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Daneshill House
Danestrete
Stevenage
Hertfordshire

16 January 2024

Dear Sir/Madam

Notice is hereby given that a meeting of the Stevenage Borough Council will be held in the Council Chamber, Daneshill House, Danestrete, Stevenage on Wednesday, 24 January 2024 at 7.00pm and you are summoned to attend to transact the following business.

Yours faithfully



Matthew Partridge
Chief Executive

AGENDA

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

2. MINUTES - 20 DECEMBER 2023

To approve as a correct record the Minutes of the meeting of the Council held on 20 December 2023.

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3. MAYOR'S COMMUNICATIONS

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

4. COMMUNITY PRESENTATIONS

None received.

5. PETITIONS AND DEPUTATIONS

None received.

6. QUESTIONS FROM THE YOUTH COUNCIL

None received.

7. QUESTIONS FROM THE PUBLIC

The following question has been submitted by a member of the public. A written answer to the questions will be published on a supplementary agenda.

Question from Mr Jim Borchers

“At the recent Council debate on cycle path lighting concerns about wildlife and dark skies were mentioned. What principles has the Council got in place for new and existing external lighting on buildings and structures in the town with respect to wildlife and dark skies?”

8. LEADER OF THE COUNCIL'S UPDATE

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

9. UPDATE FROM SCRUTINY CHAIRS

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

10. NOTICE OF MOTIONS

In accordance with Standing Orders, the following motion has been received for consideration:

Impact of the Government's Autumn Statement on Local Government Finance

To be moved by Councillor Richard Henry and seconded by Councillor Jeannette Thomas.

“That:

1. This Council notes with deep concern the significant impact of de-funding local government by Conservative-led governments since 2010.
2. This Council recognises that local government in England has been actively stripped of funding under successive Conservative-led governments, including the Conservative-Liberal Democrat Alliance government. All English local authorities have been forced to cut spending on nearly every aspect of their services since 2010. Poorer areas have been hit disproportionately, leading to councils having to make harsh cuts, including to services such as parks, libraries, refuse collection, and children's centres. Following the Chancellor's Autumn Statement, the Chair and leaders of the four main parties in the Local Government Association (LGA) wrote an open letter to the Chancellor warning of “low financial resilience across the sector following a 27.0 per cent real-terms reduction in core spending power¹ since 2010/11.

The Local Government Association estimates that there is a “funding gap” of almost £3bn over the next two years.

3. This Council notes that since 2010, several councils have issued Section 114 notices (under the Local Government Finance Act 1988) and more look likely to follow. Both the Local Government Association (LGA) and the County Councils Network (CCN) undertook surveys of their member councils immediately after the Autumn Statement. The Local Government Association reported findings of a “growing financial crisis”, with almost one in five of its members at risk of running out of funds either this year or next.
4. A report by The National Audit Office (NAO) have published data that shows Stevenage’s Core Spending Power **has reduced by 64.5% in real terms** when comparing 2010/11 to 2020/21. The Council’s own government funding reduced by £5.3Million to 2019/20 and the need to fund inflationary pressures has meant the Council has had to find over £14Million of savings to stay financially resilient. This Council has had to make some very hard decisions – and those decisions get harder and harder each year as we are cut to the bone. It has to stop.
5. This Council:
 - a. Condemns the reduction of funding to local government since 2010 by successive Conservative-led governments and calls for immediate action by the current Government to provide a sustainable funding model for the sector, thereby stopping this assault on local democracy.
 - b. Calls on the Chancellor to listen to the voices of the leaders of the Local Government Association (of which Stevenage Borough Council is a member) in their letter of 13 October, 2023 and, in particular:
 - Address funding sufficiency and certainty issues faced by councils.
 - Take steps to strengthen the local government workforce.
 - Strengthen councils’ role in key national policy areas such as housing and net zero.”

11. **QUESTIONS FROM MEMBERS TO COMMITTEE CHAIRS / PORTFOLIO HOLDERS**

In accordance with Standing Orders, written answers to the following questions will be circulated on a supplementary agenda.

(A) Question from Councillor Margaret Notley

“Is the Executive Member satisfied that residents find it convenient to contact the Council via the telephone enquiry system?”

(B) Question from Councillor Andy McGuinness

“What formal assessment or analysis has been made of the success of the Councillors’ locality budget scheme?”

(C) Question from Councillor Bret Facey

“How long was the Portfolio Holder aware that running two separate payrolls (one for staff and one for Councillors) had been costing the Council £5,000 per year?”

(D) Question from Councillor Robin Parker CC

“As we know, local radio (both BBC and Independent, but particularly the former) has been decimated in recent times and in addition local newspapers have been cut severely.

What effects have these changes had on the ability of SBC’s Media and Communications Team (or others in SBC) to:

- (a) Obtain coverage for SBC related news and events?
- (b) Find out what is going on in both Stevenage and its surrounding area?”

(E) Question from Councillor Adam Mitchell CC

“Does the Portfolio Holder believe Right to Buy sales of our housing stock have had a positive impact on our town and residents?”

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

To consider and approve the final proposals for the Housing Revenue Account (HRA) budget and rent setting for 2024/25.

Page Nos. 17 - 56

13. MEMBERS' ALLOWANCES SCHEME 2024-2025 - REPORT OF THE INDEPENDENT REMUNERATION PANEL

To consider the Independent Remuneration Panel report recommending to Council a Members’ Allowances Scheme for 2024/25.

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14. PAY POLICY STATEMENT 2024/25

To consider a report recommending the Pay Policy Statement for the financial year 2024/25.

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STEVENAGE BOROUGH COUNCIL

COUNCIL MINUTES

Date: Wednesday, 20 December 2023

Time: 7.00pm

Place: Council Chamber, Daneshill House, Danestrete, Stevenage

Present: Councillors: Myla Arceno (Mayor), Jim Brown (Deputy Mayor), Julie Ashley-Wren, Sandra Barr, Philip Bibby CC, Stephen Booth, Rob Broom, Forhad Chowdhury, Nazmin Chowdhury, Michael Downing, Bret Facey, Alex Farquharson, Richard Henry, Jackie Hollywell, Chris Howells, Mason Humberstone, Wendy Kerby, Lin Martin-Haugh, Conor McGrath, Andy McGuinness, Maureen McKay, Sarah Mead, Adam Mitchell CC, Margaret Notley, Robin Parker CC, Claire Parris, Ellie Plater, Loraine Rossati, Graham Snell, Simon Speller, Baroness Dr Sharon Taylor of Stevenage, OBE, Jeannette Thomas, Carolina Veres, Anne Wells and Tom Wren.

Start / End Start Time: 7.00pm
Time: End Time: 9.38pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were submitted on behalf of Councillors Lloyd Briscoe, John Duncan, Graham Lawrence CC and Mrs Joan Lloyd.

There were no declarations of interest.

2 MINUTES - 18 OCTOBER 2023

It was **RESOLVED** that the Minutes of the Council Meeting held on 18 October 2023 be approved as a correct record and signed by the Mayor.

3 MAYOR'S COMMUNICATIONS

The Mayor advised that she had attended 73 Mayoral engagements since the October 2023 Council Meeting. In total, she had attended more than 220 engagements since the beginning of her term of office in May 2023. She stated that it was a great honour and privilege to represent the Council as the first citizen of the town.

The Mayor paid tribute to the efficient team of the Mayor's office, including her Secretary, and was grateful for the support of the Democratic Services Team. She also thanked the Deputy Mayor for his support and for attending the engagements that she had been unable to attend.

The Mayor thanked her fellow councillors for their support and encouragement. She

paid tribute to their work and dedication to the town, and also thanked officers and staff who were working behind the scenes to support her work.

The Mayor then thanked the many groups, communities, individuals and organisations who had extended the invitations to her to attend events. It had been truly inspirational to have met the winners and the nominees of this year's Stevenage Pride Awards.

The Mayor announced that she had received many visitors to the parlour and the Ingelheim Lounge. She had attended many Christmas Carol Services and had been a part of the group singing Carols at some Care homes. Meeting the frontline staff while cleaning the streets or cutting trees were some of the things she loved to do when she had some free time.

The Mayor referred to meeting the King Charles in Stevenage's Coptic Church, which was unexpected and a great honour to have been invited. She was particularly impressed when King Charles spoke to her about her NHS work and even laughed with her reply to his comment which could be viewed on the Royal Family Channel.

The Mayor was delighted to announce that the town had been recognised as being Dementia Friendly last month. She thanked the Council's Leisure and Health Officer and the Alzheimer's Society, together with the many organisations and individuals who had been working passionately to secure this recognition.

The Mayor advised that the plan for the next six months was to continue to promote all dementia activity and support available in Stevenage, including Dementia Friends training for Council frontline Staff, Members and partner organisations. Tool kits would be created for local businesses and taxi companies within Stevenage to make Stevenage even more Dementia Friendly. Another plan was to create a Dementia Hub which could support residents to find out what services were available for those living with Dementia, their families, and carers. Working in partnership with Everyone Active, the aim was to host this within the Healthy Hub at the Leisure Centre.

The Mayor concluded by announcing that she was looking forward to the next six months.

The Mayor invited the Youth Mayor and Deputy Youth Mayor to address the Council.

The Youth Mayor and Deputy Mayor shared their journeys so far in their Mayoral year for 2023/24.

The Youth Mayor stated that their journey began with an introduction to their roles, meeting various staff members, including the Regeneration Team who introduced them to the remarkable Stevenage Better initiative, leaving them thoroughly impressed by the town's past achievements and future objectives.

The Deputy Youth Mayor commented that summer commenced with Stevenage Day, an event brimming with interactions - engaging with residents, speaking with

charitable organisations, enjoying captivating performances, and connecting with the vibrant leisure and events team.

June took the Youth Mayor to Autun for the annual town twinning event, an enriching experience where she not only explored beautiful locales, but also engaged in a round table discussion, warmly welcomed by accommodating dignitaries.

The Council noted that the latter part of the year had been a whirlwind of activity. Among their engagements, the Youth Mayor and Deputy Youth Mayor took part in significant events including:

- Heading the inaugural Stevenage Youth Festival with an opening speech, a platform to launch the festivities, and engaging with incredible partners supporting the town's youth;
- Attending the Pride awards, celebrating diversity through captivating acts and proudly presenting the Young Person's Award alongside Councillor Sandra Barr;
- Participating in this year's Remembrance Sunday, an honour that included inspecting the troops alongside the Mayor - an immensely touching experience etched in their memories;
- Recently, witnessing the spectacle of the Town Centre Christmas lights switch-on, featuring remarkable performances from Nala the station cat and Junior Andre; and
- Hosting the annual Christmas card design competition, offering a student from one of the town's schools the opportunity to craft their Christmas card, fostering creativity and community involvement.

The Youth Mayor concluded by stating that their journey this year had been full of connections, engagements, and meaningful experiences, amplifying their dedication to the community and its ongoing development.

4 COMMUNITY PRESENTATIONS

There were no community presentations.

5 PETITIONS AND DEPUTATIONS

The Council considered a petition containing over 1,000 signatories received by the Council in respect of Fairlands Valley Park Lighting.

The Lead Petitioner (Jennifer Huygen) addressed the Council. Jennifer began by stating that the petition highlighted that there was a wide community need for the installation of wildlife-friendly lighting in Fairlands Valley Park (FVP).

Jennifer explained that paths in FVP were pitch dark in the evenings. Users were unable to see the paths or the surrounding areas, and would be unaware of anyone approaching them until they had passed each other. The edges of the paths were

not visible, which increased the possibility of users slipping and sliding. This was an unsafe situation for such a high usage facility. For this reason, a number of potential users avoided the Park.

Jennifer advised that she was aware that FVP was more than just a place to be physically active. She gave the testimonies of a number of other users of the Park who had provided her with reasons why they would not venture into the Park after dark.

Jennifer commented that the studio space next to Costello's Café in the Park was used for dance classes. The parents of the children using the facility told her that they did not feel comfortable walking through the Park, and hence rather than walk of cycle they travelled to and from by car.

Jennifer stated that the petition was supported not just by individuals, but also by local community organisations, including Cycling UK (Stevenage), Fairlands Valley Spartans Running Club and Stevenage Striders Running Club. These organisations rarely used FVP during the winter months. However, she had learnt that they would consider using the Park more often in the winter if the lighting was improved.

Jennifer then read out statements in support of the petition from the Assistant Community Manager of Co-Space in the Town Centre and from Cycling UK (Stevenage).

Jennifer referred to the motion in response to the petition submitted by Councillor Simon Speller. She stated that SBC prided itself on resident-led design, which was a key pillar of its Corporate Plan. The petition was in line with that ambition, as increased usage of the Park would help the Council to achieve a number of priorities, including a modal shift towards active travel which in turn would help achieve Climate Change targets, as well as improving the health and wellbeing of the community. It would also help to address some of the parking issues around local schools, with more children being encouraged to walk.

Jennifer confirmed that the petition requested SBC to install lighting in a wildlife conscious way, and was not asking for the whole Park to be fitted with street lights. Working with ecologists as part of the installation would be expected, in order to minimise disruption to wildlife. Advancements in lighting solutions should make this possible.

Jennifer concluded her presentation by expressing the opinion that reflective lighting strips would not be enough to meet the requests of the petition. She asked the Council to consider a proposal that a Business Plan for the installation of an appropriate lighting solution for FVP should be prepared.

In response to the Petition, the following motion was moved by Councillor Simon Speller and seconded by Councillor Loraine Rossati:

“That this Council expresses its sincere thanks to Jennifer Huygen for her endeavours in bringing this matter to the attention of the Council.

The Council is committed to maintaining and enhancing our green spaces for the enjoyment and use of the community.

This petition is particularly timely, coinciding as it does with the start of our strategic review of the green spaces within Stevenage, of which more details can be found here:

<http://www.stevenage.gov.uk/news-and-events/news/help-shape-the-provision-of-future-green-spaces>

It is therefore proposed that:

- This request be included for consideration as part of the public consultation regarding the development of the new Green Spaces Strategy;
- Officers be asked to identify budget costings for the installation of reflective edging / markers for use on the pathways;
- Officers be asked to seek the views of the Police and the Herts and Middlesex Wildlife Trust regarding community safety and ecology considerations;
- Subject to the outcomes of the wider consultation and strategic review of our green spaces, that this request be considered for inclusion in the accompanying action plan; and
- Officers be asked to identify any suitable external funding opportunities that might support this request, in the context of the extremely challenging financial position of this Council and local government in general”.

A debate ensued. There was general all-party support for the motion as a balanced and proportionate response to the petition. The following points were made:

- the motion was timely because SBC had commenced a review of its Green Spaces Strategy;
- consideration should be given to investigating the request in the petition for the installation of wildlife friendly lighting in the Park;
- the motion empathised with the petitioners, but was also conscious of the wider picture and challenges, such as funding (FVP did not feature in the current Local Cycling and Walking Infrastructure Plan). Use of Community Infrastructure Levy (CIL) funding, or even crowd funding, could be considered;
- the use of solar and wind powered energy to power any lighting could be considered;
- the ongoing maintenance (including energy costs) of any installed lighting must be taken into account; and
- clarification would be required on the ownership of the existing lighting in and around FVP (ie. SBC or Hertfordshire County Council).

Following debate, and upon being put to the vote, the motion was carried.

Both Councillor Speller and the Mayor thanked Jennifer for bringing the petition to

the attention of the Council.

6 QUESTIONS FROM THE YOUTH COUNCIL

There were no questions from the Youth Council.

7 QUESTIONS FROM THE PUBLIC

There were no questions from the public.

8 LEADER OF THE COUNCIL'S UPDATE

The Leader of the Opposition, Councillor Phil Bibby CC, asked the following question:

“In the light of the recent Ombudsman ruling against the Council where it had fallen short in dealing with a vulnerable resident’s issue with a secure Door Entry System, could he have assurances that this situation would not happen in the future?”.

The Leader of the Council replied that the Council had acknowledged the letters that had been received from the Secretary of State (Michael Gove MP) and the Housing Ombudsman, who had previously committed to writing to every social landlord who had been awarded an adverse finding of severe maladministration and had recognised that there were missed opportunities to avoid the failures identified in the case. The Council had rightly apologised to the tenant around the failings that had occurred.

The Leader of the Council advised that the Regulator for Social Housing had concluded from its own investigations that the case did not indicate a systemic failing and that the consumer standards had not been breached and, hence, they would not be taking any regulatory action.

The Leader of the Council commented that, as was the case with other Registered Providers, the work of the Housing Ombudsman Service continued to support the Council in driving forward improvements to its services. The Council had taken on board the learning from this case, which had resulted in several actions including:

- Improving the Housing complaints handling policy and processes;
- The introduction of a team of dedicated Strategic Complaint Managers, each responsible for an area of housing, who would work together on cross-service cases, ensuring a thorough and holistic approach to complaint handling;
- The establishment of a Member-led Housing Management Board that would continue to monitor and drive good performance, compliance, resource allocation, risk management and tenant communications and engagement; and
- the holding of fortnightly complaints clinics with the aim to ensure effective Member and management oversight and to look to continuously improve complaints handling across the housing service.

The Leader of the Council was committed to the further improvement of the

Council's repairs and voids services to ensure they were cost effective and responded to the tenants' needs. Improvement work in this regard was underway and was being led by the Assistant Director for Building Safety and Housing Property Services.

The Council then received updates from the relevant Executive Portfolio Holders on the following matters:

- Graffiti Blitz;
- Climate Change Community Fund Schemes;
- Co-operative Councils Innovation Network Annual Conference;
- Pin Green Association;
- Council of the Year Award: Affordable Housing Awards;
- New Reception / Customer Service Update;
- Arts and Heritage Update;
- No More Service Evolve Framework;
- Safer Streets;
- Creation of a new Space Catalyst in Stevenage; and
- Securing Inward Investment.

The Leader of the Opposition commented that Hertfordshire County Council would be prepared to work in partnership with the Borough Council on the ongoing removal of graffiti across the town. The Leader of the Council thanked him for offering to work together on this project for the betterment of the town.

9 UPDATE FROM SCRUTINY CHAIRS

The Chair of the Overview & Scrutiny Committee advised that there had been two meetings of the Committee since the October 2023 Council meeting. She referred to the presentation given to the Committee's November meeting in respect of the 2021 Census data for Stevenage. The way the Census data was presented by the Office for National Statistics made it difficult to extrapolate information down to Ward level, although she hoped that the Committee would be able to do further work on the data later in the Municipal Year.

The Chair of the Community Select Committee advised that the Committee had met on 14 November 2023 and received a well-informed presentation from the Assistant Director (Building Safety and Housing Property Services) on the external review of Housing Voids which had been undertaken by Ridge. The report emphasised that

the Service needed to improve communication with residents, and to formalise policies, processes and procedures. She was confident that work had commenced in response to the Ridge review's recommendations. The Committee also interviewed the Executive Portfolio Holder for Housing & Housing Development in respect of complaints and were confident that the Portfolio Holder was exploring opportunities to improve the associated processes.

The Chair of the Environment & Economy Select Committee advised that the Committee had completed a one-off piece of pre-scrutiny work on the proposed Cycle Hire Scheme for Stevenage. It was hoped that this Scheme would be rolled out in the Spring of 2024. The debate included SBC Officers and local representatives of Cycling UK. This was an exciting development that would enable residents to move cheaply, quickly and enjoy the added health benefits of cycling around the town. In January 2024, the Committee would be considering its review work on Bus Services and the Cost of Living. There would also be a meeting of the Committee, in conjunction with the Planning & Development Committee, in February 2024 to consider the Council's Biodiversity Strategy.

10 NOTICE OF MOTIONS

Supporting Voter ID

Councillor Bret Facey moved and Councillor Phil Bibby CC seconded the following motion:

"Stevenage Borough Council recognises the importance of public trust in the security of the electoral process.

This Council notes:

- The threats to the democratic process must be combated to protect the integrity of our democracy.
- That the independent Electoral Commission has called for a resolution to issues relating to voter ID in the UK.
- The recent law change allows for the provision of free voter ID cards (Voter Authority Certificates) which are issued by local authorities. This means financial hardship will not be a barrier to a voter's ability to get an ID and cast their ballot.

This Council believes:

- Considering how frequently residents now require ID in their day-to-day lives, the new requirement for voters to have ID to vote is a reasonable approach to reducing the threat of voter fraud and ensures that there are still not significant barriers to voting.
- That the system for applying for voter ID for those without a valid voter ID is simple and has ensured that all can access the electoral process.

This Council resolves:

- To put on record its support for the Election Act 2022's positive change which has introduced voter ID to further safeguard our democratic process.

- To fulfil its duty to properly inform residents about the latest change in voting requirements.
- To commit to continuing to use its communication channels to notify residents about the need for voter ID in next year's Local Elections and potential parliamentary elections."

Following debate, and upon being put to the vote, the motion was lost.

11 **QUESTIONS FROM MEMBERS TO COMMITTEE CHAIRS / PORTFOLIO HOLDERS**

The Council received eleven questions from Members to Committee Chairs/Portfolio Holders. The responses to the eleven questions had been published in the supplementary agenda for the meeting.

- (A) Question from Councillor Margaret Notley re: Swingate House structure collapse during demolition works

Supplementary question: "Has a report been prepared detailing if there is a risk of RAAC in any of the buildings within SBC's Corporate Estate and, if so, when will it be shared with councillors?"

The Leader of the Council confirmed that no RAAC had been found within the Council's Corporate Estate and therefore no report had been produced.

- (B) Question from Councillor Andy McGuinness re: enforcement action taken by the Council over the past 2 years

Supplementary question – "Please could the Portfolio Holder provide details of the number of cases within the various categories outlined in the original question that resulted in successful enforcement action?"

The Executive Portfolio Holder for Community Safety & Equalities agreed to provide a written answer to this question.

- (C) Question from Councillor Bret Facey re: fees charged to owners of Council-managed garages

Supplementary question: "What performance management takes place to ensure that residents are receiving the service they are paying for?"

The Executive Portfolio Holder for Housing & Housing Development replied that residents/garage owners would not witness site visits unless they were present when the inspections took place. If any garage owner felt that an inspection had not taken place then she encouraged them to report this to the Council for follow up action.

- (D) Question from Councillor Alex Farquharson re: use of land currently occupied by garages condemned due to asbestos contamination

Supplementary question: “Will the Portfolio Holder commit that the land on which the asbestos-contaminated garages were situated on would remain dedicated to residential parking whatever the long term fate of the current garage structures?”

The Executive Portfolio Holder for Housing and Housing Development replied that she was unable to give a firm commitment, as each garage block would be looked at individually to determine the best future use. Options would include providing ongoing parking; replacing the asbestos-contaminated garages with new garages; disposal of the site; or demolition to provide additional housing.

- (E) Question from Councillor Tom Wren re: timescales for responding to and dealing with issues raised by councillors

Supplementary question: “Would it be possible for the complaints system to track when raised by councillors had been resolved rather than simply responded to?”

The Executive Portfolio Holder for Culture, Leisure & Information Technology replied that there was no central tracking mechanism, although they could be tracked if Members used the “Your Say” system. However, she was keen to explore opportunities to improve the current system and associated processes and would take the matter up with appropriate officers.

- (F) Question from Councillor Julie Ashley-Wren re: traffic enforcement around local schools

Supplementary question: “Would it be possible to receive data from the Parking Enforcement agencies regarding the process for the issuing of parking tickets?”

The Executive Portfolio Holder for Co-operative Council & Neighbourhood Communities replied that she would arrange for a written answer to be provided. However, she urged School Governing Boards to take up issues regarding parking in the vicinity of their respective schools, including a modal shift to provide more bicycle parking.

- (G) Question from Councillor Stephen Booth re: use of the Council’s Geographical Information System (GIS)

Supplementary question: “Who was charged with updating information on the GIS?”

The Executive Portfolio Holder for Culture, Leisure & Information Technology replied that she would arrange for a written answer to be provided.

- (H) Question from Councillor Graham Snell re: the Christmas tree in the Town Centre

Supplementary question: “Is the Christmas tree SBC property or is it on hire?”

The Leader of the Council replied that the tree was owned by SBC and

feedback received this year would be considered ahead of next Christmas.

- (I) Question from Councillor Adam Mitchell CC re: communications to tenants regarding asbestos-contaminated garages

Supplementary question: “Due to conflicting information, could it be confirmed whether or not asbestos in garages was detrimental to health, and could she guarantee that more measured and consistent communication to residents was given on this matter?”

The Executive Portfolio Holder for Housing and Housing Development replied that she would arrange for a written answer to be provided.

- (J) Question from Councillor Wendy Kerby re: plans for the Bandley Hill Play Centre site

Councillor Kerby was pleased that the Play Centre was to be used as nursery for children. She had no supplementary question.

The Executive Portfolio Holder for Co-operative Council & Neighbourhood Communities was also pleased with the future use of the Play Centre.

- (K) Question from Councillor Robin Parker CC re: cessation of live streaming of scrutiny meetings

Supplementary question: “Will the Leader look into the possibility of an Opposition Member chairing a Scrutiny function or Scrutiny Committee?”

The Leader of the Council replied that he was aware that some councils had Opposition Members chairing scrutiny committees. He would give thought to this matter after the May 2024 Elections.

12 MID YEAR TREASURY MANAGEMENT REVIEW 2023/24

The Council considered a report in respect of the Mid Year Treasury Management Review 2023/24, including the Prudential Indicators. It was noted that the report had been endorsed by both the Audit Committee and the Executive.

It was moved by Councillor Jeannette Thomas, and seconded by Councillor Richard Henry, that the Recommendation in the report be approved.

In reply to a Member’s question regarding the ongoing reduction in the Public Works Loan Board’s interest rates (set out in Chart 1 in the report), the Strategic Director (CF) was requested to provide a written reply.

Upon the motion being put to the vote, it was **RESOLVED** that the 2023/24 Mid Year Treasury Management Review and Prudential Indicators report be approved.

13 REVIEW OF PARLIAMENTARY POLLING DISTRICTS AND POLLING PLACES 2023 - OUTCOME OF REVIEW

The Council considered a report in respect of proposals for Polling Districts and Polling Places in the Borough to be applied to all elections from May 2024 onwards.

The Chief Executive advised that the matter had been extensively consulted upon, including discussions with the Political Group Leaders. The draft report was shared with Group Leaders in advance of it being finalised, with no comments being received.

It was moved by Councillor Richard Henry, and seconded by Councillor Claire Parris, that the Recommendation in the report be approved.

Following debate and upon the motion being put to the vote, it was **RESOLVED** that the proposals for Polling Districts and Polling Places in the Borough, as set out in Appendix A to the report, be adopted and applied to all elections from May 2024 onwards.

14 AUDIT COMMITTEE MINUTES

The Minutes of the meeting of the Audit Committee held on 8 November 2023 were received.

In closing the meeting, the Mayor wished everyone present a very Merry Christmas and a Happy New Year.

MAYOR



Part I – Release to Press

Meeting EXECUTIVE/COUNCIL
Portfolio Area Housing and Housing Development /
Resources and Transformation
Date 17 January 2024 / 24 January 2024



FINAL HOUSING REVENUE ACCOUNT BUDGET SETTING AND RENT REPORT 2024/25

KEY DECISION

Authors Keith Reynoldson
Contributor Ash Ahmed; Andrew Garside; Clare Fletcher; Denise Lewis;
Richard Protheroe; Karen Long; Brian Moldon
Lead Officers Richard Protheroe; Clare Fletcher
Contact Officer Keith Reynoldson

1 PURPOSE

- 1.1 To update Members on the final proposals on the Housing Revenue Account (HRA) budgets and rent setting for 2024/25, to be considered by Council on 24 January 2024.
- 1.2 To update Members on the formula for setting rents for 2024/25.
- 1.3 To propose the HRA rents for 2024/25.
- 1.4 To propose the HRA service charges for 2024/25.
- 1.5 To update Members on the 2024/25 HRA budget, incorporating the decisions included in the HRA Business Plan Review report that was approved at the Executive meeting on the 15 November 2023 and the proposed 2024/25 fees and charges.





2 RECOMMENDATIONS

That the following proposals be recommended to Council on 24 January 2024:

- 2.1 That 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).
- 2.2 The 2024/25 service charges are approved as set out in paragraph 4.2.
- 2.3 That the HRA budget for 2024/25 as set out in Appendix A and as revised from the January 2024 draft budget report (as set out in para. 4.8.1).
- 2.4 The 2024/25 growth options as set out in section 4.4 are approved.
- 2.5 Council is recommended to approve the 2024/25 Fees and Charges as set out in Appendix B.
- 2.6 That the minimum levels of balances for 2024/25 as shown in Appendix C are approved.
- 2.7 That Members note the Rent Increase Equalities Impact Assessments appended to this report in Appendix D.
- 2.8 That the contingency sum of £400K, within which the Executive can approve supplementary estimates, for 2024/25 (unchanged from 2023/24) is approved.
- 2.9 That the comments from Overview and Scrutiny are noted as set out in paragraph 4.10.2
- 2.10 That key partners and other stakeholders are consulted and their views considered as part of the 2024/25 budget setting process.

3 BACKGROUND

- 3.1 The HRA is a legally ring-fenced account that records the income and expenditure relating to the operation of the Council's housing stock. The main costs in the HRA relate to management, maintenance, depreciation (used to finance capital works) and interest on loans. This is mainly funded from rents that make up the majority of HRA income. Any surpluses are held in the ring fenced area and are used to contribute towards capital and offset years where the account may be in deficit.
- 3.2 The sustainability of the HRA is highly reliant on rent levels. For 2023/24 rent setting the government imposed a rent cap of 7% on social landlords when the current rent standard would have given an increase of 11.1%, based on the September 2022 Consumer Prices Index (CPI) +1%. However, the Government did allow the underlying formula rents to increase by the full amount and this means that new and relet property rents in 2023/24 will be at the higher rate.
- 3.3 The HRA Business Plan was revised and approved at the November 2023 Executive meeting. The report outlined the challenges facing the HRA, the current proposals for investment in the stock and explained that, due to the current uncertainties in key areas like regulation and climate change, the plan will need more regular revision in future years. The main commitments included in the plan are summarised in the table below.

 Borrowing and RCCO	 Housing Development	 Housing Asset Management	 Housing Service Delivery
<p>New Borrowing for Capital Investment £351m (30Yrs)</p> <p>Refinanced debt to enable revenue operations £104m (30Yrs)</p> <p>Revenue contribution to capital £18m in (years 1-5)</p>	<p>Invest £734m in new stock (30Yrs)</p> <p>Deliver 2,253 units (30Yrs) 447 in next 5yrs</p> <p>Commence 3 new schemes to maintain dev. pipeline. Deliver new homes to 5 star promise</p> <p>Larger schemes phased for staggered delivery matched to funding. Switch to market purchase if supply needed urgently.</p> <p>Continue pilot projects for new tenures and sustainable design.</p>	<p>£893m stock investment funding (30Yrs)</p> <p>£482m repairs, void and cyclical maintenance (30Yrs). Efficiency target removed, due to regulatory pressures</p> <p>All properties to EPC-C by 2030</p>	<p>£818m in non-maintenance revenue funding (30yrs)</p> <p>Savings target £200k 24/25 then £500k pa for 8yrs. Total £20m in yrs 2-11.</p> <p>Growth of £200k pa to enable service improvement / efficiency</p>

- 3.4 As set out in the 2023/24 budget report there are still developing policy issues in the HRA regarding the decent homes standard and building regulations; overall regulation of the sector and compliance requirements; and environmental improvements, like decarbonisation of the housing stock. Some of these cost pressures have been incorporated into the HRA BP and 2024/25 budget, but will need to be revised, as the impact of these changes becomes clearer. However, the Business Plan does not currently include the cost of decarbonising the Council's housing stock which is currently estimated cost £150Million (at current prices) and this will need to be addressed in coming years.
- 3.5 Government reforms of the 'Use of Right to Buy (RTB) Receipts' reported in 2021/22 have positively benefited the Council in the short term by supporting existing development plans, in particular the simplification of the system by
- the extension of spending periods for receipts from three to five years,
 - increase in the percentage of receipts that can be used in acquisitions from £30% to 40% (thus reducing the contribution required from the HRA).
 - a limit on acquisitions of existing properties through open market purchase, to be phased in by 2024.

This will continue to be closely monitored as medium-term plans are developed and reviewed.

- 3.6 The HRA is also still being impacted by the cost-of-living crisis facing the country. In addition to high inflationary pressures on expenditure, rent arrears are still at historically high levels and are continuing to rise, as people struggle to meet increased prices for food, energy and fuel bills. The complexity of people’s financial circumstances is also increasing, leading to multiple debts and urgent requests for support.
- 3.7 The Budget and Policy Framework Procedure Rules in the Constitution prescribe the Budget setting process, which includes a minimum consultation period of three weeks. Under Article 4 of the Constitution, the Budget also includes: the allocation of financial resources to different services and projects; proposed contingency funds; setting the rents; decisions relating to the control of the Council’s borrowing requirement; the control of its capital expenditure; and the setting of virement limits.



3.8 The Draft HRA rent setting and budget report was presented to the December 2023 Executive and Overview and Scrutiny meetings. This report updates Members on changes to the 2024/25 budget as set out in section 4.8 and includes comments from the Overview and Scrutiny Committee. The rent increase and savings and growth proposals remain unchanged from the December 2023 report.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 Rents

4.1.1 The total number of HRA homes in management on 30th November 2023 is summarised in the table below. The average rents for 2023/24 are based on current housing stock, any right to buys or new schemes coming on stream after this date may change the average rent per property type.

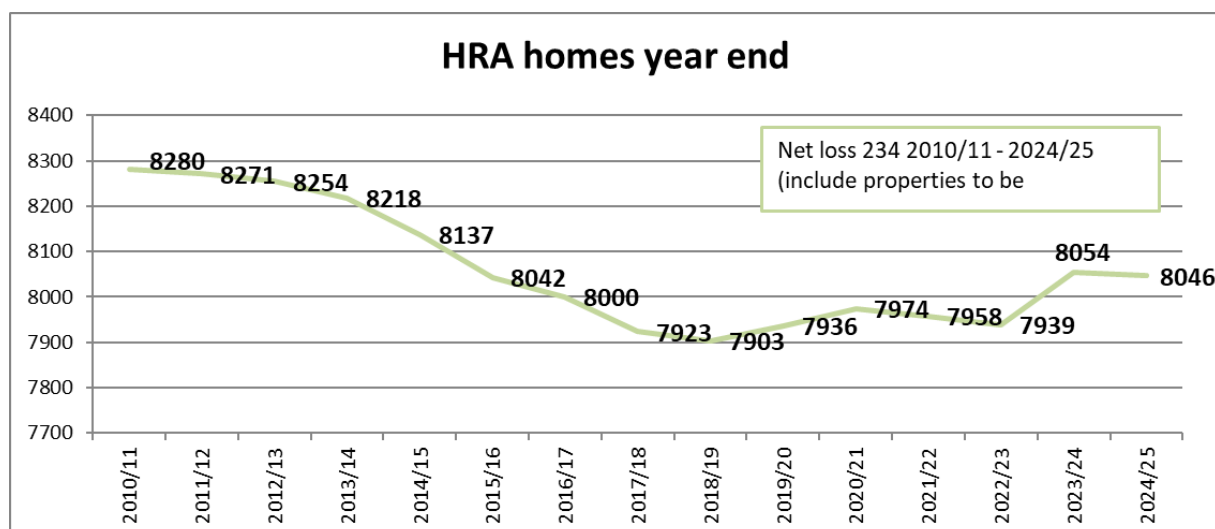
Stock Numbers at 30/11/2023	Social	Affordable	Sheltered	LSSO	Homeless	Total
Number of Properties	6,799	66	794	79	232	7,970

- 4.1.2 For 2024/25 rent setting has returned to the current Rent Standard of September CPI plus 1%. The September CPI was 6.7% meaning rents will increase by 7.7%.
- 4.1.3 The proposed average rents per week for 2024/25 are set out in the table below, based on a 52 week year and the current housing stock in management and remains unchanged from the December 2023 Executive report.

Average Rents 2024/25	LSSO	Increase/ (decrease) %	social	Increase/ (decrease) %	Affordable	Increase/ (decrease) %
Average Rent 2023/24	£131.03		£111.15		£172.67	
Add rent impact 2024/25	£10.09	7.7%	£8.56	7.7%	£13.30	7.7%
Total 52 week Rent 2024/25	£141.12		£119.71		£185.97	

4.1.4 The 2024/25 net rental income increase is estimated to be £4.5Million, which includes the estimated impacts of right to buys, expected new properties and properties taken out of management (awaiting redevelopment).

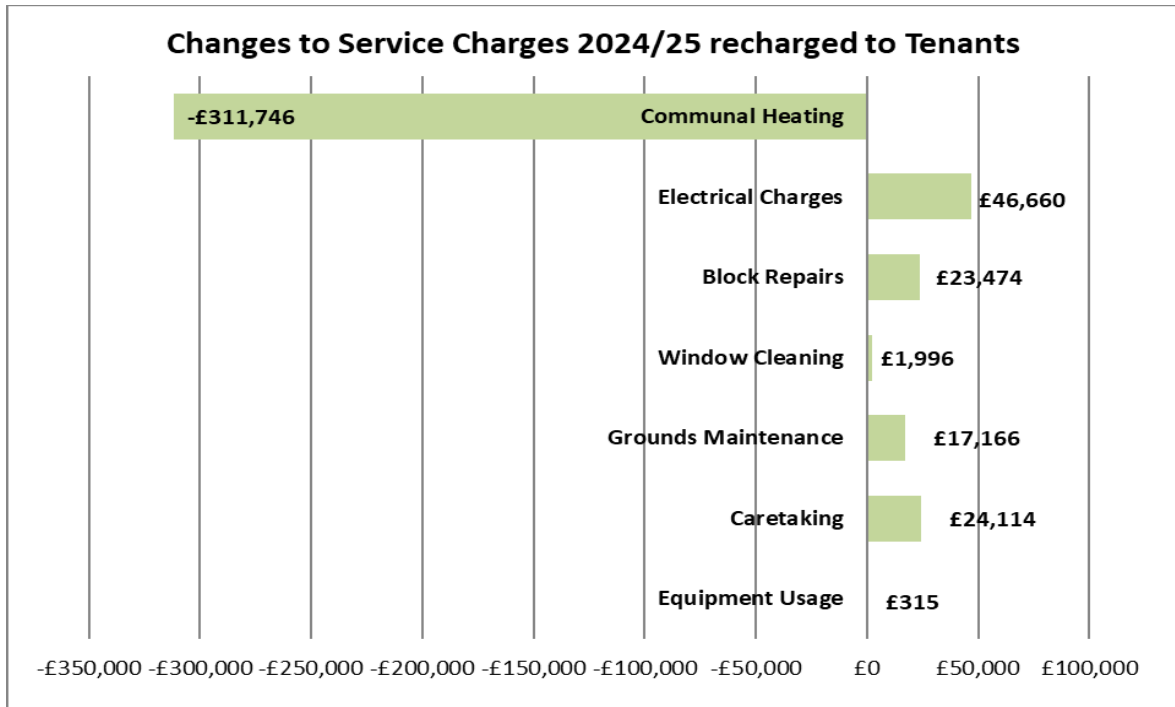
4.1.5 The total number of Council homes is estimated to reduce by 234 between 2010/11 and the end of 2024/25 (based on the net impact of RTBs, new homes and homes awaiting development). The forecast numbers for 2024/25 reflect the impact of new developments and acquisitions compensating for RTB sales.



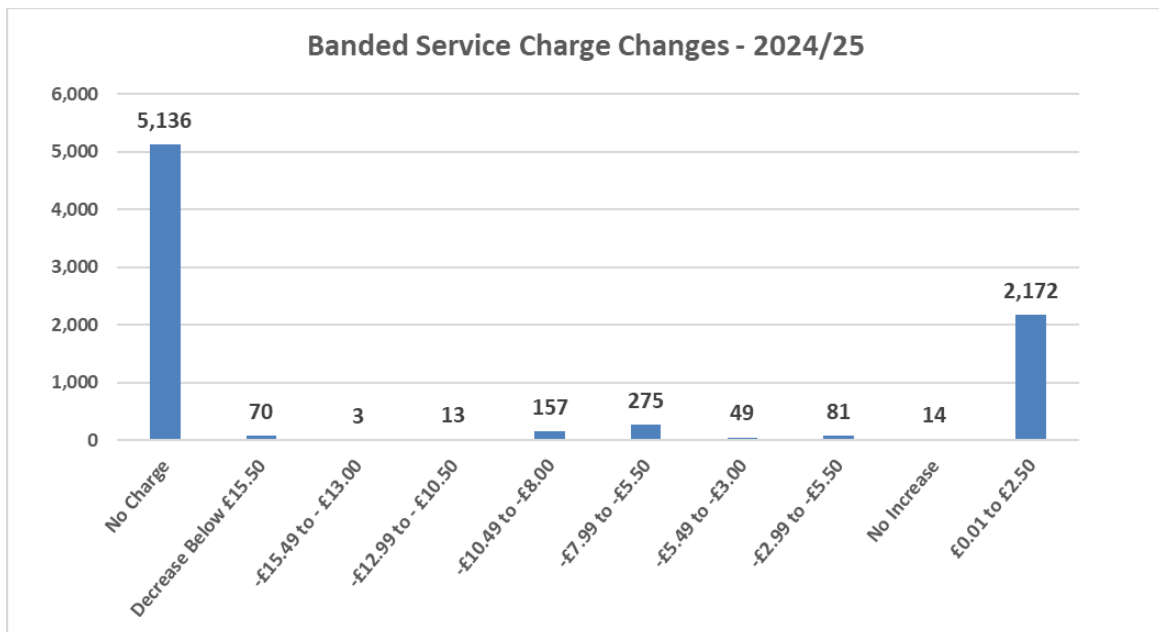
4.2 Service Charges 2024/25

4.2.1 Service charges are calculated on an individual block basis for 2,834 properties, (2023/24, 3,063) or 37% of current SBC tenanted properties.

4.2.2 Service charges are not subject to a 7.7% rent increase but are based on cost recovery or actual cost. So, for 2024/25, service charge costs will increase with inflationary pressures and changes in usage. The chart below identifies the changes between 2023/24 and 2024/25 for service charges. The estimates are based on the projected budgeted costs for 2024/25, with the exception of block repairs, which is 'smoothed' over a five-year period to eliminate individual in-year spikes in repairs spend. The graph illustrates that, after last year's price spikes for gas supply, current estimates show a projected 40% reduction in costs and this has been reflected in the service charges for communal heating systems. Service charges remain unchanged from the December 2023 Executive report.



4.2.3 The spread of service charge changes for all tenants in 2024/25 is shown in the chart below. As in last year’s report, these figures do include the communal heating charge (for those tenants receiving this service), as the impact of utility prices is so significant at this time. The impact of these changes is that 5,136 (64%) homes do not have service charges. Of those 2,834 properties that are eligible for service charges 648 (8%) will have decreases up to £17.50 per week, due to lower gas costs, and 2,172 (27%) will have increases up to £2.50 per week.



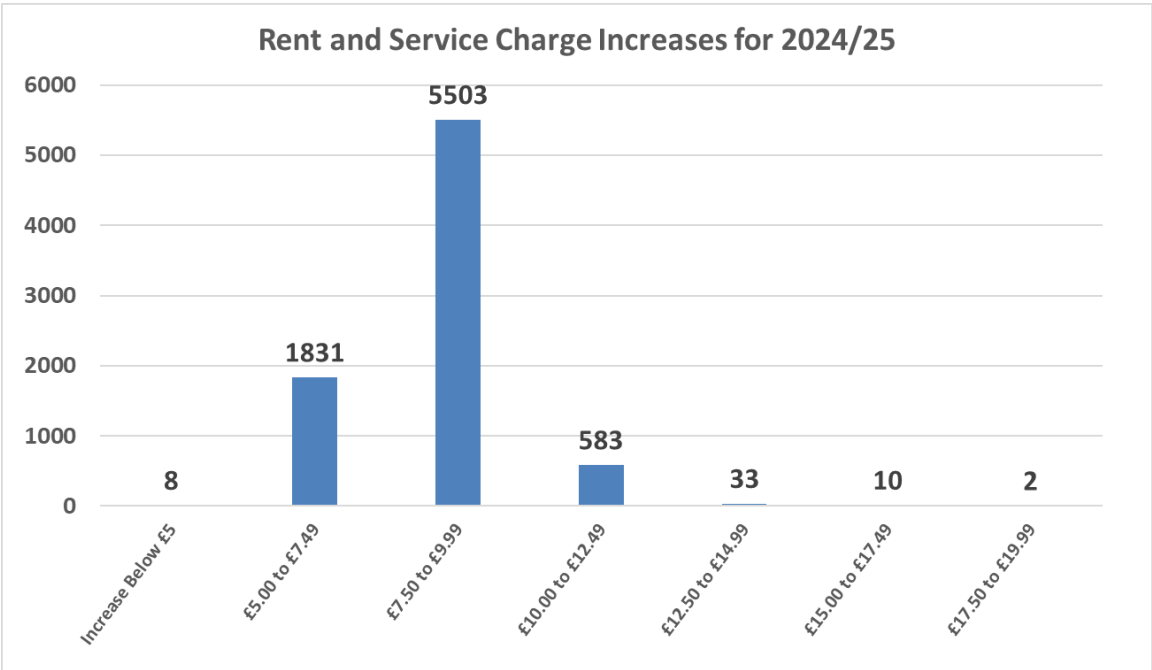
* note increase per week

4.2.4 The reduction in gas prices has significantly reduced the service charges that include heating costs. However, even with these reductions the charges are still much higher than historic levels. To help mitigate the impact on tenants heating charges will be adjusted to the actual cost for 2023/24, rather than the estimate, to ensure that no customer pays more than the gas used in their property. This area will remain under review during 2024/25 and any changes in pricing will be adjusted at the soonest opportunity to ensure that the service charges remain in line with costs.

4.3 Rents and Service Charges

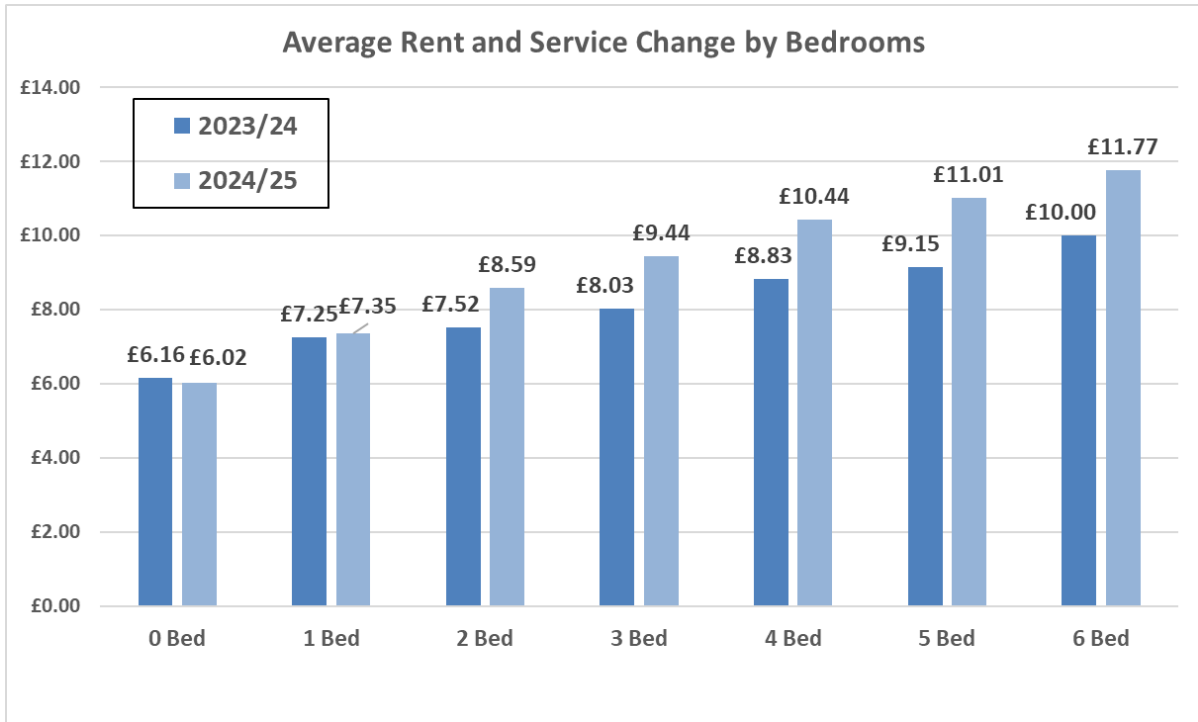
4.3.1 The impact of the 2024/25 rent increase and service charges is that 7,424 homes, or 93%, receive a weekly rent and service charge increase between £4.00 and £9.99. The reduction in utility prices has led to lower increases for some homes offsetting the impact of the CPI +1% rent increase of 7.7% The increases above £9.99 mainly relate to larger properties and where affordable rents are paid.

4.3.2 The spread of the 2024/25 rent and service charge changes are summarised in the chart below.



**note increase per week*

4.3.3 The average rent and service charge increase by bedroom size has also been calculated and summarised in the chart below.



4.3.4 The comparison between HRA property rents per week and private sector rents per week, for one to four-bedroom properties, is shown in the table below. A three-bedroom private sector rental property costs an additional 114%, (2022/23, 131%) more per week than an SBC council home and 28% more than the affordable let properties, (2022/23 30%).

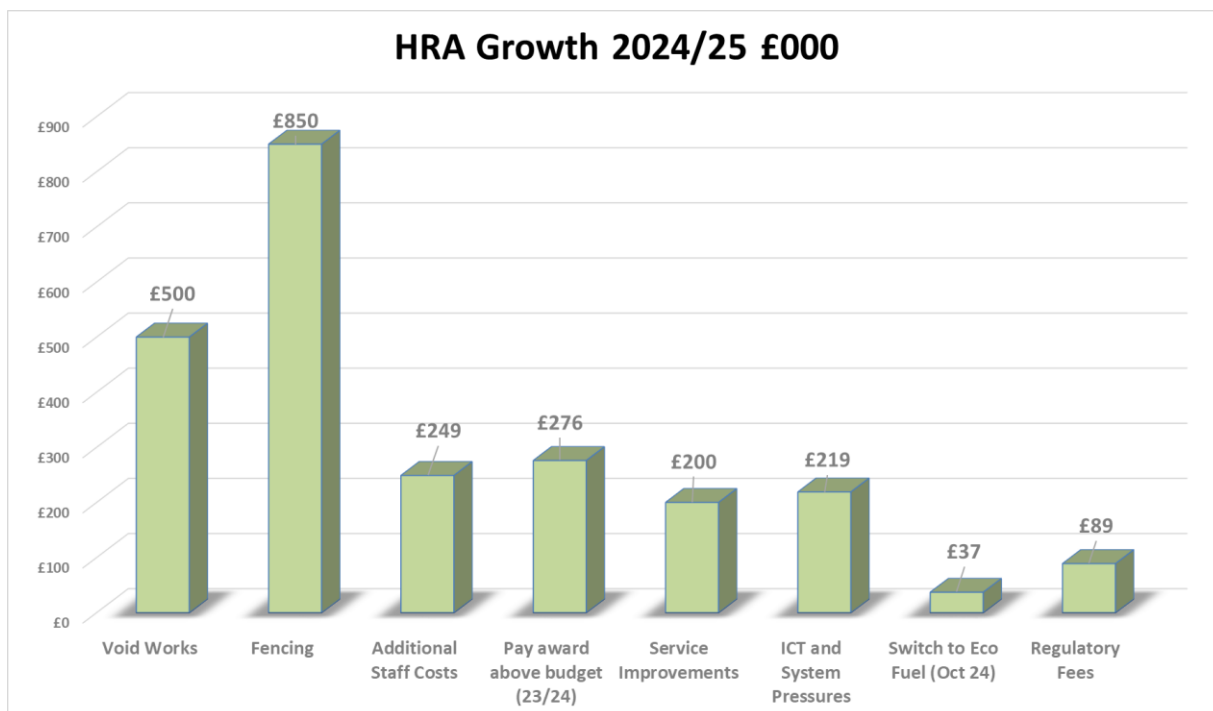
	SBC Social Rent	SBC Affordable Rent	Median Private Rent	Local Housing Allowance (LHA) 2023/24	Median % v SBC Social	Median % v SBC Affordable
1 Bed Property	£102.37	£153.70	£178.87	£155.34	75%	16%
2 Bed Property	£118.43	£196.10	£214.65	£195.62	81%	9%
3 Bed Property	£131.85	£238.45	£257.58	£241.64	95%	8%
4 Bed Property	£145.44	£279.32	£357.75	£299.18	146%	28%

Private rent Data from ONS as at March 2023 updated by ONS rental inflation for East of England to October 2023. Please note the SBC rents are April 2024 prices and the private rents October 2023 prices.

4.3.5 The Local Housing Allowance (LHA) shown in the table above is the maximum amount of housing benefit payable by property size for private rented properties.

4.4 Growth and Savings included in the HRA

4.4.1 The revenue growth included in the 2024/25 HRA budget is summarised in the chart below reflecting the items agreed in the HRA Business Plan at the November Executive and remain unchanged from the draft HRA budget report to the December 2023 Executive.



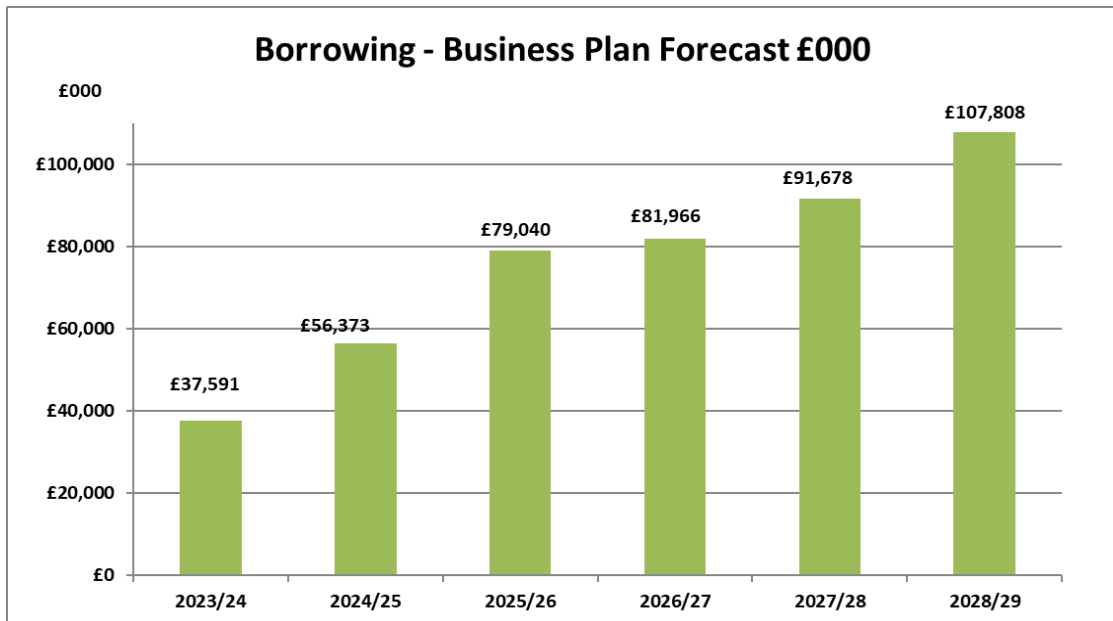
- 4.4.2 **Void Works £500K** – One off growth of £500K has been included to meet additional costs relating to void properties. This service has been subject to an operational review in consultation with the Community Select Committee. The operational model, resulting from this review, is currently being finalised and this takes into account additional demands from the new consumer regulations. This is likely to require further growth in 2024/25 and this will be reported when the new operating proposals are fully costed.
- 4.4.3 **Fencing £850K** – Another one off growth item of £850K has been included to continue the work in clearing the current backlog of fencing repairs and replacements. Further proposals for the service will be finalised in 2024/25 for the following budget year.
- 4.4.4 **Additional Staff Costs £249K** - There are staff posts that have been extended in response to operational challenges, such as higher levels of arrears and changes to regulations for the housing service. These costs have been included as ongoing in the budget, however service reviews will be undertaken as part of the Transformation programme and the need to make balancing the budget savings as outlined in the HRA Business Plan.
- 4.4.5 **Pay Award 2023/24 £276K** - There are additional costs of £276K in relation to the 2023/24 pay award that is higher than the original budgeted cost of 3% and approved as part of the December 2023 budget report.
- 4.4.6 **Service Improvements £200K** – A sum of £200K per annum has been included to enable transformation projects and service improvements. It was recognised in the HRA Business Plan that the service will need to find continual efficiencies to be able to meet future demands and this growth is intended to enable those improvements.
- 4.4.7 **IT and System Pressures £219K** – This is the HRA's share of the ICT pressures identified in the General Fund Balancing the Budget report to the

November Executive. The additional growth bids include licencing costs and the HRA share of the SOCITIM review of the ICT service as recommended to the Executive by the Shared ICT Committee.

- 4.4.8 **Switch Vehicle Fleet from Diesel to HVO (Eco) Fuel £37K** – As part of the Council’s climate change ambitions Members approved (in the Balancing the Budget report that went to Executive in November 2023) to switch its vehicle fleet to HVO (eco) fuel from October 2024. This area is currently being reviewed, but initial estimates show a small growth of £37K to the HRA. Any change to this estimate will be included in the Final HRA Budget report.
- 4.4.9 **Regulatory Fees £89K** – The Housing Ombudsman has increased their annual fees to the Council and the Regulator of Social Housing is introducing new fees next year in recognition of its role in regulating customer standards within local authorities. As a regulated housing provider, both of these fees are obligatory and have therefore been included in the budget for 2024/25.
- 4.4.10 The Balancing the Budget savings options for the HRA total £47,260 and have been included in the final HRA budget. However, there is still a further £200K savings that will need to be found in 2024/25

4.5 Borrowing

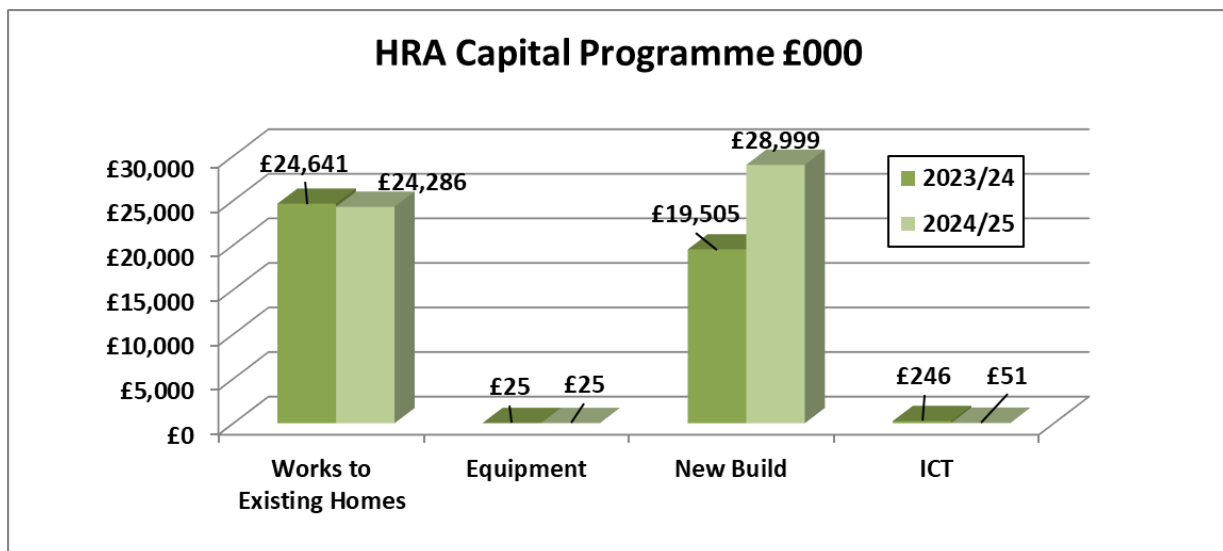
- 4.5.1 Based on current forecasts, new loans totalling £37.6Million and £18.8Million are expected to be taken in the current and next financial years for 2023/24 and 2024/25. However, the timing of when to take the new borrowing will be reviewed, weighing up the cost of carry and the prevailing Public Works Loan Board (PWLB) rates. The interest payable in 2023/24 and 2024/25 is estimated to be £8.9Million and £9.4Million respectively and remains unchanged from the December 2023 Executive report.
- 4.5.2 Currently interest rates have continued to stay higher than the unusually low levels seen in the past decade. For next year the Draft Budget assumes a rate of 4.6%, but the HRA Business plan assumes a long term average of 4%. The HRA has also been given a preferential rate for borrowing from the PWLB and this discounted period was extended in the recent Autumn Statement.



4.5.3 This graph shows the cumulative borrowing projected in the HRA Business Plan. The debt to be taken for 2023/24 and 2024/25 is £56.3Million, of which £37.5Million is converting internal borrowing to external debt.

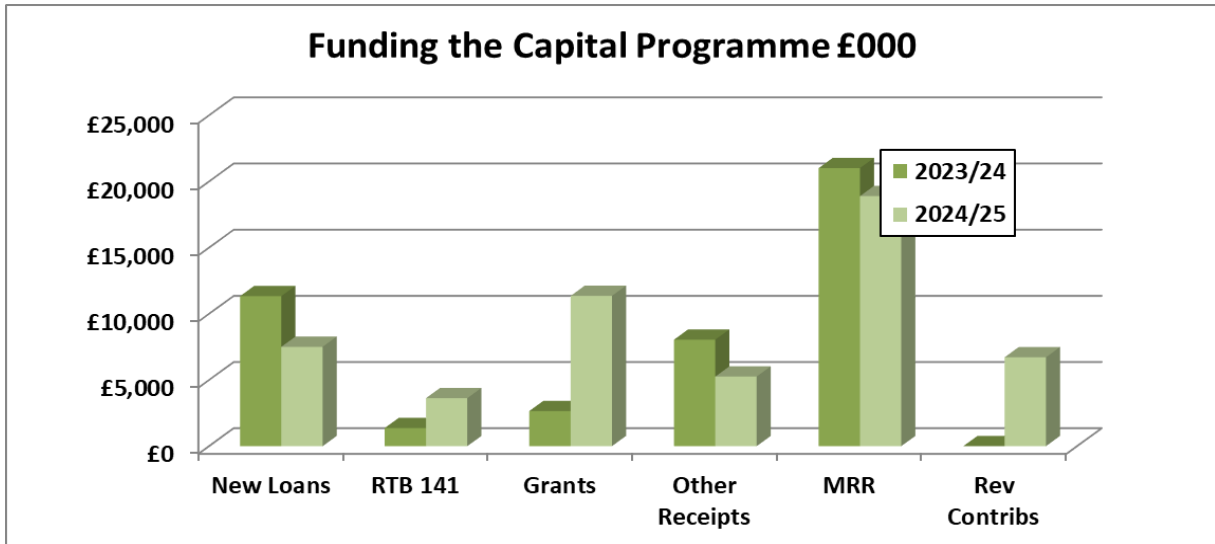
4.6 Capital Expenditure

4.6.1 The table below shows the revised capital programme for 2023/24 and the proposed spend for 2024/25. This position was used to construct the HRA business plan, but the final programme will be included in the capital budget reports for 2024/25 and any revenue implications will be shown in the final HRA budget report in January.



4.6.2 The majority of the capital expenditure relates to work on existing homes and the new build programme. The capital works on the housing stock is projected to be in line with the current year and the projected spend on new schemes is in line with the development programme included in the business plan. The table below shows the funding sources for the programme. Most of the work to existing homes continues to be financed from the major repairs reserve

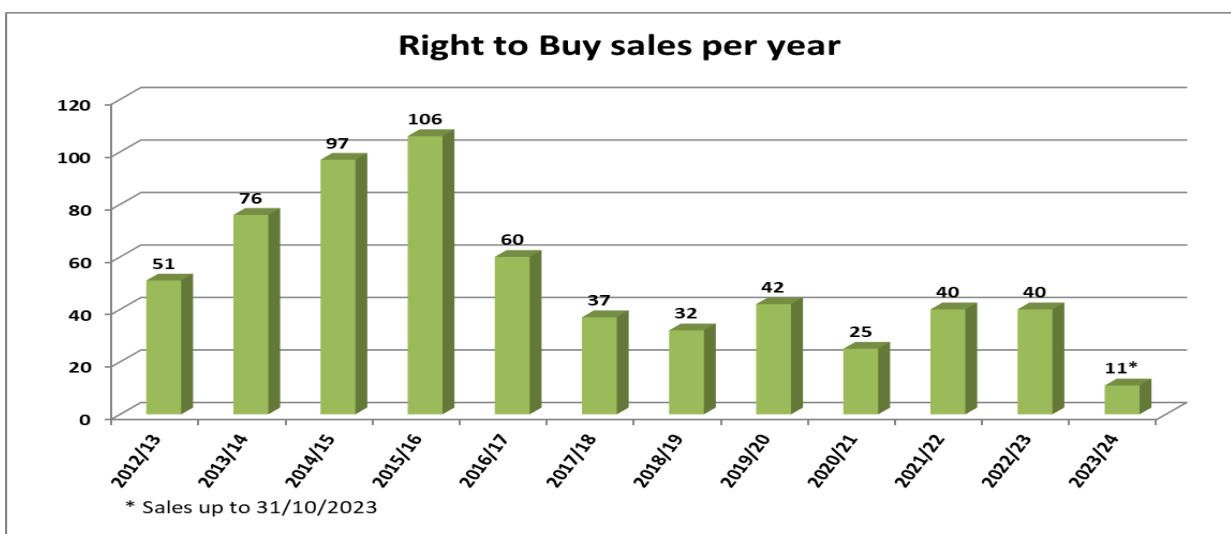
(funded from depreciation charges to the HRA) and the new build costs from loans and receipts. However, there has been an increase in the revenue contributions to capital in 2024/25 in line with the business plan projections and we are due to receive significant grant income for decarbonisation projects and to support the provision of temporary accommodation.



4.7 Use of One for One Receipts

4.7.1 The Council has an ambitious development programme and is currently completing a major redevelopment scheme at the Kenilworth Road site. This has helped to ensure that RTB receipts have been spent within the new time limits and the Council has been able to make full use of the Government’s decision to allow authorities to retain all of the receipts from sales for 2022/23 and 2023/24.

4.7.2 Sales of properties remain lower than the recent peak in 2015/16 and it looks likely that they will be in line with projected estimates of 35 properties for 2022/23. The budget for 2023/24 continues to assume sales of 35 properties for rent budgeting and capital receipts purposes. The graph below shows recent sales activity by year.



4.8 Final Budget Proposals

- 4.8.1 At the time the draft HRA budget was published for the December 2023 Executive a number of recharges for services between the General Fund and HRA and visa versus were still to be completed for services such as finance, ICT, insurance and Human Resources. This has now been completed and has resulted in an increase in recharges to the HRA of £192K, mainly as a result of the increase in the HRA head count as an over proportion of total staff numbers, this is used as cost driver to apportion services where appropriate.
- 4.8.2 There were other recharge adjustments of £12,800, giving an overall increase in net costs of £179K between the December 2023 and January 2024 report.
- 4.8.3 The Final 2024/25 HRA budget is estimated to be a net deficit of £261,110. The table below shows the movements between the draft budget paper and final budget proposal.

Summary of 2024/25		
Draft HRA 2024/25 budget		£81,770
Changes from Draft to Final Budget		
Net Increase in General Fund Recharges to HRA	£183,800	
Increase in Insurance Costs	£8,340	
Net Decrease in Recharges to General Fund	£12,230	
Other Recharge Adjustments	(£25,030)	
Total Changes:		£179,340
Final HRA 2024/25 budget		£261,110

4.9 Risk Assessment of Balances

- 4.9.1 All HRA balances, in excess of the minimum balance held for assessed risks in year, are required to fund the HRA 30-year programme.
- 4.9.2 A risk assessment of balances has been completed and is in Appendix C to this report. The HRA balances currently exceed this for the reasons set out in paragraph 4.8.2. There has been a significant increase in the minimum balance calculation from £3.3Million to £10.3Million. This is in order to mitigate the higher borrowing levels included in the HRA Business Plan and to allow greater flexibility to respond to future challenges facing the account.

HRA Balances:	2023/24 £	2024/25 £
HRA Balance 1 April	(10,569,201)	(12,385,251)
Use of balances in Year	(1,816,050)	261,110
HRA Balance 31 March	(12,385,251)	(12,124,141)
Minimum Balances	(3,320,000)	(10,261,500)
Debt Repayments	(9,065,251)	(1,862,641)

4.10 Consultation

4.10.1 The proposals in this paper are the result of detailed consultation with Executive Members, Senior Executives and service managers across the Council. They also reflect customer priorities identified through the Tenant's Survey.

4.10.2 The draft HRA budget proposals were considered at Overview and Scrutiny at a meeting held on the 19 December 2023. A number of points were raised which included:

- Rent increases are prescribed by government Policy which is currently CPI +1% which equated to a rise of 7.7% for 2024/25.
- There was support in place for those struggling to meet their rental liability including housing benefit, council tax support, universal credit and debt advise services, all of which are promoted. In addition, some service charges had reduced (for a number of tenants) with the reduction in gas and electric prices partly mitigating the increase.
- The EQIA would be updated and strengthened following comments from a Member regarding the impact on young people.

4.10.3 An all Member briefing session was held on the 5 December 2023 to update Councillors on the HRA Business Plan and growth requirements.

5 IMPLICATIONS

5.1 Financial Implications

5.1.1 Financial implications are included in the body of the report.

5.2 Legal Implications

5.2.1 Legal implications are included in the body of the report.

5.3 Staffing Implications

5.3.1 The unions will be consulted on the options contained in this report, where there is an adverse impact on staffing resources. Human Resources staff will co-ordinate centrally the implementation of any staff related savings from the budget process.

5.4 Risk Implications

- 5.4.1 Due to frequent Government policy changes, there are significant risks in setting the HRA budget. Historically the ring-fenced account has relied almost solely on rent income to finance both revenue and capital works. Many changes in policy, including the loss of £225Million from the Business Plan from four years of rent reductions, have made medium to long term planning difficult and for 2023/24 there was a 7% rent cap. Overall risks have also increased with the removal of the debt cap in 2019, as the Council is making long term financing decisions, on capital investment, based on income streams set by the current policy.
- 5.4.2 Currently one of the continuing risks to the account is a large increase in arrears. These have increased, in part as a result of tenants switching from housing benefits to Universal Credit, but also due to the Cost-of-Living crisis. To mitigate this position increased resources are still in place to help recover rent owed and the provision for bad debt has been increased to recognise that not all the outstanding debt will be recovered.
- 5.4.3 Inflation rates are still above the Government 2% target which will continue to put pressure on capital and revenue repairs budgets and may put further pressure on HRA resources. There are also continued risks in recovery of high utility costs from tenants and leaseholders.
- 5.4.4 The full operational implications of regulatory changes are still being implemented, in particular the response to the Social Housing Regulation Act, Building Safety Act and the Fire Safety Act. As policy and best practice is developed this could increase budget pressures on the HRA.
- 5.4.5 There is a risk of interest rates being higher than projected and leading to a reduction in the amount of expenditure for both revenue and capital. There is also a risk that the PWLB rate differential between gilts and borrowing rates for the HRA might be adjusted from the current 60bps and leading to a reduction in the amount of expenditure for both revenue and capital.
- 5.4.6 The HRA has a £200,000 saving target built into the 2024/25 budget linked to expected savings from the Transformation programme. With future years savings increasing to £500,000 per annum.

5.5 Equalities and Diversity Implications

- 5.5.1 In carrying out or changing its functions (including those relating to the provision of services and the employment of staff) the Council must comply with the Equality Act 2010 and in particular section 149 which is the Public Sector Equality Duty. The Act replaced three previous equality legislations – the Race Relations Act (section 71), the Sex Discrimination Act (section 76A) and the Disability Discrimination Act (section 49A). The Council has a statutory obligation to comply with the requirements of the Act, demonstrating that as part of the decision-making process, due regard has been given to the needs described in the legislation. These duties are non-delegable and must be considered by Council when setting the budget in January 2024.

- 5.5.2 To inform the decisions about the Budget 2024/25 officers have undertaken Brief Equality Impact Assessments (EqIAs) for service-related budget proposals, which will be further developed as proposals are agreed and implemented. Where there is a potentially negative impact, officers have identified further action needed to inform a final decision and to mitigate the impact where this is possible.
- 5.5.3 Attached as Appendix D is an EqIA for increasing the rent charged by 7.7% per annum, including the mitigations that will be implemented to lessen the impact wherever possible and as amended following consultation with Overview and Scrutiny.

6 BACKGROUND DOCUMENTS

- BD1 Final Housing Revenue Account (HRA) Budget Setting and Rent Report 2023/24 - January 2023 Council
- BD2 Housing Revenue Account Business Plan Review 2023 – November 2023 Executive
- BD3 Draft Housing Revenue Account Budget Setting and Rent Report 2024/25 – December 2023 Executive

7 APPENDICES

- Appendix A – Housing Revenue Account Summary
- Appendix B- Fees and Charges
- Appendix C – Risk Assessment of Balances
- Appendix D - EQIA for HRA Rent

APPENDIX A	HOUSING REVENUE ACCOUNT SUMMARY			
	Actual 2022/23 £	Original Budget 2023/24 £	Working Budget 2023/24 £	Original Budget 2024/25 £
Summary of Expenditure				
Supervision and Management	10,361,225	9,715,400	9,494,430	10,524,000
Special Services	6,118,471	7,451,310	7,068,090	7,603,260
Rent, Rates, Taxes and Other Charges	898,754	709,610	751,520	797,320
Repairs and Maintenance ⁽¹⁾	10,783,947	10,616,720	11,970,840	13,115,370
Depreciation	13,162,934	13,568,080	13,568,080	14,843,650
Corporate and Democratic Costs	1,106,784	1,209,640	1,209,640	1,165,590
Contribution to the Bad Debt Provision	401,941	375,000	375,000	423,440
Total Expenditure	42,834,057	43,645,760	44,437,600	48,472,630
Summary of Income				
Rental Income:				
Dwelling Rents	(41,711,023)	(45,678,620)	(45,226,120)	(49,678,160)
Non Dwelling Rents	(86,162)	(93,120)	(93,120)	(94,120)
	(41,797,185)	(45,771,740)	(45,319,240)	(49,772,280)
Charges for Services & Facilities - Tenants	(2,376,738)	(3,361,740)	(3,017,290)	(3,165,960)
Leaseholder Service Charges	(876,027)	(1,006,540)	(1,006,540)	(1,087,120)
Contributions Towards Expenditure	(637,349)	(308,520)	(354,020)	(344,020)
Reimbursement of Costs	(323,309)	(354,540)	(309,040)	(325,040)
Recharge Income (GF & Capital)	(2,563,211)	(2,546,480)	(2,236,660)	(2,272,400)
Total Income	(48,573,820)	(53,349,560)	(52,242,790)	(56,966,820)
Gain on sale of HRA Non-Current Assets	(9,695,340)	0	0	0
Interest Payable	7,338,321	8,698,640	7,536,200	9,448,620
Interest Receivable	(902,736)	(1,025,180)	(1,547,060)	(1,487,450)
Capital grants & Contributions receivable	(97,853)	238,070	0	6,715,130
Pension Interest and return on assets	0	0	0	0
Net (Surplus)/Deficit For Year	(9,097,371)	(1,792,270)	(1,816,050)	6,182,110
Movement on the HRA				
Accounting basis to funding basis under statute	9,478,564	0	0	0
Transfer to Reserves	17,244,024	0	0	(5,921,000)
Housing Revenue Account Balance				
Net Expenditure/(Income) for Year	17,625,217	(1,792,270)	(1,816,050)	261,110
Balance B/Fwd 1 April	(28,194,418)	(10,569,201)	(10,569,201)	(12,385,251)
HRA Balance C/Fwd 31 March	(10,569,201)	(12,361,471)	(12,385,251)	(12,124,141)

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Appendix B	Description of Chargeable Service	2023/24 Gross Fee Payable by Customer	Net Fee (2024/25)	VAT (exemption can be applied for on certain fees)	2024/25 Gross Fee Payable by Customer	Gross Increase £	Increase %	2023/24 Budget	Increase in Budget	2024/25 Proposed Budget
Housing Revenue Account										
Specialist Support										
Guest Bedrooms	Silkin Court, Walpole Court, Scarborough Avenue, Southend Close, Pinewoods & Fred Millard.	£13.80	£12.00	£2.40	£14.40	£0.60	4.35%			
Guest flats	Norman Court, Silkin Court	£23.40	£20.50	£4.10	£24.60	£1.20	5.13%			
Short Stay Units	Assessment (per day)	£11.70	£12.50	£0.00	£12.50	£0.80	6.84%			
	Respite	£23.40	£24.50	£0.00	£24.50	£1.10	4.70%			
								£10,900	£550	£11,450
Laundry Charges	Independent living/flexicare laundry wash	£3.30	£2.92	£0.58	£3.50	£0.20	6.18%			
								£7,600	£470	£8,070
Room Hire	Hairdressing at Silkin/Fred Millard, (Hourly charge) *	£6.00	£5.34	£1.07	£6.40	£0.40	6.70%			
	Private chiropodist and other services, (per hour) *	£6.00	£5.34	£1.07	£6.40	£0.40	6.70%			
								£2,000	£0	£2,000
Support Services and careline for HRA tenants	Housing related support (includes all services shown under careline alarms)	£19.65	£19.65	£0.00	£19.65	£0.00	0.00%			
	SIM Careline Unit (additional weekly charge)	£1.20	£1.00	£0.20	£1.20	£0.00	0.00%			
	independent living and flexi care support charge for previous HRS protected clients and new residents entitled to HB	£10.50	£10.50	£0.00	£10.50	£0.00	0.00%			
	response service for new customers (50 weeks)	£8.70	£7.25	£1.45	£8.70	£0.00	0.00%			
	Response service to other provider equipment (50 weeks)*	£4.92	£4.10	£0.82	£4.92	£0.00	0.00%			
	Monitoring only service (50 weeks) *	£3.90	£3.25	£0.65	£3.90	£0.00	0.00%			
								£467,500	£0	£467,500
Careline Alarm- private (Shortfall funded from General Fund)	Response service (52 weeks) *	£8.70	£7.25	£1.45	£8.70	£0.00	0.00%			
	Response service out of area (52 weeks)*	£8.70	£7.25	£1.45	£8.70	£0.00	0.00%			
	Response service to other provider equipment (52 weeks)*	£4.92	£4.10	£0.82	£4.92	£0.00	0.00%			
	Monitoring only service (52 weeks) *	£3.90	£3.25	£0.65	£3.90	£0.00	0.00%			
								£93,000	£0	£93,000
	Careline (Winkhaus) keys*	£14.40	£12.80	£2.56	£15.36	£0.96	6.70%			
	Fobs - Sheltered Schemes (Black)	£23.10	£20.54	£4.11	£24.65	£1.55	6.70%			
	Fobs - Sheltered Schemes (Shark)	£13.80	£12.27	£2.45	£14.72	£0.92	6.70%			
Replacement Pendants	Tynetec pendant	£60.00	£53.35	£10.67	£64.02	£4.02	6.70%			
	Doro pendant	£50.40	£44.81	£8.96	£53.78	£3.38	6.70%			
	Chiptech	£52.98	£47.11	£9.42	£56.53	£3.55	6.70%			
Key safe	Supply	£22.20	£22.50	£0.00	£22.50	£0.30	1.35%			
	Fit	£64.20	£65.00	£0.00	£65.00	£0.80	1.25%			
Lock Change		£93.60	£83.21	£16.64	£99.85	£6.25	6.68%			
								£3,850	£260	£4,110
General Needs Tenants and Leaseholders:										
Key Fobs	Old Style "Black fobs"	£23.10	£20.54	£4.11	£24.65	£1.55	6.70%			
	New "Shark" Fobs*	£13.80	£12.27	£2.45	£14.72	£0.92	6.70%			
Communal door entry keys	Replacement keys for entry doors to flat blocks.	£22.08	£19.63	£3.93	£23.56	£1.48	6.70%			
Laundry charges - Roundmead	Wash tokens	£6.24	£5.55	£1.11	£6.66	£0.42	6.70%			
	Dry Tokens	£3.36	£2.99	£0.60	£3.59	£0.23	6.70%			
Management Fees for Westwood Court & Kilner Close	Administration Fees	£1.26	£1.12	£0.22	£1.34	£0.08	6.70%			
								£7,500	£500	£8,000

Appendix B cont.	Description of Chargeable Service	2023/24 Gross Fee Payable by Customer	Net Fee (2024/25)	VAT (exemption can be applied for on certain fees)	2024/25 Gross Fee Payable by Customer	Gross Increase £	Increase %	2023/24 Budget	Increase in Budget	2024/25 Proposed Budget
Stores		£7.00	£7.47	£0.00	£7.47	£0.47	6.70%			
Lock change	Callout	£152.40	£135.51	£27.10	£162.61	£10.21	6.70%			
	Admin charge	£54.60	£48.55	£9.71	£58.26	£3.66	6.70%			
	Charge		POA		POA					
								£28,400	£1,900	£30,300
Tenant's Retrospective Charges		£0.00		£0.00	£0.00	£0.00	n/a			
Inspection charge - depending on cost of work	From £0 to £999	£235.00	£250.75	£0.00	£250.75	£15.75	6.70%			
	From £1,000 to £1,999	£240.00	£256.08	£0.00	£256.08	£16.08	6.70%			
	From £2,000 to £2,999	£260.00	£277.42	£0.00	£277.42	£17.42	6.70%			
	From £3,000 to £3,999	£270.00	£288.09	£0.00	£288.09	£18.09	6.70%			
	From £4,000 to £4,999	£320.00	£341.44	£0.00	£341.44	£21.44	6.70%			
	From £5,000 to £5,999	£430.00	£458.81	£0.00	£458.81	£28.81	6.70%			
Adminstration		£170.00	£181.39	£0.00	£181.39	£11.39	6.70%			
								£6,400	£50	£6,450
Leasehold charges for services - VAT not applicable. All fees are additional income for SBC										
Solicitors enquiries/standard pre-sale enquiries*	10 working day response - from date of payment	£190.00	£202.73	£0.00	£202.73	£12.73	6.70%			
Solicitors enquiries/standard pre-sale enquiries*	3 working day response - from date of payment	£290.00	£309.43	£0.00	£309.43	£19.43	6.70%			
Re-mortgage enquiries*	Enquiries raised at a time of remortgaging	£90.00	£96.03	£0.00	£96.03	£6.03	6.70%			
Copy of lease*	fee for providing a copy of the lease	£45.00	£48.02	£0.00	£48.02	£3.02	6.70%			
Copies of quarterly service charge invoice*	additional inspection fee	£40.00	£42.68	£0.00	£42.68	£2.68	6.70%			
Copies of service charge estimate or actual statement*	additional inspection fee	£40.00	£42.68	£0.00	£42.68	£2.68	6.70%			
Deed of Postponement		£130.00	£138.71	£0.00	£138.71	£8.71	6.70%			
Notice of Charge		£45.00	£48.02	£0.00	£48.02	£3.02	6.70%			
Notice of Transfer/Assignment		£45.00	£48.02	£0.00	£48.02	£3.02	6.70%			
Lease extension	Valuation fee	£350.00	£373.45	£0.00	£373.45	£23.45	6.70%			
	Legal fee	£760.00	£810.92	£0.00	£810.92	£50.92	6.70%			
	Adminstration fee	£180.00	£192.06	£0.00	£192.06	£12.06	6.70%			
	Deposit - £260 or 10% of the premium, whichever is higher	£260.00	£277.42	£0.00	£277.42	£17.42	6.70%			
Collective enfranchisement	Valuation fee	£730.00	£778.91	£0.00	£778.91	£48.91	6.70%			
	Legal fee	£760.00	£810.92	£0.00	£810.92	£50.92	6.70%			
	Adminstration fee	£180.00	£192.06	£0.00	£192.06	£12.06	6.70%			
Consent fee/sub let fee	Cost of requesting permission to sublet the property	£70.00	£74.69	£0.00	£74.69	£4.69	6.70%			
Alterations										
Minor alterations - these are internal works within the demised premises that do not require planning permission or building control approval	Pre-application advice (non-refundable)	£200.00	£213.40	£0.00	£213.40	£13.40	6.70%			
	Minor application consideration and decision (non-refundable)	£400.00	£426.80	£0.00	£426.80	£26.80	6.70%			
	Letter licence - deed	£270.00	£288.09	£0.00	£288.09	£18.09	6.70%			
	Full licence - issued by Building Surveyor	£410.00	£437.47	£0.00	£437.47	£27.47	6.70%			
	Extension of the letter licence period	£240.00	£256.08	£0.00	£256.08	£16.08	6.70%			
Major alterations	Pre-application advice (non-refundable)	£240.00	£256.08	£0.00	£256.08	£16.08	6.70%			
	Major application consideration and decision (non-refundable)	£650.00	£693.55	£0.00	£693.55	£43.55	6.70%			
	Landlord licence - deed	£470.00	£501.49	£0.00	£501.49	£31.49	6.70%			
	Supplemental lease/deed of variation additional premises/restrictions)	£210.00	£224.07	£0.00	£224.07	£14.07	6.70%			
	Extension of the letter licence period	£320.00	£341.44	£0.00	£341.44	£21.44	6.70%			

Appendix B cont.	Description of Chargeable Service	2023/24 Gross Fee Payable by Customer	Net Fee (2024/25)	VAT (exemption can be applied for on certain fees)	2024/25 Gross Fee Payable by Customer	Gross Increase £	increase %	2023/24 Budget	Increase in Budget	2024/25 Proposed Budget
Minor alterations - these are internal works within the demised premises that do not require planning permission or building control approval	Pre-application advice (non-refundable)	£285.00	£304.10	£0.00	£304.10	£19.10	6.70%			
	Minor application consideration and decision (non-refundable)	£525.00	£560.18	£0.00	£560.18	£35.18	6.70%			
	Retrospective letter licence	£430.00	£458.81	£0.00	£458.81	£28.81	6.70%			
Major alterations	Pre-application advice (non-refundable)	£325.00	£346.78	£0.00	£346.78	£21.78	6.70%			
	Major application consideration and decision (non-refundable)	£940.00	£1,002.98	£0.00	£1,002.98	£62.98	6.70%			
	Supplemental lease (extension of demised premises)	£410.00	£437.47	£0.00	£437.47	£27.47	6.70%			
	Landlord licence - deed	£670.00	£714.89	£0.00	£714.89	£44.89	6.70%			
Unauthorised alterations (The cost of this will depend on whether it is Minor or Major Works and the figure given is the minimum for major works)	Minor assessment and ruling	£500.00	£533.50	£0.00	£533.50	£33.50	6.70%			
	Major assessment and ruling	£740.00	£789.58	£0.00	£789.58	£49.58	6.70%			
	Stop and make safe notification (including liaison with other council officers)	£365.00	£389.46	£0.00	£389.46	£24.46	6.70%			
	Re-instatement minor works	£740.00	£789.58	£0.00	£789.58	£49.58	6.70%			
	Re-instatement major works	£980.00	£1,045.66	£0.00	£1,045.66	£65.66	6.70%			
									£500	£500
	GRAND TOTAL							£627,150	£4,230	£631,380

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**APPENDIX C: RISK BASED ASSESSMENT OF THE LEVEL OF HOUSING REVENUE ACCOUNT BALANCES
2024/25**

Potential Risk Area	Comments including any mitigation factors		
Income from areas within the base budget where the Council raises "Fees and Charges"	Potential risk that the budgeted level of income from activities where the Council is charging for services will not be achieved. This is anticipated largely to be as a result of the downturn in economy and the current cost of living crisis, but could also be as a result of increased void rates, lower collection rates, disputed bills, All "fees and charges" income is reviewed as part of the monthly/quarterly budget monitoring process. All budgets are profiled over the year based upon previous experience.		
		Calculated Risk	
Specific Areas	Estimated Income	Risk assessed at	Balances Required
Rechargeable works not raised or recovered	-£166,560	10.00%	-£16,656
Leaseholder charges not realised (excluding insurance)	-£926,600	5.00%	-£46,330
Rental income (increase in voids rates)	-£49,630,160	0.75%	-£372,226
Service Charges (increase in voids rates)	-£2,208,290	0.75%	-£16,562
Heating charges	-£505,920	5.00%	-£25,296
Total			-£477,070

Potential Risk Area	Comments		
Demand Led Budgets	Potential risk that spending on parts of the budget where the Council has a legal duty to provide the service increases significantly, including due to regulatory requirements. Individual budgets reviewed as part of the monthly budget monitoring process. All budgets are profiled over the year based upon previous experience and so any variances should show up during the year.		
		Calculated Risk	
Specific Areas	Estimated Exposure	Risk assessed at	Balances Required
Storm damage and fire damage uninsured costs (excess is £25,000 for fire damage)	£25,000	100.00%	£25,000
Response and Emergency repairs increase as a result of inflationary pressures or unforeseen repairs	£12,287,850	5.00%	£614,393
Unforeseen Capital works not budgeted for requiring a contribution to capital (based on a proportion of the capital programme)	£53,361,020	2.00%	£1,067,220
Inflation pressures on capital works requiring additional revenue resources to fund the shortfall	£53,361,020	0.75%	£400,208
NEW Insufficient budget identified for Void Repairs	£500,000	10.00%	£50,000
Insufficient budget identified for damp and mould works	£250,000	10.00%	£25,000
Total			£2,181,821

Potential Risk Area	Comments including any mitigation factors		
Changes since budget was set	Potential risk that things change since the budget estimates were made and the estimates are then under budgeted for.		
		Calculated Risk	
Specific Areas	Estimated Exposure	Risk assessed at	Balances Required
Transitional Vacancy Rate 4.5% not achieved	£326,340	10.00%	£32,634
Increase in bad debt provision	£423,440	10.00%	£42,344
Utility inflation (Electricity increase in April 2018, Gas increase from Oct 2018)	£1,904,310	5.00%	£95,216
Pay award is higher than budgeted for	£11,351,620	2.00%	£227,032
Total			£397,226

**APPENDIX C: RISK BASED ASSESSMENT OF THE LEVEL OF HOUSING REVENUE ACCOUNT BALANCES
2024/25**

Potential Risk Area	Comments including any mitigation factors		
Income from areas within the base budget where the Council raises "Fees and Charges"	Potential risk that changes in government policy and legislation mean income from activities where the Council is charging for services will not be achieved.		
		Calculated Risk	
Specific Areas	Estimated Income	Risk assessed at	Balances Required
Increased Right to buys as a result of Government initiatives reducing the amount of collectable rent. Assume an additional 20 RTB's increasing the number to 55 in 2023/24	£115,211	50.00%	£57,606
Higher rent arrears as a result of cost of living crisis	£1,600,831	10.00%	£160,083
Total			£217,689

Potential Risk Area	Comments including any mitigation factors		
Estimated balances required for any over spend or under -recovery of expenditure	This calculation replaces the calculation based on Net Expenditure		
		Calculated Risk	
Specific Areas	Estimated Exposure	Risk assessed at	Balances Required
Gross Expenditure (excluding fixed interest costs and depreciation and RCCO and cost covered above)	£6,918,310.00	5.00%	£345,916
Total			£345,916

Potential Risk Area	Comments including any mitigation factors		
Greater exposure to interest rate changes	The latest Business Plan revision includes re-financing of existing debt and a higher level of borrowing in the first 10 years of the plan. To mitigate this reserve values have been increased related to future debt		
		Calculated Risk	
Specific Areas	Estimated Exposure	Risk assessed at	Balances Required
10 Year Assumed new borrowing	£168,793,000	4.50%	£7,595,685
Total			£7,595,685

Level of Balances Assumed in Housing Revenue Account Based on risk

£10,261,522

Balances held for other HRA spend.

£1,862,619

Total Required balances

£12,124,141

Appendix D

**Full Equality Impact Assessment
Rent and Service charges 2024- 2025 Changes.**

What is being assessed?		HRA: Rent and Service Charge 2024/25			
Lead Assessor	Karen Long			Assessment team	Elizabeth Ddamulira Keith Reynoldson
Start date	Jan 2024	End date	Dec 2025		
When will the EqIA be reviewed?	Jan 2025				

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Who may be affected by it?	All tenants, regardless of Protected Characteristic (PC) group will be impacted by the increase in rent and charges, however data indicates that there will be a disproportionate impact on older or disabled tenants. For this reason, Age and Disability have been highlighted, and the mitigations across all PC groups are covered off in the 'Socio-economic' section.
What are the key aims of it?	Rent increases are prescribed by Government and it is extremely difficult therefore not to apply the determination made by Government annually. To increase the rent on dwellings from week commencing 1 April 2024 by 7.7%, which is 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). This has been calculated in accordance with the current Rent Standard issued by the Government that increases rents by September CPI inflation +1% and the Council's Rent and Service Charge Policy.

The Council's Rent and Service Charge Policy provides a framework for setting rents and service charges within legislative requirements. The rent and service charge income underpins the delivery of the Housing Revenue Account Business Plan's key housing objectives to deliver effective services, to invest in its properties to ensure homes are of a modern standard and to provide new social housing to rent. The policy was revised in December 2022.

The revisions aimed to ensure that the policy complied with the government's direction on the Rent Standard 2019 and to clarify the Council's position in relation to service charge increases and affordable rents. A further aim since 2022 is to mitigate the impact of Cost of Living Crisis (CoL) and general economic challenges on customers and their ability to pay rent and service charges. Key elements include:

- To increase rents on social rent and affordable rent properties by up to CPI+1% each year from 2020, for a period of at least five years.
- Increase the rents for all excluded properties by CPI +1%, e.g. LSSO
- Set the rent for a proportion of new build homes at affordable rents.
- Set the rent where adaptations or extensions have resulted in the property being increased in size (for example, an additional bedroom), in accordance with the formula rent as detailed in the policy.
- Further to the Welfare Reform and Work Act 2016, charge the rent payable by new tenants of existing social rent housing at the higher of the formula rent (i.e. the 'social rent rate'), or the actual rent (i.e. the 'assumed rent rate') as at 8th July 2015, with the appropriate rent increase applied in line with the current Rent Standard Direction (February 2019).
- Charge actual costs for service charges but with the provision to apply a cap, subject to any legal constraints, on affordability grounds where appropriate.
- Mitigation of general economic challenges impact and Cost of Living Crisis (CoL)

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

Remove discrimination & harassment		Promote equal opportunities	The aim of the Rent & Service Charge Policy is to provide a fair method of calculating rents and service charges for all of our tenants. It also aligns with the council's Concessions for Fees and Charges Policy, and the principle of recovering the cost of providing services.	Encourage good relations	
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What sources of data / information are you using to inform your assessment?

- Policy Statement on Rents for Social Housing, February 2019
- Direction on the Rent Standard, 2019
- Welfare Reform and Work Act 2016
- Housing and Planning Act 2016
- Rent and service charge policy agreed by Exec December 2019 and recommended to Council in January 2020
- Rent account information
- Housing System data
- Supported housing service data
- Equality & Diversity Annual Report 22/23

In assessing the potential impact on people, are there any

Approval to increase rents by CPI + 1% for 5 years from 2020/21 required a revision of HRA Budget plans priorities. The latest HRA Business Plan was agreed at the November 2023 Executive Meeting.

overall comments that you would like to make?

The average rent increase for 2024/25 is 7.7%, in line with the current rent standard.

When calculating rents and service charges accounts, consideration will be taken of the need to balance any increase in the combined rent and service charge with the potential financial impact on customers. This relates to 36% of homes to which a service charge applies, which are predominantly flats as well as sheltered accommodation. The Council must recover the actual cost of providing the service and service charge costs will increase with inflationary pressures and changes in usage.

The impact of the 2024/25 rent increase and service charges is

- 7,424 homes or 93% receive a rent and service charge increase between £4 and £9.99 per week;

We had 6,799 general social rented properties, 66 affordable rent properties, 794 Sheltered Accommodation and 79 LSSO as at November 2023. The setting of a proportion of new build lets at affordable rents will contribute positively to increasing the supply of new homes in Stevenage. All target groups will benefit given the need for affordable housing is common across all socio-economic and minority groups. The current low supply of new affordable housing and the high cost of the private rented sector in Stevenage have impacted adversely on those groups whose incomes are average or below average.

This also further supports work with people who need help to live independently at home and those at risk of homelessness, through wider housing options, continued provision of support, and financial assistance for adaptations and more homelessness preventative programmes respectively.

Any groups that are potentially disadvantaged are still expected to be able to benefit from a council property set at a social rent.

Tenants benefited from four years of rent reduction from 2016-2020 so the impact of the rent increase is mitigated partially by having to use a lower base than it would have been had there not been a mandatory rent reduction (cumulative) of 1 % between 2016-2020.

Evidence and impact assessment

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

Age					
Positive impact		Negative impact	<p>Residents may be experiencing exceptional economic hardship as a result of the cost of living crisis, and increases in energy, food and fuel costs in particular. This may have a greater impact older people, who may have additional needs for heating and to run particular equipment and may also have lower income / be reliant on pensions and/or benefits (which have been increased in line with inflation). Office of National Statistic (ONS) data¹ confirms that under 30s and over 60s have lower than average incomes, with ages in between having higher than average incomes.</p> <p>The increase will impact tenants in who are charged for services in flats and/or sheltered accommodation. Tenants living in sheltered housing do so because they have additional needs that require support relating to age, disability or both. The minimum age for entry into sheltered housing is 55 years and data from Northgate indicates that the proportion of tenants aged 60+ in sheltered housing, is almost three times the proportion for all tenant housing.</p>	Unequal impact	

¹ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2023>

			<p>In relation to flat blocks, the data indicates that there is a higher proportion of people aged 18-29 years in flat blocks compared with all SBC housing. This is because these are comprised of smaller accommodation Studio-2 bed flats which is allocated to single people and single or couples with up to 2 children.</p> <p>For people living in independent living/flexicare schemes, in addition to basic rent and service charges, those who pay for the support/emergency response services that are not eligible for Housing benefit may see an increase in overall payment due each week.</p> <p>We currently know that the general economic challenges and Cost of Living Crisis (CoL) have an in impact on all our residents and also note that this is disproportionately of particular risk to older people and those with underlying conditions. This may result in in this age group incurring extra expenses that may affect their ability to pay rent and service charges.</p>		
<p>Please evidence the data and information you used to support this assessment</p>			<p>Northgate Equality & Diversity Annual Report 22/23 Office of National Statistics – Employment & Labour Market</p>		
<p>What opportunities are there to mitigate the impact?</p>	<p>Ongoing and day to day consultation will take place with residents in 2024/25 to establish the impact of the rent & service charge increase. Please also refer to the mitigations outlined in the socio-economic section below, most of which will also apply to this protected characteristic group.</p>		<p>What do you still need to find out? Include in actions (last page)</p>		

Disability

Positive impact		Negative impact	<p>Residents may be experiencing exceptional economic hardship as a result of the cost of living crisis, and increases in energy, food and fuel costs in particular. This may have a greater impact on people with a disability, who may have additional needs for heating and to run particular equipment, and may also have lower income / be reliant on benefits (which have been increased in line with inflation). For information, in July 2023, there were 4,252 Personal Independent Payment (PIP) claimants in Stevenage, 1,853 of which were male and 2,401 were female. This is 21% increase in claimants from March 2022 when there were 3,528 total PIP claimants in Stevenage.</p> <p>Northgate data on tenants in relation to disability is limited, however, to give some context, the data indicates that the proportion of tenants in sheltered housing declaring that they had a disability was almost double the proportion for the whole SBC tenant population.</p> <p>More widely, and according to the 2021 Census, 17.2% of Stevenage residents had a disability covered under the Equality Act that limited their day-to-day activities, which is a 1.5% increase from the 2011 census.</p> <p>In addition, the Office for National Statistics (ONS) show that disabled workers earn on average £1.93 per hour less than non-disabled employees (a gap of over £3,500 per year based on a 35-hour week). The disability pay gap – the difference between median pay for disabled employees and non-disabled employees – was 13.8% in 2021.</p>	Unequal impact	
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Please evidence the data and information you used to support this assessment		Northgate Equality & Diversity Annual Report (2022-23)	
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)	

Gender reassignment, Marriage or civil partnership, Pregnancy & maternity, Race, Religion or belief, Sex, Sexual orientation N/A					
Positive impact		Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment		There is no evidence to suggest any specific impacts on customers within any of these protected characteristic groups.			
What opportunities are there to promote equality and inclusion?		What do you still need to find out? Include in actions (last page)			

Socio-economic²					
e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users					
Positive impact		Negative impact	The rent increase will be applied across all tenancies prescribed by the Work and Welfare Reform Act and in line with the current Rent Standard Direction (February 2019) regardless of circumstances. This will be applied for 2024/2025.	Unequal impact	

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

		<p>In May 2023, 6,163 households were in receipt of Universal Credit in Stevenage, a 2% decrease from 6283 households in March 2022.</p> <p>Those reliant on Housing Benefit (HB) and Universal Credit (UC) Housing costs to cover their full rent and eligible service charges won't be affected by the increase in rent and service charges as their benefit award will be recalculated.</p> <p>The number of bids on the new build properties let at affordable rents are similar to the number received for new build let at social rents. There is a mixture of employed and unemployed applicants. Applicants in receipt of benefits are not excluded or unfairly treated.</p> <p>Those who receive services for which a service charge is made will be charged the actual cost of those services. Heating charges are exempt from HB and tenants are expected to pay this. Water charges are also exempt from HB and are set by the Water Authority. SBC collects the water charges on behalf of the Water Authority.</p> <p>According to the 2019 English Index of Multiple Deprivation, Stevenage continues to be the most deprived authority in Hertfordshire. Of this, Bedwell is the most deprived ward in Town. Residents may be experiencing exceptional economic hardship as a result of the cost of living crisis, and increases in energy, food and fuel costs in particular. Households in the general rented homes, especially those on lower incomes, in general pay more of their income on housing costs and have less resilience to cope with financial shocks. This is anticipated to lead to a significant increase in fuel poverty, and extreme fuel poverty.</p>		
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By pushing those who had previously been coping into financial hardship, it is very likely that the rise in cost of living is going to intensify health inequalities that have already been exacerbated by the Covid-19 crisis and we know that poverty and health inequalities are inextricably linked.

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

Northgate
 Equality & Diversity Annual Report 2022/23
 English Index of Multiple Deprivation 2019

What opportunities are there to mitigate the impact and promote equality and inclusion?

To help mitigate any negative impacts on residents the Council will continue to offer financial assistance through multiple support schemes and activities, including:

Services charges for 2024/25 have reduced as a result of lower utility costs and the average combined rent and service charge increase for a 2 bed flat is £1.07, 1 bed flat £0.10 and for a bedsit is a reduction of £0.14.

Rent increase information will be published on the Council website early February 2024 to start preparing tenants.

The rent notification letter (to be sent out at the end of February) will offer tenants the opportunity to discuss any queries they have with staff. It will explain why the rent has increased and also explain any increase in service charges. Where a property has a number of service charges they will be fully explained, with a summary of how the weekly charge has increased overall.

Where support charges are also included (mainly but not exclusively for sheltered and flexi care schemes) separate notifications will be sent out to these

What do you still need to find out? Include in actions (last page)

Ongoing consultation will take place with residents throughout 2024/25 to establish impact of the rent & service charge increase and put in place systems to mitigate this accordingly

	<p>residents to ensure it is clearly set out how each element of the weekly charge is made up.</p> <p>To ensure that this is explained as clearly as possible there will be a FAQ sheet and details on the website and hard copies available for those who need them.</p> <p>The policy states that the Council will have regard to the Local Housing Allowance when setting affordable rents. If affordable rents are set at this level, HB/ UC housing cost will cover the rent in full for those tenants who are entitled to the maximum amount of housing benefit. Setting at the Local Housing Allowance will also benefit tenants who are, for example on a low wage or zero hour contracts and where partial housing benefit can be paid.</p> <p>For those moving into Affordable Rent (AR) properties a comprehensive affordability assessment is carried out prior to offer to ensure that the tenancy is sustainable.</p> <p>The implementation of the policy in respect of Affordable Rent will be kept under review by the Housing Development Executive Committee and should adverse impacts be identified this will inform future decision making in this regard.</p> <p>Support provision for this group has been increased as part of an Income Recovery Action plan and it has been extended for a further 2 years to ensure that they can pay through sustainable arrangements to maintain payments towards rent and service charges and have access to required support. Additional staffing resources have been secured to continue work to target and support UC cases to maximise income collection and minimise the level of arrears for this group of tenants.</p>		
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	<p>The Council will make links to support and guidance clear on all of its communication platforms.</p> <p>The Council will prepare staff to enable them to respond effectively and empathetically with tenants.</p> <p>There is Welfare Steering Group - Cost of Living & Cost of Living and Income recovery Action Plans in place to mitigate some of the worst impacts of the cost of living crisis and general economic challenges, the action plans seeks to minimise the negative on people in Stevenage. The action plans also considers the role of Stevenage Borough Council, as employers, recognising the impact of the CoL on low paid staff. It is therefore expected that the action plans will also have a positive impact on the health and wellbeing of staff as well.</p>		
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Other				
please feel free to consider the potential impact on people in any other contexts				
Positive impact		Negative impact		Unequal impact
Please evidence the data and information you used to support this assessment				
What opportunities are there to mitigate the impact?				What do you still need to find out? Include in actions (last page)

What are the findings of any consultation with:

Residents?	Although time has not allowed for formal consultation, ongoing consultation will take place with residents throughout 2024/25 to establish impact of the rent & service charge increase and put in place systems to mitigate this accordingly. Please also refer to the mitigations outlined in the socio-economic section above.	Staff?	N/A
Voluntary & community sector?	N/A	Partners?	N/A
Other stakeholders?	<p>Housing Management Advisory Board (HMAB) was consulted in November 2019 and was supportive of the policy to charge service charges at actual costs but with the provision in the policy to cap any increases if this would cause hardship.</p> <p>In terms of affordable rents, HMAB broadly supported this policy. There are still some concerns about the affordability of such schemes and the position if tenants lost employment/were on a low wage. The rent would be covered in full for those tenants entitled to full HB/ UC housing costs due to the rent being set at the LHA level. Also those in low paid employment may be entitled to partial HB/ UC housing costs. Thorough affordability assessments will be carried out.</p>		

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Overall conclusion & future activity

Explain the overall findings of the assessment and reasons for outcome (please choose one) :	
1. No inequality, inclusion issues or opportunities to further improve have been identified	

Negative / unequal impact, barriers to inclusion or improvement opportunities identified	2a. Adjustments made	
	2b. Continue as planned	<p>The future viability of the HRA Business Plan is reliant upon us being able to maximise income collection, recover arrears and the costs of service provision where it's possible to do so.</p> <p>Only a proportion of new builds will be at affordable rent in line with the revised HRA Budget plan. The proposal to offer a mix of new build rents at affordable rent levels and at social rent levels would result in additional income to the HRA over 30 years which makes a significant contribution to the sustainability of the plan and the Council's ability to build new homes and to deliver other housing priorities.</p> <p>There are plans to build 228 social rented and 150 affordable rented properties over the 5 years of the revised Business Plan. The policy and the aim is for a 50/50 split, but due to the timing of delivery on schemes the weighting is slightly biased towards affordable, but it evens out over the whole 30 year plan.</p> <p>This means that there will be a total of approximately 3.2% of council homes at affordable rent at the end of the 5 year period. The majority of annual lettings (i.e. of new build and re-let properties) would continue to be at a social rent 5 and it is estimated that after 30 years the vast majority of council property rents (an estimated 87%) will be set at the social rent rate, subject to any changes in legislation or Government guidance.</p>
	2c. Stop and remove	

Detail the **actions that are needed** as a result of this assessment and how they will help to **remove discrimination & harassment, promote equal opportunities** and / or **encourage good relations**:

Action	Will this help to remove, promote and / or encourage?	Responsible officer	Deadline	How will this be embedded as business as usual?
Consultation with residents to establish the impact of the rent increase	Remove discrimination and promote equal opportunities. put in place systems to mitigate this accordingly	Elizabeth Ddamulira	March 2025	Systems will be put in place to mitigate impacts

Approved by Head of Housing -Karen Long :

Date: 03/01/2024

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Meeting: COUNCIL

Portfolio Area: Members' Services

Date: 24 JANUARY 2024

MEMBERS' ALLOWANCES SCHEME 2024/2025 – REPORT OF THE INDEPENDENT REMUNERATION PANEL

Author –	Ian Gourlay	Ext. 2703
Lead Officers –	Matt Partridge	Ext. 2456
Contact Officer –	Ian Gourlay	Ext. 2703

1. PURPOSE

- 1.1 To receive the report of the Independent Panel on Members' Allowances and, subject to consideration, approve the Scheme of Allowances for 2024/2025.

2. RECOMMENDATIONS

- 2.1 That the report of the Independent Remuneration Panel be noted and, subject to Members' consideration, that the findings of the report form the basis of the formal Members' Allowances Scheme for 2024/25, including:
- with the exception of the proposal for the Majority Opposition and Minority Opposition Group Leaders set out below, the Basic Allowance and Special Responsibility Allowances remained unchanged from 2023/24, and
 - the Special Responsibility Allowances payable to the Majority Opposition and Minority Opposition Group Leaders be combined, and be re-distributed pro rata to the number of Members in their respective Groups.
- 2.2 That, in accordance with the recommendations of the Panel regarding payment of Dependant Carers' allowances, the hourly rates remain unchanged from 2023/24, but that the scheme be changed from a monthly maximum of 20 hours to a maximum of 360 hours over the year (with the Leader having discretion to increase this maximum allowance where demonstrably necessary).
- 2.3 That, in the light of Recommendations 2.1 and 2.2 above, the draft formal Members' Allowances Scheme, as shown at Appendix B to this report, be approved for 2024/2025.
- 2.4 That an Independent Remuneration Panel be reconvened in the Autumn of 2024 to consider the Members' Allowances Scheme for 2025/2026 onwards.

3. BACKGROUND

- 3.1 In accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003, before an authority makes or amends a Members' Allowances Scheme, that authority shall have regard to the recommendations made to it by an independent remuneration panel.
- 3.2 The Council's Independent Remuneration Panel currently comprises –
- Marian Hurlle BEd, DMS, Former CEO Stevenage Citizens Advice Bureau;
 - Nicholas Moss OBE JP, Independent Person, North Hertfordshire District Council; and
 - Bill Welch ACIS, Former Corporate Director, Stevenage Borough Council
- 3.3 The last full review of the Stevenage Members' Allowances Scheme by an Independent Panel was reported to Council in February 2020.

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 The report of the Panel is attached at Appendix A and the proposed Members' Allowance Scheme for 2024/25 can be seen at Appendix B.
- 4.2 The Panel noted that the allowances currently paid to Members of Stevenage Council are higher than the amounts paid to members of most other Borough and District councils in Hertfordshire (the comparator group). As set out in Section 6 of their report, the Panel reached the conclusion that recommending further increases in the Basic and Special Responsibility Allowances for 2024/25 would cause them to continue to be out of step with the amounts paid to Members of councils in the comparator group.
- 4.3 The Panel felt that the allowance payable to the Leader of a minority opposition party should be determined more equitably, a measure that could be implemented without increasing the overall cost of the present scheme. Similarly, the Panel believed that reimbursement for dependants' carers' allowances warrants uprating.
- 4.4 The Panel recommended that that the Basic and Special Responsibility Allowances remain unchanged for the year from 1 April 2024, other than for Majority Opposition and Minority Opposition Group Leaders.
- 4.5 The Panel recommended that, for 2024/25, the Special Responsibility Allowances for the Majority Opposition and Minority Opposition Group Leaders be combined, and be paid pro rata to the number of Members in their respective groups (as set out in Section 7 of the Panel's report).
- 4.6 In terms of Dependant Carer's allowances, the Panel recommended adopting an annual allowance with a maximum of 360 hours, but recognised that there may be special circumstances where even this may be insufficient. To accommodate that contingency, the Panel recommended that the Leader

should have discretion to increase the maximum allowance where demonstrably necessary.

4.7 In accordance with the regulations, on receipt of the Panel's report the Council has ensured that copies are available for inspection by members of the public at Daneshill House and has placed a public notice in the 11 January 2024 edition of the Comet newspaper. The public notice states that recommendations from the Panel have been received; describes the main features of the Panel's recommendations and the recommended amounts for each allowance; and states that copies of the report are available for inspection at the Council's offices.

4.8 It is for Council to consider the report of the Panel and agree a Scheme.

5. IMPLICATIONS

5.1 Financial Implications

5.1.1 Subject to approval of the recommendations in this report, the funding for the proposed Scheme will be included in the Executive February 2024 Council Tax and General Fund Budget report for 2024/25.

5.2 Legal Implications

5.2.1 The provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003 have directed the convening of the Independent Panel; its consideration, report and recommendations; and the process of publicising the recommendations

5.2.2 In making or revising the Scheme, the Council must have regard to the Panel's report but is not strictly obliged to follow its recommendations, although it would be advisable to have good reasons for not doing so.

5.2.3 The 2003 Regulations stipulate that a Panel can make recommendations for one year or index-link annual increases to Members' Allowances for a maximum of four years. However, as the Stevenage Panel's recommendations only relate to 2024/25, the Panel will need to be reconvened in the Autumn of 2024 to consider a Scheme for 2025/2026 onwards.

APPENDICES

- Appendix A – Report of Independent Remuneration Panel: December 2023
- Appendix B – Proposed Members' Allowances Scheme for 2024/2025

BACKGROUND DOCUMENTS

- Local Authorities (Members' Allowances) (England) Regulations 2003
- Comparative Benchmarking Information – Members' Allowances paid by other Hertfordshire Borough/District Councils

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Stevenage Borough Council

Members' Allowances Scheme

The report of the Independent Remuneration Panel

December 2023

1. Introduction

There is a statutory * requirement for regular independent review of the Allowances Scheme for Members of Stevenage Borough Council (the Council). The scheme was last reviewed in 2019 and another review is now required. For this purpose, an Independent Remuneration Panel was convened by the Council's Chief Executive.

*Local Authorities (Members' Allowances) (England) Regulations 2003, as amended.

2. Panel members

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

3. Terms of Reference

The panel was asked to produce a report for the Council making recommendations for a Members' Allowances Scheme for 2024-2025.

4. Conduct of the review

The panel met seven times between September and December 2023.

We met the Leader and the Deputy Leader of the Council, the Leaders of the Opposition parties, and two other Councillors who had asked to speak to us,

In addition, we were briefed by the Chief Executive and the Strategic Director of the Council.

We were supported very ably by Ian Gourlay (Senior Democratic Services Officer). Our thanks to him also for all the documentation that he provided so efficiently. We are most grateful not only to him, but also to other colleagues for their help.

In addition to interviews with Members and Officers we reviewed our 2019 report and other information about allowances payable to members of other authorities in Hertfordshire. This research helped to inform the review.

Our recommendations comply with the Local Authorities (Members' Allowances) (England) Regulations 2003.

5. Context

We have noted that the structure and functions of the Council have remained broadly the same since 2019. There are still 39 Members of the Council. The number of employees is slightly lower than it was in 2019 at 691. The Council is still landlord to just under 8,000 Council homes and 1,443 leasehold properties.

We have noted, also, that the Council continues to initiate and support new projects for the town. The *Future Town Future Council* strategic plan includes the ongoing regeneration of the town centre; providing homes for local people; and improving the neighbourhoods that make up the Council's area. Stevenage Councillors work with Officers and other partners to help to generate external funding for these projects.

6. Background to the Members' Allowances Scheme

In making our recommendations we have noted that the allowances currently paid to Members of Stevenage Council are significantly higher than the amounts paid to members of other borough and district councils in Hertfordshire (the comparator group).

Information sought by us shows that the total cost of the current Stevenage allowance scheme is £522,000. Expressed as a percentage, at 4.21% of the Council's revenue budget, it is the highest proportion of any other council in the comparator group.

That has resulted, for example, in the basic allowance – payable to all Members – being the highest in the comparator group. It was also 38% higher* than the average paid to members in the group. Many of the special responsibility allowances are also significantly higher than the amounts payable to those with similar roles in comparator group councils. [* See 7. below.]

Further, during our evidence-gathering from Stevenage Council Members and Officers, it became clear that the Council is facing substantial financial pressures and that, as a result, it has judged that it must make savings.

In the light of these points, we have reached the view that recommending further increases in the basic and special responsibility allowances for 2024/25 would cause them to continue to be out of step with the amounts paid to members of councils in the comparator group.

We have taken into account also a long-established principle underpinning the scheme that allowances are not salaries; and that a significant part of Councillors' work is expected to be voluntary.

As before, we have been highly impressed by Members' commitment to their Borough. Nothing in our report should be taken as diminishing that recognition. Nevertheless, for the reasons set out above we do not consider that it would be fair for the Council to continue to maintain the significant differences between allowances paid to Stevenage Borough Councillors and those paid to members of comparator group councils.

However, we do feel that the allowance payable to the leader of a minority opposition party should be determined more equitably, a measure that could be implemented without increasing the overall cost of the present scheme. Similarly, we believe that reimbursement for dependants' carers' allowances warrants uprating.

7. Recommendations

Basic Allowance

We have noted at 6. above that the Basic Allowance paid to members of Stevenage Council until April 2023 was £8,490*. Using like-for-like information, it is 38% higher than the average Basic Allowance paid to members of other Councils in the comparator group. [* An index-linked increased from April 2023 has taken it to £8,819.]

Special Responsibility Allowance (SRA)

In considering the existing SRAs we have looked at the amounts paid to the Leader and to Executive Members.

The allowance paid to the Leader is around 32% higher than the average for leaders in the comparator group, excluding Watford, which has no leader. It has an executive mayor.

The allowance paid to Executive Members on Stevenage Council is around 20% higher than the average for Executive Members in the comparator group.

This significant differential is broadly replicated across the other SRAs paid to Stevenage Councillors. For the reasons set out above, we do not believe that they warrant adjustment, save those noted below.

Minority group leader

In our report in 2019 we recommended making a modest SRA payment to all the group leaders. We are pleased to note this has since been implemented.

For the 2023 review we have received evidence from the Leader of the majority opposition party and from a Leader of a minority opposition party. As explained by them to us, it appears that the difference between the roles of the two group leaders is minimal. Therefore, we do not consider that it is equitable to maintain such a significant difference in the sums paid to these post holders. We recommend

that the arrangements for SRAs paid to the Leader of the majority opposition group and the Leader(s) of the minority opposition group(s) are amended so that:

- The allowance to the Leader of each group is paid pro rata to the number of members in that group.

This means that the money to be allocated for this purpose is the same as the total paid to those group leaders in 2023/4. An amendment would result in the following for the year 2024/5:

- Leader of the majority opposition group, 9 Members at present x £443.06 = £3,988
- Leader of the minority opposition group, 6 Members at present x £443.06 = £2,658

If accepted by the Council, this amendment would make no change to the total cost to the Council of this allowance.

Dependants' carers' allowance.

From evidence that we received, it became apparent to us that the allowance payable to Members with caring responsibilities – particularly for adults - warrants re-consideration.

The present scheme limits reimbursement for the care of [adult] dependants and for child care to 20 hours per month. Evidence indicates that a 20-hour limit is likely to be insufficient to meet the legitimate needs of Members with caring responsibilities, particularly, but not solely, for adults. We have noted also that the current system does not take into account the possibility of variations in care needs from month to month.

Given that this is reimbursement for cost incurred, we recommend:

- i) Changing to an annual allowance with a maximum of 360 hours. Moreover, we recognise that there may be special circumstances where even this may be insufficient. To accommodate that contingency, we recommend that the Leader should have discretion to increase the maximum allowance where demonstrably necessary.
- ii) Revising the form for Members to claim this allowance to enable it to be used for the purpose for which it is intended.

Travelling and Subsistence Allowance

This allowance provides for the re-imbursment of expenses incurred while on Council business as set out in the NJC terms and conditions of service for Officers. We recommend that the existing arrangements should continue. That is to say, any increase in sums payable under an Officers' scheme should be applied to Members.

Summary of Allowance Recommendations

We have noted in our report that the basic and SRA allowances for Stevenage Councillors are significantly out of step with amounts payable to members of councils in the comparator group. Therefore, we recommend that the basic and SRA remain unchanged for the year from 1st April 2024, other than for opposition and minority group leaders, as noted at 7. above.

They are:

Basic Allowance

- Payable to all Members: £8,819

Special Responsibility Allowance

- Leader of the Council: £24,756
- Executive Members: £12,124
- Chair of Planning and Development Committee: £12,124
- Chair of Overview & Scrutiny Committee: £10,888
- Chair of Licensing Committee: £4,952
- Chairs of Select Committees: £6,189
- Chair of Audit Committee: £4,952
- Leader of the Opposition: £443.06 per majority opposition group member (x 9 at present: £3,988)
- Leader of minority opposition party: £443.06 per minority opposition group member (x 6 at present: £2,658)

The formula set out in our recommendations to apply if there is more than one minority opposition group.

Travelling and Subsistence Allowance

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

Dependants' Carers' Allowance

Child care

Child Care: up to a maximum of £12.36 per hour

Adult care

Adult care: up to a maximum of £28.26 per hour

Both of these allowances to change from a monthly maximum of 20 hours to a maximum of 360 hours over the year, subject to Leader's limited discretion at 7. above.

The form for claiming these allowances should be revised so that it is fit for purpose.

Publication of allowances paid as consolidated amounts

In the 2019 report we recommended that, when Members' allowances are published, the basic allowance, any special responsibility or other allowances should be presented as consolidated figures as well as in the manner prescribed in the regulations.

We believed that such a formula would make clear to electors the total amount that had been paid to each Member. We recommended also that where any Member had elected to forgo her/his entitlement, or any part of it, that such election would be made clear. We recommended, also that any reduced amount paid to a member should be made clear. We repeat those recommendations in this report because we believe them still to be valid.

Existence of Allowances for Councillors

During our interviews with witnesses, we were surprised to learn that it is not political parties' practice routinely to advise potential candidates that allowances are available to elected Members.

We consider that if local authorities are to be representative of the communities they serve, it is important that the availability of allowances is made known to those who may be interested in seeking candidature.

We understand that the rationale for not doing so is to mitigate the risk of attracting potential candidates principally because of the allowances. In our view, this is a flawed argument because of the parties' vetting procedures which are designed to identify unsuitable candidates at an early stage.

We commend our recommendations to the Council for Members' consideration.

Marian Hurle

Nicholas Moss

Bill Welch

December 2023

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STEVENAGE BOROUGH COUNCIL

MEMBERS' ALLOWANCES SCHEME

EFFECTIVE FROM 1 April 2024 to 31 March 2025

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

1. This scheme may be cited as the Stevenage Borough Council Members' Allowances Scheme, and shall have effect for the year 1 April 2024 to 31 March 2025.

2. In this scheme,

“Councillor” means a Member of the Stevenage Borough Council who is a Councillor; “year” means the period ending on 31 March 2025.

3. Basic Allowance

A basic allowance shall be paid to each Councillor from 1 April 2024.

4. Special Responsibility Allowances

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

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

3) Members are only able to claim one SRA.

5. Renunciation

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

6. Part-year Entitlements

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

7. Payments

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

8. Suspension of Payments

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

Basic Allowances

Basic Allowance	Paid to All Members	£8,819
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Special Responsibility Allowances

(i)	Leader of the Council	£24,756
(ii)	Executive Members	£12,124
(iii)	Chair of Planning and Development Committee	£12,124
(iv)	Chair of Overview & Scrutiny Committee	£10,888
(v)	Chair of Licensing Committee	£4,952
(vi)	Chairs of Select Committees	£6,189
(vii)	Chair of Audit Committee	£4,952
(viii)	Leader of the Opposition	£3,988 (£443.06 per Member)
(ix)	Leader of minority opposition party(ies)	£2,658 (£443.06 per Member)

Payment to Specific Co-opted Members

Independent Member - Audit Committee	£1,497
Independent person who must be consulted on alleged breaches of a code of conduct	£1,497

Carer's Allowance

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

Childcare	Maximum of £12.36 per hour
Dependant care	Maximum of £28.26 per hour

Payment to relatives that live in the same household as the Councillor will not be admissible and there will be a maximum annual allowance of 360 hours (with the Leader having discretion to increase the maximum allowance where demonstrably necessary). Receipts will need to be provided.

Travel, Subsistence and Other Allowances

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

Meeting COUNCIL
Portfolio Area Resources
Date 24 January 2024



PAY POLICY STATEMENT 2024/25

1 PURPOSE

1.1 To approve the pay policy statement for financial year 2024/25.

2 RECOMMENDATIONS

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

2.2 That the pay policy statement be placed on the Council's website.

3 BACKGROUND

3.1 The Localism Act requires local authorities to adopt annually a statutory pay policy statement which must then be published (including on the Council's website) 'to help local people understand how public money is being spent in their area and to hold the Town Hall to account'.

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

3.3 The Pay Policy Statement must include its policies on the following matters:-

- the remuneration of its chief officers
- the level and elements of remuneration for each chief officer,
- the remuneration of chief officers on recruitment

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

- 3.12 The Guidance also expresses concerns that senior staff moving posts within the public sector could be seen as driving up average pay levels particularly where the sector as a whole is paying twice through a salary and a pension. As a closely related issue 'Authorities should use their Pay Policy Statement to explain their policies towards re-engaging chief officers who have received severance or redundancy payments from that authority'. Although it is not envisaged that any such appointments will be made the Council has adopted a policy which relates to all Council officers, including chief officers and states that "Any employee who takes voluntary redundancy will not be permitted to return to the employment of Stevenage Borough Council, either as a permanent or fixed term employee, for a minimum period of 12 months following the date of their redundancy. There is no restriction on returning to employment following compulsory redundancy".
- There is no restriction on returning to the wider public sector, however, in line with the Redundancy Payment (Local Government) (Modification) Order 1999 (as amended) officers who are made redundant, receive an offer of employment from another public body before their employment terminates and then start work in the new job within 4 weeks of that termination will lose their entitlement to a redundancy payment.
- 3.13 The proposed pay policy takes account of the supplementary statutory guidance issued under the Localism Act 2011, in February 2013 by the Secretary of State, on pay policy statements and remuneration above £100,000.
- 3.14 At the time of writing no national pay award for chief officers for financial year 2024/25 has been agreed. If any award is agreed at a national level this will be implemented for chief officers in line with the national guidance.

4. EQUALITIES AND DIVERSITY IMPLICATIONS

- 4.1 The Council has a legal obligation to comply with the Equality Act 2010, and to ensure equal pay for work of equal value, for men and women. The Council implemented single status with effect from 1 July 2014 to ensure compliance.
- 4.2 The Council publishes its Gender Pay Gap Report on an annual basis. A copy of this report can be found on the Council's website at the following link – <https://www.stevenage.gov.uk/documents/council-and-democracy/data-transparency/gender-pay-gap-31-march-2022.pdf>

APPENDICES

Appendix 1- Stevenage Borough Council Pay Policy Statement 2024/25.

APPENDIX 1 – PAY POLICY STATEMENT FOR STEVENAGE BOROUGH COUNCIL

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

This policy shall apply from 1 April 2024 to 31 March 2025 subject to amendment by Council.

To date no Chief Officers' Pay Award has been agreed 2024/25 at a national level. Should an award be agreed this will be implemented in line with national guidance.

Remuneration bands of senior officers are set out here:

Head of Paid Service/ Chief Executive	£115,086 - £133,430
Deputy Chief Executive (Strategic Directors pay band plus 10%)	£96,775 - £112,116
Strategic Directors	£87,977 - £101,924
Monitoring Officer/ Borough Solicitor	Employed by Hertfordshire County Council as part of a shared legal service.
Section 151 Officer	The section 151 officer receives a supplement of up to £7,556 per annum in addition to their Strategic Director pay
Deputy Section 151 Officer	The deputy section 151 officer receives a supplement of up to £1,035 per annum in addition to their Assistant Director Pay
Assistant Directors	£73,392 - £84,975
Assistant Directors (with Recruitment and Retention premium attached)	£79,392 - £90,975

*Lowest Paid Employees with effect from 1 April 2024	£23,151
**Mean Average Basic Earnings	£36,385

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

** At the time of writing no pay award for NJC staff has been agreed for financial year 2024/25 has been agreed

1. Any employee, up to and including those on grade 6, is eligible for an overtime payment at an enhanced rate of +0.33 of their basic pay hourly rate for any overtime hours worked Monday to Saturday and +1.00 for any overtime hours worked on a Sunday for any additional hours worked over 37 per week.
2. Employees at or below Grade 6 that are required to undertake non-standard working are entitled to non-standard working enhancements. In addition to their normal salary those employees at or below grade 6, who are required as part of their contracted hours to work on a Saturday, or for longer than 4 consecutive hours between 10pm and before 7am receive a shift enhancement of +0.33 of their basic salary for those hours, and employees at or below grade 6 who are required to work on a Sunday as part of their contracted hours receive a shift enhancement of +1.00 of their basic salary, this rate of enhancement also applies to any hours worked on a public holiday.
3. With effect from 1 January 2014 the Council commenced paying the Living Wage to all employees, excluding apprentices. SBC updates the Living Wage on 1 April each year. With effect from 1 April 2024 this will be £23,151 (£12.00 per hour)
4. The pay of the Chief Executive (excluding payments for elections) is currently 5.76 times the pay of the lowest paid worker and this ratio is not expected to change significantly. The pay of the Chief Executive is currently 3.67 times the pay of mean average earnings. It should be noted at the time of writing no national pay award has been for any staff group for 2024/25.
5. Many of the Chief Officers, Deputy Chief Officers and other employees receive a payment for attending and performing certain duties at elections. These payments are set in line with guidance produced per election type.
6. Salary packages amounting to £100,000 or more for new appointments will be approved by Full Council.
7. Salary increments are paid annually by default for all employees of the Council up to the top of the pay grade.
8. The pay of Chief Officers and Deputy Chief Officers is based on job evaluations undertaken through the Inbucon scheme.

9. The terms and conditions of Chief Officers and Deputy Chief Officers are set in accordance with the JNC.
10. Chief Officers and Deputy Chief Officers including any new appointments at this level will be made in accordance with the pay scales set out above.
11. All employees including Chief Officers and Deputy Chief Officers are entitled to redundancy payments based on the same multiple of 2.5 times statutory provision and based on actual weekly pay.
12. Any redundancy or severance packages of £100,000 or more for Chief Officers must be approved by Full Council.
13. Any employee who takes voluntary redundancy will not be permitted to return to the employment of Stevenage Borough Council, either as a permanent or fixed term employee, for a minimum period of 12 months following the date of their redundancy. There is no restriction on returning to employment following compulsory redundancy but an employee who is re – employed following redundancy must have a break of at least four weeks between the termination of the first employment and the start of the second in order to retain a redundancy payment
14. All employees including Chief Officers and Deputy Chief Officers are entitled to retirement pensions calculated in the same way under the Local Government Pension Scheme (Administration) Regulations 2008, Regulations 2014 and the Council Pension Discretion Policy. These Regulations require the Council to publish its policy on increasing an employee's total pension and on awarding additional pension.
15. The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 require the Council to formulate, review and publish its policy on making discretionary payments on early termination of employment.
16. The terms and payment of terminating the employment of any officer of the Council in any contentious circumstances which do not result from an award made by an Employment Tribunal or Court are settled by the Council on the basis of the legal merits of the case, the time and disruption which protracted litigation would involve, any limit of statutory entitlement on monetary claim available to an employee and what is considered prudent in all the circumstances.