

STEVENAGE BOROUGH COUNCIL

EXECUTIVE MINUTES

Date: Wednesday, 15 November 2023

Time: 2.00pm

Place: Council Chamber, Daneshill House, Danestrete, Stevenage

Present: Councillors: Richard Henry (Chair), Jeannette Thomas (Vice-Chair), Sandra Barr, Lloyd Briscoe, Jackie Hollywell, Loraine Rossati and Simon Speller.

Start / End Start Time: 2.00pm

Time: End Time: 3.06pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were submitted on behalf of Councillor Mrs Joan Lloyd.

There were no declarations of interest.

2 MINUTES - 12 OCTOBER 2023

It was **RESOLVED** that the Minutes of the meeting of the Executive held on 12 October 2023 be approved as a correct record for signature by the Chair.

3 MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE AND SELECT COMMITTEES

In respect of the Minutes of the Environment & Economy Select Committee held on 10 October 2023 relating to the scrutiny of Bus Services in the Borough, the Portfolio Holder for Co-operative Council and Neighbourhood Communities commented that a knock-on effect of the successful petition to improve bus services in Bedwell had resulted in a reduction of the existing services to north-eastern parts of the town (St. Nicholas, Martins Wood and Chells wards).

The Portfolio Holder for Environment and Performance thanked Members of the Environment & Economy Select Committee and Overview & Scrutiny Committee, together with the Portfolio Holders for Co-operative Council & Neighbourhood Communities and Economy & Transport for their support in driving forward the Council's Climate Change agenda.

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

Community Select Committee – 19 September 2023

Overview & Scrutiny Committee – 26 September 2023

Environment & Economy Select Committee – 10 October 2023

4 HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN REVIEW 2023

The Executive considered a report in respect of the Housing Revenue Account (HRA) Business Plan review 2023.

In the absence of the Portfolio Holder for Resources and Transformation, the Portfolio Holder for Housing & Housing Development advised that the HRA 30 Year Business Plan outlined the Council's ambitions for the development of new social, affordable, good quality homes, maintenance of its existing social housing stock and provision of its tenancy management services, as funded through the ringfenced HRA income. The Council's HRA Business Plan was originally approved by the Executive in 2014 and had been reviewed frequently to ensure that any changes in approach to financial strategy, policy or direction of travel for the Council were reflected.

The Portfolio Holder for Housing & Housing Development stated that the report contained a review of key assumptions and material internal or external changes, revenue and capital investments for 2024/25, with the impact of proposed changes clearly identified. The proposals sought to ensure that the Council could maintain its assets, fulfil new regulatory and statutory requirements and provide 'More Social, Affordable and Good Quality Homes'.

The Portfolio Holder for Housing & Housing Development drew attention to the key headlines of the Business Plan which included:

- Significant growth proposals both capital (£423Million over the first 11 years, with the majority of this invested in existing and new housing stock) and revenue (£3.8Million in 2024/25);
- Increased borrowing to support capital spend in response to high inflation, a rent cap in the last year, increased regulatory requirements and lasting impacts from the Covid pandemic;
- Re-financing some existing debt (not paying off as in the previous Plan) and recognising that large savings would be needed to balance the plan, especially in years 1 to 11; and
- Acknowledgement of the higher risk in the first 10 years, due to increased borrowing and savings targets, but recognition that investment in assets and an increase in the number of Council homes was vital for tenants' wellbeing and a growing resident base.

The Executive noted that, due to uncertainty surrounding changes to Government legislative and regulation, such as the forthcoming revision of the Consumer Standards by the Regulator of Social Housing (RSH), the Council would need to revisit the HRA Business Plan in the Autumn of 2024 to assess future plans and spending commitments.

It was **RESOLVED**:

1. That the 2023 revision of the Housing Revenue Account (HRA) 30 year

Business Plan, as set out in the report and its appendices, be approved.

2. That the revised approach to borrowing principles, as set out in Paragraph 4.3 of the report, be approved.
3. That the level of balances for the HRA Business Plan, set as a minimum £10Million (uplifted for inflation for future years), and as set out in Paragraph 4.4.14 of the report, be noted.
4. That the assumptions used for the Medium-Term Financial Strategy (as set out in Paragraph 4.4.1 of the report) and the growth and saving proposals (as set out in Paragraph 4.4.3 of the report) be incorporated into the 2024/25 budget.
5. That the Capital Programme assumptions contained within the report be approved for the housing stock and new build properties and incorporated into the 2024/25 budget.
6. That prudential borrowing to fund capital projects in 2024/25 of £18.8Million be approved, and that future years be considered annually in line with future anticipated expenditure.
7. That additional HRA revenue budget of £176,000 in 2023/24 be approved to extend fixed term contracts for staff to the end of the 2023/24 financial year (as set out in Paragraph 4.4.5 of the report), and it be noted that this is within current Executive delegated limits.
8. That the Trade Unions and staff be consulted on the key messages contained within the Medium-Term Financial Strategies and more specifically when drawing up any proposals where there is a risk of redundancy.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

5 HOUSING ASSET MANAGEMENT STRATEGY 2023 - 2028

The Executive considered a report in respect of a proposed Housing Asset Management Strategy 2023 – 2028.

The Portfolio Holder for Housing & Housing Development advised the Asset Management Strategy detailed the framework under which the proposed investment in existing stock detailed in the HRA Business Plan (2023) would be achieved. The Housing Asset Management Strategy would direct the Council's investment priorities, but also served to demonstrate how the Council would deliver excellent services to its tenants, leaseholders and wider stakeholders. It identified how the Council would ensure that residents living in Council homes would remain safe, involved, informed and have good quality living standards. The strategy also detailed how the Council would meet the requirements of the new regulatory framework for social housing, along with other statutory legislation.

The Portfolio Holder for Housing & Housing Development explained that the strategy

outlined the approach and commitments the Council was making under the following key themes:

1. Ensure safety is our number one priority.
2. Deliver an excellent customer experience.
3. Improve performance and secure long term financial sustainability.
4. Tackle the climate change emergency to reduce our energy costs and overall carbon footprint.
5. Provide and maintain high quality homes.

In response to a question from the Leader regarding surveying of the Council's Housing Stock, it was confirmed that 94% of the actual stock had been surveyed. Access difficulties had prevented surveys of the remaining 6% thus far.

It was **RESOLVED**:

1. That the Housing Asset Management Strategy 2023 - 2028, as attached at Appendix A to the report, be approved.
2. That delegated authority be given to the Strategic Director (RP), after consultation with the Portfolio Holder for Housing and Housing Development, to finalise the Strategy and related action plan.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

6 SECOND QUARTER REVENUE BUDGET MONITORING 2023/24

The Executive considered a report in respect of the Second Quarter Revenue Budget Monitoring 2023/24.

In the absence of the Portfolio Holder for Resources and Transformation, the Portfolio Holder for Housing & Housing Development advised that the report highlighted a net increase for the General Fund of £1,850 and a net underspend of £1,229,920 for the Housing Revenue Account. She added that both the General Fund and HRA remained within their variation limits as delegated to the Executive by Council.

It was **RESOLVED**:

General Fund

1. That the 2023/24 Second Quarter projected net increase in General Fund expenditure of £1,850 be approved.
2. That it be noted that the cumulative changes made to the General Fund net budget remains within the £400,000 increase variation limit delegated to the Executive.

3. That the proposed movement on reserves, as detailed in Paragraph 4.2.1 of the report, be noted.

Housing Revenue Account (HRA)

4. That the 2023/24 Second Quarter projected net budget underspend in the HRA of £1,229,920 be approved.
5. That it be noted that the cumulative increases made to the HRA net budget remains within the £400,000 variation limit delegated to the Executive in the January 2023 budget report.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

7 FIRST AND SECOND QUARTER CAPITAL BUDGET MONITORING 2023/24

The Executive considered a report in respect of First and Second Quarter Capital Budget Monitoring 2023/24.

In the absence of the Portfolio Holder for Resources and Transformation, the Portfolio Holder for Housing & Housing Development advised that the Executive was asked to approve net changes of £447,000 in 2023/24, as detailed in Paragraph 4.4 of the report, and the reprofiling of £15.016 Million of 2023/24 budgets into 2024/25, as detailed in Section 4.5 of the report. The majority of the reprofiling was connected to Housing Development schemes, including Brent Court Garages, and Regeneration projects, such as the Stevenage Enterprise Centre and Innovation & Technology Centre.

The Portfolio Holder for Housing & Housing Development commented that there was also a new requirement that monitoring of treasury management indicators should be reported quarterly to the Executive. Appendix C to the report showed the First Quarter for 2023/24.

The Strategic Director (CF) confirmed that £447,000 of the increased budget costs for 2023/24 related to additional third party (including grants) funding received by the Council.

It was **RESOLVED:**

1. That the net capital budget increases of £447,000 (2023/24 - £316,000, 2024/25 - £131,000), as set out in Paragraph 4.4 of the report, be approved.
2. That the reprofiling of £15.016 Million from 2023/24 to 2024/25, as set out in Paragraph 4.5 of the report, be approved.
3. That the contents of Appendix C to the report (Treasury Management Update Quarter Ended 30 June 2023) be noted, and it be further noted that the 2021 Prudential Code and TM Code had introduced a new requirement that

monitoring of the treasury management indicators should be reported quarterly (along with the other prudential indicators) as part of the authority's general revenue and capital monitoring, and that Quarter 2 will be reported in the 2023/24 Mid-Year Treasury Management Review and Prudential Indicators report.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

8 MID YEAR TREASURY MANAGEMENT REVIEW 2023/24

The Executive considered a report in respect of the Mid-Year Treasury Management Review 2023/24.

In the absence of the Portfolio Holder for Resources and Transformation, the Leader of the Council advised that there were no recommended changes to the Treasury Management Strategy Statement for 2023/24, approved by Council on 23 February 2023. The report showed that cash balances were projected to be £38Million by 31 March 2024, however all of these sums had been committed to be spent, were planned to be used/drawn down, or were being held on behalf of others. Unless it was determined that allocated reserves were no longer needed in the future, there was currently no cash resources available for new projects.

The Leader of the Council stated that, as outlined in the First and Second Quarter Capital Budget Monitoring 2023/24 (see Item 7 above), borrowing of £23.826Million was proposed in 2023/24 to support the financing of projects in year. As at 30 September 2023, total borrowing was £259Million, which included new HRA borrowing of £7.5Million (August 2023). This could rise to £283Million if all proposed borrowing was taken externally.

The Leader of the Council commented that the average yield on investments was 5.27% for April to September 2023. The average yield was not expected to rise significantly during the remainder of the year, although some current fixed term investments would mature and be replaced with new investments at current higher rates. There had been no breaches of the Treasury Management Strategy in 2023/24 to date.

The Assistant Director (Finance) confirmed that the report had been considered by the Audit Committee, at its meeting held on 8 November 2023. At that meeting, officers had responded to a number of Members' questions, and the Committee had recommended that the Review be agreed by the Executive for approval by Council on 20 December 2023.

It was **RESOLVED** that the 2023/24 Mid-Year Treasury Management Review and prudential indicators, as set out in the report, be recommended to Council for approval.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

9 BALANCING THE BUDGET OPTIONS 2024/25

The Executive considered a report in respect of a proposed range of General Fund and Housing Revenue Account (HRA) budget options to be incorporated into the 2024/25 Revenue Budget process.

In the absence of the Portfolio Holder for Resources and Transformation, the Leader of the Council advised that the report outlined the Council's financial position and identified a funding gap for 2024/25 of £1.54Million, with a requirement to identify options totalling £1.23Million in order to balance the Council's budget for next year.

The Leader of the Council explained that the 2024/25 Balancing the Budget target had again been exacerbated by higher inflationary pressures and the persisting reduction in car parking income since COVID (with a £300,000 loss assumed in 2024/25), along with on-going pressures for issues such as the ICT review and licences, as set out in Section 4.5 of the report. This, after years of funding reduction, presented another difficult challenge noting that SBC had made savings of £12M since 2010. It was noted that despite the identification of options which would generate £1.2Million towards next year's budget target, a gap of £56,000 remained to be found. The options to achieve this further saving would be presented to Members for consideration at the January 2024 Executive Meeting.

The Leader of the Council stated that the options before Members could be summarised as:

- Efficiency (contract renewals) - £273,150
- Commercial (including fees and charges) - £613,606
- Transformation - £331,482
- Reductions - £5,614

The Portfolio Holder for Environment and Performance was pleased to note that the growth proposals for 2024/25 included the creation of a new Graduate/Trainee Planner post and the establishment of a post dedicated to woodland and new tree management.

The Strategic Director (CF) commented that balancing the budget continued to be challenging, with circa £1Million to be found per year for the foreseeable future. The Council would proceed with its Transformation Programme in order to assist in identifying and realising future opportunities. She confirmed that the budget included the impact of the recently approved NJC Pay Award for staff.

It was **RESOLVED**:

1. That the Balancing the Budget options, as set out in the report, totalling £1,223,851 (saving) for the General Fund and £77,134 Housing Revenue Account (HRA) respectively for 2024/25, be approved and incorporated into the Council's budget setting processes.
2. That the Growth options included in Section 4.6.2 of the report be approved for inclusion (subject to the savings shortfall being identified) in the 2024/25 -

General Fund (£131,710) and HRA (£46,960) budgets.

3. That £40,000 be approved for the costs associated with implementation of the Balancing the Budget options within the 2023/24 budgets, as set out in Paragraph 4.9.4 of the report, with the General Fund and HRA sharing the costs 50:50.
4. That the revised General Fund Medium Term Financial Strategy financial summary, as shown in Section 4.11 of the report, be noted.
5. That the completion of the Business Rates for 2024/25 (NDR 1) be delegated to the Strategic Director (Section 151 Officer), after consultation with the Portfolio Holder for Resources and Transformation, as set out in Paragraph 4.3.4 of the report.
6. That the increase in the two Planning fees, as detailed in Paragraph 4.9.3 of the report, and amounting to an additional £1,500 income, be agreed.
7. That the Council's recognised trade unions be consulted regarding the proposed budget package.
8. That key partners and other stakeholders be consulted and their views considered as part of the 2024/25 budget setting process.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

10 URGENT PART I BUSINESS

None.

11 EXCLUSION OF PRESS AND PUBLIC

It was **RESOLVED**:

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 the reasons for the following reports being in Part II were accepted, and that the exemption from disclosure of the information contained therein outweighs the public interest in disclosure.

12 PART II MINUTES - EXECUTIVE - 12 OCTOBER 2023

It was **RESOLVED** that the Part II Minutes of the meeting of the Executive held on 12 October 2023 be approved as a correct record for signature by the Chair.

13 MAJOR DEVELOPMENT PROJECT (KENILWORTH CLOSE) UPDATE

The Executive considered a Part II report in respect of an update on the Kenilworth Close development scheme, including a review of Phase 2 of the project.

Executive Members commented on the report and officers answered a number of Members' questions.

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

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

14 REVIEW OF SHARED ICT SERVICE RESOURCING (SOCITM REPORT)

The Executive considered a Part II report in respect of recommended proposals and costs for an enhanced Shared ICT Service.

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

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

15 GENERAL FUND CAPITAL STRATEGY OVERVIEW - PRIORITIES VERSUS FUNDING REQUIREMENT 2023/24 - 2029/30

The Executive considered a Part II report in respect of an overview of the General Fund Capital Strategy for 2023/24 – 2029/30, including proposals to fund the Council's approved priorities during that period.

Executive Members commented on the report and officers answered a number of Members' questions.

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

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

16 URGENT PART II BUSINESS

None.

CHAIR