTE	1 April 2021	14,742	6,318
FS16	Leader of the Council	Members Expenses	Cease provision of refreshments			Y	Delete refreshment budgets due to new ways of working	1 April 2021	2,100	1,400
FS17	Leader of the Council	Democratic Services	Delete 18.5 hour post in Member services due to retirement	£0	1	Y	The post holder is retiring and the work will be absorbed within the existing team	1 April 2021	8,940	5,960
FS46	Leader of the Council	Constitutional Services - Management Restructure	Streamlining management arrangements within Constitutional Services upon the retirement of the current Constitutional Services Manager post holder.	£0	3	Y	The current post holder for the position of Constitutional Services Manager is due to retire in October 2021. It is envisaged that current members of the Constitutional Services team would be appointed into the newly created roles and that there would be no redundancies. Option is to delete the Constitutional Services Manager (Grade 10) and Elections and Land Charges Manager (Grade 9) posts. Create a new Constitutional and Electoral Services Manager (Grade 12) role. Involves converting a Constitutional Services Officer(Grade 6) to a Senior Constitutional Services Officer (Grade 8) and the creation of a new Electoral Services Officer Post (Grade 4 and 0.5fte)	Nov 2021	6,624	4,416

FINANCIAL SECURITY OPTIONS 2021/22

Fund	Projected 2021/22	Projected 2022/23
General Fund	£1,462,182	£1,588,047
HRA	£241,546	£283,372
Total	£1,703,728	£1,871,419

Ref No	Portfolio holder	Name of Service	Description of Savings Proposal	Implementati on costs (any redundancy/ capital)	If staff affected indicate no. of staff	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)	£ General Fund Year 1	£ HRA Year 1
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2021/22 Budget Options

FS19	Leader of the Council	Policy	Combine Residents and Star survey			N-every 3 years	Commission both surveys together and explore the potential to combine and rationalise. This may limit statistical reliability due to sample size, but could also supplement this with community engagement work with those who do not traditionally participate in surveys. i.e. children and young people	1 April 2021	8,500	8,500
FS20	Leader of the Council	Member Training	Reduce Member training by 50%			Y	Training will be limited to LGA related training and smaller training offer to Members	1 April 2021	2,550	1,700
FS47	Leader of the Council	Member General Expenses	Removal of budget			Y	No longer needed as have an alternative Miscellaneous Budget	1 April 2021	300	200
FS48	Leader of the Council	Member Travel Expenses	Reduction in travel expenses budget due to new ways of working e.g. remote meetings			Y	Reduction in Member Travel Expenses budget.	1 April 2021	1,200	800
FS18	Leader of the Council	Communications	Cease Community Reception dinner function			Y	Cease holding the evening function but still celebrate with awards.	1 April 2021	12,300	2,700
FS21	Neighbourhood & Co-operative working	Grants to sundry Bodies	Reduce grant funding			Y	There is a residual £17K of grant funding that can be removed from the budget and does not impact on CA funding		17,000	0
FS23	Neighbourhood & Co-operative working	CSC and Customer Focus Re-design and efficiencies, supported by implementation of new digital technology resulting in channel shift and automation.	Streamline Customer Focus and Customer Services into one team including: A reduction of 1 FTE Grade 9 post from the combining the Customer Focus and Customer Services Manager roles in a single post. A reduction of 1FTE Manager/Team Leader (currently 5 in total, assumed Grade 5). A reduction of 4FTE Customer Service Advisors at Grade2/3 A reduction of 1 Customer Insight Adviser at Grade 3.	£110,000	2	Y	Customers - Functionality enabled by the Digital Platform project in 2020/21 will enable some shift of contact away from more resource intensive telephony and face to face channels which will reduce the adviser levels needed in order to maintain current performance for customers. Aligning the customer focus team with customer services will ensure continuous improvement can be embedded in service delivery. Other Business Units - The reduction in the Customer Insight adviser (complaints) would be mitigated by implementing a new digital case work solution using Firmstep (which is less resource intensive than emails) and better early management of cases by customer services to reduce the escalation to formal complaints. Digital case management for complaints will make it easier to track and manage cases. However, there may be some temporary additional pressure on service areas in order to support complaints handling while the tools are embedded, and to deal with complex cases	1 June 2021	69,668	100,401
FS26	Neighbourhood & Co-operative working	Print Room	Remove the Document Centre Officer (Grade 3) post in ICT.	£60,000	1	Y	This requires services to find alternative solutions for printing or to reduce the need for bulk printing. The key users are Housing Investment and members (committee papers). Members would need to print their own committee papers or to use Modern Gov to view papers for meetings.	1 June 2021	12,722	8,841
FS27	Neighbourhood & Co-operative working	Printing and photocopiers	Remove 4 MFD's from Daneshill & reduce Click usage to 50% of 19/20's volume			Y	Reduce the amount of printing in 2019/20 there were 594,000 prints in qtr. 1 , this had reduced to 200,000 in qrt1 2020/21, increasing to 270,000 in qtr. 2 2020/21. If printing could be reduced by 50% this would give the saving shown	1 April 2021	9,157	6,363

FINANCIAL SECURITY OPTIONS 2021/22

Fund	Projected 2021/22	Projected 2022/23
General Fund	£1,462,182	£1,588,047
HRA	£241,546	£283,372
Total	£1,703,728	£1,871,419

Ref No	Portfolio holder	Name of Service	Description of Savings Proposal	Implementati on costs (any redundancy/ capital)	If staff affected indicate no. of staff	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)	£ General Fund Year 1	£ HRA Year 1
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2021/22 Budget Options

FS28	Neighbourhood & Co-operative working	Reduce Postage costs	Reduce posted items through email and new ways of communicating during the pandemic			Y	Reduce the amount of postage but this requires staff to continue with new ways of working and contacting residents.	Immediate- savings taken as one off in year	21,730	23,270
FS28	Neighbourhood & Co-operative working	LCB budgets	Reduce LCB budgets.			Y	Reduce the amount of LCBs from £2,500 per Member to £1,500 per Member and reduce Youth Mayor LCB from £3,300 to £2,000 (this represents a 40% cut for both Cllrs and the youth mayor). There is a growth bid of £18K to provide seed money for the Neighbourhood working. There will be less discretionary funding for community groups to bid for. Community Development Officers will also support groups in accessing other sources of funding.	1 June 2021	40,300	0
FS29	Resources	Commercial Properties	Projected change in lease renewals on the commercial portfolio			Y	While the market is very challenging at the moment the current rental projections show an increase in line with the assumed growth. This will be subject to business being able to remain profitable. There are 176 shops, 20 work shops, 54 misc. properties	1 April 2021	32,470	0
FS30	Resources	Facilities Management	Combine FM and compliance Manager role in one post and delete the FM manager and Compliance Manager, delete vacant FM roles (all posts vacant) , create data manager post to manage Assets and the insourced compliance contract.	£0	0	Y	Combining compliance and insourcing compliance is projected to reduce costs further. However these cannot be released until the backlog of repairs is completed a fuller assessment made.	Immediate	19,665	6,555
FS31	Resources	MRP, Interest Payments and Provisions	Reduce Revenue contributions to capital (RCCO) from £124K to zero. (Dependent on sale of Locality sites)	£0	0	Y- 6 years	The September MTFS had assumed that the RCCO to fund capital would reduce from £474,000 to £124,000 with the use of Locality Receipts. This left a remaining £124K to be funded from revenue, this is now proposed to be reduced to zero.	1 April 2021	124,000	0
FS32	Resources	Audit, Anti Fraud & Corp Banking Charges	Reduce the number of Audit days from Shared Anti Fraud Service (SIAS) by 10%.			Y	The number of Audit days was reduced a number of years ago, SIAS will be factoring this into their budgets next year. This could lead to a wait list for audits. There are currently 350 days and this would reduce the programme by 35 days. Potentially reducing operational audits but sufficient days for a council of SBC size.	1 April 2021	9,209	2,231
FS33	Resources		Reapportion cost between HRA & GF based on case load, the number of cases has increased for housing services			Y	This increases the cost to the HRA as the caseload data shows that a greater proportion of the service is used by the HRA (Stats:156 referrals of which 64 housing 2019/20 & 7 properties recovered and 1 RTB cancelled)	1 April 2021	22,400	-22,400
FS34	Resources	Revenues, Benefits and Local Taxation	Reduction in staff due to retirement opportunity			Y	There have been 2 posts removed by the service in the last 2 years, to go further may be difficult in a recessionary period, however reducing the headcount would mean slower claims handling and less overpayments handling, alternative delete visiting officers, however these posts identify where anomalies appear in rating lists and pick up unreported changes. (circa 103 staff shared between EHDC and SBC)	1 April 2021	11,000	0

FINANCIAL SECURITY OPTIONS 2021/22

Fund	Projected 2021/22	Projected 2022/23
General Fund	£1,462,182	£1,588,047
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Ref No	Portfolio holder	Name of Service	Description of Savings Proposal	Implementati on costs (any redundancy/ capital)	If staff affected indicate no. of staff	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)	£ General Fund Year 1	£ HRA Year 1
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2021/22 Budget Options

FS35	Resources	Financial Services	Delete one Graduate Post and one apprentice post		posts vacant	Y	Reduce by one apprentices and one trainee not filled, this will reduce ability to react to organisation requests and will not allow for any succession planning. Significant proportion of the staff are 50+ and this reduces succession planning and does not alleviate current high work demands which was the intention when the structure was approved.	1 April 2021	50,944	11,096
FS36	Resources	Financial Services-procurement	Increase provision to EHDC and Hertsmere Borough Council (2.59FTE's , production of CSO's, training, Procurement Strategy, advice which ahs avoided legal challenges).			Y	The service has been shared with Hertsmere and East Herts and a total of circa £82K of costs reduced by sharing the equivalent of 0.91FTE out of 2.59FTE. The saving shown is the additional savings of the SLA's above that originally estimated.	1 April 2021	21,296	25,273
FS37	Resources	Financial Services-paralegal (There are 2 paralegals posts or 1.91FTE dealing with RTB's, debt recovery, deeds)	Reduce hours in paralegal team, there are 2 posts or 1.67FTE. This would reduce the hours per week by 12 hours		vacant post	Y	The would take out the 0.27 FTE out of the service and would mean that debt recovery would be slowed as would RTB application process if caseload increases. This would reduce the capacity to deal with commercial arrears which are likely to increase due to COVID and the delay to evictions until the end of December 2020 as a result of non-payment.	Immediate	9,816	5,004
FS38	Resources	Garages	Current charge is for 50 weeks, the proposal is to charge for 52 weeks and not give 2 free rent weeks			Y	Garages are currently charged on a 50 week year and this proposal is to charge rents over a 52 week period. May cause some attrition to rental income	1 April 2021	100,000	0
FS39	Resources		Letting of garages remodelled and improved as part of the garage improvement programme			Y	This is the financial benefit for 2021/22 of the reduction in voids through the refurbishment of garages as part of the Garage improvement programme.	1 April 2021	40,000	0
FS40	Resources		Move the '£2 a week' VCS organisations to lower demand areas - £36k could be achieved by April 2021.			Y	Some of the VCO garages are in high demand areas and as such the proposal is move VCO's into lower demand areas and reduce the waiting lists in the higher demand areas		36,020	0
FS41	Resources		Increase the £2 a week rate to £2.25, benchmarking shows that many other councils charge VCS full rates.			Y	An admin charge of £2.00 was introduced for managing the VCO garages in April 2019. The proposed increase of 25pence per week is recommended		950	0
FS41	Resources		Increase on average in garage rents for Category A-C by £0.25 per week and Road facing garages by £0.30 per week			Y	Garages for 2021/22 will be as follows (excluding VAT) Category A £12.05, Category B £11.85, Category C £11.45 Road facing garages £13.70	1 April 2021	55,000	0
FS42	Resources	Human Resources and Training	Delete job advertising budgets- fund any costs from the vacancy of the post	£0	0	Y	There is a risk the transitional vacancy factor may not be achieved this will need to managed as part of the recruitment process. £45K-£50K has been traditionally spent on GF recruitment, exceeding the budget (there have been a number of senior recruitment drives) and for the HRA £6K-£26K over the last 3 years	1 April 2021	19,240	16,760
FS43	Resources		Reduce professional training budget			Y	Where ever possible all professional qualifications will be funded by the apprentice levy. In circumstances where professional qualification is deemed necessary for an individuals roles, SBC will now funded 50% of this through a bursary scheme and ask the individual to fund 50% themselves.	1 April 2021	3,000	4,000

FINANCIAL SECURITY OPTIONS 2021/22

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2021/22 Budget Options

FS44	Resources	Graduate Scheme (There are 3 graduates and AD's pitch for their services. One of the three is dedicated to Estates as a graduate to support the grow your own due to difficulties with recruitment)	Reduce professional training budget for graduates. Remaining budget will pay for NGDP development as part of the graduate scheme			Y	The graduate programme has already been reduced from four graduates to three (with a further saving due in 2021/22). The other area of spend is to reduce the training. The budget is £12K and the expenditure annually for the last two years has been £4-5K.	1 April 2021	6,000	0
NEW	Resources		Cease the graduate scheme			Y	This is in addition the saving shown above and would mean no graduate resource from 1 October 2021 (GF saving increases to £98K in 2022/23). This is likely to impact on the succession planning in the Estates team.	1 October 2021	67,114	16,663
FS45	Resources	Cash Collection	Stop taking cash for car parks, depot and CSC ATM. (saving is the cash contract costs less projected increase in card fees) .			Y	During COVID no cash has been taken due to safety reasons, the alternative provision for those using the ATM has been to use the post office. This could be continued into 2021/22 to determine whether this causes any issues. NB: If car park card machine software goes off line no income can be taken	1 April 2021	45,000	5,000
TOTAL				£	221,000	16			£1,462,182	£241,546

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 2021/22 Estimates are determined by evaluating and costing all known changes, including pay and price levels, legislative changes, demands for services and policy developments, together with an assumption about the on-going impact of COVID. The council has sufficient reserves to allow a contribution from balances in order to set a balanced budget for 2021/22 and the current Budget Process has rigorously reviewed current budgets to secure another year of necessary Financial Security Savings, the level of which has been compounded by COVID pressures. As part of the 2021/22 Budget process the council has had to meet the challenge of historic Government Grant reductions, reducing New Homes Bonus, COVID, 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 an all Member Seminar.

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 increase in frequency with which the MTFS has been reviewed has been necessary in 2020/21 due to the projected impact of COVID. The CFO has identified that further Financial Security savings options are required for 2022/23-2024/25 of £2.419Million to ensure a balanced General Fund budget. This target includes the impact of COVID plus a 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 Strategic Director (S151) considers that the Estimates and the processes used to produce them are sound and robust. A further update on the 2020/21 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, (this may change if COVID unfunded impacts increase in the medium term) the Council's Medium Term Financial Strategy acknowledges that the £2.4Million of these will be utilised in the medium term as a result of projected future under funding, COVID losses not refunded 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 2021/22 was £3,965,000 and remains unchanged.

Total available General Fund balances as at 1st April 2021 are estimated to be £4,519,954 (after 2020/21 contribution to balances from the General Fund of £2,409,851). Total General Fund balances as at 1st April 2022 are estimated to be £4,193,887 (after 2021/22 contribution from balances to the General Fund of £326,067). 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 2021 are estimated to be £23,065,081 (after contribution to balances in 2020/21 of £3,245,670). Total available HRA balances as at 1st April 2022 are estimated to be £25,785,041 (after contribution to balances in 2021/22 of £2,719,960).

It is estimated that the council will have General Fund £726,419 capital receipts and £nil regeneration ring fenced receipts and £749,704 capital reserve as at 1st April 2021 and the Council has a need to borrow in 2021/22 of £31,684,624 including £26,602,339 for the HRA. The current Strategy does not require contributions from General Fund balances, with a target set to realise £4.3Million from Locality Reviews. This would ensure the no RCCO is required from the General Fund until 2027/28 and also funds the gap from declining NHB.

It is estimated that the council will have General Fund £1,020,585 capital receipts and £nil capital reserve as at 1st April 2022.

It is estimated that the Council will have HRA £4,501,356 capital receipts as at 1st April 2022, (£9,772,454 as at 1 April 2021) and £17,985,249 Major Repair Reserve balances as at 1st April 2022, 16,101,010 as at 1 April 2021). The HRA capital programme is based on the latest stock condition information.

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 Strategic Director (S151) considers the level of general balances to be adequate for the 2021/22 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 Strategic Director (S151) confirms these reserves are £2,826,595 (General Fund) and £5,712,851 (HRA) as at 1 April 2022 (£12,187,243 (General Fund) and £5,712,851 (HRA) as at 1 April 2021) and continue to be required.

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GROWTH PROPOSALS & KNOWN BUDGET PRESSURES 2021/22

GF	HRA
£166,966	£46,700
£656,540	£20,460
£823,506	£67,160

Ref No	Name of Service	Description of Growth Proposal	Ongoing (Y/N) or No of	Impact of Growth Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Potential Timing	£ General Fund Year 1	£ HRA Year 1
REVENUE GROWTH - New Proposals / Services							
G1	SDS	New Commercial Officer post (to help deliver the Cooperative Commercial & Insourcing Strategy - Salary TBC, growth figure assumes inclusion of on-costs)	Y	To provide additional resource to help delivery the new cooperative, commercial and insourcing strategy. This is in addition to the Commercial Manager post.	01 January 2021	£33,000	£22,000
G3	Culture, Wellbeing and Leisure	Mainstream culture post	Y	Delivery of cultural strategy and town deal cultural ambitions i.e. framing of heritage centre, meanwhile use of empty spaces and art installations	2021/22	£50,000	£0
G4	Community Safety	Mainstream No More -Core	Y	Community safety- support for those with multiple and complex needs who are either housed by or present to the council.	2021/22	£37,500	£12,500
G5	Information Governance	Enhanced Information Governance Service. We currently have one role covering statutory responsibilities with regard to Information Governance and Data Protection, including GDPR responsibilities and FOI requests. The proposal is to create an additional information Officer (Permanent) There is also a requirement for non-salary costs to cover membership renewals, licenses etc.	Y	Enables SBC to meet statutory responsibilities with regard to Information Governance and Data Protection, including GDPR responsibilities. The current manager's time is taken up with responding to Subject Access Requests and FOI requests, and there is a high risk that we will not meet statutory deadlines. The impact of not resourcing this area is increased risk of: Regulatory enforcement action for non-compliance by the ICO. Monetary penalties and fines of up to €10m for potential breaches of data protection laws Legal claims/class actions for breaches of data protection by customers Adverse impact on service delivery with team members time spent assisting complaint investigations/ appeals regarding miss-handling of personal data Regulatory enforcement action for non-compliance by the ICO. Loss of customer trust and confidence in council's handling of customer information. Adverse publicity from press coverage of complaints and/ or from publication of enforcement action taken by the regulator.	01 April 2021	£28,466	£12,200
G6	Co-operative Neighbourhoods	Provide seed money for CNM for next tranche of wards as no NHB available	Y	Since NHB rules changed there is no funding for the programme so this growth bid provides a small amount of funding to continue the programme	2021/22	£18,000	£0
TOTAL GROWTH OPTIONS						£166,966	£46,700

SERVICE PRESSURES - These are budget pressures in your SDU that you know are aware of over the next 3 years

G10	SDS	Decreasing market rates for recycling. Current contracted rate not being achieved and due to Covid (possibly Brexit) global market dictating selling prices.	Y	Since setting the budget for 2020/21 the market has dropped for recycling plastics. We were receiving £140 per tonne which dropped to £10 to £20 per tonne and incurring haulage costs. Currently paying £4.72 per tonne for removal following a procurement exercise.	2021/22	£120,000	£0
G11	SDS	Third party tipping revenue into T/S. Budgeted £80k - not able to accept tonnages within licenced capacity	Y	Due to household waste being significantly higher since Covid the capacity for third party tipping at the transfer station no longer viable.	2021/22	£80,000	£0

STEVENAGE BOROUGH COUNCIL

APPENDIX E

GROWTH PROPOSALS & KNOWN BUDGET PRESSURES 2021/22

GF	HRA
£166,966	£46,700
£656,540	£20,460
£823,506	£67,160

Ref No	Name of Service	Description of Growth Proposal	Ongoing (Y/N) or No of	Impact of Growth Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	Potential Timing	£ General Fund Year 1	£ HRA Year 1
UPDATED	SDS	Loss of AFM funding due to increased waste	Y	Increased waste volumes being generated and associated increased disposal costs to HCC, are resulting in a drop in AFM payments, which may reduce to zero. The budget was reduced in 2020/21 by £115,000 due to the impact of increased waste disposal, however this is now assumed on-going together with the residual budget of £100,000. (The September MTFS had assumed a £30,000 reduction based on the County Council's saving target on the AFM model).	2021/22	£185,000	£0
G13	SDS	Cemetery income loss	Y	Fees were increased in the preceding years, however this level of income has not been achieved for 2020/21. The fee increases for 2021/22 are targeted towards the demand in services now being experienced and this will be monitored closely during 2021/22.	2021/22	£40,000	£0
NEW	SDS	Parks and Open spaces income	Y	The level of fee income for 2019/20 was £10,000 below the budgeted amount and the trend is continuing. The budget had been increased in prior years based on an savings option to increase use in pavilions (£2,000). The budget has been adjusted to reflect more realistic levels of income at £118,000	2021/22	£10,000	£0
G14	Finance & Estates	Loss of housing Benefit overpayments due to trfs to UC	Y	The Council can keep 100% of overpayments raised alongside 40% of claimable through the subsidy system. However, the level of overpayments is reducing due to the impact of the governments real time information from DWP and HMRC so overpayment levels are now lower and in addition claimants are transferring to UC rather than HB.	2021/22	£180,000	£0
G15	ICT	ICT pressures	Y	Unavoidable ICT licensing and upgrade costs. This includes upgrade to the Real Asset Management system used by finance, additional costs for Java licensing, and licensing costs for Robotic Process Automation to support digital transformation	2021/22	£41,540	£20,460
TOTAL SERVICE PRESSURES						£656,540	£20,460
TOTAL GROWTH AND SERVICE						£823,506	£67,160

STEVENAGE BOROUGH COUNCIL

Wednesday 10 February 2021

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 2020/21 amounting to £11,056,840 and the revenue estimates for 2021/22 amounting to £1,165,480;
 - b. the contribution from balances totalling £2,409,851 in 2020/21;
 - c. the contribution from balances totalling £326,067 in 2021/22.
2. That it be noted that at its meeting on 20 January 2021 the Executive calculated the amount of 27,733.8 Band D equivalent properties as its council tax base for the year 2021/22 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 2021/22 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. £90,231,878 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. £84,114,724 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. £6,117,154 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. £220.57 Being the amount at 3c divided by the amount at 2 above, calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its council tax for the year
 - e. Valuation Bands
 - A £ 147.05
 - B £ 171.55

C	£ 196.06
D	£ 220.57
E	£ 269.59
F	£ 318.60
G	£ 367.62
H	£ 441.14

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 2021/22 Hertfordshire County Council have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands

A	£
B	£
C	£
D	£
E	£
F	£
G	£
H	£

- b. That it be noted that for the year 2021/22 Hertfordshire Police Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 and amended by Section 27 of the Police and Magistrates' Court Act 1994, for each of the categories of the dwellings shown below:

Valuation Bands

A	£
B	£
C	£
D	£
E	£
F	£
G	£
H	£

5. That, having calculated the aggregate in each case of the amounts at 3e. and 4a. and b. above, the Council in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts for council tax for the year 2021/22 for each of the categories of dwellings shown below:

Valuation Bands

A	£
B	£
C	£
D	£
E	£
F	£
G	£
H	£

6. To determine in accordance with Section 52ZB Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2021/22 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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Brief Equality Impact Assessment APPENDIX G

For a minor operational change / review / simple analysis

What is being assessed?	Proposed Employee Related Savings for 2021/22	What are the key aims of it?	To consider the potential impact of the proposed employee related savings for 2021/22 on all staff and particularly those under the protected characteristics.		
Who may be affected by it?	Employees within the areas where savings have been identified				
Date of full EqIA on service area (planned or completed)	A				
Form completed by:	Kirsten Frew	Start date		End date	
		Review date			

What data / information are you using to inform your assessment?	Workforce Equalities Data as of November 2020	Have any information gaps been identified along the way? If so, please specify	Currently no workforce information is held on socio-economic status of the Stevenage Borough Council workforce and therefore this cannot be assessed.
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Explain the potential positive, negative or unequal impact on the following characteristics and how likely this is:			
Age	The profile of the employees impacted by the proposed savings is 25% in the age category 40-49 and 75% in the over 60 age category. It is therefore likely that the	Race	The profile of those impacted by the proposed savings is 87.5% White British and 12.5% BAME.

	proposed savings may have a disproportionate impact on those age groups. It should be noted that the staff related savings, do impact on a wider range of roles, such as Graduate vacancies and roles within customer service, however, as these roles have become vacant they have not been replaced. Had these not been vacant the age profile of the savings would have been impacted positively.		
Disability	None of the employees impacted by the proposed savings have identified as disabled and therefore no disproportionate effects are anticipated.	Religion or belief	All employees impacted by the proposed savings have identified themselves as Christian and therefore no disproportionate effects are anticipated.
Gender reassignment	Data for this protected characteristic is incomplete for the employees impacted by the proposed savings options.	Sex	The profile of the employees impacted by the proposed savings is 62.5% female and 37.5% male. The proposed savings are therefore likely to have disproportionate effect on more woman than men.
Marriage or civil partnership	12.5% of those impacted by the proposed savings are divorced, 25% are single and 62.5% are married.	Sexual orientation	All employees impacted by the proposed savings have identified themselves as Heterosexual.

Pregnancy & maternity	No information is held on the pregnancy and maternity status of the employees impacted by the proposed savings.	Socio-economic ¹	No information is held on the socio-economic status of the employees impacted by the proposed savings.
Other			

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	Promote equal opportunities		Encourage good relations	Consult with staff and trade unions on the proposed savings.

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

Action	Responsible officer	How will this be delivered and monitored?	Deadline
A Full EqIA will be undertaken for each of the proposed savings that impacts upon employees as part of the wider consultation exercise on the proposed changes.	Individual ADs responsible for each proposed Saving	As part of the consultation process.	

Approved by Assistant Director / Strategic Director:

Date:

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.

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Equality at Stevenage Borough Council

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

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

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

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

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

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

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

Savings Proposals 2021/22

Prior to their consideration at Executive in December 2020, all savings proposals were reviewed to determine any potential impact on Stevenage residents in terms of their protected characteristics under the Equality Act 2010. Some of these have no public impact and so have not been subject to any further EqlA.

Where a negative, positive or disproportionate impact is likely, Assistant Directors and other appropriate managers have drafted Brief or Full EqlAs. These have been summarised over the following pages and will inform the recommendations made at Executive on 20/1/2021 and 10/2/2021. Action to further analyse or mitigate the impact on equality groups is identified where appropriate.

The following activity has taken/will take place:

December 2020 – February 2021	EqlAs finalised considering further evidence as necessary
January and February 2021	Consideration of all completed EqlAs at Council meetings

Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
FS1	Reduce Holiday play schemes to pop-up activities similar to the offer throughout Summer 2020.	<p>Full – Positive / Negative Impact</p> <p>Overview This unique service is highly valued by its users and members of the council. These initiatives are part of the wider service review undertaken in 2019/20 which has not yet been able to be implemented due to the pandemic.</p> <p>This will be further augmented by the introduction of an advanced booking system for the three play centres combined with a pay and play system for non-Stevenage residents and professional childminders.</p> <p>Age & Socio-Economic There may be a barrier to access for users who cannot access technology to make an advanced booking. We will introduce a non-mandatory advanced booking system to allow people without the ability to make an advanced booking to still access the service.</p> <p>However, the project will be more reactive and be able to respond to a wider group of young people who would not normally be able to access the service.</p>	<p>1. Define an appropriate user friendly easy to use cost effective advanced booking system and implement. Implement a cashless payment system.</p> <p>2. Stakeholder consultation as part of the 2019/20 delayed Play Review</p>	Rob Gregory/ Geoff Caine
FS3	Cease funding of PCSOs.	<p>Full – Slight Negative Impact</p> <p>Overview This proposal would mean that there are likely to be less PCSOs available in the Community. However, there is</p>	The introduction of the Co-Operative Neighbourhood programme	Rob Gregory/ Sarah Pateman

Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
		<p>significant cross over between the duties of the SBC Neighbourhood Wardens and the PCSOs. This financial security saving is made possible due to the success of this team and is expected to reach further maturity as the Council's Co-operative Neighbourhoods approach becomes fully embedded.</p> <p>A number of other districts across Hertfordshire have ceased funding PCSOs over recent years. This reflects the situation nationally where funding is allocated through Police and Crime Commissioners.</p>		
FS5	Increase allotment fees to breakeven levels. Consider phasing the increase over 2/3 years.	<p>Full – Positive / Negative Impact</p> <p>Overview Increases to the allotment charges will ensure that this service remains available to residents, whilst ensuring that it is not subsidised as is currently the case. Allotment charges will be increased gradually over two years and concessions of 25% will be available to those residents who qualify for means tested benefits.</p> <p>Increases to fees would see Stevenage charge similar fees to nearby local authorities. Feedback from plot holders indicates that Stevenage has one of the best allotment services in Hertfordshire</p> <p>Socio-Economic / Age Whenever fees and charges are raised, this is the main category that is impacted. Despite a rise in costs, concessions</p>	<p>1. Raise awareness of concessions available to those on means tested benefits.</p> <p>2. Undertake consultation with plot holders to determine levels of satisfaction with the allotment service, including fees and charges.</p> <p>3. Monitor level of waiting list and the number of plots given up following the increase, and compare with previous years.</p>	Steve Dupoy/ Julia Hill

Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
		<p>are available for those on means tested benefits. Some plot holders with multiple plots may have to reduce the area of land they allotment garden at present and those plot who can no longer afford their plots may have to give them up.</p>		
FS13	Cease the community transport provision in entirety.	<p>Full – Negative / Unequal Impact</p> <p>Overview The service is highly valued by its users as it enables them to socialise with others outside of their homes. However, there are no other district councils in Hertfordshire that provide a similar service relying instead on services provided by North Herts CVS and HCC Dial a Ride.</p> <p>Age The primary user group are older people; this local service will no longer be made available to them. We can signpost existing users to other local services.</p> <p>Disability Many of the current users have health issues that inhibit them from social events outside of their homes. The loss of service could adversely affect their general health and wellbeing.</p> <p>Socio-Economic As the service is not means tested we cannot define any differential impact on users. However, this is likely to have a disproportionate impact upon those of greater socio-economic need.</p>	<p>1. Consultation with stakeholders. Work with Stevenage & North Herts CVS and HCC Dial a ride to fully understand how those services can mitigate the loss of SBC Community Transport Service</p> <p>2. From information derived from other partners and the community, design a leaflet/download to be distributed to both existing and potential users outlining the services available to them. Ensure every client is contacted and talked through options.</p>	Rob Gregory/ Geoff Caine

Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
FS23	CSC and Customer-Focus redesign and efficiencies.	<p>Full – Unequal Impact</p> <p>Overview Overall the proposal will not have negative impacts as we aim to maintain current service levels. Customers will still be able to access services over the telephone or access services face to face.</p> <p>If the Council failed to provide non-digital means of engaging with it, that could be to the detriment of people who do not have the skills or capabilities to engage online which may overlap with many of the protected characteristics.</p> <p>Age Research evidence from ONS data suggests that older people tend to be less digitally active, and potentially at risk of digital exclusion, although the picture is complex and social class / income can be a relevant factor too.</p> <p>If the Council stopped providing telephone or face to face support that could be to the detriment of those older people who do not have the skills or capabilities to engage online.</p> <p>Disability People with some types of disability may have difficulties using or making the most of digital technologies. These people may benefit less from enhanced digital channels.</p> <p>Socio-Economic</p>	<p>1. Measure the take up of digital services by different groups and use the insight to design future services.</p> <p>2. Ensure the customer service model supports those who cannot benefit from digital channels by providing alternatives.</p>	Ruth Luscombe/ Greg Arends

Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
		Low income, social class and social housing tenancy have been identified in some research as indicators of whether someone is likely to have the competence, confidence and capability to make the most of digital technologies.		
FS25	Print Room	<p>Brief – Unequal Impact</p> <p>Overview This saving involves the closing of the print room and the putting into place of alternative arrangements including paperless committee meetings, digital alternatives and directing work through Docmail print service.</p> <p>Age Digital alternatives to printed documents may disproportionately impact on older people. Research evidence from ONS data suggests that older people tend to be less digitally active, and potentially at risk of digital exclusion, although the picture is complex and social class / income can be a relevant factor too.</p> <p>Socio-Economic Digital alternatives to printed documents may disproportionately impact some socio economic groups. Low income, social class and social housing tenancy have been identified in some research as indicators of whether someone is likely to have the competence, confidence and capability to make the most of digital technologies.</p> <p>If the Council failed to provide non-digital means of engaging</p>	Complete Full EQIA assessment.	Ruth Luscombe

Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
		with it, that could be to the detriment of people who do not have the skills or capabilities to engage online.		
FS28	Reduce LCB costs budgets and convene with Neighbourhood areas	<p>Full – Positive / Negative / Unequal Impact</p> <p>Overview LCB funding will be reduced to £1500 from £2500 for each Ward Member from the new financial year (21/22 budget). This means that LCB funding is still available, judged by the same criteria that it has been in previous years. However, as funding is reduced this may impact on the current offer available and impede new activities from commencing.</p> <p>The application process supports equal opportunities in the way it is administered and how decisions are made as to whose application is approved.</p> <p>Age Previous LCB applications have often focussed around supporting the older population and the very young. It is apparent that both these groups disproportionately benefit from the funding.</p> <p>Disability Less than 10% of applications last year were from groups supporting this protected characteristic. This suggests they are less likely to benefit from the funding in its current format.</p> <p>Sex About 85% of LCB applications are currently made by women,</p>	To promote LCB funding wider and to provide Community Development support to consider other sources of funding.	Rob Gregory/ Jane Konopka

Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
		<p>suggesting that this group may be disproportionately affected by a reduction in available funding.</p> <p>Socio-Economic Individuals with greater socio-economic need are more likely to benefit from the LCB process, although they may not submit applications themselves, the organisations that do often cater for individuals in this group.</p>		
FS38 FS41	<p>Charge garages for 52 weeks, rather than 50.</p> <p>Increase on average the garage rents for Category A-C by £0.25/week and road facing garages by £0.30/week.</p> <p>Increase £2 VCS charge to £2.25.</p>	<p>Full – Negative Impact</p> <p>Overview Changes to charging for garages from April 2021 onwards. Transition to charging for 52 weeks per year (as opposed to 50 weeks per year) plus a 2% increase in garage charges, equating to an overall 6% increase in fees in real terms. Changes to garages charging for the Voluntary and Community Sector (VCS) from £2 per week to £2.25 per week.</p> <p>Benchmarking information shows that with the new pricing SBC will be middle of the range for garage charging. Dacorum council charge £15.78 per week over 52 weeks of the year (£16.86 if in one of their ‘high demand’ areas), Luton council £12.00 over 52 weeks of the year and Brentwood council £11.74 over 52 weeks of the year.</p> <p>Disability Residents with disabilities are placed at the top of the garages waiting list after 6 months and can select from available garages at this stage.</p>	<p>1. Offer cheaper garages where possible to tenants who do not wish to incur additional charges.</p> <p>2. Offer flexible payment plans to clear arrears</p> <p>3. Monitor feedback from VCS organisations on the impact of increased charges.</p>	Steve Dupoy/ Nadia Capuano

Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
		<p>Socio-Economic</p> <p>The changes to pricing may impact on those who are unemployed or who have seen their income reduced; this figure is likely to be higher than in recent times due to the impact of Covid-19.</p> <p>Despite these increases to charges, a number of mitigating factors have already been considered. These include the offer of cheaper garages to those seeking to terminate their tenancy and the offer of bubble garages for storage options. Payment plans are also offered as a temporary measure to those that are struggling to pay garage rentals.</p> <p>There is likely to be a low negative impact on VCS as a result of the increase in their pricing as this equates to 25p extra per week or £13 per year, which is lower in monetary terms than the increase on the majority of the garage stock.</p>		
FS40	Relocate VCS garages to lower demand areas.	<p>Brief – Neutral Impact</p> <p>Overview</p> <p>SBC's Conditions of Tenancy state that VCS organisations occupying high demand garages are 'required and agree to transfer to an area of low demand'. This is applicable to 47 organisations.</p> <p>This proposal does not reduce the number of available VCS garages available, nor does it prevent organisations from registering on the waiting list.</p>	Monitoring feedback from VCS organisations following proposal of move into low-demand garages.	Steve Dupoy/ Nadia Capuano

Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
		<p>Tenants will be moved to garages as close to their existing garage as possible to minimise disruption.</p> <p>Age Older members of VCS organisations may find it more difficult to move items into a different garage.</p> <p>Disability Disabled members of VCS organisations may find it more difficult to move items into a different garage.</p>		
FS43	Reduce Professional Training Budget	<p>Brief – Unknown / Neutral Impact</p> <p>Overview This proposed saving involves the reduction of the professional training budget. Where possible professional qualifications would be paid for by the apprenticeship levy.</p> <p>Currently no workforce information is monitored on the take up of learning and development opportunities by protected characteristic group.</p> <p>However, learning and development opportunities are available and taken up by all staff regardless of their background. In response to the Covid pandemic more learning and development offers are available virtually.</p>	Record protected characteristics data on staff completing learning and development courses	Clare Davies/ Kirsten Frew

Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
FS44	Reduce Graduate Training Budget.	<p>Brief – Insignificant Impact</p> <p>Overview This proposed saving involves the reduction of the graduate training budget. The number of employees impacted by the savings is less than 5 and therefore the protected characteristics have not identified in the EQIA for reasons of anonymity.</p> <p>However, all graduates at SBC are from the National Local development Government Scheme and have a full learning and programme.</p>		Clare Davies/ Kirsten Frew
FS45	Stop taking cash payments for Car Parks, depot and CSC ATM.	<p>Brief – Equal Impact</p> <p>Overview We know that Cash represented only 1.17% of payments collected last year and alternative means are available for all services. This saving proposes that the council stop collecting cash in order to support financial security.</p> <p>We do not know who pays for car parking in cash. However there are a number of alternatives, including card for car parks and phone payments for on street parking.</p> <p>Socio-Economic Those small minorities of people who may not have a bank account may be negatively impacted. Cash payments which would have been made to Customer Services can still be made via the Post Office.</p>	Keep payment options under review in response to customer feedback	Ruth Luscombe

Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
FS19	Combine the Residents and Star Surveys	<p>Brief – Positive / Negative / Unequal Impact</p> <p>Overview This proposal suggests combining the Town-wide Resident Survey and the Council Tenant Satisfaction Survey (STAR). There are also plans to undertake other complementary community engagement activities.</p> <p>Age - Older People It will not be possible within a combined, shorter survey to ask specific additional questions to Independent Living Scheme tenants, and the number of responses from these tenants will be lower. This may be mitigated through a separate engagement activity.</p> <p>Age - Younger People As the Resident Survey is targeted at householders, the profile of respondents is inherently older than the general resident population. By undertaking other engagement activity specifically targeted at younger people, the views of this group will be better captured.</p> <p>Sex/Age/Ethnic Origin/Disability/Marital & Working Status The surveys collect information in respect of sex, age, ethnic origin, disability, marital status and working status. This enables some analysis of the profile of tenants and residents to be undertaken and enables significant differences to be identified.</p>	<p>1. Establish the revised Resident/STAR survey sampling/questionnaire approach</p> <p>2. Develop an engagement plan incorporating both the Resident/STAR survey and other engagement activities</p>	Rob Gregory/ Katrina Shirley

Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
		<p>However, all results are subject to sampling tolerances and not all differences are statistically significant. By complementing the surveys with a range of focused engagement activities, a greater diversity of views can be captured.</p> <p>Religion or Belief/Gender Reassignment /Sexual Orientation</p> <p>Previous surveys have not analysed results in relation to religion, gender reassignment and sexual orientation. Plans to undertake further engagement activities will provide the opportunity to capture the views of these protected characteristic groups.</p>		
Fees and Charges	Increase in cemeteries fees and charges.	<p>Full – Negative / Unequal Impact</p> <p>Overview</p> <p>Increases in fees and charges related to burials will likely result in some disproportionate impacts to several of the protected characteristic groups.</p> <p>However, alternatives are in place that would offer those groups some mitigation against these changes.</p> <p>Socio-Economic</p> <p>Increased charges will impact on ability to pay for service for some users; this is likely to disproportionately affect users of a lower socio-economic group. However, the council offers a</p>	Continue to monitor impact of charges on service and numbers of services being undertaken	Steve Dupoy/ Lloyd Walker

Saving Ref	Saving/Income proposed	Summary of potential impact	Action	Contact Officer
		range of interment options of differing fees to ensure the services are inclusive to all including the new Sanctum product range. This product is a more affordable offering compared to burial or interment options.		
FS6-FS7	Grassland management	<p>Full – Positive / Neutral Impact</p> <p>Overview Residents will still be able to access public spaces due to pathways being cut through meadow grasslands.</p> <p>Parks are still able to be used by all residents, at no charge. There are no further barriers to entry for residents due to these changes.</p> <p>Disability Paths cut through meadows will be wide enough to ensure that disabled access is still possible.</p> <p>Socio-Economic The parks are freely open to all members of the community.</p> <p>Parks have good public transport links through bus routes, cycle tracks and pedestrian footpaths.</p>	Implement interpretation boards to explain why, how, and the benefits of managing meadow grassland in the parks. Signage will be designed to be as inclusive as possible for all Stevenage residents and visitors	Steve Dupoy/ Julia Hill

Full Equality Impact Assessment

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

What is being assessed?		FS1 – Pop up Play and advanced bookings plus cashless payment systems in play.			
Lead Assessor	Geoff Caine			Assessment team	Geoff Caine Diane Wenham
Start date	9 November 2020	End date	31 March 2021		
When will the EqIA be reviewed?		Monthly			

Who may be affected by it?	Young people, families with children, professional childminders, people who use the service who do not reside in Stevenage. Two summer playschemes in Symonds Green and Bedwell
What are the key aims of it?	<p>The delivery of pop up play schemes in the summer school holidays within our parks and town centre, this will provide opportunities for a wider group of young people to access play as opposed to the two fixed locations where pop up play was previously provided.</p> <p>The introduction of an advanced booking system for the three play centres combined with a pay and play system for non-Stevenage residents and professional childminders will aid us in organising staffing resources, primarily deliver the service to Stevenage based young people and derive a small but new income stream.</p>

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

What sources of data / information are you using to inform your assessment?	Current usage data, unique number of users per centre, term and non-term time per annum.
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In assessing the potential impact on people, are there any overall comments that you would like to make?	This unique service is highly valued by its users and members of the council, These initiatives are part of the wider service review undertaken in 2019\20 which has not yet been able to be implemented due to the pandemic as the centres have not been open since March 2020. The review will allow the play service to provide services where it is shown there is most demand and whilst reducing the overall cost to the council.
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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					
Positive impact	The project will be more reactive and be able to respond to a wider group of young people who would not normally access the service	Negative impact	The fixed pop up play offer at Symonds Green and Bedwell may reduce the opportunities for play in those areas.	Unequal impact	
Please evidence the data and information you used to support this assessment		Due to the lockdown we have not been able to implement to new operating model as defined in the play review, however we have been able to trial pop up play in our parks within the summer albeit on a limited basis.			
What opportunities are there to promote	The play service will promote of its activities to ensure equality	What do you still need to find out? Include in	The service needs to reopen to test the new operating model and new		

equality and inclusion?	and inclusion for access to its services.	actions (last page)	technology needs to be implemented, e.g. advanced booking system and cashless payment systems.
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Disability e.g. physical impairment, mental ill health, learning difficulties, long-standing illness					
Positive impact	The service is open to all young people with disabilities.	Negative impact	Young people in Symonds Green and Bedwell areas may not be able to access pop up play or play centres.	Unequal impact	
Please evidence the data and information you used to support this assessment		Due to the lockdown we have not been able to implement to new operating model as defined in the play review, however we have been able to trial pop up play in our parks within the summer albeit on a limited basis.			
What opportunities are there to promote equality and inclusion?	The play service will promote of its activities to ensure equality and inclusion for access to its services.		What do you still need to find out? Include in actions (last page)	The service needs to reopen to test the new operating model and new technology needs to be implemented, e.g. advanced booking system and cashless payment systems.	

Gender reassignment					
Positive impact	The service is open to all young people.	Negative impact	Young people in Symonds Green and Bedwell areas may not be able to access pop up play or play centres.	Unequal impact	
Please evidence the data and information you used to support this		No evidence to support negative differing impact on gender reassignment			

assessment			
What opportunities are there to promote equality and inclusion?	The play service will promote of its activities to ensure equality and inclusion for access to its services.	What do you still need to find out? Include in actions (last page)	The service needs to reopen to test the new operating model and new technology needs to be implemented, e.g. advanced booking system and cashless payment systems.

Marriage or civil partnership			
Positive impact		Negative impact	Unequal impact
Please evidence the data and information you used to support this assessment	No evidence to support negative differing impact on civil partnerships		
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	The service is open to all young people within Stevenage.	Negative impact	Unequal impact
Please evidence the data and information you used to support this assessment	No evidence to support negative differing impact on pregnancy or maternity.		
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	The project will be more reactive and be able to respond to a wider group of young people who would not normally access the service	Negative impact	Young people in Symonds Green and Bedwell areas may not be able to access pop up play or play centres.	Unequal impact	
Please evidence the data and information you used to support this assessment		No evidence to support negative differing impact on race.			
What opportunities are there to promote equality and inclusion?	The play service will promote of its activities to ensure equality and inclusion for access to its services.	What do you still need to find out? Include in actions (last page)	The service needs to reopen to test the new operating model and new technology needs to be implemented, e.g. advanced booking system and cashless payment systems.		

Religion or belief					
Positive impact	The project will be more reactive and be able to respond to a wider group of young people who would not normally access the service	Negative impact	Young people in Symonds Green and Bedwell areas may not be able to access pop up play or play centres.	Unequal impact	
Please evidence the data and information you used to support this assessment		No evidence to support negative differing impact on religion or belief.			

What opportunities are there to promote equality and inclusion?	The play service will promote of its activities to ensure equality and inclusion for access to its services.	What do you still need to find out? Include in actions (last page)	The service needs to reopen to test the new operating model and new technology needs to be implemented, e.g. advanced booking system and cashless payment systems.
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Sex					
Positive impact	The project will be more reactive and be able to respond to a wider group of young people who would not normally access the service	Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment		No evidence to support negative differing impact on sex.			
What opportunities are there to promote equality and inclusion?	The play service will promote of its activities to ensure equality and inclusion for access to its services.	What do you still need to find out? Include in actions (last page)	The service needs to reopen to test the new operating model and new technology needs to be implemented, e.g. advanced booking system and cashless payment systems.		

Sexual orientation e.g. straight, lesbian / gay, bisexual					
Positive impact	The project will be more reactive and be able to respond to a	Negative impact		Unequal impact	

	wider group of young people who would not normally access the service				
Please evidence the data and information you used to support this assessment		No evidence to support negative differing impact on sexual orientation.			
What opportunities are there to promote equality and inclusion?	The play service will promote of its activities to ensure equality and inclusion for access to its services.		What do you still need to find out? Include in actions (last page)	The service needs to reopen to test the new operating model and new technology needs to be implemented, e.g. advanced booking system and cashless payment systems.	

Socio-economic¹ e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users, social value in procurement					
Positive impact	The project will be more reactive and be able to respond to a wider group of young people who would not normally access the service	Negative impact	There may be a barrier to access for users who cannot access technology to make an advanced booking. We will introduce a non-mandatory advanced booking system to allow people without the ability to make an advanced booking to still access the service.	Unequal impact	

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.

			Users within the Symonds Green and Bedwell areas may not be able to afford or get access to transport to other play services within the town.		
Please evidence the data and information you used to support this assessment		Previous usage of the schemes at Symonds Green and Bedwell and the limited pop up play schemes with provided during the pandemic. Without an advanced booking system we have not be able to determine usage in advance the team therefore are staffing the facilities based on previous usage which can sometimes lead to over or understaffing of schemes. A new system will allow us to staff facilities more efficiently and economically. The payment system for non-residents and professional child minders will generate a small amount of income or deter those groups from not attending. We cannot determine at this stage the defined impact of this project on them until the service re-opens.			
What opportunities are there to promote equality and inclusion?	The play service will promote its activities to ensure equality and inclusion for access to its services. We will promote the service changes in an effective manner which will include a programme of educational initiatives on how to use the advanced booking systems		What do you still need to find out? Include in actions (last page)	Further detailed investigations on the scope of NHCVS & HCC Dial a ride to provide a similar capacity and cost effective service.	

Other

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

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

What are the findings of any consultation with:

Staff?	Staffs have been fully involved in this project through the play review undertaken in 2019/20.	Residents?	We will consult with users, families and local residents once the play service re opens and include an educational programme on how to use the advanced booking system.
Voluntary & community sector?	We will consult with the voluntary and community sectors once the play service has reopened. As an integral part of the play review we will promote the availability of the play centres to be used by local groups outside of play service operating times this will increase occupancy and generate a small amount of income.	Partners?	We will consult with partners once the play service has reopened. As an integral part of the play review we will promote the availability of the play centres to be used by local groups outside of play service operating times this will increase occupancy and generate a small amount of income. We would encourage or partners to also promote this to groups that they work with.
Other stakeholders?	We will consult with key stakeholders once the play service has reopened.		

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		
Negative / unequal impact, barriers to inclusion or improvement opportunities identified		
	2b. Continue as planned	

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?
Define an appropriate user friendly easy to use cost effective advanced booking system and implement. Implement a cashless payment system.	Easy to use accessible software which is free for the user can generate considerable interest and in turn usage of facilities. This will include an educational piece of the usage of the software for service users.	Geoff Caine	April 2020	Staff will be trained and we will be heavily promoting the advanced booking system. Pop up play is a model staff are well versed in delivering
Stakeholder consultation as part of the 2019/20 delayed Play Review	Enable a feedback mechanism for service users to help iterate upon the current model and improve performance.	Geoff Caine	November 2021	Once the play service is able to reopen this can be embedded into business as usual by creating a feedback loop with service users.

Approved by Assistant Director: Rob Gregory

Date: 13/11/20

Full Equality Impact Assessment

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

What is being assessed?		FS3 – The Funding of PCSOs by SBC			
Lead Assessor	Sarah Pateman/Rob Gregory			Assessment team	Communities and Neighbourhoods
Start date	12/11/2020	End date			
When will the EqIA be reviewed?		N/A			

Who may be affected by it?	Hertfordshire Police
What are the key aims of it?	To meet the council's need for financial security.

What positive measures are in place (if any) to help fulfil our legislative duties to:					
Remove discrimination & harassment	N/A	Promote equal opportunities	N/A	Encourage good relations	Maintaining the council's Neighbourhood Warden team to maintain community relations and provide community reassurance. The council also

					provides a reporting centre for Hate Crime and has trained officers to address forms of hate crime witnessed.
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What sources of data / information are you using to inform your assessment?	A number of other districts across Hertfordshire have ceased funding PCSOs over recent years. This reflects the situation nationally where funding is allocated through Police and Crime Commissioners.
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In assessing the potential impact on people, are there any overall comments that you would like to make?	<p>The council does not receive performance data on the impact of the funding provided to Hertfordshire Constabulary.</p> <p>There is significant cross over between the duties of the SBC Neighbourhood Wardens and the PCSOs provided by the Hertfordshire Constabulary. This financial security necessity is made possible due to the success of this team and is expected to reach further maturity as the Council's Co-operative Neighbourhoods approach becomes fully embedded.</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:

Age					
Positive impact		Negative impact	There may be less	Unequal impact	

			PCSOs available in the community		
Please evidence the data and information you used to support this assessment		The OPCC office have informed us that there are now more Police Officers/PCSO than there were in the last financial year			
What opportunities are there to promote equality and inclusion?	Working in the community through Communities and Neighbourhood Officers especially through the Co-Operative Neighbourhood model		What do you still need to find out? Include in actions (last page)	N/A	

Disability e.g. physical impairment, mental ill health, learning difficulties, long-standing illness					
Positive impact		Negative impact	There may be less PCSOs available in the community	Unequal impact	
Please evidence the data and information you used to support this assessment		The OPCC office have informed us that there are now more Police Officers/PCSO than there were in the last financial year			
What opportunities are there to promote equality and inclusion?	Working in the community through Communities and Neighbourhood Officers especially through the Co-Operative Neighbourhood model		What do you still need to find out? Include in actions (last page)	N/A	

Gender reassignment					
Positive impact		Negative impact	There may be less PCSOs available in the	Unequal impact	

		community		
Please evidence the data and information you used to support this assessment	The OPCC office have informed us that there are now more Police Officers/PCSO than there were in the last financial year			
What opportunities are there to promote equality and inclusion?	Working in the community through Communities and Neighbourhood Officers especially through the Co-Operative Neighbourhood model	What do you still need to find out? Include in actions (last page)		

Marriage or civil partnership				
Positive impact		Negative impact		Unequal impact No Affect
Please evidence the data and information you used to support this assessment				
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)		

Pregnancy & maternity				
Positive impact		Negative impact	There may be less PCSOs available in the community	Unequal impact
Please evidence the data and information you used to support this assessment	The OPCC office have informed us that there are now more Police Officers/PCSO than there were in the last financial year			
What opportunities are there to promote	Working in the community through Communities and	What do you still need to find out? Include in		

equality and inclusion?	Neighbourhood Officers especially through the Co-Operative Neighbourhood model	actions (last page)	
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Race					
Positive impact		Negative impact	There may be less PCSOs available in the community	Unequal impact	
Please evidence the data and information you used to support this assessment		The OPCC office have informed us that there are now more Police Officers/PCSO than there were in the last financial year			
What opportunities are there to promote equality and inclusion?	Working in the community through Communities and Neighbourhood Officers especially through the Co-Operative Neighbourhood model		What do you still need to find out? Include in actions (last page)		

Religion or belief					
Positive impact		Negative impact	There may be less PCSOs available in the community	Unequal impact	
Please evidence the data and information you used to support this assessment		The OPCC office have informed us that there are now more Police Officers/PCSO than there were in the last financial year			
What opportunities are there to promote equality and inclusion?	Working in the community through Communities and Neighbourhood Officers		What do you still need to find out? Include in actions (last page)		

	especially through the Co-Operative Neighbourhood model		
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Sex					
Positive impact		Negative impact	There may be less PCSOs available in the community	Unequal impact	
Please evidence the data and information you used to support this assessment		The OPCC office have informed us that there are now more Police Officers/PCSO than there were in the last financial year			
What opportunities are there to promote equality and inclusion?	The OPCC office have informed us that there are now more Police Officers/PCSO than there were in the last financial year		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	There may be less PCSOs available in the community	Unequal impact	
Please evidence the data and information you used to support this assessment		The OPCC office have informed us that there are now more Police Officers/PCSO than there were in the last financial year			
What opportunities are there to promote equality and inclusion?	The OPCC office have informed us that there are now more Police Officers/PCSO than there were in the last financial year		What do you still need to find out? Include in actions (last page)		

Socio-economic² e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users, social value in procurement					
Positive impact		Negative impact	There may be less PCSOs available in the community	Unequal impact	
Please evidence the data and information you used to support this assessment		The OPCC office have informed us that there are now more Police Officers/PCSO than there were in the last financial year			
What opportunities are there to promote equality and inclusion?	The OPCC office have informed us that there are now more Police Officers/PCSO than there were in the last financial year		What do you still need to find out? Include in actions (last page)		

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

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.

What are the findings of any consultation with:

Staff?	This may have an indirect impact on Police staff.	Residents?	The impact should be mitigated by continuing to have uniformed neighbourhood officers available in neighbourhoods. Consultation with residents should be a natural by-product of the Co-operative Neighbourhoods model. This should let us factor in the impacts of this change over time.
Voluntary & community sector?	N/A	Partners?	N/A
Other stakeholders?	N/A		

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			
Negative / unequal impact, barriers to inclusion or improvement opportunities identified	2a. Adjustments made	2a	
	2b. Continue as planned		
	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?
The Introduction of the Co-Operative Neighbourhood programme	Encourage positive engagement with the community	Rob Gregory		At the RAG meetings and as part of the Co-Operative Neighbourhood programme

Approved by Assistant Director: Rob Gregory
Date: 13/11/20

Full Equality Impact Assessment

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

What is being assessed?		FS5 – Above Inflation Increase in Allotment Fees & Charges			
Lead Assessor	Julia Hill			Assessment team	
Start date	December 2020	End date			
When will the EqIA be reviewed?		November 2021			

Who may be affected by it?	Allotment plot holders
What are the key aims of it?	<p>To provide, manage, and let, suitable land to allow local people to grow their own vegetables, fruit and flower produce. The allotments:</p> <ul style="list-style-type: none"> ▪ Provide a sustainable food source ▪ Promote healthy living for all age groups ▪ Provide an educational resource ▪ Provide informal access to nature and wildlife <p>However, the allotment service is subsidised. By increasing the allotment charges by 50% it will:</p> <ul style="list-style-type: none"> • remove the need for all Stevenage residents to subsidise a service benefiting a relatively small number of people; • cover the additional cost associated with the allotment administration management returning to SBC.

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What **positive measures** are in place (if any) to help **fulfil our legislative duties** to:

Remove discrimination & harassment	Concessions available to those on means tested benefits	Promote equal opportunities	Allotments available to all Stevenage residents.	Encourage good relations	
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What sources of data / information are you using to inform your assessment?

Benchmarking Data for 2020:

Dacorum: £0.24/m²

East Herts: £0.15/m²

Hertsmere: £0.24/m²

North Herts: £0.58/m²

St Albans: £0.19/m²

Stevenage: £0.36/m²

Watford: £0.27/m²

Welwyn Hatfield: £0.46/m²

Feedback from plot holders indicates that Stevenage has one of the best allotment services in Hertfordshire, following investment resulting from disposal of allotment land around 2005. Sites provide security fencing, car parking, toilets, water provision.

In assessing the potential impact on people, are there any overall comments that you would like to make?	<p>The allotment fees and charges will be increased by 50%, however this will be implemented over two years – 2021/22 and 2022/23 – as follows:</p> <p>2020: £0.36/m²</p> <p>2021/22: £0.54/m²</p> <p>2022/23: £0.73/m²</p> <p>Concessions (25%) will be available to those on means tested benefits in accordance with the Council's Concession PolicyThe waiting list for an allotment in Stevenage is currently at around 370 people.</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:

Age					
Positive impact	Concessions available to those on means tested benefits. If people have to give up plots it makes them available to others on the waiting list.	Negative impact	Some plot holders with multiple plots may have to reduce the area of land they allotment garden at present.	Unequal impact	
Please evidence the data and information you used to support this assessment		There are currently around 370 on the waiting list for an allotment in Stevenage.			

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					
Positive impact	None	Negative impact	None	Unequal impact	None
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)			

Gender reassignment					
Positive impact	None	Negative impact	None	Unequal impact	None
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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Marriage or civil partnership					
Positive impact	None	Negative impact	None	Unequal impact	None
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

Pregnancy & maternity					
Positive impact	Concessions available to those on means tested benefits.	Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment					

What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	
Race			
Positive impact	None	Negative impact	None
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)	

Religion or belief			
Positive impact	None	Negative impact	None
Please evidence the data and information you used to support this assessment			
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

Sex					
Positive impact	None	Negative impact	None	Unequal impact	None
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)		

Sexual orientation e.g. straight, lesbian / gay, bisexual					
Positive impact	None	Negative impact	None	Unequal impact	None
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

Socio-economic³ e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users, social value in procurement					
Positive impact	Concessions available to those on means tested benefits	Negative impact	Some plot holders may have to give up their allotment if they can no longer afford it.	Unequal impact	
Please evidence the data and information you used to support this assessment		Benchmarking Data for 2020: Dacorum: £0.24/m ² East Herts: £0.15/m ² Hertsmere: £0.24/m ² North Herts: £0.58/m ² St Albans: £0.19/m ² Stevenage: £0.36/m ² Watford: £0.27/m ² Welwyn Hatfield: £0.46/m ²			
What opportunities are there to promote equality and inclusion?	Awareness raising of concessions available to those on means tested benefits	What do you still need to find out? Include in actions (last page)			

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.

Other

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

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

What are the findings of any consultation with:

Staff?		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

Negative / unequal impact, barriers to inclusion or improvement opportunities identified	2a. Adjustments made			
	2b. Continue as planned	Allotments will remain affordable to the majority of Stevenage residents.		
	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?
Raise awareness of concessions available to those on means tested benefits.	Promote equal opportunities	Julia Hill / Joel Gainsford	April 2021	Information provided on the Council's web pages.
Undertake consultation with plot holders to determine levels of satisfaction with the allotment service, including fees and charges.	Encourage good relations	Julia Hill / Joel Gainsford	September 2021	
Monitor level of waiting list and the number of plots given up following the increase, and compare with previous years	Encourage good relations	Julia Hill / Joel Gainsford	April 2022	

Approved by Assistant Director / Strategic Director: Steve Dupoy

Date: 11/11/20

Full Equality Impact Assessment

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

What is being assessed?		FS13 – Cessation of Community Transport Service			
Lead Assessor	Geoff Caine			Assessment team	Geoff Caine Diane Wenham
Start date	9 November 2020	End date	31 March 2021		
When will the EqIA be reviewed?		Monthly			

Who may be affected by it?	Staff employed within the service. Service users - loss of service to users
What are the key aims of it?	Cost reduction and the inability to provide a service during the pandemic as the users are classed as vulnerable or Clinically Extremely Vulnerable due to both age and pre-existing health conditions.

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

What sources of data / information are you using to inform your assessment?	Current usage data including number attending leisure and community trips, unique number of users, number of leisure and community trips provided per annum. There are no other district councils in Hertfordshire that provide a similar service.
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In assessing the potential impact on people, are there any overall comments that you would like to make?	The service is highly valued by its users as it enables them to socialise with others outside of their homes. The service is not means tested and therefore we are unaware if users could use a less cost effective solution. We also need to investigate what other services transport providers and partners are available to our existing and potential users.
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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					
Positive impact	We can signpost existing users to other local services such as Stevenage & North Herts CVS Community Transport Services and HCC Dial a Ride	Negative impact	The primary user group are older people; this local service will no longer be made available to them.	Unequal impact	
Please evidence the data and information you used to support this assessment		Current user group. Comparisons with other nearby District and Borough Community Transport offerings. Initial appraisal of nearby alternative Community Transport alternatives, including NHCVS & HCC Dial a Ride.			
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)	Further detailed investigations on the scope of NHCVS & HCC Dial a ride to provide a similar capacity and cost effective service.	

Disability

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

Positive impact	We can signpost	Negative impact	Many of the current	Unequal impact	
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	existing users to other local services such as Stevenage & North Herts CVS Community Transport Services and HCC Dial a Ride		users have health issues that inhibit them from social events outside of their homes. The loss of service could adversely affect their general health and wellbeing.		
Please evidence the data and information you used to support this assessment		Current user group. Comparisons with other nearby District and Borough Community Transport offerings. Initial appraisal of nearby alternative Community Transport alternatives, including NHCVS & HCC Dial a Ride.			
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)	Further detailed investigations on the scope of NHCVS & HCC Dial a ride to provide a similar capacity and cost effective service	

Gender reassignment					
Positive impact		Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment		No evidence to support negative differing impact on gender reassignment			
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		Negative impact		Unequal impact	
Please evidence the data and		No evidence to support negative differing impact on civil partnerships			

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

Pregnancy & maternity			
Positive impact		Negative impact	
Please evidence the data and information you used to support this assessment	No evidence to support negative differing impact on pregnancy or maternity.		
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	
Please evidence the data and information you used to support this assessment	No evidence to support negative differing impact on race.		
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

Religion or belief			
Positive impact		Negative impact	

Please evidence the data and information you used to support this assessment	No evidence to support negative differing impact on religion or belief.		
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	Unequal impact
Please evidence the data and information you used to support this assessment	No evidence to support negative differing impact on sex.		
What opportunities are there to promote equality and inclusion?		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	Unequal impact
Please evidence the data and information you used to support this assessment	No evidence to support negative differing impact on sexual orientation.		
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

Socio-economic⁴ e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users, social value in procurement			
Positive impact		Negative impact	Unequal impact
Please evidence the data and information you used to support this assessment	<p>As the service is not means tested we cannot define any differential impact on users other than that some will be able to afford alternative provision and for some an increased cost may be prohibitive. That said there may be local cost effective services available that provide similar services to those currently provided to SBC. This reflects arrangements in other districts where the CVS is relied upon for community transport provision.</p> <p>Comparisons with other nearby District and Borough Community Transport offerings. Initial appraisal of nearby alternative Community Transport alternatives, including NHCVS & HCC Dial a Ride.</p> <p>We currently have two low mileage relatively new vehicles that are used for this service, we could consider selling both or offering either one or both to a partner such as the NHCVS with some caveats such as specific service provision to be provided to Stevenage where there are known areas of need e.g. Douglas Drive.</p>		
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	Further detailed investigations on the scope of NHCVS & HCC Dial a ride to provide a similar capacity and cost effective service.

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.

Other

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

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

What are the findings of any consultation with:

Staff?	Once this proposal has been agreed we will need to enter into consultation with staff	Residents?	Once we have consulted with partners and stakeholders and have a clear idea of what services from alternative suppliers are available we will consult with the existing user base and key user groups who may make use of the community transport services.
Voluntary & community sector?	We would need to identify whether the identified alternative options are providing an adequate service for service users by conducting stakeholder consultation with this group to assess the suitability of this alternate provision	Partners?	We would need to identify whether the identified alternative options are providing an adequate service for service users by conducting stakeholder consultation with this group to assess the suitability of this alternate provision.'

Other stakeholders?	We would need to identify whether the identified alternative options are providing an adequate service for service users by conducting stakeholder consultation with this group to assess the suitability of this alternate provision	
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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		
Negative / unequal impact, barriers to inclusion or improvement opportunities identified		
	2b. Continue as planned	

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?
Consultation with stakeholders. Work with Stevenage & North Herts CVS and HCC Dial a ride to fully understand how those services can mitigate the loss of SBC Community Transport	We will be able to define what local suitable resources are available to existing and potential users of the SBC Community Transport service; this will aid officers in effectively engaging with	Geoff Caine	February 2021	

Service	the client base in a positive way.			
From information derived from other partners and the community design a leaflet\download to be distributed to both existing and potential users outlines the services available to them. Ensure every client is contacted and talked through options.	The leaflet\download will be a valuable information tool for service users to refer to for similar services available within the local area.	Geoff Caine	March 2021	

Approved by Assistant Director: Rob Gregory
Date: 13/11/20

Full Equality Impact Assessment

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

What is being assessed?		FS23 – Savings to Customer Service Centre and Customer Focus Service			
Lead Assessor	Ruth Luscombe			Assessment team	
Start date		End date			
When will the EqIA be reviewed?	April 2021				

Who may be affected by it?	Council customers (residents, businesses, voluntary organisations and other partners), Customer Service Centre and Customer Focus staff
What are the key aims of it?	<ul style="list-style-type: none"> • Protect current service levels while delivering structural savings by reducing avoidable demand and increasing self-service through digital channels. • Improve customer awareness of digital channels and encourage take up • Enable better value for money customer service and complaints handling provision • Improve consistency and transparency through adopting enhanced digital case management for complaints. • Embed insight and continuous improvement as a core part of the Customer Service model

What positive measures are in place (if any) to help fulfil our legislative duties to:					
Remove discrimination & harassment		Promote equal opportunities	A new website launched in September 2020 to meet government accessibility	Encourage good relations	Improved access channels for customers and staff, digital options available 24/7

		guidelines		
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What sources of data / information are you using to inform your assessment?	Desk research drawing on a broad range of national (Office Of National Statistics), local survey research (STAR survey 2017, 'Big Knock' 2017), MySociety.org website as well as examples from other councils (Cambridge City Council, Sutton Council)
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In assessing the potential impact on people, are there any overall comments that you would like to make?	<p>Overall the proposal will not have negative impacts as we aim to maintain current service levels as our customers increasingly choose to adopt digital self-service channels. Customers will still be able to access services over the telephone, or where required access services face to face by booking an appointment. This proposal has been enabled by our Connected to our Customers (CTOC) programme which has delivered a new website & digital platform, as well as an online portal for housing, and enhancements to waste processes e.g. for missed collections. An EQIA has been undertaken for this programme and will be kept under review.</p> <p>As technology evolves, (and is adopted by different communities differently) the ways in which people can be excluded or disadvantaged will change too. We will need to review our digital access solutions regularly to ensure changes in requirements are identified and potential solutions agreed on.</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:

Age					
Positive impact		Negative impact		Unequal impact	X
Please evidence the data and		Research evidence from ONS data suggests that older people tend to be less digitally			

information you used to support this assessment	<p>active, and potentially at risk of digital exclusion, although the picture is complex and social class / income can be a relevant factor too.</p> <p>Older people are much less likely to use the internet than other age groups. In 2019, 47% of adults in the UK aged 75 years or over had used the internet in the last 3 months, compared to 91% of all adults.</p> <p>During Housing's 2017 'Big Knock' Tenants Survey, 77% of all respondents reported having access to the internet. (This result compares to STAR survey which indicated 74% of residents using internet at home and further 9% outside of home). Of the 23% that don't have access, 76% were over 65 years old. 48% of over 75 year olds reported to having access to the internet, which is similar to the national statistics.</p> <p>If the Council stopped providing telephone or face to face support that could be to the detriment of those older people who do not have the skills or capabilities to engage online; however this is not an aim of this proposal and we are retaining these more traditional channels.</p>		
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

Disability e.g. physical impairment, mental ill health, learning difficulties, long-standing illness				
Positive impact		Negative impact		Unequal impact X
Please evidence the data and information you used to support this assessment	<p>People with some types of disability may have difficulties using or making the most of digital technologies, which may not be adapted to their needs related to their specific disability. These people may benefit less from enhanced digital channels.</p> <p>Disabled people are less likely to use the internet than people without disabilities. In 2019 78% of disabled adults (10 million) in the UK used the internet, which is a massive increase compared with 25% in 2016, but still significantly lower than the all adult rate of 95% (ONS 2019). Although disabled people are reported to be less likely</p>			

		<p>to continue using the internet after they have first accessed it. The difference between internet use in disabled and non-disabled adults was greater in the older age groups. For adults aged 75 years and over, 41% of disabled adults and 54% of non-disabled adults were recent internet users. In comparison, there was only a small difference in recent internet use for disabled and non-disabled adults in the 16 to 24 age group; 98% of disabled adults and 99% of non-disabled adults in this age group were recent internet users.</p> <p>There are a number of tools (software and hardware) available now to make that more possible, we continue through the CTOC programme to explore their feasibility and future implementation. The Council also plans to continue to provide assisted digital approaches and, where necessary for those who cannot engage digitally, more traditional channels or routes through which people with these characteristics can engage with us.</p>	
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

Gender reassignment			
Positive impact		Negative impact	Unequal impact
Please evidence the data and information you used to support this assessment	Our research has not identified any particular negative impacts (or differential impacts)		
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

Marriage or civil partnership

Positive impact		Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment		Our research has not identified any particular negative impacts (or differential impacts)			
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		Our research has not identified any particular negative impacts (or differential impacts)			
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		Our research has not identified any particular negative impacts (or differential impacts)			
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

Religion or belief			
Positive impact		Negative impact	
Please evidence the data and information you used to support this assessment		Our research has not identified any particular negative impacts (or differential impacts)	
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	
Please evidence the data and information you used to support this assessment		Our research has not identified any particular negative impacts (or differential impacts)	
What opportunities are there to promote equality and inclusion?		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	
Please evidence the data and information you used to support this assessment		Our research has not identified any particular negative impacts (or differential impacts)	
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

Socio-economic⁵ e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users, social value in procurement			
Positive impact	Negative impact	Unequal impact	X
Please evidence the data and information you used to support this assessment	<p>Low income, social class and social housing tenancy have been identified in some research as indicators of whether someone is likely to have the competence, confidence and capability to make the most of digital technologies.</p> <p>People living in social housing are less likely to access the internet than people living in other housing tenures. During Housing's 2017 'Big Knock' Tenants Survey 23% of all respondents reported not having access to the internet (the same results were also received during the STAR survey).</p> <p>The evidence also suggests that people on low incomes are less likely to have digital access and basic digital skills. Nationally, 17% of people earning less than £20,000 never use the internet, as opposed to 2% of people earning more than £40,000. 44% of people without basic digital skills are on lower wages or are unemployed.</p> <p>People with any of the protected characteristics may be more vulnerable to poverty, and may therefore be at greater risk of digital exclusion, which may be exacerbated by inter-sectionality between their characteristics and their income.</p> <p>If the Council failed to provide non-digital means of engaging with it, that could be to the detriment of people who do not have the skills or capabilities to engage online.</p>		
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

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.

Other

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

Positive impact		Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment		Our research has not identified any particular negative impacts (or differential impacts)			
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?		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		
Negative / unequal impact, barriers to inclusion or improvement opportunities identified	2a. Adjustments made	
	2b. Continue as planned	X
	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?
Measure the take up of digital services by different groups and use the insight to design future services	Promote equal opportunities	Ruth Luscombe	From April 2021	As part of the new customer service model
Ensure the customer service model supports those who cannot benefit from digital channels by providing alternatives.	Promote equal opportunities	Ruth Luscombe	From April 2021	As part of the new customer service model

Approved by Assistant Director / Strategic Director: Ruth Luscombe
Date: 18.11.20

Brief Equality Impact Assessment

For a minor operational change / review / simple analysis

What is being assessed?	FS25 – Closing the Print Room	What are the key aims of it?	Remove the document centre staff post and put in place alternative arrangements including paperless committee meetings, digital alternatives and directing work through Docmail print service.			
Who may be affected by it?	Staff, Councillors and Customers					
Date of full EqIA on service area (planned or completed)	April 2021					
Form completed by:	Ruth Luscombe	Start date	June 2021	End date	n/a	
		Review date				

What data / information are you using to inform your assessment?	ONS Data, Housing STAR and “Big Knock” Survey data	Have any information gaps been identified along the way? If so, please specify	We need to do further analysis of the documents currently printed by the Print Service and ensure a clear alternative plan in place for each. This will be reviewed in a full EQIA.
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Explain the potential positive, negative or unequal impact on the following characteristics and how likely this is:			
Age	Unequal – Digital alternatives to printed documents may disproportionately impact on older people. Research evidence from ONS data suggests that older people tend to be less digitally active, and potentially at risk of digital	Race	N/A

	<p>exclusion, although the picture is complex and social class / income can be a relevant factor too.</p> <p>Older people are much less likely to use the internet than other age groups. In 2019, 47% of adults in the UK aged 75 years or over had used the internet in the last 3 months, compared to 91% of all adults.</p> <p>During Housing's 2017 'Big Knock' Tenants Survey, 77% of all respondents reported having access to the internet. (This result compares to STAR survey which indicated 74% of residents using internet at home and further 9% outside of home). Of the 23% that don't have access, 76% were over 65 years old. 48% of over 75 year olds reported to having access to the internet, which is similar to the national statistics.</p>		
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 ⁶	<p>Unequal – Digital alternatives to printed documents may disproportionately impact some socio economic groups. Low income, social class and social housing tenancy have been identified in some research as indicators of whether someone is likely to have the competence, confidence and capability to make the most of digital technologies.</p> <p>People living in social housing are less likely to access the internet than people living in other housing tenures. During Housing's 2017 'Big Knock' Tenants Survey 23% of all respondents reported not having access to the internet (the same results were also received during the STAR survey).</p> <p>The evidence also suggests that people on low incomes are less likely to have digital</p>
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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.

			<p>access and basic digital skills. Nationally, 17% of people earning less than £20,000 never use the internet, as opposed to 2% of people earning more than £40,000. 44% of people without basic digital skills are on lower wages or are unemployed.</p> <p>People with any of the protected characteristics may be more vulnerable to poverty, and may therefore be at greater risk of digital exclusion, which may be exacerbated by intersectionality between their characteristics and their income.</p> <p>If the Council failed to provide non-digital means of engaging with it, that could be to the detriment of people who do not have the skills or capabilities to engage online.</p>
Other			

Where there is a likely **positive impact**, please explain how it will help to **fulfil our legislative duties** to:

Remove discrimination		Promote equal		Encourage good	
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& harassment		opportunities		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
Full EQIA assessment	Ruth Luscombe	Project to be set up to review the impacts and alternatives to be put in place .	June 2021

Approved by Assistant Director / Strategic Director: Ruth Luscombe

Date: 18.11.20

Full Equality Impact Assessment

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

What is being assessed?		FS28 – Local Community Budgets – reduction in funding			
Lead Assessor	Jane Konopka			Assessment team	Paula Mills
Start date	9/11/2020	End date			
When will the EqIA be reviewed?	9/11/2021 (or following LCB review completion)				

Who may be affected by it?	Community Groups and Organisations in Stevenage applying for Local Community Budgets
What are the key aims of it?	LCB funding will be reduced to £1500 from £2500 for each Ward Member from the new financial year (21/22 budget). This EQIA will determine if there will be any detrimental effects on community groups and organisations with protected characteristics

What positive measures are in place (if any) to help fulfil our legislative duties to:					
Remove discrimination & harassment	LCB application process is available online and through word of mouth via Ward Members and SBC Officers	Promote equal opportunities	The application process supports equal opportunities in the way it is administered and how decisions are made as to whose application is approved for which there is a criteria to adhere to	Encourage good relations	SBC process is to encourage applicants to contact their Ward Member prior to making the application and the Community Development team are available to support when

					required
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What sources of data / information are you using to inform your assessment?	<ul style="list-style-type: none"> Established guidance on applying for the funding for SBC and applicant Using the criteria as a tool to base decision on. Auditing a selection of successful applications each year. Staff and Ward Member training Information gathered as a result of LCB review currently underway to be completed by April 2021.
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In assessing the potential impact on people, are there any overall comments that you would like to make?	Currently promotion of the LCB funding is from SBC Officers and Ward Members by word of mouth or via the SBC website. This may result in a general reduction of potential applicants and is being looked into as part of the wider LCB review currently underway.
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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					
Positive impact	LCB Funding is still available for community groups and organisations to apply to	Negative impact	LCB funding is reduced which may have an impact on the services offered and new services set up	Unequal impact	The elderly and the young are more likely to benefit from the services that apply and are then awarded LCB funding
Please evidence the data and		Previous LCB applications have often focussed around supporting the older population			

information you used to support this assessment	and the very young amongst other protected characteristics. It is apparent that both these groups disproportionately benefit from the funding.		
What opportunities are there to promote equality and inclusion?	To ensure LCB funding is advertised to as many community groups and organisations as possible by a variety of media	What do you still need to find out? Include in actions (last page)	How to reach out to the wider community to ensure access to LCB funding is equitable. This will be picked up in the LCB review which is currently underway

Disability e.g. physical impairment, mental ill health, learning difficulties, long-standing illness					
Positive impact	Groups focussing on supporting physical impairment, mental health, learning difficulties and long term illnesses are supported to keep activities and support groups going.	Negative impact	LCB funding reduced which may impact on the current offer available and that of any potential new service	Unequal impact	Less than 10% of applications last year were from groups supporting this protected characteristic. This suggests they are less likely to benefit from the funding in its current format and therefore with the suggested decrease in overall budget this will need to be picked up as part of the wider LCB review
Please evidence the data and information you used to support this assessment		Analysis of previous LCB applications			

What opportunities are there to promote equality and inclusion?	To ensure LCB funding is advertised to as many community groups and organisations as possible by a variety of media	What do you still need to find out? Include in actions (last page)	How to reach out to the wider community to ensure access to LCB funding is equitable. This will be picked up in the LCB review which is currently underway
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Gender reassignment					
Positive impact	LCB Funding is still available for community groups and organisations to apply to	Negative impact	Funding is reduced and therefore may not be as available as in previous years to support existing and new services	Unequal impact	Groups from this protected characteristic generally do not apply for LCB funding
Please evidence the data and information you used to support this assessment		Analysis of previous LCB applications			
What opportunities are there to promote equality and inclusion?	To ensure LCB funding is advertised to as many community groups and organisations as possible by a variety of media	What do you still need to find out? Include in actions (last page)	How to reach out to the wider community to ensure access to LCB funding is equitable. This will be picked up in the LCB review which is currently underway		

Marriage or civil partnership					
Positive impact	LCB funding is still available for community groups and organisations to apply to	Negative impact	Funding is reduced and therefore may not be as available as in previous years to support existing and new	Unequal impact	Groups from this protected characteristic are generally not highlighted

			services		specifically as part of the application process and therefore it is difficult to determine the impact funding may have had on this protected characteristic
Please evidence the data and information you used to support this assessment		Analysis of previous LCB applications			
What opportunities are there to promote equality and inclusion?	To ensure LCB funding is advertised to as many community groups and organisations as possible by a variety of media		What do you still need to find out? Include in actions (last page)	How to reach out to the wider community and in particular how we capture our engagement with this particular protected characteristic to ensure access to LCB funding is equitable. This will be picked up in the LCB review which is currently underway	

Pregnancy & maternity					
Positive impact	LCB funding is still available for community groups and organisations to apply to	Negative impact	LCB funding reduced which may impact on the current offer available and impede new activities from commencing	Unequal impact	Groups from this protected characteristic generally do not apply for LCB funding specifically to support this but may benefit from

					the services the funding provides
Please evidence the data and information you used to support this assessment		Analysis of previous LCB applications			
What opportunities are there to promote equality and inclusion?	To ensure LCB funding is advertised to as many community groups and organisations as possible by a variety of media		What do you still need to find out? Include in actions (last page)	How to reach out to the wider community and in particular how we capture our engagement with this particular protected characteristic to ensure access to LCB funding is equitable. This will be picked up in the LCB review which is currently underway	

Race					
Positive impact	LCB funding is still available for community groups and organisations to apply to	Negative impact	LCB funding reduced which may impact on the current offer available and impede new activities from commencing	Unequal impact	Due to the current way in LCB funding is promoted, people from this protected characteristic group may be unable to gain access to the information its current format making the process unequal from the start
Please evidence the data and		Analysis of previous LCB applications			

information you used to support this assessment			
What opportunities are there to promote equality and inclusion?	To ensure LCB funding is advertised to as many community groups and organisations as possible by a variety of media	What do you still need to find out? Include in actions (last page)	How to reach out to the wider community and in particular how we capture our engagement with this particular protected characteristic to ensure access to LCB funding is equitable. This will be picked up in the LCB review which is currently underway

Religion or belief					
Positive impact	LCB funding is still available for community groups and organisations to apply to	Negative impact	LCB funding reduced which may impact on the current offer available and impede new activities from commencing	Unequal impact	Approx 20% of current applications are from groups/organisations promoting religion and or belief and therefore are less likely to benefit from LCB funding
Please evidence the data and information you used to support this assessment		Analysis of previous LCB applications			
What opportunities are there to promote equality and inclusion?	To ensure LCB funding is advertised to as many community groups and organisations as possible by a variety of media	What do you still need to find out? Include in actions (last page)	How to reach out to the wider community and in particular how we capture our engagement with these particular protected characteristics to		

			ensure access to LCB funding is equitable. This will be picked up in the LCB review which is currently underway
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Sex					
Positive impact	LCB funding is still available for community groups and organisations to apply to	Negative impact	LCB funding reduced which may impact on the current offer available and impede new activities from commencing	Unequal impact	About 85% of LCB applications are currently made by women
Please evidence the data and information you used to support this assessment		Analysis of previous applications			
What opportunities are there to promote equality and inclusion?	To ensure LCB funding is advertised to as many community groups and organisations as possible by a variety of media		What do you still need to find out? Include in actions (last page)	How to reach out to the wider community and in particular how we capture our engagement with these particular protected characteristics to ensure access to LCB funding is equitable. This will be picked up in the LCB review which is currently underway	

Sexual orientation e.g. straight, lesbian / gay, bisexual					
Positive impact	LCB funding is still available for	Negative impact	LCB funding reduced which may impact on	Unequal impact	Groups from these protected

	community groups and organisations to apply to		the current offer available and impede new activities from commencing		characteristics generally do not apply for LCB funding specifically to support this but may benefit from the services the funding provides
Please evidence the data and information you used to support this assessment		Analysis of previous applications			
What opportunities are there to promote equality and inclusion?	To ensure LCB funding is advertised to as many community groups and organisations as possible by a variety of media		What do you still need to find out? Include in actions (last page)	How to reach out to the wider community and in particular how we capture our engagement with these particular protected characteristics to ensure access to LCB funding is equitable. This will be picked up in the LCB review which is currently underway	

Socio-economic⁷ e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users, social value in procurement					
Positive impact	LCB Funding is still available	Negative impact	LCB funding is reduced. LCB funding reduced which may impact on the current offer available and impede new activities	Unequal impact	People with a socio-economic disadvantage may be less likely to benefit from community groups

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.

			from commencing Publicity of availability of LCB funding is limited to on line and word of mouth via Ward Members and SBC Officers		accessing LCB funds or may also be less likely to apply
Please evidence the data and information you used to support this assessment		Analysis of previous LCB applications			
What opportunities are there to promote equality and inclusion?	LCB applications go through a thorough monitoring and auditing process		What do you still need to find out? Include in actions (last page)	How to improve publicity of LCB funding to those who may not engage or use the internet	

Other please feel free to consider the potential impact on people in any other contexts					
Positive impact	N/A	Negative impact	N/A	Unequal impact	N/A
Please evidence the data and information you used to support this assessment					
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?	LCB review currently underway will explore this – to be completed by April 2021	Residents?	LCB review currently underway will explore this through audit of approved LCB schemes– to be completed by April 2021
Voluntary & community sector?	LCB review currently underway will explore this through the Social Inclusion	Partners?	LCB review currently underway will explore this with Ward Members– to be

	Partnership – to be completed by April 2021		completed by April 2021
Other stakeholders?	Audits of future LCBS		

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			
Negative / unequal impact, barriers to inclusion or improvement opportunities identified	2a. Adjustments made	To ensure that opportunities for residents in the protected characteristics groups, remain available despite a reduction in overall budgets. Specific consideration for this will be tied into the planned LCB review in 2021	
	2b. Continue as planned		
	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?
To promote LCB funding wider and to provide CD support to consider other sources of funding.	Help remove discrimination by making the information easier to access, therefore promoting equal opportunities and encouraging good relationships	Jane Konopka	April 2021	Completion of LCB review in partnership with Portfolio Holder and Members

Approved by Assistant Director: Rob Gregory

Date: 13/11/20

Full Equality Impact Assessment

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

What is being assessed?		FS38/FS41 – Changes to charging for garages from April 2021 onwards. Transition to charging for 52 weeks per year (as opposed to 50 weeks per year) plus a 2% increase in garage charges, equating to an overall 6% increase in fees in real terms. Changes to garages charging for the Voluntary and Community Sector (VCS) from £2 per week to £2.25 per week.			
Lead Assessor	Nadia Capuano			Assessment team	
Start date	1 st April 2021	End date	Ongoing		
When will the EqlA be reviewed?		October 2021			

Who may be affected by it?	The changes to charges will apply to everyone who rents a garage in Stevenage.
What are the key aims of it?	<p>The proposal recommends ceasing the historical alignment of garage charging with the charging that takes place in Housing and the current set up on Northgate, through which the weekly rental charge is multiplied by 50 weeks of the year. The aim is to shift to charging for garages for 52 weeks of the year and apply a 2% inflationary increase for 21/22 to assist with the financial security of the council and move towards the establishment of a commercial charging policy, with concessions.</p> <p>The key difference between garages and housing is that in housing a yearly charge is calculated based on the sum of 52 weeks per year rental charge and is then divided by 50 weeks to calculate a weekly figure; for garages however the multiplication of the weekly charge by 50 leads to a two week deficit or 4% in lost rental income on an annual basis. Housing operate this system on the premise that the two rent-free weeks allow residents the opportunity to catch up on any arrears around Christmas time and the end of the financial year. For the garages portfolio the opportunity to 'catch up' on payments makes</p>

a difference in the short-term to the levels of outstanding debt, however historical data shows that arrears have crept up again by half three months later.

At present the rates for the Voluntary and Community Sector (VCS) are set at £2 per week. The proposal recommends that in 21/22 the rates are increased to £2.25 per week in order to bring increased revenue to the council and assist with the financial security challenges.

What positive measures are in place (if any) to help fulfil our legislative duties to:					
Remove discrimination & harassment	Residents with disabilities are placed at the top of the garages waiting list after 6 months and can select from available garages at this stage	Promote equal opportunities	<p>Council tenants do not pay the VAT on garages and therefore less than non-council tenants</p> <p>VCS benefit from a largely reduced rate (they pay just 18% of the costs of a standard garage)</p>	Encourage good relations	Changes to garages charging will be communicated as early as possible to tenants so that they can decide as to whether they wish to move to a cheaper garage/terminate their garage tenancy. Payment plans are offered as a temporary measure to those that are struggling to pay garage rentals.

What sources of data /	
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<p>information are you using to inform your assessment?</p>	<p>Data held in the garages function</p> <p>Comparative pricing and policy data for the following District/Borough councils:</p> <ul style="list-style-type: none"> • Welwyn-Hatfield District Council • Dacorum District • Brentwood Borough Council • Luton Borough Council
<p>In assessing the potential impact on people, are there any overall comments that you would like to make?</p>	<p>Residents in Stevenage rent garages for two reasons; parking or storage; they are non-essential items that are nice to have. Garage prices vary according to the specification but in real terms, for a resident renting a standard garage (category A) at £11.80 per week, the weekly price would increase to £12.05 per week, an increase of 35p. As they will be paying for 2 extra weeks per year, in real terms this equates to an additional £37 per year or 71p per week (net of VAT, which varies as housing tenants do not pay VAT whilst non-housing tenants do).</p> <p>New pricing will be introduced for the 6 new premium garages that are coming on stream as a result of the GIP, at £15 per week, reflective of their larger, more modern specification.</p> <p>These changes bring SBC in line with Welwyn-Hatfield Council, who have shifted to 52 week charging for garages in recent years. Benchmarking information shows that with the new pricing SBC will be middle of the range for garage charging. Dacorum council charge £15.78 per week over 52 weeks of the year (£16.86 if in one of their 'high demand' areas), Luton council £12.00 over 52 weeks of the year and Brentwood council £11.74 over 52 weeks of the year. In the private garage rental market Harpenden (Willow Way) charge £28 per week plus £200 refundable deposit and £49.50 set up fee, Watford (Trevallace Way) charge £21 per week plus £200 refundable deposit, and £49.50 set up fee and Bedford (The Pastures) charge £16 per week plus £200 refundable deposit and £49.50 set up fee.</p>

Evidence and impact assessment

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

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

Disability e.g. physical impairment, mental ill health, learning difficulties, long-standing illness					
Positive impact	N/A		Negative impact	N/A	
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?				What do you still need to find out? Include in actions (last page)	

Gender reassignment					
Positive impact	N/A		Negative impact	N/A	
Please evidence the data and information you used to support this					

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

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

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

Race					
Positive impact	N/A	Negative impact	N/A	Unequal impact	N/A
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)	

Religion or belief					
Positive impact	N/A	Negative impact	N/A	Unequal impact	N/A
Please evidence the data and information you used to support this assessment					
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	N/A	Negative impact	N/A	Unequal impact	N/A
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)			

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

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

Socio-economic⁸ e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users, social value in procurement					
Positive impact	N/A	Negative impact	Yes	Unequal impact	Yes
Please evidence the data and information you used to support this assessment		<p>Information on our current garage tenants.</p> <p>Comparative data with other local councils, including Welwyn-Hatfield, Dacorum, Luton and Brentwood to check against their pricing and process.</p> <p>Comparative data with private garage rental companies, including those in Harpenden, Watford and Bedford.</p> <p>The changes to pricing may impact on those who have recently become unemployed or who have seen their income reduced; this figure is likely to be higher than in recent times due to the impact of Covid-19.</p> <p>There is likely to be a low negative impact on VCS as a result of the increase in their pricing as this equates to 25p extra per week or £13 per year, which is lower in monetary terms than the increase on the majority of the garage stock. Many of the VCS have multiple members, meaning that the costs may be able to be divided between them.</p>			
What opportunities are there to promote equality and inclusion?	Offer of cheaper garages to those seeking to terminate their tenancy, including the offer of	What do you still need to find out? Include in actions (last page)			

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.

	bubble garages for storage options.		
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Other			
please feel free to consider the potential impact on people in any other contexts			
Positive impact		Negative impact	
Please evidence the data and information you used to support this assessment			
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

What are the findings of any consultation with:

Staff?		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		
Negative / unequal impact, barriers to inclusion or improvement opportunities identified	2a. Adjustments made	
	2b. Continue as planned	2b. Continue as planned with actions listed below
	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?
Offer cheaper garages where possible to tenants who do not wish to incur additional charges	Equal opportunities and good relations	Rebecca Millett/ Michelle Upchurch	Following communication of increases	Directives to garages management team and monitoring of activity of Garage Lettings and Technical Officer
Offer flexible payment plans to clear arrears	Equal opportunities and good relations	Rebecca Millett/ Michelle Upchurch	Following implementations of increases	Directives to garages management team and monitoring of the activity of the Garages and Markets Technical Officer.

Monitor feedback from VCS on the impact of increased charges	Equal opportunities and good relations	Rebecca Millett/ Michelle Upchurch	Following communication of increases	Directives to garages management team and monitoring if correspondence to the Garages and Markets Technical Officer
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Approved by Assistant Director / Strategic Director: Steve Dupoy

Date: 11/11/20

Brief Equality Impact Assessment

For a minor operational change / review / simple analysis

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What is being assessed?	FS40 – Movement of Voluntary and Community Sector garages (VCS) from high demand areas into low demand areas	What are the key aims of it?	SBC's Conditions of Tenancy state that VCS organisations occupying high demand garages are 'required and agree to transfer to an area of low demand'. This is applicable to 47 organisations and is ongoing. The aim is to rent out the freed up high demand garages with tenants paying full rental, thus bringing in additional income to the council and assisting with financial security challenges.			
Who may be affected by it?	Voluntary and Community Sector organisations who rent garages in Stevenage					
Date of full EqlA on service area (planned or completed)						
Form completed by:	Nadia Capuano	Start date	01/10/20	End date	31/03/22	
		Review date			01/10/21	

What data / information are you using to inform your assessment?	Current data on numbers of VCS in Stevenage and feedback from organisations on the proposals so far. Demand data to establish where lower demand areas for VCS garages may be.	Have any information gaps been identified along the way? If so, please specify	No
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Explain the potential positive, negative or unequal impact on the following characteristics and how likely this is:			
Age	Unequal – older members of	Race	N/A

	VCS may find it more difficult to move items into a different garage		
Disability	Unequal – disabled members of VCS may find it more difficult to move items into a different garage	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 ⁹	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	<p>Tenants will be moved to garages as close to their existing garage as possible to minimise disruption.</p> <p>Tenants will the option to pay the full rate for the garage if they wish to keep the specific plot</p>	Encourage good relations	

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.

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

Action	Responsible officer	How will this be delivered and monitored?	Deadline
Monitor feedback from VCS	Michelle Upchurch	Monitoring feedback from VCS following proposal of move into low-demand garages	Commencing October 2020

Approved by Assistant Director / Strategic Director: Steve Dupoy

Date: 11/11/20

Brief Equality Impact Assessment

For a minor operational change / review / simple analysis

What is being assessed?	FS43 – Reduce Training Budget during 2021-22	What are the key aims of it?	To consider the potential impact of the proposed saving of reducing the training budget for 2021/22 on all staff and particularly those under the protected characteristics.		
Who may be affected by it?					
Date of full EqIA on service area (planned or completed)					
Form completed by:	Clare Davies	Start date	November 2020	End date	Ongoing
		Review date	November 2021		

What data / information are you using to inform your assessment?	Workforce Equalities Data as of November 2020	Have any information gaps been identified along the way? If so, please specify	Currently no workforce information is held on socio-economic status of the Stevenage Borough Council workforce and therefore this cannot be assessed.
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Explain the potential positive, negative or unequal impact on the following characteristics and how likely this is:			
Age	We do not hold data on employee characteristics for take up of learning and development opportunities	Race	We do not hold data on employee characteristics for take up of learning and development opportunities
Disability	We do not hold data on employee characteristics for take up of learning and development opportunities	Religion or belief	We do not hold data on employee characteristics for take up of learning and development opportunities

Gender reassignment	Data for this protected characteristic is incomplete for the employees impacted by the proposed savings options.	Sex	We do not hold data on employee characteristics for take up of learning and development opportunities
Marriage or civil partnership	We do not hold data on employee characteristics for take up of learning and development opportunities	Sexual orientation	We do not hold data on employee characteristics for take up of learning and development opportunities
Pregnancy & maternity	No information is held on the pregnancy and maternity status of the employees impacted by the proposed savings.	Socio-economic ¹⁰	No information is held on the socio-economic status of the employees impacted by the proposed savings.
Other			

Where there is a likely positive impact , please explain how it will help to fulfil our legislative duties to:					
Remove discrimination & harassment	Learning and development opportunities are available and taken up by all staff regardless of their background In response to the Covid pandemic more learning and development offers	Promote equal opportunities	Access to the apprenticeship levy funded courses is available to all staff	Encourage good relations	

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.

	and moving to virtual platforms and this often reduces costs.				
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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
Record protected characteristics data on staff completing learning and development courses	Clare Davies	Developing the HR System	April 2021

Approved by Assistant Director / Strategic Director: Clare Davies
Date:12.11.20

Brief Equality Impact Assessment

For a minor operational change / review / simple analysis

What is being assessed?	Reduced Graduate Training Budget	What are the key aims of it?	To consider the potential impact of the proposed saving of reducing the graduate training budget for 2021/22 on all staff and particularly those under the protected characteristics.		
Who may be affected by it?					
Date of full EqIA on service area (planned or completed)					
Form completed by:	Clare Davies	Start date	November 2020	End date	Ongoing
		Review date	November 2021		

What data / information are you using to inform your assessment?	Workforce Equalities Data as of November 2020	Have any information gaps been identified along the way? If so, please specify	Currently no workforce information is held on socio-economic status of the Stevenage Borough Council workforce and therefore this cannot be assessed.
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Explain the potential positive, negative or unequal impact on the following characteristics and how likely this is:			
Age	The number of employees impacted by the savings is less than 5 and therefore not identified. However, all graduates at SBC are from the National Local Government Scheme and have a full learning and	Race	The number of employees impacted by the savings is less than 5 and therefore not identified.

	development programme. We also have vacant posts so they will not be disproportionately impacted.		
Disability	None of the employees impacted by the proposed savings have identified as disabled and therefore no disproportionate effects are anticipated.	Religion or belief	The number of employees impacted by the savings is less than 5 and therefore not identified.
Gender reassignment	Data for this protected characteristic is incomplete for the employees impacted by the proposed savings options.	Sex	The number of employees impacted by the savings is less than 5 and therefore not identified.
Marriage or civil partnership	The number of employees impacted by the savings is less than 5 and therefore not identified.	Sexual orientation	The number of employees impacted by the savings is less than 5 and therefore not identified.
Pregnancy & maternity	No information is held on the pregnancy and maternity status of the employees impacted by the proposed savings.	Socio-economic ¹¹	No information is held on the socio-economic status of the employees impacted by the proposed savings.
Other			

Where there is a likely positive impact , please explain how it will help to fulfil our legislative duties to:					
Remove discrimination	Continue with	Promote equal	Access to the	Encourage good	

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.

& harassment	National Graduate Programme Development Programme and promote other learning opportunities	opportunities	apprenticeship levy funded courses	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

Approved by Assistant Director / Strategic Director: Clare Davies
Date: 12.11.20

Brief Equality Impact Assessment

For a minor operational change / review / simple analysis

What is being assessed?	FS45 – Removal of cash collection	What are the key aims of it?	Stop collecting cash in order to save money, as alternative payment methods are available.		
Who may be affected by it?	Residents, Businesses, Staff, Partners				
Date of full EqIA on service area (planned or completed)	N/A				
Form completed by:	Ruth Luscombe	Start date		End date	
		Review date			

What data / information are you using to inform your assessment?	Cash represented only 1.17% of payments collected last year and alternative means are available for all services.	Have any information gaps been identified along the way? If so, please specify	We do not know who pays for car parking in cash. However there are a number of alternatives available. There are health and hygiene reasons for not accepting cash during the COVID-19 pandemic – card and phone payments are available.
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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 ¹²	Unequal – those small minority of people who may not have a bank account may be negatively impacted. Cash payments which would have been made to Customer Services can still be made via the Post Office.
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		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
If a negative or unequal (high or low) impact has been identified, you should assess this further in a Full EqIA	Ruth Luscombe	Keep payment options under review in response to customer feedback	April 2022

Approved by Assistant Director / Strategic Director: Ruth Luscombe
Date: 12th November 2020

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.

Brief Equality Impact Assessment

For a minor operational change / review / simple analysis

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What is being assessed?	FS19 - Combine the Town-wide Resident Survey and the Council Tenant Satisfaction Survey (known as 'STAR'), which are now undertaken every 3 years.	What are the key aims of it?	<p>The Town-wide survey of resident householders seeks feedback and resident perception on a range of issues and services and supports the council's priority-setting process.</p> <p>The 'STAR' survey is used across the housing sector and enables the council to assess levels of tenant and leaseholder satisfaction, to identify their priorities and to shape its services accordingly.</p> <p>The proposal is to reduce the overall cost by combining the two surveys and/or reducing the survey length/overall numbers surveyed. Additionally, there are plans to increase other community engagement activities at the co-operative neighbourhood level, which will complement the Resident and STAR surveys. These will be undertaken 'in-house' by the council's community development team, supported by other colleagues – potentially using a “big knock” approach.</p>		
Who may be affected by it?	Resident householders and council tenants				
Date of full EqlA on service area (planned or completed)	N/A				
Form completed by:	Katrina Shirley	Start date	14.11.20	End date	
		Review date		N/A	

<p>What data / information are you using to inform your assessment?</p>	<p>SBC Resident Survey Report 2017/18 SBC STAR Survey Report SBC Community Engagement Framework SBC Equality and Diversity Policy Housemark STAR guidance Local Government Association (LGA) guidance on benchmarking resident satisfaction data.</p> <p><u>General Comments:</u></p> <p><u>Resident/STAR survey responses:</u></p> <p>In conducting the surveys, the views of random samples of resident householders and tenants are canvassed. In 2017/18, the surveys resulted in the following number of responses</p> <ul style="list-style-type: none"> • Resident survey – 1067 (margin of error in results = +/- 3%) • General Needs tenants – 483 (margin of error in results = +/- 4%) • Sheltered tenants – 367 (margin of error in results = +/- 3.75) <p>Returned samples are checked for differential response rates and results are weighted to correct for this, so that the reported results are broadly representative of the population of residents and tenants.</p> <p>The number of responses achieved in 2017/18 met good practice standards and benchmarking requirements. Every effort will be made to achieve the same level of responses from residents and general needs tenants in 2021/22 through the combined survey, if the budget allows. It is unlikely that the same level of sheltered tenant responses can be achieved as in 2017/18 however. It should be noted that the combined total number people surveyed will be lower than in 2017/18, and the</p>	<p>Have any information gaps been identified along the way? If so, please specify</p>	<p>Detailed information on the size of sample/ breadth of survey questions that can be achieved within the revised budget.</p>
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range of issues consulted upon will be reduced (however, see comments below on addressing this and enhancing the approach through the use of other engagement channels).

Anonymised information on the protected characteristics of respondents is collected through the survey in respect of sex, age, ethnic origin, disability and working status. This enables some analysis of the profile of tenants and residents to be undertaken and enables significant differences in responses to be identified. It should be noted that all results are subject to sampling tolerances, which means that not all differences are statistically significant, particularly where the numbers within a particular protected characteristic group are relatively small.

SBC Community Engagement Framework

The Resident and STAR surveys are just one part of a broader approach to community engagement in Stevenage, which involves a range of ways in which the council consults with and involves residents and tenants. The Community Engagement Framework includes the following aim (which aligns with Goal 3 of the Equality & Diversity Policy):

- Providing and developing creative ways to engage with our communities, ensuring equality of opportunity in having a voice, which will be achieved by:
 - Promoting and supporting processes that engage and provide representation for communities in decision making
 - Developing more creative approaches that encourage engagement from all sections of our community, using digital and neighbourhood networks
 - Providing opportunities for our protected characteristic communities to come together in exploring the needs of minority communities, groups and organisations.

In this context, in 2021/22, a co-ordinated approach will be adopted, in

	which the Resident/STAR survey will be complemented by other engagement activities at the Cooperative Neighbourhood level. This is a positive step that will enable us to reach new people in different ways, including those from protected characteristic groups.		
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Explain the potential positive, negative or unequal impact on the following characteristics and how likely this is:			
Age	<p>General (potential neutral impact) In general terms, if the same number of responses from residents and general needs tenants can be achieved as in 2017/18 within the revised budget, views of differing ages can continue to be canvassed and compared through the combined Resident/STAR survey to the same level of statistical accuracy.</p> <p>Older People (potential negative impact) It will not be possible within a combined, shorter survey to ask the specific additional questions to Independent Living Scheme tenants that were asked in the STAR 2017/18 and the number of responses from these tenants will be lower. This may be mitigated through a separate engagement activity, but this will require internal resource.</p> <p>Younger People (potential positive impact) As the Resident Survey is targeted at householders, the profile of respondents is inherently older than the general resident population. By undertaking other engagement</p>	Race	<p>Potential Positive Impact In general terms, if the same number of responses from residents and tenants can be achieved as in 2017/18, views of residents and tenants from black, Asian and minority ethnic backgrounds can continue to be canvassed and compared through the combined survey, to the same level of statistical accuracy.</p> <p>However, the Resident/STAR survey has limitations in this regard, given the generalised nature of the survey and the relatively small number of responses that can be achieved through the sample from people from black, Asian and minority ethnic backgrounds.</p> <p>By undertaking more focused engagement activity with the diverse range of black, Asian and minority ethnic communities in Stevenage, their views and feedback can be better captured.</p>

	activity specifically targeted at younger people, the views of this group will be better captured.		
Disability	<p>Potential Positive Impact In general terms, if the same number of responses from residents and tenants can be achieved as in 2017/18, views of residents and tenants with disabilities can continue to be canvassed and compared through the combined survey, to the same level of statistical accuracy.</p> <p>In addition, by undertaking complementary engagement activity specifically targeted at people with disabilities, more focused consultation with this group can be achieved.</p>	Religion or belief	<p>Potential Positive Impact Previous Resident and STAR surveys have not analysed results by respondents' religion or belief and because of the general nature of the surveys and the sampling approach, it is unlikely they would be particularly effective in this regard.</p> <p>By undertaking more focused engagement activity with faith groups the views of people of different religion or beliefs can be better captured.</p>
Gender reassignment	<p>Potential Positive Impact Previous Resident and STAR surveys have not analysed results by this protected characteristic and because of the general nature of the surveys and the sampling approach, it is unlikely they would be effective in this regard.</p> <p>There is the potential to undertake more focused engagement activity to capture the views of this protected characteristic group.</p>	Sex	<p>Potential Neutral Impact In general terms, if the same number of responses from residents and tenants can be achieved as in 2017/18, views of male and female respondents can continue to be canvassed and compared through the combined Resident/STAR survey to the same level of statistical accuracy.</p>
Marriage or civil partnership	<p>Neutral Impact: In general terms, if the same number of responses from residents and tenants can be achieved as in 2017/18, views of people of</p>	Sexual orientation	<p>Potential Positive Impact: The previous Resident and STAR surveys did not analyse results in relation to this protected characteristic and more focused engagement</p>

	different marital status can continue to be canvassed and compared through the combined Resident/STAR survey to the same level of statistical accuracy.		activity may enable views to be better captured.
Pregnancy & maternity	Neutral Impact: The Resident and STAR surveys do not analyse results in relation to this protected characteristic.	Socio-economic ¹³	Potential Neutral Impact: In general terms, if the same number of responses from residents and tenants can be achieved as in 2017/18, views of respondents from differing socio-economic backgrounds can continue to be canvassed and compared through the combined Resident/STAR survey to the same level of statistical accuracy.
Other			

Where there is a likely positive impact , please explain how it will help to fulfil our legislative duties to:					
Remove discrimination & harassment	By widening the range of engagement activities, the council can better understand whether perceptions of the town and the experience of council services differ amongst people from protected	Promote equal opportunities	The proposed approach to widen the range of engagement activities will increase opportunities for people from protected characteristic groups to express their views on issues and services and better	Encourage good relations	

¹³Although 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.

	characteristic groups compared to the wider population		inform council decisions		
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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
Establish the revised Resident/STAR survey sampling/questionnaire approach	Corporate Policy & Business Support Manager	C&N Service Plan	February 2021
Develop an engagement plan incorporating both the Resident/STAR survey and other engagement activities	Community Development Manager	C&N Service Plan	February 2021

Approved by Assistant Director/ Strategic Director: Rob Gregory
Date: 16/11/20

Full Equality Impact Assessment

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

What is being assessed?		Introduction of revised charges for the cemetery provisions.			
Lead Assessor	L Walker			Assessment team	L Walker C Skeels
Start date	1 st January 2021	End date	31 st December 2021		
When will the EqIA be reviewed?					

Who may be affected by it?	Residents and customers choosing SBC cemeteries for the burial or interment of deceased relatives etc.
What are the key aims of it?	Increased charges to move towards it being a non-subsidised service

What positive measures are in place (if any) to help fulfil our legislative duties to:					
Remove discrimination & harassment		Promote equal opportunities		Encourage good relations	

What sources of data / information are you using to inform your assessment?	Current financial data / performance Market intelligence in terms of appetite for service. Benchmarking against other Hertfordshire Local Authorities data for burial fees and charges.
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In assessing the potential impact on people, are there any overall comments that you would like to make?	The fees and charges are applied consistently and are not influenced by any factors. Consideration is given specifically to the Socio-Economic category, as part of the range of interment options. This ensures that where there may be some unequal impact in the socio-economic category, that there are also options for individuals that may struggle to afford other options.
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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					
Positive impact		Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment	No restrictions or impact relating to age. Same fees apply for service regardless of age				
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

Disability e.g. physical impairment, mental ill health, learning difficulties, long-standing illness					
Positive impact		Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment	No impact, charges relate to all those choosing to use the service				
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

Gender reassignment				
Positive impact		Negative impact		Unequal impact
Please evidence the data and information you used to support this assessment		No impact, charges relate to all those choosing to use the service		
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		Negative impact		Unequal impact
Please evidence the data and information you used to support this assessment		No impact, charges relate to all those choosing to use the service		
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		No impact, charges relate to all those choosing to use the service		
		Please note that for deceased babies and children (under 16) parents/guardians are not charged burial or ashes interment fees		
What opportunities are there to promote			What do you still need to find out? Include in	

equality and inclusion?		actions (last page)	
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Race			
Positive impact		Negative impact	
Please evidence the data and information you used to support this assessment		No impact, charges relate to all those choosing to use the service	
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

Religion or belief			
Positive impact		Negative impact	
Please evidence the data and information you used to support this assessment		No impact, charges relate to all those choosing to use the service	
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	
Please evidence the data and information you used to support this assessment		No impact, charges relate to all those choosing to use the service	
What opportunities are there to promote		What do you still need to find out? Include in	

equality and inclusion?		actions (last page)	
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Sexual orientation e.g. straight, lesbian / gay, bisexual			
Positive impact		Negative impact	
Please evidence the data and information you used to support this assessment		No impact, charges relate to all those choosing to use the service	
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

Socio-economic¹⁴ e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users, social value in procurement			
Positive impact		Negative impact	yes
Please evidence the data and information you used to support this assessment		Increased charges will impact on ability to pay for service for some users; this is likely to disproportionately affect users of a lower socio-economic group. Benchmarking against other local authorities suggests that overall our offering is still below others, especially when taking into account the new Sanctum product range.	
What opportunities are there to promote equality and inclusion?	The council offers a range of interment options of differing fees to ensure the services are inclusive to all including the new Sanctum product range. This	What do you still need to find out? Include in actions (last page)	

¹⁴Although 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.

	product is a more affordable offering compared to burial or interment options. If a family is financially struggling and in receipt of certain benefits there is government/social help available as well as the option to involve the assistance of our Environmental Health Dept.		
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Other				
please feel free to consider the potential impact on people in any other contexts				
Positive impact		Negative impact	Yes	Unequal impact
Please evidence the data and information you used to support this assessment	Increased charges and triple fees may impact non Stevenage Borough residents' ability to pay for the service.			
What opportunities are there to promote equality and inclusion?	All families have the ability to choose a cemetery within the deceased's own district which will not be charged additional for non-residency.	What do you still need to find out? Include in actions (last page)		

What are the findings of any consultation with:

Staff?	SDS management /Finance	Residents?	
Voluntary & community sector?		Partners?	
Other stakeholders?	LA benchmarking		

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		
Negative / unequal impact, barriers to inclusion or improvement opportunities identified	2a. Adjustments made	
	2b. Continue as planned	To move towards a non-subsidised service
	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?
Monitor impact of charges on service and numbers of services being undertaken	Will help to inform future pricing policies	L Walker	31 Oct 21	Monthly budget monitoring Feedback from residents / funeral undertakers

Approved by Assistant Director / Strategic Director: Steve Dupoy
Date: 11/11/20

Full Equality Impact Assessment

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

What is being assessed?			Meadow Grassland Management to Selected Parks		
Lead Assessor	Julia Hill			Assessment team	Kris White Gordon Drake
Start date	February 2021	End date			
When will the EqIA be reviewed?		November 2021			

Who may be affected by it?	Residents; visitors; clubs; community groups; employees; organisations
What are the key aims of it?	<ul style="list-style-type: none"> To provide accessible, clean, green and well managed public spaces To make provision across the town for a range of park users – formal and informal To provide a diversity of landscape within the main parks to benefit users and wildlife Financial security savings

What positive measures are in place (if any) to help fulfil our legislative duties to:					
Remove discrimination & harassment	• Parks are accessible to everyone, at	Promote equal opportunities	• Parks are accessible to everyone,	Encourage good relations	• Volunteering

	no cost.	s	at no charge.		opportunities • Community events
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What sources of data / information are you using to inform your assessment?	<ul style="list-style-type: none"> • Previous experience • Feedback from parks users and residents
---	--

In assessing the potential impact on people, are there any overall comments that you would like to make?	Wide paths will be cut through the meadow grassland so all visitors currently able to access the short mown grass will be able to access the meadows too. Areas of short mown grass will be maintained at each site to enable access to fixed equipment (play or outdoor gym) and to provide space for informal use such as family picnics, informal kickabout areas etc.
--	---

Evidence and impact assessment

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

Age					
Positive impact	None	Negative impact	None	Unequal impact	None
Please evidence the data and information you used to support this assessment		The parks are freely open to all members of the community.			

What opportunities are there to promote equality and inclusion?	Make future interpretation boards easy to read for all ages.	What do you still need to find out? Include in actions (last page)	
---	--	--	--

Disability

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

Positive impact	Better access to wildlife can improve mental wellbeing	Negative impact	None	Unequal impact	None
Please evidence the data and information you used to support this assessment		The parks are freely open to all members of the community. Wide paths will be cut through the meadow grass, so they are accessible to residents with disabilities.			
What opportunities are there to promote equality and inclusion?	Make future interpretation boards easy to access for all abilities.	What do you still need to find out? Include in actions (last page)			

Gender reassignment

Positive impact	None	Negative impact	None	Unequal impact	None
Please evidence the data and information you used to support this assessment		The parks are freely open to all members of the community.			

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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Marriage or civil partnership					
Positive impact	None	Negative impact	None	Unequal impact	None
Please evidence the data and information you used to support this assessment		The parks are freely open to all members of the community.			
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	None	Negative impact	None	Unequal impact	None
Please evidence the data and information you used to support this assessment		The parks are freely open to all members of the community.			
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

Race					
Positive impact	None	Negative impact	None	Unequal impact	None
Please evidence the data and information you used to support this assessment		The parks are freely open to all members of the community.			
What opportunities are there to promote equality and inclusion?	Include opportunity for translation to any interpretation boards		What do you still need to find out? Include in actions (last page)		

Religion or belief					
Positive impact	None	Negative impact	None	Unequal impact	None
Please evidence the data and information you used to support this assessment		The parks are freely open to all members of the community.			
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	None	Negative impact	None	Unequal impact	None

Please evidence the data and information you used to support this assessment	The parks are freely open to all members of the community.		
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

Sexual orientation e.g. straight, lesbian / gay, bisexual					
Positive impact	None	Negative impact	None	Unequal impact	None
Please evidence the data and information you used to support this assessment		The parks are freely open to all members of the community.			
What opportunities are there to promote equality and inclusion?			What do you still need to find out? Include in actions (last page)		

Socio-economic¹⁵ e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users, social value in procurement					
Positive impact	The parks are freely open to all members of the community. Parks have good public transport links through bus routes, cycle tracks and pedestrian footpaths.	Negative impact	None	Unequal impact	None
Please evidence the data and information you used to support this assessment		The parks are freely open to all members of the community.			
What opportunities are there to promote equality and inclusion?	Promotion of parks and the variety of opportunities that they offer	What do you still need to find out? Include in actions (last page)			

¹⁵Although 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

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

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

What are the findings of any consultation with:

Staff?		Residents?	A number of residents have requested more meadow managed grassland in the town
Voluntary & community sector?		Partners?	
Other stakeholders?	The introduction of more meadow managed grassland is an action within the Stevenage Biodiversity Action Plan, and fits with the towns efforts to tackle climate change		

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 / inclusion issues identified, but opportunities identified to promote equality and inclusion will be taken forward.
Negative / unequal impact, barriers to inclusion or improvement opportunities identified	2a. Adjustments made	
	2b. Continue as planned	
	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?
Implement interpretation boards to explain why, how and benefits of managing meadow grassland in the parks	Signage will be designed to be as inclusive as possible for all Stevenage residents and visitors	Julia Hill	March 2021	Included within SDS Communications Plan for 2021 and beyond

Approved by Assistant Director / Strategic Director: Steve Dupoy

Date: 11/11/20

FEES AND CHARGES - RECOMMENDED FEE INCREASES FOR 2021/22

APPENDIX I

Service	Fees and Charges for 2021/22	2020/21 Price £	2021/22 Price	Increase £	% Increase	Total Budget 2020/21 £	Rebased Budget for 2021/22 (taking into account estimated improvement in usage)	Income (Reduction) / Increase	Total Budget 2021/22 £	Options considered/Rationale	Date of Price Increase
Car Parks: Option 1											
New Town:											
Short Stay (The Forum, Marshgate, Westgate, St Georges)	7am-7pm (6am-7pm at St Georges only) :										
	Mon-Saturday up to 30 Mins (St Georges & Westgate only)	£0.50	£0.50	£0.00	0.00%						
	Mon-Saturday up to 1 hour	£1.70	£1.80	£0.10	5.88%			£15,000			
	Mon-Saturday up to 2 hours	£2.50	£2.60	£0.10	4.00%			£12,000			
	Mon-Saturday up to 3 hours	£3.20	£3.30	£0.10	3.12%			£5,000			
	Mon-Saturday up to 5 Hours	£3.80	£4.00	£0.20	5.26%			£1,800			
	Sunday	£2.00	£2.20	£0.20	10.00%			£3,000			
	Night Parking 7pm to 7am	£2.00	£2.00	£0.00	0.00%						
Total Short Stay						£1,331,800	£1,061,000	£36,800	£1,097,800		
Long stay											
	Mon-Fri before 8.30am	£7.50	£8.00	£0.50	6.67%						
	Mon-Fri 8.30am to 7pm	£4.90	£5.00	£0.10	2.04%						
	Saturday 6am - 6pm	£4.90	£5.00	£0.10	2.04%						
	Sunday	£2.00	£2.20	£0.20	10.00%						
	Night Parking (7pm to 6am or 6pm - 6am)	£2.00	£2.00	£0.00	0.00%						
Total Long Stay						£816,200	£412,000	£13,500	£425,500		
Railways											
	Mon-Fri 4am to 4am	£8.50	£9.00	£0.50	5.88%	£785,000	£394,000	£17,000			
	Saturday	£7.00	£7.20	£0.20	2.86%	£94,000	£49,500	£1,000			
	Sunday	£6.50	£6.80	£0.30	4.62%	£86,000	£43,500	£1,000			
Total Railways						£965,000	£487,000	£19,000	£506,000		
Season Tickets											
	New Town (price per month)	£87.00	£89.00	£2.00	2.30%						
	Blue Badge Holders (Season Ticket, price per Annum)	£41.00	£44.00	£3.00	7.32%						
	Rail (price per month)	£151.00	£160.00	£9.00	5.96%						
Season Tickets SubTotal						£431,440	£176,000	£8,800	£184,800		
New Town GRAND TOTAL						£3,544,440	£2,136,000	£78,100	£2,214,100		
Old Town:											
Primett Rd North											
	<u>Monday - Saturday 0600-1600 hours</u>										
	up to one hour	£1.10	£1.10	£0.00	0.00%						
	up to two hours	£1.50	£1.50	£0.00	0.00%						
	up to three hours	£1.90	£1.90	£0.00	0.00%						
	More than three hours	£5.00	£5.00	£0.00	0.00%						
Primett Rd South											
	<u>Monday-Friday</u>										
	0600-1600hrs	£2.90	£2.90	£0.00	0.00%						
	1600-0600hrs	£0.50	£0.50	£0.00	0.00%						
Church Lane North											
	<u>Saturday 0600-1600:</u>										
	up to one hour	£1.10	£1.10	£0.00	0.00%						
	up to two hours	£1.50	£1.50	£0.00	0.00%						
	up to three hours	£1.90	£1.90	£0.00	0.00%						
	More than three hours	£2.70	£2.70	£0.00	0.00%						
	<u>Saturday 4pm-Monday 6am</u>	£0.50	£0.50	£0.00	0.00%						
	<u>Mon-Sat 0600-1600hrs</u>										
	up to one hour	£1.10	£1.10	£0.00	0.00%						
	up to two hours	£1.50	£1.50	£0.00	0.00%						
	up to three hours	£1.90	£1.90	£0.00	0.00%						
	More than three hours	£2.70	£2.70	£0.00	0.00%						
	<u>Saturday 4pm-Monday 6am</u>	free	free	£0.00	0.00%						
	Old Town (price per month)	£46.00	£46.00	£0.00	0.00%						
Old Town GRAND TOTAL						£163,000	£73,000	£0	£73,000		
Car Parks:											
Business Tokens/ Commercial Income		various	various	£0.00	0.00%	£209,690	£136,000		£136,000	No increase proposed	
Loss of income due to price increase			7.75%			-£28,000		-£7,000	-£7,000	Assume 7.75% attrition rate due to economic climate	
TOTAL "All Off Street Car Parks"						£3,889,130	£2,345,000	£71,100	£2,416,100		

01 February 2021

FEES AND CHARGES -RECOMMENDED FEE INCREASES FOR 2021/22

APPENDIX I

Service	Fees and Charges for 2021/22	2020/21 Price £	2021/22 Price	Increase £	% Increase	Total Budget 2020/21 £	Rebased Budget for 2021/22 (taking into account estimated improvement in usage)	Income (Reduction) / Increase	Total Budget 2021/22 £	Options considered/Rationale	Date of Price Increase
On Street Parking											
Town Centre	up to 30 mins	£0.60	£0.60	£0.00	0.00%	£188,000	£135,000	£0	£135,000		01 February 2021
	Up to 1 Hour	£1.80	£1.80	£0.00	0.00%						
	Up to 2 Hours	£2.70	£2.70	£0.00	0.00%						
	Up to 3 Hours	£3.50	£3.50	£0.00	0.00%						
	Up to 4 Hours	£4.50	£4.50	£0.00	0.00%						
	Up to 5 Hours	£6.00	£6.00	£0.00	0.00%						
	Over 5 hours	£10.00	£10.00	£0.00	0.00%						
Corey's Mill Lane	up to 1 hr £1.10 up to 2 hrs £1.70 up to 3 hrs (max stay) £2.20	see description	no change		0.00%	£274,600	£274,600	£0	£274,600		
On Street Parking Total						£462,600	£409,600	£0	£409,600		
Street Naming/Numbering											
Various Options, some examples shown here	First Dwelling Numbering	£100.00	£105.00	£5.00	5.00%	£9,000		£400	£9,400		
	Next ten dwellings (per dwelling)	£53.00	£56.00	£3.00	5.66%						
	Naming of new street	£202.00	£212.00	£10.00	4.95%						
	Commercial numbering first unit	£265.00	£278.00	£13.00	4.91%						
	Commercial numbering further units	£132.00	£139.00	£7.00	5.30%						
External Works (e.g. Other LAs)											
Examples of Hourly Charge out rate for staff time (VAT to be added)	Engineering Services Manager	£57.42	£63.10	£5.68	9.89%	£19,410		£1,000	£20,410		
	Principal Engineer	£53.06	£58.30	£5.24	9.88%						
	Traffic & Parking Enforcement Manager	£49.95	£55.00	£5.05	10.11%						
	Engineer	£39.60	£43.50	£3.90	9.85%						
	Inspector	£37.45	£41.20	£3.75	10.01%						
Town Centre Charges											
Street Hoarding Licences	Hoarding/Scaffold Licence (per week/100m run)	£44.00	£48.00	£4.00	9.09%	£3,520		£100	£3,620		
	Crane Licence	£2,083.00	£2,187.00	£104.00	4.99%						
	Skip Licence (per fortnight)	£39.00	£41.00	£2.00	5.13%						
On Street Parking											
Parking Permits (e.g. Burymead) (selected example charges shown)	H Bar Marking Application fee	£0.00	£30.00	£30.00	4.55%	£20,000		£800	£20,800		
	H Bar Marking Fee	£110.00	£85.00	£-25.00							
	First Permit	£56.00	£56.00	£0.00	0.00%						
	Second Permit	£82.00	£82.00	£0.00	0.00%						
	Third Permit	£108.00	£108.00	£0.00	0.00%						
Garages:											
Prices shown are "NET" of VAT. Housing Tenants generally do not pay VAT but other customers do pay VAT, meaning the actual weekly increase for a Category A garage would be 30p. Around 2/3rd of all customers do pay VAT.	Standard Garage (Category A)	£11.80	£12.05	£0.25	2.12%	£3,356,000		£55,000	£3,411,000	Increase of circa 2% in addition to 52 week rent year	01 April 2021 (In line with Housing rent increases)
	Standard Garage (Category B)	£11.60	£11.85	£0.25	2.16%						
	Standard Garage (Category C)	£11.20	£11.45	£0.25	2.23%						
	Premium Sized Garages	n/a	£15.00	new	new						
	Road Facing Garages	£13.40	£13.70	£0.30	2.24%						
Garages Total						£3,356,000	£3,356,000	£55,000	£3,411,000		
Markets:		various	various		2.80%	£416,000	£390,000	£6,000	£396,000	Increase 2.8% . Based on the average stall price of £94.96	01 July 2020 updated
Markets Total						£416,000	£390,000	£6,000	£396,000		

FEES AND CHARGES -RECOMMENDED FEE INCREASES FOR 2021/22

APPENDIX I

Service	Fees and Charges for 2021/22	2020/21 Price £	2021/22 Price	Increase £	% Increase	Total Budget 2020/21 £	Rebased Budget for 2021/22 (taking into account estimated improvement in usage)	Income (Reduction) / Increase	Total Budget 2021/22 £	Options considered/Rationale	Date of Price Increase
Bulky Waste:										Pricing to be reviewed re No of items 2021/22	01 February 2021
	6 Items	£72.00	£75.00	£3.00	4.17%	£82,000		£1,300	£83,300		
	Cancellation Fee	£11.00	£11.00	£0.00	0.00%						
Bulky Waste Total						£82,000	£82,000	£1,300	£83,300		
Trade Refuse:	Increase in fees to cover additional increase in disposal costs (example of pricing shown, 1100 litre bin)	£21.40	£22.25	£0.85	3.97%	£713,340		£26,000	£739,340		01 February 2021
Skips:	Increase in fees to cover additional increase in disposal costs (example of pricing shown 6yard skip)	£284.00	£294.00	£10.00	3.52%	£133,800		£4,000	£137,800		01 February 2021
Transfer Station:	Increase in fees to cover additional increase in disposal costs (example of pricing shown, medium panel van)	£195.00	£202.00	£7.00	3.59%	£78,000		£2,000	£80,000		01 February 2021
Increase disposal cost of waste for Trade, Clinical, Skips and Transfer Station:						£392,000		£18,000	£410,000		01 February 2021
Cemeteries:		various	various			£231,000	£191,000	£27,500	£218,500	Fee Increases would range from 3% to 30% across the board.	01 February 2021
Cemeteries Total						£231,000	£191,000	£27,500	£218,500		
Parks and Open Spaces:		various	various			£120,000		£2,800			01 February 2021
Parks and Open Spaces Total						£120,000	£120,000	£2,800	£122,800		
Allotments:	Price per M ² per year	£0.36	£0.60	£0.24	66.67%	£39,690	£28,690	£16,000	£44,690	16 sites and 100% occupied, waiting list of 300. 2018/19 SBC £0.34/ m2 v WHDC and NHDC £0.44 and £0.50/m2 respectively.	01 February 2021
	100M ² per year	£36.00	£60.00	£24.00	66.67%						
	250M ² per year	£90.00	£150.00	£60.00	66.67%						
Allotments Total						£39,690	£28,690	£16,000	£44,690		
Fishing	Adult Day Ticket	£8.00	£8.20	£0.20	2.50%	£5,000				Benched marked against Stanborough Lakes	01 February 2021
	Junior Day Ticket	£6.00	£6.15	£0.15	2.50%						
	Night Fishing	£18.00	£18.40	£0.40	2.22%						
	Average of above	£10.67	£10.92	£0.25	2.34%						
Fishing Total						£5,000	£5,000	£130	£5,130		
Planning:	<u>Major development</u>					£45,000		£1,500	£46,500		
	100+ residential units, 6000+sqm of commercial /change of use or where the site is 3ha+ PER 100 units /6000sqm/3ha or part of.	£3,700	£3,800	£100	2.70%						
	25-99 residential units, 2001-5999sqm of commercial /change of use or where the site is 1ha-3ha.	£3,700	£3,800	£100	2.70%						
	Development requiring an EIA if not within the above categories	£3,600	£3,700	£100	2.78%						
	<u>Other Major Developments</u>										
	Provision of 10-24 dwellings or where the site is between 0.5ha and 1ha.	£2,175	£2,250	£75	3.45%						
	Change of use or provision of 1001sqm - 2000sqm of commercial floor space or on a site with an area exceeding 1ha.	£2,175	£2,250	£75	3.45%						

FEES AND CHARGES -RECOMMENDED FEE INCREASES FOR 2021/22

APPENDIX I

Service	Fees and Charges for 2021/22	2020/21 Price £	2021/22 Price	Increase £	% Increase	Total Budget 2020/21 £	Rebased Budget for 2021/22 (taking into account estimated improvement in usage)	Income (Reduction) / Increase	Total Budget 2021/22 £	Options considered/Rationale	Date of Price Increase
	Minor Development										
	Single dwelling/replacement dwelling	£220	£225	£5	2.27%						
	2-5 dwellings	£435	£445	£10	2.30%						
	6-9 dwellings	£1,110	£1,150	£40	3.60%						
	Change of use of buildings/new commercial buildings with a floor space between 0-500sqm or on a site with an area up to 0.5ha.	£220	£225	£5	2.27%						
	Change of use of buildings/new commercial buildings with a floor space between 501sqm and 1000sqm or on a site with an area between 0.5ha and 1 ha	£725	£740	£15	2.07%						
	Householder										
	Domestic extensions, conservatories etc. and alterations to residential properties.	£65	£67	£2	3.08%						
	Specialist Advice										
	Works to listed buildings										
	Developments affecting a conservation area	£155	£159	£4	2.58%						
	Advertisements										
	Per Site	£65	£67	£2	3.08%						
Planning Total						£45,000		£1,500	£46,500		
Hackney Carriages:		various	various			£24,750		£0	£24,750	No increase proposed	01 February 2021
Env Health & Licensing:	Housing Act 2004					£11,750		£140	£11,890	2.5% increase recommended however, most of the income in this budget comes from 5 year licenses (rolling over into budget each year) - therefore, impact of increasing fees not	01 February 2021
	Licence for Houses in Multiple Occupation (HMO)	£730	£750	£20	2.74%						
	Service of Housing Act Notices	£382	£395	£13	3.40%						
Env Health & Licensing:	Food Premises	various	various			£11,000		£270	£11,270	Cost recovery only ; 2.5% increase recommended by Environmental Health	01 February 2021
	Destruction Certificate	£133	£136	£3	2.26%						
	Health Certificate	£108	£111	£3	2.78%						
Env Health & Licensing:	Licensing including: Acupuncture, street trading etc.	various	various			£13,000		£260	£13,260		01 February 2021
Local Land Charges	Residential Property (Con 29)	£63.60	£65.40	£1.80	2.83%						
	Residential Property (LLC1)	£17.00	£17.50	£0.50	2.94%						
VAT is PAYABLE on these fees (fees shown is GROSS of VAT)	Commercial Property and Areas of Land (Con 29)	£82.80	£85.20	£2.40	2.90%						
Integra Code = RC110	Commercial Property and Areas of Land (LLC1)	£22.20	£22.80	£0.60	2.70%						
No VAT is payable for this service	Additional Enquiry	£10.60	£10.90	£0.30	2.83%	£63,600		£1,900	£65,500		01 February 2021
Housing General Fund:	Careline Alarm- private (Shortfall funded from General Fund)	various	various			£124,000		£2,500	£126,500		
Sub Totals						Increase		£202,700			
						Not included in Savings options		£131,700			

Meeting COUNCIL
Portfolio Area Resources
Date 24 FEBRUARY 2021



FINAL CAPITAL STRATEGY 2020/21-2024/25

KEY DECISION

Authors Belinda White x2515
Contributors Senior Leadership Team
Lead Officers Nick Penny
Contact Officer Nick Penny

1. PURPOSE

- 1.1 To approve revisions to the 2020/21 General Fund and Housing Revenue Account Capital Programme and approve the final Capital Programme for 2021/22.
- 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.

2. RECOMMENDATIONS

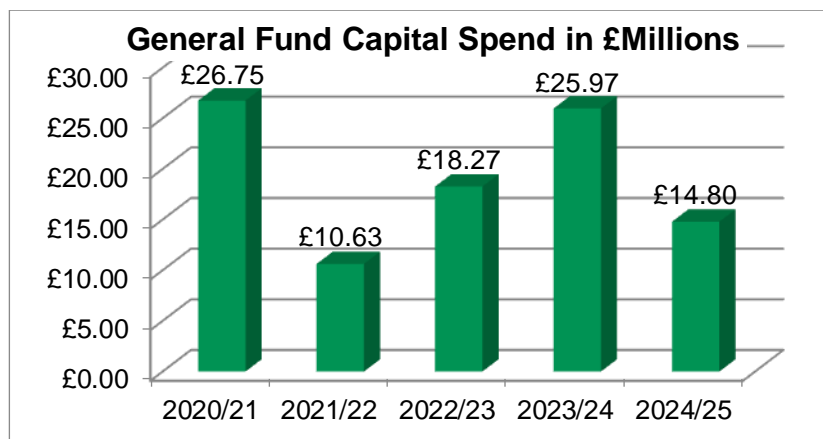
- 2.1 That the final General Fund Growth Bids for 2021/22 only as detailed in Appendix A (and incorporated into Appendix D) to the report be approved.
- 2.2 That the final General Fund Savings and Slippage for 2020/21 – 2024/25 as detailed in Appendix B (and incorporated into Appendix D) to the report be approved.
- 2.3 That the final HRA budget requests for 2020/21 – 2024/25 as detailed in Appendix C (and incorporated into Appendix E) to the report be approved.

- 2.4 That the updated forecast of resources 2020/21 as detailed in Appendix D (General Fund) and Appendix E (HRA) to the report be approved.
- 2.5 That the final 2021/22 General Fund Capital Programme as detailed in Appendix D to the report be approved.
- 2.6 That the final 2021/22 HRA Capital Programme as detailed in Appendix E to the report be approved.
- 2.7 That the Council's investment strategy for non-treasury assets as detailed in Appendix F be approved.
- 2.8 That the approach to resourcing the General Fund capital programme as outlined in the report be approved.
- 2.9 That the progress on Locality Reviews as outlined in the report be noted.
- 2.10 That the actions taken to ensure the General Fund programme is funded as outlined in paragraphs 4.2.2 - 4.2.3 of the report be noted.
- 2.11 That the 2021/22 de-minimis expenditure limit (section 4.10 of the report) be approved.
- 2.12 That the 2021/22 contingency allowances respectively in paragraphs 4.11.1 and 4.11.2 of the report be approved.
- 2.13 That the Executive delegation set out in paragraph 4.11.3 of the report, allowing approval for increases to the capital programme for grant funded projects, be approved.
- 2.14 The appropriation of Dunn Close garage block (estimated value of £585K but red book valuation to be obtained) in 2021/22 from the General Fund to the HRA as detailed in Para 4.12.3 be approved.

3. BACKGROUND

3.1 Introduction

- 3.1.1 This report is an update on the Draft General Fund and HRA Capital Strategy 2020/21- 2024/25 presented to the January 2021 Executive meeting. This report gives updates on the 2020/21- 2024/25 budgets and resourcing for the General Fund and HRA programme.
- 3.1.2 The draft General Fund programme totalled £96.41Million (subject to sufficient resources being available and is summarised in the graph below). This did not include any changes as a result of the approval of the Housing Wholly Owned Company (WOC) also presented at the January Executive, the inclusion of which increased the value of the capital programme by £2.97Million.



- 3.1.3 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.
- 3.1.4 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.
- 3.1.5 The Government issued guidance on the disclosures required in the Capital Strategy from 1 April 2018 onwards and includes:
- an Investment Strategy;
 - disclosure of other investments and their 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 decisions, 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; and
 - the steps taken to ensure that elected Members and Statutory officers have the appropriate skills and governance.
- 3.1.6 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 For a number of years capital spend has been prioritised due to the limited availability of capital receipts and the ability to afford the borrowing costs. This resulted in the council applying a 'fix on fail' approach to assets with no significant asset 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 The Asset Management Strategy approved at the 11 July 2018 Executive had a key action for the Council to undertake locality reviews of its current land and buildings. The locality reviews sought to identify new opportunities for better use of existing buildings, identifying potential sites to release for sale and identifying land for the Council's own housing building programme meeting key Council priorities in the process. To date Locality Reviews have identified adhoc land sites for disposal to improve the financial resilience of the General Fund (via reducing revenue contributions to capital), but have yet to complete the work on other assets (target date 2021/22).
- 3.2.3 Condition Surveys were completed in 2019 and the result of these were reflected in the growth bids approved in the Capital Strategy 2019/20-2024/25, although these were still not in the main about improvement of assets and future proofing them, but an attempt to keep existing assets operational.
- 3.2.4 The Council utilised the New Homes Bonus (NHB) to fund the playground improvement programme and to contribute to the Capital Reserve, this is unchanged from the position set out in the Draft Capital Strategy and Draft General Fund Budget reports. The funding is as follows:

Table One:	2021/22	2022/23	2023/24
New Homes Bonus	£'000	£'000	£'000
Play & Bins (Capital) CNM	342	284	220
Contribution to Capital Reserve	250	250	250
General Fund	0	0	0
Total Expenditure	592	534	470
Balance in NHB reserve	(461)	(234)	0
In year Funding	(365)	(8)	0
Expenditure in year	592	534	0
Balance remaining in NHB reserve	(234)	£0	0
Alternative Funding required	0	292	470

- 3.2.5 The remaining schemes within the Capital Strategy include Regeneration schemes, Housing Development and IT (predominantly related to the joint ICT Partnership Strategy between East Herts Council and Stevenage Borough Council).
- 3.2.6 Prudential Borrowing remains an option to fund capital schemes, but due to the on-going net cost to the General Fund would require a business case to determine the benefit to the Council and generally would be used to fund income generating schemes, which support the Financial Security of the Council. The issue of affordability has been exacerbated by the impact of the coronavirus pandemic on the Council's finances.

3.2.7. The Council has approved some land and asset disposals and an updated schedule, with some slippage in the disposal profile (net of disposal fees) is shown below:

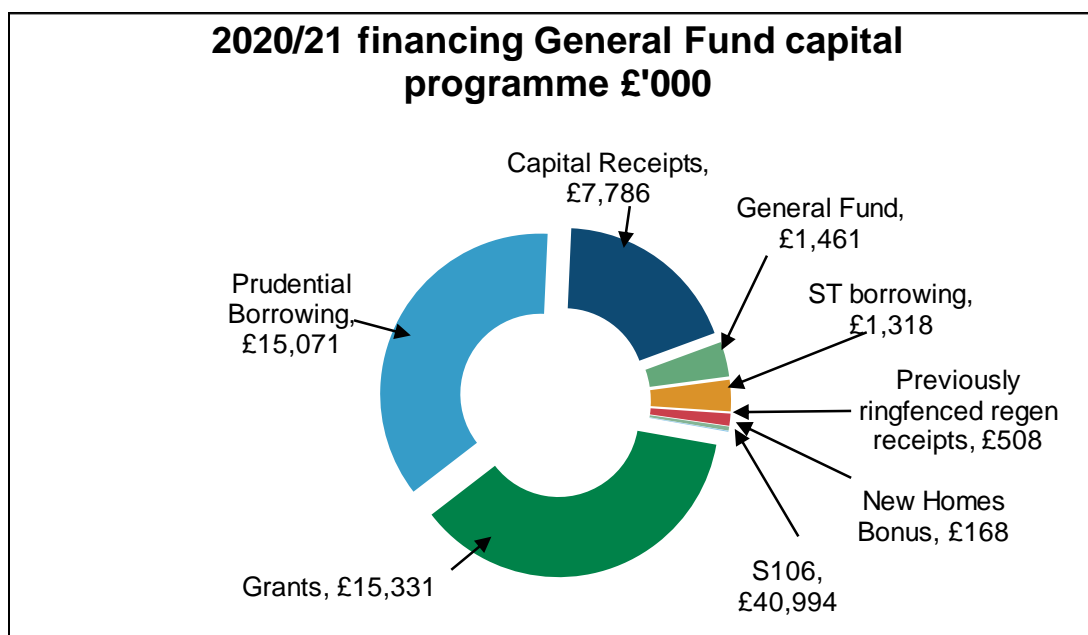
Table Two: Disposal Schedule (General Fund)	January Draft £	February Final Revised £	Variance £
Total 20/21 Capital Receipts Estimate	(2,932,239)	(2,433,759)	498,480
Total 21/22 Capital Receipts Estimate	(4,675,000)	(5,185,480)	(510,480)
Total 22/23 Capital Receipts Estimate	(4,683,840)	(5,327,040)	(643,200)
Total 23/24 Capital Receipts Estimate	(23,556,500)	(23,556,500)	0
Total 24/25 Capital Receipts Estimate	(13,384,000)	(13,384,000)	0
Major Capital Receipts Programme	(49,231,579)	(49,886,779)	(655,200)

3.2.8 In addition to the Disposals Schedule, there are Locality receipts approved at September 2020 Executive and a further tranche approved at January 2021 Executive that reduce revenue contributions to capital (as outlined in paragraph 3.2.2). The potential land disposals identified from the Locality Reviews help maintain the resilience of General Fund balances, to reduce the revenue contribution to capital and to fill in the gap of NHB funding to the capital reserve. Locality reviews are discussed further in section 4.4 of this report.

3.2.9 The capital strategy includes the use of Section 106 (S106) monies that have been earmarked to support current and future capital schemes, the table below shows the current anticipated usage of these:

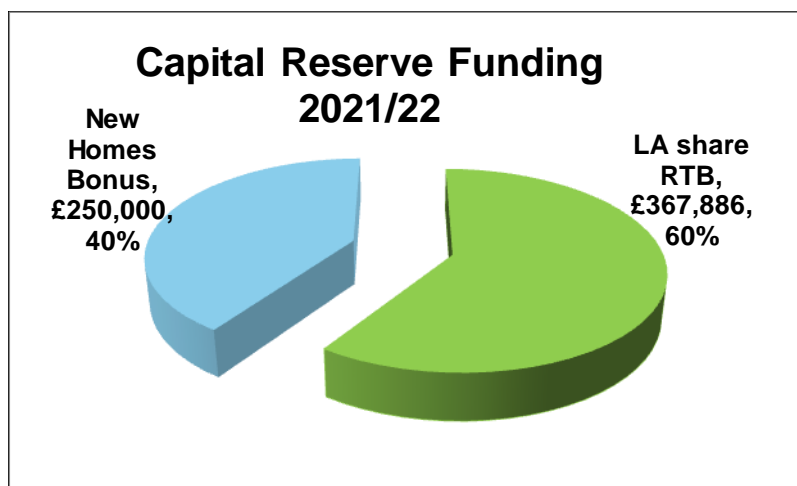
Table Three: S106 Update							
S106 balance	Total Available	2020/21 Forecast	remaining	2021/22 Forecast	remaining	Future Years Forecast	remaining
	£	£	£	£	£	£	£
Affordable Housing	£62,091		£62,091		£62,091	£62,091	£0
Children's Playspace / open space	22,076.74	£9,998	£12,078		£12,078	£0	£12,078
Community / Greenspace / Ecological Infrastructure	£70,338		£70,338	£60,000	£10,338	£10,338	£0
Parking / Transport	£156,189	£8,191	£147,998		£147,998		£147,998
Gardening Club	£4,576		£4,576		£4,576		£4,576
Arboretum	£25,420	£25,420	£0		£0		£0
Biodiversity Net Gain	£45,867		£45,867		£45,867		£45,867
Pedestrian Link	£35,000		£35,000		£35,000		£35,000
Household Surveys	£15,990		£15,990		£15,990		£15,990
Total	£437,547	£43,610	£393,937	£60,000	£333,937	£72,429	£261,508

3.2.10 The capital programme at Quarter two 2020/21 as reported to November Executive (based on the Capital Strategy approved February 2020 and amended by quarterly monitoring and supplementary reports), was fully funded and is shown in the following chart.



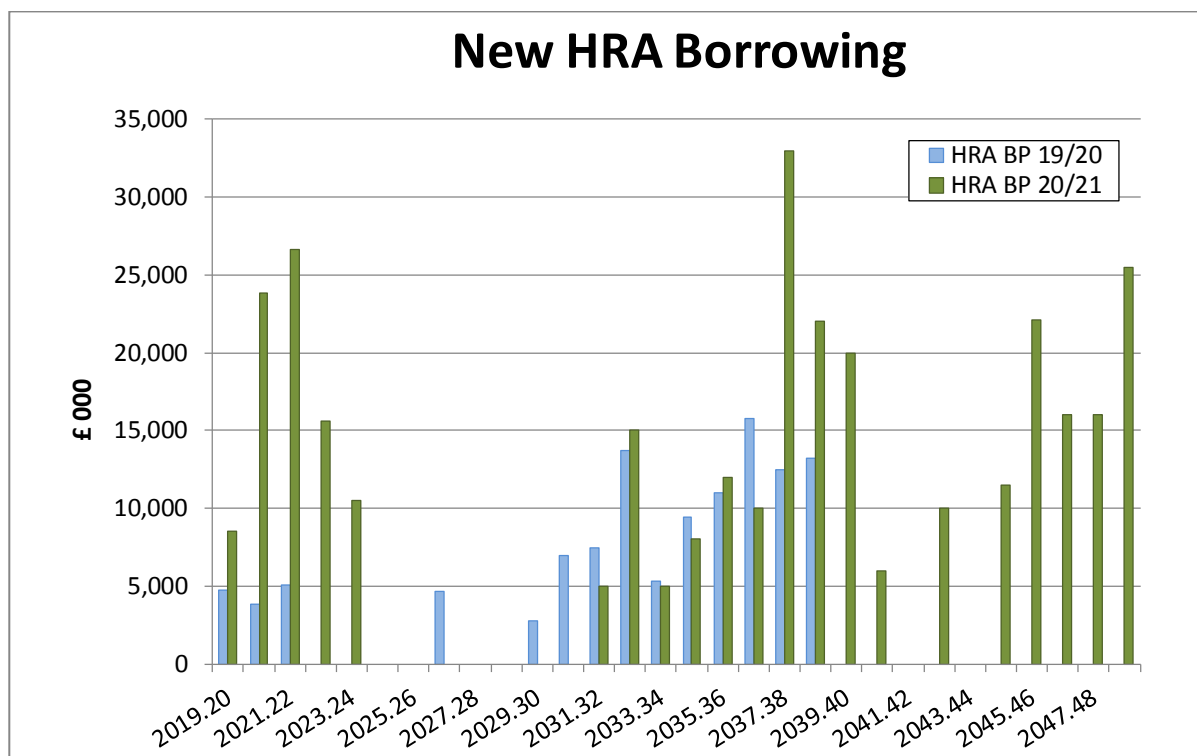
3.2.11 The level of resources available at the end of 2020/21 in the Quarter two report was £1.6Million (£877K Capital Receipts and £722K Capital Reserve), and nil in the following years. However this position has improved and is set out in paragraph 4.1.2, table 5 due to the slippage and savings identified.

3.2.12 The Capital Reserve has been a significant source of the capital programme funding in prior years. It will receive a NHB contribution of £250K in 21/22 and £368K from the Local Authority Share of Right to Buy receipts, as shown in the following chart. The December 2020 Financial Security Report advised Members that the threshold for new properties in the tax base had not been reached in order to receive a further payment in 2021/22. However there was an increase in the number of affordable properties in Stevenage and as a result an additional £67,480 was received for 2021/22; this also a one off payment.



3.3 Housing Revenue Account (HRA) Investment Strategy

- 3.3.1 **Background:** The HRA capital programme was revised as part of the HRA Business Plan (BP) update to the December 2019 Executive. The 30 year HRA capital programme included £1.485Billion with additional borrowing and is summarised in the table below.



- 3.3.2 The 2019/20 HRA BP included additional borrowing (shown above) compared to that in the 2018 HRA BP due to a more ambitious new build programme and an increase in capital works to existing homes. The new borrowing in the 2018 BP totalled £116.6Million; however the 2019 update had new borrowing of £322.2Million.
- 3.3.3 The additional capital expenditure that was approved as part of the HRA BP over the 30 years included an additional £201Million of projected capital expenditure as well as revenue growth which funded planned maintenance, anticipated changes relating to the Hackett review and decent homes.
- 3.3.4 The new build programme increased from £582Million to £645.6Million in the 2019 HRA BP, with 2,433 new build homes and an additional 175 units in the first 10 years of the programme.
- 3.3.5 Subsequently a number of delegated approvals were taken by Executive including an increase of £11.3Million in the report on the January 2020 Executive agenda to update members on the Kenilworth Close development, the revised figures for which were included in the Final Capital Strategy approved by February 2020 Executive and Council. The net change to the approved budget for the period 2019/20 to 2024/25 was £10.2Million.
- 3.3.6 A refresh of the HRA BP is planned for November 2021.

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-21	Executive	Draft 2021/22 General Fund and HRA Capital Strategy
	Overview and Scrutiny	Draft 2021/22 General Fund and HRA Capital Strategy
Feb-21	Executive	Final 2021/22 General Fund and HRA Capital Strategy
	Overview and Scrutiny	Final 2021/22 General Fund and HRA Capital Strategy
	Council	Final 2021/22 General Fund and HRA Capital Strategy

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 Capital Programme – 2021/22 General Fund

- 4.1.1 The CFO recommended adopting a light touch approach to Capital Bids for 2021/22, due to the ongoing financial pressures arising from the COVID pandemic and the need to focus on improving General Fund resilience, therefore Officers were asked to:

- Review their existing budgets in the Capital Strategy for completeness and to advise if circumstances have changed, and
- To only submit 2021/22 bids that are an urgent need or a top priority as funding is limited

A Full review of the Strategy is planned to be carried out for 2022/23 onwards.

- 4.1.2 The result of this exercise as presented in the Draft Capital Strategy to January Executive is summarised in table five below:

Table Five: Update following 2021/22 Capital Bids process						
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	Total
	£	£	£	£	£	£
SLIPPAGE	(766,500)	(1,774,546)	620,323	1,920,723	0	0
SAVINGS	(23,280)	(221,020)	(66,270)	(5,250)	(35,000)	(350,820)
GROWTH BIDS	0	553,130	566,600	120,500	45,000	1,285,230
TOTAL	(789,780)	(1,442,436)	1,120,653	2,035,973	10,000	(934,410)

4.2 Capital Bids Included in the Capital Programme

- 4.2.1 Of the capital growth bids received, some are classified as Health and Safety related or associated with legislative requirements. These bids totalled £823k over the period 2021/22 - 2024/25 and the other growth bids totalled £462k.
- 4.2.2 In the draft Capital strategy it was recommended that the 2021/22 growth bids totalling £553k be agreed in principle by the Executive, with the approval of the growth bids for 22/23 onwards deferred till next year. However a funding gap of £161k in 21/22 and £472k in 22/23 was identified, therefore, further work was required to ensure the Final Capital Strategy is fully funded.
- 4.2.3 This work was done by the Asset & Capital Board working closely alongside Finance, the revised 2021/22 growth bids totalling £511k that are recommended for approval are included in Appendix A and in table six below. The decision to approve growth bids for 22/23 onwards is again deferred till next year. The funding gap was closed by removing the following items from the draft capital programme and reviewing the funding of the WOC;
- £45k Garage Site Assembly – pre-existing capital bid
 - £10k Springfield House CC new heating – proposed growth bid
 - £10k Weston Road Cemetery wall repair – proposed growth bid
 - £22k Daneshill House boiler – proposed growth bid
 - £700k of capital receipts previously earmarked for funding of the Housing Wholly Owned Company (WOC) now being available for the wider capital programme, this is in line with the WOC report also being presented at February Council.

The individual schemes above have been removed due to uncertainty over whether the work is needed and the value. If needed these could be funded from the £200k deferred works budget (further information in paragraph 4.3.1).

Table Six: Update following 2021/22 Capital Bids process					
	2021/2022	2022/2023	2023/2024	2024/2025	Total
	£	£	£	£	£
Health & Safety / legislative	366,130	425,000	0	0	791,130
Other growth bids	145,000	141,600	120,500	45,000	452,100
Total	511,130	566,600	120,500	45,000	1,243,230

- 4.2.4 As identified in paragraph 3.1.2, a report was presented to the January Executive alongside the draft Capital Strategy regarding the Housing WOC. The changes as a result of the report also on this agenda is an increase to the value of the capital programme by £2.97Million to a revised budget of £7.77Million, although the investment by the Council in the WOC may be up to a maximum of £15Million, if required the budget over and above £7.77Million would need to be added into the capital programme at a later date.

4.3 Capital Contingency

- 4.3.1 As in previous years, it is recommended that a contingency allowance (the deferred works reserve) is included in the capital strategy should any costs

become unavoidable during the financial year. This has been included at the previous level of £200k per annum.

4.4 Locality Review Update

- 4.4.1 The Locality Review Board has been meeting regularly and is sponsored by the Strategic Director (CFO), the Board includes officers from different business units who use or manage the Council's assets.
- 4.4.2 An action from the June MTFS COVID recovery report recommended that a pipeline of land disposals be identified from the Locality Reviews to maintain the resilience of General Fund balances by removing the revenue contribution to capital. There is also the need to generate additional capital receipts to help fund any shortfalls from the reduction or cessation of New Homes Bonus (NHB).
- 4.4.3 The potential sales identified are estimated to generate around £4.5Million (unchanged from the value reported to January Executive), which would reduce the reliance on revenue funding sources detailed in 3.2.11 - 3.2.12. In identifying site disposals the following points were considered
- The removal of green space in the Borough
 - The impact on the removal of trees and hedgerows
 - The impact on any potential housing development sites
 - The alternative use consideration by the council
 - The impact of any covenants and restrictions
- 4.4.4 All council ward Members were consulted and all sites apart from one were approved for disposal.
- 4.4.5 A schedule of the forecast receipts (net of disposal fees) and the timing of these is in the table below:

Table Seven: Locality Review Site Disposals	
Tranche	Estimated receipt
Tranche 1 - Yr1 2021/22	£1,507,200
Tranche 2 - Yr2 2022/23	£1,963,200
Tranche 3 - Yr3 2023/24	£988,800
Total Forecast Locality Review Receipts	£4,459,200

4.5 Summary Capital Programme 2020/21-2024/25

- 4.5.1 The revised Capital Strategy for 2020/21-2024/25 now totals £99.4Million, including the 2021/22 bids totalling £511k as set out in paragraph 4.2.3 and the increase of £2.97Million for the Housing WOC budget. This is summarised in table eight below, and in detail in Appendix D.

Table Eight: Revised Capital Programme						
	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000
Stevenage Direct Services	1,434	3,613	3,179	3,349	132	11,706
Housing Development	2,178	7,004	13,257	8,504	575	31,517
Finance and Estates	448	610	45	45	15	1,162

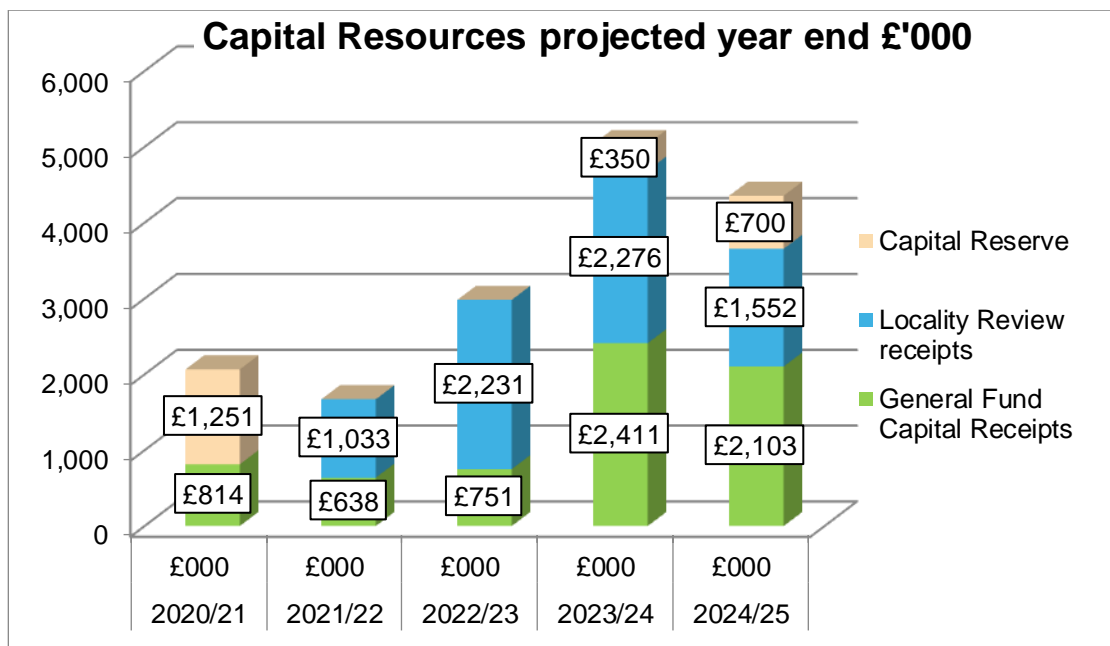
Table Eight: Revised Capital Programme						
	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000
IT & Digital	1,068	370	104	104	104	1,750
Housing and Investment	631	1,031	307	187	60	2,215
Regeneration	14,586	3,900	2,474	13,384	13,384	47,728
Communities and Neighbourhoods	394	321	275	60	20	1,070
Planning and Regulatory	86	352	305	305	305	1,353
Deferred Works Reserve	53	200	200	200	200	853
TOTAL	20,878	17,400	20,145	26,137	14,795	99,355

4.6 Capital Resources for the General Fund Capital Strategy

4.6.1 The following projected resources used to fund the revised Capital Programme in Table eight totalling £99.4Million, this is summarised in Table nine below, and detailed in Appendix D.

Table Nine: Revised Capital Programme						
	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000	£000	£000	£000	£000	£000
Capital Receipts	4,842	4,743	4,208	18,842	13,692	46,327
Locality Review Receipts	0	474	765	944	724	2,907
New Build 1-4-1 Receipts - for RP Grants	1,280	0	0	0	0	1,280
Grants and other contributions	12,372	4,784	4,756	3,916	0	25,829
RCCO	483	1,501	528	0	0	2,511
Previously ring-fenced regeneration receipts	508	0	0	0	0	508
Capital Reserve (Housing Receipts)	364	368	372	375	379	1,858
New Homes Bonus	168	342	65	0	0	575
Prudential Borrowing Approved	243	4,182	6,398	2,060	0	12,882
Short Term borrowing and funded from private sale	618	1,006	3,054	0	0	4,678
Sub-total of funded programme	20,878	17,400	20,145	26,137	14,795	99,355
Funding Gap	0	0	0	0	0	0
TOTAL	20,878	17,400	20,145	26,137	14,795	99,355

4.6.2 The use of capital receipts is dependent on delivery of the disposal sites to the market. The revised capital strategy leaves balances remaining at the end of the years as summarised below, which includes both General Fund Capital Receipts and Locality Review Receipts.



4.6.3 The level of balances required is a minimum £500K-£750K, to mitigate for potential risks. The CFO considers these to be sufficient year-end balances as we work towards a more sustainable capital position. It should be noted that although the balances in 2023/24 and 2024/25 appear to be high, they reflect an ongoing commitment to replace revenue funding sources for 2025/26 onwards.

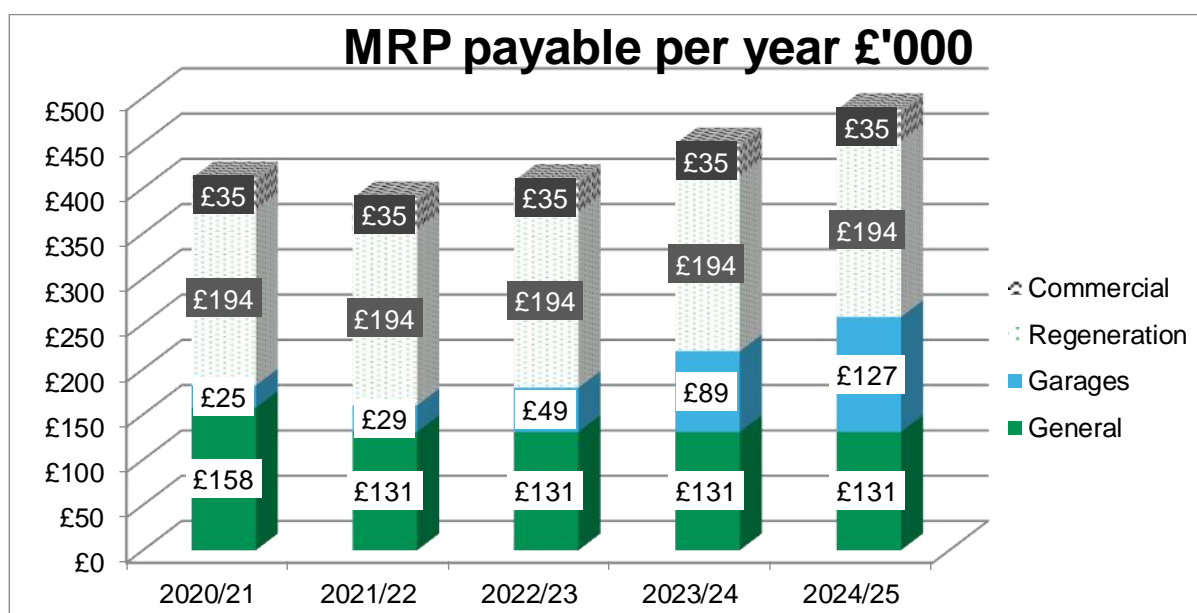
4.6.4 The risks include:

- Potential for scheme overspends.
- Potential for not spending all the Local Enterprise Partnership (LEP) monies by the deadline and therefore some costs falling on the Council's resources.
- Potential for delay in realising capital receipts – there are £6.69Million of land/asset sales to be achieved in 2021/22 as shown in tables two and seven.
- The deferred works budget of £200K may not be sufficient to fund any works not currently funded in the Strategy.
- Potential for General Fund underspends not materialising. The Capital Reserve has been reliant on General Fund underspends of £350K per year (not included in General Fund projected year end balances), but due to the impact of the coronavirus pandemic on the Council's finances this has not been included in 2021/22. However the £350k contribution has been reinstated from 2022/23 onwards.

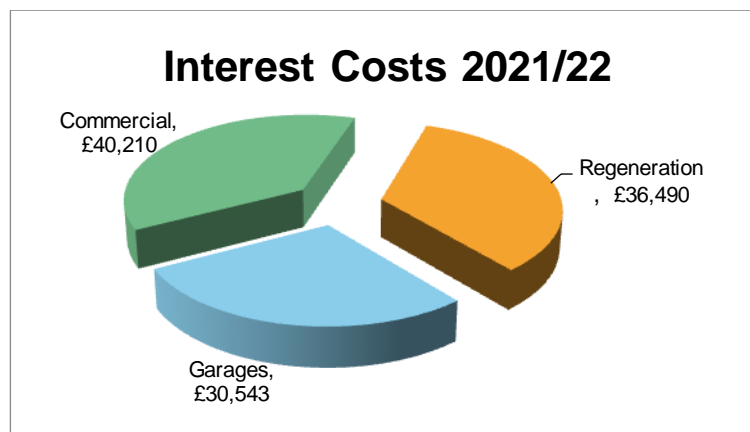
4.6.5 The Regeneration Board also needs to ensure that LEP funding is maximised to minimise any risk to the Council's finances.

4.6.6 The alternative 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.

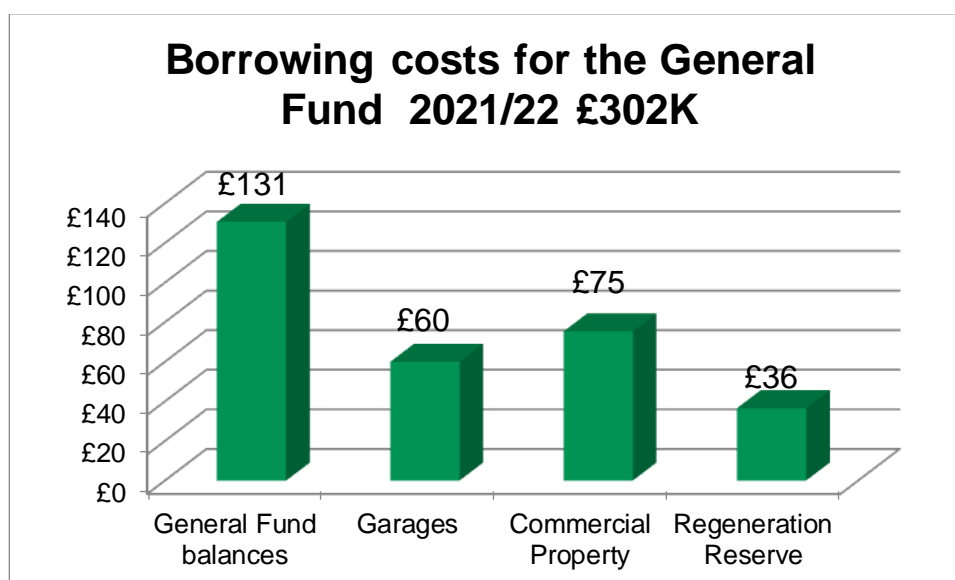
- 4.6.7 The response to the recent consultation on the lending terms for the PWLB is that there is no longer scope for the Council to enter into any new, purely commercial, investments (investments for yield). From 26 November, new restrictions were implemented which meant Councils were precluded from access to cheap Public Works Board (PWLb) funding if Capital Strategies included the purchase of Commercial Investments whether from borrowing (not just from PWLB) or other means. Therefore, the 2020/21 budget of £13.2Million for Investment Property has been removed from the capital programme. This allows continued use of PWLB including £50Million Housing Revenue Account borrowing for this and next year. However, the new rules also reversed the 100bsp increase announced October 2019 which will improve the viability of business cases for regeneration and other programmes.
- 4.6.8 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. The 2021/22 projected MRP charge of £388,957 (2020/21 £411,021) excludes the technical requirement to charge MRP on loans to other companies in the accounts, as these borrowing costs are recharged.



- 4.6.9 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.
- 4.6.10 The 2021/22 projected interest costs on borrowing is estimated to be £107,243 (2020/21 £96,105).



- 4.6.11 The total cost of borrowing in 2021/22 is £302K or an estimated 1% of gross General Fund expenditure. However the majority of this cost is met from within the income generated from assets as shown below.



- 4.6.12 As a result of the lower borrowing rates outlined in paragraph 4.6.8 Interest rates are 1.72% for a 25 year loan as at 21/1/2021 which would mean a cost per £million (based on assets with a 25 year life) of £57,200 (interest and MRP). Increasing the annual use of borrowing would lead to an increase in General Fund costs, which would need to be met from increasing the Financial Security Target for the General Fund.

4.7 Other capital investments and Finance Lease

- 4.7.1 The Council purchased a number of properties in the town centre to enable it to meet its regeneration aims. These properties were purchased using LEP funding. These properties have been purchased for regeneration purposes and therefore do not fall under the Property Investment Strategy. 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.

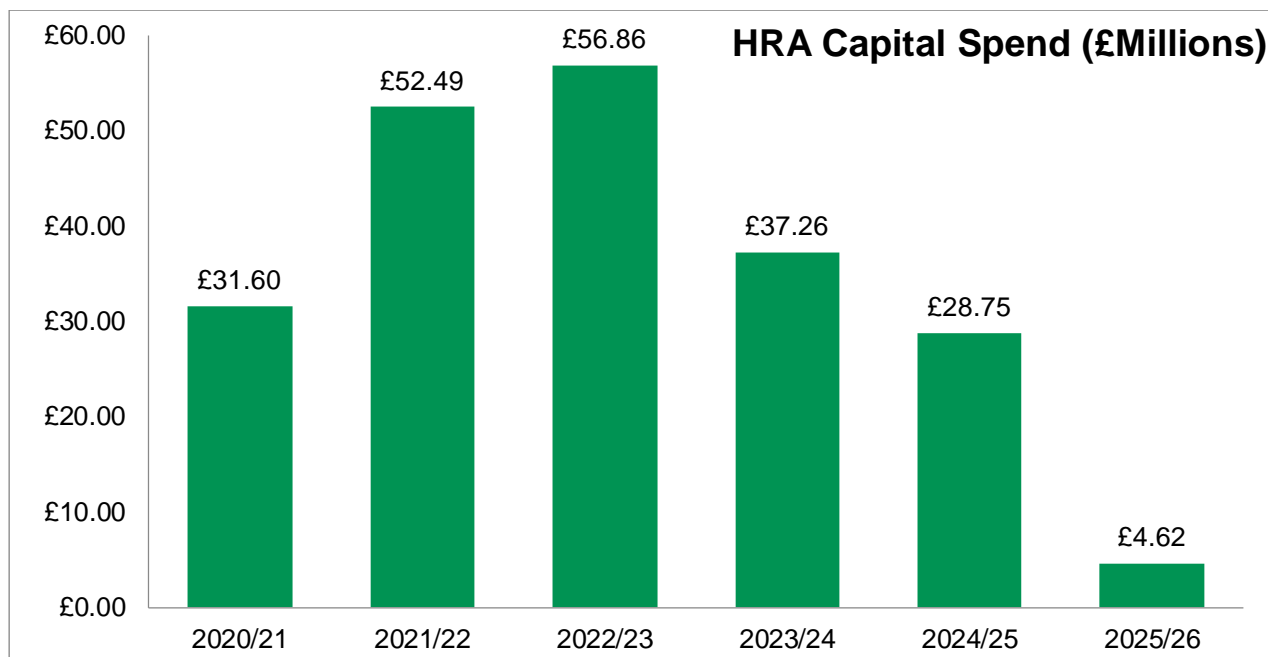
- 4.7.2 The Council undertook a long term finance lease for a mixed development scheme on Queensway in the town centre. This is a lease arrangement and falls outside the scope of capital investment. As part of the decision making process a risk assessment was undertaken and presented to Members. Key Officers were given training on their roles and responsibilities for the new governance arrangements for the Limited Liability Partnership.
- 4.7.3 Links to Commercial and Insourcing Strategy - The Council's investment in loans, shares and commercial property plays a part in a more commercial approach to the Council's activities, including its working with business and community partners. The Service and Commercial Investment Strategy at Appendix F set out the investment activity and risk management processes which support this.
- 4.7.4 External legal, financial and commercial advice is procured to ensure the validity and viability of business cases presented to Members.

4.8 Capital Programme - Housing Revenue Account (2020/21-2025/26)

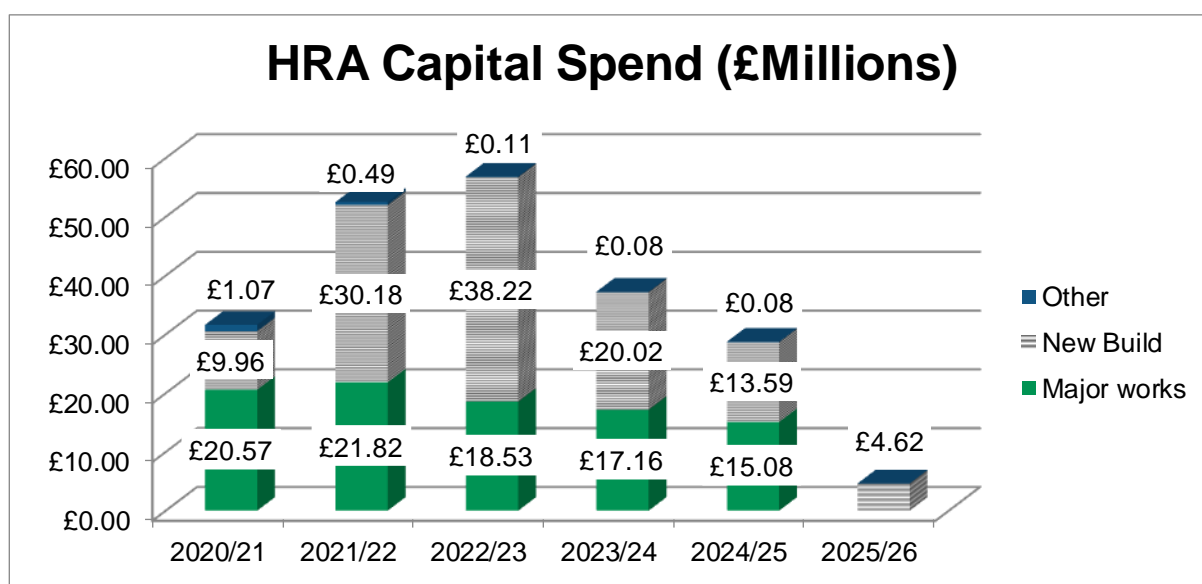
- 4.8.1 The HRA business plan identifies borrowing increased to £322.2Million and the revenue contributions to capital reduced (see also section 3.3).
- 4.8.2 £4.6Million of the current capital programme (approved February 2020 and as amended by quarterly monitoring and supplementary reports) which covered the period 2019/20 - 2024/25 has been slipped to 2025/26.
- 4.8.3 Alongside the General Fund exercise set out in paragraph 4.1, officers also identified some slippage in the HRA capital programme of £2.2Million from 2020/21 to 2021/22 and requested consideration of HRA budget increases totalling £309k of which £204k is requested for 2021/22. The budgets requested are set out in Appendix C and summarised in the table below.

Table 10: Update from the 2021/22 Capital Bids process					
	2021/2022	2022/2023	2023/2024	2024/2025	Total
	£	£	£	£	£
IT Strategy	42,870	30,000	0	0	72,870
HRA specific IT & Digital	135,783	0	0	0	135,783
HRA Equipment	25,000	25,000	25,000	25,000	100,000
Total	203,653	55,000	25,000	25,000	308,653

- 4.8.4 The revised final capital strategy budget for 2020/21 - 2025/26 totals £211.57Million is set out in Appendix E and summarised below.

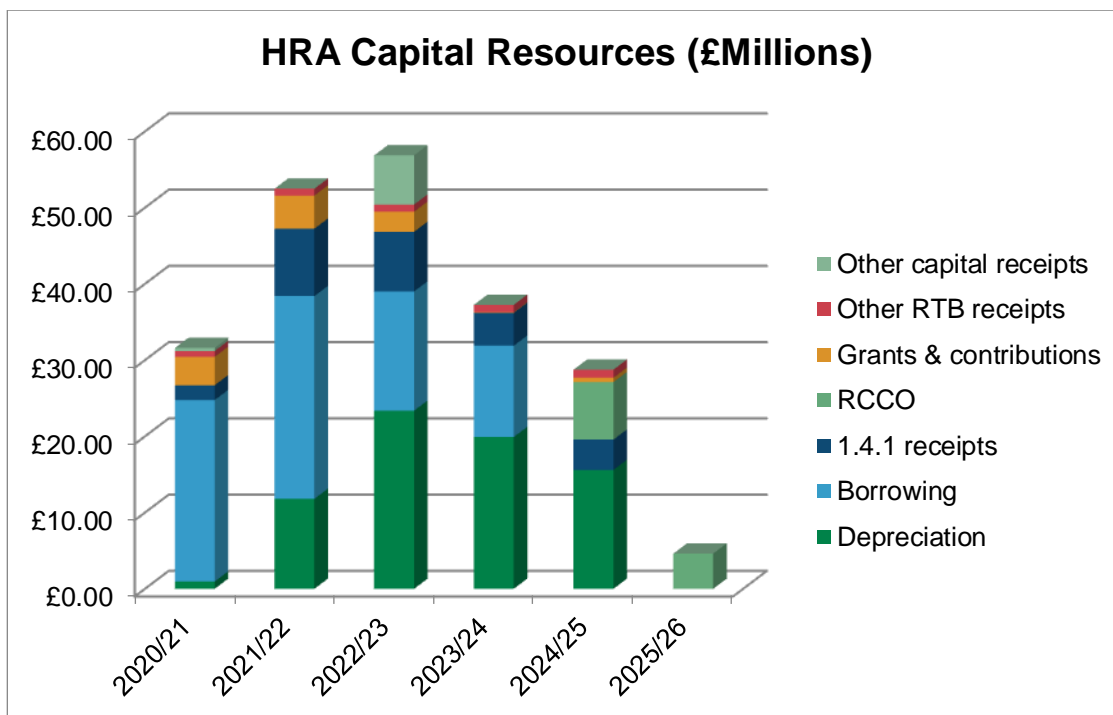


4.8.5 The split between major works, new build and other costs (IT and capital equipment) is shown in the following chart.

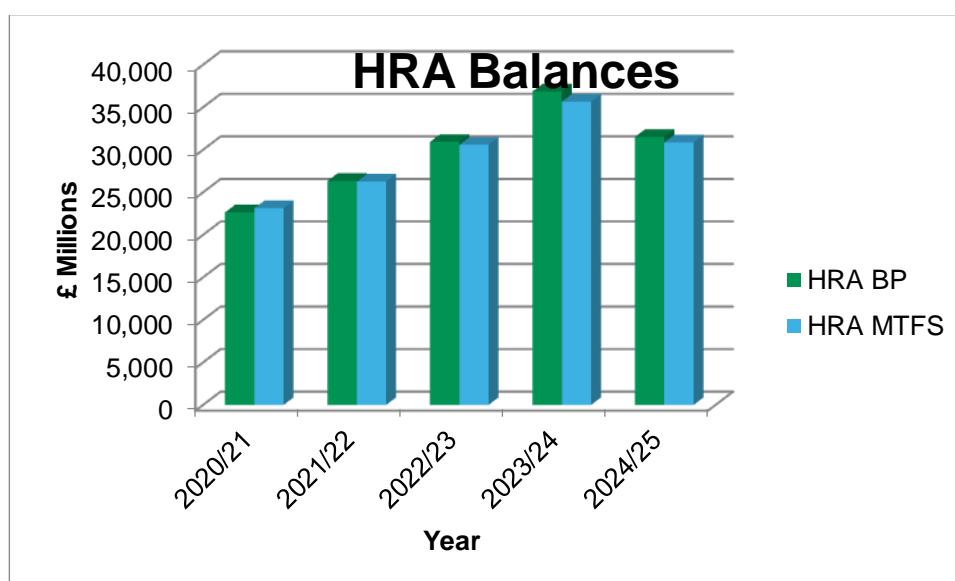


4.9 Capital Programme – HRA Resources (2020/21-2025/26)

4.9.1 The resourcing of the current HRA capital programme funding is summarised in the following chart. The largest percentage is funded by borrowing (37%) followed by the HRA (via depreciation charges, 34%). Capital receipts from right to buy sales of council houses (New Build 1-4-1 receipts) forms 13% of total funding; however as Members will be aware the 1.4.1 receipts have restricted use.



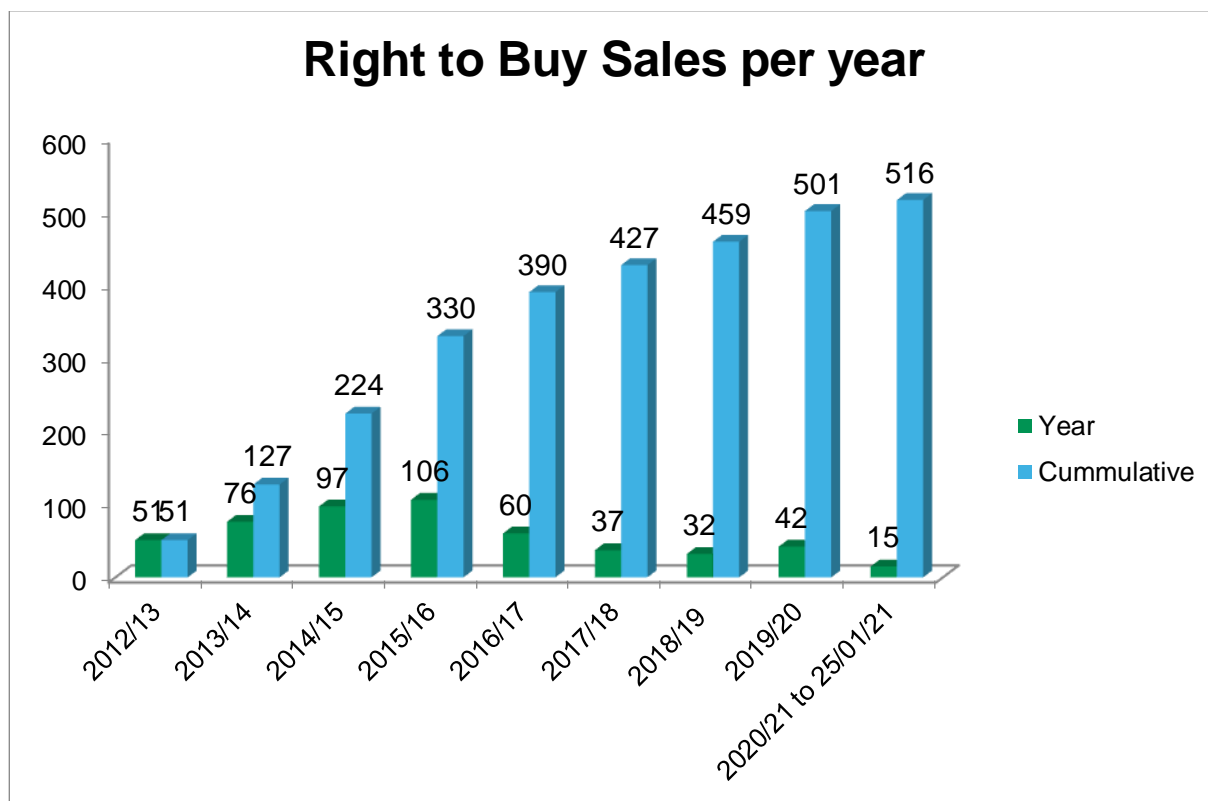
4.9.2 The closing HRA balances for the period 2020/21-2024/25 have been reviewed as part of the revised HRA MTFS; these figures compared to the HRA BP are set out below. The next HRA BP will review the full 30 year projection.



4.9.3 The HRA risk assessment of balances reflects the need to hold higher reserves to fund interest rate fluctuations and £5.7Million was set aside in an allocated reserve to allow for interest rate changes. The recent HRA MTFS set the minimum level of balances for the HRA as £2.985Million.

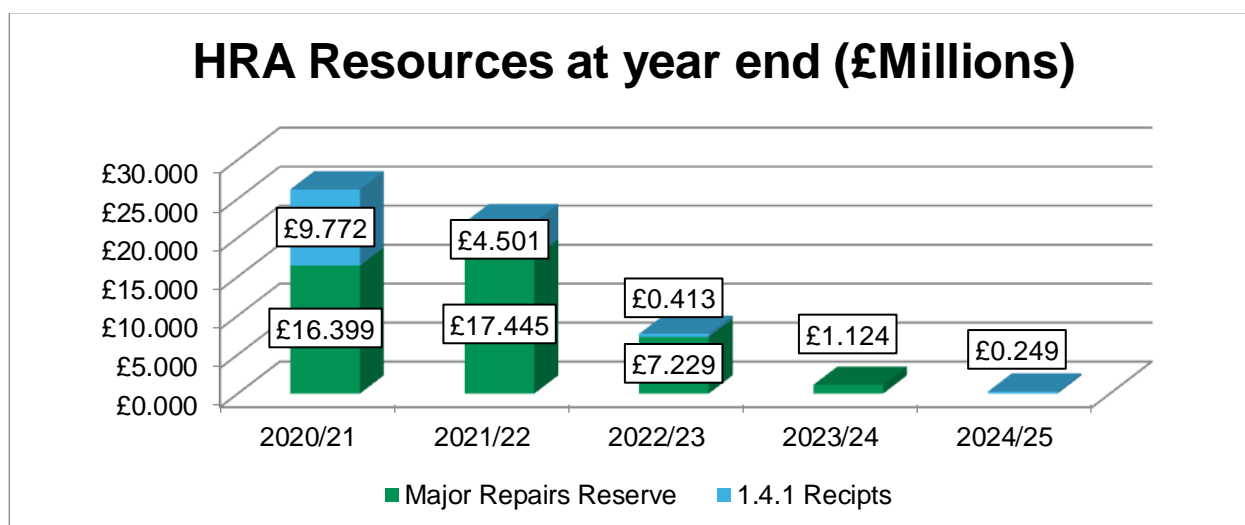
4.9.4 The HRA capital programme funding had been based on 35 Right to Buy (RTB) sales per year (2019/20 onwards) and was initially reduced to 24 for 2020/21 due to a reduction in house sale following restrictions under the first period of lockdown; however this has since been revised upwards to 27 sales based on

expressions of interest. RTB's have fluctuated since self-financing was introduced and in 2020/21 (up to 10/02/2021) there have been 15 RTB sales.



- 4.9.5 There have been no government policy changes impacting the HRA in the last year. The outcome of the Government's consultation on 'Use of Right to Buy (RTB) Receipts' and increasing the flexibility around their usage has still not been concluded. However, local authorities have been allowed to retain their receipts between April 2020 and March 2021 (recently extended from December 2020), without penalties, due to the impact of the COVID pandemic on development schemes. The Government has also issued a consultation, in November, asking for authorities' current position on the use of receipts. This may lead to a further extension of the repayment timetable, but this is not known at this time. As there has not been any formal conclusion to the last Government consultation process, future policy regarding the RTB system is not known and this continues to impede the use of the receipts.
- 4.9.6 The borrowing forecast for 2019/20 was £7.057Million (£8.557in the HRA BP less £1.5Million slipped to 2020/21), of which £4.010Million external borrowing was taken. None of the 23.802Million borrowing forecast for 2020/21 has been taken externally to date. There are forecast savings on interest payable totalling £0.508Million in 2020/21 and up to £1.707Million over the next four years, against the assumed new borrowing, due to loans having been deferred and to the changes to current and forecast interest rates.
- 4.9.7 A variable element of the resources available at year end is restricted use 1-4-1 receipts as shown in the following chart. As set out in paragraph 4.9.5, the government announced a temporary relaxation of the deadline by which these receipts needed to be spent or returned with interest. The chart sets out the

current forecast position. In addition there are revenue contributions which were set aside in the HRA BP of which not all have been utilised.



4.9.8 The IT Strategy requests are for the HRA share of the costs associated with the joint ICT Partnership Strategy between East Herts Council and Stevenage Borough Council). £13k of the request relates to a legislative requirement. The general apportionment used for the SBC share of these costs is 67% General Fund and 33% HRA, so both the General Fund and HRA budget elements are required.

4.9.9 Given the slippage identified and the level of unrestricted HRA resources available it is recommended that these budget increases are approved. The revised Capital Strategy for 2020/12-2024/25 including the slippage identified and the budget increases is set out in detail in Appendix E.

4.10 De Minimis Level for Capital Expenditure 2021/22

4.10.1 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.

4.10.2 The limit set for 2021/22 remains unchanged at £5,000 in the Final Capital Strategy; this applies to a scheme value rather than an individual transaction.

4.11 Contingency Allowance for 2021/22

4.11.1 The contingency allowance for 2020/21 is £250,000, the contingency proposed for 2021/22 remains 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.

4.11.2 The contingency allowance for 2020/21 in 2020/21 is £500,000 in relation 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 recommended to remain at the same level of £500,000 for 2021/22.

- 4.11.3 Separate to the contingency allowance in paragraph 4.11.1, the CFO proposes that Executive or Portfolio Lead/Leader of the Council be given delegation to approve increases to the capital programme for grant funded projects, when external funding sources have been secured. Officers propose a contingency allowance of £5,000,000 were a scheme is fully funded from 3rd party contribution/grant.

4.12 Property Appropriations between General Fund and HRA

- 4.12.1 Assets may be transferred between the General Fund and the Housing Revenue Account when they are no longer required for the purpose for which they were previously held, in order to allow the most appropriate use of these assets. For example a former underused General Fund asset could be redeveloped for new HRA properties. However in doing so no capital receipt is gained for the Council. The value of the land swap is recognised in the capital financing requirement (CFR) for each fund (ie the level of indebtedness of each fund), while overall the Council's CFR remains unchanged.
- 4.12.2 An appropriation from the General Fund to the HRA results in;
- i) an increase in the HRA's CFR
 - ii) a decrease in the General Fund's CFR
 - iii) the loss of a capital receipt and/or rental for the asset transferred to the HRA.
- 4.12.3 Appropriation between the funds needs Member approval and as such officers are seeking approval for the transfer of Dunn Close garage block from the General Fund to the HRA in 2021/22 for the reason of redeveloping the site for new HRA properties as per Recommendation 2.14. The transfer value is estimated to be £585K but a valuation is to be obtained.

4.13 Update following Audit Committee and Executive

- 4.13.1 The Capital Strategy has been updated with the latest information since this reports was presented at the Executive meeting of 10 February with year-end GF receipt balance now £638k in 21/22 and £751k in 22/23.
- 4.13.2 To improve the levels of resources available at year end an assessment of the GF year end balances position will be taken to determine whether any unplanned underspends that arise could be used to improve the financial position for capital or whether they should remain as a revenue resilience measure.

5 IMPLICATIONS

5.1 Financial Implications

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

5.2 Legal Implications

- 5.2.1 None identified at this time

5.3 Equality and Diversity Implications

- 5.3.1 This report is of a technical nature reflecting the projected spend for the year for the General Fund 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.
- 5.3.2 Schemes contained within the capital programme will have an EQIA particularly those relating to housing schemes.

5.4 Risk Implications

- 5.4.1 The significant risks associated with the capital strategy are largely inherent within this report.
- 5.4.2 A significant risk exists that works deferred due to lack of funding become urgent in year, requiring completion on grounds of health and safety. A reasonable assessment has been made in the prioritisation process to try to keep this risk to a minimum, and these schemes are monitored by Assets and Capital Board.
- 5.4.3 There is a risk in achieving the level of qualifying spend, including Grants to Registered Providers, to fully utilise retained one for one receipts. Should qualifying schemes slip or new schemes fail to be developed the three year deadline for spending these receipts will not be met and will have to be returned to the Government plus interest (base rate plus 4%). Should the new schemes and/or purchases slip or fail to be delivered there is a risk that one for one receipt will have to be returned and interest payments made.
- 5.4.4 There are risks around achieving the level of disposals budgeted for. The estimated dates of receipts very much rely on a series of steps being successful at estimated dates. The level of receipts for the General Fund is a significant source of funding for its capital programme. The Council manages this risk by reviewing and updating the Strategy quarterly, including resources where a sale is likely to complete. This will enable action to be taken where a receipt looks doubtful.
- 5.4.5 There is considerable uncertainty about the potential for the Council to receive further government funding. The position regarding COVID losses and the cost of recovery is also uncertain at this time as we are in the second national lockdown. The Council must keep Strategy in place under review, to address the financial impacts due the likely level of losses and the increased certainty that income levels are going to be challenging to achieve for some time to come. This would have an impact on the Capital Programme as well as the Council's revenue budgets.

- 5.4.6 There are risks around achieving the level of Locality Review Receipts budgeted for, which are required to replace NHB funding and contributions from Revenue underspends.

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 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 Draft Capital Strategy (January 2021 Executive)
- BD2 Final HRA and Rent Setting Report 2021/22 (January 2021 Executive)
- BD3 Housing Revenue Account Medium Term Financial Strategy Update (2020/21 - 2024/25) (November 2020 Executive)
- BD4 HRA Business Plan 2020 update (December 2019 Executive)

Appendices

- A - Final Capital Strategy 21/22 General Fund Growth Bids
- B - Final Capital Strategy 21/22 General Fund Slippage & Savings
- C - Final Capital Strategy 21-22 HRA budget requests
- D - GF Final Capital Strategy
- E - HRA Final Capital Strategy
- F - Commercial Investment Strategy

APPENDIX A - GENERAL FUND

Scheme	H&S or Legislative	2021/2022	2022/2023	2023/2024	2024/2025
		Growth Bid £	Growth Bid £	Growth Bid £	Growth Bid £
Stevenage Direct Services					
<u>Vehicle/Plant replacement Programme</u>					
Applied Sweeper LK18 HCF			5,800		
Applied sweeper green machine LK18 HCE			5,800		
Replacement for Cemeteries Dump Truck			15,000		
Food collection vehicles (x5)			425,000		
Westin Road ABS Pump	Legislative			5,500	
Stevenage Direct Services Growth Bids		0	451,600	5,500	0
<u>Finance & Estates</u>					
new Management software		75,000	45,000	45,000	45,000
EPC Surveys	Legislative	120,000			
EPC remedials	Legislative	20,000			
Building condition and Insurance valuation Survey	Legislative	150,000			
Finance & Estates Growth Bids		365,000	45,000	45,000	45,000
<u>Housing and Investment</u>					
<u>Community Centres</u>					
Springfield House CC - New additional heating	Health & Safety	0			
<u>Cemeteries</u>					
Weston Road cemetery - wall repairs		0			
<u>Other</u>					
Multi Storey Car Park - Installation of emergency lighting	Health & Safety	50,000			
<u>Council Offices</u>					
Daneshill House - New boiler flue installation	Health & Safety	0			
<u>Operational Buildings</u>					
BTC: replacement air handling units				70,000	
Housing & Investment Growth Bids		50,000	0	70,000	0
<u>IT Strategy</u>					
Core ICT Equipment for Additional Staff		70,000	70,000		
2012 Migration Servers	Legislative	26,130			
IT Strategy Growth Bids		96,130	70,000	0	0
TOTAL GROWTH BIDS		511,130	566,600	120,500	45,000
Growth bids relating to H&S or legislative reasons		366,130	425,000	0	0
Other growth bids		145,000	141,600	120,500	45,000
Total growth bids		511,130	566,600	120,500	45,000

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APPENDIX B - GENERAL FUND

BOROUGH COUNCIL

Scheme		2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	TOTAL
		Savings & Slippage	Savings & Slippage	Savings & Slippage	Savings & Slippage	Savings & Slippage	Savings & Slippage
		£	£	£	£	£	£
<u>Stevenage Direct Services</u>							
Green Space Access Infrastructure	Slippage		(88,000)	88,000			0
Garages	Slippage		(2,204,046)	313,323	1,890,723		0
<u>Vehicle/Plant replacement Programme</u>							
Vehicle replacement for LN58UJS (RANGER TDCI)	Slippage	(26,000)	26,000				0
LM58JWG LF55.220	Slippage	(77,500)	77,500				0
LK08PVT FAD CF85 410	Slippage	(120,000)	120,000				0
Vehicle replacement for the Johnston 401 LJ17 EHL	Slippage		(125,000)	125,000			0
Vehicle replacement for KC57NNR (Fiesta)	Slippage		(12,000)	12,000			0
Vehicle replacement for KE008ACU (Fiesta)	Slippage		(12,000)	12,000			0
Can Balers (x2)	Slippage		(20,000)	20,000			0
<u>Finance & Estates</u>							
Garage Site Assembly	Slippage	(45,000)	45,000				0
IDOX Property Management Software	Saving	(17,200)					(17,200)
Commercial Properties Refurbishment (MRC Programme)	Saving	72,550	(186,020)	(31,270)	29,750		(114,990)
Works to improve vacant premises prior to re-letting	Slippage	(40,000)	40,000				0
<u>Housing and Investment</u>							
Cavendish Depot - Renovation/Yard Drainage	Slippage	(90,000)					(90,000)
Depots: Urgent and H&S Works	Slippage	(150,000)	240,000				90,000
Depots: Planned Preventative Works (incl £500k reroof)	Slippage	(30,000)		30,000			0
BTC Planned Preventative Works	Slippage	(200,000)	170,000		30,000		0
<u>Community & Neighbourhoods</u>							
Arts and Leisure Centre - Pipework	Saving	(60,630)					(60,630)
Bandley Hill Play Centre - Fencing Replacement	Saving	(3,000)					(3,000)
Pin Green Play Centre Equipment	Saving	(15,000)					(15,000)
Leisure Stock Condition	Slippage		(20,000)	20,000			0
Fairlands Valley Park Sailing Centre - Boathouse	Slippage	12,000	(12,000)				0
<u>Planning & Regulatory</u>							
Parking Restrictions	Saving		(10,000)	(10,000)	(10,000)	(10,000)	(40,000)
Hard standings	Saving		(25,000)	(25,000)	(25,000)	(25,000)	(100,000)
TOTAL SLIPPAGE & SAVINGS							
SLIPPAGE		(766,500)	(1,774,546)	620,323	1,920,723	0	0
SAVINGS		(23,280)	(221,020)	(66,270)	(5,250)	(35,000)	(350,820)
TOTAL SLIPPAGE & SAVINGS		(789,780)	(1,995,566)	554,053	1,915,473	(35,000)	
Other Changes:							
Investment Property		(13,244,050)					

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APPENDIX C - HOUSING CAPITAL STRATEGY

	2021/2022	2022/2023	2023/2024	2024/2025	TOTAL
Scheme	H&S or Legislative requirement	Revised Budget £	Revised Budget £	Revised Budget £	Revised Budget £
SPECIAL PROJECTS & EQUIPMENT					
HRA Equipment					
Capital Equipment (including Supported Housing Equipments)		25,000	25,000	25,000	100,000
TOTAL Special Projects & Equipment Budget Requests		25,000	25,000	25,000	100,000
IT Strategy					
Core ICT Equipment for Additional Staff		30,000	30,000		60,000
2012 Migration Servers	Legislative	12,870			12,870
IT Strategy Budget Requests		42,870	30,000	0	72,870
Housing IT					
Housing All Under One Roof programme (HAUOR)					
Housing Improvements - Northgate online		21,870			21,870
On-Line Housing Application Form - RAPID KZ107		9,090			9,090
Housing Document Management System		32,440			32,440
subtotal HAUOR Growth Bids		63,400	0	0	63,400
ICT Programme (Business Plan)		72,383			72,383
Total Housing IT Budget Requests		135,783	0	0	135,783
TOTAL		203,653	55,000	25,000	308,653
IT Strategy		42,870	30,000	0	72,870
HRA specific IT & Digital		135,783	0	0	135,783
HRA Equipment		25,000	25,000	25,000	100,000
TOTAL		203,653	55,000	25,000	308,653

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BG9



		2020/2021				2021/2022			2022/2023			2023/2024	2024/2025
Cost Centre	Scheme	January Draft Budget £	February Final Revised Budget £	Actuals Periods 1-9 £	Variance Draft v Final Budget £	January Draft Budget £	February Final Revised Budget £	Variance Draft v Final Budget £	January Draft Budget £	February Final Revised Budget £	Variance Draft v Final Budget £	February Final Revised Budget £	February Final Revised Budget £
BG902	General Funds Receipts												
	Unallocated B/fwd	(3,812,600)	(3,812,600)		0	(1,224,899)	(813,803)	411,096	(0)	(637,969)	(637,969)	(750,640)	(2,411,362)
	In Year Receipts	(2,932,239)	(2,433,759)		498,480	(4,675,000)	(5,185,480)	(510,480)	(4,683,840)	(5,327,040)	(643,200)	(23,556,500)	(13,384,000)
	Used in Year	4,929,201	4,841,817		(87,384)	4,581,646	4,743,053	161,407	3,736,456	4,208,349	471,893	18,841,972	13,692,087
	Ring Fenced Receipts Used to Repay ST Borrowing	590,739	590,739		0	1,318,252	618,260	(699,992)	947,384	1,006,020	58,636	3,053,806	0
	General Fund Receipts Unallocated C/fwd	(1,224,899)	(813,803)		411,096	(0)	(637,969)	(637,969)	(0)	(750,640)	(750,640)	(2,411,362)	(2,103,275)
	Locality Review receipts												
	Unallocated B/fwd				0	0	0	0	(1,033,200)	(1,033,200)	0	(2,231,400)	(2,276,200)
	In Year Receipts				0	(1,507,200)	(1,507,200)	0	(1,963,200)	(1,963,200)	0	(988,800)	0
	Used in Year	0	0		0	474,000	474,000	0	765,000	765,000	0	944,000	724,000
	Receipts Unallocated C/fwd	0	0		0	(1,033,200)	(1,033,200)	0	(2,231,400)	(2,231,400)	0	(2,276,200)	(1,552,200)
BG905	Previously ringfenced regeneration receipts												
BG903 & BG916	Unallocated B/fwd	(508,376)	(508,376)		0			0			0		
	Used in Year	508,376	508,376		0			0			0		
	Reserve Unallocated C/fwd	0	0		0			0			0		
	Capital Reserve												
	Unallocated B/fwd	(1,094,000)	(1,094,000)		0	(749,704)	(1,251,070)	(501,366)	(0)	(0)	0	0	(350,000)
	In Year Resource	(804,863)	(804,863)		0	(617,886)	(617,886)	0	(899,153)	(899,153)	0	(725,280)	(729,033)
	Used in Year	1,149,159	647,793		(501,366)	1,367,589	1,868,955	501,366	899,153	899,153	0	375,280	379,033
	Capital Reserve Unallocated C/fwd	(749,704)	(1,251,070)		(501,366)	(0)	(0)	0	0	0	0	(350,000)	(700,000)

APPENDIX D - GENERAL FUND CAPITAL STRATEGY

		2020/2021				2021/2022			2022/2023			2023/2024	2024/2025
Cost Centre	Scheme	January Draft Budget £	February Final Revised Budget £	Actuals Periods 1-9 £	Variance Draft v Final Budget £	January Draft Budget £	February Final Revised Budget £	Variance Draft v Final Budget £	January Draft Budget £	February Final Revised Budget £	Variance Draft v Final Budget £	February Final Revised Budget £	February Final Revised Budget £
Page 217	Stevenage Direct Services												
	<u>Parks & Open Spaces</u>												
	KC218 Hertford Road Play Area (S106 Funded)	25,000	25,000	0	0			0			0		
	KE911 Play Area Improvement Programme	42,030	42,030	0	0	243,000	243,000	0	283,500	283,500	0	220,000	
	KE097 Litter bins	0	0	0	0	103,000	103,000	0	83,000	83,000	0	10,000	4,000
	KE329 Play Areas Fixed Play	30,810	30,810	0	0	10,000	10,000	0			0		
	KE494 Green Space Access Infrastructure			0		60,000	60,000	0	241,000	241,000	0	128,000	128,000
	<u>Other</u>												
	KG002 Garages	1,065,000	476,250	450,990	(588,750)	2,265,720	2,854,470	588,750	2,265,720	2,265,720	0	2,265,720	
	KS263 Waste and Recycling System	63,700	63,700	36,900	0	19,000	19,000	0			0		
	KE519 FVP Dam Works	32,000	32,000	3,153	0			0			0		
	KE520 Welfare improvements at out based hubs	10,000	10,000	0	0			0			0		
	<u>Vehicles, Plant, Equipment</u>												
	KE349 Waste Receptacles	15,000	15,000	15,048	0								
	KE497 Trade Waste Containers	20,000	20,000	0	0	20,000	20,000	0	20,000	20,000	0	20,000	
	Various Vehicle/Plant replacement Programme - see Appendix A1	719,350	719,350	476,071	0	303,500	303,500	0	285,400	285,400	0	705,000	
	Total Stevenage Direct Services	2,022,890	1,434,140	982,161	(588,750)	3,024,220	3,612,970	588,750	3,178,620	3,178,620	0	3,348,720	132,000
	<u>Housing Development Scheme (Joint GF/HRA)</u>												
	KG030 Grants To Registered Providers contingency	1,280,000	1,280,000	0	0								
	KG032 Building Conversion into New Homes - Ditchmore Lane	37,590	37,590	27,864	0								
	Various Housing Development Schemes (Joint GF/HRA)	860,050	860,050	554,476	0	3,730,886	3,789,522	58,636	8,874,818	8,874,818	0	8,334,474	
	KG038 Wholly Owned Housing Development Company (WOC)	2,284,370	0	0	(2,284,370)		3,214,147	3,214,147	2,506,990	4,381,789	1,874,799	169,244	0
	Total Housing Development (including grants to Registered Providers)	4,462,010	2,177,640	582,339	(2,284,370)	3,730,886	7,003,669	3,331,419	11,381,808	13,256,607	1,874,799	8,503,718	574,900
	<u>Finance & Estates</u>												
	KG025 Garage Site Assembly	0	0	0	0	45,000	0	(45,000)			0		
	GROWTH new Management software					75,000	75,000	0	0	0	0	0	0
	KR916 Commercial Properties Refurbishment (MRC Programme)	448,110	448,110	0	0	189,540	189,540	0	29,750	29,750	0	29,750	
	KR150 Works to improve vacant premises prior to re-letting	0	0	1,346	0	55,000	55,000	0	15,000	15,000	0	15,000	15,000
	GROWTH EPC Surveys				0	120,000	120,000	0			0		
	GROWTH EPC remedials				0	20,000	20,000	0			0		
	GROWTH Building condition and Insurance valuation Survey				0	150,000	150,000	0			0		
	Total Finance & Estates	448,110	448,110	1,346	0	654,540	609,540	(45,000)	44,750	44,750	0	44,750	15,000

APPENDIX D - GENERAL FUND CAPITAL STRATEGY

		2020/2021				2021/2022			2022/2023			2023/2024	2024/2025
Cost Centre	Scheme	January Draft Budget £	February Final Revised Budget £	Actuals Periods 1-9 £	Variance Draft v Final Budget £	January Draft Budget £	February Final Revised Budget £	Variance Draft v Final Budget £	January Draft Budget £	February Final Revised Budget £	Variance Draft v Final Budget £	February Final Revised Budget £	February Final Revised Budget £
	Corporate Projects, Customer Services & Technology												
	IT General												
KS268	Infrastructure Investment	900,560	900,560	136,253	0	271,720	271,720	0	104,220	104,220	0	104,220	104,220
GROWTH	Core ICT Equipment for Additional Staff				0	70,000	70,000	0	0	0	0		
GROWTH	2012 Migration Servers				0	26,130	26,130	0			0		
	Total IT General	900,560	900,560	136,253	0	367,850	367,850	0	104,220	104,220	0	104,220	104,220
	Connected to Our Customer (CTOC)												
KS271	Corporate Website - Redesign	64,630	64,630	558	0	680	680	0			0		
KS274	New CRM Technology	102,860	102,860	23,750	0	1,000	1,000	0			0		
	Total CTOC	167,490	167,490	24,309	0	1,680	1,680	0	0	0	0	0	0
	Total Corporate Projects, Customer Services & Technology	1,068,050	1,068,050	160,561	0	369,530	369,530	0	104,220	104,220	0	104,220	104,220
	Housing and Investment												
	Community Centres												
KE902	Community Centres General	12,590	12,590	10,771	0			0			0		
KE471	St Nicholas - Boiler and Hot Water Installation Upgrade	0	0	2,189	0			0			0		
KE484	Springfield House - Boiler upgrade	0	0	(11,449)	0			0			0		
KE488	Springfield House - Boundary Wall	2,700	2,700	2,706	0			0			0		
GROWTH	Springfield House CC - New additional heating				0	10,000	0	(10,000)			0		
KE528	Community Centres: 2019/20 Backlog H&S Works	12,850	12,850	485	0			0			0		
KE529	Community Centres Urgent and H&S Works	21,000	21,000	3,347	0	33,500	33,500	0	60,000	60,000	0		
KE525	CC	40,000	40,000	18,579	0								
	Park Pavilions												
KE907	Park Pavilions General	7,360	7,360	7,620	0			0			0		
	Cemeteries												
KE904	Cemetery Buildings			(626)									
GROWTH	Weston Road cemetery - wall repairs				0	10,000	0	(10,000)			0		
	Depots												
KE526	Depots: Urgent and H&S Works	140,000	140,000	14,602	0	240,000	240,000	0			0		
KE527	Depots: Planned Preventative Works (incl £500k reroof)	0	0	1,591	0	475,000	475,000	0	55,000	55,000	0		
	Other												
Growth	MSCP: Urgent and H&S Works							0	20,000	20,000	0		
GROWTH	Multi Storey Car Park - Installation of emergency lighting					50,000	50,000	0			0		
	Council Offices												
KR141	Corporate Buildings - Essential Health & Safety Electrical Works	10,730	10,730	7,828	0			0			0		
KR149	Daneshill House - Test & Risk Assessment Remedial Works	90,490	90,490	90,284	0			0			0		
KR151	Daneshill: 2019/20 Backlog Urgent and H&S Works	0	0	17,102	0	18,000	18,000	0			0	65,000	
	Daneshill: Urgent and H&S Works	45,000	45,000		0			0			0		
GROWTH	Daneshill House - New boiler flue installation				0	22,000	0	(22,000)			0		

APPENDIX D - GENERAL FUND CAPITAL STRATEGY

		2020/2021				2021/2022			2022/2023			2023/2024	2024/2025
Cost Centre	Scheme	January Draft Budget £	February Final Revised Budget £	Actuals Periods 1-9 £	Variance Draft v Final Budget £	January Draft Budget £	February Final Revised Budget £	Variance Draft v Final Budget £	January Draft Budget £	February Final Revised Budget £	Variance Draft v Final Budget £	February Final Revised Budget £	February Final Revised Budget £
	Housing and Investment cont.												
	Operational Buildings												
KE503	Indoor Market - Urgent Health & Safety Works	13,900	13,900	3,698	0			0			0		
KR917	BTC - Roof Replacement Preliminary Works	11,090	11,090	418	0			0			0		
KR152	BTC 2019/20 Backlog H&S Works	30,000	30,000	1,132	0			0			0		
KR153	BTC Urgent and H&S Works	100,000	100,000	3,772	0	38,000	38,000	0			0		
KR154	BTC Planned Preventative Works	56,000	56,000	4,125	0	176,000	176,000	0	172,000	172,000	0	122,000	60,000
	Town Centre												
KR138	Town Square Assets - Condition Survey	2,000	2,000	(620)	0			0			0		
KE504	Station Ramp	35,000	35,000	26,157	0			0			0		
	Total Housing and Investment	630,710	630,710	203,530	0	1,072,500	1,030,500	(42,000)	307,000	307,000	0	187,000	60,000
	Regeneration												
KE384	Town Centre Improvements Phase 2 incl Wayfinding signage	0	0	5,607									
Various	Land Assembly (GD1)	548,300	548,300		0			0			0		
KE439	Town Square Improvements (GD1)	2,917,570	2,917,570	2,963,200	0			0			0		
KE466	Bus Interchange (GD3)	9,210,390	6,210,390	1,948,823	(3,000,000)		3,000,000	3,000,000			0		
KE533	Multi Storey Car Park (GD3) 'Sustainable Transport'	1,100,000	1,100,000	5,150	0			0			0		
KE534	Town Centre Improvements (GD3) 'SG1 Acceleration Works'	2,110,000	2,110,000	0	0			0			0		
KE535	Town Fund Delivery - North Block fit-out	1,500,000	1,500,000	0	0			0			0		
KE506	Public Sector Hub	200,000	200,000	201,551	0	900,000	900,000	0	2,474,000	2,474,000	0	13,384,000	13,384,000
	Total Regeneration	17,586,260	14,586,260	5,742,460	(3,000,000)	900,000	3,900,000	3,000,000	2,474,000	2,474,000	0	13,384,000	13,384,000
	Community & Neighbourhoods												
KC900	Arts and Leisure Centre - Pipework	180,000	180,000	79,084	0			0			0		
KC202	Fairlands Valley Park - Aqua			0		11,361	11,361	0			0		
KC224	Leisure Stock Condition			0		0	0	0	20,000	20,000	0		
KC229	Bandley Hill Play Centre - Fencing Replacement	5,000	5,000	4,736	0			0			0		
KC230	Pin Green Play Centre Equipment	20,000	20,000	0	0			0			0		
KE224	CCTV - Replacement Cameras	13,300	13,300	13,634	0	5,000	5,000	0	5,000	5,000	0	5,000	5,000
KE507	Cycleways Installations (subject to £100k Arts Council grant bid)			0		10,000	10,000	0			0		
KC232	SALC and the Swim Centre Urgent and H&S Works	60,000	60,000	2,953	0	280,000	280,000	0	100,000	100,000	0		
GROWTH	Stevenage Arts & Leisure Est 20 electrical distribution boards							0			0	30,000	
KC231	SALC, Swim Centre, and Fairlands Valley Sailing Centre 2019/20 Backlog H&S	73,500	73,500	3,669	0			0			0		
KC233	Stevenage Arts & Leisure Water leak	30,000	30,000	2,258	0			0			0		
KC234	Fairlands Valley Park Sailing Centre - Boathouse	12,000	12,000	0	0	0	0	0			0		
GROWTH	Stevenage Swimming Centre Pool circulation pumps							0			0		15,000
GROWTH	Stevenage Swimming Centre Electrical distribution boards							0			0	25,000	
GROWTH	SLL Leisure management - end of contract capital provision							0	150,000	150,000	0		
KC235	Boat house as essential H&S works for dry rot	0	0	0	0	15,000	15,000	0			0		
	Total Community & Neighbourhoods	393,800	393,800	106,335	0	321,361	321,361	0	275,000	275,000	0	60,000	20,000

APPENDIX D - GENERAL FUND CAPITAL STRATEGY



		2020/2021				2021/2022			2022/2023			2023/2024	2024/2025
Cost Centre	Scheme	January Draft Budget £	Febuary Final Revised Budget £	Actuals Periods 1-9 £	Variance Draft v Final Budget £	January Draft Budget £	Febuary Final Revised Budget £	Variance Draft v Final Budget £	January Draft Budget £	Febuary Final Revised Budget £	Variance Draft v Final Budget £	Febuary Final Revised Budget £	Febuary Final Revised Budget £
	Planning & Regulatory												
KE119	Off Street Car Parks (Multi Storey Car Parks)			507	0	250,000	250,000	0	250,000	250,000	0	250,000	250,000
KE508	Multi-storey Car Park - New Entrances/Resurfacing	1,450	1,450	0	0			0			0		
KE530	Car Park Equipment - Digitalisation	20,000	20,000	0	0			0			0		
KE516	Town Centre Ramps Improvements	27,000	27,000	7,124	0			0			0		
KE201	Hard standings			0		25,000	25,000	0	25,000	25,000	0	25,000	25,000
KE100	Residential Parking			137		23,160	23,160	0			0		
KE470	Electric Car Charging Points	15,000	15,000	10,221	0			0			0		
KE217	Parking Restrictions	10,000	10,000	19,156	0	15,000	15,000	0	15,000	15,000	0	15,000	15,000
KE443	Parking Enforcement - Old Town Permit Parking Area Implementation	10,680	10,680	6,130	0	0	0	0			0		
KE444	Coreys Mill Lane - Additional Parking Capacity	2,000	2,000	1,317	0	24,000	24,000	0			0		
KE531	Workplace Travel Plan	0	0	0	0	15,000	15,000	0	15,000	15,000	0	15,000	15,000
KG010	House Renovation/Improvement Grants	0	0	(681)	0								
	Total Planning & Regulatory	86,130	86,130	43,911	0	352,160	352,160	0	305,000	305,000	0	305,000	305,000
KR911	Deferred Works Reserve	53,000	53,000	0	0	200,000	200,000	0	200,000	200,000	0	200,000	200,000

Cost Centre	Scheme	2020/2021				2021/2022	2022/2023	2023/2024	2024/2025
		January Draft Revised Budget	February Final Revised Budget	Actuals to 31 Dec 2020	Variance Working v Revised Budget	February Final Revised Budget	February Final Revised Budget	February Final Revised Budget	February Final Revised Budget
		£	£	£	£	£	£	£	£
BH930 BH901 BH903 BH905	SUMMARY								
	Capital Programme Excluding New Build	20,569,980	20,569,980	9,809,105		21,822,260	18,532,220	17,155,630	15,082,650
	Special Projects & Equipment	149,500	149,500	9,660		25,000	25,000	25,000	25,000
	New Build (Housing Development)	10,256,970	9,958,901	4,141,615	(298,069)	30,177,240	38,219,770	20,024,080	13,589,310
	IT Including Digital Agenda	922,020	922,020	270,993		463,050	81,330	51,330	51,330
	TOTAL HRA CAPITAL PROGRAMME	31,898,470	31,600,401	14,231,372	(298,069)	52,487,550	56,858,320	37,256,040	28,748,290
	HRA USE OF RESOURCES								
	MRR (Self Financing Depreciation)	1,256,664	958,595		(298,069)	11,797,522	23,369,500	19,911,723	15,606,690
	Land Receipts	400,000	400,000				6,450,000		
	New Build Receipts	1,946,100	1,946,100			8,842,605	7,822,020	4,315,075	3,967,734
	Debt Provision Receipts	770,638	770,638			898,217	936,391	975,881	1,058,398
	Section 20 Contribution	3,173,114	3,173,114			1,364,190	1,381,733	73,361	567,636
	Borrowing	23,802,670	23,802,670			26,602,339	15,640,000	11,980,000	
	S106						62,091		
	Developer Contributions (Kenilworth)	549,283	549,283			2,982,677	1,196,585		
	Revenue Contribution to Capital								7,547,832
	TOTAL HRA RESOURCES FOR CAPITAL	31,898,470	31,600,401		(298,069)	52,487,550	56,858,320	37,256,040	28,748,290
		0	0						
	Major Repair Reserve Bought Forward (BH930)	(4,871,251)	(4,871,251)			(16,399,079)	(17,444,818)	(7,229,499)	(1,123,926)
	Depreciation (increasing MRR)	(12,486,424)	(12,486,424)			(12,843,261)	(13,154,181)	(13,806,151)	(14,482,764)
	MRR Used (decreasing MRR)	1,256,664	958,595		(298,069)	11,797,522	23,369,500	19,911,723	15,606,690
	Major Repair Reserve Carried Forward	(16,101,010)	(16,399,079)		(298,069)	(17,444,818)	(7,229,499)	(1,123,926)	(0)
	Total RTB Receipts Bought Forward	(10,470,269)	(10,470,269)			(9,772,454)	(4,501,356)	(413,084)	1
	Total RTB Receipts Received	(3,698,923)	(3,698,923)			(4,469,724)	(11,120,139)	(4,877,871)	(5,275,185)
	Total RTB Receipts Used by General Fund (RP)	1,280,000	1,280,000						
	Debt Provision Receipts Used for Provision of Interest on Repaid One for One Receipts								
	Total RTB Receipts Used by HRA & General Fund (for RP)	3,116,738	3,116,738			9,740,822	15,208,411	5,290,956	5,026,132
	Total RTB Receipts Carried Forward	(9,772,454)	(9,772,454)			(4,501,356)	(413,084)	1	(249,052)

Cost Centre	Scheme	2020/2021				2021/2022	2022/2023	2023/2024	2024/2025
		January Draft Revised Budget £	February Final Revised Budget £	Actuals to 31 Dec 2020 £	Variance Working v Revised Budget £	February Final Revised Budget £	February Final Revised Budget £	February Final Revised Budget £	February Final Revised Budget £
KH157 Various Various Various Various KH205 KH092 KH287 KH291 KH294 Future Yea Future Yea KH085 NEW KH112 KH114 KH144 KH223 KH224 NEW KH174 KH094	CAPITAL PROGRAMME EXCL. NEW BUILD								
	Planned Investment including Decent Homes								
	Decent Homes - Redecs								
	Decent Homes - Internal/External Works	1,200,000	1,200,000	350,878		2,620,000	2,257,060	5,450,000	6,750,000
	Decent Homes External Works								
	Decent Homes - Roofing								
	Decent Homes - Flat Blocks	12,834,650	12,834,650	7,382,913		12,095,280	11,000,000	6,600,000	2,000,000
	Communal Heating	1,881,560	1,881,560	280,500		1,450,000			
	Lift Installation - Inspection & Remedial Works	741,550	741,550	223,191		650,000	300,000		
	Temporary Lift Provision - Flat Blocks								
	Sprinkler Systems - Flat Blocks	421,640	421,640	(14,775)		1,500,000			
	High Rises - Preliminary Works	190,000	190,000	124,370					
	High Rises - Improvement Works						1,750,000	1,750,000	1,750,000
	New Schemes to be created								215,260
	Health & Safety								
	Fire Safety	80,410	80,410	71,842		80,410	85,000	85,000	500,000
	Additional fire stopping works					838,500	877,070	917,420	959,620
	Asbestos Management	375,250	375,250	129,907		300,000	300,000	300,000	300,000
	Subsidence	101,290	101,290	40,365		101,290	100,000	100,000	100,000
	Contingent Major Repairs	549,670	549,670	210,594		350,000	340,000	365,440	500,000
	Estate & Communal Area								
	Asset Review - Challenging Assets	569,230	569,230	62,004		856,780	857,770	857,770	857,770
	Asset Review - Sheltered (non RED)	630,130	630,130	482,125					
	Other HRA Schemes								
	Stock condition Surveys					60,000	60,000	60,000	80,000
	Energy Efficiency Pilot Projects	24,600	24,600	3,373		70,000	20,000	20,000	420,000
	Disabled Adaptations	970,000	970,000	461,818		850,000	585,320	650,000	650,000
	TOTAL CAPITAL PROGRAMME EXCL. NEW BUILD	20,569,980	20,569,980	9,809,105		21,822,260	18,532,220	17,155,630	15,082,650
KH015 GROWTH KH278	SPECIAL PROJECTS & EQUIPMENT								
	HRA Equipment								
	Capital Equipment (including Supported Housing Equip)	24,500	24,500						
	Capital Equipment (including Supported Housing Equip)					25,000	25,000	25,000	25,000
	Vans for RVS	125,000	125,000	9,660					
	Sub Total Special Projects & Equipment	149,500	149,500	9,660		25,000	25,000	25,000	25,000

Cost Centre	Scheme	2020/2021				2021/2022	2022/2023	2023/2024	2024/2025
		January Draft Revised Budget £	February Final Revised Budget £	Actuals to 31 Dec 2020 £	Variance Working v Revised Budget £	February Final Revised Budget £	February Final Revised Budget £	February Final Revised Budget £	February Final Revised Budget £
	<u>CAPITAL PROGRAMME NEW BUILD</u>								
	New Build Programme - eligible for 1-4-1	6,487,000	6,487,000	1,343,112		29,475,350	26,073,400	18,268,990	13,225,780
	New Build Programme - ineligible	3,769,970	3,471,901	2,798,502	(298,069)	701,890	12,146,370	1,755,090	363,530
	Build for sale								
	TOTAL CAPITAL PROGRAMME NEW BUILD	10,256,970	9,958,901	4,141,615	(298,069)	30,177,240	38,219,770	20,024,080	13,589,310
KH268	<u>INFORMATION TECHNOLOGY</u>								
	<u>IT General (IT)</u>								
GROWTH	Infrastructure Investment	404,550	404,550	64,909		133,830	51,330	51,330	51,330
GROWTH	Core ICT Equipment for Additional Staff					30,000	30,000		
	2012 Migration Servers					12,870			
	Total General IT	404,550	404,550	64,909		176,700	81,330	51,330	51,330
	<u>HRA</u>								
KH218	ICT Programme (Business Plan)	95,910	95,910	48,913		13,620			
KH213	Hosted Desk Top			112,500					
KH214	ICT General			500					
GROWTH	ICT Programme (Business Plan)					72,380			
	Total Other HRA	95,910	95,910	161,913		86,000			
	<u>Connected To Our Customers (CTOC)</u>								
KH270	Online Customer Account (formerly Capita Advantage Digital)								
KH271	Corporate Website - Redesign	33,290	33,290	288		350			
KH288	New CRM Technology	332,420	332,420	30,368		1,000			
	Total CTOC	365,710	365,710	30,655		1,350			
	<u>Housing All Under One Roof programme (HAUOR)</u>								
KH283	Housing Improvements - Northgate online	24,850	24,850	13,515		76,130			
GROWTH	Housing Improvements - Northgate online					21,870			
KH260	On-Line Housing Application Form - RAPID KZ107	28,000	28,000			14,910			
GROWTH	On-Line Housing Application Form - RAPID KZ107					9,090			
KH286	Housing Document Management System	3,000	3,000			44,560			
GROWTH	Housing Document Management System					32,440			
	Total HAUOR	55,850	55,850	13,515		199,000			
	TOTAL ICT INCLUDING DIGITAL AGENDA	922,020	922,020	270,993		463,050	81,330	51,330	51,330

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APPENDIX F: Investment Strategy

Compliance with the main requirements of the Government's Statutory Guidance on Local Authority Investments (MHCLG, 2018) is shown by cross reference in square brackets to the relevant paragraph of the Guidance.

1. Scope and Purpose of Strategy

1.1. "Investments" covers financial investments, including loans and shares, which have been made to support service and commercial objectives. Non-financial investments such as commercial property are included where the main objective is financial return [4]. The purchase of Essex House was an investment made with the objective of financial return, the other properties in the Council's asset register listed as Investment Buildings, such as Neighbourhood Centres and Workshops, fall outside of this strategy. Investments taken for treasury management reasons also fall outside of this strategy and are covered in the Treasury Management Strategy and Policy.

1.2. This strategy sets out the Council's approach to such investments, including their governance, addressing the Government Guidance on Local Authority Investments.

1.3. Investment values provided in this Appendix are the book values in the Council's accounts, unless otherwise stated.

2. Objectives of the Strategy

2.1. To use investments where appropriate and prudent to support the Council's Future Town Future Council (FTFC) aims, including regeneration of the town centre, housing delivery and co-operative neighbourhood management.

2.2. To ensure that investment decisions and management connects with the Council's Financial Security priority, to achieve financial stability for the council so that it maintains a prudent level of balances, while at the same time being able to deliver on the FTFC aims.

2.3. To seek new commercial opportunities which provide a financial return, and will review existing investments with a view to maximising the commercial return from them.

2.4. To manage risks in accordance with the Council's risk appetite and financial circumstances (including due diligence when making investment decisions).

2.5. To ensure that all commercial investments, actions and decisions are ethical in nature and have a positive impact on the community, delivering additional social value and contributing to community wealth building where possible.

3. The Existing Investment Portfolio

3.1. The Council's service and commercial investments are as follows

Table One: Service and Commercial investments			
Name	Value 31/03/20 £'000	Equity Share %	Reason for Investment
Hertfordshire CCTV Ltd	£43 (of £118)	37%	Service investment - Equity
Hertfordshire Building Control Ltd	Not available	12.5%	Service investment - Equity
Hertfordshire Building Control Ltd	£107		Service investment – Long Term Loan
Queensway Properties (Stevenage) LLP	£1,491.5 [of £1.493]	99.9%	Service investment - Equity NB the 0.1% is owned by Marshgate PLC so by SBC but indirectly
Queensway Properties (Stevenage) LLP	£11,824		Service investment – Finance Lease
Queensway Properties (Stevenage) LLP	£6,274	N/A	Service investment - Long Term Loan
Marshgate Ltd	£0	100%	Service investment - Equity
UK Municipal Bonds Agency	£10	0.14%	Service investment - Equity
Essex House	£1,756	N/A	Commercial investment - Property

3.2. The value of financial investments at 31 March 2020 was £75.6Million comprising service and commercial investments of £21.5Million (in Table one) and Treasury Investments of £54.1Million.

4. Investment Policy and Strategy 2020/21+

4.1. Joint working and joint delivery arrangements are key to the provision of Council services. Financial investments are likely to be an ongoing result of these delivery arrangements.

4.2. The Council recognises that all investments carry the risk of financial loss and an estimate of potential losses needs to be identified from the outset.

4.3. The Council will be particularly cautious where service investments are funded wholly or partly from borrowing. Debt “gearing” creates additional costs of interest and repayment. It creates a fixed liability and a fixed repayment obligation, whilst the investment's value and income are at risk.

4.4. There is no scope for the Council to enter into any new, purely commercial, investments, following the response to the recent consultation on the lending terms for the Public Works Loan Board (PWLb). The Council cannot have any scheme in the Capital Strategy where the investment is purely for financial gain, regardless of

whether the transaction would notionally be financed from a source other than the PWLB, or the Council will not be eligible to borrow from the PWLB.

4.5. The Council's risk appetite in relation to new investments is low, including the need to balance the revenue budget and manage the level of debt financing costs. Any new investments will therefore be expected to:

- Show a compelling contribution to the Council's core objectives and planned service strategies, and must be prioritised within the Council's available resources.
- Evidence a low financial risk with a commensurate financial return, or if returns are below commercial levels, provide clear non-financial benefits to the Council which demonstrate strong value for money.
- Strike a prudent balance between security, liquidity and yield (whilst recognising that the delivery of strong service benefits may sometimes justify a higher financial risk) [29].

4.6. Any shortfall in budgeted net income from service and existing commercial investments will be managed through the Council's regular budget monitoring processes [44].

4.7. The arrangements for realising investments and managing liquidity risk will depend on the purpose and nature of the investment in each case. Where investments have been made to support service purposes and have been funded from cash resources, there is not a funding pressure to have an investment exit route in place. Where investments are funded by borrowing, the Council's MRP Policy sets out the arrangements to repay debt without resorting to a sale of the investments [42-43].

5. Financial Investment Plans and Limits for 2020/21+

5.1. The forecast changes to the existing investment portfolio are

- to invest in the new Housing Wholly Owned Company (WOC), pending approval of the report scheduled to be taken to Executive which provides an update on planned activity. The new Housing WOC would be an expansion of Marshgate PLC.
- financing for a further finance lease to Queensway LLP for the residential phase of development.

5.2. The main financial risk when investing in loans and equity is that the loan repayments are not made, and that the shares lose value or dividends are less than expected.

5.3. Investments may also carry liquidity risk, which is the risk that funds may be tied up in investments and not available if needed for other purposes. The Council's due diligence procedures for investments review liquidity risk, including how exit routes

have been considered and the appropriate maximum period for investments to be committed [42].

6. Investment Indicators

6.1. The Key Performance Indicators approved by the Commercial & Investment Executive Committee following the convening in October 2020, the use of which is recommended by the Government Guidance [23]:

Table Two: Key Performance Indicators	
Reporting Category	Reporting Metric
Overarching Commercial Key Performance Indicators	
Increase in revenue from fees and charges that contribute to savings target identified in the MTFS (as approved during February budget setting process)	Percentage (%)
Savings through the insourcing of services/functions	Monetary (£)
Staff who manage contracts across the council trained in contract management	Number (no.)
Instances of proactively working with partnerships to give the council a positive benefit through cost saving/income generation	Number (no.)
Staff reporting more confidence in commercial decision making	Number (no.)
Social value generated through commercial activity	Narrative
Commercial business cases on track to deliver business case (when fully approved and live)	Number (no.)
Area specific Key Performance Indicators	
Return from our commercial assets/yield from acquisitions and investments (e.g. Essex House)	Percentage (%)
Income from commercial property	Monetary (£)
New commercial property lets	Number (no.)
Level of small land sales	Monetary (£)
New garages returned for rental as a result of the Garage Improvement Programme (GIP)	Number (no.)
Occupied garages as a percentage of stock	Percentage (%)
Indoor Market occupied units (excluding those hired at charitable rates)	Percentage (%)
New businesses setting up in the Indoor Market	Number (no.)
Level of footfall in the Indoor Market	Number (no.)
Trade waste (once live) gains and losses	Monetary (£)

7. Governance

7.1. The Commercial & Investment Executive Committee is a Committee of the Executive. The purpose of the Committee is to enable the organisation to oversee and support the development of Co-operative Commercial and Insourcing programmes of work. The Committee will provide commercially focused strategic thinking and direction and will encourage the organisation to work efficiently, achieving value for money, and delivering the Co-operative Commercial and Insourcing Strategy.

7.2. The Committee's Terms of Reference were approved by the Executive at its meeting held in August 2020, and are:

- To exercise delegated authority to review and approve new income streams and commercial business cases (including those that are key decisions).
- To consider and approve financial resources where necessary to progress commercial projects.
- To approve schemes of up to £5m where the budget is already established. In the event that a new budget needs to be approved, the amounts delegated to the Executive apply.
- To encourage the development of new opportunities through establishing a risk appetite that stimulates the evaluation of new emerging markets and opportunities.
- To consider and approve documents relating to the Co-operative Commercial and Insourcing Strategy and regularly review the strategy.
- To scrutinise and ensure the delivery of approved business cases and all aspects of the Co-operative Commercial and Insourcing Strategy.
- To provide strong, strategic leadership to build a robust commercial culture.
- To maintain an oversight of all income generating functions through the reporting of key performance indicators.
- To review key commercial arrangements including contracts, contract and performance management processes and major service developments. The Committee will track the progress of such developments and provide guidance and steer, as appropriate.

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Part I – Release to Press



Agenda item: **##**

Meeting Audit/ Executive/ Council

Portfolio Area Resources

Date 09 February/ 10 February/ 24 February
2021



ANNUAL TREASURY MANAGEMENT STRATEGY INCLUDING PRUDENTIAL CODE INDICATORS 2021/22

NON KEY DECISION

Author –Belinda White Ext 2430
Contributors – Lee Busby Ext.2933
Lead Officer – Nick Penny
Contact Officer – Nick Penny

1 **PURPOSE**

- 1.1 To recommend to Council the approval of the Treasury Management¹ Strategy 2021/22, including its Annual Investment Strategy and the prudential indicators following considerations from Audit and Executive committees.

2 **RECOMMENDATIONS**

- 2.1 That subject to any comments from Audit Committee and Executive, the Treasury Management Strategy is recommended to Council for approval.
- 2.2 That Members approve the prudential indicators for 2021/22.
- 2.3 That Members approve the minimum revenue provision policy.
- 2.4 That Members approve an increase to counterparty limits for short term investments (invested for up to one year) from £8Million to £10Million when cash balances are higher than £30Million.

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”.

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 for 2021/22

3.2.1 The strategy for 2021/22 covers two main areas:

Capital issues

- i) the capital programme and the associated prudential indicators;
- ii) the minimum revenue provision (MRP) policy.

Treasury management issues

- i) the current treasury position;
- ii) treasury indicators which limit the treasury risk and activities of the Council;
- iii) prospects for interest rates;
- iv) the borrowing strategy;
- v) policy on borrowing in advance of need;
- vi) the investment strategy;
- vii) creditworthiness policy; and
- viii) the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

- 3.2.2 The Council's Capital Strategy is reported separately from the Treasury Management Strategy. Non-treasury investments are reported through the former, ensuring the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.
- 3.2.3 CIPFA defines treasury management as:

"The management of the local authority's borrowing, 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."
- 3.2.4 The contribution of Treasury Management to the Council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. Treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 3.2.5 The returns achievable on the Council's investments are currently modest based on the low Bank of England base rate and the risk appetite of the TM Strategy, which is compliant with the advice from the Council's treasury advisors, Link Asset Management. The Monetary Policy Committee (MPC) has not changed the Bank of England base rate (Bank Rate) since it was cut to 0.10% on 19 March 2020 in response to the Coronavirus pandemic. In 2020/21 investment returns of 0.67% are forecast with a target of 0.35% for 2021/22.
- 3.2.6 Despite an exit deal being agreed between the UK and the EU just before the end of the transition period on 31 December 2020, there is still ongoing uncertainty regarding all the impacts of Brexit, including how it may affect the strength of the UK currency. In addition to impacting the investment return forecast in paragraph 3.2.5, it may also result in higher borrowing costs in future PWLB (Public Works Loan Board) rates, as these 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, however new investment guidance was issued by the Ministry of Housing, Communities and Local Government (MHCLG) on 26 November as a response to the consultation on the future lending terms of the PWLB.

4.1.2 Each Local Authority is asked to submit a high-level description of their capital spending and financing plans for the following three years, including their expected use of the PWLB. As part of this, the PWLB will ask the CFO to confirm that there is no intention to buy investment assets primarily for yield at any point in the next three years. This assessment is based on the CFO's professional interpretation of guidance issued alongside the PWLB lending terms. Local Authorities cannot have any scheme in the Capital Strategy where the investment is primarily for financial gain, regardless of whether the transaction would notionally be financed from a source other than the PWLB. If they have such a scheme then the Council will not be eligible to borrow from the PWLB meaning they will no longer be able to access borrowing at favourable rates.

4.2 Comments from the Audit Committee and Executive

4.2.1 The report has been updated following considerations from the Audit Committee meeting of 9 February and presentation at the Executive meeting of 10 February. The Council's cashflow has also been update in line with the latest General Fund Budget and Capital Strategy reports.

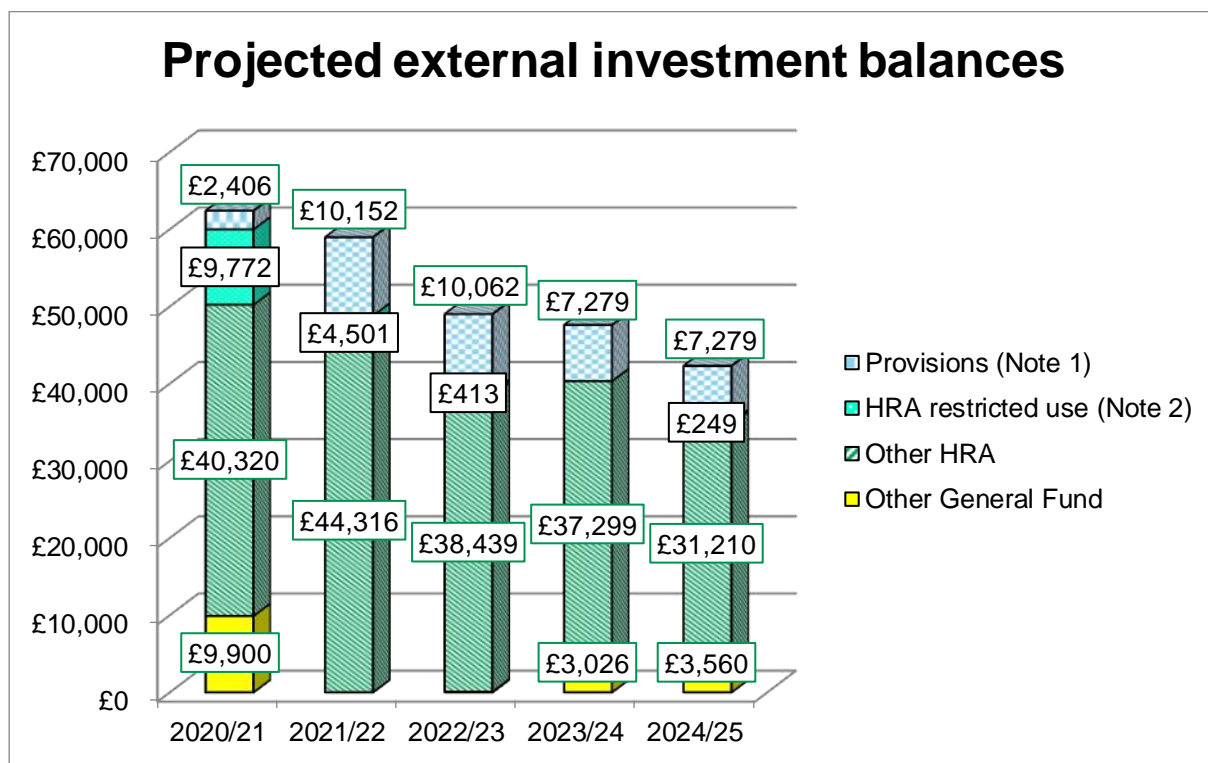
4.3 Performance of Current Treasury Strategy

4.3.1 For the financial year 2020/21 to 31 December 2020 returns on investments have averaged 0.71% and total interest earned was £330,511 contributing to General Fund and Housing Revenue Account revenue income.

4.3.2 Cash balances as at 31 December 2020 were £63.24Million and are forecast to be £62.4Million as at 31 March 2021. 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. The cash balances figure available for investment of £62.4Million is less than the total forecast Reserves and Balances figure of £78.3Million because the HRA and the General Fund have used balances totalling £15.9Million in lieu of external borrowing due to low interest rates leading to a poor return on investments (see also para 4.6.8).

4.3.3 In considering the Council's level of cash balances, Members should note that the General Fund MTFS and Capital Strategy have a planned use of resources over a minimum of 5 years and the HRA Business Plan (HRA BP) a planned use of resources over a 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 £62.4Million as at 31

March 2021 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.

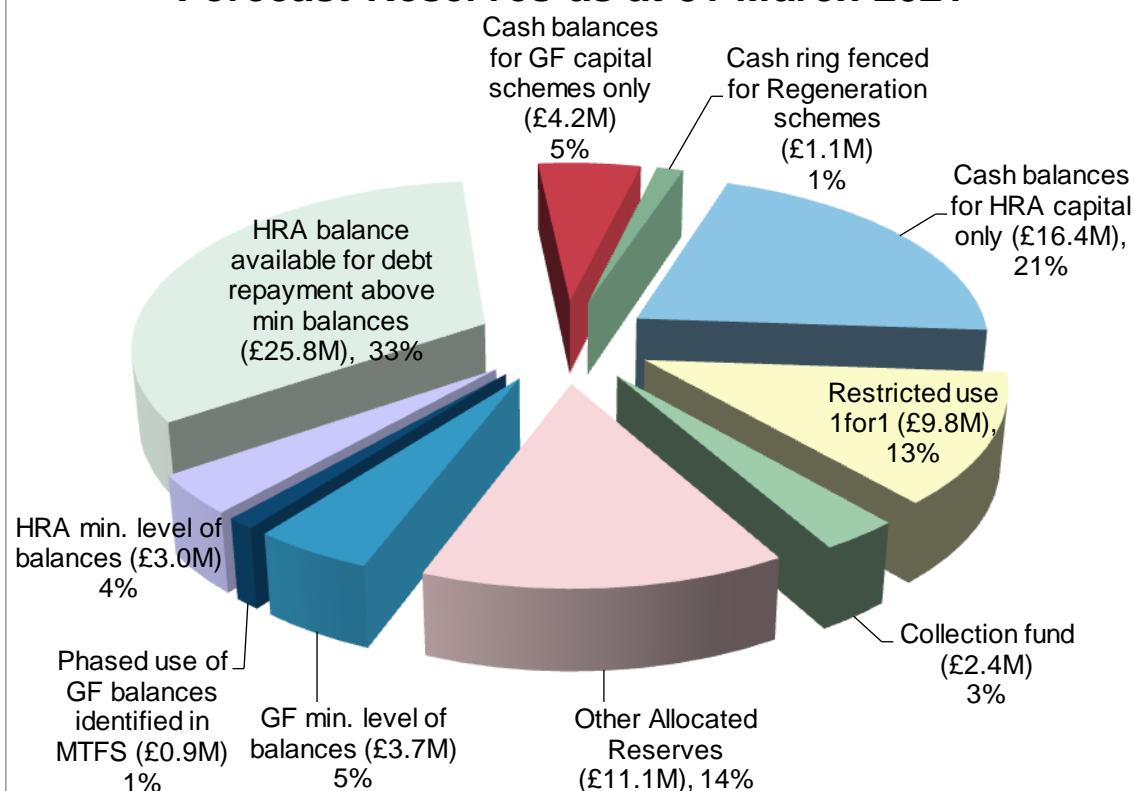


Note 1: Council Tax & NNDR (Business Rates) held for bad debts and appeals

Note 2: Right to buy (RTB) new build receipts

- 4.3.4 The balances projected to be held as at 31 March 2021 include balances invested that cannot be used to run services. These include balances related to restricted RTB receipts which in 2020/21 total £9.8Million. 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 The majority of balances are held for the repayment of HRA debt (29.0%) and to fund the Council's capital programme (34.2%, which includes 11.0% restricted RTB receipts for new builds). Despite these sums held for the capital programme, external borrowing is still required as detailed in the 2021/22 capital strategy report. The forecast balances are summarised in the following chart.

Forecast Reserves as at 31 March 2021

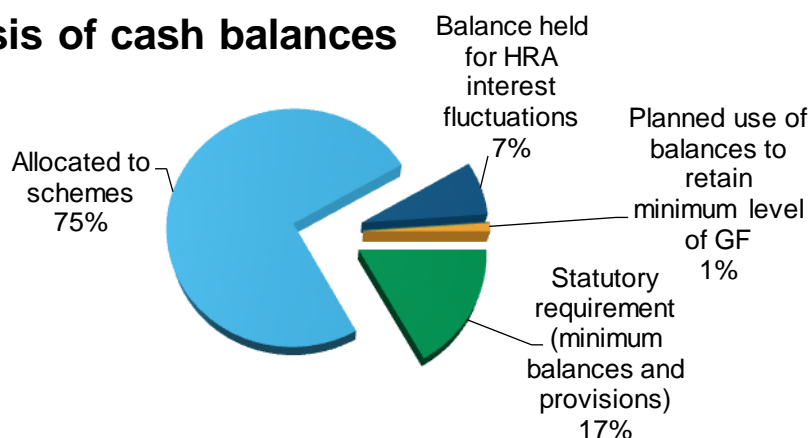


Note 1: balances include internal borrowing of £15.9Million

Note 2: The £11.1Million includes £8.4m relating to Section 31 Business rates relief

- 4.3.6 These cash balances can be further analysed between allocated, held for statutory requirements and held for third parties. This identifies that all cash balances have been allocated, so unless allocated reserves are no longer needed in the future, there are currently no cash resources available for new projects. In addition the capital strategy identifies the need for external borrowing and a number of capital schemes have not been approved due to the lack of funding resources.

Analysis of cash balances



Note 1: Statutory requirement includes the £8.4m relating to Section 31 Business rates relief to be repaid in 2021/22

- 4.3.7 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 team.
- 4.3.8 There have been no breaches of treasury counter party limits during 2020/21 to-date, with the investment activity during the year conforming to the approved strategy. Any breach would be notified to the Chief Finance Officer. The Council has had no liquidity difficulties and no funds have been placed with the Debt Management Office (DMO) during 2020/21, demonstrating that counterparty limits and availability for placing funds approved in the TM Strategy are working as at the time of writing this report.

4.4 Review of the Treasury Management Strategy and Proposed changes

- 4.4.1 The Government has provided grant funding to local authorities to help deal with the COVID crisis; some such as the income guarantee scheme are for council's to retain to cover income foregone. Other grants such as Business Rates Relief are to be paid out to support local businesses, this has caused some local authorities to have sudden large increases in cash balances (which required investment) for a very short period of time until those sums are passed on to businesses. In order to remain flexible it is proposed to increase counterparty limits for short term investments (invested for up to one year) from £8Million to £10Million when cash balances are higher than £30Million, as proposed in recommendation 2.4, set out further in paragraph 4.9.5 and increase the number of Money Market Fund accounts.

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 report to the Executive on 10 February 2020 to be approved at Council on 24 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). The proposed limit for 2021/22 is £324.371Million. Officers recommend that the operational borrowing limit is revised to reflect:
- To accommodate uncertainty regarding the timing of significant land sales.
 - To reflect the identified borrowing requirement in the capital strategy.
 - To reflect the capital programme financing requirement includes capital receipts and the uncertainty of when these receipts may materialise.

- To reflect the valuation of the finance lease for the residential phase of the Queensway development in the town centre.
- The Housing Wholly Owned Company (WOC) Model (report on the agenda for February Council) is for development schemes totalling £7.765 Million, which has been included in the Final Capital Strategy funded by borrowing, the WOC report requests a maximum investment of up to £15Million which is included in the borrowing limits.

Operational Boundary	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
General Fund	47,343	58,294	64,126	65,484	64,730
HRA	239,474	266,076	281,716	293,696	293,696
TOTAL	286,817	324,371	345,843	359,180	358,426
Previous Operational Boundary	302,392	331,700	351,004	360,895	

4.5.4 The **Authorised limit** for external debt represents a control on the maximum level of borrowing. This represents the legal limit to which the Council's external debt cannot exceed. The proposed limit for 2021/22 is £332.371Million.

4.5.5 The Council is asked to approve the following authorised limit.

Authorised Limit for external debt	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
General Fund Finance lease (accounted for as borrowing)	15,000	15,000	15,000	15,000	15,000
General Fund additional borrowing facility available to the Housing WOC Wholly Owned Company		7,235	7,235	7,235	7,235
General Fund Borrowing for capital expenditure	34,343	38,060	43,892	45,249	44,495
Total Borrowing - General Fund	49,343	60,294	66,126	67,484	66,730
Borrowing - HRA	245,474	272,076	287,716	299,696	299,696
TOTAL	294,817	332,371	353,843	367,180	366,426
Previous Authorised Limit	310,392	339,700	359,004	368,895	

4.6 The Council's Borrowing Position

- 4.6.1 The Council had external debt of £209.098Million as at 31 December 2020 and is broken down as follows:

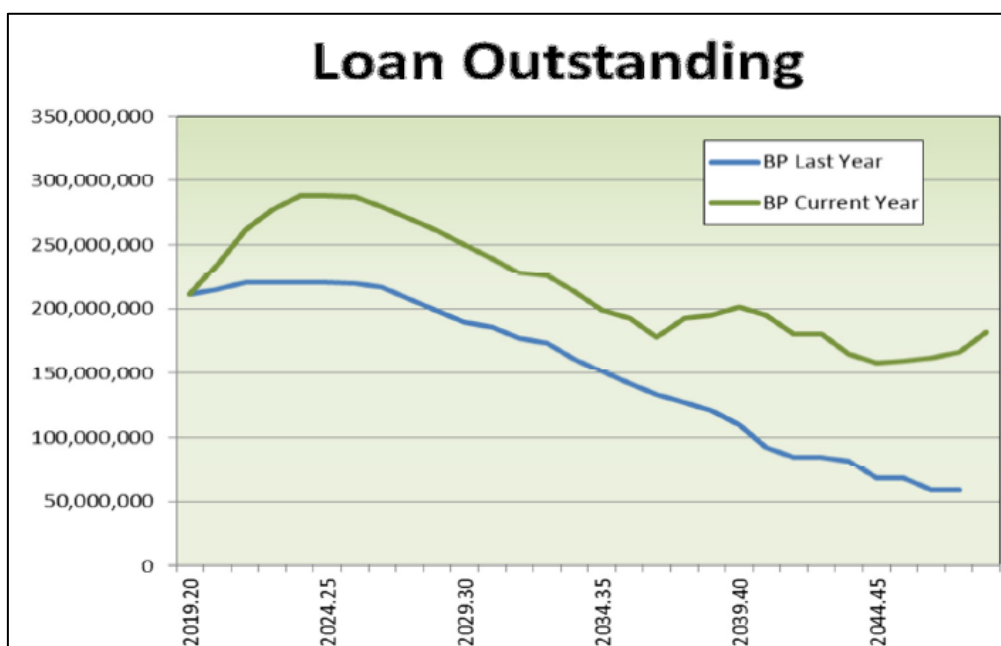
Purpose of Loan	PWLB Loan £'000
General Fund Regeneration Assets	2,414
HRA	
Decent Homes	11,773
Self Financing	194,911
Total HRA Loans	206,684
Total Debt at 31st December 2021	209,098

- 4.6.2 The HRA borrowing of £1.810million in 2018/19 was not taken externally neither was £3.047Million of the £7.057Million borrowing included in the 2019/20 HRA Business Plan and to finance the 2019/20 capital programme. To date none of the £23.803Million forecast for 2020/21 in the most recent HRA BP has been borrowed externally. External borrowing has not been taken, partly due to slippage in the HRA Capital Programme and partly because internal reserves and balances have been used instead. The timing of taking external borrowing is dependent on the level of cash balances held and forecast borrowing rates.
- 4.6.3 The following table shows the new borrowing included in the HRA BP, along with the total interest payable by the HRA over the next 5 years if all the borrowing in the current HRA capital programme is taken out externally.

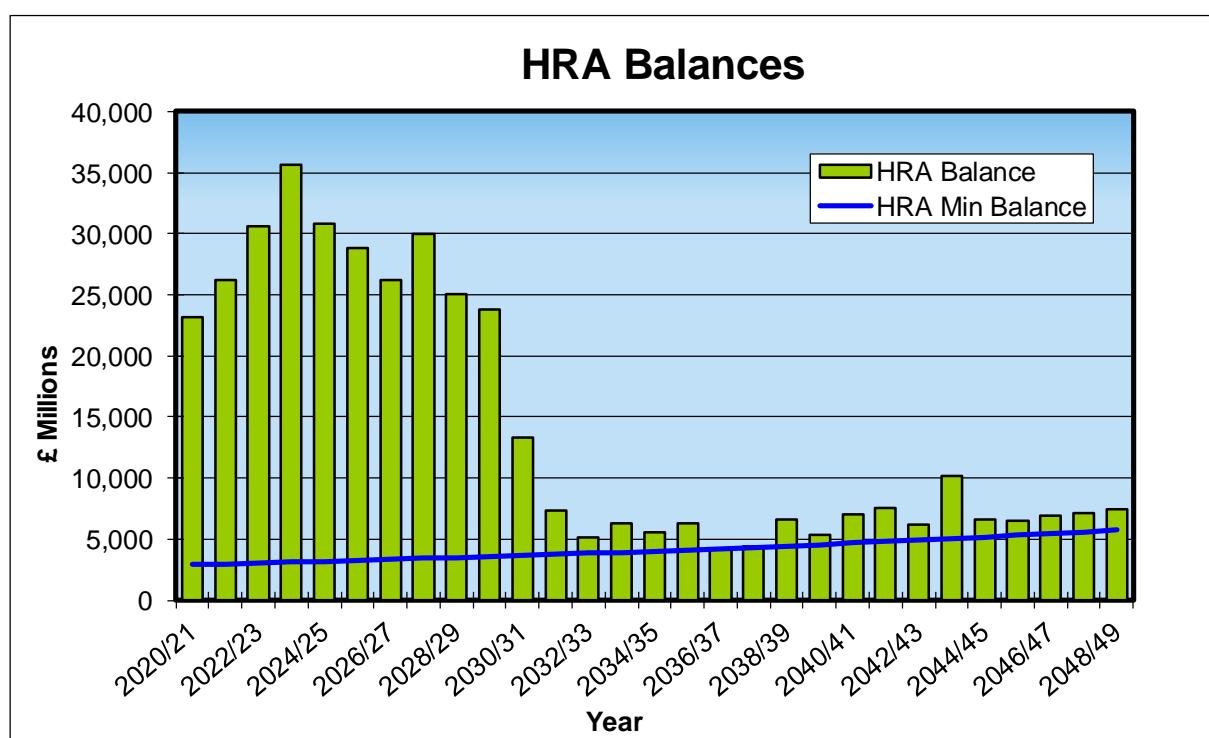
HRA Borrowing and Interest		
Financial Year	New Borrowing	Interest Payable
	£'000	£'000
2020/21	£23,803	£7,253
2021/22	£26,602	£7,724
2022/23	£15,640	£8,051
2023/24	£11,980	£8,328
2024/25	£NIL	£8,328

- 4.6.4 The following graph shows the loan outstanding over the life of the HRA BP. This shows that taking additional debt early in the life of the plan will lead to higher levels of loans over the 30 years. However, this will enable significantly needed investment in the existing stock and the ability to build and purchase new housing within the next 10 years. The maximum debt in

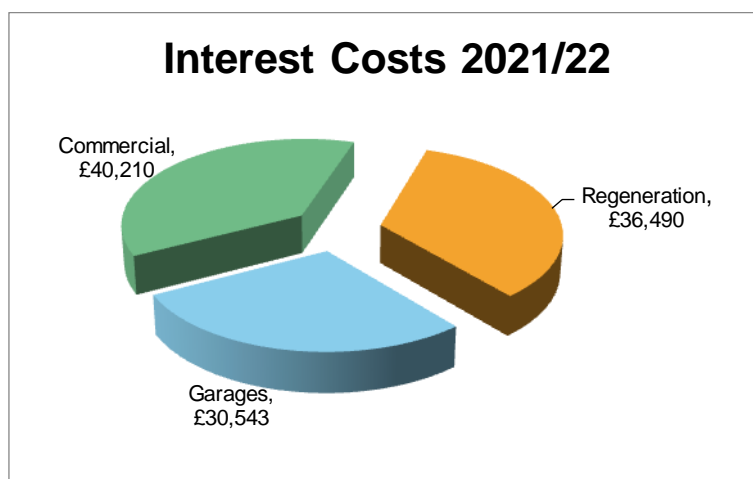
the plan is now £288Million (£220Million previous HRA BP) and the debt at year 30 is £182Million (£59Million previous HRA BP).



- 4.6.5 The 30 year business plan for the HRA budgets for debt repayments based on current and new borrowing (detailed above), taking into account assumptions on rent income, associated expenditure and estimates on interest rates. The HRA is balanced across the 30 years, with significant reserves in place to repay the self-financing debt. The graph below shows the estimated HRA balances on an annual basis, how this is above or in line with the level of minimum balances required to ensure the HRA can fund its expenditure and repay the self-financing debt.



- 4.6.6 In 2020/21 there has been a General Fund loan repayment of £131,579 in August 2020, and a further £131,579 is due to be repaid in February 2021. In addition approved prudential borrowing for the Garage strategy is due to be taken, the timing of which is dependent on when the expenditure is incurred. There is no planned borrowing for the Housing WOC in 2020/21. The primary aim of the Housing WOC is for housing rather than yield so borrowing from the PWLB is still permitted as set out in paragraph 4.3.2. To optimise the cash benefits to the General Fund revenue account it may be beneficial to fund the investment from other capital receipts rather than borrowing. To that extent funding will be a treasury management decisions and Members are asked to note that the final financing arrangements for the Housing WOC investment will be considered by the S151 officer.
- 4.6.7 The majority of the interest payable on General Fund borrowing is funded by the assets associated with the expenditure. This includes the Town Square and Town Plaza Regeneration assets and the Commercial Property Essex House. The Housing WOC will pay interest on borrowing taken in relation to any loans made to the Housing WOC, as does Queensway Properties (Stevenage) LLP. The 2021/22 projected interest costs on borrowing is estimated to be £107,243 (2020/21 £96,105).

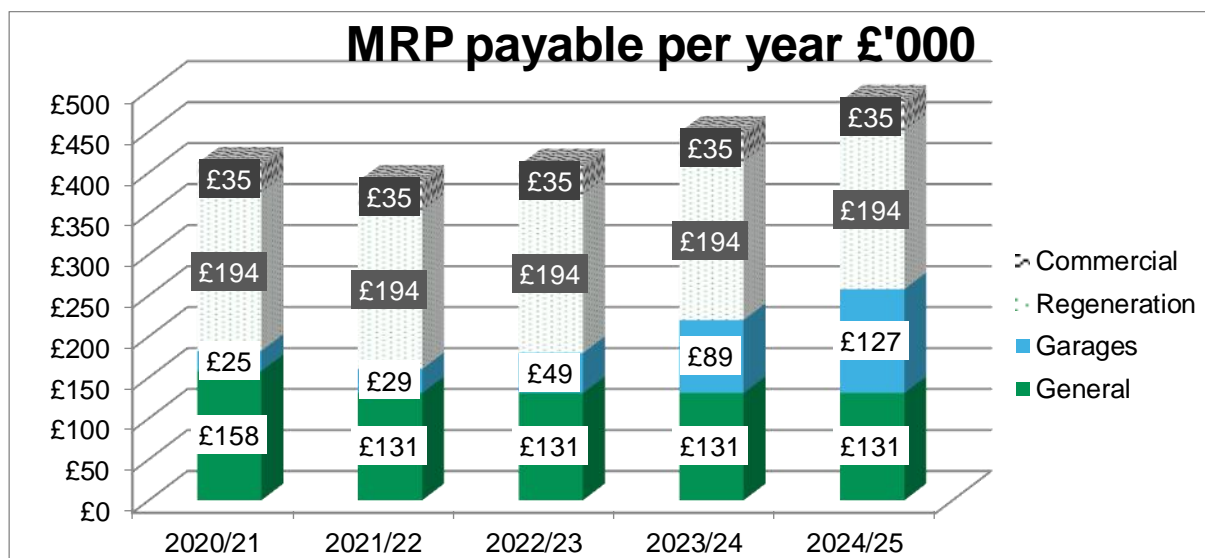


- 4.6.8 Cash and investment balances have been used in preference to external borrowing as the costs of internal debt (investment interest foregone at 0.71%) is lower than external borrowing (1.72% based on 25 year loan). It is the view of the Chief Financial Officer that this approach will continue to be considered while interest rates remain low.

4.7 Minimum Revenue Provision

- 4.7.1 Where General Fund 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. Current projections of MRP payments based

on the updated policy are detailed in the following chart. This excludes the technical requirement to charge MRP on loans to other companies in the accounts, as these borrowing costs are recharged.



4.8 Future borrowing requirements

- 4.8.1 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded by taking loans out with PWLB. Instead the Council's reserves, balances and cash flow have been used (as set out in paragraphs 4.3.2 and 4.6.8). 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 2021/22 treasury operations. The Assistant Director (Finance and Estates) will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.
- 4.8.3 It is the Council's intention not to borrow in advance of need. However, should this happen as part of the optimising treasury management position of the Council and minimising borrowing risks, the transaction will be accounted for in accordance with proper practices.
- 4.8.4 Although some forecasters had suggested that a cut of the Bank of England Base Rate (currently 0.10%) into negative territory could happen, indications are that the Monetary Policy Committee (MPC) is unlikely to do so as such a move could do more damage than good, and that further quantitative easing is more likely if further action becomes necessary. The Council's treasury advisors forecast that no increase in Bank Rate is expected. Base rate and borrowing rate forecasts are shown in the table below. However there is volatility and uncertainty, over Brexit in particular, and rates are monitored regularly.

Link Group - December 2020						
	End Q1 2021	End Q2 2021	End Q3 2021	End Q4 2021	End Q1 2022	End Q2 2022
Bank Rate	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
5yr PWLB Rate	0.80%	0.80%	0.80%	0.80%	0.90%	0.90%
10yr PWLB Rate	1.10%	1.10%	1.10%	1.20%	1.20%	1.20%
25yr PWLB Rate	1.50%	1.60%	1.60%	1.60%	1.60%	1.70%
50yr PWLB Rate	1.30%	1.40%	1.40%	1.40%	1.40%	1.50%

Source: Link Asset Services 04 January 2021

- 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. Following the 100 basis points increase to PWLB rates in October 2019, the response to the consultation on the future lending terms of the PWLB (as detailed out in paragraph 4.1) has resulted in the PWLB margin returning to gilts +80 basis points. There are also other potential sources of borrowing for Local Authorities, such as the Municipal Bond Agency.
- 4.8.6 The HRA BP existing loans have an average interest rate of 3.32% based on £206.684Million of borrowing. As set out in the table in paragraph 4.6.3, the current business plan includes allowance for new loans totalling £23,802,670 in 2020/21 and £26,602,339 in 2021/22. 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 2020/21 and 2021/22 is estimated to be £7,252,845 and £7,724,348 respectively.
- 4.8.7 The HRA BP continues to include borrowing based on affordability as identified in the BP action plan. This has resulted in lower levels of revenue contributions to capital than before the lifting of the HRA Debt Cap.

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 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 2021/22
- 4.9.3 The 2020/21 Strategy uses the credit worthiness service provided by Link Asset Services (formerly known as Capita Treasury Solutions) the Council's treasury advisors. This service uses a sophisticated modelling approach which utilises credit ratings from the three main credit rating agencies and is compliant with CIPFA code of practice.

- 4.9.4 While Link Asset Services may advise the Council, the responsibility for treasury management decisions remains with the Council at all times and officers do not place undue reliance on the external service advice.
- 4.9.5 The TM limits for 2021/22 (Appendix D) have been reviewed. In order to remain flexible for volatile cash balances, particularly due to the Covid-related grants set out in paragraph 4.4.1, it is recommended that the limit for each counterparty be increased (recommendation 2.4), for investments of up to one year including Money Market Funds, from £8Million to £10Million, while cash balances are higher than £30Million. If cash balances are less than £30Million it is recommended that the limit remains at £5Million per counterparty.
- 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 CIPFA Prudential and Treasury Codes recommend that authorities’ capital strategies should include a policy and risk management framework for all investments. The Codes identify three types of local authority investment:
- Treasury management investments, which are taken to manage cashflows and as part of the Council’s debt and financing activity
 - Commercial investments (including investment properties), which are taken mainly to earn a positive net financial return (previously purchased commercial investments only as Council’s are no longer permitted to access PWLB rates if they invest in commercial investments primarily for gain.
 - Service investments, which are taken mainly to support service outcomes
- 4.10.2 The Government issued revised investment guidance on 2 February 2018, which strengthens the management and reporting framework relating to commercial and service investments and further guidance on 26 November 2020 as a response to the consultation on the future lending terms of the PWLB. The 2021/22 Capital Strategy includes more details on the Councils non treasury investments.

4.11 Other Treasury issues

- 4.11.1 **UK Sovereign rating and investment criteria:** The UK sovereign rating could come under pressure from the impact of COVID and / or following the trade agreement agreed between the UK and the EU on 31st December 2020. In October 2020, Moody’s downgraded the rating to Aa3 (AA-equivalent), the same as Fitch, while Standard & Poor’s has it rated at AA. The Council’s investment criteria only use countries with a rating of AA- or above. 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 (Stevenage) 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 (Stevenage) LLP, was incorporated to manage the rental streams and costs associated with the scheme. The Council's treasury management team offered its services to the LLP to manage and invest its surplus cash flows through a service level agreement, however to date no investment activities have been undertaken on their behalf.
- 4.11.3 **Queensway Properties (Stevenage) LLP 2nd phase:** the first phase of the head lease was 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 have been increased accordingly. This has been reflected in the TM indicators.
- 4.11.4 **Housing WOC:** as set out in paragraphs 4.5.3 and 4.6.6, the Housing Wholly Owned Company (WOC) report seeks approval for up to £15Million of investment from the Council, which would be in the form of a mix of equity funding and loans. The proof of concept included in the Housing WOC Model is for development schemes totalling £7.765 Million, and the Council's funding of this investment has been included in the Final Capital Strategy as all funded by borrowing. £7.235 Million, the balance of the £15Million potential investment in the Housing WOC is included in the borrowing limits. However as set out in paragraph 4.6.6, it may be beneficial to fund the Council's investment from other capital receipts rather than borrowing.
- 4.11.5 **IFRS16 – Leasing:** As reported previously, some currently off balance sheet leased assets may need to be brought onto the balance sheet under IFRS 16, however this has been deferred and is no longer a requirement for closing of the accounts for 2020/21.

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. Any consequential financial impacts of the Strategy will be incorporated into the Capital Strategy updates and subsequent quarterly budget monitoring reports.
- 5.1.2 During the financial year to date officers have operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices.

5.2 Legal Implications

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

5.3 Risk Implications

- 5.3.1 The current policy of minimising external borrowing only remains financially viable while cash balances are high and the differentials between investment income and borrowing rates remain. Should these conditions change the Council may need to take borrowing at higher rates which would increase revenue costs.
- 5.3.2 There remains uncertainty on exiting the EU and the potential impact on UK economy and borrowing rates. Officers monitor interest rate forecasts to inform the timing of borrowing decisions.
- 5.3.3 The Council's Treasury Management Strategy is based on limits for counterparties to reduce risk of investing with only a small number of institutions.
- 5.3.4 The thresholds and time limits set for investments in the Strategy are based on the relative ratings of investment vehicles and counter parties. These are designed to take into account the relative risk of investments and also to preclude certain grades of investments and counterparties to prevent loss of income to the Council.

5.4 Equalities and Diversity Implications

- 5.4.1 This report is technical in nature and there are no implications associated with equalities and diversity within this report. In addition the council retains the discretion not to invest in countries that meet the minimum rating but where there are concerns over human rights issues.
- 5.4.2 The Treasury Management Policy does not have the potential to discriminate against people on grounds of age; disability; gender; ethnicity; sexual orientation; religion/belief; or by way of financial exclusion. As such a detailed Equality Impact Assessment has not been undertaken.

5.5 Climate Change

- 5.5.1 The council's investment portfolio is sterling investments and not directly in companies. However the TM team will review the use of Money Market funds in 2020/21 to ensure, where possible, money market funds that invest in environmentally sustainable companies are used. In this way the TM team will align with the Council's ambition to attempt to be carbon neutral by 2030.

Background documents

- BD1 Annual Treasury management Review of 2019/20
- BD2 2020/21 Mid-Year Treasury Management Review
- BD3 Final Capital Strategy 2020/21 – 2024/25 (Executive 10 February 2021 and Council 24 February 2021)

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 2021/22

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 ending 31.3.23.).

- 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;
 - Credit Default Swap (CDS) spreads. A CDS is a contract used to insure the holder of a bond against default by the issuer. A CDS can act as an indicator of default risk and provide an early warning of likely changes in credit ratings;
 - sovereign ratings to select counterparties from only the most creditworthy countries.Link Asset Services 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.

- 3.5 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.
- 3.6 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.
- 3.7 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.
- 3.8 The Municipal Bond Agency has been established for some time. It began to issue bonds in the last year. To date the borrowing rates available were lower than those offered for comparable loans available from the Public Works Loans Board (PWLb) at the time of issuance. The Council may make use of this alternative source of borrowing as and when appropriate.
- 3.9 **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 2020 the Council had £63.24Million on deposit with various financial institutions.
- 5.2 **Interest Rate Forecast** - The Bank of England base rate remains at 0.10% as at 31 January 2021. Link now forecast that Bank Rate will remain at this rate over the next few years.

Link Group - December 2020						
	End Q1 2021	End Q2 2021	End Q3 2021	End Q4 2021	End Q1 2022	End Q2 2022
Bank Rate	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
5yr PWLB Rate	0.80%	0.80%	0.80%	0.80%	0.90%	0.90%
10yr PWLB Rate	1.10%	1.10%	1.10%	1.20%	1.20%	1.20%
25yr PWLB Rate	1.50%	1.60%	1.60%	1.60%	1.60%	1.70%
50yr PWLB Rate	1.30%	1.40%	1.40%	1.40%	1.40%	1.50%

Source: Link Asset Services 04 January 2021

5.3 Investment returns expectations.

Despite an exit deal being agreed between the UK and the EU just before the end of the transition period on 31 December 2020, there is still ongoing uncertainty regarding all the impacts of Brexit, including how it may affect the strength of the UK economy. The Monetary Policy Committee (MPC) has not changed the Bank of England base rate (Bank Rate) since it was cut to 0.1% on 19 March 2020 in response to the Coronavirus pandemic, and this low bank rate is a significant factor for investment yields.

The Council has forecast investment returns of 0.67% in 2020/21 and is budgeting for returns of 0.35% in 2021/22. This is above current yields due to the investment portfolio including investments which were made when interest yields available were higher than current rates. Current rates are close to zero and are forecast to remain low for some time.

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 2020/21 limits and proposed limits for 2021/22 are:

	2020/21 Revised	2021/22
	£000	£000
Operational Boundary	286,817	324,371
Authorised Limit	294,817	332,371

- 6.4 Based on the capital programme 2021/22 (February 2020 Update) resourcing projections, the Council has the following borrowing requirements in 2021/22:
- General Fund £4,131,901 (£967,754 in relation to the 10 year plan for the garages estates approved by Council on 20 July 2016, and £3,164,147 in relation to the wholly owned housing development company).
 - HRA £26,602,339 (£13,428,908 on work to existing housing stock and £13,173,431 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).

In addition, high value and/or urgent payments can be made by CHAPS by the Treasury Team, however as these can have a material impact on cash flows on the day, authorisation for this type of payment must be obtained from the S151 or deputy S151 Officer.

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)

Minimum Revenue Provision Policy

Minimum Revenue Provision Policy Statement 2021/22

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, including in 2020/21 for the unfunded element of 2011/12 to 2014/15 expenditure. The **preferred method for existing underlying borrowing is Option 3 (Asset Life Method)** whereby the MRP will be spread over the useful life of the asset. Useful life is dependent on the type of asset and was reviewed in 2019/20. Following that review asset lives now ranges from 7 years (ICT equipment) to 50 years (Investment properties, regeneration sites and car parks for example).

In applying the new asset lives historic MRP had 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 overpayment of £1,057,660.39 results in no MRP needing to be charged to the accounts for the regeneration assets until 2025/26, when a partial charge will be required, utilising the remainder of the overpayment balance.

voluntary MRP made		Use of overpayment	
	Regeneration		Regeneration
2012/13	£46,929.65	2020/21	£193,703.12
2013/14	£140,788.95	2021/22	£193,703.12
2014/15	£163,165.30	2022/23	£193,703.12
2015/16	£141,355.30	2023/24	£193,703.12
2016/17	£141,355.30	2024/25	£193,703.12
2017/18	£141,355.30	2026/26	£89,144.79
2018/19	£141,355.30		
2019/20	£141,355.30		
cumulative total	£1,057,660.39	cumulative total	£1,057,660.39

The Council approved a **Property Investment** Strategy – an investment of £15Million in property funded from prudential borrowing. As having Investments for Yield in the capital strategy are no longer permitted, only the MRP payable of £35,119 per year on the investment made of £1,755,950 which will be payable. This was 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 £411,021 based on the capital expenditure in the draft 2019/20 Financial Accounts, with the lower figure of £217,318 needing to be charged to the 2020/21 Financial Accounts taking into account the overpayment on the regeneration assets. The forecast annual MRP for 2021/22 is £388,957 with £195,254 to be charged to the 2021/22 Financial Accounts.

Finance lease payments due as part of the Queensway regeneration project are also applied as MRP, funded from the payments received in the year, as will any MRP due on borrowing taken in relation to the Housing Wholly Owned Company.

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	2021/22 Treasury Management Strategy					
Treasury Management Prudential Indicators						
	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25
Capital Expenditure (Based on Final Capital Strategy February 2021):	Revised Mid year review 20-21	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec
	£000	£000	£000	£000	£000	£000
General Fund	35,271	20,878	17,400	20,145	26,137	14,795
HRA	34,057	31,600	52,488	56,858	37,256	28,748
Total	69,328	52,478	69,887	77,004	63,393	43,543
	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25
Ratio of financing costs to net revenue stream:	Revised Mid year review 20-21	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec
	%	%	%	%	%	%
General Fund Capital Expenditure	8.17%	4.14%	4.78%	5.28%	6.12%	6.73%
HRA Capital Expenditure	15.93%	15.84%	16.82%	17.09%	17.08%	16.16%
General Fund: Net revenue stream is the RSG, NNDR grant and Council Tax raised for the year.						
HRA: The net revenue stream is the total HRA income shown in the Council's accounts from received rents, service charges and other incomes. The ratio of financing costs to net revenue stream reflects the high level of debt as a result of self financing.						
	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25
Authorised Limit for external debt	Revised Mid year review 20-21	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec
	£000	£000	£000	£000	£000	£000
Borrowing - General Fund	49,918	34,343	45,294	51,126	52,484	51,730
Borrowing - Queensway residential	15,000	15,000	15,000	15,000	15,000	15,000
Borrowing - HRA	245,474	245,474	272,076	287,716	299,696	299,696
Total	310,392	294,817	332,371	353,843	367,180	366,426
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.						
	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25
Operational Boundary for external debt	Revised Mid year review 20-21	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec
	£000	£000	£000	£000	£000	£000
Borrowing - General Fund	47,918	32,343	43,294	49,126	50,484	49,730
Borrowing - Queensway residential	15,000	15,000	15,000	15,000	15,000	15,000
Borrowing - HRA	239,474	239,474	266,076	281,716	293,696	293,696
Total	302,392	286,817	324,371	345,843	359,180	358,426
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 the additional borrowing facility that may be drawn down by the Housing WOC.						
	31/03/2021	2020/21	2021/22	2022/23	2023/24	2024/25
Gross & Net Debt	Revised Mid year review 20-21	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec
	£000	£000	£000	£000	£000	£000
Gross External Debt - General Fund	17,353	2,525	6,444	12,710	14,770	14,770
Gross External Debt - HRA	230,487	230,487	257,089	272,729	284,709	284,709
Gross External Debt	247,840	233,012	263,533	285,439	299,479	299,479
Less Investments	(60,629)	(62,399)	(58,969)	(49,005)	(47,604)	(42,297)
Net Borrowing	187,211	170,613	204,564	236,434	251,875	257,181
The Gross External Debt is the actual debt taken out by the Council plus any relevant long term liabilities. The Gross External Debt should						
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.						
	31/03/2021	31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025
Capital Financing Requirement	Revised Mid year review 20-21	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec	Revised Final Cap Feb 21 Exec
	£000	£000	£000	£000	£000	£000
Capital Financing Requirement GF	42,918	27,343	31,060	36,892	38,249	37,495
Capital Financing Requirement HRA	237,474	237,474	264,076	279,716	291,696	291,696
Total Capital Financing Requirement	280,392	264,817	295,136	316,608	329,945	329,191
The Capital Financing Requirement (CFR) reflects the amount of money the Council would need to borrow to fund it's capital programme. This is split between the Housing Revenue Account CFR (HRACFR) and the General Fund CFR (GFCFR).						

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

TM Strategy Update

Table 1

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

Investment Counterparty	Investment Instrument	Minimum High Credit Quality Criteria	Investment Duration
Banks or Building Societies	Overnight Deposit	Fitch: Short Term F1 and Long Term A and Moody, Standard & Poor, equivalent where rated, the lowest rating used where different OR Part-nationalised or Nationalised UK banking institutions (subject to regular reviews of government share percentage).	Maximum duration as per Treasury Advisor's (Capita's) colour coded Credit List, and less than one year
	Notice Account		
	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 £10M
Instant Access Or Overnight Deposit	Maximum holding 100%	
Fixed Rate less than 12 month maturity	Maximum holding 100%	
Fixed Rate more than 12 months to maturity (includes all types of Fixed Rate Investments i.e. Certificates of Deposits)	Maximum £5M	Maximum £10M
Money Market Funds - Traditional Instant Assess (Counterparty Limit per Fund)	Maximum £5M per MMF	Maximum £10M 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 (January 2021)

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- United Arab Emirates
- France

AA-

- Belgium
- Qatar

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

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

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Part 1 – Release to Press



Meeting: COUNCIL

Portfolio Area: Members' Services



Date: 24 FEBRUARY 2021

OFFICER REPORT – MEMBERS' ALLOWANCES SCHEME 2021-2022

Author – Jackie Cansick Ext No. 2216
Lead Officer – Matt Partridge Ext No. 2456
Contact Officer – Jackie Cansick Ext No. 2216

1. PURPOSE

1.1 To recommend to Council a Members' Allowances Scheme for 2021-2022.

2. RECOMMENDATIONS

2.1 That a Members' Allowances Scheme be agreed for 2021-2022, as set out in Appendix A to this report.

3. BACKGROUND

3.1 Local authorities are required to make a Members' Allowances Scheme before the beginning of each financial year having considered the recommendations of an Independent Remuneration Panel.

3.2 At its meeting on 26 February 2020 the Council adopted a Members' Allowances Scheme for 2020-2021 based on the recommendations of the Independent Panel that had undertaken a comprehensive review in Autumn 2019.

3.3 The Scheme recommended for 2021-2022 is the same as that agreed by Council on in 2020 with the allowances increased in accordance with the pay award applicable to NJC staff as in previous years.

Council – 24 February 2021

4. REASONS FOR RECOMMENDED COURSE OF ACTIONS AND OTHER OPTIONS

- 4.1 Council is being recommended to approve a Scheme for 2021-2022 based on the latest recommendations of the Independent Remuneration Panel as there has been no amendment to the political management structure of the Council upon which those recommendations were based.
- 4.2 The Scheme recommended includes provision for allowances to be index-linked to officer (NJC) pay awards therefore any pay award agreed would be automatically applied. To date no increase has been agreed for 2021-2022 but any increase that may be agreed will be applied to the Scheme shown.

5. IMPLICATIONS

5.1 Financial Implications

The budget provision for the Members Allowances Scheme in 2021-2022, inclusive of travel and subsistence is £463,450 which is sufficient to fund the proposed Scheme.

5.2 Legal Implications

The Local Authorities (Members' Allowances) (England) Regulations 2003 require that before making a Scheme the Council must have regard to the recommendations made by the Independent Remuneration Panel. The appended draft Scheme for 2021-2022 is in accordance with that recommended in the most recent report of the Panel.

BACKGROUND DOCUMENTS

- Report of Independent Panel – January 2020
- Local Authorities (Members' Allowances) (England) Regulations 2003

APPENDICES

- Appendix A - Recommended Scheme for 2021-2022

STEVENAGE BOROUGH COUNCIL

MEMBERS' ALLOWANCES SCHEME

EFFECTIVE FROM 1 April 2021 to 31 March 2022

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 2021 to 31 March 2022.
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 2022.
3. Basic Allowance

A basic allowance shall be paid to each Councillor from 1 April 2021.
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	£8,019
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Special Responsibility Allowances

(i)	Leader of the Council	£22,512
(ii)	Executive Members	£11,025
(iii)	Chair of Planning and Development Committee	£11,025
(iv)	Chair of Overview & Scrutiny Committee	£9,900
(v)	Chair of Licensing Committee	£4,503
(vi)	Chairs of Select Committees	£5,628
(vii)	Chair of Audit Committee	£4,503
(viii)	Leader of the Opposition	£4,503
(ix)	Leader of minority opposition party(ies)	£1,541

Payment to Specific Co-opted Members

Independent Member - Audit Committee	£1,361
Independent person who must be consulted on alleged breaches of a code of conduct	£1,361

Carer's Allowance

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

Childcare	Maximum of £11.30 per hour
Dependant care	Maximum of £25.69 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 detailed above are index linked to any pay awards applicable to NJC staff that may be agreed for 2021-2022.



Meeting: **COUNCIL**

Portfolio Area: Resources

Date: 24 February 2021

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

Lead Officer Matthew Partridge Ext No. 2456

1. PURPOSE

- 1.1 To approve the pay policy statement for the financial year 2021/22.

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 set out in 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 and the Restriction of Public Sector Exit Payments Regulations 2020.
- 3.14 In late 2020 the Restriction of Public Sector Exit Payments Regulations came into force capping exit payments for public sector employees at a maximum of £95,000. At the time of writing the details of the impact of these regulations on those due to receive a payment above £95,000 linked to contractual pension strains costs has not yet been published and is currently subject to judicial review. In December 2020, the Local Government Association confirmed that the Reform of the Discretionary Compensation Payments Regulations and Local Government Pension Scheme Regulations, will not be updated until such times as this judicial review has been heard. The Council's redundancy policy will be update in line with these regulations as an when they are available.
- 3.15 As yet no national pay award for 2021/22 has been agreed for chief officers, in line with relevant terms and conditions, any national pay award that is agreed will be implemented. The Chancellor announced a pause in public sector pay in the Autumn of 2020, however, as local government pay is negotiated via the relevant joint negotiating committees and not controlled by central government a pay claim by the trade unions is still anticipated.

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 2021.

APPENDICES

Appendix 1 - Stevenage Borough Council Pay Policy Statement 2021/22.

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 2021 to 31 March 2022 subject to amendment by Council.

To date no Chief Officers' Pay Award has been agreed for 2021/22 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	£107,654-£125,116
Deputy Chief Executive (Strategic Directors pay band plus 10%)	£90,034-£104,637
Strategic Directors	£81,849-£95,125
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 £7192 per annum in addition to their Strategic Director pay
Deputy Section 151 Officer	The deputy section 151 officer receives a supplement of up to £1000 per annum in addition to their Assistant Director Pay
Assistant Directors	£67,996-£78,991
Assistant Directors (with Recruitment and Retention premium attached)	£72,496-£83,491

*Lowest Paid Employees with effect from 1 April 2021	£18,562
Mean Average Basic Earnings	£31,942

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

1. 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 2021 this will be £18,562 (£9.62 per hour).

3. The pay of the Chief Executive (excluding 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 3.91 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 £95,000 or more must be approved by Full Council and follow the relevant guidance within the Restriction of Public Sector Exit Payments Regulations.
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.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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