

Public Document Pack



EXECUTIVE

Date: Wednesday, 7 February 2024

Time: 2.00pm

Location: Council Chamber, Daneshill House, Danestrete, Stevenage

Contact: Ian Gourlay (01438) 242703

committees@stevenage.gov.uk

Members: Councillors: R Henry (Chair), J Thomas (Vice-Chair), S Barr, L Briscoe, J Hollywell, Mrs J Lloyd, L Rossati and S Speller.

AGENDA

PART I

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

2. MINUTES - 17 JANUARY 2024

To approve as a correct record the Minutes of the meeting of the Executive held on 17 January 2024 for signature by the Chair.

Pages 5 – 14

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

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

Community Select Committee – 8 January 2024

Environment & Economy Select Committee – 16 January 2024

Pages 15 – 20

4. STEVENAGE WORKS SKILLS FRAMEWORK - UNLOCKING JOBS, SKILLS AND OPPORTUNITY FOR LOCAL PEOPLE

To consider a consolidation of the ongoing work around skills development into a skills framework approach involving key sectors in the town, building several tangible actions to help further support the work that is underway, and co-ordinating key internal resources to further aid delivery.

Pages 21 – 74

5. FINAL GENERAL FUND AND COUNCIL TAX SETTING 2024/25

To consider the Council's proposed 2024/25 General Fund Budget, Council Tax Support Scheme and proposals for the 2024/25 Council Tax for onward recommendation to Council.

[REPORT TO FOLLOW]

6. FINAL CAPITAL STRATEGY 2023/24 - 2028/29

To consider the Council's proposed Capital Strategy 2023/24 – 2028/29 for onward recommendation to Council.

Pages 75 – 106

7. ANNUAL TREASURY MANAGEMENT STRATEGY INCLUDING PRUDENTIAL INDICATORS 2024/25

To recommend to Council the approval of the Treasury Management Strategy 2024/25, including its Annual Investment Strategy, Prudential Indicators and Minimum Revenue Provision (MRP) policy.

Pages 107 – 142

8. STEVENAGE CYCLE HIRE SCHEME - REPORT AND PUBLIC CONSULTATION FEEDBACK

To consider an overview of the work undertaken, including public consultation, to develop a Stevenage Cycle Hire Scheme.

143 – 234

9. URGENT PART I BUSINESS

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

10. 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.

11. PART II MINUTES - EXECUTIVE - 17 JANUARY 2024

To approve as a correct record the Part II Minutes of the meeting of the Executive held on 17 January 2024 for signature by the Chair.
Pages 235 - 236

12. STEVENAGE CYCLE HIRE SCHEME - REPORT AND PUBLIC CONSULTATION FEEDBACK

To consider an overview of the procurement process undertaken and recommended chosen supplier to implement a cycle hire scheme in Stevenage; and to agree the progression with the contract award for the Scheme.
Pages 237 - 342

13. URGENT PART II BUSINESS

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

NOTE: Links to Part 1 Background Documents are shown on the last page of the individual report, where this is not the case they may be viewed by using the following link to agendas for Executive meetings and then opening the agenda for Wednesday, 7 February 2024 – <http://www.stevenage.gov.uk/have-your-say/council-meetings/161153/>

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STEVENAGE BOROUGH COUNCIL

EXECUTIVE MINUTES

Date: Wednesday, 17 January 2024

Time: 2.00pm

Place: Council Chamber, Daneshill House, Danestrete, Stevenage

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

Start / End Start Time: 2.00pm
Time: End Time: 3.04pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were submitted on behalf of Councillors Richard Henry (Chair) and Mrs Joan Lloyd.

There were no declarations of interest.

At this juncture, the Chair congratulated Sarah Pateman (Head of Community Advice and Support) on being awarded an OBE in the recent New Year's Honours List.

2 MINUTES - 13 DECEMBER 2023

It was **RESOLVED** that the Minutes of the meeting of the Executive held on 13 December 2023 be approved as a correct record for signature by the Chair.

3 MINUTES OF OVERVIEW & SCRUTINY COMMITTEE AND SELECT COMMITTEES

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

Overview & Scrutiny Committee – 22 November 2023

Environment & Economy Select Committee – 12 December 2023

Overview & Scrutiny Committee – 19 December 2023

4 STEVENAGE BOROUGH COUNCIL CORPORATE PLAN - MAKING STEVENAGE EVEN BETTER (2024 - 2027)

The Executive considered a report in respect of the proposed Stevenage Borough Council Corporate Plan – Making Stevenage Even Better (2024 – 2027).

In the absence of the Leader of the Council, the Chair (Deputy Leader) reminded Members that the Future Town Future Council (FTFC) Corporate Plan was approved

in 2016 and that, since 2021, it had been extended beyond its 5-year life twice. In that time, the Council had seen the financial impact of changes in welfare and social rent policy, ongoing severe cuts in local government funding, rising inflation, energy and food costs, and the significant social and financial cost of the Covid-19 pandemic. Accordingly, the Executive had led a review of the Council's priorities, the result of which was the new Corporate Plan, 'Making Stevenage Even Better'.

The Chair stated that 'Making Stevenage Even Better' outlined the Council's direction of travel for the next 3 years, from April 2024 to 2027. It was driven by what residents had told the Council mattered to them, obtained through surveys conducted since 2021. The findings demonstrated the desire of residents for the Council to prioritise:

- Climate change and utilisation of green spaces;
- Provision and investment in good local Services;
- Further increasing the diversity of retail and investment in town centre and leisure facilities;
- Maintenance and appeal of local areas; and
- Safety and prevention of crime.

The Chair explained that, for the purposes of clarity and to provide a clear framework by which existing partnership commitments and programmes could be reflected, 'Making Stevenage Even Better' had been categorised into 5 strategic priorities and 3 cross cutting themes:

Strategic Priorities

1. Transforming Our Town
2. More Social, Affordable and Good Quality Homes
3. Thriving Neighbourhoods
4. Tackling Climate Change
5. Balancing the Budget

Cross-cutting Themes

1. Equality, Diversity & Inclusion
2. Health & Wellbeing
3. Technology & Innovation

The Chair commented that formal engagement was undertaken with residents, local business, partners and staff for a period of 6 weeks in October 2023, and she was pleased to confirm that a high level of support (69%) was received. To build on the feedback obtained and to ensure the Council promoted its activities within the plan, she was keen that the next 4 months were used to actively communicate the proposals through the implementation of accessible and compelling communications packages developed for each area of focus.

The Chair acknowledged that the next three years would not be without its challenges and changes. She also knew that there would be difficult financial decisions ahead in order to continue to balance the budget. However, effective communication, robust performance monitoring and a commitment to delivering against the outcomes and actions set out in the document would provide a solid

direction of travel, which would enable the Council to make Stevenage an even better place to live, work and visit.

In response to a Member's question regarding the relatively low level of public response to the consultation on the draft document (72 responses), the Strategic Director (RP) referred to the Consultation Report at Appendix B and commented that the draft Plan had been informed by feedback obtained from over 3,000 residents via the Residents Survey (2021), the Tenants Survey (2021) and the Co-operative Neighbourhoods Resident Proptech Survey (2023) amongst other engagement mechanisms which were used.

It was **RESOLVED:**

1. That the five strategic priorities and three cross-cutting themes of Making Stevenage Even Better Corporate Plan (Appendix A to the report) be agreed, with final sign off delegated to the Chief Executive, after consultation with the Leader of the Council.
2. That the Making Stevenage Even Better Corporate Plan be brought to Full Council in February 2024.
3. That the Making Stevenage Even Better Corporate Plan be communicated with residents, local community groups and partners, as set out in Paragraph 4.11 of the report.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

5 FINAL HOUSING REVENUE ACCOUNT (HRA) BUDGET SETTING AND RENT REPORT 2024/25

The Executive considered a report in respect of the final Housing Revenue Account (HRA) Budget and Rent Setting for 2024/25.

The Chair (Deputy Leader and Portfolio Holder for Housing & Housing Development) advised that a draft HRA budget report was presented to the December 2023 Executive meeting, and had also been considered by the Overview and Scrutiny Committee. The comments of that Committee were included within the report. Since the December draft report was approved by the Executive there had been a net increase in recharges from the General Fund, which were not concluded in time for that report, but were now summarised in this one.

The Chair stated that the HRA budget had been set in line with the assumptions used in the revised 30-year Business Plan that was approved by the Executive in November 2023. The aim of the budget was to balance the needs of the existing housing stock, while allowing investment in new replacement homes for those lost under the Right to Buy system. The budget included funding for £37Million on revenue and capital works to existing homes and £29Million of investment in new housing stock for residents which would be welcomed by existing and future tenants. These investments are part of the Council's ten-year plan to improve the

maintenance of its homes and ensure that tenants had good quality, safe and sustainable homes to live-in, particularly in response to the climate crisis.

The Chair explained that in the next 5 years the budget would contribute towards the delivery of 447 new homes in line with the Council's 5 Star promise. This was on top of the over 500 homes that the Council had delivered to date. Maintaining full compliance with all statutory and regulatory requirements to ensure tenants homes remained safe would continue to be a key priority for the Executive.

The Chair commented that the Council would further progress its low to medium rise flat block refurbishment programmes and would undertake further building safety and refurbishment works to the Council's five high rise flat blocks. Over the next three years of the Council's decent homes programme, 995 new kitchens or bathrooms would be installed, there would be 1,875 heating upgrades, 1,500 window or door upgrades and 1,400 properties would receive works to improve their energy efficiency with the aim for all properties to be at an energy performance rating of C by 2030.

The Executive noted that the revenue growth included within the 2024/25 budget would enable the Council to meet additional costs relating to void properties and support the work in clearing the current backlog of fencing repairs and replacements. Work would continue to implement improvements to the Council's Repairs and Voids service, to ensure it offered choices to tenants and delivered cost-effective repairs and improvements. Further proposals in this regard would be presented to the Executive in due course.

The Chair advised that additional resources had also been allocated in response to new and ongoing operational challenges, including higher levels of arrears, and the introduction of new and revised social housing standards and regulations. There would be increased spending on housing management services, including the undertaking of more tenancy audits, so that tenants could have regular access to Housing Staff, in order that issues could be reported and mitigated earlier, whilst also supporting vulnerable tenants when necessary. These investments would be made alongside the delivery of transformation projects, which would deliver service improvements and help offset pay awards and IT related pressures. As part of the Council's climate change commitment, the vehicle fleet would be switching (where possible) to *Hydrotreated Vegetable Oil* fuel from October 2024.

The Chair commented that, as always, rent provided the main source of funding for the HRA and these had been increased by 7.7%, in line with the Government's rent setting guidelines, using September CPI plus 1%. This meant that average weekly rents would increase by £8.56 for social rents, £10.09 for Low Start Shared Ownership homes and £13.30 for affordable rents. However, due to a large reduction in utility costs, some tenants in the Council's flat blocks would see an overall reduction in their combined rent and service charges next year.

The Chair stated that, since the draft budget was presented to Members in December 2023, recharges between the HRA and the General Fund had been finalised. Overall, this had increased costs to the HRA by £179,000 and the HRA deficit for the year by £261,000. This would be funded from balances and adjusted

in future revisions of the Medium Term Financial Strategy.

It was **RESOLVED** that the following proposals be recommended to Council on 24 January 2024:

1. That Housing Revenue Account (HRA) dwelling rents be increased (week commencing 1 April 2024) by 7.7%. This equates to an average increase of £8.56 for social rents, £13.30 for affordable rents and £10.09 for Low Start Shared Ownership homes per week (based on a 52-week year).
2. That the 2024/25 service charges be approved, as set out in Paragraph 4.2 of the report.
3. That the HRA budget for 2024/25, as set out in Appendix A to the report and as revised from the January 2024 draft budget report (as explained in Paragraph 4.8.1 of the report), be approved.
4. That the 2024/25 growth options, as set out in Section 4.4 of the report, be approved.
5. That the 2024/25 Fees and Charges, as set out in Appendix B to the report, be approved.
6. That the minimum levels of balances for 2024/25, as shown in Appendix C to the report, be approved.
7. That the Rent Increase Equalities Impact Assessments, appended to the report in Appendix D, be noted.
8. That the contingency sum of £400,000, within which the Executive can approve supplementary estimates, for 2024/25 (unchanged from 2023/24) be approved.
9. That the comments from the Overview and Scrutiny Committee, as set out in Paragraph 4.10.2 of the report, be noted.
10. 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.

6 DRAFT GENERAL FUND AND COUNCIL TAX SETTINGS 2024/25

The Executive considered a report in respect of the Council's draft General Fund, Council Tax Support Scheme and draft proposals for the 2024/25 Council Tax.

In the absence of the Portfolio Holder for Resources and Transformation, the Chair (Deputy Leader and Portfolio Holder for Housing & Housing Development) advised that the current context for both the Council and the wider local government sector remained very challenging. She reminded Members that the Council's funding from

central Government had reduced by over £5M since 2010 and the Council had absorbed pressures of £12M in total over that time. The report also included data from the National Audit Office which confirmed that, in real terms, the Council's core spending power had reduced by 64.5%. Beyond this, the Local Government Association had identified that local government needed a further £4bn funding package to remain financially stable.

The Chair stated that the report presented a savings package of £1.2Million for consideration and growth of £167,000 for next financial year alongside a 2.99% increase in council tax. However, Stevenage Borough Council could only keep 11% of the council tax raised. This was the smallest share of council tax, with the rest going to the County Council and the Police. To help residents with the increase in council tax, SBC was keeping its Council Tax Support Scheme at a maximum payment of 8.5% of the council tax due for working aged claimants on maximum benefit.

The Chair explained that it was also recommended that £200,000 of business rate gains be used each year to support General Fund services, with the rest going into the business rate reserve. The February 2024 budget report would update Members on the projections for gains for the reasons set out in the report. She was pleased to report a further gain of £220,000 from Business Rate pooling, as set out in Paragraph 4.4.7 of the report.

The Chair commented that, owing to the Government's funding formula, funding from Government was £146,000 higher than had been previously estimated. The Council was able to set a balanced budget for next year with only a small use of balances. However, looking ahead, the Council faced significant challenges in future years, including the need to find a further £1Million savings for 2025/26.

The Strategic Director (CF) commented that the Financial Settlement was still provisional, as the Government was still consulting upon it. The Police and Upper Tier authorities had more flexibility in the amount of Council Tax increases, whilst Borough District Councils were capped at a maximum rise of 3%. The £1Million savings target for 2025/26 would currently include a draw on balances of £600,000, although this figure could reduce later in 2024/25.

It was **RESOLVED:**

1. That the 2023/24 revised net expenditure on the General Fund of £13,272,960 be approved, as set out in Paragraph 4.10.1 of the report.
2. That the draft General Fund Budget for 2024/25 of £11,427,090 be proposed for consultation purposes, with a contribution from balances of £50,494 and a Band D Council Tax of £239.26 (assuming a 2.99% increase).
3. That the updated position on the General Fund Medium Term Financial Strategy (MTFS), as summarised in Section 4.12 of the report, be noted.
4. That the minimum level of General Fund reserves of £3,537,794, in line with the 2024/25 risk assessment of balances, as shown at Appendix C to the

report, be approved.

5. That the contingency sum of £400,000 within which the Executive can approve supplementary estimates, be approved for 2024/25 (reflecting the level of balances available above the minimum amount).
6. That the 2024/25 Balancing the Budget options, as set out in Section 4.7 and Appendix A to the report, totalling £1,223,852 and £95,063 for the General Fund and Housing Revenue Account (HRA) respectively, be included into the Council's budget setting processes for consideration by the Overview & Scrutiny Committee.
7. That the events options, as set out in Paragraph 4.7.4 of the report, be approved for 2024/25.
8. That the Growth options included in Section 4.8 of the report be approved for inclusion in the 2024/25 General Fund (£167,120) and HRA (£47,265) budgets.
9. That the pressures identified in Sections 4.2 and 4.9 of the report be noted.
10. That the use of £200,000 of Business Rates in the base budget be approved, and any gains above that be used only once realised, and be ring fenced for use to maintain the Council's financial resilience.
11. That the use of 'pooling gains' of £220,000, as set out in Paragraph 4.4.7 of the report, be approved.
12. That the decisions taken on Resolutions 2 – 11 above be referred to the Overview and Scrutiny Committee for consideration, in accordance with the Budget and Policy Framework Rules in the Council's Constitution.
13. That the Equalities Impact Assessment appended to the report in Appendix D be noted.
14. 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.

7 DRAFT CAPITAL STRATEGY 2023/24 - 2028/29

The Executive considered a report in respect of the draft Capital Strategy for 2023/24 – 2028/29.

In the absence of the Portfolio Holder for Resources and Transformation, the Chair (Deputy Leader and Portfolio Holder for Housing & Housing Development) advised that the General Fund capital growth bids received had been classified against a number of priorities. These bids totalled £2.483Million. Appendix A to the report provided further information on those bids and existing capital schemes that had not

been started or committed (totalling £1.081Million).

The Chair stated that the Council's Financial Security Group met on 4 January 2024 to review the Capital schemes. Members agreed to support a programme of schemes totalling £3.564Million. This programme was fully funded and totalled £33Million, which included £21Million of regeneration and £17.7Million of Housing Development schemes for the General Fund.

The Chair commented that the report also highlighted capital budget savings in 2023/24 of £1.6Million, and further budgets to be re-phased into future years of £2.619Million. Section 4.1 of the report provided further information. The result of this meant that the General Fund capital programme for 2023/24 to 2028/29 totalled £71.68Million.

The Chair explained that report also provided updates on Locality reviews in Section 4.5 of the report and Community Infrastructure Levy and Section 106 in Section 4.6. The report highlighted the Minimum Revenue Provision position which reflected the amounts the Council had to set aside revenue-wise for the provision of debt repayments. This was included within the Draft General Fund and Council Tax Setting 2024/25 report elsewhere on the agenda for the meeting.

The Chair advised that the Capital Strategy also included the Housing Revenue Account (HRA) Capital programme in Paragraphs 4.9 of the report (capital expenditure of £261.550Million for 2023/24 to 2028/29) and the funding resources at Section 4.10. These figures reflected those included within the Housing Revenue Account Final Budget and Rent Setting 2024/25 report elsewhere on the agenda for the meeting.

It was **RESOLVED:**

1. That the Revised General Fund Capital Budget for 2024/25 of £33.6Million, as set out in Appendix B to the report, be proposed for consultation purposes.
2. That the Draft Housing Revenue Account (HRA) Capital Budget for 2024/25 of £54.9Million, as set out in Appendix C to the report, be proposed for consultation purposes.
3. That the updated forecast of resources 2024/25 be approved, subject to the consultation process (set out in the report at Section 4.4 – General Fund, and Section 4.10 – HRA).
4. That the General Fund capital budget re-profiling of £2.6Million from 2023/24 to future years be approved (as set out in Paragraph 4.1.4 of the report).
5. That the General Fund capital budget savings (as set out in Paragraphs 4.1.3 and 4.1.5 of the report) be approved.
6. That the approach to resourcing the General Fund capital programme, as outlined in the report (Paragraph 4.4), be approved.

7. That the General Fund growth bids identified for inclusion in the Capital Strategy (as set out in Paragraph 4.2 and in Appendix A to the report) be approved in principle.
8. That the HRA budget increases identified for inclusion in the Capital Strategy (as set out in Section 4.9 and Appendix C to the report) be approved.
9. That the approach to resourcing the HRA capital programme, as outlined in the report (Paragraph 4.10), be approved.
10. That HRA capital budget re-profiling of £1.45Million from 2023/24 to future years be approved (as set out in Paragraph 4.9.3 of the report).
11. That the HRA growth bid (IT £21,000) identified for inclusion in the Capital Strategy (as set out in Paragraph 4.9.4 of the report) be approved in principle.
12. That the 2024/25 de-minimis expenditure limit (set out in Section 4.11 of the report) be increased from £7,500 to £9,999.
13. That up to £500,000 of any revenue surplus in any year can be allocated to the capital reserve to support capital expenditure be approved.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

8 URGENT PART I BUSINESS

None.

9 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.

10 PART II MINUTES - EXECUTIVE - 13 DECEMBER 2023

It was **RESOLVED** that the Part II Minutes of the meeting of the Executive held on 13 December 2023 be approved as a correct record for signature by the Chair.

**11 ACTIVITY PROPOSALS FOR FAIRLANDS VALLEY PARK SAILING CENTRE
AND MAIN LAKE**

The Executive considered a Part II report in respect of proposed operational arrangements for Fairlands Valley Sailing Centre and Main Lake.

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

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

12 URGENT PART II BUSINESS

None.

CHAIR

STEVENAGE BOROUGH COUNCIL

COMMUNITY SELECT COMMITTEE MINUTES

Date: Monday, 8 January 2024

Time: 6.00pm

Place: Council Chamber, Daneshill House, Danestrete, Stevenage

Present: Councillors: Sarah Mead (Chair), Alex Farquharson (Vice-Chair), Julie Ashley-Wren, Forhad Chowdhury, Mason Humberstone, Conor McGrath and Carolina Veres.

Start / End Start Time: 6.00pm
Time: End Time: 6.30pm

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

Apologies for absence were submitted on behalf of Councillors Wendy Kerby and Ellie Plater.

There were no declarations of interest.

2 **MINUTES - TUESDAY 14 NOVEMBER 2023**

It was **RESOLVED** that the minutes of the meeting of the Community Select Committee held on 14 November 2023 be approved as a correct record and signed by the Chair.

3 **DRAFT REPORT AND RECOMMENDATIONS OF THE HOUSING REPAIRS REVIEW**

The Chair stated that as Members had read the report, she would not go through each section of the report line by line but invited Members to make comment on the report and recommendations or provide any suggested changes to the wording or any additional recommendations that they might have.

A Member suggested that perhaps recommendation 8 "Development of Customer Self-serve App" might be the hardest to deliver as it would likely be resource intensive. The Chair stated that as many Council services were becoming accessible online it was important to also make the repairs service accessible via an App. The Chair stated that it was the Committee's role to make recommendations and for Executive Members and Officers to evaluate the recommendation and decide if it is deliverable. The Assistant Director, Building Safety and Housing Property Services, Denise Lewis, stated that the review findings and this particular recommendation would be welcomed as the principle that Officers were working towards was to make the service as accessible as possible to the public.

The Chair stated that the Committee had carried out a thorough review and it was pleasing that many of the findings of the Independent Housing expert, Ridge, had come to similar conclusions as the Member scrutiny review.

It was **RESOLVED** that the draft report and recommendations of the Housing Repairs Scrutiny Review be agreed.

4 **URGENT PART 1 BUSINESS**

None.

5 **EXCLUSION OF PUBLIC AND PRESS**

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.

6 **URGENT PART II BUSINESS**

The Chair agreed to receive a part II urgent item on activity proposals for Fairlands Valley Sailing Centre and main lake. The reason for urgency was that the matter needed to be considered at this meeting prior to formally being considered at the Executive and then the Overview and Scrutiny Committee and then possible awarding of a contract in time for possible summer 2024 activities to be in place.

The Cultural, Wellbeing and Leisure Services Manager, Geoff Caine provided Members with an outline of options which Members commented on as a piece of pre-scrutiny policy development work ahead of the report being considered at the Executive and the Overview and Scrutiny Committee later in January.

It was **RESOLVED**:

That the report be noted, and Members comments be verbally passed on by the Cultural, Wellbeing and Leisure Services Manager to the Executive in January 2024.

CHAIR

STEVENAGE BOROUGH COUNCIL
ENVIRONMENT & ECONOMY SELECT COMMITTEE
MINUTES

Date: Tuesday, 16 January 2024

Time: 6.00pm

Place: Council Chamber, Daneshill House, Danestrete, Stevenage

Present: Councillors: Rob Broom (Chair), Adam Mitchell CC (Vice-Chair), Jim Brown, Bret Facey, Conor McGrath, Sarah Mead, Claire Parris, Ellie Plater and Baroness Dr Sharon Taylor of Stevenage, OBE.

Start / End Start Time: 6.00pm
Time: End Time: 6.45pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were submitted on behalf of Councillors McGuinness and Snell.

There were no declarations of interest.

2 MINUTES - 12 DECEMBER 2023

It was **RESOLVED** that the minutes of the meeting of the Environment and Economy Scrutiny Committee held on 12 December 2023 be approved as a correct record and signed by the Chair.

3 FINAL REPORT AND RECOMMENDATIONS OF THE BUS SCRUTINY REVIEW

The Committee received the report and recommendations of the Environment and Economy Select Committee Scrutiny Review into local Bus Services following the collapse of the ZEBRA Electric Bus Scheme for Stevenage.

The Scrutiny Officer advised that the proposed recommendations would be presented to the Executive Portfolio Holder for Economy and Transport, Councillor Lloyd Briscoe and with partners at HCC Highways Unit and Arriva Bus Company with a response to be provided within two months of the publishing of the report.

The following comments and responses were made at the meeting:

- Recommendation 9 (i) – in respect of the pedestrian access from the Bus Station through to the shops, it was agreed that the route across the front of the Leisure Centre was clear although additional signage could help people to use this route rather than to the side of Daneshill House/Registry Office. It was suggested that the perception that the Daneshill House route being the quicker route should be challenged;
- Recommendation 9 (iii) – in relation to the location of Shopmobility, it was

noted that it was the decision of Shopmobility and not the Council that they locate in the Indoor market rather than the bus station as they wanted to link in with Age Concern and their presence in the market;

- Recommendation 9 (iv) – in relation to the additional seating, it was noted that there was both seating in the indoor and outdoor areas of the new bus station, along the walking route both in front of the Leisure Centre and on the section from the end of the Station ramp towards PaddyPower. Additional seating was also available in Event Island and then in the Town Centre itself. The alternative route alongside Swingate had no place for seating and should not be encouraged as it was a busy road with traffic fumes.
- A Member raised the issue of the proposed circular bus route between Roaring Meg, Leisure Park, Old Town and the Town Centre. Similar schemes operated in many places and the Council should not lose sight of this. The Council should be looking to identify any funding opportunities for this and it should be included in the recommendations of the Review;
- The consideration of a spine route was also mentioned going from one side of the Town to another rather than all routes terminating in the Town Centre;
- Concern was expressed regarding the opening hours of the Bus Station and that the Council needed to ensure a safe and comfortable user experience;
- Recommendation 8 – it was suggested that speed humps should be included in the list of traffic calming measures and that as well as reviewing past planning applications, Planning Officers and Planning and Development Committee Members should also inform the planning process with regard to traffic calming measures and the impact they have on buses.

It was **RESOLVED**

1. that the Scrutiny Officer, in consultation with the Chair of the Environment and Economy Committee produce amended recommendations based on the bullet points listed above and circulate to members of the Committee for their agreement to the changes;
2. That the amended recommendations be presented to the Executive Portfolio Holder for Economy and Transport, Councillor Lloyd Briscoe and partners at HCC Highways Unit and Arriva Bus Company with a response to be provided within two months of the publishing of the report.

4

DRAFT REPORT AND RECOMMENDATIONS OF THE COST-OF-LIVING SCRUTINY REVIEW

The Committee considered the draft report and recommendations of the Committee's Cost of Living review.

The Committee was presented with the review findings and conclusions which would be presented to the Executive Portfolio Holders including the Leader of the Council, Resources and Transformation, Co-operative Councils and Neighbourhoods and Economy and Transport who would liaise with partners including:

- Stevenage CAB;

- Childrens Centres;
- Homestart;
- Wenta BTC; and
- Unison and Unite Trades Unions;

and that a response be provided within two months of the report being published.

Members agreed that although some areas had improved since the review had been undertaken, the impact of the cost of living crisis was still being felt by the community although much of the solution was not in the gift of Stevenage Borough Council.

Members also agreed the importance of the Council to continue to lobby the Government to take the issue of Local Government funding more seriously particularly when Councils were taking on additional responsibilities such as those during the Covid-19 pandemic or the responsibility to provide accommodation for asylum seekers. The Chair agreed to make an extra recommendation regarding lobbying central government on this issue.

In relation to Recommendation 1 – Signposting, Members stressed the importance of teams going out into the community and not just waiting for the community to reach out for help. It was agreed that this way forward should form part of the recommendation.

The Chair thanked the Committee for their thorough and valuable work on the Review.

It was **RESOLVED** that the recommendations 1 – 7 be approved with the addition to recommendation 1 as referred to above and the addition of an extra recommendation on lobbying central government regarding local government funding.

5 **URGENT PART I BUSINESS**

None.

6 **EXCLUSION OF PUBLIC AND PRESS**

Not required.

7 **URGENT PART II BUSINESS**

None.

CHAIR

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Part I – Release to Press



Meeting Executive

Portfolio Area Leader of the Council,
Neighbourhoods, Communities,
Co-operative Councils & Young People

Date 7 February 2024



STEVENAGE WORKS SKILLS FRAMEWORK– UNLOCKING JOBS, SKILLS & OPPORTUNITY FOR LOCAL PEOPLE:

KEY DECISION

Authors Daryl Jedowski | 2918

Contributors Tom Pike | 2288

Lead Officers Tom Pike | 2288

Contact Officer Daryl Jedowski | 2918

1 PURPOSE

- 1.1 The purpose of this report is to consolidate the ongoing work around skills development that Stevenage Borough Council is involved with, into a skills framework approach that considers the key sectors in the town, building several tangible actions to help further support the work that is underway and co-ordinating key internal resources to further aid delivery.
- 1.2 The expectation is that implementing this framework will be the first key action following the creation of the Enterprise and Skills focus of the newly adopted “Making Stevenage Even Better” Corporate Plan. With ‘Stevenage

Works' as the primary vehicle to continue building on this work, embedding the established ethos and utilising the strong branding and governance model that is already in place to draw this vital activity together.

- 1.3 This builds on a strong programme of activities that we already have underway supporting local business, people & skills and providing resources to support the development and delivery of this framework. There are two elements which are providing resources to support the development of the framework:

- Pioneering Young STEM Futures – Specifically focused on the advancement of Science, Technology, Engineering & Mathematics (STEM) opportunities in the town and providing resources to support the STEM elements of the Framework.
- UK Shared Prosperity Fund (UKSPF) – The UK Government's domestic replacement for European Structural and Investment Funding places an emphasis on both the 'Supporting Local Business' and 'People and Skills' investment priorities.

- 1.4 To support these activities, we have already established a strong partnership of key local stakeholders throughout, the public sector, education and industry. Particularly essential has been a steering group, comprised of the Hertfordshire Local Enterprise Partnership, the University of Hertfordshire, and North Hertfordshire College. Each is positioned as key anchor institution in the local area and provides key expertise around the skills ecosystem.

- 1.5 This framework and the associated approach will continue to be built on going forward with further direct engagement planned with the Stevenage Development Board, Hertfordshire Local Enterprise Partnership and SBC Elected Members to ensure the approach is appropriately aligned with local and county wide policy whilst providing access to opportunities for local people. The action plan will be iteratively designed following direct engagement from all key stakeholder groups.

2 RECOMMENDATIONS

- 2.1 That the proposed 'Stevenage Works Skills Framework' is approved for implementation and publication.
- 2.2 That delegated authority be given to the Strategic Director (TP), having consulted with the Portfolio Holder for Neighbourhoods, Communities, Co-operative Councils & Young People and the Leader of the Council, to make any final changes to the Skills Framework and to oversee the continued development of the associated 'Stevenage Works Skills Framework Action Plan'.
- 2.3 That delegated authority be given to the Strategic Director (TP), having consulted with the Portfolio Holder for Neighbourhoods, Communities, Co-operative Councils & Young People and the Leader of the Council, to make any structural or other organisational changes which may be necessary to support the implementation of the 'Stevenage Works Skills Framework'.

3 BACKGROUND

- 3.1 Whilst Skills Provision does not typically fall within the statutory duties of a district or borough council, a strategic commitment to 'Enterprise & Skills' has been included as part of the Council's newly approved Corporate Plan 'Making Stevenage Even Better'. This signals the council's intent to build on the local skills and employment offer, aligning existing resources and further augmenting our ability to attract external funding building on the £2.7m that the council has been able to secure over the last three years to support local business, skills development and community wealth building.
- 3.2 For local people, this means that they will be provided with increased access to opportunities in high value careers available in the town, whether they be young people, those in employment, or those with barriers to employment. The key to this is that these opportunities are co-designed with those who will benefit from them. It is also important that we work closely with key stakeholders within education providers and key industry partners in the town.
- 3.3 Part of this has seen a focus on providing equity to those with the most barriers to the workplace and an acknowledgement of the often-generational challenge that improving aspirations and life chances provides. We must ensure that when we focus on specific interventions, projects and building life chances we do not inadvertently neglect broader elements that can help shape opportunities for the next generation. To achieve this, we already have several initiatives underway to support the achievement of our ambitions.
- 3.4 Chief amongst these is Stevenage Works, a partnership between SBC, North Herts College and Job Centre Plus which, since 2017, has been positioned as a job and training hub comprising a vast range of partners located within Stevenage. Since its formation Stevenage Works has supported 500 people to attend training courses, supported 150 candidates in achieving their construction skill card, put in place over 40 apprenticeships and secured £50,000 in investment into local community projects and good causes throughout Stevenage.
- 3.5 Whilst the primary focus over this period has been on construction/housing contracts, leveraging ongoing links to the Town Centre regeneration, housing development opportunities and the council's ongoing Major Repair Contract amongst others, to create opportunities for local people to enter the construction industry. A strong brand and template for success has been created that can be applied to other key sectors and employers in the town.
- 3.6 Alongside Stevenage Works, SBC has driven the introduction of a community wealth building approach recognising that traditional economic development policy and practice has not always delivered local economic, social, and environmental benefits for residents.
- 3.7 Community Wealth Building takes a different view of economic development; one where wealth is retained, circulating, and delivered for the health and wellbeing of residents and the environment. SBC has an established Cooperative and Inclusive Economy Charter, the aim of which is to create a fairer society and a more resilient economy.

- 3.8 To support this work, funding was acquired from the Community Renewal Fund (CRF), the Government's precursor to the UKSPF which saw £750k awarded for the development of Community Wealth Building initiatives, in Stevenage and throughout Hertfordshire. We are continuing to build on many of these elements through our UKSPF Local Investment Plan which provides a further £1m in funding until March 2025.
- 3.9 In addition to the Council's commitment, further support is offered via the Stevenage Development Board (SDB) and the Stevenage Town Investment Plan (STIP), both of which are key drivers for not only this programme and the wider regeneration ambitions of the town. SDB is a senior multi-stakeholder partnership that was established in 2020 to oversee the development and delivery of a Town Deal for Stevenage. Subsequently, £37.5m funding was secured from the Government's Town's Fund to deliver the ambitious Stevenage Town Investment Plan (STIP).
- 3.10 The STIP forms part of the Council's broader, longer term regeneration programme which has been designed to maximise the Town's potential and deliver a significant transformation.
- 3.11 Predicated on maximising the success of businesses in Stevenage's science and engineering sectors and Stevenage's ambitious regeneration plans, the STIP places a significant emphasis on delivering opportunities for local people, particularly in relation to enhanced skills and training.
- 3.12 This further strengthens Stevenage's unique position as home to a series of international, sector-leading organisations including Glaxo Smithkline, Airbus, MBDA and Autolus, as well as hosting the bioscience catalyst and Cell and Gene Catapult. With a 7% global market share in cell/gene therapy, retaining this position alone will add approximately 5,000 jobs as the cell/gene therapy industry grows. Stevenage is also the leading location for the UK space industry and home to the 2018 ExoMars Rover and the 2017 Solar Orbiter Satellite research and development programmes, building a quarter of the world's satellites.
- 3.13 Building on this emphasis on the STEM sector the council has been working with Mission 44, a charitable organisation set up by Sir Lewis Hamilton which is seeking to transform the lives of young people from under-served backgrounds with a focus on science, technology, education & mathematics (STEM) education and careers. This has culminated in the development of the 'Pioneering Young STEM Futures' programme, for which phase one is underway.
- 3.14 As part of all this activity, several initiatives are already underway, including: The Primary School Quality Mark – A project led by the University of Hertfordshire designed to provide comprehensive, professional development and school improvement. The Life Science Academy, led by North Hertfordshire College, will build on the success of the Airbus Flying Challenge, this time partnering with the reputable medical research charity Life Arc, who is supporting the development and delivery of the programme. Going forward, the ambition is to continue to expand the depth and breadth of these activities encompassing further mentoring opportunities and bespoke support for residents with disabilities building in greater direct

involvement from key local employers alongside already established delivery partners.

Overview

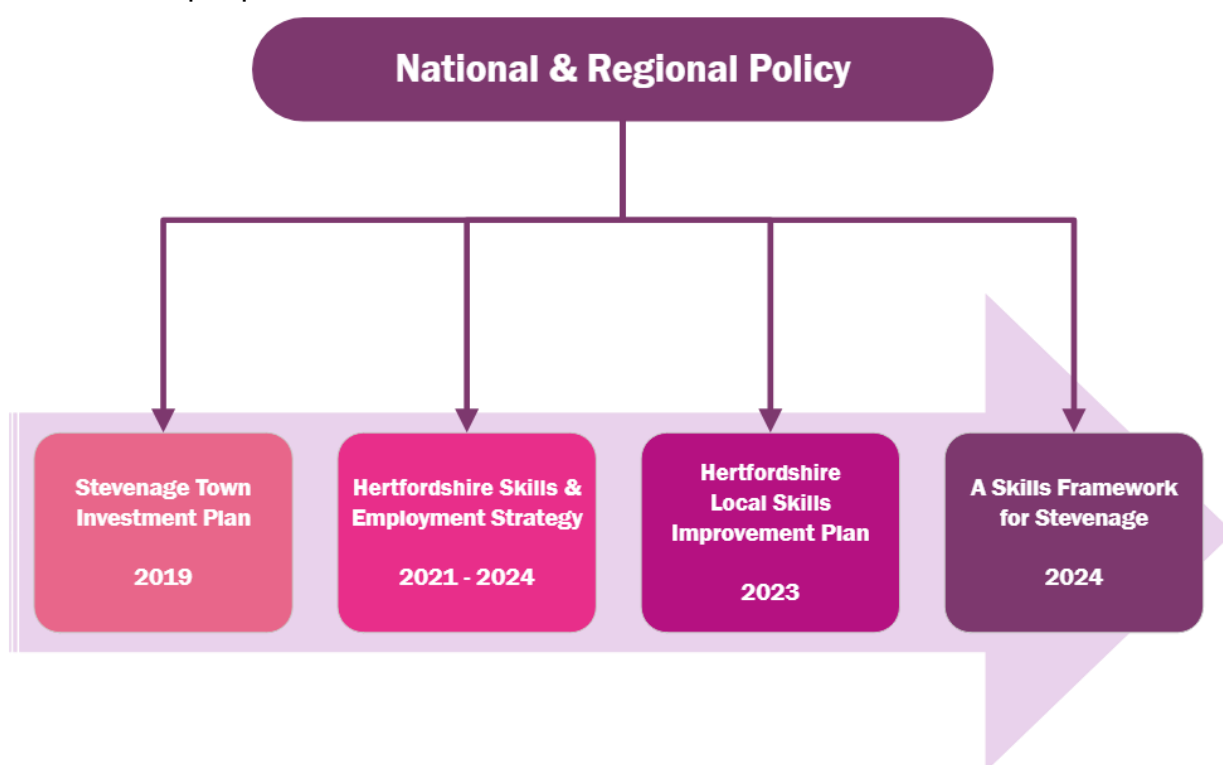
3.15 The Framework is broken down into three documents:

- Stevenage Works Skills Framework – Unlocking Jobs, Skills & Opportunity for Local People
- Stevenage STEM Sector Overview
- Stevenage Skills Action Plan

3.16 Through the Framework we will provide Stevenage residents with the tools to make the most of the opportunities available on their doorstep by working with key partners, industry, and educators. Ensuring the significant investment and growing sectors that are key employment opportunities in the town are further benefitting local people.

3.17 Faced with higher levels of deprivation across the town, lower levels of attainment and lower levels of qualifications than neighbouring areas and the national average, and with resident earnings being on average lower than that of in-commuters, some residents are not being afforded the opportunity to benefit from the opportunities which are likely to become available.

3.18 The Stevenage Works Skills Framework fits into the local policy framework by linking directly into the: Stevenage Town Investment Plan (2019), Hertfordshire Skills & Employment Strategy (2021-2024) and Hertfordshire Local Skills Improvement Plan (2023). The Framework serves as the local delivery element of the Hertfordshire Skills & Employment Strategy and builds on one of the key themes of the STIP around providing opportunity for local people.



A Skills Framework for Stevenage

3.19 The overarching Skills Framework focuses on four key areas designed to capture:

- The opportunities that are available in the town,
- The ambitions for the interventions we want to deliver,
- The challenges we face and are seeking to address,
- A response through the accompanying action plan.

This is illustrated below:



3.20 To support this approach the Skills Framework is targeted at three key stakeholder groups, each of them crucial to the development of skills in the town:

- People In Employment
- People Outside or with Barriers to Employment
- Young People

Key Sectors

3.21 To build upon the Skills Framework, the skills dimension will be augmented by a series of Sector Skills Overviews which will link to an action plan The overall aim is to ensure Stevenage residents have the necessary skills and qualifications to secure good employment in Stevenage's target sectors.

Science, Technology, Engineering & Mathematics (STEM)

- 3.22 A clear focus for the town, specifically targeted on Advanced Manufacturing and Life Sciences, to build on the opportunity of the key STEM employers. Integrating with the work being undertaken in collaboration with Mission 44, the 'Pioneering Young STEM Futures' programme.

Construction

- 3.23 Building on the foundational work undertaken through the 'Stevenage Works' programme to feed into the council's prioritisation of Enterprise and Skill as well as key established links to the ongoing Regeneration of the town.

Public Sector Services

- 3.24 Taking advantage of the considerable public sector presence in Stevenage which will see not only Stevenage Borough Council and the Lister Hospital, but also an increased Hertfordshire County Council presence linked to their move to the town.

Creative & Cultural

- 3.25 Building on Stevenage's rich cultural and creative history by ensuring that the town continues to thrive in these areas. Tying into the council's Regeneration plans, which have culture-led regeneration at the heart of proposals.

Environment, Technology & Energy

- 3.26 Building on the currently established STEM presence and linking into the organisations and roles of the future. This work will connect with the council's focus on Climate Change and ensure that Stevenage is geared to not only provide a home for emerging technology, but also ensure that these roles benefit local people.

Retail

- 3.27 The regeneration strategy for Stevenage is based on creating a thriving destination town centre to increase footfall and support businesses. We know that retail is a core component of this, but need to ensure that the offer is future proofed to meet the emerging demands of the sector.

Skills Focuses for Stevenage

- 3.28 The Stevenage Works Skills Framework is designed to respond to five key focuses connected to the skills agenda and designed to respond to the skills challenges experienced by local people. These are set out below:

Focus One – An Opportunity to Improve Skills Levels & Extend Opportunity:

- 3.29 Compared to Hertfordshire and England, Stevenage's residents possess a lower volume of higher-level qualifications (Level 4). Whilst there has been marked improvement over the last decade, the same improvement margin is seen for England therefore the skills gap remains the same.
- 3.30 All of this means that when we look at Stevenage residents' average earnings rather than Stevenage employees they remain below the regional average.

- 3.31 There is a key challenge here around not only improving the quality of the overall skills base but also ensuring residents are aware of local opportunities and how to access them.

Focus Two – Concentrations of Socio-Economic Disadvantage:

- 3.32 According to the 2019 English Index of Multiple Deprivation (IMD), Stevenage continues to be the most deprived authority in Hertfordshire, with 73% of its 52 Lower Super Output areas occurring in the bottom 30% of all areas in Hertfordshire, higher than any other district or borough within the county.

Focus Three – Securing Impact from the Regeneration of the Town:

- 3.33 Ten projects were submitted as part of the STIP.
- 3.34 These projects included the Towns Fund Technology Centre and the Stevenage Innovation and Technology Centre (SITEC), key infrastructure projects supporting the skills agenda and to ensure Stevenage communities can benefit from new opportunities.

Focus Four – Targeted and Quality Advice and Guidance to Open Exciting Routes for Young People:

- 3.35 Stevenage is in a unique position. With very strong representation in STEM sectors, particularly life sciences and advanced manufacturing, a focused approach to career guidance is required to ensure residents, especially young people fully understand the depth and breadth of local opportunities.
- 3.36 Whilst much work is currently underway through for example the activities of STEMPOINT, the STEM Discovery Centre, North Herts College, the Hertfordshire Opportunities Portal etc., as well as Generation Stevenage events, these interventions present greater opportunities for alignment.

Focus Five – Deepening Partnership with Businesses to Create Local Opportunities:

- 3.37 Given that SMEs make up roughly 90% of the Stevenage business base and that skills levels and productivity are lower than what is being achieved in Hertfordshire overall, it makes sense to actively support people in employment and our SMEs, to enhance their existing knowledge and skills, develop new learning and secure accreditations and /or formal qualifications.
- 3.38 Workforce development is the vehicle through which this happens. It supports the career development, productivity, and success of employees, and it helps organisational innovation, growth, and prosperity.
- 3.39 These Skills Focuses link directly into the Hertfordshire Skills & Employment Strategy themes providing a golden thread that positions the framework as a local implementation of this wider strategy.

STEM Sector Overview

- 3.40 The first key sector overview looks at the Science, Technology, Engineering and Mathematics (STEM). This is a key industry to Stevenage, and feature the specific skills development resources linked to the 'Pioneering Young STEM Futures' programme in collaboration with Mission44.

- 3.41 An initial partnership comprising representation from the Council, Mission 44, North Herts College and the Hertfordshire LEP was established to discuss and develop a proposal. The Council subsequently submitted a proposal, “Pioneering Young STEM Futures” on behalf of the partnership to the Mission 44 Board A. Subsequently, the University of Hertfordshire joined the Partnership.
- 3.42 The proposal was for a five-year programme, focussing on Stevenage STEM careers for young people, and consisted of two phases:
- Phase One – A discovery and pilot phase, lasting up 18 months, comprising three pilot projects, and culminating in a costed Stevenage Works Skills Framework.
 - Phase Two – The delivery phase, drawing on learnings from Phase 1 and to commence delivery of the STEM Skills Framework.
- 3.43 Framing this work within the wider context of the town’s economy and the opportunities that are available. Stevenage sits at the heart of the UK Innovation Corridor (UKIC), identified as one of the key employment centres. The corridor is now Britain’s Fastest Growing Region with industries focused on commercial innovation, advanced technology, and bioscience.
- 3.44 Additionally, Stevenage has been awarded the prestigious status of Life Science Opportunities Zone (LSOZ) identified by the Government for promoting the UK’s Life Science capabilities on the global stage. Its recent designation by the DIT as a High Opportunity Area promotes the Town for the UK centre stage. Stevenage is also positioned firmly in the centre of the ‘Golden Triangle’ of life sciences with good transport links to and between Cambridge, Oxford and London.
- 3.45 More than 70 companies in the life sciences field have clustered around Stevenage over the past 8-10 years, more than 60% of them focussed on R&D in Cell and Gene therapy. This has led to Stevenage being recognised as the 3rd largest cell and gene therapy cluster in the world and the largest in Europe.
- 3.46 STEM industries account for 30% of industry groups in Stevenage. In turn, these industries recruit 49% of all Stevenage employees. This further serves to highlight that several organisations within these sectors in Stevenage are of a considerable size.
- 3.47 Regeneration plans for Stevenage could see circa 8,000 new jobs delivered over the next decade and a significant number of these are expected to be within the STEM sector.
- 3.48 The Life Sciences sector is projected to be a significant contributor to the STIP jobs target. Stevenage companies currently account for 7% of the global market and 27% of Europe.
- 3.49 The aim of this sector skills overview therefore is to address the skills challenges that local people face to build more equitable opportunities between the high value jobs that local industry and the local workforce, enabling residents to take advantage of the range of fantastic local opportunities.

Skills Action Plan

- 3.50 The Stevenage Works Skills Framework will be implemented through the following Action Plan. The actions are grouped across five categories:
- 3.51 **Co-ordinate Activity:**
Whilst Stevenage Borough Council has no statutory responsibility for skills, there is clearly a role for a co-ordinating body at a local level. Bringing partners and stakeholders together and ensuring that work is joined up, aligned to the work that is ongoing at a county level, but ensuring that this is delivering as effectively as possible for Stevenage residents.
- 3.52 **Connect Stakeholders:**
Establishing and working with key stakeholders must be an essential part of the framework. Not only is this about the council building these relationships but is also about how these groups can be enabled and empowered to create those links and relationships between themselves.
- 3.53 **Communicate Effectively:**
One of the most crucial aspects is how we ensure that the right information is conveyed to those in most need of support through the right channels. This focus will work to ensure that both new interventions and pre-existing initiatives will be disseminated as widely as possible with a specific focus on engaging with those groups where the most barriers to communication exist.
- 3.54 **Create Opportunity:**
At the heart of this work is the desire to create opportunities for people to achieve their potential. We want to ensure that target groups are provided with tangible experiences, links between learning and employment, and access to mentors and role models. It is essential that this work extends to the support networks around these individuals, so that we can ensure these opportunities reach those most in need of them.
- 3.55 **Capture Insight:**
Framing all of this is a desire to continue to capture insight and feedback from stakeholders to learn lessons and cultivate a culture of continuous improvement and learning from the approach to ensure that it most effectively meets the needs of Stevenage residents.
- 3.56 Across these elements are a number of actions that will help form the council's approach to skills going forward.
- 3.57 The expectation is that the Action Plan will remain a live document, being built upon over time to capture an accurate reflection of the key opportunities in the town whilst also incorporating the additional key sectors highlighted in the overarching Skills Framework.
- 3.58 These themes build on the threads outlined throughout the Skills Framework and STEM Sector Overview and are designed to provide a tangible set of next steps.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

Summary Approach

- 4.1 The approach represents the culmination of significant consultation with key stakeholders, research and alignment with local, regional & national policy.
- 4.2 By breaking the framework down into three manageable sections we were able to create a specific and robust set of principles that set out the approach.
- 4.3 Furthermore, the separation of the STEM Sector Overview and the Stevenage Works Skills Action Plan allows for these documents to be further developed over time. The former with the addition of further sector overviews for key industry within the town and the latter through the systematic review and revision of the action plan as a live and functional document.

Strategic Links

- 4.4 Nationally, the skills picture is complex. The Local Government Association estimate that around £20 billion is spent across England on 49 national employment and skills related schemes or services. This is made up of 22 nationally contracted programmes and 27 other national programmes.
- 4.5 These programmes are managed by at least nine Whitehall departments and agencies, which include the Department for Work and Pensions (DWP), the Department for Education (DfE), the Department for Levelling Up, Housing and Communities (DLUHC), the Department for Business, Energy and Industrial Strategy (BEIS), Jobcentre Plus (JCP), the Education and Skills Funding Agency (ESFA), the National Apprenticeship Service (NAS), the Careers and Enterprise Company (CEC) and the National Careers Service (NCS).
- 4.6 As referenced, the Skills Framework is a direct local response to the Hertfordshire Skills and Employment Strategy which also takes account of the Hertfordshire Local Skills Improvement Plans and the obvious links to the Stevenage Town Investment Plan and Local Plan.

Stakeholders Consulted

- 4.7 Ongoing consultation with Members will continue to be a focus of the Framework. Ahead of the Executive report being presented, an Informal Executive session and briefings with the Portfolio Holder and Leader of the Council have been undertaken.
- 4.8 Following the finalisation of the Stevenage Works Skills Action Plan, a workshop will be undertaken with the Environment & Economy Select Committee.
- 4.9 Alongside this, a number of key partners have remained closely engaged through the development of the Framework:
- 4.10 **Stevenage Development Board (SDB)**
Updates have been provided and will continue to be provided to SDB, with

the creation of a sub-group to focus on the outcomes of the Framework highlighted as a key action.

4.11 Hertfordshire Local Enterprise Partnership (LEP)

Positioned as the overarching skills development body within Hertfordshire, the LEP has been a key partner throughout not only the development of this work, but also in securing funds and solidifying Stevenage Borough Council's ambitions in relation to skills development.

4.12 North Hertfordshire College (NHC)

Representing a key link into further education and located directly within Stevenage. NHC are a key partner in this work and is integral to our regeneration plans through the SITEC project as well as the broader Stevenage Works Board programme and the Pioneering Young STEM Futures programme.

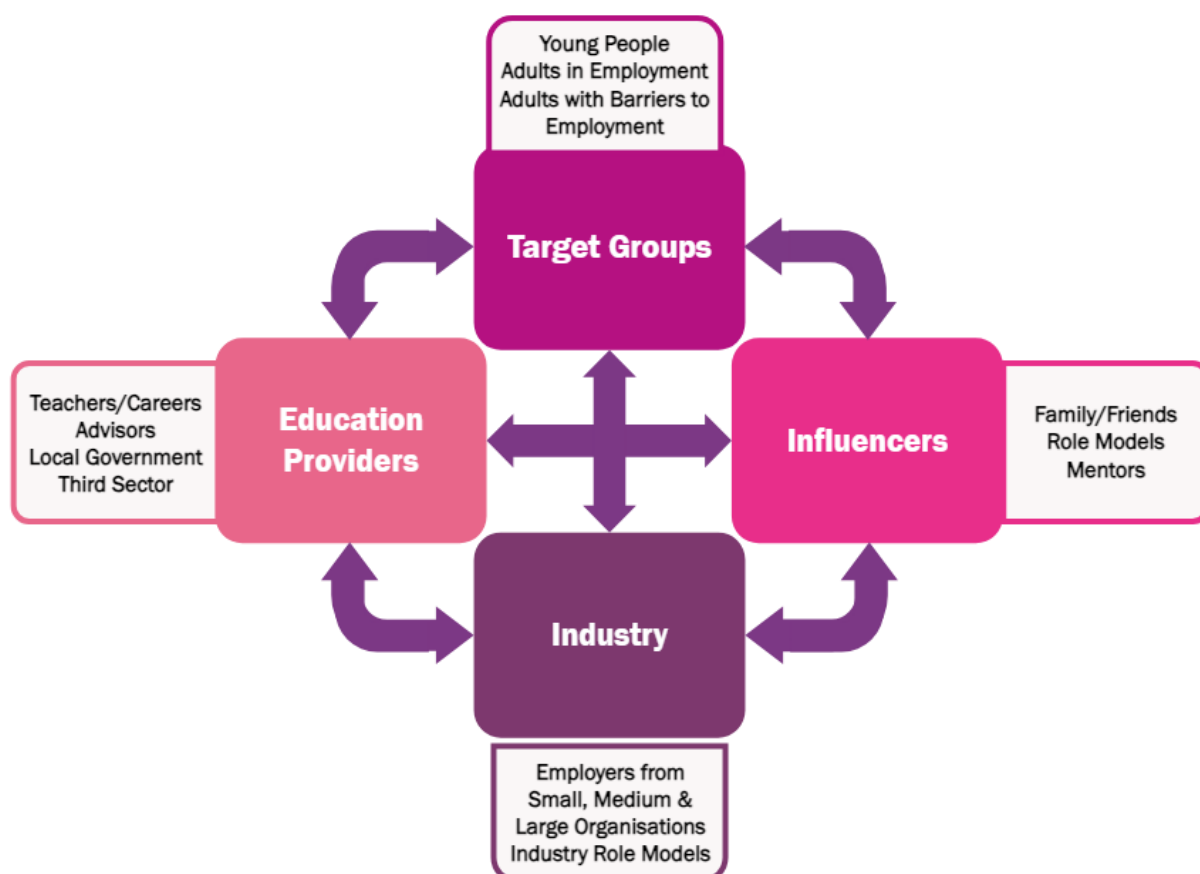
4.13 University of Hertfordshire (UH)

Represents a key link into the higher education sector and a key partner through the Pioneering Young STEM Futures programme and a key pathway to unlock opportunities for local people.

4.14 Mission44 (M44)

M44's involvement in many ways represents the catalyst for the delivery of the Skills Framework as the STEM element of this work is a key deliverable tied into the Pioneering Young STEM Futures programme.

4.15 Significant engagement has been undertaken across the four below stakeholder groups, analysis of this is captured in detail as part of the STEM Sector Overview and feeds into the Stevenage Skills Action Plan:



- 4.16 Engagement with key stakeholder groups resulted in ten headlines being highlighted to inform the Action Plan:
- Benefits of Practical Experiential Opportunities
 - Utilising Effective and Relevant Communications Pathways
 - Importance of Role Models & Mentors
 - Space for Local Level Co-ordination of Activities
 - Developing an Interest as Early as Possible
 - Acknowledge and Support Capacity Challenges
 - Better Links Between Classroom and Careers
 - Benefits of Establishing Strong Links Across Stakeholder Groups
 - Educating Key Influencers
 - Focus on Equity of Opportunity
- 4.17 Ongoing engagement will remain a cornerstone of the Framework going forward. Developing relationships with key stakeholder groups is a fundamental requirement of the approach.
- 4.18 Chief among this is the creation of a Youth Engagement Vehicle for Stevenage, again tied into the Pioneering Young STEM Futures programme. Whilst the initial focus has been around STEM, there is significant scope for the remit of this to increase to other sectors and incorporate a broader skills perspective.
- 4.19 This has highlighted the opportunity for a Skills Engagement Co-ordinator role to be positioned to further augment this ongoing work aligned with our current approach to Business Relationship Management.

Alternatives Considered

- 4.20 Initial plans included in the original proposals for the 'Pioneering Young STEM Futures' programme, focused more singularly on STEM, given that this was the focus of the programme and the primary interest of Mission44.
- 4.21 However, following consultation with key partners, industry and other stakeholders it was clear that a broader approach to skills was required that aligned with the broader local, regional and national policy framework and in particular linked directly into the Hertfordshire Skills and Employment Strategy (2021-2024).
- 4.22 This resulted in the incorporation of other key sectors that had a significant impact on the town and the integration of Stevenage Works as an overarching delivery vehicle for the programme.
- 4.23 This also allowed us to capture successes and best practice throughout the organisation to develop a more overarching and comprehensive approach to skills development, with Stevenage Borough Council taking a central role to co-ordinate activity at a local level in consultation with key local stakeholders.

5 IMPLICATIONS

Financial Implications

- 5.1 As skills development is not a statutory duty of a district or borough council, this paper does not commit core resources beyond current third-party funding allocations.
- 5.2 As part of the ongoing Transformation work programme the Council is looking at internal functions, including enterprise and skills, to determine how these elements can be reconfigured to maximise the impact of the resources employed in this area.
- 5.3 Officers will continue to seek to bid for external funding to support these activities. This has resulted in £2.7m being acquired over the last three years to support local businesses, skills development, and community wealth building.

Legal Implications

- 5.4 There are no direct legal implications arising from the recommendations of this report.

Risk Implications

- 5.5 A strategic risk assessment has been undertaken as part of the delivery of the Skills Framework. Key risks arising and proposed control measures include the following:
- 5.6 **Funding Expectations**
There is an expectation that opportunities to access external funding will continue at the same cadence as has previously been achieved. Whilst these funding sources may change, there are several untapped opportunities that exist across both public and private grant making bodies. Officers proactively seek out these opportunities and will highlight a pipeline of upcoming opportunities to augment our approach to future skills development.
- 5.7 **Change in Expectations**
As Enterprise and Skills have been elevated to a headline theme on the 'Making Stevenage Even Better' Corporate Plan, this will also result in increased delivery expectations. However, this focus is the result of the good work that is already underway throughout the organisation and is designed to provide stronger alignment and coordination of these resources. Moreover, the ongoing Transformation programme is well placed to establish what resources will be required to deliver against business-critical priorities.
- 5.8 **Sector Analysis Capacity**
The Skills Framework contains an ambitious approach to analysing the key sectors of the town with the same depth and breadth as has been undertaken as part of the STEM Sector Overview. Whilst this will be a significant undertaking, the STEM Sector Overview has been set up to be utilised as a template for these other sectors with key transferable elements highlighted throughout. This approach should make these activities much more manageable alongside the delivery of established and existing elements.

Equalities and Diversity Implications

- 5.9 The approach is set up primarily to provide equity for those with challenges to taking advantage of local opportunities for employment, education, and skills. As such the approach should be seen as a net positive to these outcomes.
- 5.10 This approach not only focuses on those with barriers to employment, including young people but also focuses heavily on socio-economic disadvantage and systemic or generational challenges experienced by Stevenage residents.
- 5.11 This approach directly builds on the work undertaken with Mission44, whose ethos includes a focus around:
- Young people from low-income backgrounds.
 - Young people of colour.
 - Young people in/with experience of the care system.
 - Young people who have been excluded, or who are at risk of exclusion.
 - Young women
- 5.12 An Equality and Diversity Impact Assessment will be developed alongside the finalisation of the Stevenage Skills Action Plan to ensure that the relevant actions going forward are accomplishing these goals and consider all protected characteristics.

APPENDICES

- A Stevenage Works – Unlocking Jobs, Skills & Opportunity for our Community: A Skills Framework for Stevenage
- B Stevenage Works – Unlocking Jobs, Skills & Opportunity for our Community: Stevenage STEM Sector Overview
- C Stevenage Works – Unlocking Jobs, Skills & Opportunity for our Community: Stevenage Skills Action Plan

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APPENDIX A

STEVENAGE

BETTER

a place for everyone

power
display
change
coding
policy
display
programs
exchange
technology
management
environmental
governance
education

exchange
heritage
technology
carpentry
policy
diversity
problems
operations
equipment
agriculture
regulatory
supervision
marketing

science
management
infrastructure
sustainability
stem

construction
sustainable
sustainability
building
project
eco-friendly
product

administration
energy
outreach
education
cultural
construction
building

development
public
customer
engineering
design
service
energy
work

skills
problem-solving
environmental
heritage
arts
green

design
work
policy
knowledge
customer
carpentry

administration
civil
change

Stevenage Works Skills Framework

Unlocking Jobs, Skills & Opportunity for our Community

February 2024

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Foreword



Cllr Richard Henry, Leader of the Council

It gives me immense pleasure to introduce this Skills Framework. Stevenage stands not just as a place but as a thriving community, a vibrant place to grow, live, and work. Our town's strength lies not only in its history but in the promising horizon it holds for the future.

At the core of our council's newly adopted Corporate Plan, '*Making Stevenage Even Better*' lies the pivotal emphasis on Skills and Enterprise. Whilst skills provision does not typically fall within the statutory duties of a borough council, our ambition is to cultivate a bespoke approach to skills delivery that ensures our residents and economy reap the benefits unique to Stevenage.

This approach comes at the right time, building on the 'Stevenage Town Investment Plan' which also has Skills & Enterprise as a core tenant, given our ongoing once in a generation regeneration plans, which have seen us attract £37.5m through the Town's Fund and which we expect could deliver as many as 8,000 new jobs to the local economy in the coming decade.

Alongside this, we have also been successful in attracting £2.7m in funding to support Community Wealth Building and Skills Development over the last three years. As a result, we've been able to build essential strategic partnerships with Hertfordshire LEP, the University of Hertfordshire, North Herts College and Mission44 a charitable foundation founded by Sir Lewis Hamilton to transform the lives of young people facing disadvantage and discrimination.

Looking ahead, our goal is clear, to open doors to the array of high-quality local jobs for Stevenage residents. We are committed to equipping them with the requisite information, guidance, and tools, ensuring they stand ready to seize these opportunities.

Cllr Sandra Barr, Portfolio Holder for Neighbourhoods, Communities, Co-operative Councils & Young People

As a community-driven person, this work on skills and opportunity is very close to my heart. I am very proud of my roles as a voluntary school governor for several Stevenage schools for over 37 years in addition to my tenure as a local councillor and portfolio holder. I have watched Stevenage grow, mature, and thrive, and am very proud to consider myself a resident.

I am deeply invested in the journey toward enhancing the lives of our residents. Stevenage stands unique amongst the Hertfordshire landscape, not just in its geography and history as the UK's first 'New Town', but also in the challenges we face.



It's an unfortunate reality that 73% of our Lower Super Output areas fall within the bottom 30% most deprived areas in our county. While pockets of deprivation exist elsewhere in Hertfordshire, Stevenage experiences a more pervasive and general form of it, one that demands our focused attention and collective action.

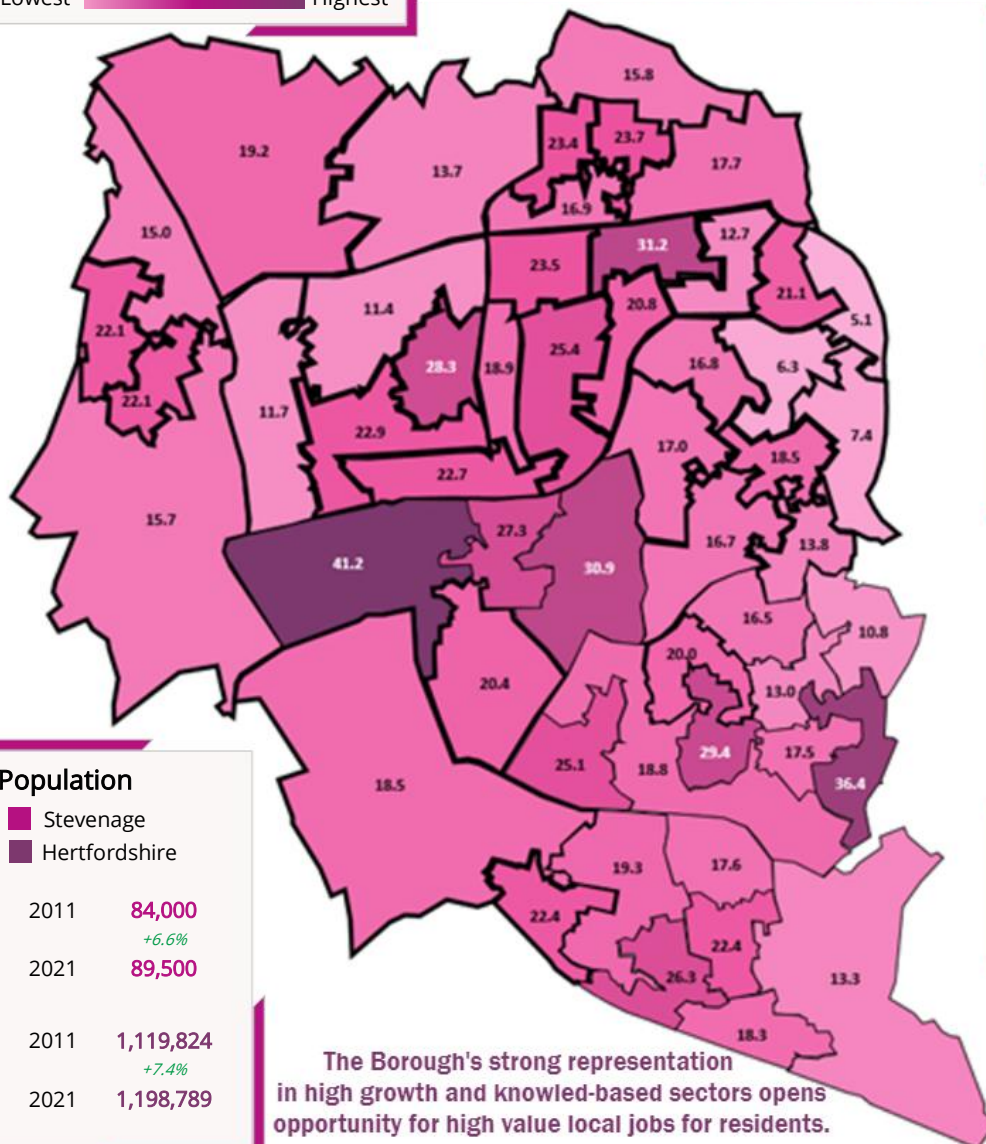
However, what is also clear is the wonderful opportunities that are right on our doorstep. Few towns like Stevenage would boast opportunities to be rocket scientists, defence specialists, doctors, nurses, genetic scientists, engineers and much more. We want to make sure that our residents are best equipped to make the most of these diverse and high value roles.

This framework isn't just a statement of intent; it's a promise—a promise to elevate opportunities and to ignite the prospects of every resident and it symbolizes our unwavering dedication to enhancing the life chances of our community.

Key Features

Deprivation

Lowest Highest



Economic activity status



Highest level of qualification



Employment history



Population

Stevenage
Hertfordshire

2011	84,000
2021	89,500
	+6.6%
2011	1,119,824
2021	1,198,789
	+7.4%

The Borough's strong representation in high growth and knowled-based sectors opens opportunity for high value local jobs for residents.



The Opportunity

A 20 year, £1bn regeneration programme to 2035, designed to maximise the Town's potential and deliver significant transformation.

Including the Stevenage Town Investment Plan (STIP) £37.5m of Government Funding.

The STIP places significant emphasis on delivering opportunities for local people, particularly in relation to enhancing skills and training.



The Ambition

An approach that delivers for all those with barriers to employment.

Young people are provided the tools and knowledge to make the most of the opportunities available to them.

Those in work are given opportunities for career progress and retraining.

Ensure targeted work in areas of greatest deprivation to break down barriers to employment.

Ensuring that interventions are designed and delivered at a local level.



The Challenge

High levels of deprivation throughout the town.

Lower levels of attainment and lower levels of qualifications than neighbourhood areas in Hertfordshire.

Resident earnings are lower than the Stevenage workforce.

Challenges for residents to identify the opportunities available in the town.



The Response

A joint effort to open doors to Stevenage's outstanding opportunities.

Collaboration between the public, private and third sectors.

Establishing Stevenage as a Skills Centre of Excellence

Ensure the once in a generation regeneration activities achieve a great result for this and the next generation of Stevenage residents.

Introduction

Stevenage is a pioneering town with a proud history, the UK's first New Town, founded with a vision of being a modern, sustainable, and thriving town. A place where 'the heart of the town lies in its people' and all people can share in its success.

Built in the 1950s, its infrastructure now needs modernising and Stevenage Borough Council, along with partners has been working hard to regenerate the town and extend opportunities for local people. This includes:

- Establishing the 'Stevenage Works' partnership to ensure social value benefits in construction contracts are being realised, including things such as apprenticeships, local labour, sustainable development etc.
- Attracting over £2.7m in external funding since 2021 in funding to support Community Wealth Building, Enterprise & Skills Development.
- Developing the policy context within the Stevenage Development Framework (2015) and setting out how the town can be regenerated.
- Establishing a broad programme of regeneration and investment through Stevenage Borough Council, Hertfordshire Local Economic Partnership (LEP) and Hertfordshire Growth Board to level up opportunities for residents and businesses.
- More than a decade of close partnership working with the Hertfordshire LEP supporting business development, growth, and improved skills.
- Establishing strong partnerships with North Herts College and the University of Hertfordshire to strengthen the skills base and seize new curriculum opportunities as the Town develops and the skills that local people need to meet these opportunities evolve.

Case Study: Stevenage Business & Technology Centre (BTC)

Supporting the Community Wealth Building approach, the Stevenage Business and Technology Centre (BTC) is managed by a local not-for-profit social enterprise, Wenta.

BTC offers affordable workspace of varying sizes for SMEs to start and grow, including a business start-up incubator providing advice, training and hot desk facilities.

A resident business adviser is on hand to support all businesses with free advice and training including startups, those growing into their first office space, and those looking to expand. Fully equipped meeting rooms and conference space ensure businesses can provide a good first impression to customers and space for confidential conversations.



- A long history of investing directly in infrastructure to support skills, jobs, and growth for example the established Stevenage Business and Technology Centre to more recently the Co Space offer both providing workspace and business support to local start-ups and SMEs.

In March 2020, the Stevenage Development Board (SDB) a senior multi-stakeholder partnership was established to oversee the development of a Town Deal for Stevenage. Subsequently, £37.5m funding was secured from the Government's Town's Fund to deliver the ambitious Stevenage Town Investment Plan (STIP). The STIP forms part of a 20 year, £1bn regeneration programme to 2035, designed to maximise the Town's potential and deliver a significant transformation. Over this time the programme is expected to deliver circa 7,600 new homes, 1.4 million ft² of commercial space, 8,000 new jobs and an uplift in GVA of over £2.5bn.

Thus, the Borough's strong representation in high growth and knowledge-based sectors, opens opportunities for high value local jobs for residents, meaning it is vital we work with providers, businesses, and local people to make the most of the opportunity. And new technologies alongside increasingly efficient working practices demand higher level skills and enhanced employee productivity. We must provide Stevenage residents with the tools and opportunities to acquire the right skills to meet the changing demands of the labour market to ensure they have the best access to fulfilling careers.


As it stands, this change to the labour market poses a challenge for Stevenage residents. Faced with higher levels of deprivation across the town, lower levels of attainment and lower levels of qualifications than neighbouring areas and the national average, and resident earnings lower than in-commuters, many residents are not approaching the situation from an equitable platform, especially when compared with some of the most affluent areas in Hertfordshire.

Whilst there has been a positive direction of travel in recent years, this is still very much in line with changes at a county and national level which means that the gap between Stevenage and especially Hertfordshire is not narrowing further as illustrated below:

Case Study: Primary School Quality Mark (PSQM)

PSQM is an evidence-informed professional development and school improvement programme developed by the University of Hertfordshire, which equips primary science subject leaders with the knowledge, confidence, and expert support they need to transform the quality and profile of science education in their schools.

Seven primary schools across Stevenage are currently engaging with the PSQM programme through a collaborative hub, which means 122 teachers and 2862 children are seeing a positive impact on science teaching and learning. The hub is being led by a Stevenage-based hub leader who is part of the PSQM network of science experts at the forefront of pedagogical practice.



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Stevenage Resident Qualifications	Stevenage		Hertfordshire		England	
	2011	2021	2011	2021	2011	2021
Qualified to NVQ Level 4	23.1%	29.6%	32.1%	39.4%	27.4%	33.8%
Qualified to NVQ Level 3	12.0%	17.1%	11.8%	15.9%	12.4%	16.9%
No Qualifications	20.8%	17.0%	18.2%	14.7%	22.5%	18.2%

However, In January 2020, SBC introduced a community wealth building approach across the council, recognising that traditional economic development policy and practice has not always delivered local economic, social, and environmental benefits for residents. Often, and despite significant inward investment, the beneficiaries of this investment have been distant shareholders and in-commuters, as opposed to local people and communities.

Community wealth building takes a different view of economic development; one where rather than extracting wealth from local economies, wealth is retained, circulating, and delivering for the health and wellbeing of residents and the environment. SBC established its Cooperative and Inclusive Economy Charter, with the goal of creating a fairer society and more resilient economy. The Charter includes four themes to support the delivery of its approach:

1. Growing the social economy
2. Training and skills
3. Tackling climate change
4. Procurement and social value.

The Skills Framework aims to utilise this community wealth building approach to rectify Stevenage's current labour market imbalance. It describes a collaborative and forward-facing skills and employability system in Stevenage designed to equip residents, especially young people, with the information, tools and high-quality provision needed to enable them to aspire and achieve their full potential. And deepening our relationships with businesses to bolster the workforce development ecosystem to support career development, productivity, and success of employees, which in turn will help strengthen organisational innovation, growth, and prosperity.

Case Study; Hertfordshire Opportunities Portal (HOP)

The premier gateway in Hertfordshire for Students, career explorers and employers to explore career opportunities and access advice and guidance on jobs, qualifications and apprenticeships via one single portal.

Students and career explorers can use a series of interactive tools to find out about career paths, employment opportunities, apprenticeships and work experience, skills development and professional qualifications programmes.

Employers and training providers can reach and recruit their future talent and upskill & provide progression opportunities for existing staff.

Schools can access a rich bank of Hertfordshire-specific careers resources including labour market infographics, a Virtual Employer Encounter webinar series and a range of classroom resources based on the Hertfordshire Skills Framework.



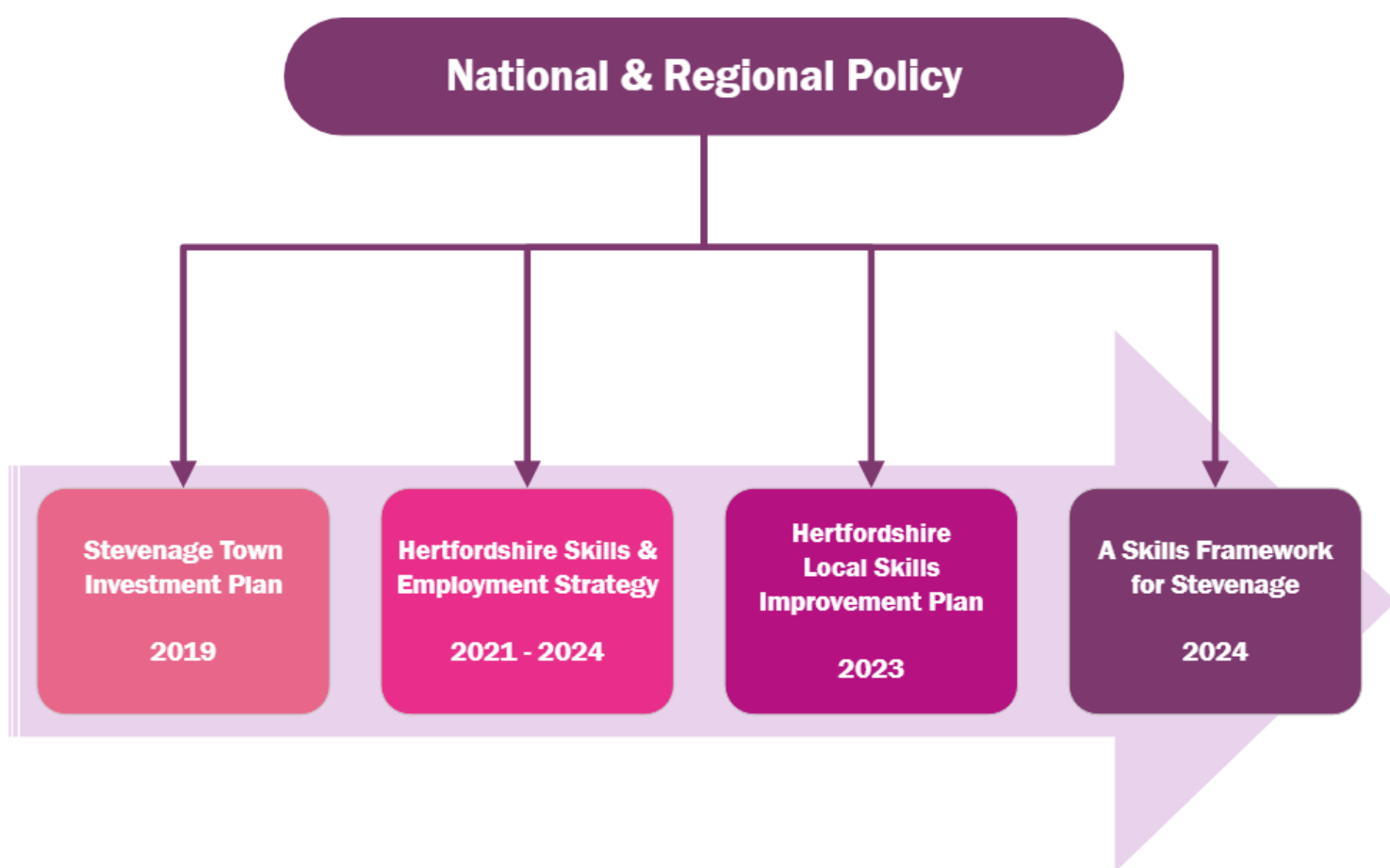
It sets out a clear direction of travel for Stevenage, providing a long-term framework to deliver positive, focused interventions to secure a more sustainable economy for the future and one that aims to close the gap between high skills levels in the region and town, and in commuting/out commuting.

And it reflects the needs and ambitions of Stevenage's residents as set out in the STIP, proposing an approach to level-up opportunities for residents, and to foster the ambition and aspiration of our businesses.

As a result, the aim is that Stevenage's approach to increasing social mobility, especially in relation to STEM careers, becomes recognised as good practice across the county, and in time regionally and nationally. Its approach is seen as an exemplar; it is seen as a Centre of STEM excellence.

The Skills Framework and the associated Sector Skills Plans have been developed with funding from the UK Shared Prosperity Fund and Mission 44 and have involved extensive consultation with stakeholders and partners from the public and private sectors.

A robust baseline review ensures that the elements outlined within this Framework are aligned with the direction of travel of existing local, sub-regional and regional plans. As such, the Stevenage Sector Skills Framework sits firmly within and contributes to the delivery of the Hertfordshire Skills and Employment Strategy 2021 – 2024. Hertfordshire Local Skills Improvement Plan and the Stevenage Town Investment Plan, which are illustrated below:



The Stevenage Works Skills Framework

The overall aim of the Stevenage Skills Framework is to close the gap between high skills levels in the region and town, and in commuting / out commuting. It will do this by ensuring Stevenage residents are aware of and have the capability to benefit from the valuable employment opportunities on their doorstep.

To deliver this, we need to focus on the key cohorts that will be targeted by interventions, including the key objectives for each of these groups as well as three cross cutting elements that intersect across all cohorts:

People in Employment

1. **Ensure** those already in the workforce are aware of and able to access high quality local opportunities.
2. **Provide** opportunities to retrain in response to these local opportunities.
3. **Work** with industry to promote and enable career progression and development.

People Outside or with Barriers to Employment

1. **Ensure** that targeted work is undertaken in areas with the highest levels of deprivation in order to break down barriers to employment.
2. **Support** adult learning opportunities and ensure a bespoke tailored approach focused on matching local people with local opportunities.

Young People

1. **Ensure** that Young People have the knowledge and understanding of outstanding opportunities available to them.
2. **Instill** the confidence and provide the tools to pursue those routes.
3. **Provide** opportunities throughout the education system to inspire curiosity.

Stevenage Works

Build on the strong links established through Stevenage Works, embedding the ethos and using this as a template for future skills development.

Town Centre Regeneration

Ensure the once in a generation Town Centre Regeneration achieves a great result for this and the next generation.

Stevenage Centre of Excellence in Skills & Career Development

Harness the momentum of the ongoing activity to establish and build a Stevenage Centre of Excellence in Skills & Career Development.

Key Sectors

To build upon the Skills Framework, the skills dimension will be augmented by a series of Sector Skills Overviews which will to the key actions that form the action plan. Each of these will follow a similar outline and approach. The overall aim is to ensure Stevenage residents have the necessary skills and qualifications to secure good employment in Stevenage's target sectors:

A clear focus for the town, specifically targeted on Advanced Manufacturing and Life Sciences, building on the opportunities presented by key STEM employers. Integrating with the work being undertaken in collaboration with Mission 44.

Science, Technology, Engineering & Maths (STEM)



Construction

Building on the foundational work undertaken through the 'Stevenage Works' programme to feed into the council's prioritisation of Enterprise and Skill as well as key established links to the ongoing Regeneration of the town.

Taking advantage of the considerable public sector presence in Stevenage which will see not only Stevenage Borough Council and the Lister Hospital but also an increased Hertfordshire County Council presence in the near future.

Public Sector Services



Creative & Cultural

Building on Stevenage's rich cultural and creative history by ensuring that the town continues to thrive in these areas. Tying into the council's Regeneration plans, which have culture-led regeneration at the heart of proposals.

Building on the established STEM presence and tying into key emerging sectors. This work will align with the council's focus on Climate Change ensuring that Stevenage is geared to ensure that these roles benefit local people.

Environment, Technology & Energy



Retail & Hospitality

The regeneration strategy for Stevenage is based on creating a thriving destination town centre to increase footfall and support businesses. We know that we need to ensure that the offer is future proofed to meet the emerging demands of the sector.

Key Ambitions for Stevenage

Building on the engagement with core stakeholder groups, we have brought together several key ambitions for the framework. Through strategic initiatives and innovative local approaches that are built because of interventions highlighted in this framework, we aspire to elevate skill development, promote lifelong learning, and continue to bridge the gap between aspirations and achievements.

To achieve this, subsequent sector skills action plans will be broken down across five themes:

Stevenage Borough Council is well placed to build skills co-ordination at a local level. Bringing partners together and aligned to the work that is ongoing at a county level, whilst also ensuring that the best outcomes are being delivered for Stevenage residents.

Co-ordinate Activity



Connect Stakeholders

It is clear that establishing and working with key stakeholders must be an essential part of the framework. Not only is this about the council building these relationships, but is also about how these groups can be enabled to create those links between themselves.

One of the most crucial aspects, is how we ensure that the right information is conveyed to the right individuals through the right channels. This focus will work to ensure specific focus for those groups with the greatest and most entrenched barriers.

Communicate Effectively



Create Opportunity

At the heart of this work is the desire to create opportunities for people to achieve their potential. We want to ensure that target groups are provided with tangible experiences, links between learning and employment, and access to mentors and role models.

Framing all of this is a desire to continue to capture insight and feedback from stakeholders to learn lessons and cultivate a culture of continuous iterative improvement of the approach to ensure that it most effectively meets the needs of Stevenage residents.

Capture Insight



The Skills Focuses for Stevenage

To response to these key ambitions, The Stevenage Skills Framework is designed to respond to five key focuses connected to the skills agenda and designed to respond to the skills challenges experienced by local people. These are set out below:

Focus One:

An Opportunity to Improve Skills Levels & Extend Opportunity

Compared to Hertfordshire and England, Stevenage's residents possess a lower volume of higher-level qualifications (Level 4). Whilst there has been marked improvement over the last decade, the same improvement margin is seen for England and so the skills gap remains the same; however, the gap at Level 4 has widened slightly compared to Hertfordshire. At level 3, Stevenage is comparable to England and above Hertfordshire.

Stevenage's labour force can be broadly distilled as containing two distinct but overlapping markets:

- i. The market in which organisations in the Borough employ labour, which, especially for larger employers and the highest value roles as candidates can be attracted from much further afield.
- ii. The market in which residents seek work, proves more challenging as residents face more competition to access the higher-value local employment opportunities.

This is best demonstrated when looking at larger employers, who tend to account for a disproportionate amount of high value roles and as they can attract workers from further afield, businesses do not appear to be unduly constrained if those skilled workers are not from the local area. This is largely because of Stevenage's excellent transport links which means that skilled and talented employees can easily commute into the Borough.

Case Study: Stevenage Works

Stevenage Borough Council (SBC), North Hertfordshire College (NHC) and JobCentre Plus signed the Stevenage Works Partnership Agreement to work together to provide training and job opportunities for the construction sector, including apprenticeships for young people and unemployed adults.

Utilising social value commitments in SBC contracts, JobCentre Plus identifies local candidates and North Hertfordshire College delivers training to provide new and long-term unemployed jobseekers with basic construction skills as well as CV and interview training.

Working with several local employers, Stevenage Works has so far:

- Provided 33 CSCS courses
- Supported 221 course participants
- Provided 132 site ready candidates
- Delivered 33 jobs in construction
- Delivered 13 apprenticeships
- Benefitted 71 local people with employment & training initiatives.



All of this means that when we look at Stevenage residents' average earnings rather than Stevenage employees there is a noticeable gap below the regional average. There is a need to ensure the gap between high skill levels in the region and town, and in commuting/out commuting closes.

There is a key challenge here around not only improving the quality of the overall skills base but also ensuring residents are aware of local opportunities and how to access them.

What this means for Local People/Young People

There will be more opportunity for people/young people to gain opportunities to enhance their skills.

What this means for Businesses & Providers

Working collaboratively will ensure that local provision meets the needs of employers and education providers.

Role of the Framework

To provide the platform for more local people in Stevenage to enhance their skills and opportunity, and to work with businesses to target employment and skills opportunities (including apprenticeships) for Stevenage residents.

Focus Two:

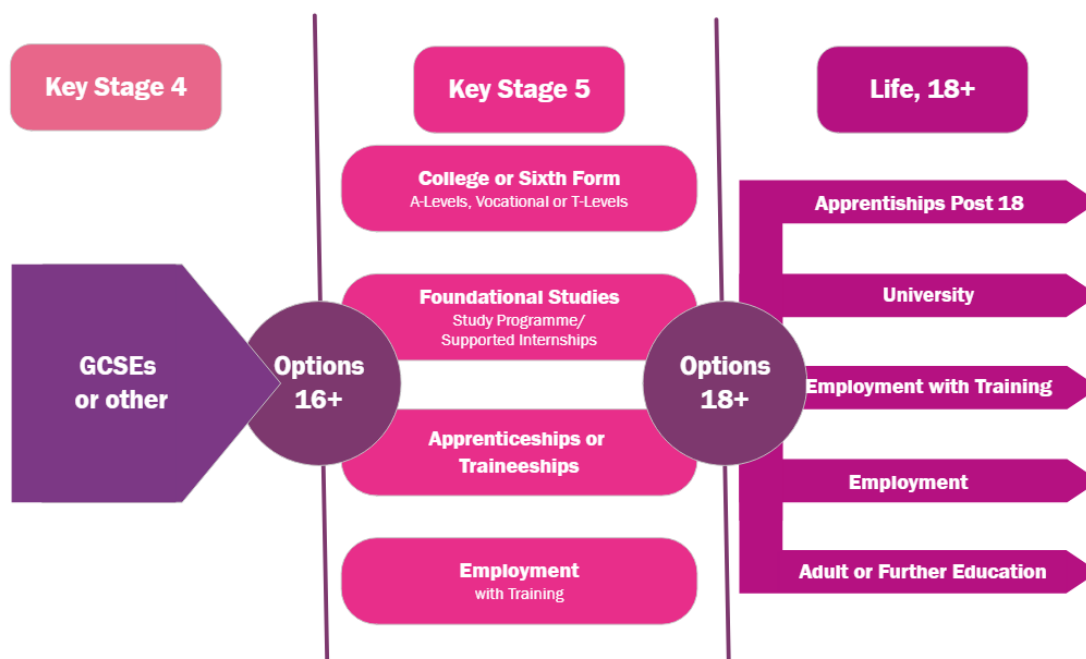
Concentrations of Socio-Economic Disadvantage

According to the 2019 English Index of Multiple Deprivation (IMD), Stevenage continues to be the most deprived authority in Hertfordshire, with 73% of its 52 Lower Super Output areas occurring in the bottom 30% of all areas in Hertfordshire.

Some communities in Stevenage experience severe levels of disadvantage. The challenge here is around ensuring that communities within Stevenage can take advantage of local opportunities, existing and new. By supporting the local population to be aware of the opportunities that are available and equipped to take advantage of them the Borough will be able to provide residents with both individual and community agency. Overall, properly addressing this focus will allow Stevenage to achieve its full economic potential and residents will be better placed to make the most of local opportunities.

SBC's approach to Community Wealth Building alongside specific programmes of support has been made available via the Hertfordshire LEP and through the UK Shared Prosperity Fund to support residents to upskill and/or retrain to enable them to either enter or return, to the labour market.

This is aligned to the Adults Learning and Employment strand of the Hertfordshire Skills and Employment Strategy 2021 – 2024 that seeks to ensure measures are in place to support adults to retrain for advanced and higher technical skilled jobs and that all residents can benefit from career progression as illustrated below:



What this means for Local People/Young People

There will be more opportunity for people to upskill and or retrain for advanced and higher technical skilled jobs.

What this means for Businesses & Providers

Provision will align to the needs of business and as people upskill and become more skilled, productivity will increase.

Role of the Framework

To support Stevenage's most deprived communities to access valuable local employment opportunities and to receive the maximum possible impact from the available support. Particularly focusing on those with the most entrenched and generational challenges.

Focus Three:

Securing Impact from the Regeneration of the Town

Ten projects were submitted as part of the STIP ranging across Transport and Active Travel infrastructure, Skills and Enterprise, Arts, Heritage and Culture and Town Centre Regeneration. These projects included the Towns Fund Technology Centre and the Stevenage Innovation and Technology Centre (SITEC), key infrastructure projects supporting the skills agenda.

As such, several plans will be coming forward for the redevelopment and reconfiguration of various parts of the Town. It is important, therefore, that planned development, especially as it relates to economic functions is taken forward in a complimentary fashion to ensure that Stevenage communities, especially residents, keep pace with developments and have a vested interest in them. The overall, desired result is that these activities complement each other economically with each one effectively reinforcing the economic impact of the others with the community buying into the vision.

What this means for Local People/Young People

All residents will benefit from opportunities arising from the Town's regeneration.

What this means for Businesses & Providers

The provision of skills and training will meet demand so that businesses will have access to a skilled workforce.

Case Study: Stevenage Innovation & Technology Centre (SITEC)

The recently opened Stevenage Innovation & Technology Centre (SITEC) aims to capitalise on Stevenage's position in the 'Golden Triangle' of Research and Development between Oxford, Cambridge and London.



It is phase one of the broader NHC project to develop and deliver a range of new T-Level and apprenticeship qualifications in Science, Engineering, Digital and Sustainable Technologies at Levels 3-5.

It aims to raise the aspirations and skills of residents and employees by providing accessible opportunities in the key growth areas for the region, including life sciences and advanced manufacturing.

Working with industry partners 'FourPlus', 'LifeArc', 'UCL Vax Hub', 'Autolus' and the 'Cell and Gene Therapy Catapult SITEC Phase 1 has seen the creation of a simulation life sciences laboratory, immersive technologies space, a new digital training suite and virtual reality training capabilities in a virtual environment.



Role of the Framework

To provide guidance on the development of economic activities across the various projects to ensure Stevenage communities are engaged and vested in them.

Focus Four:

Targeted and Quality Advice and Guidance to Open Exciting Routes for Young People

Stevenage is in a unique position. With very strong representation in STEM sectors, particularly life sciences and advanced manufacturing, a unique approach to career guidance is required to ensure residents, especially young people fully understand the depth and breadth of local opportunities.

Whilst much is currently underway through for example the work of STEMPOINT, activities via the STEM Discovery Centre, North Herts College, the Hertfordshire Opportunities Portal etc., as well as Generation Stevenage events, these would benefit from greater opportunities for alignment. Currently, the full potential impact is not understood.

In November 2022, focus groups took place with young people between the ages of 13 to 17, from North Hertfordshire College and Thomas Alleyne School specifically to gain an understanding of young people's views about STEM. Key findings from the focus groups were that young people didn't feel they knew about STEM pathways or STEM opportunities and that their school/ college wasn't able to or didn't equip them with information. They felt that information, advice and guidance (IAG) available through their school/college didn't look at jobs for the future, and although resources are available via the Hertfordshire Opportunities Portal (HOP), the young people in the focus groups were not aware of the HOP.

What this means for Local People/Young People

All residents will have access to career advice that meets the needs of the Town now and into the future.

What this means for Businesses & Providers

Working collaboratively will ensure provision meets the needs of businesses.

Role of the Framework

To coordinate and measure the impact of local career activity to ensure Stevenage's young people are fully aware and informed of the breadth of local opportunities, particularly high value opportunities.

Focus Five:

Deepening Partnerships with Businesses to Create Local Opportunities

Given that SMEs make up roughly 90% of the Stevenage business base and that skills levels and productivity in Stevenage are lower than in Hertfordshire overall it makes sense to actively support people in employment and our SMEs, to enhance their existing knowledge and skills, develop new learning and secure accreditations and /or formal qualifications. Workforce development is the vehicle through which this happens. It supports the career development, productivity, and success of employees, and it helps organisational innovation, growth, and prosperity.

What this means for Local People/Young People

All residents will be aware of local opportunities and the career paths to access them.

What this means for Businesses & Providers

Working collaboratively will enable all businesses to take advantage of local growth opportunities.

Role of the Framework

To work with businesses to identify opportunities across the whole skills spectrum to enable good career progression for both those transitioning from education, as well as returners to the labour market.

Case Study; Hart Learning & Development with Marks & Spencers

Hart Learning & Development's collaboration with Marks & Spencer (M&S) has helped launch the retail careers of local people in Hertfordshire through the Marks & Spencer's Employability Programme.

The bespoke Employability Programme was designed and launched ahead of the new M&S superstore opening in Stevenage back in April 2022. The programme is designed to teach local people about the core M&S brand values and prepare them for a successful career in a retail environment.

Since the programme's initial launch in January 2022, Hart Learning & Development have delivered three courses which have taught and supported 72 unemployed candidates through the programme and assessment centre.

Since inception, 82% of these learners have been offered a role at the new M&S Stevenage store upon completion of their training, with several of their peers still on an extended work experience pathway that will ultimately lead to employment.



Links to the Hertfordshire Skills & Employment Strategy 21-24

Whilst the Framework has a strong local focus, it also takes account of and responds to sub-regional policy. This recognises the important role the Borough plays in the wider economy and ensures that interventions are shaped to support the delivery of sub-regional priorities. This section considers the wider policy context within which the Skills Framework has been developed.

Most notable is the Hertfordshire Skills and Employment Strategy 2021 – 2024, which aims to ensure the county's skills provision addresses the local skills challenges and opportunities, meets the employment needs of the future, and supports all residents to reach their potential. The Stevenage Skills Framework delivers to the Hertfordshire Skills and Employment Strategy 2021 – 2024 as follows:

The Focus	The Role of the Framework	Link to Hertfordshire Skills & Employment Strategy Themes
An opportunity to improve skills levels and extend opportunity	To build on the recent positive direction of travel to provide the platform for uplift in the quality of the skills base in Stevenage and to work with businesses to maximise opportunities (including apprenticeships) for Stevenage residents.	Placemaking - <i>opportunities arising from Hertfordshire's internal geographies and proximity to London and the Oxford/Cambridge arc</i>
Concentrations of socio-economic disadvantage	To support Stevenage's communities to access valuable local employment opportunities and to receive the maximum possible benefit from the available support.	Adult learning and employment – <i>working towards lifelong learning and full employment</i>
Securing impact from the regeneration of the town.	To provide guidance on the development of economic activities across the various projects to ensure Stevenage communities are engaged and vested in them.	Priority & Growth Sectors - <i>harnessing the opportunities and investing in skills of the future</i>
Targeted and rich advice and guidance to open exciting routes for young people	To coordinate and measure the impact of local careers activity to ensure Stevenage's young people are fully aware and informed of the breadth of local opportunities, particularly high value opportunities – with the HOP at the forefront of this.	Unlocking emerging talent – <i>support for young people aged 14-24</i>
Deepening partnerships with businesses to create local opportunities	To ensure that businesses are supported and encouraged in the pursuit of workforce development and to ensure that they are aware of available opportunities.	Skills to grow small and medium sized businesses

STEVENAGE BETTER

a place for everyone

STEVENAGE INNOVATION + TECHNOLOGY CENTRE

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internet
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hypothesis
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Stevenage Works Skills Framework

Unlocking Jobs, Skills & Opportunity for our Community

STEM Sector Overview

February 2024

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Key Features

The Opportunity



Stevenage is located in Britain's fastest growing STEM region, with high value manufacturing sectors, including pharmaceuticals, aerospace and life sciences.



Presently STEM industries account for 30% of industry groups in Stevenage. In turn, these industries provide 49% of employment in Stevenage.



Plans for Stevenage will see the sector grow significantly over the next decade, providing many new jobs and opportunities for Stevenage residents.

More than £1.6bn invested in bioscience companies in recent years.

Further £1m invested via the Stevenage Town Investment Plan

Approximately 8,000 new jobs over the next decade.



In discussions, Young People often felt that they didn't know about the STEM pathways and opportunities on their doorstep.



The Commitment

The 'Stevenage Works' and 'Stevenage Development Board' partnerships are well placed to build on current activities and champion future skills development.



Resources, funding and commitments to support Stevenage residents to access local STEM opportunities.



Goodwill and strong links with local businesses, education providers, young people and the local community to work collaboratively to open doors to these outstanding opportunities.



The Aim



Through the voice of residents, with a particular focus on young people, develop a programme of support to help them make informed choices about STEM careers.



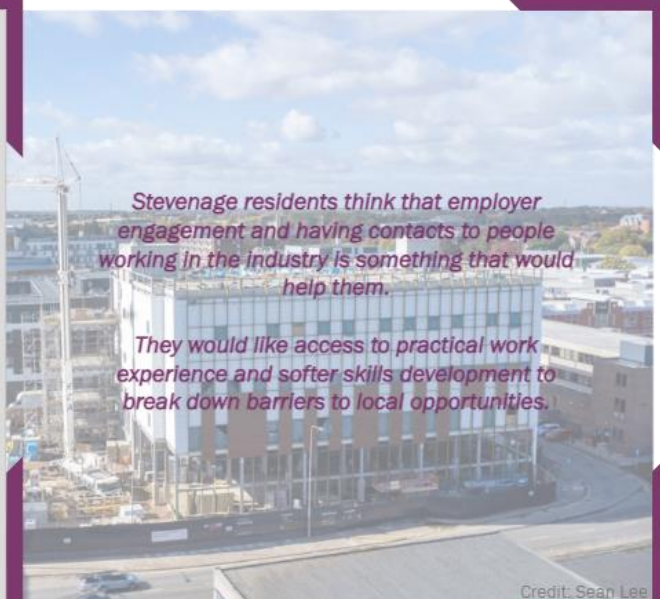
Realise a step change in social mobility and diversity in STEM careers in Stevenage.



Establish a Stevenage STEM centre of excellence which can act as a blueprint for others to follow and can be used as a template for other key sectors.

Stevenage residents think that employer engagement and having contacts to people working in the industry is something that would help them.

They would like access to practical work experience and softer skills development to break down barriers to local opportunities.



Credit: Sean Lee

STEM Sector Overview

The UK is a research and innovation powerhouse. Ranked in the top five in the global innovation index in 2021¹, the UK is home to one of the most productive science bases in the G7². For the UK's high value manufacturing sectors – such as pharmaceuticals, automotive, aerospace, chemicals, and electrical/electronic industries – this excellence in research and innovation is vital to their global success³.

Supporting this position is the UK Innovation Corridor (UKIC), an economic region of global significance. Identified as the UK's leading location for life sciences and knowledge-based industries, it comprises a high productivity, high performance and regional economy driven by world-class talent, knowledge, scientific R&D, and entrepreneurship. It is at the heart of the UK's tech & digital industries: and it is a major source of scale-up enterprises and success.⁴

Sitting at the heart of the UK Innovation Corridor (UKIC) is Stevenage, identified as one of the key employment centres⁵. The corridor is now Britain's Fastest Growing Region with industries focused on commercial innovation, advanced technology, and bioscience.

Additionally, Stevenage has been awarded the prestigious status of Life Science Opportunities Zone (LSOZ) identified by the Government for promoting the UK's Life Science capabilities on the global stage. Its recent designation by the DIT as a High Opportunity Area promotes the Town for the UK centre stage. Stevenage is also positioned firmly in the centre of the 'Golden Triangle' of life sciences with good transport links to and between Cambridge, Oxford and London.



More than 70 companies in the life sciences field have clustered around Stevenage over the past 8-10 years, more than 60% of them focussed on R&D in Cell and Gene therapy. This has led to Stevenage being recognised as the 3rd largest cell and gene therapy cluster worldwide and the largest in Europe. These companies have already raised more than £1.5bn in venture capital investment. Market analysis (Aritzon 2019) projects the global Cell and Gene therapy revenues at \$14bn (c. £11bn) by 2025 (CAGR 30%).

¹ Global Innovation Index 2021

² <https://www.gov.uk/government/news/safeguarding-funding-for-research-and-innovation>.

³ UKCES 2015 – Sector insights: Skills and performance challenges in the advanced manufacturing sector

⁴ The UK Innovation Corridor: Innovative Placemaking for an Innovative UK (2022)

⁵ Ibid

Local Assets

Stevenage has significant assets from which to draw to support the STEM agenda:

1. Stevenage Town Investment Plan and 2. Stevenage Development Board

The Stevenage Development Board is an independent, committed and coordinated voluntary multi-stakeholder partnership comprising key representatives from public sector organisations, private businesses, not-for-profit organisations, and Heritage organisations.

The Board provides strategic oversight for the Towns Fund projects, with all its members working together for the town. The mix of partners involved ensures that a diverse range of views is captured and considered in any plans.

Following a successful bid to the Government, the Stevenage Development Board was awarded £37.5m to deliver nine key projects contained in its proposal that included Gunnels Wood improvements, a sports and leisure hub, Stevenage Enterprise Centre, Marshgate Biotech office and key worker housing.



3. STEM Discovery Centre



The STEM Discovery Centre is a unique educational facility. Co-located with the Airbus Space and Defence 'live' testing yard for the Exomars rover, it brings together cutting-edge industry and technology with high quality education and learning.

The Centre offers school trips that spark the imagination, electrifying the senses and galvanising young people to consider a career in science, technology, engineering and maths. The education programme is linked to key stage 2 and 3 curriculum and is designed and delivered by North Hertfordshire College.

4. Generation Stevenage

An annual career fair for secondary school students in and around Stevenage to meet with local employers to discover more about local opportunities.

Following the last Generation Stevenage event, which was held virtually in 2020 with a greater STEM focus, in 2023 it branched out to encompass a wider amount of career options for young people.



5. SITEC Phase One at North Hertfordshire College



The recently opened Stevenage Innovation & Technology Centre (SITEC) aims to capitalise on Stevenage's position in the Golden Triangle of Research and Development between Oxford, Cambridge and London.

It is phase 1 of the broader NHC project to develop and deliver a range of new T-Level and Apprenticeship qualifications in Science, Engineering, Digital and Sustainable Technologies at Levels 3 – 5 (post-16 education through to Higher Education). It aims to raise the aspirations and skills of local residents and employees by providing accessible opportunities in the key growth areas for the region, including life sciences and advanced manufacturing.

Working with industry partners FourPlus, LifeArc, UCL Vax Hub, Autolus and the Cell and Gene Therapy Catapult, SITEC phase 1 has seen the creation of a simulation life sciences laboratory, immersive technologies spaces, a new digital training suite, and virtual reality training capabilities in a virtual environment.

6. Stevenage Bioscience Catalyst

Stevenage Bioscience Catalyst is a R&D location for companies to develop and commercialise cutting edge therapeutics.

Companies based at the Stevenage Campus employ over 3,500 people from over 40 companies and include GSK, the Cell and Gene Therapy Manufacturing Catapult, LifeArc and Cytiva alongside a growing cluster of start-up companies.

Since 2012, companies at the Stevenage Bioscience Catalyst have been able to secure over £3 billion in equity investment and grant funding. Of that total, over 72% has been in companies with a focus on cell and gene technologies.



7. Local STEM Industry

The depth and breadth of the local industry in Stevenage is significant, including globally recognised businesses running significant operations.

This provides the opportunity for Stevenage and the surrounding areas to benefit from corporate social responsibility (CSR) policies promoting economic, social, and environmental benefits.



Employment Growth

STEM industries account for 30% of industry groups in Stevenage⁶. In turn, these industries recruit 49% of all Stevenage employees⁷. This suggests that several organisations within these sectors in Stevenage are of a considerable size, indicating a head office or similar significant function for the organisation. As such, these are economically important to the Stevenage and Hertfordshire economies.

Count of Employees by Broad Industry Group ONS, Business Register and Employment Survey		
Industry Group	Stevenage	%
1: Agriculture, Forestry & Fishing	10	0.02
2: Mining, quarrying & utilities	40	0.8
3: Manufacturing	6,000	12.2
4: Construction	2,000	4.0
5: Motor Trades	800	1.6
6: Wholesale	1,750	3.5
7: Retail	4,500	9.0
8: Transport & Storage	1,250	2.5
9: Accommodation & Food Services	2,500	5.0
10: Information & Communication	1,750	3.5
11: Finance & Insurance	800	1.6
12: Property	500	1.0
13: Professional scientific & technical	5,000	10.0
14: Business Administration & Support	4,500	9.0
15: Public administration & defence	1,750	3.5
16: Education	4,000	8.0
17: Health	10,000	20.1
18: Arts, entertainment & recreation	2,250	4.5
Total Employment	49,760	100
STEM Total	24,500	49.3

Regeneration plans for Stevenage will see circa 8,000 new jobs delivered over the next decade and a significant number of these are expected to be within the STEM sector⁸.

The Stevenage Borough Local Plan 2011 – 2031 sets the overall spatial vision for the borough and growth direction to 2031. The consolidation and growth of Gunnel's Wood Road as the town's primary business area is prioritised and includes the continued development of the Stevenage GSK and Bioscience Catalyst and Catapult Campus. The Local Plan looks to provide at least 140,000 m² of new B-class employment floorspace and is promoting new employment opportunities as a critical component of the town centre regeneration.

A key vehicle to delivering the town centre regeneration is the Stevenage Town Investment Plan (STIP). In 2019, Stevenage Borough Council in conjunction with the Stevenage Development Board presented a successful bid to the Towns Fund. The resultant £37.5m Stevenage Town Investment Plan (STIP) sets out proposals to create an exemplary 21st century New Town, building on the existing New Town values and unlocking growth in some of the UK's cutting-edge sectors to promote and deliver opportunities for local people, (including capitalising on the Life Sciences opportunity). It includes nine overall projects that propose to deliver 168,000m² of commercial floorspace, 2,000 new homes, 8,000 new jobs and 100 apprenticeships per annum by 2035.

The Life Sciences sector is projected to be a significant contributor to the STIP jobs target. Stevenage companies currently account for 7% of the global market and 27% of Europe. The opportunity for Stevenage is not only to retain but to grow its share of the global market. Assuming it simply retains its 7% share, this will equate to annual revenues by 2025 of around £750m, capable of supporting up to 5,000 jobs, and with multiplier impacts locally, the revenues to support another 1,000 jobs.

⁶ Stevenage Business by Industry (ONS, UK Business; Activity, Size and Location, March 2022)

⁷ Stevenage Employees by Industry (ONS, Business Register and Employment Survey)

⁸ Stevenage Town Investment Plan

STEM Skills Picture

Thus, STEM skills are hugely important to Stevenage. Sitting within Britain's fastest growing region with high value manufacturing sectors, including pharmaceuticals, aerospace, and life sciences, Stevenage presents significant opportunities for its residents.

However, residents are not always in a position to take advantage of these opportunities and interventions are required to ensure equitable outcomes. When compared with the rest of Hertfordshire, Stevenage finds itself at somewhat of a disadvantage.

Stevenage Resident Qualifications	Stevenage		Hertfordshire		England	
	2011	2021	2011	2021	2011	2021
Qualified to NVQ Level 4	23.1%	29.6%	32.1%	39.4%	27.4%	33.8%
Qualified to NVQ Level 3	12.0%	17.1%	11.8%	15.9%	12.4%	16.9%
No Qualifications	20.8%	17.0%	18.2%	14.7%	22.5%	18.2%

Skills levels, particularly levels of A-level grades and apprenticeship achievements are lower than average, and this results in greater challenges for residents when applying for medium and high value jobs in the town, many of which are in the STEM Sector.

Pupil Attainment	Stevenage	Hertfordshire	England
Key Stage One (5-7 Years)	75.9%	78.3%	75.6%
Key Stage Two (7-11 Years)	58.2%	67.1%	64.9%
Key Stage Three (11-14 Years)	44.2%	51.5%	46.6%

This results in a significant amount of workforce migration with many Stevenage residents commuting out of Stevenage rather than being best placed to take advantage of the opportunities within the town.

Earnings – Medium Annual Income	Stevenage	Hertfordshire
Residents	£29,100	£35,450
In-commuters	£35,500	£32,730

The aim of this sector skills overview therefore is to address the skills challenges that local people face to build more equitable opportunities between the high value jobs that local industry and the local workforce, enabling residents to take advantage of the range of fantastic local prospects.

To achieve this, in recognition of the depth and breadth of the STEM industry, a Stevenage STEM definition has been established to ensure the industry and its sectors are defined and explained so that it is clear which elements of the industry the STEM Sector Skills overview contributes towards.

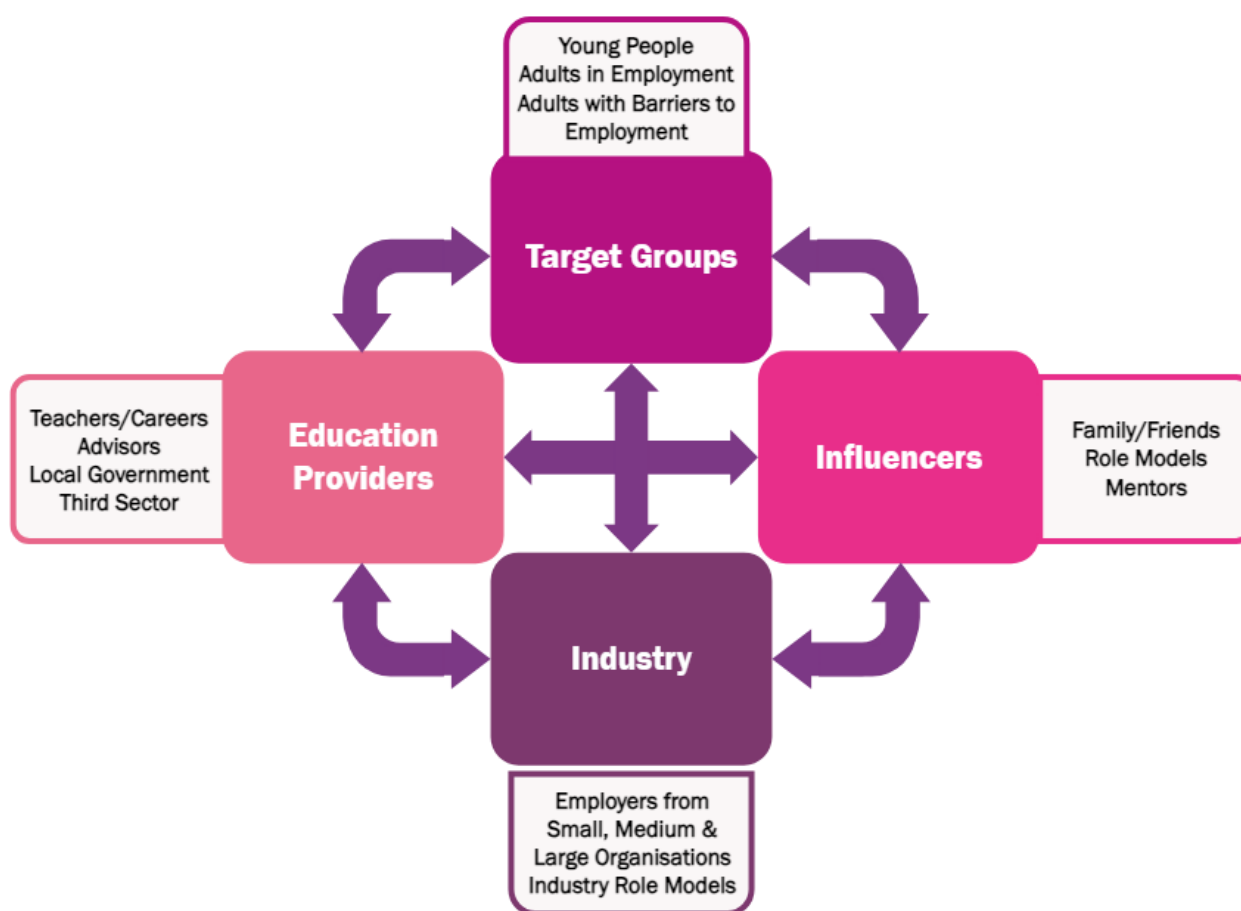
The Sector Skills overview includes recommendations that recognise the role of local government (Stevenage Borough Council, Hertfordshire County Council, and the Hertfordshire Local Economic Partnership) as a facilitator, providing policy direction, focus, and leadership. They also point to the critical roles of employers, the education sector, and agencies in delivering solutions that address Stevenage's skills gap and diversity issues, and which promote social mobility.

Perspectives of STEM in Stevenage

The Skills Framework responds to the voices of key stakeholders and is the result of significant consultation and engagement activities with these groups, with a particular focus on young people as part of the 'Pioneering Young STEM Futures' programme being delivered in collaboration with Mission44.

To support these activities, we have already established a strong partnership of key local stakeholders throughout, the public sector, education and industry. Particularly essential has been a steering group, comprised of the Hertfordshire Local Enterprise Partnership, the University of Hertfordshire, and North Hertfordshire College. Each acts as a key anchor institution in the local area and provides key expertise around the skills ecosystem.

Key stakeholders are divided into four key groups as per the diagram below. Our focus has not only been to ensure we are engaging with all groups, but to build ongoing relationships and to help build communications channels between these groups.



Consultation and engagement activities have taken many forms, including both small and large group exercises, focus groups, surveys culminating in the first Stevenage STEM Summit, held at the Airbus Campus in Stevenage in September 2023.

Throughout these activities, a number of key messages and headlines have begun to materialise which have not only shaped this framework but also comprise the backbone of the general skills and STEM sector action plans.

Headlines

Benefits of Practical, Experiential Opportunities 1 	<ul style="list-style-type: none"> Practical experiences help make careers real for young people and adults alike. Whilst opportunities are available, increasing the frequency and variety of them is desirable. 	<ul style="list-style-type: none"> There is a clear generation gap in the use of communications technology. This creates a divide between those who are trying to deliver the information and those who would consume it. 	Utilise Effective and Relevant Communications Pathways  2
Importance of Role Models & Mentors 3 	<ul style="list-style-type: none"> Relatable individuals within a field make the strongest candidates. Industry mentors could cascade experiences and provide opportunities to build skills through peer-to-peer mentoring. 	<ul style="list-style-type: none"> Whilst there is a lot of strong ongoing activity, there is a gap around how it strategically fits together. Skills co-ordination currently happens at a county level allowing room for tailoring for Stevenage. 	Space for Local Level Co-ordination of Activities  4
Developing an Interest as Early as Possible 5 	<ul style="list-style-type: none"> Interests, skillsets, and preferences are developed well in advance of options. More explicit careers focus and links in later years of primary school would be of benefit. 	<ul style="list-style-type: none"> Both industry and education providers face significant capacity challenges. Interventions need to be designed to make best use of all stakeholder's time and resources. 	Acknowledge & Support Capacity Challenges  6
Better Links Between the Classroom and Careers 7 	<ul style="list-style-type: none"> Finding STEM subjects difficult or undesirable doesn't mean careers linked to them are viewed similarly. By the time people realise this, it can be too late to develop an opportunity. 	<ul style="list-style-type: none"> It is key that stakeholder groups are provided the tools and connections to work effectively together. Distinct role in for making connections and supporting relationship building across groups. 	Benefits of Establishing Strong Links Across Stakeholder Groups  8
Educating Key Influencers 9 	<ul style="list-style-type: none"> Often, those most present in target groups lives have limited knowledge of STEM, creating further barriers. Education opportunities should be extended to these cohorts as well. 	<ul style="list-style-type: none"> Key focus on equity of opportunity should be front and centre. Interventions should be primarily focused on individuals who experience deep rooted barriers to opportunity. 	Focus on Equity of Opportunity  10

STEVENAGE BETTER

a place for everyone

policy
art
sustainability
policy
customer
infrastructure
jobs

cultural
sustainability
jobs
work

problem solving
engineering

sustainable
arts
construction
development
service

education
science

management
technology

administration
heritage

public
skills
building
environmental

work
design
change
graphic
analysis
culture

knowledge
design
strategy

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Stevenage Works Skills Framework

Unlocking Jobs, Skills & Opportunity for our Community

Skills Action Plan

February 2024

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Introduction

The Stevenage Skills Framework is supported by the following Action Plan. These actions are grouped across five categories, designed to break them down into more manageable themes. These themes build on the threads outlined throughout the Skills Framework and STEM Sector Overview and are designed to provide a tangible set of next steps.

The action plan is designed as a living document that will be updated regularly, iteratively building on the skills agenda as part of the council’s wider focus on Enterprise and Skills.

Whilst this iteration of the action plan focuses on general skills and STEM elements, future versions will also include elements focused on other key sectors as outlined in the overarching Skills Framework.



Co-ordinate Activity



1. Build Stevenage as a Centre of Excellence in Career Development as an extension of the Stevenage Works programme.

Skills and the economy are not statutory functions for SBC; however, SBC plays a critical role as a vital convener with partners to create opportunities. As a result, 'Enterprise and Skills' are newly adopted key themes within the SBC Corporate Plan. This is backed up by the Stevenage Town Investment Plan, the UKSPF Delivery Plan and the Pioneering Young STEM Futures proposal.



Stevenage Works has served as the council's vehicle for the delivery of social value and skills development as part of its construction projects. These successes provide a model and branding that can be adapted to fit other key sectors in the town. Integral to this, would be continuing to build on the strong partnerships that have been developed with key education providers including the University of Hertfordshire and North Herts College to design and achieve outcomes that best match the needs of residents.

What does good look like?

The aim is that the Stevenage approach to increasing social mobility in career development across all key sectors of the town and becomes recognised as good practice across the county, and in time regionally and nationally.

How does this respond to stakeholder voices?

Primarily this action responds to the headline 'Space for Local Level Co-ordination of Activities' which highlights the opportunity for Stevenage Borough Council to have a role in tailoring local skills provision at a district level to complement the work being undertaken by Hertfordshire County Council and Hertfordshire Local Enterprise Partnership at a county level.

2. Build on STEM Sector Overview by moving into other key sectors.

There are several key sectors that have been identified as part of the Skills Framework. These include Science, Technology, Engineering & Maths (STEM) – with a specific focus on Life Sciences & Advanced Manufacturing, Construction, Public Sector Services, Creative & Cultural, Environment, Technology & Energy and Retail.



Of these, given the work already underway as part of the 'Stevenage Works' programme it makes the most sense to maintain a focus on construction next. This is also timely, given the significant ongoing regeneration activities as well as other significant construction projects that the council is involved in, such as housing developments and the Major Repairs Contract supporting council housing and new retrofit skills needed for a greener economy.

What does good look like?

These activities give us an opportunity to test out the template utilised in the creation of the STEM Sector Overview, to see how this translates to other key sectors.

A similar detailed analysis and the creation of a series of achievable and measurable goals against these activities will determine the success. As with the work on STEM skills, this will be undertaken alongside an active programme of work which should provide the scope and resources for success.

How does this respond to stakeholder voices?

All of the learning from engaging with stakeholders on an approach to STEM can be taken as lessons learned for other key sectors in the town. The approach to engagement with stakeholders will form a key part of the approach to this section.

3. Embed Skills Development in Regeneration Plans.

Improving skills is essential to building sustainable growth and stronger communities and helping provide opportunities and choice for people. Regeneration plans for Stevenage could see circa 8,000 new jobs delivered over the next decade and a significant number of these are expected to be within the STEM sector and across many different types of jobs, from creative roles to data and ICT, engineering, marketing and comms, science manufacture, research and more.



Skills development is a key priority of the Stevenage Town Investment Plan (STIP). In response to Challenge 2: Bridging the Skills Gap and Raising Aspirations, and Challenge 4: A Resident Population Being Left Behind, the STIP's vision includes "upskilling and providing opportunities for all our people to benefit from innovation & growth." The STIP, is focussed on physical regeneration and the provision of facilities and on the need to help provide learning and skills opportunities. It aims to do this through the delivery of the Stevenage Technology & Innovation Centre (SITEC) and the National New Town Heritage Centre.

What does good look like?

Providing these facilities alone will not realise the step-change the STIP requires, and so the Skills Framework and associated Sector Skills Plans must become an integral part of the delivery mechanism acting as the conduit between residents and facilities.

This increased focus on skills will allow for a co-ordinated approach to outcomes and opportunities for Stevenage residents with measurable increases to the number of people local to Stevenage who able to make the most of the opportunities on their doorstep.

How does this respond to stakeholder voices?

This action focuses on the 'Space for Local Level Co-ordination of Activities' headline. It ties into the council's current role as part of the Regeneration of Stevenage Town Centre, ensuring that this is leveraged to benefit local people



Connect Stakeholders

1. Establish a Programme of Skills Summits.

Following on from the success of the Stevenage STEM Skills Summit, hosted at the Airbus Campus in September 2023, a programme of similar events would act as an excellent building block for future engagement between key stakeholder groups.

Following the work on the Stevenage Skills Framework, it is clear that such a model could also be utilised for other key sectors or delivered around Skills more broadly.



What does good look like?

A programmed yearly schedule of event(s) designed to bring together key stakeholders to enable collaboration, engagement and networking. The frequency and specific makeup of these events would be decided through further consultation and discussion with key stakeholder groups.

How does this respond to stakeholder voices?

This action is the cornerstone of the 'Benefits of Establishing Strong Links Across Stakeholder Groups' headline, which alongside the partnership group.

2. Expand the Governance and Impact of Stevenage Works with deep engagement with the Stevenage Development Board partnership.

Develop a shared commitment to local STEM skills development, based on evidence, engagement, and an improved understanding of how to enhance outcomes locally. Collaborative efforts can help leverage diverse capabilities, knowledge, networks, and roles to bring about solutions. Engaging the right stakeholders also strengthens efforts to engage with, or ease the pressure on a specific group, bringing together employers / key stakeholders to support the growth of the Stevenage STEM sector.



Engage and consult widely with young people, businesses, professional bodies, and providers to collect their views about opportunities and constraints, and to listen to their experiences to support the delivery of the strategy, bringing them together on an annual basis to discuss progress and next steps.

What does good look like?

A strong active partnership that encompasses all key stakeholder groups, providing them with a voice and agency in shaping the ongoing approach in the vein of the overarching Stevenage Development Board, designed to provide strategy guidance and decision making that aligns with the broader priorities of the Stevenage Development Board.

How does this respond to stakeholder voices?

There is clear value in continuing to provide all stakeholders with a platform to have their voices heard and to contribute to the overarching skills approach going forward. This obviously primarily crosses over both the 'Benefits of Establishing Strong Links Across Stakeholder Groups' and 'Space for Local Level Co-ordination of Activities' headlines.

3. Ensure appropriate internal resources are in place to support relationships with key stakeholders.

As part of the council's re-alignment to meet its new Enterprise and Skills priority, included in the 'Making Stevenage Even Better' Corporate Plan, it is clear there is a gap in a specific role that looks to create links and connections between stakeholders and who is focused on establishing and nurturing these relationships.



As part of SBC's ongoing Transformation work programme, the Council is looking at internal functions, including enterprise and skills, to determine how these elements can be reconfigured to maximise the impact of the resources employed in this area.

What does good look like?

Dedicated officer support that links directly into employers' recruitment teams and apprenticeship leads, connecting them with Schools, the Hertfordshire County Council, Hertfordshire LEP and Third Sector providers.

How does this respond to stakeholder voices?

Provides additional capacity at an operational level to focus on the delivery aspects of the 'Benefits of Establishing Strong Links Across Stakeholder Groups' priority.

Communicate Effectively



1. Work with HCC to establish the Hertfordshire Opportunities Portal as a single point of access for career guidance.

The Hertfordshire Opportunities Portal is positioned as the single point of access for career guidance and support in Hertfordshire. As part of the Community Renewal Fund, Stevenage Borough Council provided support to establish bespoke Stevenage focused elements to the site, as part of our ongoing focus on Community Wealth Building.



Skills

Building on this should be a key focus going forward in order to fully establish the Hertfordshire Opportunities Portal as the primary one stop shop for career information, advice and guidance; and to find ways to make sure there is a physical presence and relationship with local schools and the local college to help make options clear and accessible for local people.

What does good look like?

Further tailoring of the platform, based on ongoing engagement with key stakeholders in order to iteratively build on the site's functionality. Good would see a significant increase in the numbers of both users and organisations that are utilising the site.

How does this respond to stakeholder voices?

This is one of the responses to the 'Utilise Effective and Relevant Communications Pathways' headline and aims to answer the question of what the single one stop shop for careers guidance for Stevenage residents would be.

2. Utilise Stevenage Youth Engagement Vehicle to co-design engagement and communication with young people.

The Stevenage Youth Engagement Vehicle is a core delivery element of Phase One of the 'Pioneering Young STEM Futures' programme. It is designed to provide young people with a decision-making voice in future skills and career developments. Whilst it is currently focused on the work being undertaken around STEM, it is clear that many of these lessons are transferable.



One element that was very clear through engagement with stakeholders was the apparent disconnect between the channels that young people, industry and providers utilise. A clear focus of the Young Engagement Vehicle should be to work with young people on how they would go about bridging that gap. Young people are often early adopters of new technology and will be most aware of the best ways to reach their peers.

What does good look like?

Young people are provided with clear agency in decision making around how we communicate with their peers. This should vastly augment the reach of the programme and is directly positioned to positively impact a significant weakness.

How does this respond to stakeholder voices?

Stakeholders were clear that this was a key issue with 'Utilise Effective and Relevant Communications Pathways' being a headline priority.



Create Opportunity

1. Design and Deliver Phase Two of the 'Pioneering Young STEM Futures' Programme.

Building on Phase One of the 'Pioneering Young STEM Futures' programme, expanding on the breadth and depth of the interventions that are part of it and developing proposals for a further funding allocation to create superb local opportunities. The programme would be focused on delivering the following workstreams:



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Opportunities Focus

- Building on the pilot projects from Phase One of the Programme designed to provide practical experience opportunities for young people.

Communications Focus

- To build on our ability to communicate information and hear feedback from young people.

Education Focus

- To ensure that key influencers are also provided with Information, advice, guidance and knowledge of STEM pathways and careers.

Feedback Focus

- To continue the iterative development of the Stevenage Youth Engagement Vehicle to provide further agency to young people to take an active role in decision making around skills.

Evaluation Focus

- To build on the evaluation work undertaken in Phase One, building on the 'Theory of Change' methodology to continue to measure the successes of the programme.

Full development of the specifics of the programme will commence in the spring, ahead of the conclusion of Phase One at the end of the 2024 summer term.

What does good look like?

The programme meets or exceeds outcome and output measurements but more importantly, delivers fundamental change for the young people of the town. Such change is often a long term goal and isn't always visible over the short term, but encompasses many of the generational aspirations that underpin the Skills Framework.

How does this respond to stakeholder voices?

This element responds to a significant amount of the headline pieces of stakeholder feedback, including:

- Benefits of Practical, Experiential Opportunities
- Importance of Role Models & Mentor
- Developing an Interest as Early as Possible
- Better Links Between the Classroom and Careers
- Educating Key Influencers
- Utilise Effective and Relevant Communications Pathways
- Focus on Equity of Opportunity

Phase One of the Pioneering Young STEM Futures programme has been an essential capture mechanism for feedback from key partners including young people. As a result, this element is very directly related to many of the headlines.

2. Support North Herts College to develop Deliver Stevenage Innovation & Technology Centre (SITEC) Phase Two.

The development of the Stevenage Innovation & Technology Centre (SITEC) is a significant component of the £37.5m Stevenage Town Deal programme.

North Hertfordshire College, in partnership with key businesses and industries in Stevenage, is proposing the development of a new Stevenage Innovation and Technology Centre, located in the heart of the town centre or co-located on the existing North Hertfordshire College site.

The new site would address the skills challenges that underpin the gap in employment and earnings between Stevenage's residents and the high-tech businesses developing in the town.



What does good look like?

SITEC Phase Two is delivered as a new premier hub of STEM activities for Stevenage residents as a clear commitment to the importance of the sector to the town and the significant opportunities it provides for Stevenage residents.

How does this respond to stakeholder voices?

This SITEC Phase Two proposal provides a strong mandate across three priority headlines: Benefits of Practical, Experiential Opportunities, Developing an Interest as Early as Possible and Better Links Between the Classroom and Careers.

3. Leverage Opportunity by Engaging Further with the Government.

Utilising ongoing funding opportunities such as UK Shared Prosperity Fund, Town's Fund etc to further the development of the skills agenda.

This could also include conversations with the Department for Education and the Department for Works and Pensions around potential opportunities to augment the skills approach based on the work that is already ongoing.



What does good look like?

Further resources and capacity available to further build on the work that has been undertaken, increased visibility of work and best practice at a regional and national level and continued agency for involvement in skills provision at a district or borough level.

How does this respond to stakeholder voices?

This element cuts across all of the stakeholder areas as it looks to highlight further opportunity to release resources that would further enhance skills provision in Stevenage.

Capture Insight



1. Build on the STEM Youth Engagement Vehicle by evolving this model beyond a focus on STEM to Skills and Career development.

The Stevenage Youth Engagement vehicle has been a key component of Phase One of the 'Pioneering Young STEM Futures' Programme.

It is expected that this model will continue to be iterated on beyond Phase Two and beyond, building on both the breadth and depth of the model.



What does good look like?

The model will expand beyond its current focus on STEM careers and jobs to a broader focus on skills centered around what young people would like to see this become and how they would like their voices to be heard.

How does this respond to stakeholder voices?

This approach further augments our ability to continue to listen and react to what key stakeholders feel we should be prioritising. This will allow us to undertake a similar exercise as a follow up for other key sectors outlined in the Stevenage Skills Framework.

2. Build Evaluation Activities of 'Pioneering Young STEM Futures' Phase One.

Establishing a monitoring and evaluation methodology to establish a clear baseline, measure progress and make changes as necessary.

This will include fostering a sector leading partnership to include the University of Hertfordshire, North Hertfordshire College, STEMPOINT EAST and other partners as appropriate.



What does good look like?

Development of an evaluation methodology that supports the finding of Phase One of the Pioneering Young STEM Futures programme and builds into the development and delivery of Phase Two.

How does this respond to stakeholder voices?

Key stakeholder feedback is at the heart of the evaluation activities and will be a key theme and element going forwards.

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Part I – Release to Press



Meeting EXECUTIVE/COUNCIL
Portfolio Area Resources, Transformation & ICT
Date 07 FEBRURY 2024/21 FEBRUARY 2024
FINAL CAPITAL STRATEGY 2023/24-2028/29



KEY DECISION

Authors Rhona Bellis
Contributors Reenu Keogh / Belinda White/ Senior Leadership Team
Lead Officers Brian Moldon
Contact Officer Clare Fletcher

1. PURPOSE

- 1.1 To approve revisions to the 2023/24 General Fund (GF) and Housing Revenue Account (HRA) Capital Programme and Strategy and approve the Capital Programme for 2024/25.
- 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 the Council's investment strategy as required by the updated prudential code.
- 1.4. To set out the Council's approach to funding its key priorities.
- 1.5. To update Members on the work of the Council's Financial Security Group (CFSG) in reviewing all General Fund capital bids prior to inclusion in the final 2024/25 Capital Strategy to the February 2024 Executive.
- 1.6. This item is a policy and budget report that cannot wait until the February Executive for publication.

2. RECOMMENDATIONS

That the following proposals be recommended to Council on 21 February 2024:

- 2.1. Revised General Fund Capital Budget for 2024/25 of £33.6Million, as set out in Appendix B to the report, be approved.
- 2.2. HRA Capital Budget for 2024/25 of £54.9Million, as set out in Appendix C to the report, be approved.

- 2.3. Updated forecast of resources 2024/25 be approved, General Fund section 4.4, HRA section 4.10.
- 2.4. General Fund capital budget re-profiling of £2.6Million from 2023/24 to future years be approved (paragraph 4.1.4).
- 2.5. General Fund capital budget savings (paragraph 4.1.3 and 4.1.5) be approved.
- 2.6. Approach to resourcing the General Fund capital programme as outlined in the report (Paragraph 4.4) be approved.
- 2.7. General Fund growth bids identified for inclusion in the Capital Strategy (paragraph 4.2, and Appendix A to the report) be approved.
- 2.8. HRA budget increases identified for inclusion in the Capital Strategy (section 4.9 and Appendix C to the report) be approved.
- 2.9. Approach to resourcing the HRA capital programme as outlined in the report (Paragraph 4.10) be approved.
- 2.10. HRA capital budget re-profiling of £1.45Million from 2023/24 to future years be approved (paragraph 4.9.3).
- 2.11. HRA growth bid (IT £21k) identified for inclusion in the Capital Strategy (paragraph 4.9.4) be approved.
- 2.12. 2024/25 de-minimis expenditure limit (section 4.11 of the report) be increased from £7.5K to £9.999K be approved and;
- 2.13. That up to £500k of any revenue surplus in any year can be allocated to the capital reserve to support capital expenditure be approved.
- 2.14. That the comments from Overview and Scrutiny Committee set out in paragraph 4.13.4 are noted.

3. BACKGROUND

3.1 Introduction

- 3.1.1. This report is an update on the Council's Draft Capital Strategy 2023/24-2028/29 presented to the January 2024 Executive meeting and included no changes to the recommendations included in the draft report.
- 3.1.2. The purpose of the Capital Strategy is to outline how the Council determines its priorities for capital investment and how much it can afford to borrow as well as setting out any associated risks. The Council's Financial Security Group (CFSG) and the Senior Leadership Team reviewed the capital bids for 2024/25 contained within the Capital Strategy in December / January 2024 and the results of that review are included in this report.
- 3.1.3 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 and that:

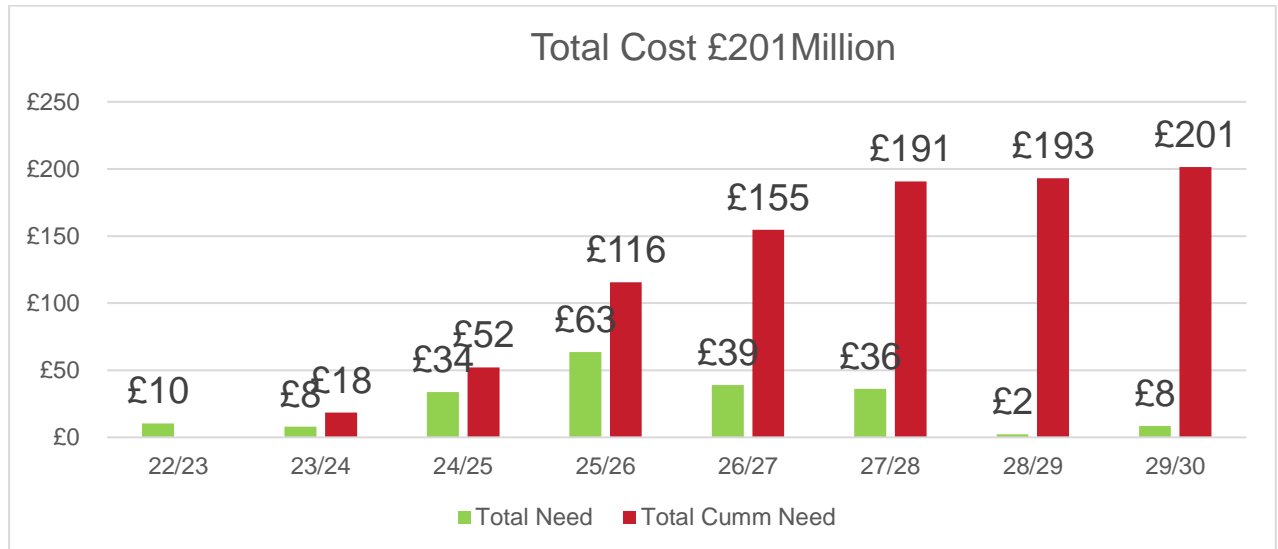
- treasury management decisions are taken in accordance with good professional practice;
 - local strategic planning, asset management planning and proper option appraisal are supported.
- 3.1.4 The Government issued guidance on the disclosures required in the Capital Strategy from 1 April 2018 onwards which 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 the risk of losses being made 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.
- 3.1.5 Some of these disclosures may be outlined in the Treasury Management Strategy instead of the Capital Strategy.

3.2 General Fund Investment Strategy

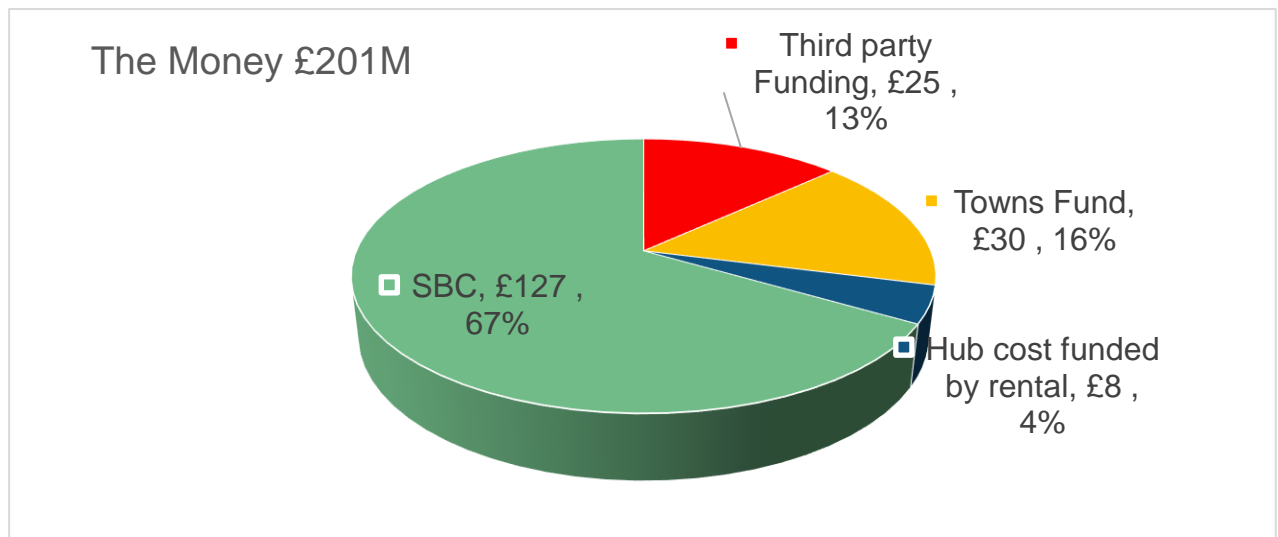
- 3.2.1 For a number of years capital spend has been prioritised due to the limited availability of capital receipts and the Council's ability to afford borrowing costs. Accordingly, the council applied a 'fix on fail' approach to assets with no significant asset improvements being funded, with the exception of those supported through external funding or partially through external funding (for example Garage Improvement programmes). This approach cannot be sustained in the medium to long term as it will lead to a gradual degradation of the Council's assets with reactive works only being undertaken to keep sites wind and water tight. Sustaining such an approach in the medium term will inevitably lead to close of buildings even before consideration is given to the legal requirements in terms of Energy Performance Certificate (EPC's) and other legal and climate change requirements.
- 3.2.2 To address the issues above, The General Fund Capital Strategy Overview - Priorities versus Funding Requirement 2023/24-2029/30 report to Executive 15 November 2023 set out the Council's key capital regeneration and community asset ambitions and key land and asset disposals, to determine a funding strategy to meet Corporate objectives and address the issues outlined above.
- 3.2.3 The following priority schemes / activities require a funding strategy:
- Regeneration SG1- Public Sector Hub, Leisure Centre and Theatre
 - Climate Change - green fleet, buildings (operational, community and commercial)
 - Towns fund programme where match funding is required
 - Operational need investment in Community Assets
 - Response to Legislative changes e.g. waste and recycling

- Protection of key income streams to ensure the financial resilience of the General Fund

3.2.4 A summary of the spend is shown in the chart below, which gives an estimated cost of £201Million.

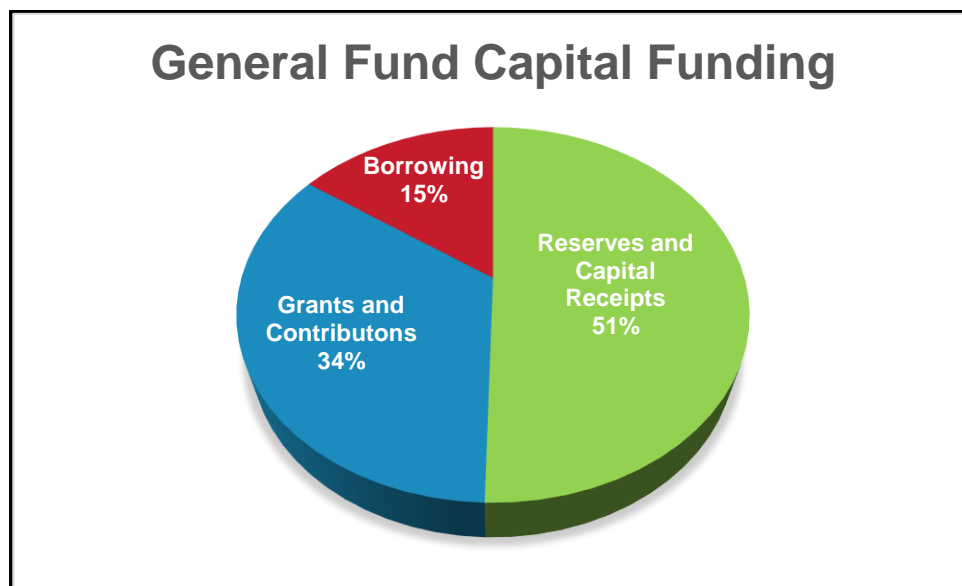


3.2.5 The majority of the funding £127Million (67%) is for Stevenage Borough Council to resource as set out in the chart below. In addition, some of the hub costs funded through rental income will need to be financed upfront (£8Million). This will require a funding strategy and prioritisation to meet that £135Million identified capital need.



3.2.6 The current potential value of capital receipts that could be released by SBC is £44Million which is significantly less than the need identified of £127Million. This means that even if all approved receipts were delivered there will still be a requirement to find alternative funding strategies or third-party funding to meet the gap or require investment needs to be self-financing through part sale of land to develop and generate receipts. The total investment requirement and ringfenced receipts are currently excluded from the Capital Strategy until the funding gap is identified.

- 3.2.7 The limited funding available compared to the identified current need means that in the main priority schemes will need to provide a significant element of self-funding through providing land development opportunities.
- 3.2.8 The current years capital programme (approved February 2023 and as subsequently amended through the quarterly monitoring and supplementary reports), is fully funded, and shown in the chart below which reflects the quarter one and two monitoring report to the October 2023 Executive.



- 3.2.9 Grants and contributions include £7.5Million Towns Fund Grant from an overall allocation of £37.5Million which is fully allocated to specific regeneration projects. Funding is received in stages as relevant projects proceed.
- 3.2.10 Short term borrowing is used to bridge funding gaps and is generally “repaid” from capital receipts in the following year.
- 3.2.11 Prudential Borrowing remains an option to fund capital schemes. Due to the on-going net cost to the General Fund, any such proposal requires a business case to be completed to determine affordability and benefit to the Council. This approach may be used to fund income generating schemes which support the Councils Priorities. The borrowing in the graph above is internal borrowing, which uses the councils internal cash resources for short term funding requirements. This internal borrowing is repaid in future years from capital receipts.

3.3 Housing Revenue Account (HRA) Investment Strategy

- 3.3.1 The HRA capital programme was revised as part of the HRA Business Plan (BP) approved by Executive in November 2023. The 30-year HRA capital programme provides for £1.643Billion HRA investment including £351Million additional borrowing over the same period, an increase from the last review of £28.8Million (£322.20Million).
- 3.3.2 The plan allows for total investment of £262Million from 2023/24 to 2028/29, with the majority of this invested in existing (56%) and new housing stock (44%). It is important that the Council continues to balance ongoing investment with the need

to replace RTB sales, in order meet housing demand and ensure the financial stability of the HRA in the longer term.

- 3.3.3 The HRA is a legally ring-fenced account and the HRA BP covers both revenue and capital expenditure as they are intrinsically linked – capital investment supporting the provision of services over the course of the plan. More details can be found in the HRA Final Budget 2024/25.
- 3.3.4 Funding for HRA capital projects comes from a variety of sources and preference is given to using restricted or third part funding ahead of more flexible funding, to ensure that funding conditions are met and optimised. These include right to buy receipts, s20 receipts, grants and developer contributions.

3.4 Budget and Policy Framework

- 3.4.1 The process for approving capital budgets is set out in the Budget and Policy Framework in the Constitution. This includes a consultation period and the timescale required to implement this is outlined below:

Table 1		
Date	Meeting	Report
Jan-24	Executive	Draft 2023/24 – 2028/29 Capital Strategy (GF and HRA)
	Overview and Scrutiny	Draft 2023/24-2028/29 Capital Strategy (GF and HRA)
Feb-24	Executive	Final 2023/24 – 2028/29 Capital Strategy (GF and HRA)
	Overview and Scrutiny	Final 2023/24 – 2028/29 Capital Strategy (GF and HRA)
Feb-24	Council	Final 2023/24 – 2028/29 Capital Strategy (GF and HRA)

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 Capital Programme– 2023/24-2024/25 General Fund

- 4.1.1. Due to the ongoing financial pressures as set out section 3 of this report the CFO recommended the following approach to approving and funding General Fund 2024/25 capital expenditure :
- Review existing 2023/24 and 2024/25 budgets in the Capital Strategy for completeness and to advise if circumstances have changed, and
 - Only submit new 2024/25 growth bids that are urgent or support the delivery of a top priority.
- 4.1.2. Following that review, Officers have identified £4.2Million of projects where there is a business justification for rephasing the spend profile of the budget from 2023/24 to 2024/25 (£2.6Million) and budget savings of £1.6Million. Forecast spend for 2023/24 is £24Million representing 85% of the overall current strategy.

Table 2: Revised Capital Programme excluding Growth 2023/24 and future years

	Current Strategy Q2	Budget Savings	Rephased	Revised 23/24 Strategy	Revised 24/25 Strategy	Revised 25/26 Strategy	Revised 26/27 Strategy	Revised Strategy 27/28 and 28/29
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Stevenage Direct Services	6,539	(147)	(1,628)	4,763	2,428	94	0	0
Housing Development	2,590	(294)	(649)	1,648	5,223	5,754	424	0
Finance and Estates	1,725	0	(32)	1,693	739	0	0	0
Digital & Transformation	602	(130)	(105)	367	99	0	0	0
Regeneration	12,532	0	0	12,532	21,587	7,945	0	0
Communities and Neighbourhoods	2,171	(38)	(205)	1,928	251	10	0	0
Planning and Regulatory	702	0	0	702	421	0	0	0
Deferred Works Reserve	1,279	(1,017)	0	262	230	0	0	0
Total GF Schemes	28,140	(1,626)	(2,619)	23,895	30,978	13,803	424	0

4.1.3. The budget savings of £1.6Million mainly relate to:

- Vehicle replacements – net budgets not required in 2023/24, replaced with new growth for vehicle requirements 2024/25 - £84.6k.
- The Shrub Bed programme budget of £132.5k has been reduced in 2023/24 by £62.5k to £70k based on the estimated cost of this year's programme.
- The capital programme relating to the review of Biodiversity Action Plan has now been commissioned and the costs are less than the budget (saving £5K).
- The remaining budget for the North Road development is now completed, the remaining budget is no longer needed thereby saving - £294k.
- IT General budgets have been reviewed and £130k is not required in 2023/24. These budgets are reviewed annually and further growth bids brought forward to support the future programme.
- SALC ceiling repairs now complete – remaining budget released £20k.
- CCTV mobile camera replacement for mobile safety £7k. This budget and the budget for 2024/25 (£5k) will now be grant funded and are de-minimis.
- Reduction in the Deferred Works reserve budget of £1Million, leaving £262k in the 2023/24 budget as the allocation is no longer required.

4.1.4. The budgets to be re-phased to future years of £2.6Million relate to:

- Play Area Improvement Programme (£555K) and Peartree skate park (£40k) – these have been impacted by recruitment challenges and as a result Project Managers are unable to deliver the remaining capital improvement due in

2023/24. The Council has confirmed its commitment to completing this programme of works.

- Legal issues have delayed the delivery of the Hertford Road Play Area investment (£25k). Officers are working to ensure this project can be delivered.
- Delivery of the Cavendish Transfer Station fire protection works (£350k), Thermal Image Cameras (£80k) and a roof for the residual waste bay (£150k) have been delayed but the Council remains committed to completing these investments.
- The repair to the wall at the closed St Nicholas Church (£30k) has been delayed due to the need for further assessment of the wall to be undertaken. This scheme will now be completed in 2024/25.
- Digital system for streets and ground services (£56k) and for Play area inspections (£16.5k) – a review and assessment of this system is being undertaken in conjunction with the transformation team. The related spend is now likely to take place in 2024/25.
- Vehicle replacement for roll On / Off (£105k) and receptacles for new rounds (£160k) – the procurement process has been paused whilst officers assess the requirement and impact of new government legislation.
- Replacement of Water Bowers (£15k) – the project has been paused whilst officers consider the best replacement option. Expenditure is now expected to fall into 2024/25.
- Maxi Truck (£40k) – officers are trialling the best options within the EV market. Expenditure is now expected to fall into 2024/25.
- Kenilworth Community Centre (£649k) – this scheme has been delayed due to the need to consider the outcome of related public engagement / consultation.
- The Building condition and Insurance valuation Survey is ongoing and it is anticipated that costs of £32k will now fall into 2024/25.
- IT infrastructure - £105k spend relating to current works is likely to fall into 2024/25.
- Stock condition survey £150k – this report is due by summer 2024, the budget has thus been slipped into 2024/25.
- Current Fire Stopping works at the Stevenage Arts & Leisure Centre (SALC) to the value of £20k are now expected to be completed in 2024/25.
- Aqua Park – rubber crumb surface replacement (£35k) – a review of the condition of the surface will take place post the winter in February-March 2024. The associated works to rectify any damage deemed necessary will take place in 2024/25.

4.1.5. A review of the current Capital Programme has been undertaken and the following adjustments made (other than that identified above):

2024/25 – Capital Strategy reduced by £11.178Million

- Phase 2 of the Kenilworth development has been delayed as this was dependent on the completion of Phase I which remains under construction due to pandemic related delays. The total overall spend is also subject to a reduction pending a decision on phase 2 design which has been prompted by changing market conditions. An alternate scheme design is likely to result in lower capital expenditure and improved viability. A complete review of the associated figures will be necessary when the alternate scheme progresses. As a result £5.603Million has been rephased from 2024/25 into 2025/26 (£5.179Million) and 2026/27 (£424k). The remaining £7.022Million has been removed from the 2024/25 budget pending outcome of the scheme review.
- The Shrub Bed programme budget of £133k has been reduced in 2024/25 by £89k to £44k. The programme of works will now be extended beyond the planned 4 years to spread the financial cost. The exact timeframe for completion cannot be confirmed, however, if the budget remains reduced for the remainder of the programme it will be completed in 2030/31.
- The 2024/25 Green Spaces Infrastructure budget has been reduced to £50k. If emergency repairs are needed and the remaining budget is insufficient a virement from the deferred works budget may be required.
- The remaining balance of the SALC Lift Replacement Budget has been removed from 2024/25 (£100k). Future capital requirements for SALC are now included in the growth bids for 2024/25.
- Removal of £355k vehicle replacement budget which has been replaced with growth bids for 2024/25.

4.1.6. The result of this review is summarised in table four below and is set out in full in Appendix A (Growth bids) and Appendix B (General Fund Capital Strategy).

Table 3: Revised Capital Programme including proposed Growth							
	23/24	24/25	25/26	26/27	27/28	28/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Current strategy total	28,140	42,292	8,222	5	0	0	78,659
Rephased	(2,619)	(3,558)	5,753	424	0	0	0
Removed	(1,626)	(7,757)	(172)	(5)	0	0	(9,560)
Total Before Growth	23,895	30,977	13,803	424	0	0	69,099
Growth Bids (see 4.2)	0	2,483	0	0	0	0	2,483
Community Climate Change Fund	0	98	0	0	0	0	98
Adjusted total	23,895	33,558	13,803	424	0	0	71,680

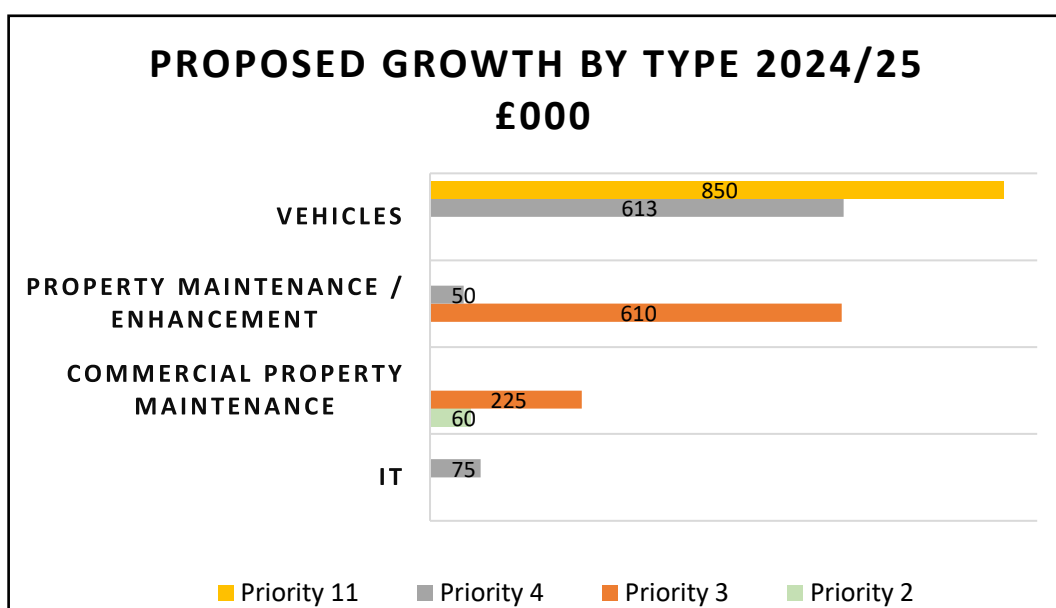
4.2. Proposed Capital Bids

4.2.1. The capital growth bids received and recommended for inclusion in the Capital Strategy (subject to review and funding) by Council's Financial Security Group

(CFSG) and the Council's Senior Leadership (SLT) have been prioritised, as set out in the table and are detailed in Appendix A. These bids total £2.5Million for 2024/25. Bids for future years will be considered as part of the 2025/26 budget setting process.

Table 4 Proposed General Fund Growth 2024/25		
		£'000
Priority 1	Return on investments	0
Priority 2	Income generating	60
Priority 3	Mandatory requirements (including Health & Safety)	835
Priority 4	Schemes to maintain operational efficiency	738
Priority 11	New Burden (dependent on external funding to proceed)	850
Total General Fund Capital Growth Bids		2,483
Funding Proposal		
General Capital Receipts		199
Locality Review Receipts		1,078
New Burdens Grant Funding		850
Revenue Reserves		340
Capital Reserve		16
Total Funding Proposed		2,483

- 4.2.2. The proposed growth can be split into four types as illustrated in the graph below and the detail of the individual bids are summarised in Appendix A.



- 4.2.3. The Community Climate Change Fund budget for 2024/25 of £97.5k has been included in the Capital Strategy and is fully funded by local CIL as agreed by Executive 12 October 2022.

4.3. Revised Summary Capital Programme 2023/24 – 2028/29 including Proposed Growth.

- 4.3.1. The revised Capital Strategy for 2023/24-2028/29 totals £71.7Million which includes the growth bids totalling £2.5Million. This is summarised by service in the table below, and in detail in Appendix B.

Table 5: Revised Capital Programme including proposed growth by Service.							
	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	28/29 £000	Total £000
Stevenage Direct Services	4,763	3,862	94	0	0	0	8,720
Housing Development	1,648	5,223	5,754	424	0	0	13,050
Finance and Estates	1,693	1,262	0	0	0	0	2,955
Digital & Transformation	368	174	0	0	0	0	541
Regeneration	12,532	21,587	7,945	0	0	0	42,063
Communities and Neighbourhoods	1,928	651	10	0	0	0	2,589
Planning and Regulatory	701	569	0	0	0	0	1,270
Deferred Works Reserve	262	230	0	0	0	0	492
Total GF Schemes	23,895	33,558	13,803	424	0	0	71,680

- 4.3.2. The current programme includes a contingency of £492k for the two financial years (2023/24 and 2024/25) in total. This would be used to cover any health & safety emergency works. An assessment of the level of contingency required and the level of unused Capital Resources will be assessed and included in the February 2024 Capital Strategy.
- 4.3.3. The regeneration programme benefits from significant allocations from the Towns Fund, and relate to a number of large projects. In a complex economic climate in which inflationary pressures are impacting construction costs, the Council and Stevenage Development Board are keeping a focus on each project. The current spend profiles are likely to be reviewed and updated in the early part of 2024/25, following engagement with Stevenage Development Board and the Department for Housing, Levelling Up and Communities.

4.4. Capital Resources for the Revised General Fund Capital Strategy, including proposed Growth

- 4.4.1. The projected resources used to fund the Capital Strategy are summarised in the table below. Due to the actions recommended in the October Capital strategy the programme from 2026/27 needs to be further developed.

Table 6: Revised Capital Programme Resourcing including Proposed Growth

	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	28/29 £000	Total £000	Total %
Capital Receipts including Locality Review Receipts	6,673	5,044	546	424	0	0	12,688	17.8
Grants and other contributions	8,237	16,250	7,400	0	0	0	31,887	44.5
Revenue Reserves	434	340	0	0	0	0	774	<1
Capital Reserve	715	412	104	0	0	0	1,231	<1
LEP		500					500	<1
New Homes Bonus CNM	0	243	0	0	0	0	243	<1
Borrowing	7,835	10,769	5,753	0	0	0	24,357	33.9
TOTAL	23,895	33,558	13,803	424	0	0	71,680	100

4.4.2. The total borrowing recommended of £24Million includes £18.3Million of short term borrowing which is scheduled to be repaid in 2026/27 using capital receipts profiled to be received in that year. The remaining balance is prudential borrowing for Garage improvements, housing development schemes through the Wholly Owned Company (WOC) and leisure capital works. The borrowing is repaid through a minimum revenue contribution (MRP) from the General Fund (see also section 4.7).

4.4.3. The use of capital receipts is dependent on delivery of the disposal sites to the market. Assuming that all the General Fund Growth Bids in Appendix A are approved, the revised capital strategy includes the following forecast capital receipts. The table below includes both General Capital Receipts and Locality Review Receipts as they are available for use in the Capital Programme. Ring-fenced Town Centre Transformation and SG1 receipts are restricted.

Table 7: Combined GF Capital Receipts Forecast							
	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	28/29 £000	Total £000
Opening Balance	6,543	4,564	1,696	1,390	2,481	4,221	6,543
General Capital Receipts	4,776	1,488	240	19,844	1,740	0	28,088
Locality Review Site Disposal	335	744	0	0	0	0	1,079
Receipts used in year for Capital Expenditure	(6,673)	(5,100)	(546)	(424)	0	0	(12,743)
Receipts used in year for Short Term Debt Repayment	(417)	0	0	(18,329)	0	0	(18,746)
Closing Balance	4,564	1,696	1,390	2,481	4,221	4,221	4,221
Ringfenced and SG1 Receipts Balance	700	1,365	820	(374)	1,365	1,365	1,365
General Capital Receipts	3,864	331	570	2,855	2,856	2,856	2,856

4.5. Locality Review Update

- 4.5.1. A key recommendation from the June 2020 MTFS COVID recovery report was that a pipeline of land disposals be identified from Locality Reviews to help maintain the resilience of General Fund balances, by removing the revenue contribution to capital. There was also a need to generate additional capital receipts to help fund any shortfalls from the reduction or cessation of New Homes Bonus (NHB).
- 4.5.2. The continuation of this strategy in light of the significant pressures highlighted in section 3.2 is required in order to maximise available capital resources for the future.
- 4.5.3. The current position is detailed below and shows a reduction in forecast receipts for 2023/24 of £905k, although £744k of this is expected to materialise in 2024/25. The overall reduction in expected receipts is £1.3Million. This has in part been mitigated by the reduction of the Deferred Works reserve budget paragraph 4.1.3. Potential disposal sites originally forecast for 2025/26 for which Pre-advice is negative or the site is constrained by geography or covenant, have now been removed from the forecast. The current economic climate has also had an impact on asset sales where the impact of inflation has reduced the attractiveness of sites to potential investors.

Table 8: Locality Receipts £000	Previous Forecast	Revised Forecast	Variance
Year 2023/24	(1,240)	(335)	905
Year 2024/25	0	(744)	(744)
Year 2025/26	(1,150)	0	1,150
TOTAL	(2,390)	(1,079)	1,311

4.6. Community Infrastructure and S106 Update

- 4.6.1. The Community Infrastructure Levy (CIL) is a planning charge introduced by the Planning Act 2008. The Council started charging CIL in April 2020 and the current unallocated balance is £759k including £38k for local projects and £721k for strategic council priorities. Local CIL of £97.5k per annum for three years from 2023/24 is being used to fund the Community Climate Change budget. This is a member led strategy and wards can use £7.5k per ward per annum to fund relevant projects.
- 4.6.2. Strategic CIL can be used to fund town centre infrastructure projects including those identified above. Allocation of funds to relevant capital projects may be brought forward for approval later in the year- and require Executive approval above £75k.
- 4.6.3. Section 106 (S106) monies that have yet to be allocated to any current or future capital schemes are shown in the table below along with the categories they can be used for:

Table 9: S106 contribution Available	Amount £'000
Biodiversity	69
Parks, Play and outdoor sport	113
Regeneration	36
Total	218

4.7. Minimum Revenue Provision (MRP)

4.7.1. MRP is applied where the council has to set aside a revenue allocation for provision of debt repayments (borrowing in the capital programme). MRP replaces other capital charges (e.g., depreciation) in the statement of accounts and has an impact on the council's bottom line. MRP will increase and decrease throughout the programme and is sensitive to both expenditure and funding changes. The council will continue to balance the use of capital receipts, internal borrowing and external borrowing to ensure the most efficient use of resources, including the need to fund MRP.

4.7.2. The other main risks to the capital programme are:

- Potential for scheme overspends.
- Potential for delay in realising capital receipts noting that £6Million of land/asset sales are forecast to be achieved in 2023/24 and 2024/25.
- The deferred works budget may not be sufficient to fund any schemes not currently funded in the Strategy due to the ongoing and aforementioned fix-on-fail policy approach.
- Potential for money spent as capital on Towns Fund projects to revert to a future revenue liability if projects do not progress to physical completion, e.g., only feasibility and early design are completed.
- Cost volatility and increased client risk in construction projects due to the impact of cost of living, which has resulted in supply chain pressures and significant price increases across the construction sector.

4.8. Other capital investments and Finance Lease

4.8.1. The Council purchased several properties in the town centre to enable it to meet its regeneration aims. These properties were purchased in part using LEP funding. These properties have been purchased for regeneration purposes and therefore do not fall under the Property Investment Strategy. Prior to making these strategic acquisitions full risk assessments were undertaken to ensure the cost of carrying these assets in the short to medium term could be met by the Council. The Regeneration Asset allocated reserve has been setup specifically to cover these costs.

4.8.2. The Council undertook a long-term finance lease for a circa £50Million mixed development scheme on Queensway in the town centre. This is a lease arrangement and falls outside the scope of capital investment. Prior to the decision to proceed being made a risk assessment was undertaken and presented to

Members. Key Officers were given training on their roles and responsibilities for the new governance arrangements associated with the Limited Liability Partnership.

- 4.8.3. External legal, financial, and commercial advice is procured to ensure the validity and viability of business cases presented to Members.

4.9. Capital Programme - Housing Revenue Account (2023/24-2028/29)

- 4.9.1. The majority of the HRA capital expenditure as set out as part of this strategy will be spent on the development of new homes and the maintenance, repairs and upkeep of existing stock.
- 4.9.2. The HRA BP, approved at Executive in November 2023 included a thorough review of the capital programme required to achieve the aims and objectives of the plan. The strategy adjustments identified below are the result of this review and are included for the period 2023/24 to 2028/29.
- 4.9.3. Since the BP was approved, rephasing of £1.5Million has been identified in Housing Development. This is principally attached to the Brent Court Garages scheme where start on site has been delayed whilst pre-commencement Planning requirements are met. Work has been ongoing with the contractor to identify opportunities to make up slippage later in the programme of works.
- 4.9.4. The HRA element of proposed IT growth - £21k relates to the councils overarching IT programme of renewals and upgrades.
- 4.9.5. The result of this exercise is summarised in table below. and is set out in full in Appendix C (HRA Capital Strategy).

Table 10: Update following 2023/24 HRA BP Refresh

	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	28/29 £000	Total £000
Current strategy total	45,556	63,711	34,874	19,204	3,060	0	166,405
HRA BP Revisions	(1,138)	(10,350)	21,584	16,735	33,977	34,268	96,076
HRA BP	44,418	53,361	56,458	35,939	37,037	34,268	261,481
Rephase	(1,450)	1,450	0	0	0	0	0
IT	49	0	0	0	0	0	49
Growth Bids (IT)	0	20	0	0	0	0	20
TOTAL	43,017	54,831	56,458	35,939	37,037	34,268	261,550

- 4.9.6. The revised summary capital strategy budget for 2023/24 – 2028/29 totals £261.6Million and is set out in full in Appendix C (HRA Capital Strategy).

Table 11: Revised Summary HRA Capital Strategy							
	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	28/29 £000	Total £000
Capital Programme Excluding New Build (Housing Investment)	24,565	24,329	25,091	22,939	24,253	25,868	147,046
Special Projects & Equipment	77	0	0	0	0	0	77
New Build (Housing Development)	18,055	30,449	31,367	13,000	12,784	8,400	114,054
Digital & Transformation	320	53	0	0	0	0	373
Total HRA Schemes	43,017	54,831	56,458	35,939	37,037	34,268	261,550

4.10. Capital Programme – HRA Resources (2023/24-2028/29)

4.10.1. The resourcing of the HRA capital strategy is summarised in the table below. The largest percentage is funded by the Major Repairs Reserve (MRR) via depreciation charges (40%) followed by borrowing (25%). Capital receipts from right to buy sales of council houses (New Build 1-4-1 receipts) form 10% of total funding. This aligns to the HRA BP plus £391k (IT budget funding).

Table 12: Revised HRA Capital Programme							
	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	28/29 £000	Total £000
MRR (Self Financing Depreciation)	21,013	18,896	15,494	16,233	16,877	17,282	105,795
MRR – Rephase / IT	(1,130)	1,521	0	0	0	0	391
New Build Land Receipts	3,065	0	2,100	4,373			9,538
(RTB) new Build provision	2,293	2,901	8,297	4,682	4,524	4,051	26,748
Debt Provision Receipts	789	1,058	1,102	1,147	535	0	4,631
Section 20 Contribution	2,998	4,876	2,963	3,262	1,173	805	16,077
Borrowing	11,336	7,506	22,667	2,926	9,713	12,130	66,278
Revenue Contribution to Capital	0	6,715	3,835	3,316	4,215	0	18,081
Grant	2,653	11,358	0	0	0	0	14,011
TOTAL	43,017	54,831	56,458	35,939	37,037	34,268	261,550

4.10.2. The Government has amended the rules regarding the use of capital receipts arising from the sale of Right to Buy (RTB) properties and the Council has entered into a new retention agreement that reflects these changes. This has reduced pressure on the use of RTB receipts, particularly as the Council is currently delivering major developments that can use these restricted funds.

4.11. De Minimis Level for Capital Expenditure 2024/25

- 4.11.1. 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.
- 4.11.2. It is recommended at 2.12 that the 2024/25 de-minimis expenditure limit be increased from £7,500 to £9,999 per scheme.

4.12. Contingency Allowance for 2024/25

- 4.12.1. The contingency allowance for 2024/25 is £250,000. The contingency proposed for 2023/24 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 forming part of the Council's Budget Requirement for the year.
- 4.12.2. The contingency allowance for 2023/24 is £500,000 in relation to spend of restricted use or 1.4.1 receipts for registered providers to ensure that the Council achieves nominal rights and does not have to return 1.4.1 receipts to the government. This contingency allowance is recommended to remain at £500,000 for 2024/25.
- 4.12.3. Separate to the contingency allowance, is the delegation to Executive or Portfolio Lead/Leader of the Council to approve increases to the capital programme for grant funded projects, when external funding sources have been secured. Officers propose that this contingency allowance remains at £5,000,000 where a scheme is fully funded from third party contribution/grant.

4.13. Consultation and Scrutiny

Council Financial Security Group (CFSG) 4 January 2024

- 4.13.1. Following a review of all growth bids by Senior Leadership Team (SLT), a priority list was presented to CFSG with 19 new Growth Bids for 2024/25 and 10 previous schemes that had not been started or committed and was therefore considered as part of the review of spend bids by CFSG (these are shown in Appendix A). The scoring rationale applied to these budgets was “do not support” 0 point, “support but low priority” 1 point and support with high priority” 3 points.
- 4.13.2. There were five members who was asked to score, with a number of schemes receiving a mixed score between 8 and (the maximum) 15. Six of the schemes received one individual score of ‘do not support’ or 0 point (these are shown in Appendix A with an overall score of 8 and 12 points). The table below shows the summary of scores received.

Scheme receiving:	Number of schemes
15 points (or 100% majority)	5
13 points (or 87% majority)	11
12 points (or 80% majority)	5
11 points (or 73% majority)	3
9 points (or 60% majority)	4
8 points (or 53% majority)	1

- 4.13.3. As can be seen from the table above, the lowest score received was 53% majority and therefore recommend for Executive to consider the views of CFSG and agree to approve all 29 schemes (which SLT had supported). These have all been included within the proposed capital programme for 2024/25 (in Appendix B) and are fully funded.

Overview and Scrutiny Committee 23 January 2024

- 4.13.4. Overview and Scrutiny met to consider the Draft Capital Strategy 2024-25 on the 23 January 2024. A question was asked about the North Road Underspend and the CFO clarified it related to the Housing Development. Clarification was sought about the scoring for Capital from CFSG in the report and the CFO explained the scoring system and confirmed that all bids scored and in the capital programme for 2024/25 had received a score equivalent to more than 50%.

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 The legal implications for each individual scheme within the capital programme will be considered when approval is sought for that scheme. Each scheme within the capital programme will be approved in accordance with the council's constitution.

5.3 Equality and Diversity Implications

- 5.3.1 None specifically in relation to this report.

5.4 Risk Implications

- 5.4.1 The significant risks associated with the capital strategy are inherent within this report.

- 5.4.2 There is a risk that the value of land sales is not realised due to the impact of the cost-of-living crisis reducing demand and prices lower than anticipated as a result. In order to mitigate the impact of this, revenue underspends of up to £500k may be made available to support capital resource in the short term.
- 5.4.4 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 A significant risk exists that works deferred due to lack of resources and materials. A reasonable assessment has been made in the prioritisation process to try to keep this risk to a minimum. The deferred works reserve of £230k in 2024/25 (excluding slippage) has been assessed as being adequate given historical draw downs on this budget and experience in 2023/24.
- 5.5.5 Defra issued indicative capital transitional costs for the introduction of weekly food waste collections on 9 January 2024. The allocation for Stevenage is £592k against a growth proposal of £850k, included in appendix A. Officers are lobbying Defra in order to close the gap (£258k) between the indicative amount and that required to fulfil this strategy at Stevenage. No further information is available at the time this report is written.

5.5 Climate Change Implications

- 5.5.1 In their current form the Council's buildings do not currently support the climate change ambitions in terms of energy efficiency or divestment of use of fossil fuels.
- 5.5.2 However, there is an opportunity through the local asset review programme to build in design principles to improved / future 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 the buildings the Council uses. For example, the Council is also examining the vehicle fleet and consideration will be given to reducing its carbon impact and the HRA strategy includes £24Million investment in decarbonisation for the period to 2028/29 – ensuring all homes meet the minimum EPC rating of C.
- 5.5.4 In addition to existing assts, new buildings being planned as part of the regeneration of Stevenage – e.g., the Hub and new Leisure Centre will be designed and equipped to meet modern standards.

BACKGROUND DOCUMENTS

- BD1 Quarter 1 and 2 monitoring report (Executive, October 2023)
- BD 2 Draft Housing Revenue Account Rent Setting & Budget report 2024/25 (January 2024 Executive) – elsewhere on this agenda.
- BD 3 HRA Business Plan 2023 update (November 2023 Executive)
- BD4 General Fund Capital Strategy Overview – Priorities Versus Funding Requirement 2023/24-2029/30 (November 2023 Executive)

BD5 Draft Capital Strategy 2023/24-2028/29 (January 2024 Executive)

Appendices

- A - General Fund Capital Growth Bids 2024-2025
- B - General Fund Capital Strategy
- C - HRA Capital Strategy

STEVENAGE BOROUGH COUNCIL
GF CAPITAL - PRIORITY BASED BUDGETING 2024/25 CAPITAL GROWTH BIDS

Ref No	Head of Service	Service	Priority	Name of Growth Proposal	Capital in 2024/25 (£)	Description
1	Zayd Al-Jawad	Planning and Regulatory	4	St Georges MSCP - conversion of store room and boiler room to office space	50,000	for use by the parking enforcement officers - £50k, this will free up space in the town Square Chambers in readiness for development of plot B by Mace and will increase the number of hours enforcement officers can spend on the street in Stevenage.
		Total Planning			50,000	
2	Matt Canterford	Digital & Transformation	4	Telephony Hardware Refresh	22,500	Ongoing IT replacement and renewal programme
3	Matt Canterford	Digital & Transformation	4	VDI hosting Hardware Refresh	11,250	Ongoing IT replacement and renewal programme
4	Matt Canterford	Digital & Transformation	4	Hardware Replacement Program	78,660	Ongoing IT replacement and renewal programme
4	Matt Canterford	Digital & Transformation	4	HRA Element	- 37,470	Ongoing IT replacement and renewal programme
		Total Digital & Transformation			74,940	
9	Mark Sullivan	Finance & Estates	2&3	Burwell Road shops - Reroofing,	60,000	water ingress from the flat roof is causing leaks and damage in shop units below. This could lead to structural damage and loss of income through tenant compensation or termination of tenancy.
10	Mark Sullivan	Finance & Estates	3	MSCP fire door replacement	35,000	existing timber fire exit doors to top floor are exposed to the elements and regular vandalism. Although repairs have been conducted on a regular basis, these now require replacement with new metal or similar frames and doors that are more robust to ensure fire integrity and accessibility.
11	Mark Sullivan	Finance & Estates	3&6	Commercial - shop units roof works	125,000	various roof works identified during the Stock condition survey require urgent attention.
12	Mark Sullivan	Finance & Estates	3&6	Commercial properties - General repairs	100,000	various works to external envelope (brick, concrete, render, windows etc) the estimate is based on completed surveys.
13	Mark Sullivan	Finance & Estates	3	cavendish - IT server room works	65,000	this bid is for essential works to seal room. This is required for effective operation of the fire suppression system and to conduct servicing of equipment. Air Conditioning units also require replacement to ensure the correct temperature is maintained for IT equipment operation.
14	Mark Sullivan	Finance & Estates	3	King George V Pavilion - Works to existing Fascia boards	20,000	existing lath and plaster ceiling is showing signs of cracking and bowing and requires replacement.
15	Mark Sullivan	Finance & Estates	4	Replace 1 FM Team vehicle	28,000	the current leased fleet are at end of life, this bid is to purchase one new vehicle.
	Mark Sullivan	Finance & Estates	4	Springfield House - Facsia and window works	-	
16	Mark Sullivan	Finance & Estates	3&4	Cavendish - generator	90,000	due to the age of the generator and risk of future accessibility of spare and repairs, a replacement is now recommended.
		Total Finance & Estates			523,000	

STEVENAGE BOROUGH COUNCIL
GF CAPITAL - PRIORITY BASED BUDGETING 2024/25 CAPITAL GROWTH BIDS

Ref No	Head of Service	Service	Priority	Name of Growth Proposal	Capital in 2024/25 (£)	Description
17	Steve Dupoy	Communities & N'hoods	3	Fire stopping at SALC	220,000	new fire regulations require all the existing fire doors to be relaced with ones that contain fire and smoke for 60 minutes rather than the current 30 minutes.
18	Steve Dupoy	Communities & N'hoods	3	Lift procurement at SALC	160,000	there is only one lift at SALC, failure of the lift will stop access for people with mobility problems in particular theatre users.
19	Steve Dupoy	Communities & N'hoods	3	Sailing Centre	10,000	works are required to ensure compliance with H&S and usability of the centre.
20	Steve Dupoy	Communities & N'hoods	3	Ridlins Stadium	10,000	work to repair surface of track, pending full resurfacing to be TrackMark compliance
		Total Communities & N'hoods			400,000	
21	Steve Dupoy	SDS	11	Food collection vehicles (x5)	850,000	this bid is to support separate food waste collections under guidance from the government and the resource and waste strategy. Separate food waste for residents has been pushed back to March 2026, however separate food waste for schools and business with 10 or more employees is still March 2025
22	Steve Dupoy	SDS	4	Replace 4 refuse vehicles	305,000	for use in refuse and recycling operations. This is a total budget of £1Million of which £705k is already in the capital programme.
23	Steve Dupoy	SDS	4	Replace Sweeper - LK20 EJO	65,000	replacement required to ensure services continue to be delivered effectively.
24	Steve Dupoy	SDS	4	Shovel Loader to replace - FN69 XSU	200,000	replacement required to ensure services continue to be delivered effectively.
25	Steve Dupoy	SDS	4	Stand on Mowers to replace AN100520 & AN100559	15,000	replacement required to ensure services continue to be delivered effectively.
		Total SDS			1,435,000	
		Total New Capital Projects Under Review			2,482,940	

APPENDIX B - GENERAL FUND CAPITAL STRATEGY

		2023/2024				2024/2025			2025/2026			2026/2027	2027/2028	2028/2029
Cost Centre	Scheme	Actuals 23/24 Pd1 - Pd7	Q2 Working Budget	Draft Capital Strategy	Variance Q2 v draft cap strat	Q2 Working Budget	Draft Capital Strategy	Variance Q2 v draft cap strat	Q2 Working Budget	Draft Capital Strategy	Variance Q2 v draft cap strat	Draft Capital Strategy	Draft Capital Strategy	Draft Capital Strategy
		£	£	£	£	£	£	£	£	£	£	£	£	£
BG902 BG905 BG911 BG461 BG461 BG862 BG936 BG937 BG904 BG903 BG916 BG920	General Fund - Schemes													
	Stevenage Direct Services	1,069,917	6,539,060	4,763,431	(1,775,630)	1,321,000	3,862,440	2,541,440	261,000	94,000	(167,000)	0	0	
	Housing Development	125,190	2,590,220	1,648,040	(942,180)	17,775,430	5,223,250	(12,552,180)	0	5,753,900	5,753,900	424,498	0	
	Finance and Estates	185,964	1,725,000	1,693,103	(31,898)	707,080	1,261,978	554,898	0	0	0	0	0	
	Digital & Transformation	28,722	602,330	367,510	(234,820)	104,220	173,944	69,724	0	0	0	0	0	
	Regeneration	1,031,562	12,531,560	12,531,560	0	21,586,450	21,586,450	0	7,945,500	7,945,500	0	0	0	
	Communities and Neighbourhoods	1,324,145	2,171,220	1,928,021	(243,199)	145,840	650,500	504,660	15,000	10,000	(5,000)	0	0	
	Planning and Regulatory	18,423	701,520	701,520	0	421,310	568,810	147,500	0	0	0	0	0	
	Deferred Works Reserve	0	1,279,440	262,178	(1,017,262)	230,332	230,332	0	0	0	0	0	0	
	Total Schemes	3,783,923	28,140,350	23,895,362	(4,244,988)	42,291,662	33,557,704	(8,733,958)	8,221,500	13,803,400	5,581,900	424,498	0	0
	General Fund -Resources													
	Capital Receipts		7,337,841	4,659,060	(2,678,781)	2,994,338	3,386,904	392,566	0	0	0	424,498	0	0
	Ringfenced regeneration receipts		1,836,260	1,836,260	0	500,000	500,000	0			0	0	0	0
	SG1 Receipts		3,262,170	177,940	(3,084,230)	5,510,270	135,000	(5,375,270)	545,500	545,500	0	0	0	0
	Locality Review receipts		1,239,600	0	(1,239,600)	0	1,028,550	1,028,550	276,000	0	(276,000)	0	0	0
	Towns Fund		7,458,490	7,838,240	379,750	15,076,180	15,076,180	0	7,400,000	7,400,000	0	0	0	0
	Other Grants and other contributions		1,446,088	255,340	(1,190,748)	8,690,665	986,910	(7,703,755)			0	0	0	0
	S106's		46,090	46,090	0	0	0	0			0	0	0	0
	Priorities – Strategic CIL				0			0			0	0	0	0
	Local – Neighbourhood CIL		97,500	97,500	0		187,500	187,500			0	0	0	0
	LEP		0	0	0	500,000	500,000	0			0	0	0	0
	RCCO		180,879	180,879	0	0	0	0			0	0	0	0
	Revenue Reserves		253,200	253,200	0	0	340,000	340,000			0	0	0	0
	Capital Reserve (Housing Receipts)		727,361	695,464	(31,898)	379,034	394,931	15,897		104,000	104,000	0	0	0
	Capital Reserve (Revenue Savings)		20,000	20,000	0	0	16,000	16,000			0	0	0	0
	New Homes Bonus CNM		242,541	0	(242,541)	0	242,541	242,541			0	0	0	0
	Prudential Borrowing Approved		3,690,320	3,690,320	0	2,450,250	2,450,250	0	0	0	0	0	0	0
	Short Term borrowing and funded from private sale		302,010	4,145,070	3,843,060	6,190,925	8,312,937	2,122,012	0	5,753,900	5,753,900	0	0	0
	Funding Gap		0	0	0	0	0	0	0	0	0	0	0	0
	Total Resources (General Fund)		28,140,350	23,895,362	(4,244,988)	42,291,662	33,557,704	(8,733,958)	8,221,500	13,803,400	5,581,900	424,498	0	0
			0	0	0	0	0	0	0	0	0	0	0	0

APPENDIX B - GENERAL FUND CAPITAL STRATEGY

		2023/2024				2024/2025			2025/2026			2026/2027	2027/2028	2028/2029
Cost Centre	Scheme	Actuals 23/24 Pd1 - Pd7	Q2 Working Budget	Draft Capital Strategy	Variance Q2 v draft cap strat	Q2 Working Budget	Draft Capital Strategy	Variance Q2 v draft cap strat	Q2 Working Budget	Draft Capital Strategy	Variance Q2 v draft cap strat	Draft Capital Strategy	Draft Capital Strategy	Draft Capital Strategy
		£	£	£	£	£	£	£	£	£	£	£	£	£
Page 98	<u>Stevenage Direct Services</u>													
	<u>Parks & Open Spaces</u>													
	KC218 Hertford Road Play Area (\$106 Funded)		25,000	0	(25,000)	0	25,000	25,000	0	0	0	0	0	0
	KE911 Play Area Improvement Programme		555,330	0	(555,330)	0	555,330	555,330	0	0	0	0	0	0
	KE097 Litter bins		0	0	0	0	0	0	0	0	0	0	0	0
	KE329 Play Areas Fixed Play		9,470	9,470	0	0	0	0	0	0	0	0	0	0
	KE494 Green Space Access Infrastructure	73,131	202,140	202,140	0	128,000	50,000	(78,000)	128,000	50,000	(78,000)	0	0	0
	KE916 Peartree skate park		40,000	0	(40,000)	0	40,000	40,000	0	0	0	0	0	0
														0
	<u>Other</u>													
	KG002 Garages	882,172	3,492,570	3,492,570	0	0	0	0	0	0	0	0	0	0
	KS263 Waste and Recycling System	5,614	24,160	24,160	0	0	0	0	0	0	0	0	0	0
	KE520 Welfare improvements at out based hubs		10,000	10,000	0	0	0	0	0	0	0	0	0	0
	KE542 Flat block waste management infrastructure	10,310	29,040	29,040	0	0	0	0	0	0	0	0	0	0
	KE543 Shrub bed programme		132,480	70,000	(62,480)	133,000	44,000	(89,000)	133,000	44,000	(89,000)	0	0	0
	KE544 Review of Biodiversity Action Plan	4,905	12,000	7,000	(5,000)	0	0	0	0	0	0	0	0	0
	KE545 Cemeteries System		12,120	12,120	0	0	0	0	0	0	0	0	0	0
	KE946 BNG Chells Park/Canterbury Way PF (19/00485/FPM)	1,108	46,090	46,090	0	0	0	0	0	0	0	0	0	0
	<u>Vehicles,Plant,Equipment</u>													
	KE497 Trade Waste Containers		20,000	20,000	0	0	0	0	0	0	0	0	0	0
	Various Vehicle/Plant replacement Programme - see Appendix 'A1 Vehicles'	58,262	1,108,910	698,750	(410,160)	1,060,000	1,030,610	(29,390)	0	0	0	0	0	0
	KE920 Memorial Tree for Weston Road Cemetery		23,200	23,200	0	0	0	0	0	0	0	0	0	0
	KE921 Improvement works to Hampson Park depot	1,331	40,000	40,000	0	0	0	0	0	0	0	0	0	0
	KE922 Additional Headstone Plinths - Weston Road Cemetery	12,989	10,300	12,990	2,690	0	0	0	0	0	0	0	0	0
	KE923 Pothole repairs Weston Road Cemetery	4,662	3,800	5,950	2,150	0	0	0	0	0	0	0	0	0
	KE924 Improvements to Welfare facilities Weston Road Cemetery	12,976	10,000	10,000	0	0	0	0	0	0	0	0	0	0
	KE925 Repair closed church wall St Nicholas church		30,000	0	(30,000)	0	30,000	30,000	0	0	0	0	0	0
	KE926 roof residual waste bay Cavendish Transfer Station	299	150,000	0	(150,000)	0	150,000	150,000	0	0	0	0	0	0
	KE927 Thermal Image Cameras	647	80,000	0	(80,000)	0	80,000	80,000	0	0	0	0	0	0
	KE928 Ph2 fire protection works Cavendish	1,512	350,000	0	(350,000)	0	350,000	350,000	0	0	0	0	0	0
	KE929 Digital system fleet and workshop operation		20,000	20,000	0	0	0	0	0	0	0	0	0	0
	KE930 Digital system streets and grounds services		56,000	0	(56,000)	0	56,000	56,000	0	0	0	0	0	0
	KE931 Digital system play area inspections/managment		16,500	0	(16,500)	0	16,500	16,500	0	0	0	0	0	0
	KE932 Digital book of remembrance		2,000	2,000	0	0	0	0	0	0	0	0	0	0
	KE933 Asset Management system		10,000	10,000	0	0	0	0	0	0	0	0	0	0
	KE491 Weighbridge Improvement works		17,950	17,950	0	0	0	0	0	0	0	0	0	0
	New Growth Food collection vehicles (x5)						850,000	850,000	0	0	0	0	0	0
	New Growth Replace four refuse vehicles - VU66 NPY, VU66 NPZ, VU66						305,000	305,000	0	0	0	0	0	0
	New Growth Replace Sweeper - LK20 EJO						65,000	65,000	0	0	0	0	0	0
	New Growth Shovel Loader to replace - FN69 XSU						200,000	200,000	0	0	0	0	0	0
	New Growth Stand on Mowers to replace AN100520 & AN100559						15,000	15,000	0	0	0	0	0	0
	Total Stevenage Direct Services	1,069,917	6,539,060	4,763,431	(1,775,630)	1,321,000	3,862,440	2,541,440	261,000	94,000	(167,000)	0	0	0
	<u>Housing Development Scheme (Joint GF/HRA)</u>													
	KG032 Building Conversion New Homes				0									
	KG034 Kenilworth - Retail				0									
	KG035 Kenilworth - Community Centre		648,680	0	(648,680)	574,900	648,680	73,780	0	574,900	574,900	0	0	0
	KG036 Kenilworth - private sale (Malvern Close & Blocks A3&A6)	125,190	1,037,040	1,037,040	0	14,750,280	2,124,320	(12,625,960)	0	5,179,000	5,179,000	424,498	0	0
	KG037 North Road		293,500	0	(293,500)	0	0	0	0	0	0	0	0	0
	Various Housing Development Schemes (Joint GF/HRA)	125,190	1,979,220	1,037,040	(942,180)	15,325,180	2,773,000	(12,552,180)	0	5,753,900	5,753,900	424,498	0	0
	KG038 Marshgate Wholly Owned Housing Development Company (WOC)		611,000	611,000	0	2,450,250	2,450,250	0	0	0	0	0	0	0
	Total Housing Development (including grants to Register)	125,190	2,590,220	1,648,040	(942,180)	17,775,430	5,223,250	(12,552,180)	0	5,753,900	5,753,900	424,498	0	0

APPENDIX B - GENERAL FUND CAPITAL STRATEGY

		2023/2024				2024/2025			2025/2026			2026/2027	2027/2028	2028/2029
Cost Centre	Scheme	Actuals 23/24 Pd1 - Pd7	Q2 Working Budget	Draft Capital Strategy	Variance Q2 v draft cap strat	Q2 Working Budget	Draft Capital Strategy	Variance Q2 v draft cap strat	Q2 Working Budget	Draft Capital Strategy	Variance Q2 v draft cap strat	Draft Capital Strategy	Draft Capital Strategy	Draft Capital Strategy
		£	£	£	£	£	£	£	£	£	£	£	£	£
	<u>Finance & Estates</u>													
	<u>Estates</u>													
KS278	New Management Software	9,555	66,080	66,080	0	0	0	0	0	0	0	0	0	0
KR916	Commercial Properties Refurbishment (MRC Programme)	19	29,470	29,470	0	330,220	330,220	0	0	0	0	0	0	0
KR150	Works to improve vacant premises prior to re-letting	11,210	41,140	41,140	0	15,000	15,000	0	0	0	0	0	0	0
KR155	EPC Surveys	930	2,000	2,000	0	87,620	87,620	0	0	0	0	0	0	0
KR156	EPC remedials	9,530	20,000	20,000	0	199,240	199,240	0	0	0	0	0	0	0
KR157	Building condition and Insurance valuation Survey	49,576	127,590	95,693	(31,898)	0	31,898	31,898	0	0	0	0	0	0
KS279	Upgrade Integra	11,279	66,000	66,000	0	0	0	0	0	0	0	0	0	0
	<u>Play Centres</u>													
KC904	Play Centres General				0									
	<u>Community Centres</u>													
KE529	Community Centres Urgent and H&S Works	22,522	29,700	29,700	0	0	0	0	0	0	0	0	0	0
KR159	St Nicholas POD removal		0	0	0	0	0	0	0	0	0	0	0	0
KE553	Bedwell CC - Replace extract fans and electric heaters	43	40	40	0	0	0	0	0	0	0	0	0	0
KR163	Chells manor - lightning upgrade		10,000	10,000	0	0	0	0	0	0	0	0	0	0
KR164	Timebridge Community Centre flooring		20,000	20,000	0	0	0	0	0	0	0	0	0	0
	<u>Neighbourhood Centres</u>													
KE554	Bedwell Neighbourhood centre canopy repairs	229	12,040	12,040	0	0	0	0	0	0	0	0	0	0
KE555	8-10 The glebe roof replacement	26,642	29,350	29,350	0	0	0	0	0	0	0	0	0	0
	<u>Park Pavilions</u>													
	<u>Estates cont.</u>													
	<u>Depots</u>													
KE526	Cavendish Fire Protection works formerly know as Depots: Urgent and H&S Works	1,145		0	0		0	0		0	0	0	0	0
KE540	Cavendish Road Fire protection works			0	0		0	0		0	0	0	0	0
KE527	Depots: Planned Preventative Works (reroof)	18,174	279,280	279,280	0	0	0	0	0	0	0	0	0	0
KR160	Cavendish depot - IT server room - gas suppression air permeability prevention works		0	0	0	0	0	0	0	0	0	0	0	0
KR161	Cavendish Depot IT/CCTV gas suppression works	56	60	60	0	0	0	0	0	0	0	0	0	0
KR165	Cavendish Road reception access enhancement	10,360	10,360	10,360	0	0	0	0	0	0	0	0	0	0
KR166	Cavendish Road manhole covers	9	50,000	50,000	0	0	0	0	0	0	0	0	0	0
KR167	Cavendish Road penstock valve	114	50,000	50,000	0	0	0	0	0	0	0	0	0	0
	<u>Other</u>													
KE556	MSCP: Urgent and H&S Works				0									
KE558	MSCP resurface worn stairwell floor	64	79,920	79,920	0	0	0	0	0	0	0	0	0	0
KE536	Multi Storey Car Park - Installation of emergency lighting		183,730	183,730	0	75,000	75,000	0	0	0	0	0	0	0
KE557	MSCP lighting upgrade - LED (phased)		0		0	0	0	0	0	0	0	0	0	0
KR158	Town Plaza		0		0	0	0	0	0	0	0	0	0	0
KR162	Fairlands valley farmhouse roofing works	364	0	0	0	0	0	0	0	0	0	0	0	0
KE559	MSCP / Indoor Market guttering		30,000	30,000	0	0	0	0	0	0	0	0	0	0
KR168	Indoor Market roller shutter	4	9,000	9,000	0	0	0	0	0	0	0	0	0	0
KR169	MSCP replacement fuse boards		8,000	8,000	0	0	0	0	0	0	0	0	0	0
	<u>Estates cont.</u>													
	<u>Council Offices</u>													
KR141	Corporate Buildings - H&S				0									
KR151	Daneshill: Urgent and H&S Works	13,170	92,250	92,250	0	0	0	0	0	0	0	0	0	0

APPENDIX B - GENERAL FUND CAPITAL STRATEGY

		2023/2024				2024/2025			2025/2026			2026/2027	2027/2028	2028/2029
Cost Centre	Scheme	Actuals 23/24 Pd1 - Pd7	Q2 Working Budget	Draft Capital Strategy	Variance Q2 v draft cap strat	Q2 Working Budget	Draft Capital Strategy	Variance Q2 v draft cap strat	Q2 Working Budget	Draft Capital Strategy	Variance Q2 v draft cap strat	Draft Capital Strategy	Draft Capital Strategy	Draft Capital Strategy
		£	£	£	£	£	£	£	£	£	£	£	£	£
	Operational Buildings													
KR152	BTC 2019/20 Backlog H&S Works		27,930	27,930	0	0	0	0	0	0	0	0	0	0
KR153	BTC Urgent and H&S Works		65,780	65,780	0	0	0	0	0	0	0	0	0	0
KR154	BTC Planned Preventative Works	970	190,280	190,280	0	0	0	0	0	0	0	0	0	0
KR170	BTC Essential works - Replace / upgrade doors, Lighting		195,000	195,000	0	0	0	0	0	0	0	0	0	0
New Growth	Burwell Road shops - Reroofing,			0	0	0	60,000	60,000	0	0	0	0	0	0
New Growth	MSCP fire door replacement			0	0	0	35,000	35,000	0	0	0	0	0	0
New Growth	Commercial - shop units roof works			0	0	0	125,000	125,000	0	0	0	0	0	0
New Growth	Commercial properties - General repairs			0	0	0	100,000	100,000	0	0	0	0	0	0
New Growth	cavendish - IT server room works			0	0	0	65,000	65,000	0	0	0	0	0	0
New Growth	King George V Pavilion - Works to existing Fascia boards			0	0	0	20,000	20,000	0	0	0	0	0	0
New Growth	Replace 1 FM Team vehicle			0	0	0	28,000	28,000	0	0	0	0	0	0
New Growth	Cavendish - generator			0	0		90,000	90,000	0	0	0	0	0	0
							0	0				0	0	0
	Total Finance & Estates	185,964	1,725,000	1,693,103	(31,898)	707,080	1,261,978	554,898	0	0	0	0	0	0
	Corporate Projects, Customer Services & Technology													
	IT General													
KS268	Infrastructure Investment	28,674	462,000	337,190	(124,810)	104,220	99,000	(5,220)	0	0	0	0	0	0
KS318	Core ICT Equipment for Additional Staff		90,010	0	(90,010)	0	0	0	0	0	0	0	0	0
New Growth	Telephony Hardware Refresh						22,500	22,500	0	0	0	0	0	0
New Growth	VDI hosting Hardware Refresh						11,250	11,250	0	0	0	0	0	0
New Growth	Hardware Replacment Program						78,660	78,660	0	0	0	0	0	0
New Growth	Hardware Replacment Program (HRA Element)						(37,466)	(37,466)	0	0	0	0	0	0
KS319	2012 Migration Servers		20,000	0	(20,000)	0	0	0	0	0	0	0	0	0
	Total IT General		572,010	337,190	(234,820)	104,220	173,944	69,724	0	0	0	0	0	0
	Connected to Our Customer (CTOC)													
KS271	Corporate Website - Redesign				0		0	0		0	0	0	0	0
KS274	New CRM Technology	47	30,320	30,320	0	0	0	0	0	0	0	0	0	0
	Total CTOC	47	30,320	30,320	0	0	0	0	0	0	0	0	0	0
	Total Corporate Projects, Customer Services & Technology	28,722	602,330	367,510	(234,820)	104,220	173,944	69,724	0	0	0	0	0	0
	Regeneration													
KE505	Demolition of Towers Garages and other sites (GD1)		92,580	92,580	0	0	0	0	0	0	0	0	0	0
KE439	Town Square Improvements (GD1)		0	0	0	0	0	0	0	0	0	0	0	0
KE451	SQ1 Regeneration		0	0	0	0	0	0	0	0	0	0	0	0
KE466	Bus Interchange (GD3)	(31,912)	0	0	0	0	0	0	0	0	0	0	0	0
KE533	Multi Storey Car Park (GD3) 'Sustainable Transport'	2,963	0	0	0	0	0	0	0	0	0	0	0	0
KE506	Public Sector Hub	151,307	1,836,260	1,836,260	0	0	0	0	0	0	0	0	0	0
KE541	Railway Station Multi-Storey Car Park	(406,576)	0	0	0	0	0	0	0	0	0	0	0	0
	Repay LEP Loan			0	0	1,000,000	1,000,000	0	0	0	0	0	0	0
	SG1 Joint Venture		3,144,230	3,144,230	0	5,510,270	5,510,270	0	545,500	545,500	0	0	0	0
	Towns Fund:													
KE538	Towns Fund	68,988	0	0	0	0	0	0	0	0	0	0	0	0
KE560	Stevenage Enterprise Centre		0	0	0	4,000,000	4,000,000	0	0	0	0	0	0	0
KE561	Gunnels Wood Road Infrastructure		985,430	985,430	0	0	0	0	0	0	0	0	0	0
KE562	Station Gateway	10,286	0	0	0	456,930	456,930	0	0	0	0	0	0	0
KE563	Marshgate Biotech	1,124,733	1,399,000	1,399,000	0	0	0	0	0	0	0	0	0	0
KE564	Stevenage Innovation & Technology Centre		0	0	0	3,969,250	3,969,250	0	1,000,000	1,000,000	0	0	0	0
KE565	New Towns Heritage Centre	49,834	979,820	979,820	0	1,000,000	1,000,000	0	0	0	0	0	0	0
KE566	Stevenage Sports & Leisure Club	26,112	2,426,930	2,426,930	0	2,000,000	2,000,000	0	5,500,000	5,500,000	0	0	0	0
KE567	Cycling & Pedestrian Connectivity	9,745	1,113,320	1,113,320	0	1,200,000	1,200,000	0	900,000	900,000	0	0	0	0
KE568	Diversification of Retail & Garden Square	26,081	553,990	553,990	0	2,450,000	2,450,000	0	0	0	0	0	0	0
Various	Towns Fund	1,315,780	7,458,490	7,458,490	0	15,076,180	15,076,180	0	7,400,000	7,400,000	0	0	0	0
	Total Regeneration	1,031,562	12,531,560	12,531,560	0	21,586,450	21,586,450	0	7,945,500	7,945,500	0	0	0	0

APPENDIX B - GENERAL FUND CAPITAL STRATEGY

		2023/2024				2024/2025			2025/2026			2026/2027	2027/2028	2028/2029
Cost Centre	Scheme	Actuals 23/24 Pd1 - Pd7	Q2 Working Budget	Draft Capital Strategy	Variance Q2 v draft cap strat	Q2 Working Budget	Draft Capital Strategy	Variance Q2 v draft cap strat	Q2 Working Budget	Draft Capital Strategy	Variance Q2 v draft cap strat	Draft Capital Strategy	Draft Capital Strategy	Draft Capital Strategy
		£	£	£	£	£	£	£	£	£	£	£	£	£
	Community & Neighbourhoods													
KC202	Fairlands Valley Park - Aqua		5,820	4,000	(1,820)	0	0	0	0	0	0	0	0	0
KC235	Boat house as essential H&S works for dry rot	135	140	140	0	0	0	0	0	0	0	0	0	0
KE224	CCTV - Replacement Cameras (Community mobile cameras)		0	0	0	0	0	0	0	0	0	0	0	0
KE507	Cycleways Installations (subject to £100k Arts Council		10,000	0	(10,000)	0	0	0	0	0	0	0	0	0
KC232	SALC and the Swim Centre Urgent and H&S Works	25,768	132,530	132,530	0	0	0	0	0	0	0	0	0	0
KC231	SALC, Swim Centre, and Fairlands Valley Sailing Centre	784	19,860	19,860	0	0		0	0	0	0	0	0	0
KC233	2019/20 Backlog H&S Works													
	Stevenage Arts & Leisure Water leak - Reroofing	59	18,920	59	(18,861)	0	0	0	0	0	0	0	0	0
	C&N cont.			0	0		0	0		0	0	0	0	0
KC242	SLL Leisure management - end of contract capital	11,265	150,000	150,000	0	0		0	0	0	0	0	0	0
KC237	Fire stopping works at SALC	20,981	99,900	80,000	(19,900)	0	19,900	19,900	0	0	0	0	0	0
KC238	Lift replacement at SALC	3,401	30,000	45,000	15,000	100,840		(100,840)	0	0	0	0	0	0
KC239	Replacement bridge at Golf Centre & other bridge works	21,823	80,000	71,382	(8,618)	0	0	0	0	0	0	0	0	0
KC240	Replacement Camera programme	31,357	33,920	33,920	0	40,000	40,000	0	10,000	10,000	0	0	0	0
KC052	Shephalbury Park	14,532	14,530	14,530	0	0	5,600	5,600	0	0	0	0	0	0
KC236	Ridlins Athletics	1,863	85,000	78,000	(7,000)	0	0	0	0	0	0	0	0	0
KE917	Ridlins Athletics Facility		10,000	10,000	0	0	0	0	0	0	0	0	0	0
KC243	New Leisure Contract	1,188,596	1,188,600	1,188,600	0	0	0	0	0	0	0	0	0	0
KC245	Equipment replacement at Fairlands Valley Sailing Centre	3,113	35,000	35,000	0	0	0	0	0	0	0	0	0	0
KC246	Aqua Park - Rubber crumb surface replacement	429	35,000	0	(35,000)	0	35,000	35,000	0	0	0	0	0	0
KC247	Lighting of clock tower - permanent install		65,000	65,000	0	0	0	0	0	0	0	0	0	0
KC248	Stock condition survey Leisure sites	37	150,000	0	(150,000)	0	150,000	150,000	0	0	0	0	0	0
KC249	CCTV Mobile camera replacement for Community Safety		7,000		(7,000)	5,000		(5,000)	5,000		(5,000)	0	0	0
New Growth	Fire stopping at SALC				0	0	220,000	220,000	0		0	0	0	0
New Growth	Lift procurement at SALC				0	0	160,000	160,000	0		0	0	0	0
New Growth	Sailing Centre				0	0	10,000	10,000	0		0	0	0	0
New Growth	Ridlins Stadium				0	0	10,000	10,000	0		0	0	0	0
	Total Community & Neighbourhoods	1,324,145	2,171,220	1,928,021	(243,199)	145,840	650,500	504,660	15,000	10,000	(5,000)	0	0	0
	Planning & Regulatory													
KE119	Off Street Car Parks (Multi Storey Car Parks)	1,113	199,950	199,950	0	175,000	175,000	0	0	0	0	0	0	0
KE470	Electric Car Charging Points		134,600	134,600	0	0	0	0	0	0	0	0	0	0
KE530	Car Park Equipment - Digitalisation		20,000	20,000	0	0	0	0	0	0	0	0	0	0
KE201	Hard standings	3,665	45,380	45,380	0	25,000	25,000	0	0	0	0	0	0	0
KE100	Residential Parking		300	300	0	0	0	0	0	0	0	0	0	0
KE217	Parking Restrictions	8,814	16,270	16,270	0	15,000	15,000	0	0	0	0	0	0	0
KE444	Coreys Mill Lane - Additional Parking Capacity	166	20,550	20,550	0	0	0	0	0	0	0	0	0	0
KE486	CCTV St George's MSCP		25,360	25,360	0		0	0		0	0	0	0	0
KE531	Workplace Travel Plan	4,666	40,400	40,400	0	15,000	15,000	0	0	0	0	0	0	0
KE569	Cashless on street parking transition		60,000	60,000	0	60,000	60,000	0	0	0	0	0	0	0
KC916	Street Scene UKSPF		41,210	41,210	0	131,310	131,310	0		0	0	0	0	0
KC244	Community Climate Change Fund		97,500	97,500	0	0	97,500	97,500	0	0	0	0	0	0
New Growth	St Georges MSCP - conversion of store room and boiler room to office space						50,000	50,000						
	Total Planning & Regulatory	18,423	701,520	701,520	0	421,310	568,810	147,500	0	0	0	0	0	0
KR911	Deferred Works Reserve	0	1,279,440	262,178	(1,017,262)	230,332	230,332	0	0	0	0	0	0	0

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APPENDIX C - HOUSING CAPITAL STRATEGY

		2023/2024					2024/2025			2025/2026	2026/2027	2027/2028	2028/2029
Cost Centre	Scheme	Actuals 23/24 Pd1 - Pd8	Commitments	Q2 Revised Budget	Draft Capital Strategy Revised Budget	Variance Q2 v Draft Cap Strat	Q2 Revised Budget	Draft Capital Strategy Revised Budget	Variance Q2 v Draft Cap Strat	Draft Capital Strategy Revised Budget	Draft Capital Strategy Revised Budget	Draft Capital Strategy Revised Budget	Draft Capital Strategy Revised Budget
		£	£	£	£	£	£	£	£	£	£	£	£
	SUMMARY												
	Capital Programme Excl New Build (Housing Investment)	10,936,330	220,601	24,641,340	24,565,246	(76,094)	20,070,410	24,329,000	4,258,590	25,092,000	22,939,000	24,254,000	25,868,000
	Special Projects & Equipment	77,094	(49,950)	47,450	77,094	29,644	25,000		(25,000)				
	New Build (Housing Development)	8,380,862	5,149,400	20,420,310	18,055,230	(2,365,080)	43,564,700	30,449,150	(13,115,550)	31,366,520	13,000,000	12,783,580	8,400,000
	Digital & Transformation	38,739	(44,380)	446,830	319,723	(127,107)	51,330	52,997	1,667				
	TOTAL HRA CAPITAL PROGRAMME	19,433,025	5,275,672	45,555,930	43,017,293	(2,538,637)	63,711,440	54,831,147	(8,880,293)	56,458,520	35,939,000	37,037,580	34,268,000

APPENDIX C - HOUSING CAPITAL STRATEGY

Cost Centre	Scheme	2023/2024					2024/2025			2025/2026	2026/2027	2027/2028	2028/2029
		Actuals 23/24 Pd1 - Pd8	Commitments	Q2 Revised Budget	Draft Capital Strategy Revised Budget	Variance Q2 v Draft Cap Strat	Q2 Revised Budget	Draft Capital Strategy Revised Budget	Variance Q2 v Draft Cap Strat	Draft Capital Strategy Revised Budget	Draft Capital Strategy Revised Budget	Draft Capital Strategy Revised Budget	Draft Capital Strategy Revised Budget
		£	£	£	£	£	£	£	£	£	£	£	£
	CAPITAL PROGRAMME EXCL. NEW BUILD												
	Planned Investment including Decent Homes												
KH157	Decent Homes - Redecs	670											
Various	Decent Homes - Internal/External Works	1,440,026		3,567,500	3,567,500		6,750,000	5,187,000	(3,175,000)	8,650,000	9,800,000	10,700,000	10,700,000
KH308	Decent Homes Internal/External Works Contractor 1	766,401		2,300,000	2,300,000		3,250,000	1,125,000	(2,125,000)				
KH309	Decent Homes Internal/External Works Contractor 2						3,250,000		(3,250,000)				
KH310	Decent Homes Internal/External Works Voids	264,958		717,500	717,500		250,000	450,000		450,000	450,000	450,000	450,000
KH143	Decent Homes Internal/One off Heating Works							2,000,000	2,000,000	3,500,000	3,500,000	3,500,000	3,500,000
KH141	Decent Homes Electrical	408,668		550,000	550,000			42,000		150,000	150,000	500,000	500,000
KH142	Decent Homes Kitchens									1,900,000	3,000,000	3,000,000	3,000,000
Various	Decent Homes External Works									500,000	550,000	550,000	550,000
KH284	Door Replacement												
KH285	Window Replacement							1,500,000		2,000,000	2,000,000	2,500,000	2,500,000
KH298	Roofing							70,000		100,000	100,000	150,000	150,000
KH299	Insulation Measures									50,000	50,000	50,000	50,000
Various	Decent Homes - Flat Blocks	5,243,229	103,076	10,000,000	10,000,000		2,000,000	9,700,000	7,700,000	5,400,000	250,000	250,000	250,000
KH311	MRC Flat Blocks - Wates	3,375,662		5,300,000	5,300,000			4,500,000	4,500,000	500,000			
KH312	MRC Flat Blocks - Mulalley	1,774,044		4,500,000	4,500,000			5,000,000	5,000,000	4,700,000			
KH313	MRC Flat Blocks - Misc	88,153	103,076	200,000	200,000		2,000,000	200,000	(1,800,000)	200,000	250,000	250,000	250,000
KH300	MRC	5,370											
KH205	Communal Heating	18,910	(12,700)	80,000	80,000					100,000	100,000	100,000	100,000
KH092	Lift Installation - Inspection & Remedial Works		(184)										
KH294	High Rises - Preliminary Works		(15,000)	1,130	1,130								
KH321	High Rises - Improvement Works	36,325	25,400	835,000	835,000		1,750,000	1,750,000		1,750,000	1,750,000		
Future Year	New Schemes to be created						215,260		(215,260)	947,000	2,993,000	5,158,000	6,772,000
	Health & Safety												
KH085	Fire Safety	522,895	5,233	2,604,670	2,604,670		500,000		(500,000)				
KH317	Additional fire stopping works						959,620		(959,620)				
KH112	Asbestos Management	142,090	1,637	281,190	281,190		300,000	300,000		300,000	300,000	300,000	300,000
KH114	Subsidence	48,584		100,000	100,000		100,000	120,000	20,000	120,000	120,000	120,000	120,000
KH144	Contingent Major Repairs	222,855	(7,300)	350,000	350,000		500,000	500,000		500,000	500,000	500,000	500,000
KH327	Building safety						980,000	1,000,000	20,000	1,000,000	1,000,000	1,000,000	1,000,000
	Estate & Communal Area												
KH223	Asset Review - Challenging Assets	265,135	88,439	790,970	790,970		857,770	600,000	(257,770)	600,000	600,000	600,000	600,000
KH224	Asset Review - Sheltered (non RED)	112,856											
	Other HRA Schemes												
KH318	Stock condition Surveys	88,285	(2,525)	125,000	125,000		80,000	120,000	40,000	125,000	125,000	125,000	125,000
KH174	Energy Efficiency Pilot Projects	2,028,741					420,000	200,000	(220,000)	200,000	200,000	200,000	200,000
KH319	Decarbonisation	345,342	6,600	4,888,190	4,888,190		2,300,000	3,800,000	1,500,000	3,800,000	3,800,000	3,800,000	3,800,000
KH329	Decarbonisation - Grant						1,310,940		(1,310,940)				
KH094	Disabled Adaptations	420,387	27,925	872,690	872,690		650,000	1,084,000	434,000	1,100,000	1,100,000	1,100,000	1,100,000
KH328	Increased Aids & Adaptations budget						350,000		(350,000)				
KH330	CCTV			145,000	145,000								

APPENDIX C - HOUSING CAPITAL STRATEGY

Cost Centre	Scheme	2023/2024					2024/2025			2025/2026	2026/2027	2027/2028	2028/2029
		Actuals 23/24 Pd1 - Pd8	Commitments	Q2 Revised Budget	Draft Capital Strategy Revised Budget	Variance Q2 v Draft Cap Strat	Q2 Revised Budget	Draft Capital Strategy Revised Budget	Variance Q2 v Draft Cap Strat	Draft Capital Strategy Revised Budget	Draft Capital Strategy Revised Budget	Draft Capital Strategy Revised Budget	Draft Capital Strategy Revised Budget
		£	£	£	£	£	£	£	£	£	£	£	£
KH331	Digitalisation						46,820		(46,820)				
	New Business Plan expenditure				(76,094)	(76,094)		(32,000)	(32,000)	500,000	301,000	301,000	301,000
	TOTAL CAPITAL PROGRAMME EXCL. NEW BUILD	10,936,330	220,601	24,641,340	24,565,246	(76,094)	20,070,410	24,329,000	2,646,590	25,092,000	22,939,000	24,254,000	25,868,000
KH015 KH278	<u>SPECIAL PROJECTS & EQUIPMENT</u>												
	<u>HRA Equipment</u>												
	Capital Equipment (including Supported Housing Equip)	54,194	(49,950)	25,550	54,194	28,644	25,000		(25,000)				
	Vans for RVS	22,900		21,900	22,900	1,000							
	Sub Total Special Projects & Equipment	77,094	(49,950)	47,450	77,094	29,644	25,000		(25,000)				
	<u>CAPITAL PROGRAMME NEW BUILD</u>												
Page 105 KH233 KH233 KH233 KH244 KH245 KH247 KH247 KH280 KH279 KH282 NEED CODE KH307 KH301 KH301 KH314 KH314 NEED CODE NEED CODE KH304 KH072	New Build Programme - eligible for 1-4-1	4,353,198	(173,886)	8,834,270	4,134,190	(3,385,080)	43,131,340	8,515,790	(34,615,550)	21,666,520	13,000,000	12,783,580	8,400,000
	New Build Programme - ineligible	4,027,664	5,323,286	11,586,040	13,921,040	2,335,000	433,360	21,933,360	21,500,000	9,700,000			
	Open Market Acquisitions (Social Rent)	2,833,952	(167,343)	930,790		(930,790)						891,790	
	Open Market Acquisitions (Afford. Rent)											891,790	
	Open Market Acquisitions (Ineligible 141)			4,150,000	4,150,000								
	Twin Foxes	390	390										
	March Hare in Burwell Road (15 Units)	98,822			400,000	400,000		1,963,480	1,963,480	500,000			
	Kenilworth Close (105 units) (Ineligible 141)	4,000,324	5,319,347	7,436,040	7,436,040	0	433,360	433,360					
	Kenilworth Close 1 for 1 Expenditure (61.8%)			469,190	469,190	(0)							
	Symonds Green	(30,480)	(43,650)	200,000	200,000								
	Shephall Way	(430)											
	North Road (Ineligible 141)	15,484	3,939										
	Dunn Close (27 units, 21 in main block, supported accommodation)	401,411	(573)	1,750,000	1,750,000		752,310	752,310					
	Brent Court Social Rent				2,335,000	2,335,000		21,500,000	21,500,000	9,700,000			
	Schemes Under Development			5,484,290	1,315,000	(4,169,290)	42,379,030	5,800,000	(36,579,030)	21,166,520	13,000,000	11,000,000	8,400,000
	The Oval (70 Units)	822,832	700		1,000,000	1,000,000		5,000,000		12,000,000	6,000,000		
	Redcar Drive aka Cartref (Social Rent)	85,997	1,931		150,000	150,000		225,000		3,721,820			
	Redcar Drive aka Cartref (Affordable Rent)							375,000		3,721,820			
	Ellis Avenue (Social Rent)	15,154	(1,250)					100,000		861,440			
	Ellis Avenue (Affordable Rent)							100,000		861,440			
	Neighbourhood Centre Social Rent										3,500,000	5,500,000	
	Neighbourhood Centre Afford.Rent										3,500,000	5,500,000	
	Shephall Social	125,550	35,908		165,000	165,000							
	L.S.S.O. Buy Back	11,856											
	TOTAL CAPITAL PROGRAMME NEW BUILD	8,380,862	5,149,400	20,420,310	18,055,230	(1,050,080)	43,564,700	30,449,150	(13,115,550)	31,366,520	13,000,000	12,783,580	8,400,000
KH268 KH315	<u>INFORMATION TECHNOLOGY</u>												
	<u>IT General (IT)</u>												
	Infrastructure Investment	12,468		185,510	111,273	(74,237)	51,330	32,997	(18,333)				
	Core ICT Equipment for Additional Staff			40,000		(40,000)							

APPENDIX C - HOUSING CAPITAL STRATEGY

Cost Centre	Scheme	2023/2024					2024/2025			2025/2026	2026/2027	2027/2028	2028/2029
		Actuals 23/24 Pd1 - Pd8	Commitments	Q2 Revised Budget	Draft Capital Strategy Revised Budget	Variance Q2 v Draft Cap Strat	Q2 Revised Budget	Draft Capital Strategy Revised Budget	Variance Q2 v Draft Cap Strat	Draft Capital Strategy Revised Budget	Draft Capital Strategy Revised Budget	Draft Capital Strategy Revised Budget	Draft Capital Strategy Revised Budget
		£	£	£	£	£	£	£	£	£	£	£	£
KH316 Growth	2012 Migration Servers 2024/25			12,870		(12,870)							
	Total General IT	12,468		238,380	111,273	(127,107)	51,330	52,997	1,667				
	<u>Connected To Our Customers (CTOC)</u>												
KH288	New CRM Technology (Digital Platform)	18,870		82,380	82,380								
	Total CTOC	18,870		82,380	82,380								
KH283	<u>Housing All Under One Roof programme (HAUOR)</u>												
	Housing Improvements - Northgate online	7,400	(4,280)	126,070	126,070								
	Total HAUOR	7,400	(4,280)	126,070	126,070								
KH218	<u>Other HRA</u>												
	ICT Programme (Business Plan)		(40,100)										
	Total Other HRA		(40,100)										
	TOTAL ICT INCLUDING DIGITAL AGENDA	38,739	(44,380)	446,830	319,723	(127,107)	51,330	52,997	1,667				



AUDIT COMMITTEE/ EXECUTIVE / COUNCIL

Portfolio Area: Resources

Date: 6 February 2024 / 7 February 2024
/ 21 February 2024



ANNUAL TREASURY MANAGEMENT STRATEGY INCLUDING PRUDENTIAL INDICATORS 2024/25

NON-KEY DECISION

Author	– Rhona Bellis
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Contact Officer	– Brian Moldon

1 PURPOSE

- 1.1 To recommend to Council the approval of the Treasury Management Strategy 2024/25, including its Annual Investment Strategy, Prudential Indicators and Minimum Revenue Provision (MRP) policy following considerations from Audit and Executive committees.

2 RECOMMENDATIONS

2.1 Audit Committee

That subject to any comments by the Audit Committee to the Executive, the 2024/25 Treasury Management Strategy is recommended to Council for approval.

2.2 Executive

That subject to any comments made by the Executive, in addition to those made by the Audit Committee, the 2024/25 Treasury Management Strategy is recommended to Council for approval.

2.3 Council

That subject to any comments from the Audit Committee and the Executive, the 2024/25 Treasury Management Strategy be approved by Council.

3 BACKGROUND

- 3.1.1 CIPFA published the updated Treasury Management and Prudential Codes on 20 December 2021 for implementation from 2023/24. This Council therefore, has to have regard to these Codes of Practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year, which are taken to Full Council for approval.
- 3.1.2 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 3.1.3 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 3.1.4 The contribution the treasury management function makes to the authority 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. The 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.
- 3.1.5 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."*
- 3.1.6 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

3.2 Reporting requirements

3.2.1 Capital Strategy

The Capital Strategy will be brought before members as a separate report. The aim of that strategy is to ensure that all Members of the Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

3.2.2 Treasury Management reporting

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:

- a. **Prudential and treasury indicators and treasury strategy** (this report) -
 - the capital plans, (including prudential indicators).
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time).
 - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an Annual Investment Strategy, (the parameters on how investments are to be managed).
- b. **A 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.
- c. **An 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.

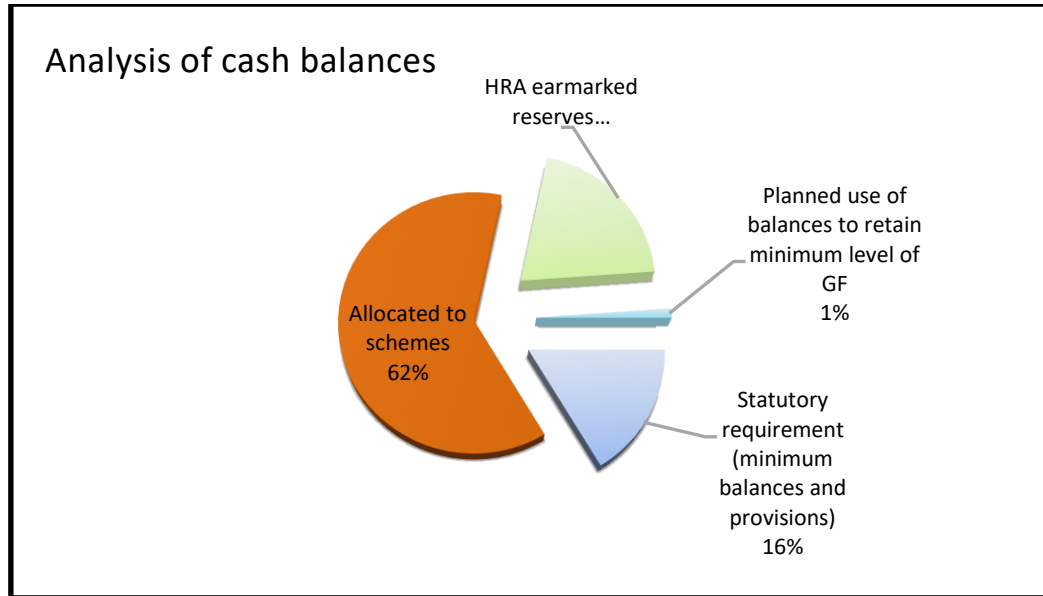
3.2.3 These reports are required to be adequately scrutinised, and this is undertaken by the Audit Committee and Executive.

3.2.4 In addition to the three major reports detailed above from 2023/24 quarterly reporting is also required and form an appendix to the quarterly Capital monitoring reports, where not included in the main reports. However, these additional reports do not have to be reported to Full Council but do require to be adequately scrutinised. This role is undertaken by the Executive (The reports should comprise updated Treasury / Prudential Indicators only).

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 Performance of Current Treasury Strategy

- 4.1.1 For the financial year to 31 December 2023 returns on investments have averaged 3.48% and total interest earned was £1,293,369 contributing to General Fund and Housing Revenue Account income.
- 4.1.2 Cash balances as of 31 December 2023 were £40Million and are forecast to be £41Million as of 31 March 2024. The Council's balances are made up of cash reserves e.g., HRA and General Fund balances, restricted use receipts such as right to buy one for one receipts and balances held for provisions such as business rate appeals, reduced by internal borrowing.
- 4.1.3 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 five 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.
- 4.1.4 The Council's current investment portfolio is held for Treasury management purposes only and 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).
- 4.1.5 There have been **no breaches** of treasury **counter party limits**, 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 2023/24 to date, demonstrating that counterparty limits and availability for placing funds approved in the TM Strategy were working effectively. It is possible that surplus funds borrowed during the year may be placed in the DMO temporarily if cash balances, due to the timing of taking out new loans would breach other counterparty limits.
- 4.1.6 The following chart shows the planned use of cash balances at 31 December 2023.



4.2 Treasury Management Strategy for 2024/25

4.2.1 The strategy for 2024/25 covers two main areas:

Capital issues

- the capital expenditure plans and the associated prudential indicators.
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position.
- treasury indicators which limit the treasury risk and activities of the Council.
- prospects for interest rates.
- the borrowing strategy.
- policy on borrowing in advance of need.
- debt rescheduling.
- the investment strategy.
- creditworthiness policy; and
- the policy on use of external service providers.

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

4.2.3 The Council's Treasury Management Policy Statement can be found at **Appendix A**.

4.2.4 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,

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liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

4.2.5 The revised Treasury Management Code requires all investments and investment income to be attributed to one of the following three purposes: -

- **Treasury management**

Arising from the organisation's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

- **Service delivery**

Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

- **Commercial return**

Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to an authority's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

4.2.6 The Council's current investment portfolio is held for Treasury management purposes only.

4.2.7 **Environmental, social and governance (ESG)** investment considerations - investment considerations here means understanding the ESG "risks" that the council is exposed to and evaluating how well it manages these risks. It is NOT the same as Socially Responsible Investing.

4.2.8 Managing the ESG risk is already part of the current Treasury Investment Strategy, as the council uses mainstream rating agencies to assess counterparty creditworthiness – they now incorporate ESG risks alongside more traditional financial risk metrics when assessing counterparty ratings.

4.3 Training

4.3.1 The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

4.3.2 The last training arranged for members took place in September 2023 and January 2024, further training will be arranged as required.

4.3.3 The training needs of treasury management officers are periodically reviewed.

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- 4.3.4 A formal record of the training received by officers central to the Treasury function will be maintained by the Head of Technical Accounting. Similarly, a formal record of the treasury management training received by members will also be maintained by the Head of Technical Accounting.

4.4 Treasury Management Consultants

- 4.4.1 The Authority uses Link Group, Link Treasury Services Limited as its external treasury management advisors.
- 4.4.2 The Authority recognises that responsibility for treasury management decisions always remains with the organisation and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisors.
- 4.4.3 It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Authority 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.

4.5 THE CAPITAL PRUDENTIAL INDICATORS 2024/25-2026/27

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

- 4.6 Capital Expenditure and Financing** – this prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of the Capital Strategy 2024/25. Members are asked to approve the capital expenditure forecasts: -

Capital expenditure £000	2022/23 Actual	2023/24 Estimate	2024/25E stimate	2025/26 Estimate	2026/27 Estimate
Non-HRA	17,814	23,895	33,558	13,803	424
HRA	43,966	43,017	54,831	56,458	35,939
Total	61,780	66,912	88,389	70,261	36,363

- 4.6.1 The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of capital expenditure £000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Capital receipts	15,667	12,031	7,945	10,943	9,479
Capital grants and contributions	10,431	14,677	33,542	11,465	4,409
Capital reserves	476	715	654	104	0
Revenue	1,215	434	7,055	3,835	3,316

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Major Repairs Reserve	24532	19883	20417	15494	16233
Net financing need for the year	52,321	47,740	69,613	41,841	33,437
Capital Expenditure requiring borrowing	9,459	19,172	18,776	28,420	2,926

4.7 The Council's Borrowing Need (the Capital Financing Requirement) - The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

4.7.1 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

4.7.2 The CFR includes any other long-term liabilities (e.g., finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of schemes include a borrowing facility by the lease provider and so the Council is not required to separately borrow for these schemes.

4.7.3 The Council is asked to approve the CFR projections below:

£000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Capital Financing Requirement					
General Fund excluding Finance Lease	38,788	45,831	44,164	51,345	32,473
Finance Lease	16,733	16,473	16,206	15,933	15,652
Total General Fund	55,521	62,304	63,370	67,278	48,125
Housing	264,538	275,873	284,060	305,547	300,473
Total CFR	320,058	338,177	347,430	372,825	348,598
Movement in CFR		18,119	9,253	25,395	(24,227)

Movement in CFR represented by				
Net financing need for the year (above)	19,172	18,776	28,420	2,926
Internal and External debt repayments		(8,963)	(1,500)	(26,000)
Less MRP/VRP and other financing movements	(1,053)	(560)	1,525	(1,153)
Movement in CFR	18,119	9,253	25,395	(24,227)

4.8 Liability Benchmark

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- 4.8.1 A third prudential indicator is the Liability Benchmark (LB). The Council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years.

Financial Year End	2024 £'000	2025 £'000	2026 £'000
(Over)/Under Liability Benchmark	(22,456)	(7,925)	(11,025)

- 4.8.2 This benchmark compares actual loan debt outstanding and the liability benchmark (loans less investments, plus a liquidity buffer). Years where actual loans are less than the benchmark (negative value) indicate a future borrowing requirement; any years where actual loans outstanding exceed the benchmark (positive value) represent a technically overborrowed position.
- 4.8.3 The table above shows the current forecast overborrowed position remaining over the short term. This shows that in each year, there are theoretical investment balances that if unallocated, could be used to pay off debt.
- 4.8.4 Investment balances held by the council are already allocated and are not available for repayment of debt or additional capital expenditure. As a result, the Council will need to externally borrow to replace internal borrowing in the medium term.
- 4.8.5 Cashflow is monitored on an ongoing basis to ensure that the timing of external borrowing to support the Capital Strategy and Treasury function is undertaken in a timely and prudent manner.

4.9 Core Funds and Expected Investment Balances

- 4.9.1 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Year End Resources £000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Fund balances / reserves	99,775	93,632	80,048	68,843	67,564
Provisions	5,352	5,152	4,152	3,152	3,152
Total core funds	105,127	98,784	84,200	71,995	70,716
Working capital*	6,946	(12,305)	(3,101)	7,439	(11,432)
(Under)/over borrowing	(68,505)	(45,543)	(38,948)	(34,183)	(6,045)
Expected investments	43,568	40,936	42,151	45,251	53,239

*Working capital balances shown are estimated year-end; these may be higher mid-year

4.10 Minimum Revenue Provision (MRP) Policy Statement

- 4.10.1 Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Council has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP).

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4.10.2 The Council is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.

4.10.3 The MRP policy statement requires full council approval in advance of each financial year. The Council is recommended to approve the MRP Statement at **Appendix B** to this report.

4.10.4 DLUHC is currently consulting on changes to statutory guidance and regulations relating to MRP. The consultation will close on 16th February 2024 with planned implementation from 1 April 2024. At this time the impact of proposed changes is not considered significant for the council.

4.11 Borrowing

4.12 The capital expenditure plans set out in paragraph 4.6 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

4.12.1 Current Portfolio Position

The overall treasury management portfolio as at 31 March 2023 and as at 31 December 2023 are shown below for both borrowing and investments.

TREASURY PORTFOLIO		
£000	actual 31.3.23	current 31.12.23
Total treasury investments	43,608	40,285
Treasury external borrowing:		
PWLB	227,750	234,987
Finance Leases and other external borrowing	23,803	23,543
Total external borrowing	(251,553)	(258,530)
Net treasury investments / (borrowing)	(207,945)	(218,245)

4.12.2 The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement – CFR see table in paragraph 4.7.3), highlighting any over or under borrowing.

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£000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
External Debt					
Debt at 1 April	246,489	251,553	292,574	308,482	338,642
Expected change in Debt	0	41,281	16,174	31,433	4,192
Expected change in Other long-term liabilities (OLTL)	5,064	(260)	(266)	(273)	(281)
Actual gross debt at 31 March	251,553	292,574	308,482	338,642	342,553
The Capital Financing Requirement	320,058	338,117	347,430	372,825	348,598
(Under) / over borrowing	(68,505)	(45,543)	(38,948)	(34,183)	(6,045)

4.12.3 Within the range of prudential indicators there are several key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

4.12.4 Based on the capital programme 2024/25 (February 2024 Update) resourcing projections, the Council has the following borrowing requirements in 2024/25:

- General Fund £2.5Million in relation to the wholly owned housing development company pending approval of relevant business plans.
- HRA £7.5Million.

4.12.5 The s151 officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

4.13 Treasury Indicators: Limits to Borrowing Activity

4.13.1 **The Operational Boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR (see paragraph 4.7.3) but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational Boundary £000	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
General Fund	60,875	70,904	74,813	55,659
General Fund additional borrowing facility available to the Housing (WOC) Wholly Owned Company	15,000	15,000	15,000	15,000
Total - General Fund	75,875	85,904	89,813	70,659
HRA	279,874	288,060	309,547	304,473

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Operational Boundary £000	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Total	355,749	373,964	399,360	375,132
Previous Operational Boundary	362,876	365,322	364,518	364,518

4.13.2 The Authorised Limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.
- The Council is asked to approve the following Authorised Limit:

Authorised Limit £000	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
General Fund Finance lease	16,800	16,800	16,000	16,000
General Fund Borrowing for capital expenditure including WOC	72,875	82,904	86,813	67,659
Total Borrowing - General Fund	89,675	99,704	102,813	83,659
Borrowing - HRA	283,874	292,060	313,547	308,473
Total	373,549	391,764	416,360	392,132
Previous Authorised Limit	390,876	373,322	372,518	372,518

4.14 Prospects for Interest Rates

4.14.1 The Council retains Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 8 January 2024 and these are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 (standard rate minus 60 bps).

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Link Group Interest Rate View 08.01.24													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

4.14.2 The Bank of England (BOE) base rate stands at 5.25% currently and is expected to remain at this level for the first half of 2024, reducing gradually thereafter when both the CPI inflation and wage/employment data are supportive of such a move.

4.14.3 The CPI measure of inflation (a key bank of England KPI driving decisions on interest rates) has been falling in recent months and is now 3.9%. The BOE Monetary Policy Committee (Dec 2023) maintained that “further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures”. And it reiterated that policy will be “sufficiently restrictive for sufficiently long”

4.14.4 Since the December rate decision, the Bank’s position has not prevented the markets from forming a view that rates will be falling soon. Accordingly, swap rates and gilt yields have reduced significantly over the past month despite a partial rebound upwards since the turn of the year.

4.14.5 Regarding PWLB rates, movement in the short part of the curve has reflected the revised Bank Rate expectations to a large degree, whilst medium to longer-dated PWLB rates remain influenced not only by the outlook for inflation, but by the market’s appetite for significant gilt issuance.

4.15 Current Borrowing Position

4.15.1 The estimated Council’s capital financing requirement (CFR) for 2023/24 is £338Million (see paragraph 4.7.3). The CFR denotes the Council’s underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing), or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The Council had £270Million in external debt at 31 December 2023, of which PWLB debt and its purpose is detailed in the table below.

Purpose of Loan	PWLB Loan £'000
General Fund Regeneration Assets	1,756
HRA	
Decent Homes	38,320
Self-Financing	194,911
Total HRA Loans	234,231
Total PWLB Debt at 31st December 2023	224,987

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4.15.2 The Council is forecast to utilise (short term) £68Million of cash flow funds in lieu of borrowing. This is a prudent and cost-effective approach in the current economic climate but will require ongoing monitoring if any upside risk to gilt yields prevails.

4.15.3 External borrowing for the HRA of £7.5Million has been taken in 2023/24. The capital programme is being kept under regular review because of inflationary pressures, shortages of materials and labour. Our borrowing strategy will, therefore, also be regularly reviewed and then revised, if necessary, to achieve optimum value and risk exposure in the long-term.

4.15.4 PWLB maturity certainty rates (gilts plus 80bps) have fluctuated recently following on from gradual rises during 2023. The 50-year PWLB 5 to 50 years Certainty rates are, generally, in the range of 4.5% to 5%. (equivalent 4.1% to 4.6% - HRA certainty rate).

4.15.5 The General Fund has PWLB external borrowing of £1.8Million and other external borrowing of £7.6Million (Local Enterprise Partnership - LEP) and finance lease of £16.5Million (Aviva). Discussions are continuing with the LEP regarding making these re-investible loans for further regeneration of the town, rather than needing to be repaid on the dates originally agreed. As indicated in the table, the current position is that the remaining balance is repayable - £6.57Million in 2030 and £1Million in 2025. The loans are at zero interest.

Table 5: LEP Loans					
Loan Received	Site Assembly	Land Assembly	SG1	Repaid	Total
2015/16	762,488			(208,795)	553,693
2018/19	416,306				416,306
2019/20		4,108,709			4,108,709
2020/21		1,491,291	500,000		1,991,291
2022/23			500,000		500,000
Total	1,178,794	5,600,000	1,000,000	(208,795)	7,569,999

4.15.6 The Aviva finance lease entered in 2018/19 for 37 years was immediately sublet to Queensway Properties (Stevenage) LLP for 37 years, phase 2 increased the value of this lease and this is reflected in the CFR 2022/23.

4.15.7 The HRA has external borrowing from PWLB of £233.231Million

- £7.763Million from pre-2012,
- £4.010Million taken out in 2019/20,
- £10.0 Million taken out in 2020/21,

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- £9.047Million taken out in 2021/22 and
- £7.5Million taken out in 2023/24.

The remainder of £194.911 Million relates to HRA self-financing payment made to central government in 2012.

4.15.8 The target average borrowing rate in the latest HRA Business Plan is 5.3% for 2023/24, falling to 5% in 2024/25 and 4.6% in 2025/26.

4.15.9 The HRA BP includes a heightened reserves provision going forward to mitigate the risk associated with having a higher borrowed BP .

4.15.10 Finance leases entered between the HRA and Marshgate Ltd during 2021/22 and 2022/23, the Council's wholly Owned Housing Company, relating to 10 residential dwellings, leased for 25 years amounted to £1.3Million.

4.16 Borrowing Strategy

4.16.1 The Council is currently maintaining a non-fully funded 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 medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains elevated through to the second half of 2024.

4.16.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Assistant Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

4.16.3 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.

4.17 Policy on Borrowing in advance of Need

4.17.1 It is the Council's intention not to borrow more than or in advance of its needs purely to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

4.17.2 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

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- ensure the ongoing revenue liabilities created, and the implications for the future 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.

4.18 Rescheduling

4.18.1 Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate.

4.19 ANNUAL INVESTMENT STRATEGY

4.20 The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy, (a separate report).

4.20.1 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 28 September 2023 and 25th January 2024)
- 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 2024/25

4.20.2 The 2024/25 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.

4.20.3 While Link Asset Services may advise the Council, the responsibility for treasury management decisions always remains with the Council and officers do not place undue reliance on the external service advice.

4.20.4 The TM limits for 2024/25 (Appendix D) have been reviewed. No changes are considered necessary since that agreed as part of the Mid-Year Review of 2023/24.

4.20.5 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.

4.21 Non-Treasury Investments

4.21.1 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

4.21.2 Details of the Annual Investment Strategy can be found in Appendix A.

4.22 Investment returns expectations

4.22.1 The current BOE base rate of 5.3% is expected to remain for the rest of 2023/24. The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows: -

Average earnings in each year	
2023/24 (remainder)	5.3%
2024/25	4.7%
2025/26	3.2%
2026/27	3.0%
2027/28	3.25%
Years 6+	3.25%

4.22.2 As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

4.22.3 Against this view the forecast of interest earned on Treasury investments in 2024/25 is £1.9Million based on average balances of £42million.

4.22.4 For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, Money Market Funds and short-dated deposits, to benefit from the compounding of interest.

4.23 Changes of investment strategy

4.23.1 There are no proposed changes to the Strategy for 2024/25.

4.24 OTHER ISSUES

- 4.25 UK Sovereign rating and investment criteria:** The UK sovereign rating is currently on the lowest acceptable level suggested for approved countries as set out in Appendix E. 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.
- 4.26 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.
- 4.27 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. The second phase of residential properties has now been recognised. The balance sheet valuation of the finance lease has increased and the operational and authorised borrowing limits for the General Fund have been increased accordingly. This has been reflected in the TM indicators. 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.
- 4.28 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 CIPFA LASAAC Local Authority Accounting Code Board announced the deferral of the implementation of IFRS 16 Leases in the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) until the 2024/25 financial year. It is unlikely that this change will have a significant impact for Stevenage.

5 IMPLICATIONS

5.1 Financial Implications

- 5.1.1** This report is of a financial nature and reviews the treasury management function for 2023/24 to date. Any consequential financial impacts identified in the Capital strategy and Revenue budget monitoring reports have been incorporated into this report.
- 5.1.2** During the financial year Officers 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 are intended to ensure that the Council complies with relevant legislation and best practice.
- 5.2.2 There have been no changes to PWLB borrowing arrangements or changes to the Prudential and Treasury Management codes since the last Treasury report.

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. As these conditions change the Council may need to take borrowing at higher rates which would increase revenue costs.
- 5.3.2 The Council's Treasury Management Strategy is based on limits for counterparties to reduce risk of investing with only a small number of institutions.
- 5.3.3 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 consider the relative risk of investments and to preclude certain grades of investments and counterparties to prevent loss of income to the Council.
- 5.3.4 There is a risk to the HRA BP's ability to fund the approved 30-year spending plans if interest rates rise above planned rates - this will be included in future revisions to the BP.

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 to remaining within agreed counterparty rules, the council retains the discretion not to invest in countries that meet the minimum rating but where there are concerns over human rights issues. Counterparty rules will also be overlaid by any other ethical considerations from time to time as appropriate.
- 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 Implications

- 5.5.1 The council's investment portfolio is invested in sterling investments and not directly in companies. These investments are short term and mainly used for working capital purposes. The council uses mainstream rating agencies to assess counterparty creditworthiness – they now incorporate ESG risks alongside more traditional financial risk metrics when assessing counterparty

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ratings. In this way the TM team aligns with the Councils ambition to attempt to be carbon neutral by 2030.

BACKGROUND PAPERS

- BD1 Treasury Management Strategy including Prudential Code Indicators 2023/24 (Council February 2023)

APPENDICES

- Appendix A - Treasury Management Strategy (TMS)
- Appendix B - Minimum Revenue Provision Policy
- Appendix C - Prudential Indicators
- Appendix D - Specified and Non-Specified Investment Criteria
- Appendix E - Approved Countries for investment

Appendix A Treasury Management Strategy 2024/25

1. 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 2021. The Code requires the Council to approve the Treasury Management Strategy annually and to produce a mid-year and annual 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 regarding 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. Investment Policy – Management of Risk

- 2.1.1. The Department of Levelling Up, Housing and Communities (DLUHC) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy, (a separate report).

The Council's investment policy has regard to the following:

- DLUHC's Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2021

The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and regarding the Council's risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider “laddering” investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated.

2.1.2. The guidance from the DLUHC 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 2023/24 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. More recently, a further extension to the over-ride to 31.3.25 has been agreed by Government.
- j. However, this Council will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

2.2. Creditworthiness policy

2.2.1. 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 more than 364 days.

2.2.2. The Assistant Director (Finance) 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.

2.2.3. 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.

2.2.4. 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 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.

2.2.5. 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 daily 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.

2.2.6. 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.

2.2.7. 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.

2.2.8. There are alternatives to the PWLB for borrowing, for both the General Fund and the HRA, including the UK Municipal Bonds Agency. The UKMBA provides funding through three lending programmes. Current UKMBA trading levels in the market, inclusive of all fees, are lower than the PWLB Certainty rate at like maturities.

- Proportionally guaranteed, pooled loans of £1 million or more for maturities greater than one year.
- Standalone loans to a single local authority for £250 million or more for maturities greater than one year. These loans are outside of the proportional guarantee and are guaranteed solely by the borrower, who must obtain an external credit rating from one or more of the major credit rating agencies.
- Short term, pooled loans, outside of the proportional guarantee for maturities of less than one 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.

2.3. Investment Strategy

2.3.1. **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 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 of England base rate (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.

3. Country limits

3.1. 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.

4. Borrowing Strategy and Policy on Borrowing in Advance of Need

4.1. 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. The current strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels as current high inflation rates are expected to continue to reduce throughout 2024/25.

4.2. Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Assistant Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. When prudent to do so "internal borrowing" will be replaced with external borrowing in order to reduce interest rate risk.

4.3. 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.

4.4. The Council will not borrow more than or in advance of its needs purely 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.

4.5. 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.
- 4.6. 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.
- 5. End of year investment report**
- 5.1. At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Outturn Report.
- 6. Policy on the use of external service providers**
- 6.1. In October 2023, the Council reappointed Link Asset Services as its treasury management advisors on a three-year contract. The new contract commenced on 1 November 2023.
- 6.2. The Council recognises that responsibility for treasury management decisions always remains with the organisation and will ensure that undue reliance is not placed upon our external service providers.
- 6.3. It also recognises that there is value in employing external providers of treasury management services 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.
- 7. Scheme of Delegation and Role of Section 151 officer**
- 7.1. 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
- 7.2. The Audit Committee** has the role of reviewing the policy and procedures and making recommendations to Council.
- 7.3. 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.

7.4. 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

Area of Responsibility	Council Committee	Frequency
Treasury Management Strategy / Annual Investment Strategy / Prudential Indicators and Minimum Revenue Provision (MRP) policy	Council	Annually before the start of the year
Treasury Management Strategy / Annual Investment Strategy / Prudential Indicators and MRP policy – mid-year report	Council	Annually before the end of the year
Treasury Management Strategy / Annual Investment Strategy / Prudential Indicators and 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 (mid year)	Audit Committee	Annually by 31 st December

Appendix B (February 2024 Update)

Minimum Revenue Provision Policy

Minimum Revenue Provision Policy Statement 2024/25

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.

The **preferred method for existing underlying borrowing is Option 3 – the Asset Life Method** (out of 4 allowable options), whereby the MRP will be spread over the useful life of the asset which range. 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 current 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	2025/26	£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

Capital expenditure incurred during 2023/24 will not be subject to an MRP charge until 2024/25, or in the year after the asset becomes operational.

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.

There is no requirement to make to make a minimum revenue provision for GF capital expenditure relating to Housing development.

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THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2024/25 – 2026/27

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

(a) Capital Expenditure

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. This includes spending on assets owned by other bodies, loans and grants to other bodies enabling them to buy assets.

Capital Expenditure	2024/25 Draft Capital Strategy £000	2025/26 Estimate £000	2026/27 Estimate £000
General Fund	23,895	33,558	13,803
HRA	54,831	56,459	35,939
Total Capital Expenditure	78,726	90,017	49,742

(b) Affordability Prudential Indicator

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Authority's overall finances. The Authority is asked to approve the following indicators: -

Ratio of financing costs to net revenue stream

Ratio of financing costs to net revenue stream %	2023/24 Estimate %	2024/25 Draft Capital Strategy %
General Fund	4%	6%
HRA	14%	14%

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.

The estimates of financing costs include current commitments and the proposals in this budget report.

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

Table 1

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

Investment Counterparty	Investment Instrument	Minimum High Credit Quality Criteria	Investment Duration
Banks or Building Societies	Overnight Deposit	Fitch: Short Term F1 and Long Term A and Moody, Standard & Poor, equivalent where rated, the lowest rating used where different OR 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 or with Notice	AAA rated	Instant Access or notice period up to one year

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.	

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 2024)

Based on lowest available rating

AAA

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

AA+

- Canada
- Finland
- U.S.A

AA

- United Arab Emirates

AA-

- Belgium
- Qatar
- France

The UK is exempt from the sovereign rating criteria as recommended by Link Asset Services. The UK sovereign rating is currently AA-.

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

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Meeting Executive

Portfolio Area Economy and Transport

Date 7 February 2024



STEVENAGE CYCLE HIRE SCHEME - REPORT AND PUBLIC CONSULTATION FEEDBACK

KEY DECISION

Author Sarah Martins / Lewis Claridge 2865

Lead Officer Zayd Al-Jawad | 2257

Contact Officer Sarah Martins / Lewis Claridge 2865

1 PURPOSE

- 1.1 To provide Members with an overview of the work undertaken including public consultation, to develop a Stevenage Cycle Hire Scheme. Members to note the Executive Report (Part 2) includes the progress made regarding the procurement of a suitable cycle hire scheme operator, preferred pricing schedule and funding approval.
- 1.2 A series of key design principles have been developed for the Cycle Hire Scheme specification. These principles include a preference that the bikes be predominantly physically 'docked', whether through stands, traditional physical docking infrastructure or integration with existing street furniture.
- 1.3 It is important to note that the specification is high level, hub locations should be considered as suggestions rather than definitive recommendations. Experience of

UK schemes has demonstrated that the final decisions on hub locations should not be made until an operator is chosen.

- 1.4 To highlight to Members progress made and the next steps in the Cycle Hire Scheme.

2 RECOMMENDATIONS

That Executive:

- 2.1 Note the progress made in the Stevenage Cycle Hire Scheme and work undertaken by officers up to September 2023 (Appendix A, B, C, D, E and F).
- 2.2 Approve the ongoing strategic direction and final steps for the Cycle Hire Scheme, to further develop the proposal for a scheme in Stevenage.
- 2.3 Note that the comments of the Environment & Economy Select Committee have been sought and considered on the content of this Executive Report.
- 2.4 Note that engagement with key stakeholders will continue, ahead of incorporating the Cycle Hire Scheme.

3 BACKGROUND

- 3.1 There is a long history of cycling provision in Stevenage, dating back to the development of Stevenage New Town. Eric Claxton, Chief Engineer of the Stevenage Development Corporation designed the New Town to have a substantial network of cycle tracks on which cyclists can ride in safety, uninterrupted by other traffic. Stevenage Cycle Hire Scheme is a vital contribution to the heart of the sustainable transport network and plays a crucial role in reducing greenhouse and local pollutant emissions in Stevenage, to help tackle climate change and improve air quality.
- 3.2 The Council declared a climate emergency in June 2019 and reconfirmed a commitment to tackling climate change and its impacts by setting a target to ensure that Stevenage has net zero carbon emissions by 2030. Added to this, the Government has strategic targets to have net zero emissions by 2050. The Council has been proactive in producing a Climate Change Strategy [BD2] and outlined a Climate Change Action Plan. Both the Strategy and Action Plan are being updated to ensure that the Council's commitment to battling climate change is kept at the top of its priorities.
- 3.3 Geographically the town is well connected to strategic north-south transport corridors. The station is served by the East Coast main line railway as well as others including Thameslink services between Cambridge, London, and the south coast. The A1(M) runs to the west of the town, with two junctions: 7 and 8.
- 3.4 As an urban town, Stevenage offers 23 miles of cycle network with ease of access to work, home, shopping, health, education, culture, and leisure. The cycleway network allows cyclists to ride in safety, uninterrupted by other traffic to local amenities. These tracks are segregated from the carriageways of the town and cyclists can cross at major junctions and other convenient points through underpasses.
- 3.5 Stevenage is also home to world class expertise in aerospace and defence, with key legacy linkages to British Aerospace, electronics and space and satellites technologies. This supports a vibrant ecosystem of leading science, technology,

engineering, and manufacturing companies such as: Airbus Defence and Space, MBDA and VIAVI Solutions. Stevenage further hosts a leading pharmaceutical and life science campus at GSK. The planned future relocation of Hertfordshire County Council main office to Robertson House is expected to generate an increase in transport demand in Stevenage.

- 3.6 Unlike most Local Authorities in the UK and Europe, Stevenage possesses a dedicated infrastructure designed with cycling in mind. However, currently only 3% of journeys to work are made by cycles even though 30% of trips are under 3 miles. This highlights how under used the cycleways are.
- 3.7 According to the latest available data (2021 Census), in Stevenage the split for travelling to work is around 68% by car, 3% by cycle and 11% by foot. This means that over two thirds of all journeys to work trips are still being made by private car.
- 3.8 Stevenage Borough Council is working on several sustainable transport initiatives which aim to relieve the congestion on the roads and maintain parking capacity, whilst promoting more sustainable modes of travel and helping to improve air quality. This is particularly important considering the projected growth for Stevenage.
- 3.9 The Council recognises that car use plays an important role in the way that people and businesses connect. The Council is committed to improving and enhancing sustainable modes of transport to give people the opportunity to have choice over the way they travel, and the way their streets are used.

Stevenage Cycle Hire Scheme

- 3.10 In 2019 Stevenage Borough Council (SBC) commissioned the consultancy Transport Initiatives (TI) to carry out a feasibility study into public cycle share / hire scheme in the town. This study used the methodology applied by TI in studies for several councils, including Guildford, Watford, Manchester, and Derby. It included an overall assessment of the potential for bike hire, highlighting areas with the highest potential.
- 3.11 The study was published in 2020 but due to the Covid-19 pandemic, no further progress was made until recently.
- 3.12 Considering changes in bike hire schemes since 2019, in 2023 the Council commissioned Transport Initiatives to update the existing study. The main task was to consider how to progress with a scheme in Stevenage, considering the substantial development planned in the town.
- 3.13 Stevenage Borough Local Plan [BD1] Policy SP6 ("Sustainable Transport") states:

Policy SP6: Sustainable transport

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

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

- 3.14 The Department for Transport (DfT) encourages us to plan positively for cycling, walking and passenger transport. It recognises that the transport system needs to be balanced in favour of sustainable transport modes, giving people a real choice about how they travel.
- 3.15 Currently, transport makes up nearly a third of Stevenage emissions and transport is one of the 8 key theme visions within the Stevenage Climate Change Strategy. Recent data shows that in Stevenage, modal split for travelling to work is cycling 3%, and walking 11%. In contrast, car journeys account for around 68%. This means that over half of all journeys to work trips are still being made by private car.

Policy Objectives

- 3.16 There are a range of policy objectives which align with the Local Plan, Stevenage Local Cycling and Walking Infrastructure Plan [BD4], Stevenage Cycle Strategy [BD5], Stevenage Mobility Strategy [BD6], and national active transport policy direction for the Cycle Hire Scheme to respond to. These include:
- Reduce greenhouse and local pollutant emissions in Stevenage, to help tackle climate change and improve air quality.
 - Improve quality, accessibility, and affordability of clean modes of active transport in Stevenage and offer people an efficient way to connect with public transport as alternatives to using the car.
 - Improve journey times and connectivity in and around Stevenage.
 - Encourage a modal shift in cars to cycles.
- 3.17 Climate change is one of the most important objectives for the Cycle Hire Scheme to respond to. The Council declared a climate emergency in June 2019 and reconfirmed a commitment to tackling climate change and its impacts by setting a target to ensure that Stevenage has net zero carbon emissions by 2030. Added to this, the Government has strategic targets to have net zero emissions by 2050. The Council has been proactive in producing a Climate Change Strategy [BD2] and outlined a Climate Change Action Plan. Both the Strategy and Action Plan are being updated to ensure that the Council's commitment to battling climate change is kept at the top of its priorities.
- 3.18 A Cycle Hire Scheme in Stevenage can offer several economic benefits. These include increasing tourism, where cyclists are more likely to stop and shop generating revenue for local businesses. Furthermore, operating and maintaining a cycle hire scheme can create jobs in areas such as maintenance, customer service and administration.
- 3.19 Enhanced mobility can improve access to affordable convenient transportation options which can improve access to jobs and services.
- 3.20 Stevenage Mobility Strategy December 2016 [BD6] places a high priority on active travel (walking and cycling). The approach embraces national planning policy and promotes a strategy that is consistent Hertfordshire County Council Transport Vision 2050.
- 3.21 A Cycle Hire Scheme can support improved cycling infrastructure. An increase in cycling can further enhance the attractiveness of Stevenage, potentially leading to increase in property values.
- 3.22 Another benefit of a Cycle Hire Scheme is that it can result in a greater diversity of people cycling including many people who did not previously cycle, with a higher level of women than private cycle use.

Key Design Principles

- 3.23 Alongside the high-level objectives a series of key design principles have been developed for the scheme specification. These principles include a preference that the bikes be predominantly physically 'docked', whether through stands, traditional physical docking infrastructure or integration with existing street furniture.
- 3.24 Further design considerations will include:
- Number of cycles, number of docking stations, number of bays per docking station, proportion of pedal cycles to e-cycles, area covered, average distance between stations, expected average daily uses per cycle, expected average daily trips per user, expected number of cycles per registered user.
 - Extra protection for bike locks and two factor authentication to avoid fraudulent activity.
 - Implementation of a cycle redistribution plan to ensure optimum use of cycles.
 - The preference is for the scheme to be accessible to those without a smartphone, for example online, online pass, staffed facilities, PayPoint.
 - The cycles should be trackable via a GPS system and should have the ability to be geo-fenced and potentially setting speed limit on e-bikes.

Financial Security / Value for Money

- 3.25 To ensure an inclusive scheme for those on low incomes, the provider is required to take an active partnership approach to work with specialist groups to support outreach and engagement work.
- 3.26 The Council will provide the initial startup funds to establish the scheme. Subsequently, income generated through the cycle hire scheme contributes directly to the cycle hire operator, offsetting operational costs.
- 3.27 If the income falls below the financial model outlined by the operator, the shortfall becomes the responsibility of the operator, who assumes the risk associated with potential revenue shortfalls. Therefore, there would be no liability on the Council for this shortfall.
- 3.28 This model incentivises the operator to optimise operations and marketing efforts to meet or exceed expected income, fostering a co-operative relationship between the Council's funding and the operator's commitment to financial viability.

Assessing Market Interest

- 3.29 In August 2023, officers in the Planning Policy team published a Soft Market Brochure, to seek the views of a number of indicative market players with the intention of procuring a supplier to deliver a phased introduction to a Stevenage cycle scheme. The soft market testing was a key component in confirming the proposed route to the introduction of a sustainable cycle scheme and explore various operating models.
- 3.30 Early market responses were received from three cycle share operators: Fifteen, Beryl and Brompton Bikes.

- 3.31 Fifteen were formerly known as Smoove and Zoov. The two companies merged a couple of years ago. Smoove is one of the companies behind the Vélib' bike-sharing service in Paris (along with Indigo, Mobivia and Moventia). Zoov offered a hybrid bike-share program for short-term and long-term rentals. Fifteen proposes to partner with Velogik, which has managed and operated the Glasgow Cycle Hire Scheme, working in a joint venture partnership with local charity Bike for Good since 2021.
- 3.32 Brompton Bike Hire LTD has 80+ locations across the UK, ranging from Jersey through to the Scottish islands.

Relevant examples include:

- London Borough of Newham which has 14 locations across the Borough. Of these locations 9 have been funded directly by the Local Authority and the remainder have been funded by Property Developers.
 - Newark Town has 4 hire docks at strategic locations across the town. Three of these have been funded by the Local Authority with the fourth being funded by a private business.
 - In terms of new projects, Brompton has a further 10+ locations planned for the rest of this financial year, which international launches planned for Germany, France, Singapore, and USA next year.
- 3.33 Beryl is the U.K.'s largest cycle hire provider. Beryl operates services in 15 urban areas in the U.K. ranging from large cities such as Manchester and Brighton to smaller towns and cities such as Hereford, Hertsmere, and Watford.

Business and Community Engagement

- 3.34 Stevenage has two designated employment areas in the borough: Gunnels Wood and Pin Green. Between them they encompass approximately 231 hectares of employment land and host some of the world's largest and most progressive companies. The town's proximity to London and key domestic and international transport links makes Stevenage a gateway to the UK, and the world. Commuters can take advantage of trains into London every eight minutes during rush hour with King's Cross just 19 minutes away. Cycle share schemes have been shown to be a good partner for combined rail and cycle trips.
- 3.35 A business and community engagement event were organised in September 2023, to provide stakeholders with an opportunity to understand what a scheme in Stevenage could like and look at case studies from around the country. This initiated early dialogue on how the scheme is shaped.
- 3.36 In September 2023 the Planning Policy and Regeneration Teams organised two engagement events; a morning event at 76Lounge at the Lamex Stadium aimed at local employers, employees, and an afternoon held at Event Island in Stevenage Town Centre for the local community. Both events provided an opportunity to discuss the potential for a cycle hire scheme in Stevenage.
- 3.37 Publicity for the community event took place via the Council's website, social media platform Facebook, Commonplace consultation platform news page and Eventbrite.
- 3.38 E-mails were sent to local businesses via the Stevenage Business Relationship Manager inviting local / future businesses to the engagement event, as well as signposting businesses to the consultation platform.

- 3.39 A formal invitation to the Cycle Event was sent to local Councillors and as well as Hertfordshire County Council, Cycling UK, ATTLEE, VCSE, Stevenage Education Trust, Local Community and Neighbourhood Team and Hertfordshire Police.
- 3.40 Event posters were distributed around Daneshill House Council offices, Stevenage Library, Stevenage Train Station, Stevenage Museum and Stevenage Council Town Centre Digital Boards.
- 3.41 The engagement work was a good starting point to get people in Stevenage talking about active travel and allowing people to give their views on the proposals as well as cycling in Stevenage in general.
- 3.42 At the events participants were able to:
- Meet and greet cycle hire operators including Tier by Nextbike, Beryl and Brompton.
 - Demonstrate a variety of cycles.
 - Give their views on what a cycle hire scheme in Stevenage should bring.
 - Complete the cycle hire consultation survey during the event.
 - Pinpoint a preferred docking locations using a virtual map via the consultation platform, or via a physical map positioned around certain areas of the event.
- 3.43 During the business engagement event, participants were invited to ask questions, give their views following a presentation by Tier by Nextbike, Beryl and Brompton.

Public consultation period (18 August to 24 September 2023)

- 3.44 During the Station Gateway Area Action Plan (Issues and Options) held in 2021, the Council utilised a consultation platform called “Objective”, which presented a number of limitations including user interface, ability to view documentation and limited ability for the public to make clear representations on the Area Action Plan.
- 3.45 For the Preferred Options consultation on the Area Action Plan, research was conducted on several consultation platforms to establish a suitable replacement. After an assessment of providers, the platform “Commonplace” was chosen as the web platform to host the Station Gateway Area Action Plan consultation.
- 3.46 Commonplace was considered appropriate to use for the Stevenage Cycle Hire Consultation as well, since it was suitable for mobile phones as well as desktop users. The design of the site was tailored to hold detailed planning documents, allow consultees to visually analyse the area through maps and assist with preferred hub locations, and identify what would help users feel safer cycling in Stevenage. The platform could engage residents, businesses and different demographics and separated topic areas to assist with understanding.
- 3.47 A link to the Stevenage Cycle Hire consultation platform was sent to 400 individuals who had signed up to the Council’s planning consultee register. The register mainly consists of individuals who have responded to previous Local Plan consultations or specific planning applications.
- 3.48 A link was sent to a number of business and community stakeholders providing information on the engagement event and the process for responding to the consultation.

3.49 The formal consultation consisted of:

- Publicity via the Stevenage Borough Council website and social media platforms.
- A link to the Council's consultation interface, where the public were able to download the cycle hire related strategies and submit their views via a survey.
- The consultation interface included a series of "consultation questions" and "frequently asked questions", designed to cover the varying aspects of a cycle hire scheme and to generate comments on certain sections of the document, for example information on types of transport mode options, general travel patterns, or what discourages cycling in Stevenage and general views on what would be most important when using a cycle share scheme in Stevenage. This was primarily to ensure that the Council received responses on what consultees felt most important to them in a scheme and to understand how people currently travel within Stevenage.
- The interface included a specialist "youth survey", designed to gauge the views of the next generation of Stevenage residents, workers, and visitors, which proved successful.
- A paper version of the cycle hire questionnaire was available for participants to complete at both events to ensure the consultation was as inclusive as possible.
- A number of Stevenage Borough Council volunteers were available during both engagement events to assist consultees with navigating the consultation platform as well as support members of the public should they require assistance with the paper cycle hire questionnaire.

3.50 The Planning Policy team were assisted by the Regeneration team in promoting the Cycle Hire consultation across Stevenage to ensure a wide a response as possible.

4 REASONS FOR RECOMMENDED COURSE OF ACTION

Recommendation 2.1: That Executive note the progress made in the Stevenage Cycle Hire Scheme and work undertaken by officers up to September 2023 (Appendix A, B, C, D, E and F).

- 4.1 Details of the Stevenage Cycle Hire Scheme public consultation are summarised in the paragraphs below.
- 4.2 Documents which formed the public consultation included:
- Stevenage Corporate Plan Future Town Future Council (2023)
 - Stevenage Parking Provision and Sustainable Transport SPD (2020)
 - Stevenage Borough Local Plan (adopted May 2019)
 - Stevenage Cycle Strategy (2018)
 - Stevenage Mobility Strategy (2016)
 - Stevenage Central Framework (2015)
- 4.3 Consultation on the Stevenage Cycle Hire Scheme was held between 18 August 2023 and 24 September 2023.
- 4.4 A total of 1137 representations were received from consultees via the digital platform 'Commonplace' as well as 4 non-digital paper representations.
- 4.5 Responses were received from, in terms of external bodies and individuals:
- Hertfordshire County Council
 - East & North Herts NHS Trust
 - Citizens Advice Stevenage
 - Cycle UK Stevenage
 - Mind in Mid Herts
 - Members of the public
- 4.6 A range of themes emerged arising from consultation comments, including some of those highlighted below:

Theme	Comments
Mode of travel used (to gather data intel on a typical day)	<u>General Survey</u> 37% of respondents travelled by car <u>Youth Survey</u> 22% travelled as a passenger in a car
Access to a pedal bike	<u>General Survey</u> 67% of respondents own a pedal bike <u>Youth Survey</u> 61% of respondents own a pedal bike
Active Travel Current cycle habits	<u>General Survey</u> 16% cycle daily 18% cycle weekly 16% cycle monthly 17% cycle annually 33% never cycle
Previous experience in hiring a bike in a cycle scheme before	<u>General Survey</u> 31% of respondents had hired a bike before using a cycle hire / share scheme 68% of respondents had never hired a bike using a cycle hire / share scheme 1% of respondents did not provide any comment
Key Destinations (Where do you or would you cycle to in Stevenage)	<u>General Survey</u> Responses were as follows: 20% Leisure 14% Work 14% Local Park / Greenspace 12% Shopping 10% Visit Friends / Family 10% Events in Stevenage 6% Other 4% Education

<p>Safety (Q. What discourages cycling in Stevenage)</p>	<p><u>General Survey</u></p> <p>Responses:</p> <p>17% Weather</p> <p>16% Lack of cycle storage</p> <p>11% Personal Safety</p> <p>10% Lack of access to a bike</p> <p>5% Lack of awareness of cycleways in Stevenage</p> <p>5% Lack of confidence cycling</p> <p>20% of respondents selected 'other' – a selection of comments include:</p> <ul style="list-style-type: none"> • Security of securing bike • The condition of the cycle paths • Navigation can be confusing because signposting is poor, and there is little help to find my way past the town centre, which is something of a barrier to getting, for example, from the Old Town to the Roaring Meg. • The cycle tracks in Stevenage are brilliant and enable safe cycling. However, the condition of them is poor with loose and pot holed surfaces. I worry about falling. • Worried about bikes being stolen or vandalised. • Underpasses are scary with all the graffiti etc.
<p>Signage / wayfinding (Q. What would help you feel safer cycling in Stevenage)</p>	<p><u>General Survey</u></p> <p>25% of respondents felt more signage and information would help them feel safer cycling in Stevenage.</p> <p>18% selected improved visibility when cycling. A further 18% would like to see additional lighting around cycle areas.</p>

<p>Active Travel (Q. What would be most important to you when using a cycle hire scheme)</p>	<p><u>General Survey</u></p> <p>Order of preference:</p> <p>18% Docking location 18% Affordability 18% Ease of hire 16% Other 9% Connections to other forms of transport 7% Ability to carry groceries / shopping 6% Variety of bikes on offer 5% Proximity to local amenities / leisure facilities</p>
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4.7 Highlights of the consultation analysis included:

- Walking and travelling by car were the most popular forms of travel (see Figure 1).
- The word cloud (Figure 2) draws out the main words used in the responses. Some of the main preferred docking station locations include town centre, station, local parks, retail centres, employment areas and local neighbourhood areas
- Regarding Option 3, on a scale of 1–5 (1 = Disagree and 5 = Agree), respondents could reflect their sentiment on how much they supported the proposal for a cycle hire scheme in Stevenage. From the results, 57% completely supported the scheme and 22% were Neutral, providing a total of 79% of respondents. A total of 5% did not support the option. There was a proportion of respondents which opted not to respond to these questions.

Figure 1. Respondents' travel mode.

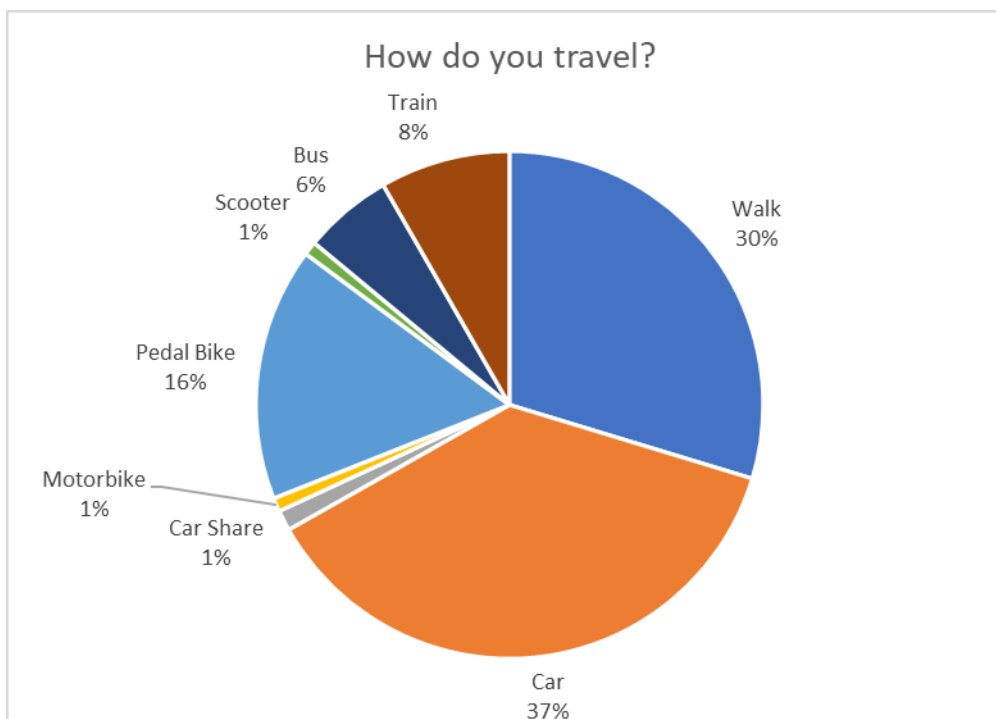


Figure 2. Word Cloud to show common words in responses.



Figure 3. Level of support for a cycle hire scheme in Stevenage.



4.8 In summary, regarding scheme support, 57% of respondents completely support a Cycle Hire Scheme in Stevenage. 22% were Neutral, providing a total of 79% of respondents.

4.9 Full details of stakeholder responses are provided in the consultation key issues arising from these meetings included:

Theme	Comments
Sustainable Transport	<p>To support the creation of built environments that encourage greater and safer use of sustainable transport modes, The design of a scheme should consider in the following:</p> <ul style="list-style-type: none"> • Opportunities to reduce travel demand and the need to travel. • Vulnerable road user needs (such as pedestrians and cyclists). • Passenger transport user needs. • Powered two-wheeler (mopeds and motorbikes) user needs. • Other motor vehicle user needs.
Key Destinations	<p>The proposed cycle hire should aim to serve all keys areas within town such as employment areas, main retail centres. neighbourhood areas and strategic development areas. Therefore, the following key areas should be given priority in selection of cycle hiring docks / parking / storage.</p> <p>Key Destinations</p> <p>Stevenage Railway Station / Bus Station</p> <p>Stevenage Town Centre</p> <p>Leisure Park</p> <p>Lister Hospital</p> <p>Old Town</p> <p>Stevenage Football Stadium</p> <p>North Herts College</p> <p>Fairlands Valley Park</p>

Theme	Comments
	<p>Other Key Employment Areas</p> <p>Gunnels Wood Park and GSK</p> <p>Pin Green</p> <p>New employment site at North of Stevenage (Amazon Distribution Centre)</p> <p>Main Retail Centres and Neighbourhood</p> <p>Poplars District Centre – Sainsbury's</p> <p>Seven Local Centres and Neighbourhood Areas as mentioned in Stevenage Cycle Strategy 2018</p> <p>There are opportunities for docking stations as part of future Local Plan development sites coming forward. There should be early engagement with developers to identify potential site locations which are aligned with the new cycle infrastructure being provided.</p> <p>Key development sites include:</p> <p>Potential future Key Development Site</p> <p>Development at the West of Stevenage for 1350 homes</p> <p>Development at the North of Stevenage for 800 homes</p> <p>Development at the South-East of Stevenage for 550 homes</p> <p>We also suggest that a mechanism is developed to allow communities and businesses to bid for a docking station in their area.</p>
Scheme Design	<p>Things to consider that might support increase bike use by staff work.</p> <p>Free bike and lock scheme, Subsidised bike scheme. Improved maintenance of the cycleways, including potholes and better lighting. Fairlands at night is dark and scary.</p> <p>Increasing bike parking provision across the town, there is some parking in the</p>

Theme	Comments
	neighbourhood centres but not much outside of those areas. Electric bikes would also assist staff.
Social value and inclusivity	Offering mileage vouchers for those on low incomes through charitable partners for things like appointments, job centre appointments and for those struggling to access provisions like a food shed.

- 4.10 Officers have taken all comments and views into account, in a conscientious manner. This helped to inform and shape the Cycle Hire scheme specification being reported to Executive.

Hertfordshire County Council Highways Consultation Response

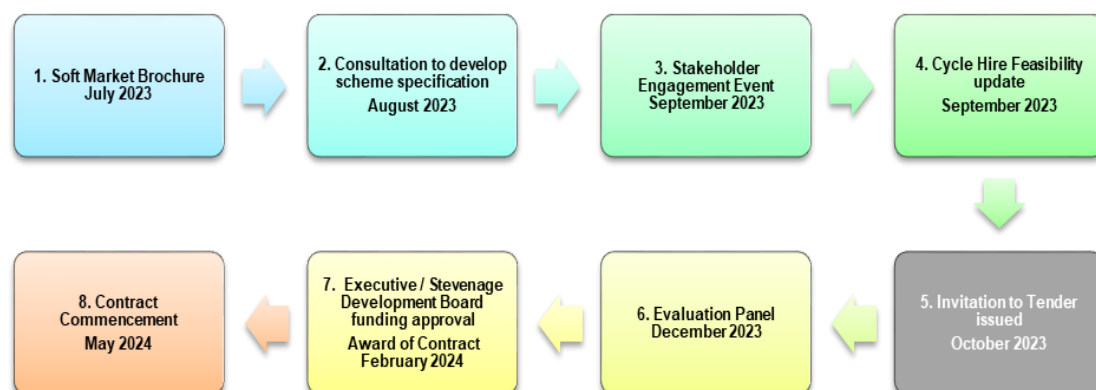
- 4.11 Hertfordshire County Council Highways have generally welcomed the opportunity to work together to develop a plan that contributes to the overall vision for Hertfordshire. Their representations are highlighted in the table below.

Theme	Comments
Key Destinations	<p>In the light of the policy, the Stevenage cycle hire scheme needs to align with the aspirations of relevant strategies such as Stevenage LCWIP-2019, Local Plan-2019, Stevenage Sustainable Travel Towns 2022, Stevenage Cycle Strategy 2018, and Mobility Strategy 2016.</p> <p>Stevenage benefits from a comprehensive existing cycle network and the LCWIP sets out proposals to further enhance this. The cycle hire scheme therefore needs to reflect the cycle routes already in operation.</p> <p>The proposed cycle hire should aim to serve all keys areas within town such as employment areas, main retail centres. neighbourhood areas and strategic development areas.</p>
Cycle Hub Locations	<p>The Highway Authority supports the concept of the Stevenage Cycle Hire Scheme (SCHS) and would welcome the opportunity to work with SBC to help design the scheme, agree docking stations and the implementation process.</p> <p>Hertfordshire County Council (HCC) adopted Local Transport Plan 4 (LTP4) in 2018. This document</p>

Theme	Comments
	<p>sets out the long-term transport strategy for the County to accommodate the levels of housing and employment growth being identified by the District/Borough Councils in their emerging Local Plans. LTP4 accelerates the transition from a previous transport strategy that was largely car based to a more balanced approach which caters for all forms of transport and seeks to encourage a switch from the private car to sustainable transport (e.g., walking, cycling and passenger transport) wherever possible.</p> <p>LTP4 Policy1: Transport User Hierarchy states “to support the creation of built environments that encourage greater and safer use of sustainable transport modes, the County Council will in the design of any scheme and development of any transport strategy consider in the following order:</p> <ul style="list-style-type: none"> • Opportunities to reduce travel demand and the need to travel • Vulnerable road user needs (such as pedestrians and cyclists) • Passenger transport user needs • Powered two-wheeler (mopeds and motorbikes) user needs • Other motor vehicle user needs <p>In the light of the policy, the Stevenage cycle hire scheme needs to align with the aspirations of relevant strategies such as Stevenage LCWIP-2019, Local Plan-2019, Stevenage Sustainable Travel Towns 2022, Stevenage Cycle Strategy 2018, and Mobility Strategy 2016.</p> <p>The Highway Authority would like to see that the cycle hire scheme provides a good mix of e-bike / bikes with the exploration of the potential for cargo bikes as this is a growth market which could reduce vehicular movements.</p> <p>Careful consideration should be given to land ownership when looking at the location of docking stations and third-party land should be avoided. As a starting point opportunity for location on SBC land should be identified. However, if the highway land is required, SBC would need to contact HCC at its earlier stage. Any proposed docking station on the public highway needs to be agreed with the HCC.</p>

Theme	Comments
	<p>It is crucial that the location of the docking stations does not constrict footway widths.</p> <p>In areas of high footfall (e.g., in town centres or outside schools) the recommended effective width of a footway is 3.5m.</p> <p>If this is not feasible due to physical constraints, then the aim should be to maintain a minimum effective width of 1.5 metres (in line with DfT Inclusive Mobility Guidance, Dec-2021, Para 4.2) Where existing footway widths are less than 1.5m the installation of new docking stations should be avoided or localised buildouts should be provided.</p> <p>In summary, the Highway Authority supports the concept of the Stevenage Cycle Hire Scheme (SCHS) and would welcome the opportunity to work with SBC to help design the scheme, agree docking stations and the implementation process.</p>
Scheme Design	<p>The Highway Authority would like to see that the cycle hire scheme provides a good mix of e-bike / bikes with the exploration of the potential for cargo bikes as this is a growth market which could reduce vehicular movements.</p>
Accessibility / Wayfinding	<p>In terms of accessibility and wayfinding, each cycle hiring dock must be accessible for all cycle users and sufficient wayfinding information should be displayed for the key destinations including hiring costs, maps, travel time and distance. Scope for advertising at docks.</p>
Town Centre	<p>It is crucial to assess that how town centre cycle ban potentially limits the effective use of the cycle hire scheme and the highway authority would welcome the review of this as part of the design process.</p>
Cycle Hire Recovery	<p>Another important concern is that the cycles might be left blocking the footway or carriageway causing an obstruction. Therefore, the Highway Authority would like to understand the strategy for recovering cycles that are not in the docking station but left blocking the footway and carriageway.</p>

Recommendation 2.2: That Executive approve the ongoing strategic direction and final steps for the Cycle Hire Scheme, to further develop the proposal for a scheme in Stevenage.



- 4.12 We have completed the first six stages of project development for a Stevenage Cycle Hire Scheme. The assessment of market interest formed the first stage of the Cycle Hire Scheme.
- 4.13 Stage two “consultation to develop a scheme specification” was the first stage for public consultation which went out to public consultation 18 August to 24 September 2023 and summarised in paragraphs above.
- 4.14 The business and community engagement event which took place on 6 September 2023 formed as a third stage to compliment the consultation work providing an opportunity for stakeholders to comment and help shape a scheme for Stevenage.
- 4.15 The next stage “Cycle Hire Feasibility Study” formed the fourth stage of the project. The full report is summarised in the Executive Report (Part 2).
- 4.16 The fifth stage comprised the Invitation to Tender. The tender went out on the Councils In-Tend portal on 20 October 2023.
- 4.17 Stages five to eight are explained further in the Executive Report (Part 2).
- 4.18 As part of the contract specification the design principles were guided by other Scheme best practice examples, ongoing dialogue with Watford Borough Council, Hertsmere Council, Transport Initiatives, guidance from Como UK (Appendix G), and lessons learnt from all of the above and other Local Authorities such as Great Yarmouth.
- 4.19 Watford Borough Council have been operating a cycle hire scheme successfully for the past 4 years with currently 33,000 scheme users. The Watford team shared their experience and lessons learnt.
- 4.20 To support the design further themes from the consultation responses were incorporated into the final specification and form part of the evaluation questions.

Recommendation 2.3: That Executive note that the comments of the Environment & Economy Select Committee have been sought and considered on the content of this Executive Report.

- 4.21 The Environment and Economy Select Committee and Cycle UK Stevenage were presented with an overview of the proposed cycle hire scheme for Stevenage on 12 December 2023.
- 4.22 A set of PowerPoint slides were presented to the group detailing the scheme objectives, project timeline, consultation analysis and the scheme model based on the updated Stevenage Feasibility Study. The group were invited to comment on the content and key issues arising from this meeting included:

Theme	Comments
Drivers	SBC should drive the scheme working alongside the chosen supplier.
Traffic / congestion	Currently no alternatives to using other modes of transport or the option to plan a multimode journey.
Active travel	Behaviour changes and sustainable travel aspirations are required to assist with any changes in the area. Can we expect more community engagement events and what do other Local Authorities offer in terms of promotions and discount codes.
Economy	The cycle scheme would assist long standing industries in the area. Promote and draw new businesses to the area.
Vandalism and theft	Concerns raised around the potential vandalism and theft of bikes. Contact with Police / local groups to identify hotspots is essential. Additional lighting around hotspot areas would be beneficial.

Theme	Comments
Safety / training	<p>Concerns raised around the issue with e-scooters and suggested there should be some “no go” areas especially in shopping areas.</p> <p>A typical weight of an e-bike is 44kg, what if there is a collision? Who is liable?</p> <p>Cycle paths and footpaths feel isolated early evening and at night. Lighting needs to be improved. No natural surveillance from footfall or slow traffic.</p>
Way finding	<p>Regarding wayfinding, clear signage is a must and beneficial not only to local people but also to visitors to Stevenage.</p>
Dock v Dockless Schemes	<p>Consideration needed for the type of scheme model. Dockless scheme seem to provide more flexibility. Discussion around issues with Camden and Westminster dockless schemes. A docked scheme would provide bikes are left in a secure location. Start with a docked scheme but consider other hybrid options as the scheme develops.</p>
Dock locations	<p>If trying to meet transport need when bus services are poor, docking locations should be a way of bridging the connectivity between bus services and complementary modes of transport.</p> <p>If docking stations could be moved if they decided, they were in the wrong place it would create more flexibility. Movement and usage analysis could potentially be used to support docking stations in future scheme phases.</p>

Theme	Comments
Finance / funding	The scheme poses a large upfront cost to the Council. It would be beneficial to look at sponsorship to support the overall cost.
Pricing / accessibility	<p>Consideration needed when agreeing user hire costs. Is there the ability to include a flexible pricing scheme and corporate memberships? Providing affordable, socially inclusive, and a sustainable access to mobility is crucial to the scheme being inclusive to every resident. What incentives are there for memberships?</p> <p>How will the Council recover its cost?</p>
Monitoring / review	The scheme could come back to the Committee to be reviewed and that there should be some criteria to assess it against, such as relevance to climate change, transport poverty and modal shift. An initial 6-month update on the data would be required. Followed by an Environment and Economy Committee review 1 year after scheme implementation.
Scheme promotion	Who is responsible for promoting the scheme?

- 4.23 There is broad support for the Cycle Hire Scheme. The need to reduce greenhouse and local pollutant emissions in Stevenage, to help tackle climate change and improve air quality.
- 4.24 The views of the Environment and Economy Select Committee Members are of significant value in shaping the future of the Stevenage Cycle Hire Scheme.

Recommendation 2.4: That the Executive note that engagement with key stakeholders will continue, ahead of incorporating the Cycle Hire Scheme.

- 4.25 The Sustainable Travel Town programme forms part of the County Council's Local Transport Plan, and aims to increase the number of people walking, cycling, and using public transport. The key difference from previous initiatives is that the Sustainable Travel Town will fully integrate behavioural change techniques with infrastructure improvements so that new facilities are fully utilised.
- 4.26 The County Council invited organisations across Hertfordshire to apply to be part of the programme. This was part of the process to ensure that there is local "ownership" of the programme, which is essential to successful delivery. Stevenage Borough Council was one of nine organisations who applied to be part of the programme. This bid was one of three which were shortlisted, and then subsequently entered into the programme.
- 4.27 The overall vision for the Stevenage Sustainable Travel Town is to enable the delivery of the growth plans set out in the Local Plan (2019) whilst maintaining the attractiveness of the town for residents and businesses. This requires a major shift of journeys from the car to active and public transport.
- 4.28 As part of continuing work on the Sustainable Travel Town programme, a Member group involving relevant Portfolio Holders from Stevenage Borough Council, and a Stakeholder group involving the Council, County Council and other parties including Govia Thameslink Rail and Cycle UK Stevenage, regularly meet to discuss key projects and initiatives. The Stevenage Cycle Hire Scheme is considered to be a flagship project as part of the Stevenage STT programme.
- 4.29 There will be scope for further community and business engagement undertaken through the successful scheme operator, to promote the scheme and encourage behaviour change.
- 4.30 Officers are working in close collaboration with the Regeneration Team lead officer to align with the Council's Cycling & Pedestrian Connectivity Project to improve cycling and increase active travel leading to more active and healthier lifestyles.
- 4.31 Hertfordshire County Council have provided support for the Cycle Hire Scheme throughout the process, as have the key stakeholders who have liaised constructively with officers at meetings and through general dialogue.
- 4.32 Hertfordshire County Council has commissioned a research agency to conduct behaviour change research, and develop a behaviour change intervention plan to increase cycling uptake in Stevenage, based on the research findings and behavioural science evidence. The goal of this is to increase cycling uptake in a specified geographic area of Stevenage, with a desired focus on the following target demographics:
- Families living in the area.
 - Young people in colleges aged 16+.
 - Staff employed by Lister Hospital.
- 4.33 The specified location includes the Lister Hospital and the links to the Town Centre in particular the Train Station and Bus Interchange. The research will conclude with the development of an actionable intervention plan proposal that can be readily implemented by Hertfordshire County Council and its partners. The Behaviour Change Project is focusing on cycling and is currently working with officers to agree some projects for delivery in Stevenage.

5 IMPLICATIONS

Financial Implications

- 5.1 The costs associated with producing and consulting on the Stevenage Cycle Scheme were met from the agreed departmental budget.
- 5.2 A budget of £9,500 was allocated to update the Stevenage Feasibility Study.
- 5.3 The consultation costs associated with the digital engagement platform with the providers, Commonplace were already included within the scope of the existing contract. This included access to the webpages, training on the consultation platform and continued support and assistance from the Commonplace team to ensure that a positive, engaging consultation platform was released to the public and key stakeholders.

Legal Implications

- 5.4 The procurement has been undertaken in accordance with the Public Contracts Regulations 2015.

Risk Implications

- 5.5 The financial risk to the Council can be limited by the structuring of the project such that the initial investment and operating costs are met by financial sources already committed to the Council.
- 5.6 There may be risk to street scene from abandoned bikes. This can be limited through the implementation of a docked scheme, managed by structuring the scheme in such a way that will penalise users on abandoning the bike. The operator will have the responsibility to recover abandoned bikes.
- 5.7 Ongoing work to mitigate the likelihood and impact means that the risks are reassessed on a regular basis to reflect changes in the environment and to help focus attention.

Policy Implications

- 5.8 The Stevenage Cycle Scheme will align with other corporate Council documents such as the Climate Change Strategy (adopted September 2020), Action Plan and Charter as well as Stevenage's Future Town Future Transport Strategy [BD3].
- 5.9 The Future Town Future Council Action Plan 2022/23 continues to look at ways to reduce our carbon footprint and encourage residents to make changes to contribute to our goal of being net zero by 2030. This is a commitment to accelerate our journey to net zero emissions by taking active measures to reduce greenhouse gas emissions. This project will provide green, active, and sustainable travel infrastructure. It will reduce transport related emissions and contribute towards achieving our net zero commitment. The scheme provides an innovative way to deliver transport services. By reducing emissions and improving air quality, the scheme will help protect and enhance the natural environment.

Planning Implications

- 5.10 The Stevenage Cycle Hire Scheme will add to and complement the Development Plan for Stevenage.

Environmental Implications

- 5.11 During preparation of the Stevenage Cycle Scheme, officers concluded no significant environmental impact. Reductions in emissions and improvements in air quality are likely to have an indirect positive impact on the environment.

Climate Change Implications

- 5.12 Stevenage policies identifies Climate Emergency as strategic priority for and commits to change the way we conduct our lives, societies, and economies to mitigate climate change. This project will reduce transport related emissions, thereby mitigating climate change which supports the aims and objectives of the Stevenage Climate Change Strategy (September 2020) [BD2] and contribute to the overall climate change aspirations of the Council.
- 5.13 Climate change as a whole represents a significant risk which will influence all aspects of life. Current concerns include how changing weather conditions will increase extreme weather events including drought and flooding, impact on food and water security with the resultant knock-on implications for healthcare and other support services as well as general infrastructure.

Equalities and Diversity Implications

- 5.14 The Stevenage Cycle Hire Scheme aligns with the Future Town Future Council Action Plan 2022/23 and commits to supporting the mental and physical health of the people of the town. Inclusivity and Equitability means making available, accessible and affordable facilities to improve mental and physical health of communities. The cycle hire scheme will provide an active and affordable mode of transport. It will improve the health and well-being of our residents. By making affordable means of transport available for residents, the scheme will improve residents' access to employment opportunities and recreational facilities. This will help reduce inequality and build a more cohesive community in Stevenage.
- 5.15 The proposed scheme will advance residents' access to employment opportunities and recreational facilities. Whilst improve transport choice and accessibility for all. This will reduce inequality and build a more cohesive community in Stevenage.

Health and Safety Implications

- 5.16 Whilst there will be an increased risk of accidents involving cyclists the Stevenage cycleways are segregated from the carriageways of the town and cyclists can cross at major junctions and other convenient points through the underpasses.
- 5.17 The Council in conjunction with the operator will carry out regular monitoring reviews to ensure that any risks associated with accidents involving the cycle hire scheme are reassessed on a regular basis.
- 5.18 It is expected that with road safety measures such as reducing speed limits for e-bikes, safety training of new cyclists, increasing awareness amongst drivers these

risks can be minimised. However, when implementing the scheme, the operator will be expected to consider the potential impacts on community safety.

- 5.19 The proposed scheme is likely to benefit the health of the residents by increasing physical activity by encouraging active travel. The introduction of e-bikes will further help overcome physical barriers associated with cycling.
- 5.20 Reduction in emissions and improvements to air quality are likely to have an indirect positive health and safety implication.

Other Implications

- 5.21 The proposed scheme is likely to provide economic benefits to users by providing an inclusive travel option that helps overcome economic barriers to accessing mobility.
- 5.22 It is likely that local businesses will see an increase in revenue with footfall increasing around the Borough.

BACKGROUND DOCUMENTS

- BD1 Stevenage Borough Local Plan 2011–2031 (May 2019)
<https://www.stevenage.gov.uk/documents/planning-policy/stevenage-borough-local-plan/stevenage-borough-local-plan.pdf>
- BD2 Stevenage Climate Change Strategy (September 2020)
<https://www.stevenage.gov.uk/documents/about-the-council/climate-change-strategy/climate-change-strategy-september-2020.pdf>
- BD3 Stevenage Future Town, Future Transport Strategy (2019)
<https://www.stevenage.gov.uk/documents/planning-policy/evidential-studies/transport-infrastructure/future-town-future-transport-strategy-2019.pdf>
- BD4 Stevenage Local Cycling & Walking Infrastructure Plan (2019)
<https://www.stevenage.gov.uk/documents/planning-policy/evidential-studies/transport-infrastructure/local-cycling-and-walking-infrastructure-plan-2019.pdf>
- BD5 Stevenage Cycle Strategy (April 2018)
<https://www.stevenage.gov.uk/documents/planning-policy/evidential-studies/transport-infrastructure/stevenage-cycling-strategy.pdf>
- BD6 Stevenage Mobility Strategy (December 2016)
<https://www.stevenage.gov.uk/planning-and-building-control/planning-policy/local-plan/evidential-studies/transport-and-infrastructure>

APPENDICES

- A Stevenage Cycle Share Scheme Market Brochure (August 2023)
- B Stevenage Cycle Hire Business Engagement Poster (September 2023)
- C Stevenage Cycle Hire Community Engagement Poster (September 2023)
- D Stevenage Cycle Hire Eventbrite (September 2023)
- E Stevenage Cycle Hire Consultation (August 2023)
- F Stevenage Cycle Hire Youth Consultation (August 2023)
- G CoMoUK Annual bike share report UK (2022)

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ASSESSING MARKET INTEREST IN THE PROVISION OF A CYCLE SHARE SCHEME



Point of contact for this soft market test:

Sarah Martins
Principal Planning Policy Officer
Planning & Regulation
Stevenage Borough Council
Daneshill House
Danestrete
Stevenage
Herts
SG1 1HN



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ABOUT STEVENAGE

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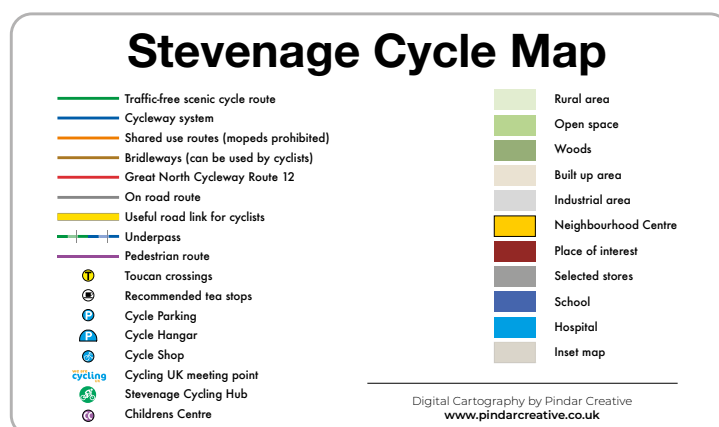
SUPPLIER QUESTIONNAIRE

Introduction

Stevenage is located around 30 miles north of central London, in the north of the county of Hertfordshire.

Geographically the town is well connected to strategic north-south transport corridors. The station is served by the East Coast main line railway as well as others including Thameslink services between Cambridge, London, and the south coast. The A1(M) runs to the west of the town, with two junctions - 7 and 8.

As an urban town, Stevenage offers 23 miles of cycle network with ease of access to work, home, shopping, health, education, culture, and leisure. The cycleway network allows cyclists to ride in safety, uninterrupted by other traffic to local amenities. These tracks are segregated from the carriageways of the town and cyclists can cross at major junctions and other convenient points through underpasses.



www.stevenage.gov.uk/documents/cycling/stevenage-cycle-map.pdf

Vision and Objectives

Our plan is to transform travel across Stevenage, making active travel the number one choice for travelling to work, educational facilities, and shopping as well as for leisure and visiting family and friends. It will also help to:

- Reduce greenhouse and local pollutant emissions in Stevenage, to help tackle climate change and improve air quality
- Improve quality, accessibility, and affordability of clean modes of active transport in Stevenage, and offer people an efficient way to connect with public transport as alternatives to using the car
- Improve journey times and connectivity in and around Stevenage
- Encourage a modal shift in cars to cycles

Sustainable Transport

Stevenage Borough Council is working on several sustainable transport initiatives which aim to relieve the congestion on the roads and maintain parking capacity, whilst promoting more sustainable modes of travel and helping to improve air quality. This is particularly important considering the projected growth for Stevenage.

Vision



A community that chooses to cycle rather than drive short distances to school, to work and for leisure

Objectives

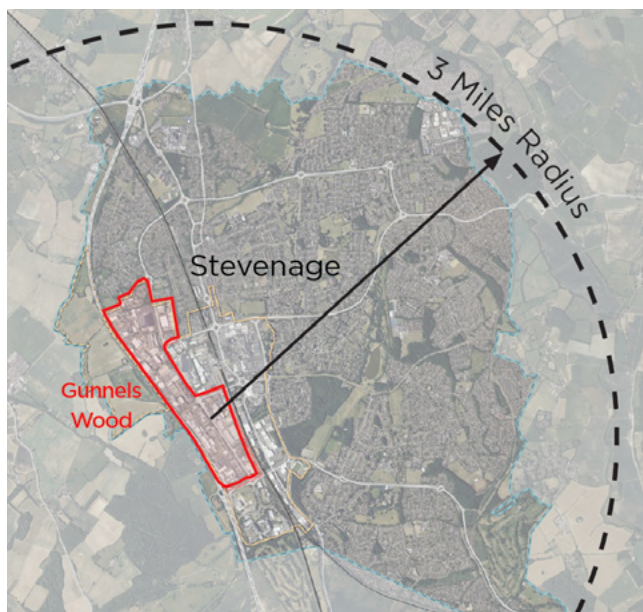
- Encourage a change in the way we use local transport by providing an efficient complement to public transport
- Offer an alternative to driving for short trips, reducing congestion and air pollution
- Make cycle share available to the public at low cost
- Improve access to jobs, education, and amenities with “first/last mile” connectivity
- Increased number of people cycling, leading to improved health and well-being

What we are seeking to achieve

The council recognises that car use plays an important role in the way that people and businesses connect. The council is committed to improving and enhancing sustainable modes of transport to give people the opportunity to have choice over the way they travel, and the way their streets are used.

The Stevenage Local Cycling and Walking Infrastructure Plan (LCWIP) published in October 2019 advises that cycling in Stevenage has the potential to replace trips made by other modes up to 10km. Cycle share is a good way of encouraging this mode of transport to be used for short trips and has the potential to fit in well with this travel pattern.

Currently, only 3% of travel to work is by cycles even though 30% of trips are under 3 miles.



According to the latest available data (2021 Census), in Stevenage the split for travelling to work is around 68% by car, 3% by cycle and 11% by foot. This means that over two thirds of all journeys to work trips are still being made by private car.

Hertfordshire County Council's 2022 Travel Survey found that over 29% of all journeys to work by Stevenage residents are less than 3 miles and over 19% of all journeys are between 3 to 5 miles which makes cycling a good option for most people.

Soft Market Testing

The council believes that there is considerable scope for a public cycle share scheme which will support the provision of sustainable transport as Stevenage grows.

Consultants were commissioned in 2022/23 to undertake a feasibility study and fully investigate a range of models and operators across the UK. The council would now like to seek the market's views on a cycle share scheme for Stevenage.

The council is considering 'docked' and 'hybrid' schemes, with the intention of procuring a supplier to deliver a phased introduction to Stevenage and manage the day-to-day operations over a set contract period. Soft market testing is a key component in confirming our proposed route to the introduction of a sustainable cycle share scheme from May 2024.

To achieve this, we are seeking the views of a number of indicative market players.

About Stevenage

Stevenage was the first of the New Towns to be designated under the New Towns Act 1946. The local authority covers an area of approximately 27km², spanning just less than 9km north to south and around 5.5km east to west. This is an optimal size for cycling according to Department for Transport (DfT) guidance, which suggests that cycling has the potential to replace trips made by other modes for trips of up to 10km.

There is a long history of cycling provision in Stevenage, dating back to the development of Stevenage New Town. Eric Claxton, Chief Engineer of the Stevenage Development Corporation, designed the New Town to have a substantial network of cycle tracks on which cyclists can ride in safety, uninterrupted by other traffic. These tracks were segregated from the carriageways of the town and cyclists could cross at major junctions and other convenient points through underpasses.



There are a range of benefits for a cycle share scheme in Stevenage, not only as an alternative method to private vehicle use but also to increase the availability of cycling between the town centre and areas of lower density. This supports the council's commitment to achieve net zero carbon by 2030 and improve the health and well-being of both the community and visitors.

Stevenage Business

Stevenage has two designated employment areas in the borough: Gunnels Wood and Pin Green. Between them they encompass approximately 231 hectares of employment land and host some of the world's largest and most progressive companies.

The town's proximity to London and key domestic and international transport links makes Stevenage a gateway to the UK, and the world. Commuters can take advantage of trains into London every eight minutes during rush hour with King's Cross just 19 minutes away. Cycle share schemes have been shown to be a good partner for combined rail and cycle trips.

The town is currently home to over 3,000 businesses with a good mix of company size and sector. Local businesses are active and engaged in local governance and partnerships which help underpin commercial vitality. This makes a significant contribution to the local economy, as well as embracing the close links with London.

Industry

Local businesses are active and engaged in local governance and partnerships which help underpin commercial vitality. This makes a significant contribution to the local economy, as well as embracing close links with London.

Stevenage is home to world class expertise in aerospace and defence, with key legacy linkages to British Aerospace, electronics and space and satellites technologies. This supports a vibrant ecosystem of leading science, technology, engineering and manufacturing companies such as: Airbus Defence and Space, MBDA and VIAVI Solutions. Additionally, there is a vast supply chain of companies supporting precision products and specialist services, as well as several niche companies supporting composite materials, components, additive manufacturing, and digital process engineering.





Regeneration

Stevenage is experiencing transformational change. A £1bn regeneration programme is delivering a mixed-use town centre reflecting the aspirations of its people, businesses, and recognising its new town heritage and spirit.

The regeneration of Stevenage town centre will:

- Boost our local economy by increasing the number of people living and working in our town, and increasing our arts and culture scene
- Reignite our night-time economy with new leisure and commercial facilities, plus bars, restaurants, and cafés
- Deliver health and public services right in the centre of town to meet local needs and attract visitors
- Maximise innovative business and educational facilities in town to generate further investment and help local people prosper
- Introduce new green space and nature within the town centre
- Enhance our transport network, with the new Bus Interchange and upgrades to our existing 45km cycleway network.



Stevenage Business Landscape

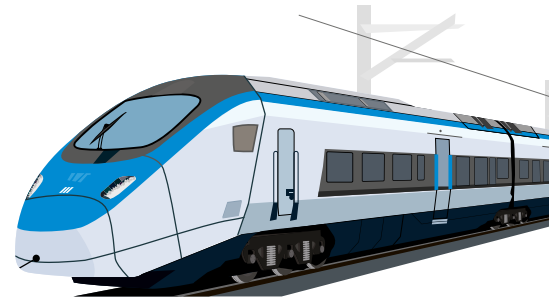


Population of
89,500



Excellent transport connections:

A1M, East Coast Mainline, Thameslink services between Cambridge, London, and the south coast.



Stevenage Industrial Centre

Major infrastructure investment

such as London Luton Airport expansion and the Oxford-Cambridge Arc reinforces the role of the borough as a sustainable employment location.

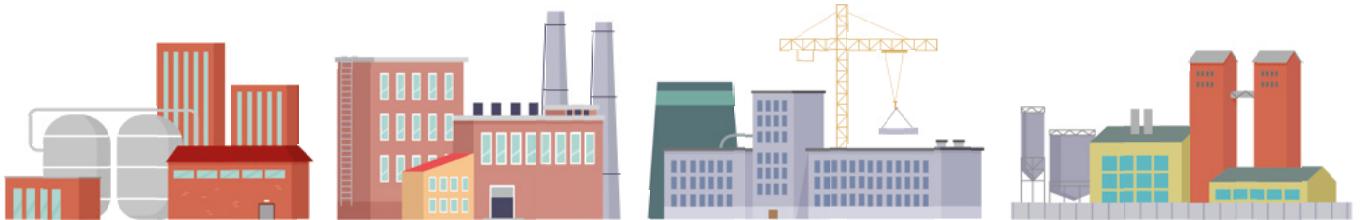
Average house prices £182k flat, £326k terraced, £387k semi-detached.

Overall, sold house prices in Stevenage during 2022 were 2% up on the previous year and 15% up on the 2019 peak of £296,479.



Prime office rents

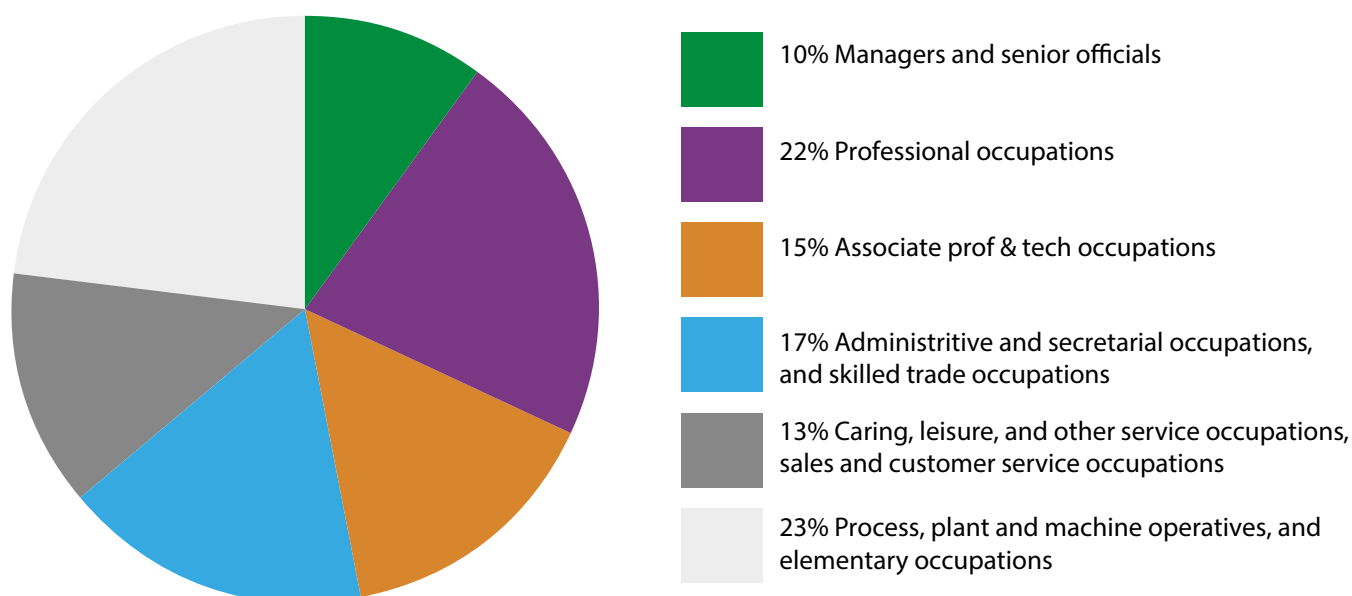
£9.50psqft, Prime industrial £12.50-£22/sqft



Stevenage has over
3,000 businesses
across varied industries
under the county's GIA.

The Borough is one of the region's principal business centers and is estimated to contribute 1.6% of the East of England's GVA and around 6.6% of the county's GVA.

Employment by occupation in Stevenage



Who's here?

HQ's and major employers include: Airbus, GSK, MBDA, Stevenage Football Club, The Wine Society, Aldi, Asda, Tesco, Sainsbury's, B&Q, Wickes, Marks & Spencer, B & M, the Range and the Gordon Craig Theatre are among a few.



Commuting patterns

Around 54% of the workplace population commute into Stevenage for work, with about 50% of residents commuting out.



Potential Scope of Scheme

The council is keen to explore operating models that are: -

- easy-to-use for the person hiring a cycle accessible to as wide a range of people as possible
- help promote active transport and/or improve the cycling infrastructure
- highly visible to the public (whether they are cycle users or not)
- affordable
- flexible and scalable
- provide a financially, environmentally, and socially sustainable solution for Stevenage Borough Council and the chosen operator
- safeguard a whole-life project sustainability approach, including a sustainable supply chain and efficient end-of-life management
- able to include an element of profit sharing
- socially responsible
- accessible to all
- inclusive, bringing together community partners and engagement with the wider community.

The council will be very interested to explore these and other options and ideas with potential providers as part of this soft market testing.

Assessing market interest in the provision of a Cycle Share scheme

Supplier Questionnaire

This questionnaire is supplied for guidance and will be used as the basis for facilitating a further conversation with operators on options for the delivery of a cycle share scheme. These will consider the best options for delivering a high-quality sustainable service to Stevenage businesses, commuters, residents, and visitors.

Note: Answers to questions are not word-limited, please extend this template as required.

Company name	
Company address	
Contact name	
Position	
Telephone number	
Email address	
Website	

A) About your company	
QA1	What is your company's experience in delivering and operating cycle share schemes in the UK, including for the public sector?
RA1	
QA2	Which schemes are you already operating and what future schemes are you committed to delivering?
RA2	
QA3	What are your company's corporate and social values and how do you deliver successful outcomes for the communities you work with?
RA3	
QA4	What is your company's experience of working with sponsors and community partners?
RA4	

B) Market:	
QB1	How do you consider the cycle share market will evolve over the next 5 years?
RB1	
QB2	How do you consider the balance of fleets between standard and e-cycles will change over the next 2 years?
RB2	
QB3	If not already provided, when will disabled people be able to hire specially adapted cycles via your schemes? Will family cargo cycles be part of the fleet?
RB3	

C) Details of the proposals:	
QC1	What is your preferred delivery model?
RC1	
QC2	How would you make this scheme attractive to potential partners in Stevenage?
RC2	
QC3	What intangible and/or non-financial benefits do you believe would typically be achieved by introducing this scheme?
RC3	
QC4	How many cycles would you expect to launch with in Stevenage? What do you consider is the optimum fleet size for a Stevenage scheme?
RC4	
QC5	How do you manage safety and logistics when the bikes are used for commuting to rural locations nearby? (e.g. returning point, overnight charges, etc.)
RC5	
QC6	What is your bike relocation strategy? How do you predict demand for certain locations or time in order to optimise relocation routes. Will the scheme use zero or ultra-low emission vehicles?
RC6	

D) Impact of the proposals:	
QD1	How would you ensure the scheme is flexible and scalable?
RD1	
QD2	How would you ensure continuous service improvement is achieved throughout a potential contract?
RD2	
QD3	How would your operation positively change transport behaviours in Stevenage?
RD3	
QD4	What infrastructure (e.g., electricity, CCTV) is required for each docking station?
RD4	
QD5	How will you ensure that those without a smartphone would be able to benefit from this scheme?
RD5	
QD6	How will you ensure that the 'unbanked' (i.e., without bank account and/or credit card) could benefit from this scheme?
RD6	

Conclusion

The council will use these responses to help decide:

- potential outcomes for a scheme in Stevenage
- whether and how to procure a cycle share provider externally
- the optimum operating model for Stevenage
- how to maximise its attractiveness to potential partners.

Subject to the above, we will then instigate procurement in the usual way.

Your informal responses to this soft market testing are very helpful in the above process.
Thank you.



Stevenage Cycle Hire Business Engagement Event

Wednesday 6 September 2023
10am – 12:30pm

At The 76 Lounge, The Lamex Stadium,
Broadhall Wall, Stevenage, SG2 8RH

A chance for Stevenage
employers and employees to:

- Demo a variety of cycles
- Give your views on what you'd like to see from a cycle hire scheme in Stevenage
- Meet and greet cycle hire operators including



TIER

BROMPTON
BIKE HIRE

 **beryl**



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Stevenage Cycle Hire Community Engagement Event



SCAN ME

Wednesday 6 September 2023
2:30 - 5pm

**At Event Island,
Stevenage Town Centre**

**A chance for the community
in Stevenage to:**

- Demo a variety of cycles
- Give your views on what you'd like to see from a cycle hire scheme in Stevenage
- Meet and greet cycle hire operators including



TIER

BROMPTON
BIKE HIRE

 **beryl**

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Stevenage Cycle Hire Business Engagement Event September 2023

eventbrite

Need to make some updates? [Edit event](#)

Wednesday, 6 September

Stevenage Cycle Hire Business Engagement Event

Join us at the 76 Lounge at the Lames Stadium in Stevenage to meet and greet some of the UK's leading cycle hire operators.

By Stevenage Borough Council

Follow

When and where

Date and time

Wed, 6 Sep 2023 10:00 - 12:30 BST

Location

Lames Stadium Broadhall Hall Stevenage
SG2 8RH

Hide map

How to get there

Agenda

10:00 - 10:30

Arrival, Networking and Refreshments

10:30 - 10:45

1st Supplier Presentation

11:00 - 11:15

2nd Supplier Presentation

11:30 - 11:45

3rd Supplier Presentation

11:45 - 12:30

Networking and Cycle Demos

12:30

Event Ends

About this event

The event is a chance for Stevenage employers and employees to get excited about a town-wide cycle hire scheme with opportunities on the day to:

- Meet and greet cycle hire operators including Tier by Nextbike, Beryl, and Brompton
- Demo a variety of cycles
- Give views on what a cycle hire scheme in Stevenage should bring

To compliment the event, further engagement with stakeholders will take place via Commonplace, a consultation platform. A survey will be available via the online platform from the 18th August until the 10th September 2023.

To access the survey, follow this link: <https://stevenagecyclehire.commonplace.is/>

Tags

United Kingdom Events

Hertfordshire Events

General Admission

- 1 +

Free

0

Sales end on 6 Sep 2023

We can't complete your order because this event hasn't been published yet

Reserve a spot

Page 195

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APPENDIX E

Cycle Hire Survey

What is your connection to Stevenage?

Select one or more options

Resident

Work

Student

Visitor

Other (please specify)

Add something else:

.....

How did you travel today?

Select one or more options



Walk



Motorbike



Bus



Train



Scooter



Pedal Bike



Car



Car Share

Do you own or have access to a pedal bike?

Select one option

Yes No Prefer not to say

How often do you cycle?

Select one option

Daily Weekly Monthly Annually Never

Have you ever hired a bike in a cycle share scheme before?

Select one option

Yes No Prefer not to say

Have you hired any of the following?

Select one or more options

Pedal bike E-Bike E-Scooter Cargo bike None of the above
Other (please specify)

.....

How do you feel about a cycle share scheme in Stevenage?



Happy



Satisfied



Neutral



Dissatisfied



Unhappy

Where do you or would you cycle to in Stevenage? (Please select as many as apply)

Select one or more options

Work

Leisure

Education

Shopping

Events in Stevenage

Visit friends / family

Doctors / Dentists / Hospital

Local park / greenspace

Other (please specify)

.....
Is there anything that currently discourages you from cycling in Stevenage?

Number 1 to 8 in order of importance, 1 being the most important

☐

Time constraints

☐

Personal safety

☐

Health

☐

Access to a bicycle

☐

Lack of confidence cycling

☐

Lack of awareness of cycleways in Stevenage

☐

Weather

☐

Lack of cycle storage

Would you consider using a cycle share scheme in Stevenage?

No

Not sure

Possibly

Yes

What would be most important to you when using a cycle share scheme in Stevenage? (sort in order of most importance)

Select one or more options

Affordability

**Connections to other
forms of transport**

**Docking station
location**

**Variety of bicycles on
offer**

**Ability to carry
groceries / shopping**

**Proximity to local
amenities / leisure
facilities**

Ease of hire

Other (please specify)

Add something else:

.....

Do you have a preferred docking location in Stevenage?

Select one or more options

Yes

No

Prefer not to say

Add something else:

.....

Tell us more about you

What is your age group?

Select one option

13-15

16-24

25-34

35-44

45-54

55-64

65-74

74-84

85 or over

Prefer not to say

This helps identify how many residents have been reached in a particular age group.

If you are responding on behalf of a organisation please tell us which one here:

.....

Help us reach your entire community

The answers you provide here are considered to be 'special category' data and, like the questions above, are optional. You can answer all the questions, some, or none of them. For more information, read the privacy policies below.

How would you describe your gender?

Select one option

Man

Woman

Non-binary

Prefer not to say

Add something else:

.....

This helps ensure that a balanced group of people have been reached.

Do you consider yourself as having a disability or long term health condition?

Select one or more options

- | | | |
|--|---|---|
| <input type="checkbox"/> Yes - visual impairment | <input type="checkbox"/> Yes - hearing impairment | <input type="checkbox"/> Yes - physical/mobility impairment |
| <input type="checkbox"/> Yes - mental health condition | <input type="checkbox"/> Yes - speech impairment | <input type="checkbox"/> Yes - learning difficulties |
| <input type="checkbox"/> Yes - chronic illness | <input type="checkbox"/> No | <input type="checkbox"/> Prefer not to say |

Add something else:

By answering the question you will help us to make sure we are consulting with and can take into consideration the views of our diverse communities.

What is your ethnicity?

- | | |
|--|--|
| <input type="checkbox"/> White - English/Welsh/Scottish/Northern Irish/British | <input type="checkbox"/> Asian/Asian British - Indian |
| <input type="checkbox"/> White - Irish | <input type="checkbox"/> Asian/Asian British - Pakistani |
| <input type="checkbox"/> White - Gypsy or Irish Traveller | <input type="checkbox"/> Asian/Asian British - Other |
| <input type="checkbox"/> White - Other | <input type="checkbox"/> Black/African/Caribbean/Black British - African |
| <input type="checkbox"/> Mixed/Multiple - White and Black Caribbean | <input type="checkbox"/> Black/African/Caribbean/Black British - Caribbean |
| <input type="checkbox"/> Mixed/Multiple - White and Black African | <input type="checkbox"/> Black/African/Caribbean/Black British - Other |
| <input type="checkbox"/> Mixed/Multiple - White and Asian | <input type="checkbox"/> Other ethnic group - Arab |
| <input type="checkbox"/> Mixed/Multiple - Other | <input type="checkbox"/> Prefer not to say |
| <input type="checkbox"/> Asian/Asian British - Bangladeshi | |
| <input type="checkbox"/> Asian/Asian British - Chinese | |

This helps ensure this consultation is representative of the local community. The ethnicity options are those provided in the 2011 Census to enable local benchmarking.

If your ethnicity is not in the list, please specify:

Keep in the loop

Stevenage Borough Council commits to keep you updated on how plans for your neighbourhood are evolving.

Stay in the know

☐

Project updates

Team members post news and updates on this project. When they do, would you like to be notified by an email sent through Commonplace?

☐

Comment replies

Occasionally team members may respond to comments. If they respond to yours, would you like to be notified by an email sent through Commonplace?

☐

New Commonplaces in your area

Commonplace works with a lot of organisations to shape great places. If there is a new Commonplace in your area, would you like to receive an email to let you know?

Project specific communications and consents

These consents are specific for this project, set by the project team.

Select any

☐

Prize draw

Want the chance to win a £50 shopping voucher. Tick here to enter and allow the project team to contact you if you win.

If yes to any of the above, please leave your email address below:

.....

The Council takes your privacy very seriously and will only use your information to contact you regarding this survey or the prize draw competition. We will not share your personal information with any third parties without your prior consent.

You can withdraw your consent at any time by emailing planning.policy_SBC@stevenage.gov.uk or by telephoning 01438 242242.

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APPENDIX F

Youth Survey

What's it like to be young in Stevenage? 🤔

We need to hear from you. What would you like to see in the Stevenage cycle hire scheme?

We are looking to introduce a cycle hire scheme in Stevenage.

Once introduced bikes will be available to hire via an App. This is your chance to help us shape the cycle hire scheme in Stevenage.

Some suppliers offer a variety of bikes such as pedal bikes, e-bikes, e-scooters and cargo bikes.

To ride an e-Bike or e-Scooter you must:

- have a UK-valid driving licence or provisional licence
- Be aged 16 or older
- Register on the suppliers app
- All information about the Cycle Share Scheme can be found in the 'About the Consultation' box

How long have you lived in Stevenage?

Select one option

All my life	Since Nursery	Since Primary
Since College/Sixth Form	I'm just visiting Stevenage	Add something else

Add something else:

.....

How do you usually travel in and around Stevenage?

Select one or more options



Walk



Bus



Bike



Someone drives me



Other

If you selected “Other”, please specify:

.....

Do you have access to a pedal bike?

Select one option

Yes

No

Sometimes

Prefer not to say

Add something else:

.....

If you have access to a bike what would you use it for in Stevenage?

Select one or more options



Go out with friends / family



Travel to/from school / college / work



To travel to the retail / leisure park



To go to local parks



Other

If you selected “Other”, please give more details here:

.....

How do you feel about a cycle share scheme in Stevenage?



Happy



Satisfied



Neutral



Dissatisfied



Unhappy

Would you consider hiring a pedal bike in Stevenage?

Select one or more options

Yes

Maybe

Unsure

No

Add something else:

.....

Do you have a preferred docking location in Stevenage?

Select one option

Yes

No

Prefer not to say

Add something else:

.....

Any other comments on the cycle hire scheme?

.....

.....

.....

.....

Tell us more about you

What is your age group?

Select one option

13-15

16-24

25-34

35-44

45-54

55-64

65-74

74-84

85 or over

Prefer not to say

This helps identify how many residents have been reached in a particular age group.

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Help us reach your entire community

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Non-binary

Prefer not to say

Add something else:

.....

This helps ensure that a balanced group of people have been reached.

Do you consider yourself as having a disability or long term health condition?

Select one or more options

Yes - visual impairment

Yes - hearing impairment

Yes - physical/mobility
impairment

Yes - mental health condition

Yes - speech impairment

Yes - learning difficulties

Yes - chronic illness

No

Prefer not to say

Add something else:

By answering the question you will help us to make sure we are consulting with and can take into consideration the views of our diverse communities.

What is your ethnicity?

☐ White - English/Welsh/Scottish/Northern
Irish/British

☐ White - Irish

☐ White - Gypsy or Irish Traveller

☐ White - Other

☐ Mixed/Multiple - White and Black
Caribbean

☐ Mixed/Multiple - White and Black African

☐ Mixed/Multiple - White and Asian

☐ Mixed/Multiple - Other

☐ Asian/Asian British - Bangladeshi

☐ Asian/Asian British - Chinese

☐ Asian/Asian British - Indian

☐ Asian/Asian British - Pakistani

☐ Asian/Asian British - Other

☐ Black/African/Caribbean/Black British -
African

☐ Black/African/Caribbean/Black British -
Caribbean

☐ Black/African/Caribbean/Black British -
Other

☐ Other ethnic group - Arab

☐ Prefer not to say

This helps ensure this consultation is representative of the local community. The ethnicity options are those provided in the 2011 Census to enable local benchmarking.

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☐

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CoMoUK Annual Bike Share Report UK

2022



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BIKE SHARE MOTIVATES PEOPLE TO PICK UP CYCLING



53%

of bike share users started cycling again after at least one year

7%

used bike share to cycle for the first time ever

BIKE SHARE SERVES AS AN ESTABLISHED MODE OF TRANSPORTATION



35%

use it for commuting at least once a week

BIKE SHARE INCENTIVISES MORE FREQUENT CYCLING



66%

of users have been cycling more frequently since joining a bike share scheme

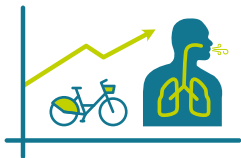
BIKE SHARE IS PART OF MULTI MODAL TRIPS



64%

of users combine bike share with other means of transport, mainly with bus or train rides

BIKE SHARE INCREASES LEVELS OF PHYSICAL ACTIVITY



84%

of users agree that bike share provides them with exercise

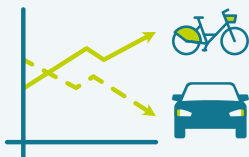
BIKE SHARE IS A COST EFFICIENT WAY OF TRAVELLING



61%

of users agree that bike sharing saves them money

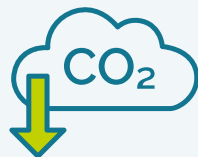
BIKE SHARE REDUCES CAR USE



37%

would have made their most common bike share trip by car (as driver, passenger, or by taxi or hire vehicle), had bike share not been available

BIKE SHARE REDUCES CARBON EMISSIONS



71kg

of CO₂ emissions are reduced on average by every bike share user each year as a result of the mode shift caused by shared bikes

Foreword

The CoMoUK annual bike share report is a key tool for understanding the performance and impacts of the UK's bike share schemes. This is our seventh annual report. It provides new evidence for the positive environmental, economic and social effects of bike share schemes on individuals and communities.

Bike share re-attracts people into cycling, supports health and wellbeing, triggers sustainable travel behaviours, cuts car miles and presents an affordable travel option.

One-third of bike share users in the UK, for example, use shared bikes to cycle for the first time ever or for the first time in five years or more. Two-thirds of bike share users say that they have been cycling more frequently since joining a bike share scheme.

By the end of September 2022, 43 locations in the UK were served by bike share schemes, counting London as one location. This compares to 39 locations in 2021.

The number of e-bikes that are available via bike share schemes in the UK has multiplied since our last report. While there were close to 5,000 e-bikes available in September 2021, this number has grown to almost 12,000 e-bikes in 2022. E-bikes

are now available as part of 12 e-bike-only share schemes and as part of 13 mixed (pedal and e-bike) schemes across the UK.

Bike share schemes in the UK recorded close to 20 million hires per year (between September 2021 and September 2022). This equals an average of 54,285 rides per day.

This report is structured as follows. First, it gives an overview of the methodology used in gathering the presented data. Second, it presents key demographic indicators of bike share users. Third, the main part of the report zooms in on several aspects of bike sharing in the UK such as its potential to attract new cyclists and its positive economic, social and environmental impacts. Fourth, this report includes a dedicated section on e-bikes and other specialised bikes. The report concludes with findings on user satisfaction and an outlook to future developments and challenges for bike sharing in the UK.



HumanForest, London

Methodology

The CoMoUK annual bike share report is produced by CoMoUK, the charity dedicated to the social, economic and environmental benefits of shared transport. It is compiled in conjunction with accredited UK bike share operators and receives feedback from local authority representatives and operators. A questionnaire was distributed via email and social media to members of UK bike share schemes between the 22 August and 24 October 2022. All respondents were entered into a prize draw with a chance to win one of five high street vouchers.

Some of the operators offered additional rider credit and prizes to survey respondents. Operators also provided CoMoUK with statistics on membership numbers, bike fleets and other indicators to highlight the latest trends in the sector. When referring to data provided by operators, this is made explicit throughout this report.

100 responses to our survey were excluded from our analysis due to validity concerns or lack of consent, leading to a total of 2,824 valid responses. Respondents had the option to skip individual answers, and there was some routing, leading to varying response rates across survey questions. Unless otherwise stated, the percentages presented in this report are calculated as the share of all responses to a question, excluding those who skipped a question. Percentages were rounded to integers, so the sum of percentages for some questions might deviate from 100%.

Our sample includes 2,233 active users of bike share schemes: that is, users who have already hired a bike through the scheme since they joined it. These numbers compare to 1,308,007 users in the UK who, according to operators, have used, joined or renewed membership in a bike share scheme in the 12 months before 30 September 2022. The non-users who completed the bike share survey were not asked about their use of the scheme, but were redirected to questions about more general travel behaviour and attitudes on transportation. Similarly, bike share users who had only rented conventional pedal bikes were not asked specific questions about e-bikes or cargo bikes.

The number of responses in our survey from each location does not reflect the size of the bike share schemes. Users from London and other bigger cities are underrepresented. While this affects the representativeness of our overall sample, it also avoids the larger schemes dominating all the results, and means that findings from the survey are likely to hold true across a wider range of schemes. These are the ten locations with the highest absolute number of respondents:

Locations	Number of respondents
London	11% (305)
Exeter	10% (266)
Birmingham	9% (241)
Leicester	8% (209)
Bournemouth	7% (183)
Norwich	6% (167)
Coventry	5% (131)
Glasgow	5% (125)
Dundee	4% (112)
Greater Manchester	4% (105)

The results were analysed and verified in conjunction with Dr Sally Cairns of Sally Cairns & Associates Ltd.

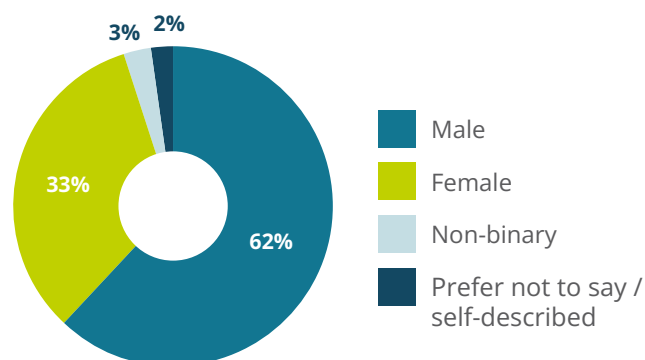


OVO Bikes (nextbike), Cardiff

Demographic of bike share users

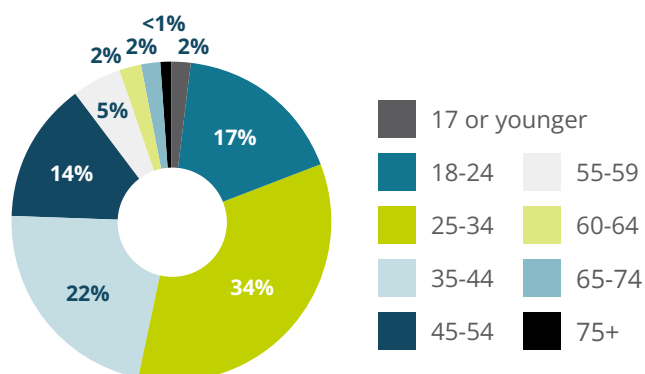
Gender

There is a marked gender difference in the utilization of bike share schemes. In 2022, 62% of all respondents were male, 33% were female, 3% were non-binary and 2% preferred not to answer or self-described. This gender difference is also reflected in the 2021 National Travel Survey for England where men are reported to have made more than three times as many trips by pedal bike per year as women.¹



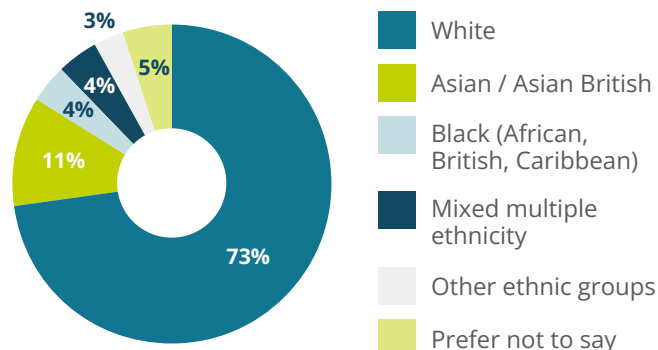
Age

Bike sharing is used across all age groups. Around a third of users (34%) are aged between 25 and 34, which makes this the largest cohort of bike share users. All age groups under 35 combined represent a majority of bike share users (53%). However, age groups 35-44 and 45-54 make up 22% and 14% of the bike share usership, respectively. Users aged 55 and over constitute 10% of all bike share users.



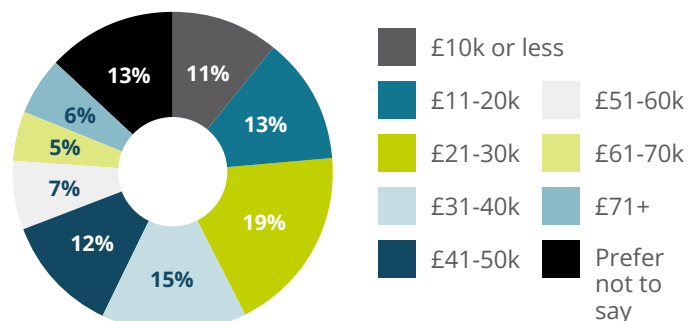
Ethnicity

The percentage of respondents who identified as White was 73%, whilst 11% identified as Asian / Asian British; 4% as Black (African, British, Caribbean); 4% as "mixed / multiple ethnicity"; and 3% as other ethnic groups (with the remainder 'prefer not to say'). According to the 2021 Census, equivalent figures for England and Wales were 82%; 9%; 4%; 3% and 2% respectively.² This suggests that bike share schemes are attracting a relatively diverse group of users, compared to Britain's general population.



Income

Responses were received from all income groups. Almost a quarter of respondents (24%) were from low income groups with a gross annual income of £20,000 or less. This demonstrates that bike sharing, like other forms of micro-mobility,³ can provide improved access to mobility for socioeconomically disadvantaged communities.



1 2021 data suggests 24 bike trips p.a. for men and 7 for women. <https://www.gov.uk/government/statistical-data-sets/nts03-modal-comparisons#mode-by-age-and-gender>

2 <https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/ethnicity/bulletins/ethnicgroupenglandandwales/census2021> Ethnic group, England and Wales - Office for National Statistics (ons.gov.uk)

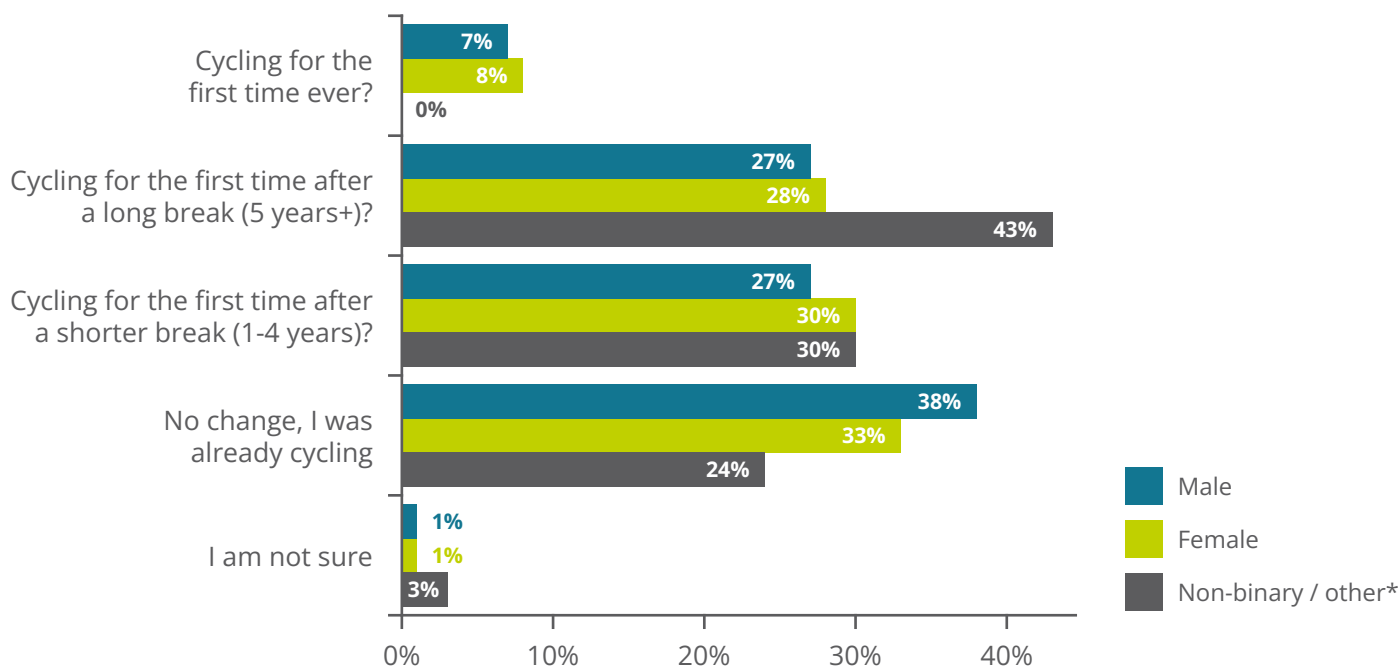
3 <https://www.gov.uk/government/publications/publications/national-evaluation-of-e-scooter-trials-report>

Potential to attract new cyclists

The CoMoUK annual bike share research has consistently found that bike share is a catalyst to re-engaging with cycling. In 2022, 60% of respondents (49% in 2021 and 55% in 2020) said that joining the scheme was a catalyst to them cycling for the first time in at least a year or ever. This

included 26% of people who hadn't ridden for 5 years or more, and 7% who were new to cycling. Meanwhile, the number stating that they were already cycling was 38% (51% in 2021 and 45% in 2020). About 1% of respondents answered 'not sure' to this question.¹

Did hiring a bike in the bike share scheme lead to you...



A higher percentage of women are incentivised to pick-up cycling again after a break of one year or more (66%), compared to men (61%).

Our qualitative data suggests one reason that could explain the higher rate of re-engagement with cycling among non-male users, thanks to bike sharing. Specifically, women are significantly more likely to conduct trips that combine multiple stops and purposes ("trip-chaining")² and several female respondents commented on the

value of using bike share to accommodate such complex travel patterns:

"To and from the nursery to my workplace, I always hire an e-bike every day. I can't buy a cycle due to my nursery trip, and not feeling safe enough cycling with my son, but this is so convenient for me."

Female user from Leicester, 25-34

¹ Note that numbers in this paragraph include respondents who skipped the gender question, and therefore don't match entirely to those in the table.

² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/509447/nts-trip-chaining.pdf

More cycling leads to healthier and more equal communities

Increase in cycling trips

Bike share schemes increase the amount of times that people cycle, improving users' physical and mental health and connecting communities in environmentally friendly ways. Two-thirds of respondents (66%) stated that they have been cycling more often (40%) or much more often (26%) since they joined a bike share scheme. Among those who have hired an e-bike as part of a bike share scheme, 33% claim to be cycling much more often than before joining the scheme and 36% of e-bike users cycle more often (a total of 69%).

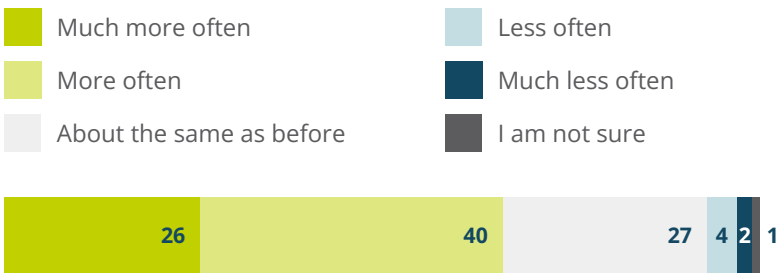
BIKE SHARE INCENTIVISES MORE FREQUENT CYCLING



66%

of users have been cycling more frequently since joining a bike share scheme

Since joining the bike share scheme, do you now cycle...? (values in %)



West Midlands Cycle Hire (Serco)

Physical and mental health benefits

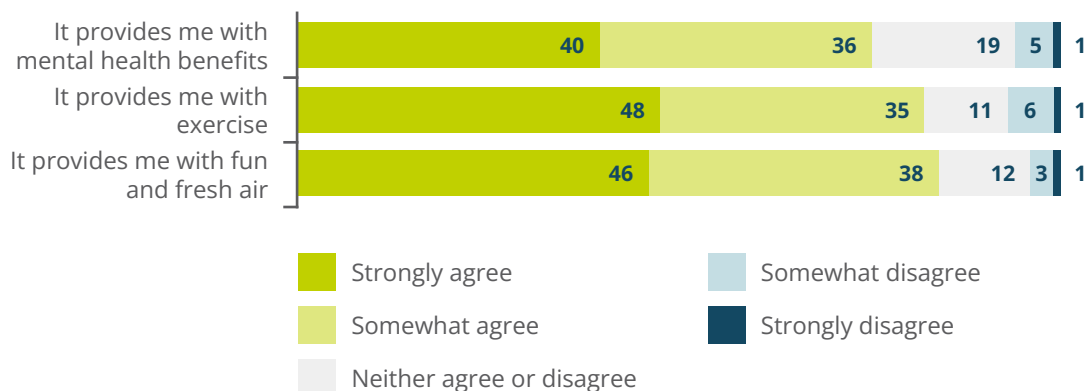
When asked about the benefits of bike share schemes, the statement that most respondents agreed with (either strongly, 46%, or somewhat, 38%) was that bike sharing provides them with exercise. Overall, 84% of respondents agreed with this statement. 1% strongly disagreed, 3% somewhat disagreed and 12% neither agreed nor disagreed.

Regarding mental health, 40% of respondents strongly agreed and 36% somewhat agreed with the statement that bike share provides them with mental health benefits. In other words, more than three-quarters of bike share users report a positive impact on their mental

health. This share increases when singling out those respondents who have used an e-bike as part of a bike share scheme. 45% of all e-bike users strongly agree and 35% somewhat agree with the statement on bike share's positive mental health impact. Similarly, 83% of all respondents agreed (strongly or somewhat) that bike sharing provides them with fun and fresh air.

Hence, bike share schemes can help local authorities, employers and other stakeholders to realise Health in All Policies (HiAP) and to create social value benefits, by improving the health and wellbeing of individuals.

How far do you agree with the following statements about how bike share helps you personally? (values in %)



BIKE SHARE PROVIDES SUBSTANTIAL MENTAL HEALTH BENEFITS



76%

of users agree that that bike share provides them with mental health benefits



Beryl

Economic and social benefits

The economic benefits provided by bike share schemes were also widely acknowledged among users. 30% of respondents strongly agreed with the statement that bike sharing saves them money, and 31% somewhat agreed, leading to overall agreement with this statement by 61% of respondents. 21% neither agreed nor disagreed, 13% somewhat disagreed and only 6% strongly disagreed.

In locations where more than one bike share scheme are available, price was the second most mentioned reason for choosing a particular scheme (mentioned by 30%), only surpassed by availability (mentioned by 39%).

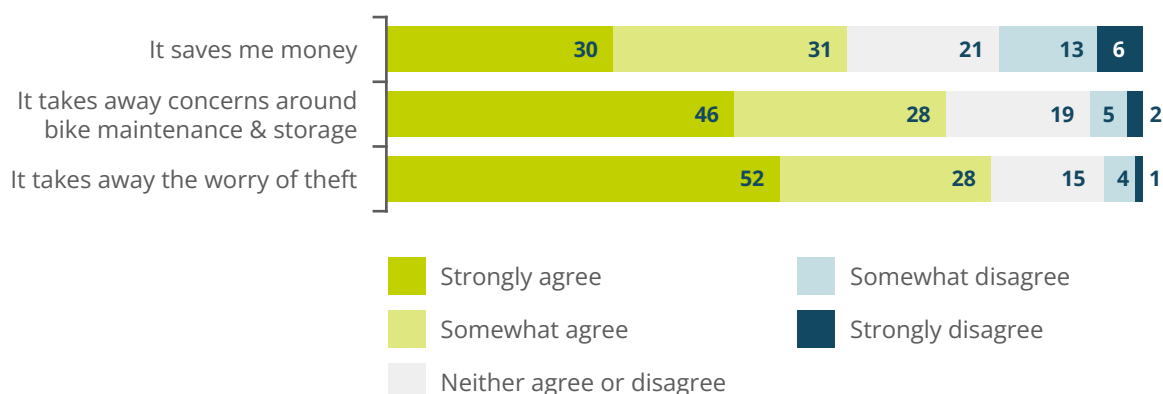
These findings indicate that bike sharing is an inclusive travel option that helps overcome economic barriers to accessing mobility.

"It's the most convenient form of transportation and, as I am a fresher, it also helps me save money for travelling and is also a fast mode of travelling."

Male user from Worcester, 18-24

Bike share schemes also collectivise the costs and risks linked to the usage and ownership of privately owned bikes. This particularly supports individuals who are unable or unwilling to bear these costs and risks themselves. 52% of respondents, for instance, strongly agree with the statement that bike sharing takes away the worry of theft, whilst 28% somewhat agree with this. Similarly, bike share takes away concerns around bike maintenance and storage for a vast majority of users: 46% of respondents strongly agree and 28% agree with this statement.

How far do you agree with the following statements about how bike share helps you personally? (values in %)



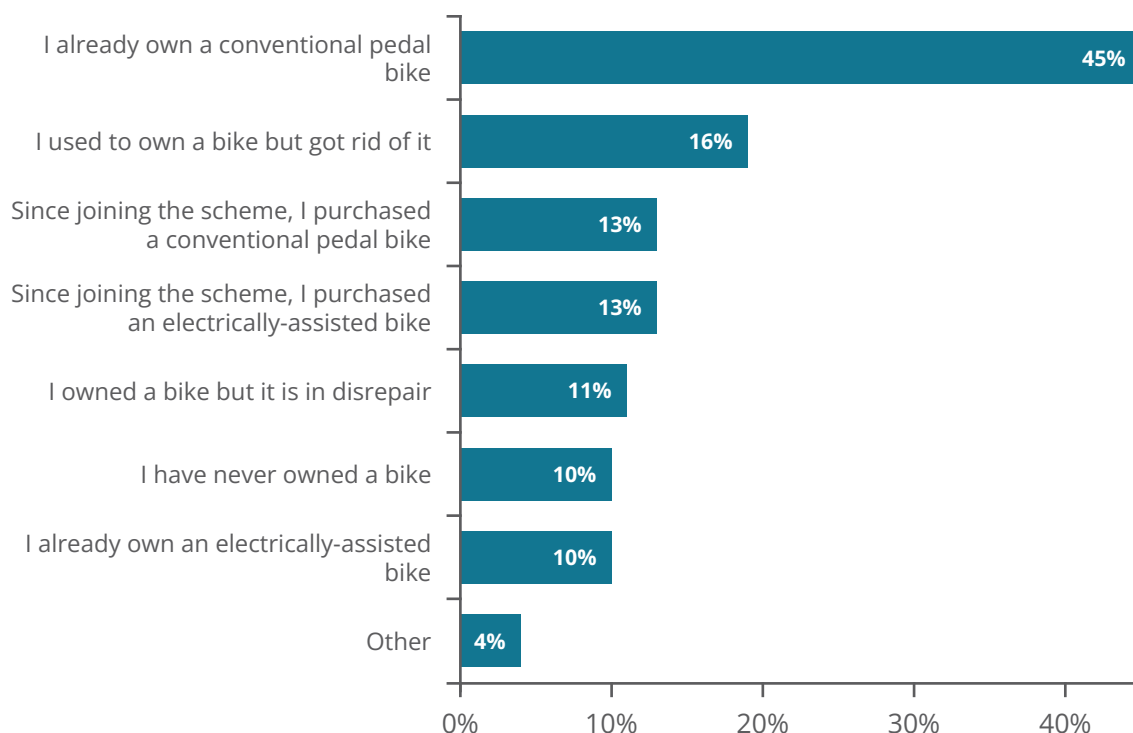
"I already cycle but the scheme allows me to travel where I would be reluctant to leave my bike for fear of theft."

Male user from Leicester, 45-54

However, in many instances, the use of bike share schemes and individual ownership of bikes are complementary rather than mutually exclusive. In a question where people could choose more than one option, 45% of respondents

stated that they already owned a pedal bike when they joined the scheme, whilst 10% already owned an e-bike. Furthermore, bike sharing may lead some people to purchase their own bike. 13% of respondents stated that they had bought a pedal bike since joining a bike share scheme, whilst an equally big proportion had bought an e-bike since joining. Only 16% got rid of a bike, 10% have never owned a bike and 11% own a bike that is in disrepair.

Please tell us about your current bike ownership



The complementary nature of participating in bike sharing and owning one's own bike is also evidenced by the 76% of survey respondents who strongly agreed or somewhat agreed with the statement that they can rely on bike sharing as a back-up, and by the 66% of respondents who strongly or somewhat agree that bike sharing makes their trips more reliable. Some respondents also pointed towards the social aspect that bike sharing provides them with, thanks to being able to cycle

with people who do not have their own bike:

"The scheme is really useful for when my son comes home, because we have no storage space for a second bike and it means we can just grab a bike as and when."

Female user from Cardiff, 45-54



VOI

Trip purpose

Bike sharing is used for diverse purposes. The most common regular purpose for trips made with shared bikes is commuting and work-related travel. 35% of respondents claim to use bike sharing for this purpose at least once a week. This includes 16% of respondents who use bike sharing at least three times per week for this purpose. In total, 62% of respondents use bike sharing at least once a month for their commute or work-related travel (including more frequent users). Other functional purposes, such as using bike sharing to access shops, doctors or entertainment facilities like cinemas are also very common, with 24% of respondents using bike sharing for these purposes at least once a week and a further 33% doing so at least once a month.

"I enjoy taking a bike to work across the city, especially when I'm late and I would otherwise get a taxi. Taking a bike is more enjoyable, cheaper, and actually quicker than sitting in the taxi in traffic!"

Female user from Manchester, 25-34

A majority of respondents also use bike share schemes at least once a month for leisure or social activities. 56% use the schemes for pleasure or exercise at least monthly, including 27% doing so at least once a week. 52% of respondents also

state that they use bike sharing at least once a month to visit friends and family, including 24% who use it for this purpose at least once a week.

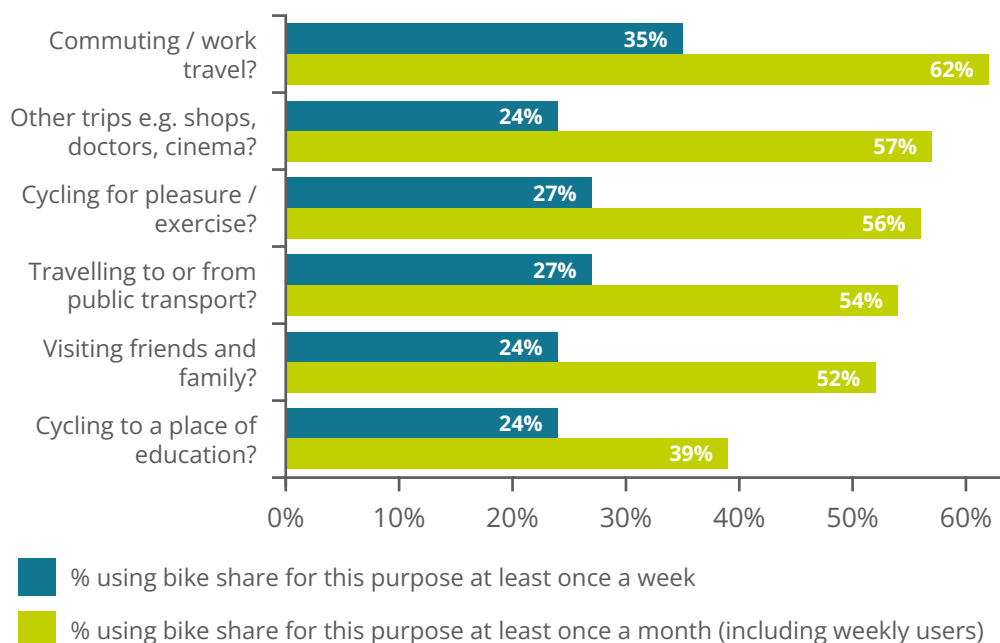
These findings demonstrate that bike share schemes are an established means of accessing sites of economic activity and social interaction. Hence, they create social value by fostering community cohesion and by supporting the economic recovery post-pandemic.

Social value

The social value of public services is determined by their contribution to economic, social and environmental wellbeing. Public sector organisations and their providers in all UK nations are legally obliged to consider the social value of the services that they provide. Bike sharing can foster each dimension of social value by providing affordable, socially inclusive and sustainable access to mobility.

What is more, bike sharing is regularly (at least monthly) used by a majority of respondents (54%) to access public transport, indicating bike sharing's wider potential to support individuals making sustainable travel choices.

How often do you use bike sharing for...?



Bike sharing is a motor for mode shift

Bike sharing replaces many trips that would otherwise have been made by car. Consequently, bike sharing schemes can play a key role in achieving policy goals that include a reduction in car mileage, such as the Scottish Government's commitment to reduce car kilometres by 20% by 2030.¹

When asked which mode of transport survey respondents would be mostly likely to use for their most common trip if bike share wasn't an available. 37% chose the car, either as the driver (21%) or passenger in a privately owned vehicle (6%), or by using taxi or private hire vehicle (10%).

This percentage is higher than the combined share of all responses that indicate that a means of public transport would have been replaced: 15% of respondents would most likely take a bus instead of bike sharing, 9% a train, 7% an

underground, light rail or tram and 4% other public transport options like park and ride or employer shuttles. 15% would most likely walk instead of bike sharing, 10% would use their own bike and 2% would use an e-scooter. Only 1% claimed that they wouldn't do the trip.

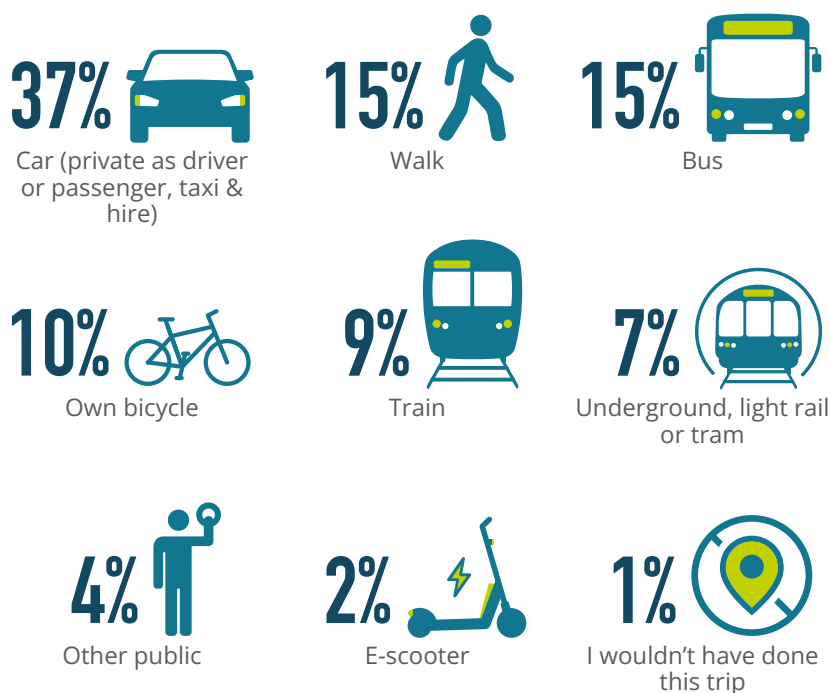
"I have swapped my car journeys to work with the bike hire scheme. This is helping to improve my health with small steps that I'm able to maintain"

Female user from Exeter, 35-44

"It's a great way to get about and avoids having to take the car into the city centre"

User from Coventry, gender and age unknown

Which mode(s) of transport would you be most likely to use for your most common trip, if the bike share scheme was not available? Please choose just one main mode.



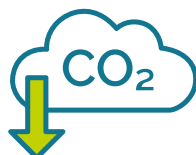
¹ <https://www.transport.gov.scot/media/50872/a-route-map-to-achieve-a-20-per-cent-reduction-in-car-kms-by-2030.pdf>

The mode shift brought about by bike sharing was also assessed by asking respondents “How many miles a week, previously taken by car or taxi, have been replaced by use of the bike share scheme, if any?”. 28% of respondents reported that they had not replaced any car or taxi trips. 29% of respondents stated that they replaced up to five miles per week; 21% replaced between 5 and 10 miles; 13% replaced between 10 and 15; 6% replaced more than 15 miles. 3% indicated ‘other’.

Based on these numbers, we estimate that each bike share user who replaces car trips with bike sharing, reduces their car mileage on average by 7.2 miles per week, and that, averaged across the sample as a whole, there is a reduction of 5.0 car miles per week per bike share user.¹ This equates to a 7.4% reduction in the typical mileage travelled by car by the average person, given that, in 2021, the average person in England travelled 3,483 miles in a private car or taxi;² or, potentially, an annual

reduction of CO₂ emissions of 71kg, given that an average car in the UK emits 0.275kg CO₂ per mile.³ While there are numerous limitations to this crude estimate, the overall finding is clear: bike sharing is playing a fundamental role in a shift towards a more sustainable transportation system.

BIKE SHARE REDUCES CARBON EMISSIONS



71kg

of CO₂ emissions are reduced on average by every bike share user each year as a result of the mode shift caused by shared bikes



Tier

- 1 We calculate this using the mid-points of each range and conservatively assuming that >15 miles may average 17.5 miles per week, and assuming that those specifying ‘other’ did not replace any car miles.
- 2 Combined figure for car driver, car passenger and taxi use. <https://www.gov.uk/government/statistical-data-sets/nts03-modal-comparisons#mode-by-age-and-gender>
- 3 <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022>

Boosting efficient transport

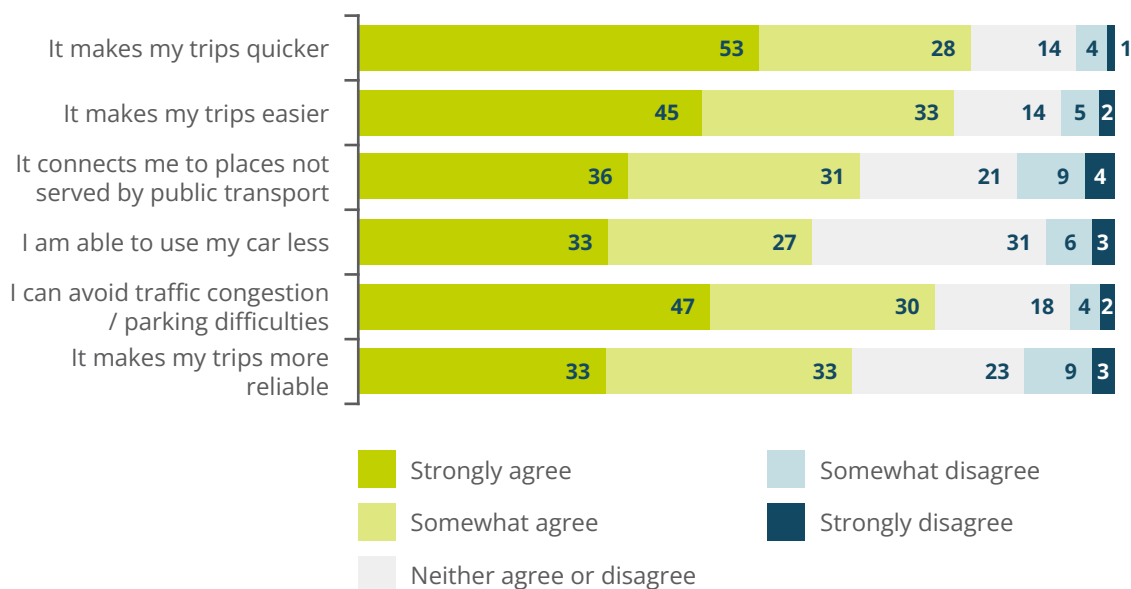
Bike sharing can have a transformative impact on how individuals travel. The efficiency of bike sharing, for instance, is acknowledged by a vast majority of users on several dimensions. 53% of respondents strongly agreed with the statement that bike sharing makes their trip quicker, whilst 28% somewhat agreed with this statement. Similarly, 45% strongly agreed and 33% somewhat agreed that bike sharing makes their trips easier. 33% each strongly agreed and somewhat agreed that bike sharing makes their trips more reliable.

Regarding the mode shift from car to bike, 47% strongly agreed and 30% somewhat

agreed that bike sharing helps them avoid traffic congestion/parking difficulties. These numbers are 33% and 27%, respectively for the statement that bike sharing means 'I am able to use my car less'.

Bike share schemes can also compensate for a lack of other available transport options and hence increase the overall capacity of a transport system. The statement that bike sharing connects users to places that are not served by public transport was strongly agreed with by 36% of respondents, and somewhat agreed with by 31%.

How far do you agree with the following statements about how bike share helps you personally? (values in %)



Dott

Multi modal trips

Bike sharing is frequently combined with other means of transport, adding flexibility and convenience to journeys. 64% of respondents reported that they

BIKE SHARE IS PART OF MULTI MODAL TRIPS



64%

of users combine bike share with other means of transport, mainly with bus or train rides

combine their most common bike share trip with other means of transport, whilst 36% do not. Of those reporting that they do combine their most common trip in a multiple choice question, respondents were most likely to state that bike share is used to connect with public transport. 23% of respondents stated that they combine their most common bike share trip with a bus, 22% with a train, and 10% with underground, tram or light rail. 4% of respondents reported combining their most common bike share trip with the use of an e-scooter, another mode that is currently only available as a shared transport option in England. 13% reported combining bike share trips with taxis, another 13% reported combining it with car driving, and 6% combined it with being a car passenger.

E-bikes, specialised bikes & inclusivity

The number of e-bikes in bike share schemes is increasing each year. There are now 13 schemes that include e-bikes as an option alongside pedal bikes and 12 which are purely e-bikes. Over the course of one year, the number of e-bikes in the UK's bike share schemes has more than doubled, from 4,835 in September 2021 to 11,696 in September 2022. In the same period, bike share operators recorded a total of over 6 million e-bike hires: this equals about 45% of all bike share hires in the UK. At a smaller scale, the number of e-cargo bikes that are included in UK bike share schemes is also growing. By the end of 2022, 33 e-cargo bikes were available via bike sharing.

More than half the respondents of our survey, 52%, have already hired an electric bike as part of a bike share scheme, whilst 13% have hired an e-cargo bike and an additional 8% have hired both electric and e-cargo bikes.

When asked for the reasons for renting an e-bike or an e-cargo bike (in a question that allowed for multiple answers), 48% of respondents claimed that this option reduced their journey time. Around a third of respondents claimed that e-bikes or

e-cargo bikes helped them tackle a number of physical barriers regarding cycling such as cycling up hills (36%), avoiding fatigue or getting sweaty (34%) or travelling longer distances (30%).

"I don't have an e-bike so hiring one is great fun!"

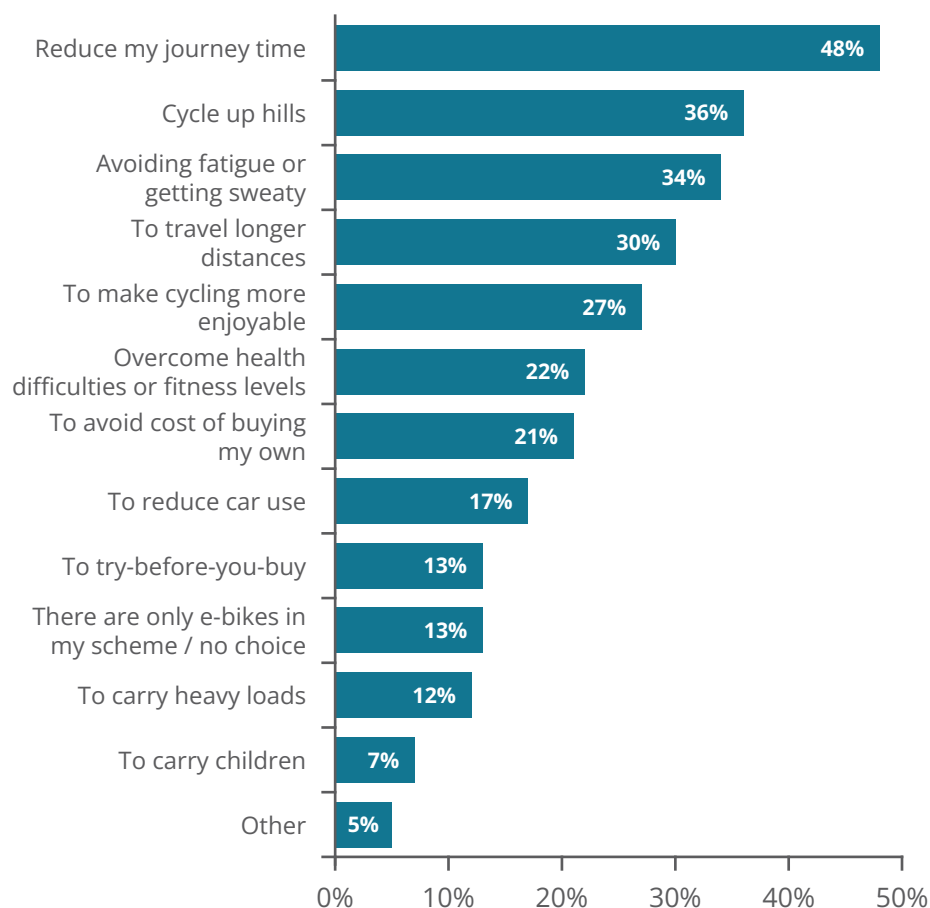
Female user from Leicester, 55-59

22% said that the choice of an e-bike helped them to overcome health difficulties or low fitness levels. 21% of respondents stated that using a shared e-bike or e-cargo bike helped them avoid the cost of buying such a bike. This demonstrates that e-bikes and e-cargo bikes in bike share schemes make cycling more inclusive, and can provide more equitable and affordable access to active travel options.

"It's nice to be able to use an electric bike if there are hills or you're tired"

Female user from Dundee, 25-34

**Which of the following reasons apply for why you use electric bikes (e-bikes) and electric cargo bikes (e-cargo bikes)?
(Tick all that apply)**



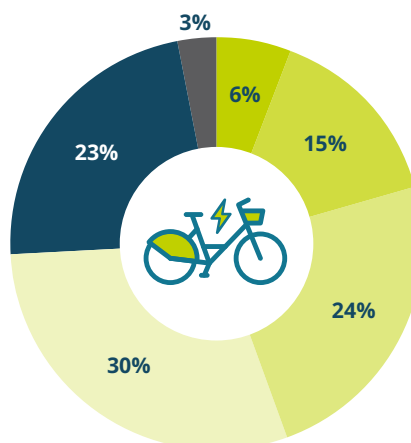
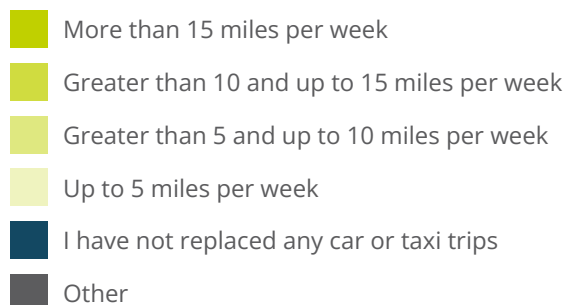
Consistent with the finding that e-bikes and e-cargo bikes help overcome physical barriers to cycling, these types of bikes also result in greater reductions in the amount of miles driven by car. The difference is particularly stark among respondents who claim to reduce between 5 and 15 car miles per week by using a bike share scheme. 39% of all those who have hired an e-bike and/or e-cargo bike say that their weekly car mileage reduction falls into this range, while this is only true for 19% of all pedal bike only users. Accordingly, the estimated reduction in weekly car miles per bike share user is substantially higher among e-bike and e-cargo bike users. For users of these bikes, the estimated average car mile reduction lies at 5.5 miles per week, whereas for pedal bike users it is estimated to be at 3.5 miles.¹



Cargo Bike Share (Beryl), Hackney

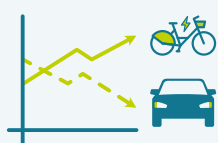
¹ We calculate this using the mid-points of each range and conservatively assuming that >15 miles may average 17.5 miles per week, and assuming that those specifying 'other' did not replace any car miles.

How many miles a week, previously taken by car or taxi, have been replaced by use of the bike share scheme, if any?



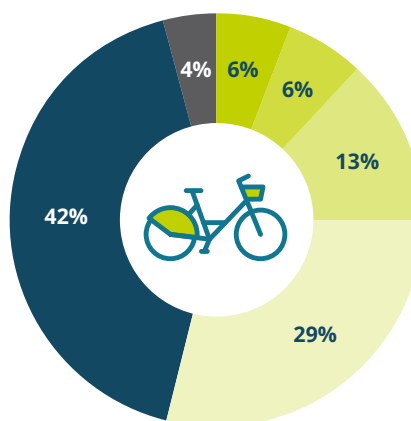
Users who have hired e-bikes or e-cargo bikes

E-BIKE USERS DRIVE EVEN LESS THAN OTHER BIKE SHARE USERS



5.5miles

is the average weekly vehicle mileage reduction per e-bike user after joining a bike share scheme, compared to 3.6 miles per pedal bike only user



Pedal bike only users

Consistently high demand for micro-mobility and specialised bikes

While the supply of e-bikes, e-cargo bikes and other specialised bikes has grown significantly in recent years, the demand for such bikes continues to be high. When asked if they would be interested in using specialised types of bikes, 61% of respondents stated that they would be interested in using an electric cargo bike for carrying shopping. 26% would be interested in using electric tricycles, 24% would be interested in electric two or three seater tricycles, 19% would be interested in hand powered cycles and 19% would be interested in electric cargo bikes for carrying children.

Simultaneously, trials for shared e-scooter schemes continue to run in multiple locations in England. Shared e-scooter were available in 50 locations across

England by late 2021. Of our bike share survey respondents, 38% stated that they have hired an e-scooter from a trial scheme, showing that multiple forms of shared transport and micro-mobility are mutually compatible for a substantial number of users.



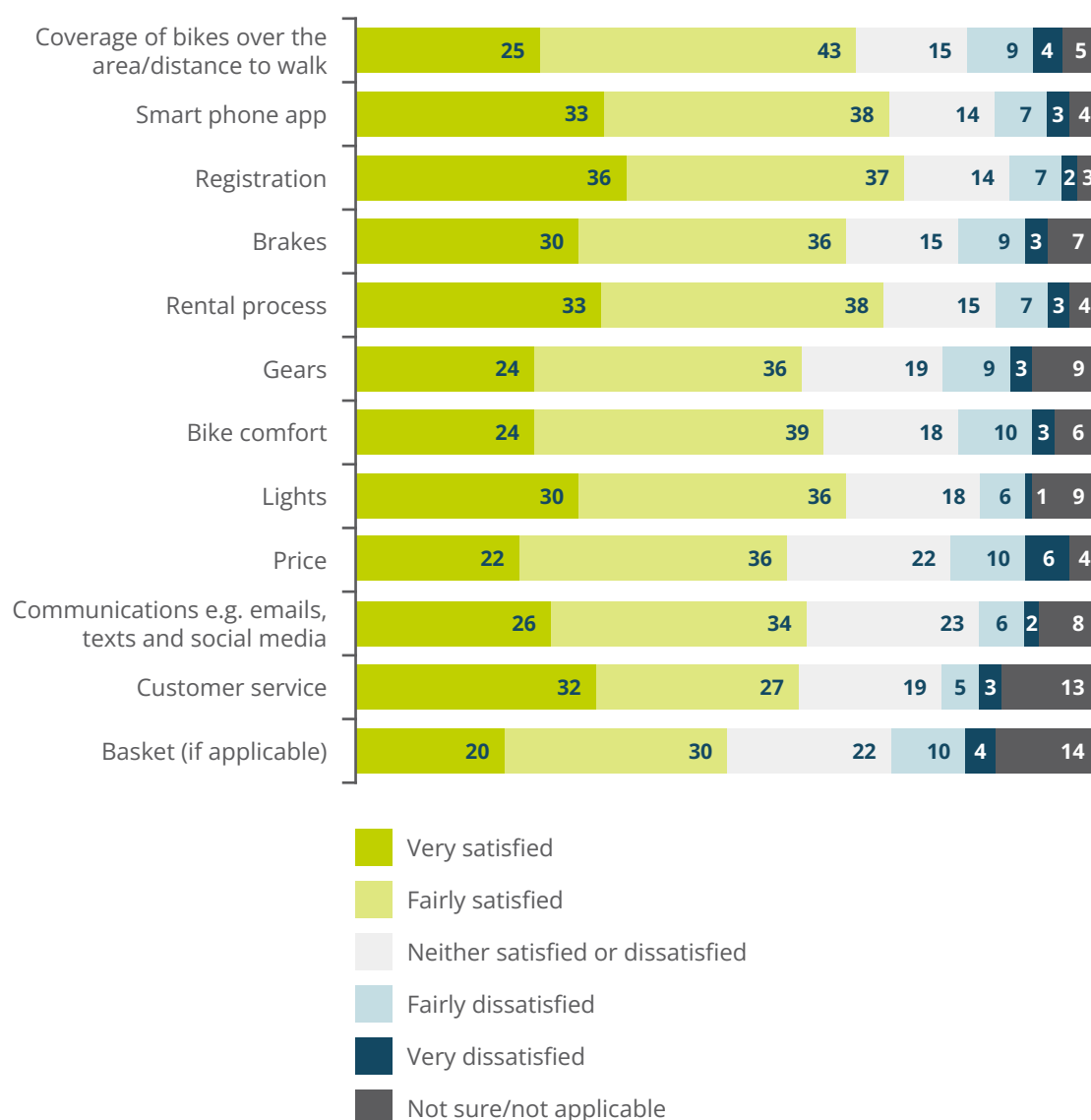
Lime adaptive bike

User satisfaction

The experience of bike share users has been overwhelmingly positive. For all aspects of user satisfaction included in the survey, a majority of users state that they are very satisfied or fairly satisfied. There is particularly high satisfaction with the digital component of bike share schemes: with registration, the smart phone app and the rental process all scoring over 70% as the combined share of very satisfied and

fairly satisfied users. Around two thirds of all users are also very satisfied or fairly satisfied with key physical components of bike share schemes, namely the coverage of bikes over an area, the bikes' brakes and the bikes' lights. Bike baskets generate the lowest rate of very or fairly satisfied respondents, although this is partly due to the higher proportion stating 'not applicable'.

Please rate your experience of the following aspects for the bike share scheme you use most often? (values in %)



Next steps

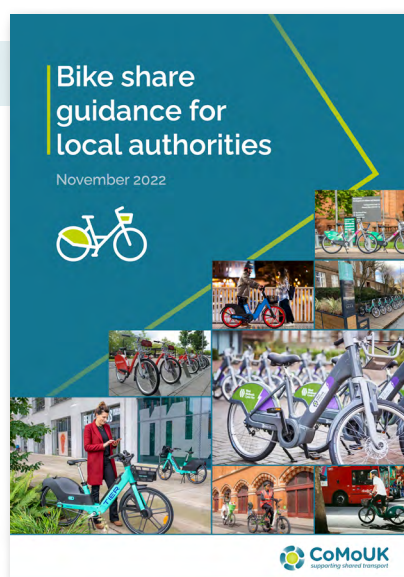
This report clearly demonstrates the positive impact that bike sharing has on the UK's transportation system and the social value that bike sharing creates through its economic, environmental and health benefits. To maximise these benefits and to manage the growing demand for bike sharing, it is important to understand potential challenges that bike share schemes might be facing

When asked about the main barriers to using bike share, via a question that allowed for multiple responses, the largest share of respondents, 56%, chose availability/bike locations. This was followed by concerns around personal safety, busy roads and a lack of safe cycling infrastructure (38%), and a lack of awareness (27%). Interestingly, price was also mentioned by 38% of respondents, even though bike share is relatively cheap compared to many other transport modes.

The findings suggest that there is a clear demand for bike share schemes, even where availability is currently limited. Additionally, as bike share schemes grow, the physical infrastructure for safe cycling needs to grow with them. In the survey, respondents were also asked about potential parking options for shared bikes. There was greater support for designated parking areas for shared bikes (either with docks or physically or virtually designated parking bays) rather than for the option of being able to park shared bikes anywhere. A clear majority of 60% of respondents also argued that parking bays for shared bikes should come from converting areas of on-street car parking rather than using pavement space. This finding is striking since bike share use and car ownership are not mutually exclusive. 52% of respondents stated that they currently own a car, with another 18% using a car club vehicle or sharing a car in some other way.

Bike share guidance

Please see [CoMoUK's Bike share guidance for local authorities](#) for our latest planning and policy recommendations on bike sharing.



Published: April 2023

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