

Public Document Pack



CABINET

Date: Wednesday, 18 September 2024

Time: 2.00pm,

Location: Council Chamber

Contact: Lisa Jerome 01438 242203

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

AGENDA

PART 1

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

2. MINUTES - CABINET - 24 JULY 2024

To approve as a correct record the Minutes of the meeting of the Cabinet held on 24 July 2024 for signature by the Chair.

Page Nos. 5 - 14

3. MINUTES OF THE OVERVIEW & SCRUTINY AND SELECT COMMITTEES

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

Environment and Economy Select Committee – 16 July 2024

Overview and Scrutiny Committee – 30 July 2024

Page Nos. 15 - 24

4. WORKFORCE STRATEGY

To present to Cabinet and seek approval of the new Workforce Strategy, *People, Even Better*, for 2024-2027.

Page Nos. 25 - 54

5. EQUALITY, DIVERSITY AND INCLUSION ACTION PLAN - PROGRESS UPDATE

To highlight the progress made in advancing equality, diversity and inclusion (EDI) across the council since the introduction of the EDI Action Plan for 2023-24, whilst also looking to the council's proposed EDI actions for next year as part of the EDI Action Plan for 2024-25.

Page Nos. 55 - 86

6. CORPORATE PERFORMANCE - QUARTER 1 2024/25

To highlight the Council's performance across key priorities and projects for Quarter 1 2024/25 and provide an update on progress against Cost-of-Living support for residents and current strategic risks.

Page Nos. 87 - 112

7. GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY REVIEW

To update Members on the General Fund Medium Term Financial Strategy (MTFS).

Page Nos. 113 - 148

8. FIRST QUARTER REVENUE BUDGET MONITORING 2024/25 (INCLUDING FIRST QUARTER CAPITAL BUDGET MONITORING 2024/25)

To update Members on the projected General Fund (GF), Housing Revenue Account (HRA) and Capital 2024/25 net expenditure and seek approval to amend the General Fund, HRA and Capital budgets as part of the quarterly revenue monitoring review.

Page Nos. 149 - 186

9. ANNUAL TREASURY MANAGEMENT REVIEW OF 2023/24 INCLUDING PRUDENTIAL CODE

To review the operation of the 2023/24 Treasury Management and Investment Strategy.

Page Nos. 187 - 216

10. URGENT PART 1 BUSINESS

To consider any Part 1 business accepted by the Chair as urgent.

11. EXCLUSION OF PUBLIC AND PRESS

To consider the following motions –

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

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

12. PART II MINUTES - 24 JULY 2024

To approve the Part II Minutes of the meeting of Cabinet held on 24 July 2024.

Page Nos. 217 - 220

13. URGENT PART II BUSINESS

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

NOTE: Links to Part 1 Background Documents are shown on the last page of the individual report, where this is not the case they may be viewed by using the following link to agendas for Executive meetings and then opening the agenda for Wednesday, 18 September 2024 – <http://www.stevenage.gov.uk/have-your-say/council-meetings/161153/>

This page is intentionally left blank

STEVENAGE BOROUGH COUNCIL

CABINET MINUTES

Date: Wednesday, 24 July 2024

Time: 2.00pm

Place: Council Chamber

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

Start / End Time: Start Time: 2.00pm
End Time: 3.39pm

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

There were no apologies for absence and no declarations of interest.

2 **MINUTES - 5 JUNE 2024**

It was **RESOLVED** that the Minutes of the meeting of the Cabinet held on 5 June 2024 be approved as a correct record for signature by the Chair.

3 **MINUTES OF OVERVIEW & SCRUTINY AND SELECT COMMITTEES**

The Leader on behalf of the Cabinet thanked the Members of the Scrutiny Committees for their work particularly in relation to the focus on fly tipping and graffiti removal and the link to Biodiversity issues.

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

Overview & Scrutiny Committee 11 June 2024

Community Select Committee 13 June 2024

4 **RESIDENT ENGAGEMENT STRATEGY AND FRAMEWORK**

The Cabinet was presented with a report including a pre-consultation draft Resident Engagement Strategy along with the supporting Resident Engagement Framework and Scrutiny Implementation Plan. It was noted that the Strategy and supporting documents had been developed to ensure that the Council could meet the duties placed upon it by the Regulator of Social Housing (RSH), to deliver effective engagement and be able to demonstrate that residents had a range of meaningful opportunities to scrutinise, influence and shape the services that they received.

The Portfolio Holder for Housing advised that given the new regulatory requirements, the Strategy proposed that the Council committed greater focus and

resources to evolve and strengthen specific engagement with social housing residents and leaseholders to ensure their influence was demonstrated and measured, whilst working in synergy within the Co-operative Neighbourhood model to bring communities and neighbourhoods together.

The Portfolio Holder for Housing also thanked the previous Portfolio Holder for Housing for her work in progressing this matter.

Officers agreed to follow up the suggestion of an additional KPI focussing on Member Engagement with discussions with the relevant Portfolio Holders.

It was **RESOLVED**:

- 1 That it be noted that the duty placed on the Council to provide a broad range of resident engagement and influencing opportunities that 'give genuine consideration of tenants' views and providing equitable opportunity to be involved in influencing and scrutinising strategies, policies and services and to foster a strong organisational culture of fairness, courtesy and respect where tenants are listened to and that they trust their landlord.
- 2 That the previous resident engagement delivered through the Council's Co-operative Neighbourhood Model be acknowledged.
- 3 That the draft Resident Engagement Strategy 2024-2027, as seen at Appendix A be approved and adopted.
- 4 That delegated authority be given to the Strategic Director (RP) after consultation with the Portfolio Holder for Housing to approve the Resident Framework of Engagement and the Scrutiny Implementation Plan after further consultation with residents.

Reason for Decision: As contained in the report.

Other Options considered: As contained in the report.

5 **HOUSING ANNUAL REPORT**

Cabinet received the Housing Annual Report which provided an overview of Council Housing performance between 2023-2024, including the results of the Tenant Satisfaction Measure (TSM) survey results that the council must publish, as prescribed by the Regulator for Social Housing.

Cabinet was also presented with the Housing Complaints and Service Improvement report, which the Council was obligated, by the Housing Ombudsman Service, to publish annually. The report detailed the significant work that had gone into addressing housing complaints and demonstrated how the Council was using resident feedback to learn and deliver services in different ways. Cabinet noted the significant reduction in the number of complaints received and the positive improvement to response times. Officers also highlighted the frameworks now in place which monitored and measured complaint handling and identified improvements for 2024/25.

It was **RESOLVED**:

1. That the Housing Annual Report as seen at Appendix A be approved, and the planned measures to improve performance be endorsed.
2. That delegated authority be given to the Strategic Director (RP) to approve after consultation with the Portfolio Holder for Housing a fully designed 'tenant friendly' Annual Report and Housing Strategy that will set out the priorities of the housing service over the next 12 months. Both documents will be published in September 2024.
3. That the Housing Complaints and Service Improvement Report, including three Housing Ombudsman maladministration judgements from 2023/24 and the actions taken by the Council in response, as seen in Appendix B be noted.

Reason for Decision: As contained in the report.

Other Options considered: As contained in the report.

6 **HOMELESSNESS AND ROUGH SLEEPER STRATEGY 2025 - 2030**

Cabinet received a report which presented a new Stevenage Homelessness and Rough Sleeper Strategy for 2025 to 2030.

Members noted that the current Homelessness and Rough Sleeper Strategy 2019-2024 indicated an upward trajectory of homelessness acceptances in Stevenage and a significant increase in the number of people in the Council's temporary accommodation. It was advised that currently on average, 5 families per week were being placed in hotel accommodation.

Cabinet welcomed the Strategy in particular the focus on addressing the increase in the number of people in the Council's temporary accommodation along with the aim of eradicating rough sleeping within Stevenage. This included the new hostel at Dunn Close which had ground floor accommodation with access for people with physical disabilities.

Members expressed the importance of 'wrap around' support ensuring that appropriate advice and guidance was available for clients.

It was **RESOLVED**:

1. That the draft Stevenage Homelessness and Rough Sleeper Strategy 2025 to 2030 be received.
2. That the public consultation on the Strategy commence during August 2024, for not less than 8 weeks.
3. That the final Strategy be reported to the Cabinet for approval in November and published in December 2024.

Reason for Decision: As contained in the report.

Other Options considered: As contained in the report.

7 **TENANCY POLICY**

Cabinet was presented with a report setting out a revised Tenancy Policy and which included a list of associated Housing Management and Property Services policies and strategies that the Council intended to update and deliver this financial year, in line with the 2023 Social Housing Regulation Act.

It was noted that as a Registered Provider the Council was required to meet a range of regulatory and legislative responsibilities including producing and publishing up to date policies related to key housing management functions. The Tenancy Standard obligated housing providers to specifically have a Tenancy Policy in place that set out the types of tenancies the Council granted and under what circumstances, how changes to tenancies could be made and the Council's approach to tenancy fraud, mutual exchange and sustaining tenancies.

Members were advised that the Tenant Handbook was being refreshed and would be available in different formats to ensure ease of accessibility for Tenants.

It was **RESOLVED**:

- 5 That the duty placed on the Council via the Tenancy Standard to produce and publish clear and accessible policies related to key housing management functions and the on-going work to bring the Council's housing policies in line with new Regulations be noted.
- 6 That the content and the adoption of the draft Tenancy Policy 2024-2026, as seen in Appendix A be approved.
- 7 That the Strategic Director (RP), after consultation with the relevant Portfolio Holder, be given delegated authority to make minor updates and changes to this policy arising from new legislation.

Reason for Decision: As contained in the report.

Other Options considered: As contained in the report.

8 **RESPONSIVE REPAIRS AND MAINTENANCE POLICY**

Cabinet was presented with a pre-consultation Responsive Repairs and Maintenance Policy. It was noted that this policy would be subject to further consultation with tenants and leaseholders ahead of a final version being presented to Cabinet for approval later in the year.

Officers advised that in response to tenant feedback and complaints in 2023 the Council had commissioned an external review of its Repairs and Maintenance service and that the Community Select Committee had also completed a scrutiny of the service. The findings of the Review had been incorporated within an improvement plan which was being implemented. This included the need to have a Repairs and Maintenance Policy, which set out clear roles and responsibilities of the Council as landlord.

Members noted that as part of the policy review, work was being undertaken to

identify possible recharges to be applied in relation to missed appointments. This would be incorporated into the recommendations for the final version of the policy which, following a further period of consultation with tenants and leaseholders, would be presented to Cabinet for approval during Quarter 3 of 2024/2025.

The Portfolio Holder thanked the Community Select Committee for their review of the Service.

Members noted the significant challenges for the Council particularly in relation to fencing repairs and the rise in material costs which resulted in added financial and operational pressures. The importance of providing appropriate service for those tenants needing additional support and the Council being responsive to their needs was acknowledged.

It was **RESOLVED**:

4. That the draft Responsive Repairs and Maintenance Policy, which will be subject to further tenant and leaseholder consultation, for no less than 6 weeks be approved.
5. That the final Responsive Repairs and Maintenance Policy be presented to the Cabinet for approval in Quarter 3, 2024/25.

Reason for Decision: As contained in the report.

Other Options considered: As contained in the report.

9 **CORPORATE PERFORMANCE SUITE 2024/25, PRODUCTIVITY PLAN 2024/25 AND ANNUAL REPORT 2023/24**

Cabinet was presented with the Council's Annual Report which outlined key achievements across the range of Council services and the Future Town Future Council (FTFC) programme in 2023/24. The report also summarised the key priorities for 2024/25 under the new Making Stevenage Even Better Corporate Plan which would inform the focus of quarterly reporting on the MSEB programme this year.

The Leader thanked Councillor Speller Portfolio Holder for Environment and Performance, for his significant input into how the Council would be approaching performance management in 2024/25. It was noted that the proposed Corporate Performance Suite 2024/25 would form the basis of quarterly performance reports to Cabinet throughout the year.

Members thanked Officers for the new approach to setting out the Annual Report which clearly highlighted the Council's achievements and priorities.

It was **RESOLVED**:

1. That the significant progress in the delivery of the Future Town, Future Council programme as set out in the Annual Report 23/24 (Appendix A), be noted and agreed, and that a fully designed version of the report will be shared with the Chief Executive and Leader of the Council for agreement post

Cabinet.

2. That the draft Key Performance Indicator (KPI) Corporate Performance Suite (Appendix B), MSEB Plan(s) on a Page (Appendix C) and Productivity Plan (Appendix D) for 2024/25 be agreed.

Reason for Decision: As contained in the report.

Other Options considered: As contained in the report.

10 **4TH QUARTER MONITORING REPORT GENERAL FUND, HOUSING REVENUE ACCOUNT, CAPITAL AND GROUP COMPANIES**

Cabinet received a report setting out the 2023/24 Outturn position for the General Fund, Housing Revenue Account, Capital spending and the Council's Subsidiary Companies. The report sought approval for changes to 2024/25 working budgets, including an additional £2.434Million for the HRA which also required Council approval.

Officers advised that in relation to the General Fund, a full breakdown of the service net expenditure of £346k of underspends was outlined in the report. The report also highlighted an underspend of £367k from the General Fund Core Resources which predominately related to a reduction in the levy charge to the Council as a result of less business rates yield.

In relation to the Housing Revenue Account for 2023/24, an in-year surplus of £106k represented a decrease of £411k against the working budget. The report also highlighted some continuing pressures for the HRA in 2024/25 which required funding. These included service pressures around Repairs and Void costs and other Regulatory demands.

In terms of Capital, the report set out the outturn position for capital for the General Fund and the Housing Revenue Account and recommended approval of budget carry forwards for both the General Fund of £4.4m and Housing Revenue Account of £3.2m which would be moved into 2024/25 and future years.

It was **RESOLVED**:

General Fund

1. That the 2023/24 actual General Fund net expenditure of £13.397Million be noted, subject to the 2023/24 audit of the Statement of Accounts.
2. That the 2023/24 actual core resources (government grants, business rates and council tax) of £12.747Million be noted, subject to the 2023/24 audit of the Statement of Accounts (paragraph 4.4).
3. That carry forward/spend requests totalling £535,600 be approved for the General Fund (paragraph 4.1.3 and 4.3).
4. That the Transfer to reserves of £1.902Million be approved for the General Fund (paragraph 4.7.1).
5. That Members note the transfer from allocated reserves in 2024/25 of £78,628 as detailed in paragraphs 4.6.1 - 4.6.3

6. That the increase in the new tenant administration fee on allotments from £15 to £25 with effect from September 2024 be approved for the General Fund (paragraph 4.6.6).
7. That the increase in the deposit for outbuildings on allotment plots, from £30 to £50 with effect from September 2024 be approved for the General Fund (paragraph 4.6.6).
8. That the introduced charge for the woodchips delivered to the allotment sites with effect from September 2024 be approved for the General Fund (paragraph 4.6.6).

Housing Revenue Account

1. That the 2023/24 actual in year HRA surplus of £106,271 be noted, subject to the audit of the Statement of Accounts.
2. That a carry forward requests for decant costs totalling £47,350 (paragraph 4.11.1) **be** approved.
3. That the 2024/25 budget pressure of £2,434,050 detailed at paragraph 4.11.2 and in Appendix C, be recommended to Council for approval on 31 July 2024.

Capital Programme

1. That the General Fund capital budget re-phasing of £4.4Million from 2023/24 to future years and that £1.2Million be re-phased from 2026/27 to 2024/25 be approved.
2. That the Housing Revenue Account capital budget re-phasing of £3.2Million from 2023/24 to future years be approved.
3. That the 2024/25 virement and in year growth funded from ringfences receipts detailed on paragraph **Error! Reference source not found.** of the report be approved.

Council's Subsidiary Companies

1. That Members note the 2023/24 outturn position for the Council's subsidiary companies as set out in paragraphs 4.20 to 4.25.
2. That additional funding for the Building Control Company be approved in principle and the decision delegated to the Strategic Director (CFO) after consultation with the Portfolio Holder for Resources and Transformation (paragraph 4.24.3).

Reason for Decision: As contained in the report.

Other Options considered: As contained in the report.

11 **URGENT PART 1 BUSINESS**

None.

12 **EXCLUSION OF THE PRESS AND PUBLIC**

It was **RESOLVED:**

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

13 **MINUTES - 5 JUNE 2024**

It was **RESOLVED** that the Part II Minutes of the meeting of the Cabinet held on 5 June 2024 be approved as a correct record for signature by the Chair.

14 **SOCIAL HOUSING DECARBONISATION PROGRAMME CONTRACT AWARD**

The Executive considered a Part II report in respect of the Social Housing Decarbonisation Programme Contract Award.

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

Reason for Decision: As contained in the report.

Other Options considered: As contained in the report.

15 **TOWNS FUND - SKILLS AND ENTERPRISE**

The Executive considered a Part II report in respect of the Towns Fund – Skills and Enterprise.

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

Reason for Decision: As contained in the report.

Other Options considered: As contained in the report.

16 **INVESTING IN THE TOWN CENTRE ASSETS**

The Executive considered a Part II report in respect of Investing in the Town Centre Assets.

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

Reason for Decision: As contained in the report.

Other Options considered: As contained in the report.

17 **URGENT PART II BUSINESS**

None.

CHAIR

This page is intentionally left blank

STEVENAGE BOROUGH COUNCIL

ENVIRONMENT & ECONOMY SELECT COMMITTEE MINUTES

Date: Tuesday, 16 July 2024

Time: 6.00pm

Place: Council Chamber

Present: Councillors: Rob Broom (Chair), Andy McGuinness (Vice Chair), Leanne Brady, Forhad Chowdhury, Alistair Gordon, Claire Parris, Ellie Plater, Graham Snell, Nigel Williams and Jade Woods

Start / End Time: Start Time: 6.00pm
End Time: 7.15pm

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

Apologies of absence were received from Councillor Sarah Mead.

There were no declarations of interest.

At this juncture, the Chair welcomed those Members who were newly appointed to the Committee and welcomed back returning Members.

2 **MINUTES OF THE PREVIOUS MEETING - 27 MARCH 2024**

It was **RESOLVED** that the Minutes of the Environment & Economy Select Committee held on 27 March 2024 be approved as a correct record and signed by the Chair.

3 **TERMS OF REFERENCE**

At this juncture, the Chair provided the Committee with an overview of the work of the Environment and Economy Select Committee, which included its scrutiny functions, policy formulation support, ongoing monitoring responsibilities, and key areas of interest such as climate change mitigation, local transport policy, the cost-of-living crisis, and the local skills agenda.

It was **RESOLVED** that the Terms of Reference as agreed at Annual Council on 22 May 2024 be noted.

4 **CABINET MEMBER & EXTERNAL PARTNERS RESPONSE TO BUS SCRUTINY REVIEW**

The Chair introduced the Cabinet Member & External Partners response to the Bus Scrutiny Review and welcomed the Portfolio Holder for Economy, Skills, and Transport.

The Chair talked the Committee through each recommendation and the Cabinet Member and External Partner responses. They recognised the actions that had been taken and those which were still ongoing.

The Portfolio Holder for Economy, Skills, and Transport reiterated support for an annual stakeholder seminar as detailed in Recommendation 1. He emphasised the importance of involving Hertfordshire County Council, particularly the Portfolio Holder for Highways and Transport, and local stakeholder groups such as Stevenage Bus Users Group (BUGS).

The Chair invited a representative from BUGS to comment from the Public Gallery. The representative from BUGS criticised the real-time information system provided by Interlink and highlighted inefficiencies and inaccuracies.

Some Members shared personal experiences related to the lack of accurate real-time information at bus stops throughout the town and highlighted issues faced by elderly users.

A Member recognised the frustrations of elderly and disabled groups regarding the relocation of the bus station and the impact on their access to shops and services.

A Member inquired about mystery shopper-like spot checks for bus drivers to ensure courtesy and care towards disabled passengers.

The Assistant Director, Planning and Regulation advised the Committee that investigations were ongoing into the lowering of existing screens in the interchange to make them more accessible for disabled users whilst balancing against potential antisocial behaviour.

It was **RESOLVED** that the Cabinet Member & External Partners response to the Bus Scrutiny Review be noted.

5 **STEVENAGE SKILLS FRAMEWORK - DRAFT SCOPING DOCUMENT AND OFFICER PRESENTATION**

The Chair introduced the item, noting the ongoing work on the student skills framework from March. He emphasised the focus on high-end technical and vocational skills to match Stevenage's evolving employment opportunities. He also mentioned plans to address access to work for those facing re-entry challenges.

The Chair introduced the Corporate Policy and Performance Manager to present to the Committee.

For the benefit of newer Members and as a reminder to longer-standing Members of the Committee, the Corporate Policy and Performance Manager reprised the presentation he had given to the March 2024 meeting.

In addition to the reprised presentation, the Corporate Policy and Performance Manager provided an update on progress since the March 2024 meeting. The Corporate Policy and Performance Manager informed the Committee that the final year of UK SPF funding had commenced. This was a £1m package that replaced the European Social Investment Fund. He advised that 65% of that funding had been utilised, focused on various skills elements.

The Corporate Policy and Performance Manager highlighted the completion of the evaluation for the pioneering discovery phase of work with Mission 44 and ongoing discussions for a long-term partnership over the next three to five years.

The Committee were informed of a Generation Stevenage Event, delivered by the Council's Business Relationship Manager in collaboration with the Hertfordshire Local Enterprise Partnership, that took place in May 2024.

The Corporate Policy and Performance Manager advised the Committee that funding had been secured and an Enterprise and Skills Partnership Officer had been appointed to start in September 2024.

The Committee were informed about an upcoming STEM Skills update with key partners, businesses and Mission 44 scheduled for 18 July 2024.

The Corporate Policy and Performance Manager concluded by outlining the next steps which included additional witness interview sessions and a potential site visit to the SITEC site at North Hertfordshire College. The Corporate Policy and Performance Manager referenced the Draft Scoping Document and welcomed any questions.

Some Members emphasised the need for reskilling older individuals both in and out of work. The Corporate Policy and Performance Manager confirmed the strategy included young people, unemployed adults, and those looking to retrain. The Chair advised the Committee of a planned session on reskilling older individuals in the autumn.

A Member stressed the importance of including all students in skills initiatives and not just the more academically minded students. The Corporate Policy and Performance Manager affirmed the inclusivity focus, mentioning efforts with disenfranchised groups through Mission 44 and partnerships with organisations like the Prince's Trust, highlighting positive outcomes such as increased participation of young women in sciences.

A Member emphasised the importance of non-technical skills, especially in mental health and human services, alongside tech skills.

A Member inquired about potential impacts of new government policies on the skills

agenda. The Corporate Policy and Performance Manager responded stating the need for clearer alignment between councils and government departments and highlighting the complexity of the current skills funding landscape.

It was **RESOLVED** that the update from the Corporate Policy and Performance Manager be noted and that the Draft Scoping Document be agreed.

6 **ENVIRONMENT & ECONOMY SELECT COMMITTEE WORK PROGRAMME 2024-25**

The Chair introduced the Environment and Economy Select Committee Work Programme 2024-25.

A Member requested that the Policy Development Item, Refuse and Recycling service, also address the latest position with regards fly tipping enforcement.

The Assistant Director, Planning and Regulation, suggested that the one-off performance review meeting – update on the Indoor Market, would be better placed in the Environment and Economy Select Committee Work Programme 2025-26. After a brief discussion the Committee agreed.

It was **RESOLVED** that the Environment and Economy Select Committee Work Programme 2024-25 be agreed subject to the amended detailed above.

7 **URGENT PART 1 BUSINESS**

There was none.

8 **EXCLUSION OF PUBLIC AND PRESS**

Not required.

9 **URGENT PART II BUSINESS**

There was none.

CHAIR

STEVENAGE BOROUGH COUNCIL

**OVERVIEW AND SCRUTINY COMMITTEE
MINUTES**

Date: Tuesday, 30 July 2024

Time: 6.00pm

Place: Council Chamber - Daneshill House, Danestrete

Present: Councillors: Lin Martin-Haugh (Chair), Philip Bibby CC, Myla Arceno, Stephen Booth, Rob Broom, Forhad Chowdhury, Peter Clark, Lynda Guy, Sarah Mead, Tom Plater, Ceara Roopchand, Anne Wells and Nigel Williams

Start / End Start Time: 6.00pm
Time: End Time: 7.10pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies of absence were received from Cllr Robin Parker CC.

There were no declarations of interest.

2 MINUTES OF THE PREVIOUS MEETING - 11 JUNE 2024

It was **RESOLVED** that the Part I minutes of the meeting of the Overview and Scrutiny Committee held on 11 June 2024 be approved as a correct record and signed by the Chair.

3 PART I DECISIONS OF THE CABINET

The Committee considered the following Part I Decisions of the Cabinet taken on 24 July 2024:

2. MINUTES – 5 JUNE 2024

The minutes of the meeting of the Cabinet held on 5 June 2024 were noted.

3. MINUTES OF OVERVIEW & SCRUTINY AND SELECT COMMITTEES

The Cabinet's review of the minutes of the following Overview & Scrutiny and Select Committee meetings was noted:

Overview & Scrutiny Committee, 11 June 2024
Community Select Committee, 13 June 2024

4. RESIDENT ENGAGEMENT STRATEGY AND FRAMEWORK

The Assistant Director, Housing & Neighbourhoods introduced the report.

The Committee noted the decision of the Cabinet.

At this juncture, a Member raised concerns about the lengthy agenda and extensive reports. They recommended shorter, more concise reports for better efficiency and suggested reducing the number of items on the agenda for more thorough review.

5. HOUSING ANNUAL REPORT

The Assistant Director, Housing & Neighbourhoods introduced the report.

The Committee noted the decision of the Cabinet.

6. HOMELESSNESS AND ROUGH SLEEPER STRATEGY 2025 – 2030

The Assistant Director, Housing & Neighbourhoods introduced the report.

Members asked questions related to the residency requirements and the importance of engagement with homeless individuals and rough sleepers for the success of the strategy.

The Assistant Director, Housing & Neighbourhoods responded that support was typically for those with local connections to Stevenage but mentioned collaboration with other local authorities for individuals from neighbouring areas. Homeless individuals fleeing domestic abuse were assessed with input from their original local authorities to ensure appropriate support and refuge.

The Assistant Director, Housing & Neighbourhoods added that the Council actively sought input from homeless individuals and attempted to engage non-participants. Some identified as rough sleepers might not be genuinely homeless but were engaged through support measures.

The Committee noted the decision of the Cabinet.

7. TENANCY POLICY

The Assistant Director, Housing & Neighbourhoods introduced the report.

Members asked questions related to the tenancy agreement, anti-social behaviour (ASB), collaborative working, and resourcing.

The Committee were advised that enforcement powers existed and efforts were ongoing to make service standards and tenant obligations clear and accessible. The tenancy agreement would be refreshed to ensure accountability for breaches,

supported by annual inspections and tenancy audits.

The Assistant Director, Housing & Neighbourhoods acknowledged there were no additional resources sought at this stage, but emphasised a coordinated approach with the ASB team within the housing department. Efforts included policy review and preventive measures to support tenants in maintaining their tenancies.

The Assistant Director, Housing & Neighbourhoods confirmed ongoing partnership work with local health services, police, and other agencies through forums like the So Safe Partnership and Joint Action Group. The ASB team coordinated with neighbourhood policing to improve outcomes for victims and perpetrators.

The Committee were informed of the complexity of evictions, especially for cannabis use, which required persistent evidence and legal proceedings. More severe cases, such as those involving county lines or drug dealing, could lead to quicker actions, including property closures.

The Committee noted the decision of the Cabinet.

8. RESPONSIVE REPAIRS AND MAINTENANCE POLICY

The Assistant Director, Building Safety and Housing Property Services introduced the report.

Members asked questions related to fencing, the consultation timeline, leasehold properties, and resourcing.

The Assistant Director, Building Safety and Housing Property Services acknowledged the need for a modernised approach to fencing due to rising material costs and weather damage. They proposed the use of more durable options like chain-link fencing instead of traditional timber, aligning with practices of other local authorities.

The Committee were informed that the consultation process with tenants and leaseholders would begin in early August, with a survey already designed for this purpose.

The Assistant Director, Building Safety and Housing Property Services clarified that while many repairs were done in-house by council tradespeople, some specialist work, such as roofing and drainage, continued to be outsourced to contractors.

The Committee heard that the Council maintained responsibility for the structural and exterior maintenance of blocks, including roofs, for leasehold properties. Day-to-day repairs were carried out by the Council.

The Assistant Director, Building Safety and Housing Property Services confirmed that, with regards wilful damage, the Council sought to recharge tenants for damages, though recovering costs remained challenging.

Addressing concerns about repair delays, the Assistant Director, Building Safety and Housing Property Services noted improvements and efforts to clear backlogs. They emphasised the importance of setting clear expectations and service standards for tenants.

The Assistant Director, Building Safety and Housing Property Services mentioned ongoing efforts to improve internal resources and the use of temporary contractors. They recognised the challenge of recruiting and retaining skilled staff, particularly in technical roles and highlighted the strategy to retain interim staff where possible and attract new hires. They spoke of the current use of agency surveyors to meet demand and the goal of converting temporary roles into permanent positions and/or attracting candidates to fill positions on a permanent basis. Members suggested keeping the progress of this on the agenda for future updates.

Members emphasised the need to distinguish between repairs and replacements, highlighting that delays often occurred with replacements rather than repairs. They suggested finding a clear term to differentiate those processes.

The Committee noted the decision of the Cabinet.

9. CORPORATE PERFORMANCE SUITE 2024/25, PRODUCTIVITY PLAN 2024/25 AND ANNUAL REPORT 2023/24

The Strategic Director (TP) introduced the report.

The Committee noted the decision of the Cabinet.

10.4TH QUARTER MONITORING REPORT GENERAL FUND, HOUSING REVENUE ACCOUNT, CAPITAL AND GROUP COMPANIES

The Assistant Director, Finance introduced the report.

Members asked questions related to the increase in the allotment setup fee.

The Assistant Director, Finance explained that the increase was due to the rising costs of labour and administrative work required to set up new allotment holders. The previous fee did not fully cover those costs, and the adjustment aimed to align with the actual cost of providing the service.

The Strategic Director (CF) emphasised the Council's financial position and the need to recover the full cost of services provided. They mentioned ongoing efforts to digitalise the process to reduce administrative costs.

The Committee noted the decision of the Cabinet.

It was **RESOLVED** that the Part I Decisions of the Cabinet taken on 24 July 2024 be noted and that the Responsive Repairs and Maintenance Policy be kept on the agenda for future progress updates regarding resourcing.

4 **URGENT PART I DECISIONS AUTHORISED BY THE CHAIR OF THE OVERVIEW AND SCRUTINY COMMITTEE**

There were none.

5 **URGENT PART I BUSINESS**

There was none.

6 **EXCLUSION OF PRESS AND PUBLIC**

It was **RESOLVED**:

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

7 **PART II MINUTES - OVERVIEW AND SCRUTINY COMMITTEE - 11 JUNE 2024**

It was **RESOLVED** that the Part II minutes of the meeting of the Overview and Scrutiny Committee held on 11 June 2024 be approved as a correct record and signed by the Chair.

8 **PART II DECISIONS OF THE CABINET**

The Committee considered the following Part II Decisions of the Cabinet taken on 24 July 2024:

13. MINUTES – 5 JUNE 2024

The Part II minutes of the meeting of the Executive held on 5 June 2024 were noted.

14. SOCIAL HOUSING DECARBONISATION PROGRAMME CONTRACT AWARD

The Assistant Director, Building Safety and Housing Property Services introduced the report.

The Committee noted the decision of the Cabinet.

15. TOWNS FUND – SKILLS AND ENTERPRISE

The Assistant Director, Regeneration introduced the report.

The Committee noted the decision of the Cabinet.

16. INVESTING IN THE TOWN CENTRE ASSETS

The Town Centre Manager introduced the report. Members asked a number of questions, which were responded to by officers.

The Committee noted the decision of the Cabinet.

It was **RESOLVED** that the Part II Decisions of the Cabinet taken on 24 July 2024 be noted.

9 **URGENT PART II DECISIONS AUTHORISED BY THE CHAIR OF THE OVERVIEW AND SCRUTINY COMMITTEE**

There were none.

10 **URGENT PART II BUSINESS**

There was none.

CHAIR

Part I – Release to Press



Agenda item: **##**

Meeting Cabinet
Portfolio Area Resources and Transformation
Date 18 September 2024



WORKFORCE STRATEGY 2024-2027

NON KEY DECISION

Author – Kirsten Frew Ext.No. 2321
Clare Davies Ext.No. 2164

Lead Officer – Clare Fletcher Ext.No. 2933
Contact Officer – Kirsten Frew Ext.No. 2321

1 PURPOSE

1.1 To present to Cabinet and seek approval of the new Workforce Strategy, *People, Even Better*, for 2024-2027.

2 RECOMMENDATIONS

2.1 That Cabinet approve the attached Workforce Strategy for 2024-2027.

- 2.2 That Cabinet notes that the implementation plan may be revised due to changing circumstances and workforce requirements and that approval for changes is delegated to the Heads of HR&OD, after consultation with the Portfolio Holder for Resources and Transformation which reflect this dynamic environment.
- 2.3 That Cabinet notes that the Heads of HR&OD following consultation with the Portfolio Holder for Resources will have delegated authority for the production and implementation of an annual action plan for each of the key themes within the strategy.

3. BACKGROUND

- 3.1 The Workforce Strategy 2024-2027 is pivotal in addressing the multifaceted challenges presented by today's evolving work environment. It aligns with the Council's new corporate plan, "Making Stevenage Even Better," which prioritises strategic investment in the workforce amidst a challenging financial climate, new regulatory frameworks, and a competitive recruitment landscape.
- 3.2 This strategy is driven by the Council's core values; caring, straightforwardness, responsiveness, excellence, innovation, and teamwork, which are integral to all Council operations. It is designed to foster a culture of engagement and collaboration, ensuring that employees feel valued and motivated to contribute to the Council's success.
- 3.3 Informed by feedback from quarterly staff pulse surveys, the strategy focuses on strengthening areas of success and addressing areas for improvement. The strategy emphasises five key priorities: Ways of Working, Attracting and Retaining the Best People, Engagement and Communication, Inclusion and Wellbeing, and Organisational Development.
- 3.4 The strategy is not just a blueprint for the future but also a response to the current and anticipated challenges facing the Council. It builds on the achievements of the previous Workforce Strategy (2020-2023) and incorporates lessons learned to better equip the workforce to meet the evolving needs of the Stevenage community.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 Reason for change

The necessity for a new Workforce Strategy arises from several critical factors:

The Council must ensure that its workforce is adequately equipped to deliver on its strategic ambitions in an increasingly complex and competitive environment.

The global pandemic has fundamentally altered the world of work, necessitating a strategic response that addresses both immediate and long-term service delivery needs.

The Council must proactively adapt to emerging work practices, including the transition to a new public sector hub, while supporting key initiatives such as the Co-operative Neighbourhood Management, the Commercial and Insourcing Strategy, the Climate Change Agenda, and Digital Transformation.

The strategy is essential to cultivate a workforce capable of delivering the high standards of service expected by Stevenage residents, in line with the Council's strategic priorities.

4.2 Key Element of the Strategy and Outcomes

The Workforce Strategy 2024-2027 is centred around five strategic priorities, each designed to ensure the Council's workforce is equipped to meet the challenges of the future. These priorities include the continuous evolution of The Council's ways of working, attracting and retaining the best talent, fostering engagement and communication, promoting inclusion and wellbeing, and driving organisational development. Each priority is aligned with the Council's broader organisational goals, including addressing climate change, harnessing technology, and maintaining financial stability.

Theme	Theme Definition
Ways of Working	The Council aims to evolve its working practices by fostering a hybrid work environment, reducing physical office space, and achieving "hub ready" status. This involves leveraging technology to boost productivity, upskilling managers to lead effectively in this new environment, and aligning operations with climate change goals, ultimately enhancing staff work-life balance and proficiency with digital tools.
Attracting and Retaining the Best People	The Council's focus is on building a diverse and skilled workforce that embodies the Council's values. The Council will streamline recruitment processes, enhance its employer brand, and support apprenticeships to increase workforce stability. By improving the Council's onboarding experience and maintaining high satisfaction among new

	hires, the Council aims to become an employer of choice, known for commitment to diversity and excellence
Engagement and Communication	The Council are committed to creating a culture where employees feel valued, heard, and engaged. Through regular feedback loops, staff recognition initiatives, and enhanced communication, the Council aims to empower its workforce to contribute positively to its success. This approach ensures that staff remain motivated and connected, driving organisational resilience and innovation.
Inclusion and Wellbeing	The Council's goal is to nurture an inclusive and diverse workplace that prioritizes employee wellbeing. The Council will implement comprehensive health and wellbeing programs, support mental health in the workplace, and work to reduce the Gender Pay Gap. By fostering a culture of respect and inclusivity, the Council aims to create a positive work environment where every employee can thrive.
Organisational Development	The Council will focus on developing a forward-thinking, collaborative workforce by investing in leadership development, maximizing the use of its Apprenticeship Levy and promoting continuous learning. The Council's strategy includes effective workforce planning and equipping its leaders to support staff through change, ensuring that its workforce remains agile, skilled, and prepared for future challenges

4.3 Consultation on the Strategy

4.3.1 As part of the development of the Strategy consultation has taken place with the Resources and Transformation portfolio holder and the Leader of the Council, SLT, and Trade Unions. Additionally, feedback has been received from staff via pulse surveys. A summary of the feedback is presented below:

Table one Summary of Consultation Feedback	
Stakeholder Group	Feedback
SLT	<ul style="list-style-type: none"> • Important that the strategy is the Strategic Leadership Team as a whole and not just the HR service. • The IT strategy will be a key enabling piece of work and it is important that these strategies work together. • Key enable strategy for Transformation programme
Trade Unions	<ul style="list-style-type: none"> • Strategy is well time to aid our transition to the public sector hub.
Employees	<ul style="list-style-type: none"> • Summary of survey feedback included in strategy under Workforce Insights

4.3.2. All of the groups consulted recognised the need for an emerging Workforce strategy, to support the achievement of the Council’s strategic ambitions and ensure that the Council develop an appropriately skilled workforce to continue to deliver services to Stevenage residents now and in the future.

4.3.3 The key elements of the feedback are that generally there was a positive response to the strategy. It is recognised that as an emerging strategy not all potential costs and benefits are known at this stage. However, this will be kept under regular review to ensure there are benefits for employees and residents, and costs are kept under control. It is also recognised that technology is a key interdependency for this success of this strategy for both employees and residents, this feedback was consistent from all stakeholders.

5. IMPLICATIONS

5.1 Financial Implications

5.1.1 The Workforce Strategy entails a strategic investment in our workforce, focusing on upskilling, digital transformation, and improved recruitment and retention, all within a constrained budget. The strategy also seeks cost efficiencies, such as reducing physical office space through hybrid working to control operational expenses.

5.2 Legal Implications

5.2.1 Implementation must comply with employment laws, including fair recruitment, equal pay, and health and safety standards. The transition to hybrid working will be managed to ensure legal compliance and protect employee rights.

5.3 Climate Change Implications

5.3.1 The strategy supports our Climate Change Agenda by reducing our carbon footprint through hybrid working, minimizing office space, and encouraging sustainable practices, aligning workforce activities with environmental goals.

5.4 Equalities and Diversity Implications

5.4.1 We are committed to fostering a diverse and inclusive workplace. The strategy addresses the Gender Pay Gap, introduces Ethnicity Pay Gap reporting, and ensures equal access to career growth and development, promoting equity across the organisation

5.5 Information Technology Implications

5.5.1 The strategy emphasises using technology to boost productivity and collaboration. Implementing tools like Microsoft 365 and digital onboarding will require ongoing IT support, training, and enhanced cybersecurity measures. Adapting to hybrid working models will also demand continuous updates to our IT infrastructure to support a more agile workforce.

Background documents

4.2 All documents that have been used in compiling this report, that may be available to the public, i.e. they do not contain exempt information, should be listed here:

APPENDICES

- A Workforce Strategy 2024-27
- B Workforce Strategy plan on a page

Workforce Strategy 2024-2027

People, Even Better

Foreword by Portfolio Holder

Our workforce remains the cornerstone of our service delivery. As we navigate the complexities of a changing world, their role becomes increasingly pivotal. Aligned with our values, this strategy fosters engagement and collaboration, ensuring our employees feel valued and motivated.

Moreover, we reaffirm our unwavering commitment to delivery for our residents, the community, and the town, recognising our colleagues' unwavering dedication to community delivery. We recognise the imperative of doing more with less, and we are committed to finding innovative solutions that optimise efficiency and maximise impact.

Building on past successes, we prioritise collaboration and innovation to drive positive change. Informed by stakeholder input, our strategy focuses on key priorities to meet evolving community needs.

Remaining agile and responsive, we align with our corporate plan, working towards our vision of Making Stevenage Even Better.

We are immensely proud of our workforce and the exceptional dedication they demonstrate each day. Their hard work and commitment are central to our success, and we celebrate their contributions to making Stevenage a better place for all.

Executive Portfolio Holder (Resources and Transformation)

Foreword by Chief Executive Officer

As we embark on this new chapter, our workforce's role has never been more critical. The challenges we face, from financial constraints to evolving regulations, demand a collective effort underpinned by our shared values and a strong sense of purpose. This Workforce Strategy is not just a plan; it's a commitment to our employees, recognising their central role in delivering our corporate vision. Our goal is to ensure that every colleague feels valued, supported, and equipped to thrive in an environment that fosters innovation and resilience. Together, we will build on our successes, harness new opportunities, and continue to make Stevenage a place where everyone can flourish. I am proud of the dedication and passion that our team brings every day, and I am confident that, with this strategy, we will navigate the future with strength and unity.

Matt Partridge, Chief Executive and Head of Paid Service

Foreword by Head of Human Resources

Our workforce is the heartbeat of our organisation, and their wellbeing and professional growth are at the forefront of our Workforce Strategy. In a world of constant change, it is essential that we remain agile, adapting our practices to meet the needs of both our employees and the community we serve. This strategy is a reflection of our commitment to nurturing a workplace where people feel engaged, included, and empowered. By focusing on key priorities such as talent retention, organisational development, and wellbeing, we aim to create an environment where everyone can succeed. Our approach is rooted in our core values and behaviours, and we will work collaboratively across all levels to ensure that these principles guide our actions. Together, we will create a culture that not only meets the challenges of today but also prepares us for the future.

Clare Davies and Kirsten Frew, Joint Head of Human Resources and Organisational Development

Executive Summary

Our workforce is pivotal in navigating the complexities of today's changing world. Aligned with our values, this strategy fosters engagement and collaboration, ensuring our employees feel valued and motivated.

Facing challenges in a tough financial climate, new regulations, and a competitive recruitment market, our new corporate plan, "Making Stevenage Even Better," represents a significant investment in the future. Recognising our workforce as our most valuable asset, this strategy aims to provide them with the necessary skills and resources while fostering a culture of cooperation and collaboration based on our core values.

Driven by values such as caring, straightforwardness, responsiveness, excellence, innovation, and teamwork, our approach guides everything we do, from delivering services to creating an inspiring workplace.

Feedback from quarterly staff pulse surveys informs our strategy, focusing on strengths and areas for improvement. The Workforce Strategy 2024-2027 emphasises five key priorities: Ways of Working, Attracting and Retaining the Best People, Engagement and Communication, Inclusion and Wellbeing, and Organisational Development.

Led by our Senior Leadership Team, but requiring engagement from all levels of management and staff, the strategy's success will be closely monitored and reported quarterly. An annual review will inform the development of an annual workforce plan, incorporating customer feedback, external factors, and continuous improvement efforts.

Addressing climate change, harnessing technology, and balancing the budget are cross-cutting themes essential to our workforce strategy. By integrating these themes, we drive sustainable growth and success, aligning our actions with our broader organisational goals.

Our Workforce Strategy sets a clear path for making even better, focusing on our workforce's development, engagement, and wellbeing. By embracing innovation, collaboration, and our core values, we will navigate challenges and achieve our vision for a thriving community.

Contents

1. Foreword by Executive Portfolio Holder (Resources and Transformation)– Cllr Jeannette Thomas
2. Background
3. Strategic Context
4. Our Values
6. Workforce Profile
7. Workforce insights
8. Our Priorities
9. Reporting and Governance

Background

The Council faces a multitude of challenges in the current environment, including a challenging financial climate in local government, new regulations, and a highly competitive recruitment market. Against this backdrop, our new corporate plan, "Making Stevenage Even Better," represents a crucial investment in the town and the council's future.

Recognising the importance of our workforce as our most valuable asset, we are committed to providing them with the necessary skills and resources while fostering a culture of cooperation and collaboration based on our core values of respect and integrity.

Our previous Workforce Strategy (2020-23) was developed rapidly in response to evolving circumstances, particularly during the global pandemic. Notable achievements include the implementation of hybrid working policies, innovative recruitment platforms, and initiatives aimed at enhancing staff well-being and diversity.

As we move forward, it is essential that our Workforce Strategy remains aligned with our corporate plan and adapts to address the challenges. We continue to engage with key stakeholders, to ensure that our strategy addresses these critical issues. Moreover, in the face of a highly competitive recruitment market, we are committed to finding innovative solutions to attract and retain talent, essential for delivering on our ambitious plans for Stevenage.

In this ever-evolving landscape, our commitment to our workforce's well-being and professional growth remains unwavering. Together, guided by our shared values and determination, we will navigate these challenges and work towards making Stevenage a better place for all.

Strategic Context

The landscape of work has undergone significant evolution in recent years, particularly accelerated by the global pandemic. Prospective employees now prioritise work-life balance more than ever, necessitating a clear understanding and promotion of what makes us an attractive employer. It's crucial to align our recruitment efforts with the skills and behaviours that resonate with our values.

As a Council, we are committed to undergoing significant transformation to achieve our strategic goals. It's essential to consider various strategic influences in developing our Workforce Strategy, as these factors are interconnected and have far-reaching implications.

Balancing the Budget: The financial landscape in local government remains uncertain, posing challenges in terms of revenue and capital availability across both the Housing Revenue Account (HRA) and the General Fund. This challenge is exacerbated by the ongoing cost-of-living crisis. Our corporate plan outlines four key areas of focus to ensure ongoing budgetary balance.

Responding to New Requirements: Anticipated changes in service delivery encompass a wide range of factors, including climate change, new housing regulations, and performance reporting by the Office for Local Government. We have embraced a holistic vision centred on achieving net-zero emissions by 2030, not only for our organisation but also for our businesses and residents. Our workforce and ways of working will play a crucial role in realising this vision.

Regeneration and Transformation: The vision for town centre regeneration includes the establishment of a new public sector hub. This development will inevitably bring about changes in our ways of working, necessitating careful consideration as we design our future work practices. Furthermore, the integration of digital technologies will be pivotal in transforming service delivery, highlighting the importance of preparing and equipping our workforce for the evolving landscape.

Artificial Intelligence (AI) is rapidly transforming the way we work, offering new opportunities to enhance efficiency, innovation, and service delivery. As AI becomes increasingly integrated into our operations, it's essential that our workforce is equipped with the skills and knowledge to harness its potential. This includes not only technical proficiency but also the ability to adapt to changing roles and responsibilities. By embracing AI, we can streamline processes, improve decision-making, and free up our employees to focus on more complex, value-added tasks, ultimately driving better outcomes for our community.

In summary, our strategic context underscores the need for agility and preparedness in response to changing dynamics, ensuring that our Workforce Strategy is aligned with our organisational goals and values.

Our Values

We care passionately about our town and are committed to making a real difference to the lives of all our residents now, and into the future.

Our approach is driven by our values. These guide and inform everything we do; delivering our services, making Stevenage a great place to live, working with our partners, and ensuring our Council is an inspiring place for our staff to work.



Caring

As a Council we will:

- Actively and respectfully listening to people in order to understand them and their views
- Vary our behaviour to help those we are working with
- Present information clearly and in a way that people understand
- Respect the views of others and consider the impact of our words and actions
- Value diversity and treat everyone with dignity and respect

Straightforward

As a Council we will:

- Reduce bureaucracy
- Work smarter and in a more agile way
- Contribute to the development of simplified and straightforward processes and procedures
- Identify and eliminating time consuming or wasteful practices
- Think creatively about how tasks can be best achieved
- Contribute to the identification of processes that may generate efficiency savings
- Embrace technology where this supports increased productivity

Responsive

As a Council we will:

- Remain courteous, helpful and professional in our dealings with our customers
- Demonstrate an understanding of who our customers are and why they matter
- Do what we say we'll do. Explain clearly what service can be delivered and be committed to seeing things through
- Seek and act on customer opinion and feedback

Excellent

As a Council we will:

- Strive to deliver our services to the highest possible standards
- Be open to feedback from others so that we can improve our performance
- Make the best use of our personal strengths and acknowledging our development needs
- Take responsibility for our own learning
- Apply both skill and knowledge to our work
- Learn from both positive and negative experiences

Innovative

As a Council we will:

- Seek and suggest new ways of doing things to improve service, value for money and performance
- Be open to new ideas and suggestions
- Take responsibility for finding solutions and better ways of working
- Actively seek solutions to problems and see things through
- Carefully consider any risks attached to proposed solutions
- Encourage others to contribute ideas and to work with us to find solutions

One Team

As a Council we will:

- Actively contribute to team goals
- Respect and value the contributions of others
- Cooperate with other teams to provide excellent services
- Share knowledge, experience and achievements with the team
- Accept compromises in order to achieve shared aims

Our values are the foundation of everything we do, guiding our actions and decisions as an organization. They define how we interact with each other, our residents, and the wider community. To bring these values to life, we have developed a comprehensive Competency Framework focused on behaviours that align with our core principles. This framework serves as a blueprint for the skills and attitudes we expect from all employees, ensuring that our workforce not only meets the technical

requirements of their roles but also embodies the values that are crucial to our success.

The Competency Framework emphasises key behaviours such as collaboration, adaptable to change, and delivering at pace, which are essential for creating a positive and productive work environment. By fostering these behaviours, we aim to build a culture where everyone feels empowered to contribute their best, driving the organization forward and delivering exceptional service to our community.

To learn more about our Competency Framework and how it supports our values, please click [here](#)

Our workforce today

During 2023 we directly employed an average of 641 people on a range of employment contracts including full-time, part-time, job share, term time and fixed term.

There are several staff-led equalities working groups that represent different groups within our workforce: Women's Network, Diversity and Inclusion Network, Mental Health and Wellbeing Group. These groups play an important part in unlocking the potential of our diverse workforce and in helping to support staff to overcome challenges.

Age

According to the 2021 Census, the average (median) age of Stevenage residents has increased by one year since the 2011 census, from 37 to 38 years of age.

52.9% of our borough population are aged over 35 years old, while 78.8% of our workforce are aged 35 and over.

9.6% of our borough population are aged between 15-24 years old, while 3.4% of our workforce are aged under 24 years old.

Disability

6.8% of Stevenage Borough Council staff have declared a disability on our HR system. Compared with 17.2% of the borough are self-declared as disabled

Gender

53.7% of Stevenage Borough Council staff are female and 46.3% are male.

At a senior leadership level 31.25% are female and 68.75% are male.

Ethnicity

16.35% of Stevenage Borough Council staff are from backgrounds that are not White British, compared to 17.2% of our borough population..

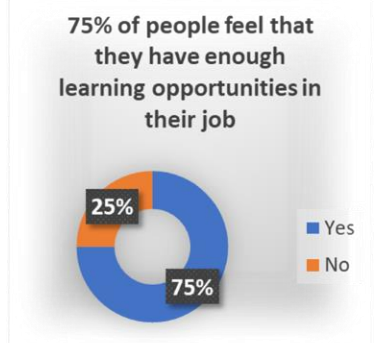
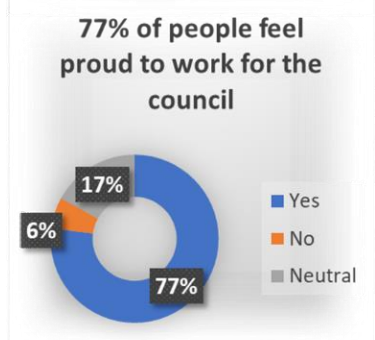
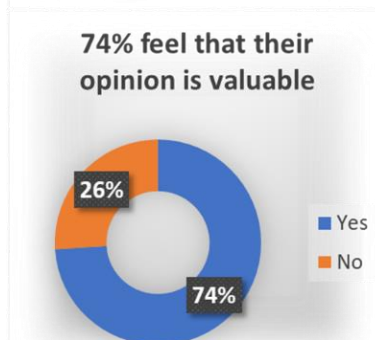
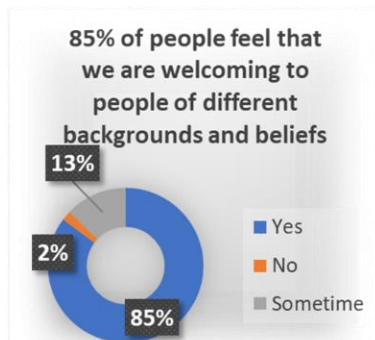
Pay Gap Analysis

A mean gender pay gap of 3.73% as at March 2023, which shows an improving trend and compares favourably with the national average of 7.7%.

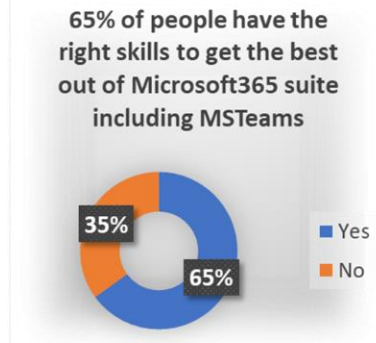
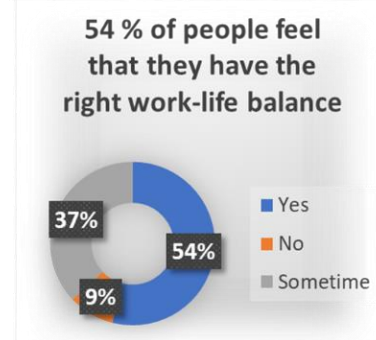
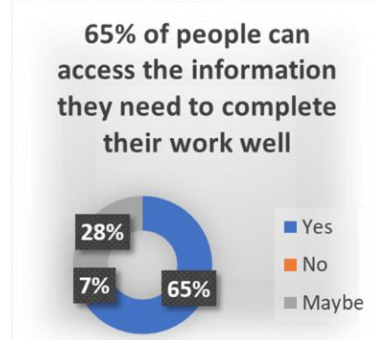
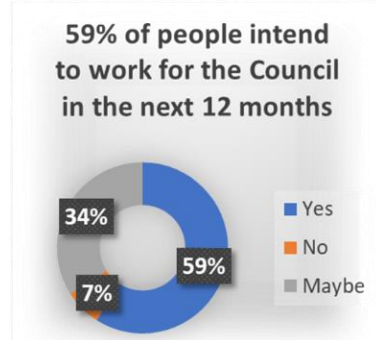
Workforce Insights

Since 2020 we have moved away from the bi-annual all staff survey, to shorter and more frequent (quarterly) staff pulse surveys. The feedback from these surveys has been used to inform this strategy and future surveys feedback will also form part of our measures of success.

Areas of strength



Areas for further improvement



Our Priorities

The Workforce Strategy 2024-2027 is fundamental to achieving the council's goals over the next three years. It recognises that our employees are central to realising the five key objectives outlined in the Making Stevenage Even Better Corporate Plan 2024-27.

- Transforming Our Town
- More Social, Affordable and Good Quality Homes
- Thriving Neighbourhoods
- Tackling Climate Change
- Balancing the Budget

This strategy revolves around three core themes:

Advancing Equality, Diversity & Inclusion

Promoting Health & Wellbeing

Embracing Technology & Innovation

To achieve these goals, our strategy will focus on five key priorities:

1. Ways of working
2. Attracting and retaining the best people
3. Engagement and Communication
4. Inclusion and Wellbeing
5. Organisational Development

This strategy is for everyone across the council. It reminds us that although we have a wide range of roles and deliver a remarkably diverse range of services to our residents and community, we are all committed to creating a great place to work.

We will equip our workforce to meet the needs of our communities now and in the future. **We will have the right people, with the right skills, connected to our communities and working together for Stevenage.**

1. Ways of Working

Our strategic aim is centred on the continuous evolution of our ways of working, recognising the diverse nature of services we provide. We are committed to harnessing technology, implementing best practices, and ensuring that our approaches are aligned with our organisational objectives, including our ambitions regarding climate change and the establishment of the new public sector hub.

Integral to this aim is the cultivation of a culture of hybrid working, empowering our staff to autonomously manage their workload and contribute to the ongoing evolution of our organisation. This involves transitioning away from traditional office spaces to embrace more flexible and collaborative work environments, effective performance management in the hybrid world and with the goal of being "hub ready" by the end of this strategy period.

Furthermore, we are dedicated to ensuring that our operational policies and processes support our climate change ambitions and are sustainable in the long term. This entails leveraging technology applications to enhance productivity and collaboration across our services, alongside the implementation of digital solutions for tasks such as overtime and callout claims.

Additionally, we prioritise the upskilling of our managers to effectively lead in a hybrid working environment, equipping them with the necessary tools and resources to support their teams. Moreover, we actively support the implementation and development of our SDS (Service Delivery System) workforce to align with the rollout of new digital systems, thereby enhancing our operational capabilities and supporting our organisational goals.

Strategic Aim	Strategic Objectives	Key measures of success
<p>Developing and evolving our ways of working, recognising the diverse nature of services, harnessing technology, and ensuring consistent best practice</p>	<ul style="list-style-type: none"> • To ensure our ways of working support the reduction in physical office space and be "hub ready" by the end of the strategy. • To ensure our ways of working, policies and processes support our climate change ambitions and are sustainable. • To ensure technology deployed to the workforce supports increased productivity and collaboration across services. • Ensure full utilisation of technology applications in the back-office delivery of services. • Upskill managers with the tools to lead effectively in a hybrid working environment. 	<ul style="list-style-type: none"> • We need to develop our people as much as the technology. • Improved staff satisfaction for work life balance in staff pulse survey • Improved score on staff survey for knowledge of using technology that is

	<ul style="list-style-type: none">• Rollout digital solution for overtime and callout claims• Support the implementation and development of the SDS workforce to align with the rollout of the new digital systems.	relevant to job role.
--	--	-----------------------

2. Attracting and retaining the best people

Our strategic objective is to cultivate and maintain a diverse, skilled, and dedicated workforce whose values align with those of SBC, while simultaneously enhancing the overall diversity of our council. To achieve this, we will place a heightened emphasis on the following key initiatives:

Strategic Aim	Strategic Objectives	Key measures of success
<p>Attract, recruit, and retain a diverse, skilled, and committed workforce whose values align with SBC, whilst increasing the diversity of the organisation</p>	<ul style="list-style-type: none"> • Ensure the council is positioned as a champion for the commitments set out in the Stevenage Works Skills Frameworks with respects to our internal workforce and linked to the focus on Public Sector services • Develop a model for future apprenticeship posts and support offer, joining up with Stevenage Works • Identify digital process to confirm right to work to create a streamlined pre-employment process. • Develop a digital onboarding process to provide an excellent new starter experience. • Engage with key internal and external partners delivering skills provision, guidance and support including Hertfordshire Futures through Generation Stevenage events and the Hertfordshire Opportunities Portal as well as broader skills focused activities such as our ambitious and groundbreaking programme focused on the development of STEM skills in underserved communities in partnership with Mission44. • New Starters are effectively inducted and given a welcome reflective of our organisation. • Develop a new work experience programme for local students, working in partnership with local schools. 	<ul style="list-style-type: none"> • Increase the number of apprentices. • Workforce stability is >85% • Time to recruit is <45 days. • Monitor abandoned application rate on e-recruitment platform. • 80% of new starters are satisfied they have been effectively inducted. Measured through new starter surveys. • 80% of employees would recommend SBC as a place to work – staff survey.

	<ul style="list-style-type: none"> • Our people recommend SBC as a great place to work. • Enhance our employer brand through developing enhanced advertising offer, maximising use of social media and sharing colleague’s experiences of working at SBC, including hybrid working. 	
--	---	--

By prioritising these initiatives and enhancing our focus on being an attractive employer, we will strengthen our workforce strategy, attract top-tier talent, and foster a culture of excellence and innovation within the council.

3. Engagement and Communication

Strategic Objective: Our primary focus is to foster a culture of engagement and empowerment within our workforce, ensuring that every employee feels valued, heard, and connected to the council’s ambitions and purpose. In this era of hybrid work models, it’s imperative that we prioritise the well-being and engagement of our staff.

Strategic Aim	Strategic Objectives	Key measures of success
Strengthen employee engagement by valuing and listening to staff, empowering them to positively influence change and recognise the contributions that our staff make.	<ul style="list-style-type: none"> • Continually engage with and actively listen to all staff acting on their feedback to bring about positive change with quarterly staff pulse surveys. • Update the organisational Change Policy, ensuring a comprehensive package to support staff through change. • Work in partnership with our staff networks and trade union to continue to develop and evolve our approach to staff engagement and communication. • Celebrate the success of our workforce, both at an individual and organisational level, recognising how all staff contribute to and enhance the overall our success. • To support the Council Climate Change Agenda by taking forward a programme of workforce related actions • Greater use of the intranet as a communication platform 	<ul style="list-style-type: none"> • Positive feedback from the staff survey • Staff having regular REAL conversations – staff survey. • Increase in nominations for staff awards.

	<ul style="list-style-type: none"> • Visibility of Senior Officer and Member Leadership in the form of staff communications 	
--	--	--

Through these strategic initiatives, we will cultivate a highly engaged and empowered workforce, driving organisational success and resilience in an ever-evolving landscape.

4. Inclusion and Wellbeing

Our Strategic Goal: We aim to nurture a workplace known for its inclusivity, inspiration, diversity, innovation, ambition, and fulfilment. Our objective is to create a culture which is agile and flexible, enabling us to navigate change confidently and effectively. Essential to this goal is prioritising the wellbeing of our staff, ensuring they thrive in a positive work environment that fosters happiness, motivation, value, and a healthy work-life balance.

Strategic Aim	Strategic Objectives	Key measures of success
Strengthen a workplace that is inclusive, inspiring, diverse, innovative, ambitious, and fulfilling.	<ul style="list-style-type: none"> • Foster a culture that promotes employee health and wellbeing, with a comprehensive annual programme of wellbeing activity. • Actively support mental health in the workplace, encouraging staff to share their personal experiences to continue to the conversation and recognising the link between work and personal life. • An annual calendar of events to celebrate a range of religious festivals and other events, valuing diversity. • Increase the diversity of staff in senior roles • Introduce Ethnicity Pay Gap reporting. • Reaffirm our commitment to Equal Pay • Encourage staff to renew and update their self-declared personal details on MyView • Renew our Disability Confident Scheme accreditation. 	<ul style="list-style-type: none"> • Sickness levels are below the agreed target. • 80% of staff value the health and wellbeing offer at SBC (pulse survey) • Gender Pay Gap – continues to be monitored and positive action to reduce taken where ever possible. • Introduction of an Ethnicity Pay Gap

	<ul style="list-style-type: none"> Rollout Dementia friendly staff training programme 	<ul style="list-style-type: none"> Staff from all backgrounds continue to feel valued remains high (pulse survey) Improved score for work-life balance (pulse survey)
--	--	---

In summary, our strategy for inclusion and wellbeing goes beyond compliance—it's about creating a workplace where every individual feels valued, respected, and empowered to contribute their best. By prioritising wellbeing, promoting diversity and inclusion, and enhancing employee engagement, we are laying the groundwork for a truly inclusive and fulfilling work environment.

5. Organisational Development

Our Strategic Goal: We are committed to cultivating a forward-thinking and collaborative workforce, where individuals are supported in fulfilling their roles, and leaders are equipped to empower and engage the workforce in embracing future ways of working to ensure effective delivery of services for our residents and customers.

Strategic Aim	Strategic Objectives	Key measures of success
Create and maintain a forward-thinking, collaborative workforce where individuals are supported to fulfil their roles.	<ul style="list-style-type: none"> Define a leadership vision for 4th tier and procure leadership programme accredited under the levy, including leading in a hybrid world and transformation. Ensure we get best value from our Apprenticeship Levy and 'growing our own'. Foster a culture that recognises the importance of eLearning. Identify apprenticeship learning opportunities to invest in training for the Housing staff to ensure that the requirements of the forthcoming RSH qualification standard is fulfilled 	<ul style="list-style-type: none"> Funds are being effectively used from the apprentice levy with zero funds wasted due to expired time limits. Measured by an annual review of Apprenticeships. 80% completion rate of mandatory e-learning measure by quarterly

	<ul style="list-style-type: none"> • To develop and empower leaders to support staff effectively through change and foster engagement with the Transformation programme. • Effective workforce planning, considering succession planning and identify hard to fill roles. 	<p>reporting to Corporate Governance Group</p> <ul style="list-style-type: none"> • Staff pulse survey feedback remains positive for learning opportunities.
--	---	---

In summary, our focus on organisational development is aimed at creating a workforce that is agile, resilient, and well-equipped to navigate the challenges and opportunities of the future. By investing in leadership excellence, anticipating future skill needs, and fostering a culture of continuous learning and adaptability, we are laying the groundwork for sustainable growth and success in a rapidly changing environment.

It is crucial that we identify and prioritise three cross-cutting themes: addressing climate change, harnessing technology, and balancing the budget. These themes will serve as guiding principles across all aspects of our workforce strategy, ensuring that our actions and initiatives are aligned with our broader organisational goals. By recognising and integrating these themes into our strategy, we can effectively navigate challenges and capitalise on opportunities to drive sustainable growth and success.

Climate Change

As part of our commitment to sustainability and social responsibility, we will integrate workforce-related actions into our Council Climate Change Agenda. By engaging our employees in environmentally conscious practices and initiatives, we will contribute to our broader sustainability goals while fostering a sense of collective purpose and responsibility.

Balancing the Budget

Balancing the budget is crucial for Stevenage Borough Council's workforce strategy because it directly impacts the council's ability to invest in its employees and provide necessary resources for their development and well-being. A balanced budget ensures stability within the organisation, which is essential for attracting and retaining talent. It allows the council to allocate funds for training, professional development opportunities, and employee benefits, fostering a supportive and conducive work environment. Moreover, financial stability enables the council to offer competitive salaries and rewards, enhancing its attractiveness as an employer and

promoting employee satisfaction and retention. Therefore, aligning workforce strategy with budgetary considerations is vital for sustaining a high-performing workforce and achieving organisational objectives effectively.

Utilising Technology

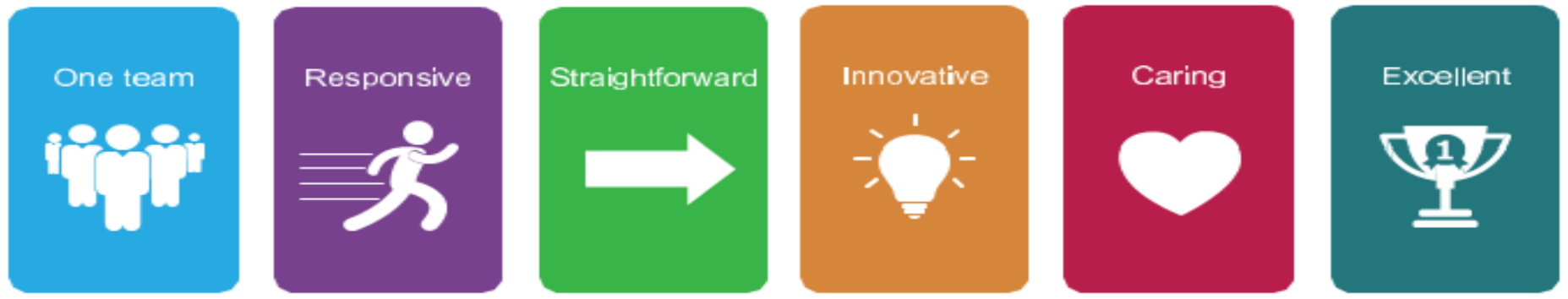
In our quest for organisational advancement, we recognise technology's pivotal role in our workforce strategy. It serves as a driver for innovation, operational efficiency, and sustainable growth. Our investments in technology unlock improvements across our organisation, but their full potential relies on equipping our workforce with essential skills. Through continuous training and a culture of innovation, we empower employees to thrive in a digital-first environment. By aligning technology investments with workforce development, we drive organisational excellence and deliver exceptional services, achieving our collective goals.

Reporting and Governance

The Workforce Strategy outlines our strategic aims, objectives, and success measures, which will be closely monitored and reported quarterly over the next three years. While HR will lead this initiative, it requires active engagement and commitment from all levels of management and staff to realise its full potential. To ensure effective governance, the Workforce Strategy will undergo an annual review led by HR in collaboration with relevant services, incorporating customer feedback, external factors, organisational priorities, and continuous improvement efforts. This process will inform the development of an annual workforce plan, drawing insights from Business Unit Workforce Plans and ensuring alignment with broader organisational goals and strategies.

This page is intentionally left blank

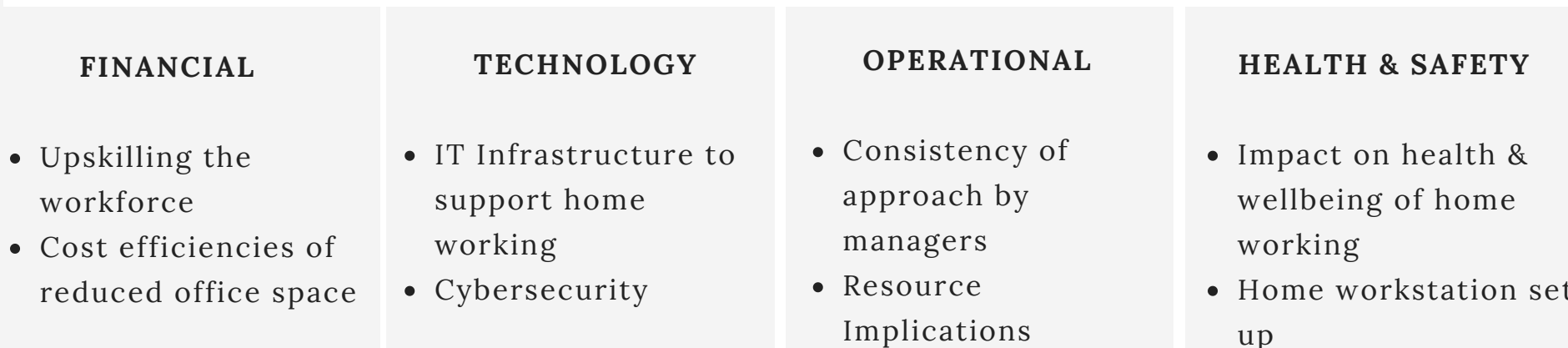
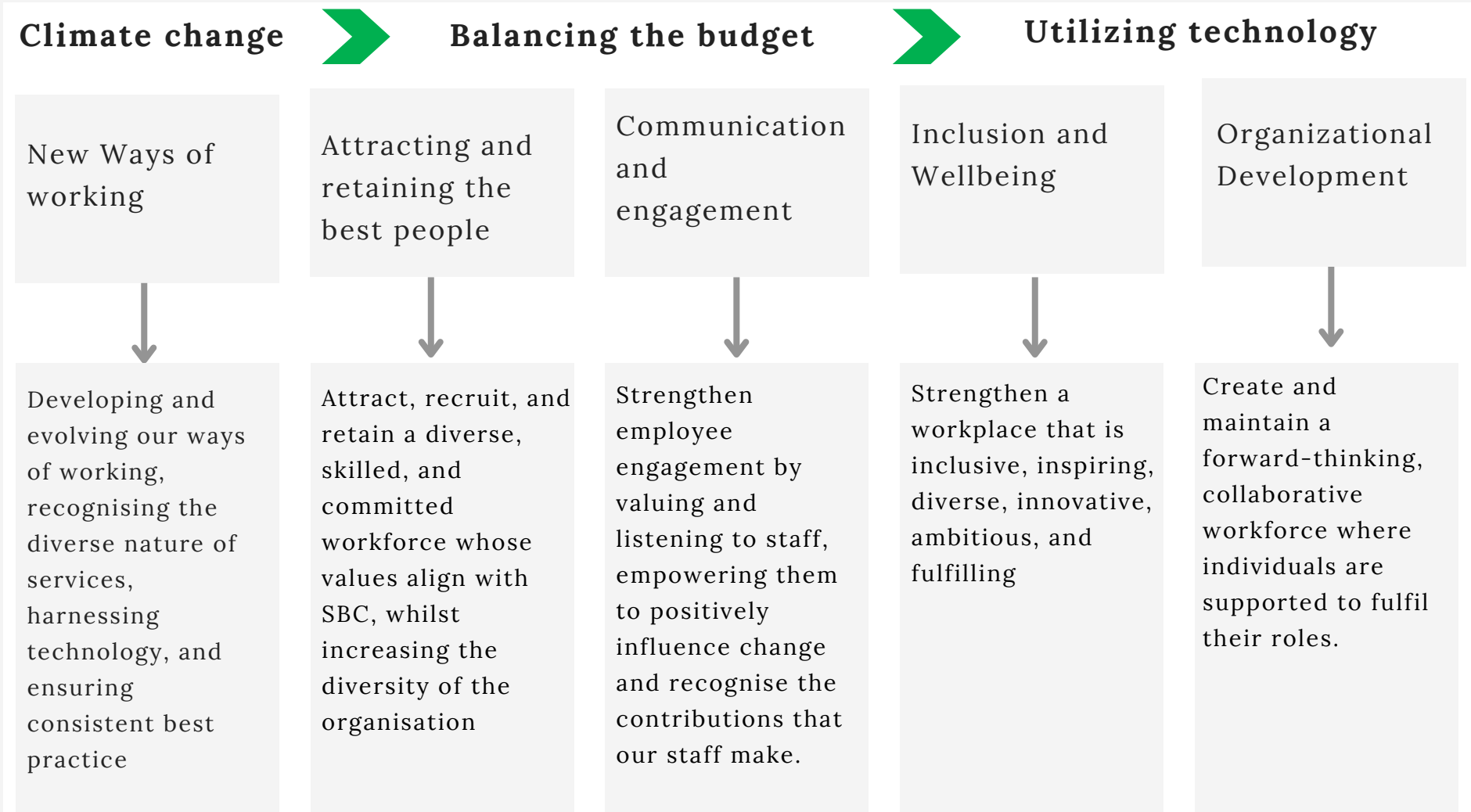
PEOPLE STRATEGY PLAN



Making Stevenage Even Better



PEOPLE VISION *'We will have the right people with the right skills, connected to our communities and working together for Stevenage'*



People Strategy approach - Continuous process of 'Plan', 'Do', 'Review'; taking input from the Councils Corporate Plan Priorities and changing and updating to meet service needs and the wider context of changes in the world of work. This enables an agile and dynamic approach to developing and equipping our workforce to deliver now and into the future.

This page is intentionally left blank

Meeting Cabinet
Portfolio Area Equalities
Date 18 September 2024



EQUALITY, DIVERSITY, AND INCLUSION (EDI) ACTION PLAN AND PROGRESS REPORT

AUTHORS Charlotte Bott
Daryl Jedowski

<KEY DECISION>

1 PURPOSE

- 1.1 The purpose of this report is to highlight the progress made in advancing equality, diversity and inclusion (EDI) across the council since the introduction of the EDI Action Plan for 2023-24, whilst also looking to the council's proposed EDI actions for next year as part of the EDI Action Plan for 2024-25.

2 RECOMMENDATIONS

- 2.1 That the progress in the delivery of the EDI Action Plan in 2023-2024 (Appendix A), be noted and agreed.
- 2.2 That the revised EDI Action Plan for 2024-25 (Appendix B) be noted and agreed, and that the Strategic Director (RP) be given delegated authority to agree a final version of the action plan in consultation with the Portfolio Holder for Stronger Communities and the Leader of the Council.

3 BACKGROUND

- 3.1 In March 2022, the Equality, Diversity, and Inclusion (EDI) Policy and Strategy (2022-2026) were approved by the Executive.
- 3.2 The EDI Policy set out the council's commitment to fulfilling the requirements of the Public Sector Equality Duty (PSED) and the Equality Act (2010). The EDI Strategy set out how the council would progress equality, diversity and inclusion across the community and workforce.
- 3.3 Developed by the Local Government Association (LGA), the Equality Framework for Local Government (EFLG) helps organisations identify and map areas for improvement against best practice EDI requirements. There are 121 criteria in total that fit across four modules, then the council's previously agreed six EDI policy objectives below are each aligned with a module:
 - 3.3.1 We will understand the diverse needs of our communities and how to meet them effectively.
 - 3.3.2 We will actively engage, encourage, and support local people, groups, and organisations to participate in local democracy to improve opportunity and inclusion.
 - 3.3.3 We will promote equality, diversity and inclusion through strategic partnerships, service delivery and supply chain(s).
 - 3.3.4 We will use local data to shape services so that the needs of our diverse population are met.
 - 3.3.5 We aim to improve the diversity of our organisation at all levels so that our communities are represented.
 - 3.3.6 We are committed to ensuring our staff have the values, skills, and knowledge to maintain a positive and inclusive workplace culture that values all employees equally.
- 3.4 The council has made significant progress under these six objectives in advancing equality across the community and its workforce through the implementation of the EDI Action Plan.
- 3.5 15 actions sat within the six objectives in 2023/24 and covered a variety of projects and programmes.

Stevenage Equalities Commission

- 3.6 In May 2020, Stevenage Borough Council Members voted to support the formation of an independent Equalities Commission to represent the needs of ethnically diverse communities in the town.
- 3.7 The Stevenage Equalities Commission was made up of 20 equal members of strategic bodies representing services within the town and community members and was Chaired by Errol John who was nominated by members of the Commission.
- 3.8 The culmination of this two-year piece of work was a report and a set of recommendations that both sit alongside an action plan. These were all presented to Counsellors and the Senior Leadership Team to be then included

in Stevenage Borough Councils, updated Equality, Diversity, and Inclusion Strategy.

- 3.9 Following these initial activities, the Commission's members have been working towards the implementation of the recommendation outlined in the original review as well as seeking external funding to establish a legacy group.
- 3.10 Funding for this was secured in April 2024 and activity is underway to formalise the group as a multi-stakeholder cooperative by March 2025.
- 3.11 As part of the 2024/25 action plan the continued development of the Stevenage Equalities Commission Legacy Group will be captured and monitored. This is detailed in section 4 below.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

EDI Action Plan 23-24 Progress Report

- 4.1 To ensure consistent monitoring and oversight of all 15 actions in 2023/24, teams provided quarterly updates on the development of each item.
- 4.2 These updates were then cascaded to the Officer Equality Group (OEG) and Equality and Diversity Governance Group (EDGG) on a quarterly basis to ensure ongoing monitoring and consultation. These updates are summarised within the EDI Action Plan 23-24 Progress Report (Appendix A).
- 4.3 Key highlights include:
 - Closely working with Hertfordshire Constabulary to offer greater support to victims of domestic abuse as part of the council's So Safe Community Safety Strategy.
 - The development of an improved Resident Engagement Strategy & Framework that places a heavier focus on capturing the broader tenant voice.
 - Analysis of the council's Tenant Perception Survey broken down by protected characteristic groups from the 2023/24 sample of 1,000 Stevenage residents.
 - Continued successful collaboration within the Healthy Stevenage Partnership.
 - A downward gender pay gap trend of 3.73 for 2023, compared to 4.23 in 2022.
 - The council hosting and supporting a range of equality-driven events in 2023-24 both internally and externally.
- 4.4 As well as the quarterly updates, the progress report includes relevant background information, and an overview of consultation and monitoring activities with officers, members and residents to ensure the actions were meaningful to local people and their communities. A look to next year's proposed EDI Action Plan for 2024-25 is also provided.

EDI Action Plan 2024-25

- 4.5 The EDI Action Plan (2024-2025) (Appendix B) brings together all strands of EDI work across existing Council strategies, services, and programmes. This includes the recommendations from the Stevenage Equalities Commission, strategic partnerships with Healthy Stevenage and Mission 44, and the Equality Framework for Local Government (EFLG) self-assessment considerations.
- 4.6 18 clear actions have been identified for 2024-25 which span a variety of protected characteristic groups and are aligned with the council's six previously outlined EDI policy objectives.
- 4.7 The plan also aligns with changes to legislation, including the Consumer Standards set out by the Regulator for Social Housing which came into effect in April 2024. Particularly focused on the Transparency, Influence and Accountability Standard. The steps the council are taking to continue to build on our understanding and engagement with tenants continues to be captured under action 2a.
- 4.8 Residents, Members and Officers were all consulted on the development of these actions and were given the opportunity to flag any emerging inequality issues for consideration during community groups and on social media.
- 4.9 Of the actions identified, 12 are carrying over from last year as activities are ongoing, then the following six actions have been identified as new additions to the action plan for 2024/25. Whilst some of these activities are already in place, they had not been incorporated into the 2023/24 iteration of the action plan::
- 4.8.1 3c: Through our ongoing partnership with Mission 44, the council will provide opportunities for young people to engage with STEM Education and careers, with a particular focus on those who are facing social injustice. This is linked to the council's wider commitments around Enterprise & Skills which is focused on ensuring that Stevenage residents are able to make the most of the opportunities on their doorstep.
- 4.8.2 5a: Through the Making Stevenage Even Better Corporate Plan, the council has committed to the cross-cutting theme of Equality, Diversity and Inclusion. This will encourage staff to consider the impact on equalities when designing and delivering services.
- 4.8.3 5b: Following Cabinet approval of the Workforce Strategy 2024-27, the council will have committed to the inclusion of Diversity and Inclusion as a key theme and will use this to continue to develop its response to improving the diversity of the organisation.
- 4.8.4 6b: The council will support the creation of an LGBTQ+ staff network group to ensure an inclusive workplace through encouraging discussions, events, and initiatives that promote awareness and understanding.
- 4.8.5 6c: The council will explore the possibility of establishing a Neurodiversity staff network group to ensure an inclusive

workplace is in place and informed by discussions, events, and initiatives that promote awareness and understanding.

- 4.8.6 6d: The council will continue to promote a positive and inclusive workplace culture and following the results of the 2024 All Staff Pulse Survey, will develop specific corporate actions to advance inclusion and wellbeing amongst staff.
- 4.10 The continued development of the Stevenage Equalities Commission Legacy Group has its activity captured through actions 1c and 2c of the 2024/25 Action Plan.
 - 4.10.1 1c: The council will continue to champion the work of the Stevenage Equalities Commission (SEC) through the facilitation of the SEC Legacy Group. The Legacy Group will work with partners for 12 months to deliver meaningful change in response to the findings of the SEC.
 - 4.10.2 2c: The Council and its partners will work together to establish a Civic Leadership Programme that targets and provides support for underrepresented communities who are interested in political representation and standing for public roles.
- 4.11 A nominated individual from each responsible business area will continue to provide quarterly progress updates, as per last year. Progress against actions will then be coordinated and recorded in an action plan tracker which will be maintained by the Corporate Policy and Performance Team.
- 4.12 As set out in the Equality, Diversity, and Inclusion (EDI) Strategy (2022-2026) and to help ensure that progress against actions continues to be monitored, the EDI Action Plan will be updated and presented to OEG and EDGG on a quarterly basis.
- 4.13 A report setting out progress made within the EDI Action Plan 2024-25 will be presented to the Cabinet next year, in line with the annual commitment.

5 IMPLICATIONS

Financial Implications

- 5.1 There are no direct financial implications from the recommendations contained in this report. The projects identified as part of the Action Plan are delivered under the Council's existing programmes of work, thereby reducing the need to identify additional budget and resource. This also ensures that the activities and ambitions in the action plan are realistic and attainable, and that EDI is clearly embedded across services.

Legal Implications

- 5.2 The Equality, Diversity, and Inclusion (EDI) Action Plan will support the Council in meeting its public sector equality duty.
- 5.3 The duty is a statutory requirement imposed by section 149(1) of the Equality Act 2010. It requires the Council (and other authorities), in the exercise of their functions, to have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

5.4 The relevant protected characteristics that section 149 of the Equality Act covers is age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Risk Implications

5.5 There are no direct significant risks to the Council in agreeing the recommendation(s). However, officers responsible for delivering the actions over the coming year and implementing any improvement activity set out within this report will need to identify and consider any risk implications that arise.

Climate Change Implications

5.6 The Council declared a climate change emergency in June 2019 with a resolution to work towards a target of achieving net zero emissions by 2030. There are no direct climate change implications arising from this report, except for those activities that seek to have a positive impact in this area.

Equalities and Diversity Implications

5.7 There are no direct equality, diversity and inclusion implications arising from this report, although the EDI Action Plan outlines where positive action has been taken to advance equality, diversity and inclusion across our workforce and the community. Where necessary, Equality Impact Assessments (EqIAs) are completed for programmes, projects, service changes and improvement activity identified.

6 BACKGROUND DOCUMENTS

BD1 EDI Action Plan (2023-2024)

7 APPENDICES

A EDI Action Plan 23-24 Progress Report

B EDI Action Plan (2024-2025)



EDI Action Plan 2023/24 Progress Report

Contents

1. Background.....	2
2. Consultation and Monitoring.....	3
3. EDI Action Plan 2023-24	3
4. EDI Action Plan 2024/25	17
5. Appendices	19

1. Background

1.1 Public Sector Equality Duty

Under the Equality Act (2010) local councils have a legal duty to fulfil the requirements of the Public Sector Equality Duty (PSED). As a result, Stevenage Borough Council is committed to carrying out its functions through this duty in a way that:

- Removes discrimination, harassment, victimisation and any other conduct that is unlawful under the Equality Act (2010).
- Promotes equal opportunities and encourages good relations between people who have a protected characteristic(s) and those who don't.
- Further the council's fulfilment of the Equality Act (2010), as set out in the Equality, Diversity, and Inclusion (EDI) Policy (2022) and Reasonable Adjustment Policy (2024).

To action these commitments, the council reaffirmed its intention to:

- Publish of a series of clear equality objectives every year.
- Annually publish equality information relating to people with protected characteristics (employees, services users, and residents), including workforce gender pay gap information.
- Complete and publish Equality Impact Assessments (EqIAs) whenever there is a new or revised policy, procedure, function, or service.
- Build upon the 'Inclusion and Wellbeing' theme of the Workforce Strategy: Future Town Future People (2020-2023) and further engagement with staff to nurture a progressive, inclusive safe and healthy working environment.

The EDI Strategy also set out the council's ambitions to go beyond these requirements through implementing an annual EDI Action Plan which would bring together all strands of EDI work across existing council strategies, services, and programmes. The intention would be to establish a clear link between the council's ongoing and planned policy objectives and projects between July 2023 and June 2024.

This report reflects upon and summarises the achievements of Stevenage Borough Council's EDI Action Plan throughout 2023/2024 (Appendix A).

1.2 The Equality Framework for Local Government (EFLG) Self-Assessment

The key to mapping out the council's existing projects and programmes was the self-assessment of council EDI activity against the Equality Framework for Local Government (EFLG). The purpose of the EFLG is to help organisations review and improve performance against 'Developing', 'Achieving' and 'Excellent' criteria. The council had previously assessed itself against the 'Achieving' level. According to EFLG criteria, there are four modules, 17 themes and 121 criteria in total. The green bubbles in the image below display the four key modules of the EFLG. Each of the council's EDI policy objectives (white bubbles) are then aligned with a module.

The Officers undertaking the self-assessment were required to provide specific examples of existing or future activities against modules and themes within the framework over a period of 10 weeks.

The outcome of the ELFG work indicated that whilst the council comfortably continue to fulfil the 'Achieving' level criteria, there were two areas they could develop further:

- The review of Equality Impact Assessments (EqIAs) as part of the service planning cycle to inform decision-making and the wider understanding of existing and future community needs.
- The extent to which the council's procured services inform and help to uphold and implement its equality objectives.

Both of the above activities would be delivered through existing corporate functions and explored further through the proposed EDI Action Plan.



2. Consultation and Monitoring

The EDI Action Plan was originally shared for comment with Officers and Members of the Equality & Diversity Governance Group (EDGG) and the Officer Equality Group (OEG). Both groups were very positive about the areas of focus and welcomed the identification of existing projects and programmes to help demonstrate work across EDI.

In order to ensure that the proposed actions were meaningful to local people and their communities, attendees at the Stevenage International Day 2023 were also consulted on their views and were given the opportunity to flag any emerging inequality issues for consideration. The majority of respondents could not identify any inequality issues outside of the areas described. For those that could, these were linked to services outside of the council's control, such as Special Educational Needs provision in schools. Overall, respondents felt that the activities identified in the EDI Action Plan had the right focus and breadth.

3. EDI Action Plan 2023-24

The EDI Action Plan 2023-24 consisted of 15 actions that each aligned with one of the council's six policy objectives, as listed below and in Appendix A:

- 1) We will understand the diverse needs of our communities and how to meet them effectively.
- 2) We will actively engage, encourage, and support local people, groups, and organisations to participate in local democracy to improve opportunity and inclusion.
- 3) We will promote equality, diversity and inclusion through strategic partnerships, service delivery and supply chain(s).
- 4) We will use local data to shape services so that the needs of our diverse population are met.
- 5) We aim to improve the diversity of our organisation at all levels so that our communities are represented.

- 6) We are committed to ensuring our staff have the values, skills, and knowledge to maintain a positive and inclusive workplace culture that values all employees equally.

The council has made significant progress under these six objectives in advancing equality across the community and its workforce through the implementation of the EDI Action Plan.

15 actions sit within the six objectives and cover a variety of projects and programmes. Teams provided quarterly updates on the development of each of them throughout the year. These updates were then cascaded to OEG and EDGG on a quarterly basis to ensure ongoing monitoring and consultation. These updates are summarised in the following report:

3.1 Objective 1: The Council will understand the diverse needs of Stevenage's communities and how to meet them effectively.

- 3.1.1 Action 1a: Community Safety – 'The Council will continue to foster good community relations and social cohesion through the Community Safety Strategy programme of work'

Team: Housing & Neighbourhoods

The council's So Safe Community Safety Strategy programme of work seeks to understand the needs of the community through its close partnership working. Over the past year, this project has grown into the Deprivation Project that highlights the concerns and links with deprivation and domestic abuse. Comparing data from demographic areas and socio-economic backgrounds, this project consults the community whilst also working co-operatively with partners and residents to promote the reporting of crime and anti-social behaviour (ASB). They have five key objectives:

- 1) Divert young people from becoming involved in crime and ASB.
- 2) Provide safe reporting and support to domestic abuse survivors and victims of modern slavery.
- 3) Promote reporting of hate crime and further promote equality in the community.
- 4) Tackle the harms caused by drugs and alcohol.
- 5) Work with partners to encourage reporting of crime and address perceptions of crime.

To embody these aims and objectives, the main focus has been to ensure the voice of the customer is embedded within their actions. To do this, activities this year have included closely working with Hertfordshire Constabulary on a variety of projects. For instance, collaborating on reviewing and improving the service offered to victims of domestic abuse by the police and at their own refuge. Community Safety Officers, alongside partners, have also talked to customers at street meets and during 'The Big Knock' at the Tower blocks to capture opinions on crime, ASB, and community safety. Further, the implementation of a cuckooing protocol to help support some of their most vulnerable clients has also been a highlight of So Safe's collaboration with the police. This protocol has subsequently helped to plot the addresses of victims, assess their vulnerabilities and offer targeted support.

Targeted support has included tackling drug-associated crime in Bedwell through the Clear Hold Build project under the umbrella of Build a Better Bedwell, exploring the links between deprivation and domestic abuse within St Nicholas. A total of 14 sessions held in Secondary Schools across Stevenage on gang violence and County Lines have been supported. They actively work with young people and their families through the No More Service to encourage involvement in new hobbies such as fishing instead of ASB.

Further funding has been secured to host sessions in primary schools to focus on peer pressure, and capturing the “Voice of the Child” more as part of the Safeguarding Action Plan for 2024/25. Due to the ongoing nature of this programme, this action will carry over into next year’s EDI Action Plan for 2024/25 too.

- 3.1.2 Action 1b: EqlA Service Plan Monitoring – ‘The Council will review its approach to how the Equality Impact Assessments through Service Plans are monitored, and how the information is used to inform decision making and the wider understanding of existing and future community needs’.

Team: Corporate Policy & Performance

Highlighted as being a key area for development within the EFLG self-assessment, this action was added to this EDI Action Plan to formally commit the council to reviewing its approach to Service Plan monitoring of Equality Impact Assessments (EqlAs).

An EqlA helps us to evidence, understand and mitigate the impact that the council’s decisions might have on different types of people. As part of the council’s approach to understanding the diverse needs of the community, equality objectives are already integrated into service plans across the organisation, with progress towards them managed by key decision makers. This progress is then used to inform decision-making, and steps taken if any deficiencies are identified.

Service Planning was already underway before the creation of this action plan, with each business unit’s schedule for EqlA’s was set out in their Service Plans. This information would then be used to inform EqlA workload planning for 2024/25 including how it would be used to further inform decision-making and potential areas of crossover.

Once the first drafts of Service Plans were approved by ADs, work with ADs and Managers began to refine the content. Once this work was completed, the review was then made available to Equality Officers to map out their workload for the coming year. After all Service Plans were reviewed, a total of 46 EqlAs were identified and provided Officers with a greater understanding of existing and future community needs.

Going forward, these Service Plans will be utilised alongside the Equalities Inbox to monitor the receipt of EqlAs throughout the year. The completion of EqlAs alongside any new policies, strategies, or service changes will also be encouraged through senior leaders, linking into Action 6b. As a result this action will continue into next year’s EDI Action Plan, with a greater focus on the ongoing monitoring of EqlAs through Service Plans and through the Officer Equality Group (OEG).

- 3.1.3 Action 1c: SEC Legacy Group – ‘The Council will continue to champion the work of the Stevenage Equalities Commission (SEC) through the facilitation of the SEC Legacy Group. The Legacy Group will work with partners for 12 months to deliver meaningful change in response to the initial findings of the SEC.’

Team: Community Development

The SEC was set up in April 2021 following a motion carried by the council to address racial disparity in Stevenage and to assess the nature, extent, and impact of racism in the town. The

recommendations of the SEC indicated that further work with partners was needed to identify next steps and opportunities for joint working. The SEC Legacy Group was facilitated by the council for 12-month period and a Legacy Group Action Plan introduced to set out the main activities of the group.

Over the past three years, the Commission has attended many events including International Day, Health Action Day, and Stevenage Day, to support communities and provide a point of contact for individuals that want to be involved or want to share their lived experiences. Commissioners have also worked with many other equality-driven groups across the town such as Stevenage World Forum and Junction 7 Creatives to achieve this.

The creation of the SEC Legacy Group was to continue to deliver a year-long programme of targeted events. These events included webinars on relevant topics including education, civic leadership, criminal justice; a “Sounds of the New Town” Art and Culture project; a community conference on health and wellbeing; and the development of a virtual community resource library to be launched at International Day 2024.

The Chair, Errol John, is also a member of Hertfordshire Equalities Board and works closely with the NHS and Mental Health Services in the County to provide support and opportunities for community members. Through external funding, secretariat support for SEC has been provided by the council.

Following a brief break in activities due to the May 2024 local elections, focus groups reformed and SEC confirmed they were working towards monitoring ongoing recommendations, compiling up-to-date data, and creating a road map for the delivery of the remaining recommendations. This also included beginning planning for their very first conference that will be held in the Gordon Craig Theatre in October 2024 to coincide with Black History Month and Hate Crime Awareness Week.

Between the next financial year, SEC also confirmed they will be investing in marketing, social media, webinars, and website development to encourage members of ethnically diverse communities to engage in a variety of topics over a range of platforms and encourage legacy group participation. They will also be aiming to develop SEC into a multi-stakeholder cooperative that will then enable the commission to seek out its own funding and establish itself as a community resource and advocate for members of ethnically diverse communities.

This action will continue into next year’s EDI Action Plan to gain consistent updates on the great work carried out by the SEC.

3.2 Objective 2: The Council will actively engage, encourage, and support local people, groups, and organisations to participate in local democracy to improve opportunity and inclusion.

3.2.1 Action 2a: Housing Management Forum – ‘The Council will strengthen the voice of tenants and leaseholders, including consideration of people’s differing needs, through the development and implementation of a Housing Management Forum’

Team: Housing Management

A new approach to Resident and Tenant Engagement was approved in the July meeting of the Stevenage Borough Council Cabinet. This approach was implemented to encourage the

council's tenants and leaseholders to raise issues and provide challenge to housing policy and procedural changes in a set environment. As part of this, agency for protected characteristic groups was promoted.

The working model for the future of tenant engagement and scrutiny has a focus on tenants being given a wider array of opportunities that aim to capture tenant needs and perspectives, representative of the full tenant base. This information would then be collated and reported into the Executive Housing Working Group.

To support the deployment of the model the growth of the customer pool via a recruitment drive was prioritised, working collaboratively with TPAS. Developing the customer pool involved capturing individual preferences and key tenant profile information to ensure a representative tenant voice, and capturing full tenant profiling data to build a better picture of their full tenant base to understand what a representative voice looks like as currently EDI data such as ethnicity, preferred language, accessibility, religion/belief etc. is not consistently recorded.

To ensure tenant demographics were known to fully understand their differing needs, the Tenant Perception Survey collected responses throughout 2023/24 from a survey base of over 1000 tenants. The results were then discussed with Heads of Services and within team meetings. The notable specific EDI findings of this survey were:

- Satisfaction was higher amongst male tenants than female tenants.
- Satisfaction was higher amongst older tenants aged 65+ and lowest satisfaction was recorded by those aged 25 and under.
- Satisfaction was higher than average amongst tenants from mixed or multiple ethnic groups, Black, African or Caribbean ethnic groups, and 'other' ethnic groups. However, it was lower than average amongst White, Asian those who 'would prefer not to declare' their specific ethnic group.

However, it should be noted that leaseholders were not included in this exercise as this activity was aligned with the council's new regulatory responsibilities that did not extend to leaseholders. As a result, considerations for how best to capture the leaseholder voice will be explored further next year.

A customer facing Resident Engagement Framework was also drafted, which is hoped will generate interest amongst tenants to get more involved in the council's decision making. Further, the Building Safety Engagement Pilot concluded that residents of the council's high rise flat blocks, showed a preference for more informal methods of engagement such as surveys or pop-up events, rather than attending workshops. This is intelligence that will be acted on to capture the information needed to adopt the council's Building Safety Engagement Strategy required by law.

Following initial work on this action, a change in the council's approach to how they wish to strengthen the voice of tenants and leaseholders was made. They commissioned TPAS to develop an improved Resident Engagement Framework with a heavier focus on capturing the broader tenant voice to influence decision making. This approach is in line with best practice and was regarded as a more effective way of ensuring that the tenant voice is reflective of the full tenant base, as it is relied on to drive change and improvements to the council's services.

Finally, a Fair Access workstream was developed within Housing Transformation to build on the Reasonable Adjustment Policy and strengthen the tenant voice. The Fair Access Policy is intended to make the council's services more accessible for all tenants and leaseholders.

This action will continue into next year's EDI Action Plan, with a revision to reflect the implementation of the Resident Engagement Framework instead, as well as extensive work to capture tenant profiles and preferences.

3.2.2 Action 2b: Digital Engagement – 'Digital engagement through the Cooperative Neighbourhoods programme of work (e.g., Proptech funding) will help shape the approach to the development of local community plans and provide opportunities for people, including those who share protected characteristics, to participate in local democracy'.

Team: Community Development

The Cooperative Neighbourhoods programme of digital engagement practices are vital in helping shape local community plans. As part of this, protected characteristic groups are specifically targeted within engagement activities to ensure all aspects of the community are represented. As a result, this action sought to track how this analysis is utilised to inform project, policy, and infrastructure spending at a local level, alongside the Resident and Tenant Survey findings.

This engagement cycle first began with Novoville to support the council's Co-operative Neighbourhoods Engagement activities, where they gained over 1,700 resident responses. These responses were then utilised to help build Community Plans to highlight resident priorities at a local level and resulted in the allocation of £275,000 in spending throughout both 2023/24 and 2024/25. As part of ongoing engagement activities, the impact of this investment will be captured alongside the ongoing commitment to understanding resident priorities.

Initial funding finished in October 2022, however the council sought to continue this engagement cycle throughout 23/24. As a result, Co-operative Neighbourhoods programme set the goal of increasing their resident responses from 1,700 to 4,000 by March 2025. Residents were asked open, qualitative questions through which they are able to share their priorities through a mix of physical and digital exercises. They were asked specifically asked demographic information to help identify who they were engaging with, tracking age and gender, as well as noting area response rates to actively target their physical engagement in areas where there was a lower response rate.

These responses were then thematically analysed into 89 different categories down to a ward level and compared with the 2021 Residents Survey. A total of 3,500 resident priorities shared throughout the town were gained, with some responses covering the theme of EDI such as suggestions on how to improve inclusivity for those in the LGBTQ+ and ethnic minority groups. These findings were then shared with ward members through the Co-operative Neighbourhoods programme, as well as the council's commitment to make this an ongoing yearly engagement cycle.

As of mid-April 2024 the programme was paused due to the pre-election period but was planned to reopen following local elections in May. Despite this, the target of 4,000 total responses by March 2025 remained on track, with over 50% completed by June 2024.

This action will continue into next year's EDI Action Plan to gain regular updates on the digital engagement cycle carried out by the Cooperative Neighbourhoods Programme.

- 3.2.3 Action 2c: Civic Leadership Programme 'The Council and its partners will work together to establish a Civic Leadership Programme that targets and provides support for underrepresented communities who are interested in political representation and standing for public roles.'

Team: Community Development

Targeting underrepresented communities who are interested in standing for public roles through a Civic Leadership Programme was an initiative put forward as part of SEC discussions. The commission includes membership from local Borough Councillors, County Councillors, and former Councillors, and this was a proposal that received widespread support.

The SEC legacy group confirmed they will be working with the council to deliver two webinars on civil leadership as part of their 12-month programme of events. They were also scoping the possibility for an externally funded information session for elected members on unconscious bias to be delivered by members of the SEC legacy group in the new year.

They also outlined that they would work with Operation Black Vote to explore best practice methods for providing opportunities for mentoring and shadowing with elected members to encourage participation in civic responsibility. Discussions have so far included what support and guidance is available, and a desire for an audit/needs analysis of the requirements of the town and its communities prior to committing any significant financial costs. Following the local elections in May 2024, SEC put forward their intention to action the findings. The commissioners then began working on the facilitation a civic responsibility programme in partnership with elected members. Funding detailed in Action 1C for information sharing and resource development is earmarked for this. However, due to the extent of the funding required for some of the programmes, further work will be conducted to look at collaboration opportunities across the county.

This action will continue into next year's EDI Action Plan to document the proposed implementation of the Civic Leadership Programme by the SEC.

3.3 Objective 3: The Council will promote equality, diversity and inclusion through strategic partnerships, service delivery and supply chains

- 3.3.1 Action 3a: Social Value Procurement – 'The Council will review the extent to which its procured services inform and help to uphold and implement its equality objectives'

Team: Corporate Procurement

The Social Value Portal has been a great way for the council to understand the themes, outcomes and measures of community needs. Identified in response to the self-assessment against the EFLG best practice framework, this action sought to track EFLG's equality outcomes of monitoring and reporting on commissioned and procured services. These EDI social measures would include monitoring improved opportunities for disadvantaged people;

improved employability of young people; and initiatives throughout the supply chain to identify and manage the risk of modern slavery.

Social Value project procured goods and services were reported to come to the value of over £2 million for Supply Chain Partners and SMEs within 20 miles of the site, representing a Social Return on Investment of £3.98m, 46% of the project's total spend. Hertfordshire-based Supply Chain Partners and SME's accounted for £1,747,938,72 of spend; a Social Return On Investment of £2.14m; 24% of the project's total spend. The Willmott Dixon Project Team undertook and were involved in activities that have supported Stevenage Schools/North Herts College, Herts Homeless and the DWP. These activities represent a Social Return on Investment of £114,168.04, giving a total SRoI of 629%.

This action will continue into next year's EDI Action Plan as it is an EFLG requirement. However, due to the lack of consistent updates received by the team and business unit, this will need to be prioritised and monitored at a more senior level to ensure continued progress is made.

3.3.2 Action 3b: Healthy Stevenage – 'Through its Healthy Stevenage Partnership, the Council will continue to promote activities and events that reduce health inequalities and improve the health and wellbeing of Stevenage residents.'

Team: Culture, Wellbeing and Leisure Services

The Healthy Stevenage Partnership fosters collaboration amongst partners to improve health, promote wellbeing, and reduce health-based inequalities locally. This project demonstrates how the council can effectively utilise partnerships to help shape future activities.

This partnership first began when the University of Hertfordshire concluded that communities residing in areas of high deprivation were more likely to face barriers and challenges when accessing healthcare or social care settings, as well as being more likely to face poorer outcomes when it comes to prevention, detection, and treatment of health conditions. As a result, they established an Applied Research Collaboration for East of England to support socio-economically disadvantaged communities. They sought to identify, address, and improve health inequalities faced by communities living in socioeconomically disadvantaged areas across the region, with Stevenage being one of their key populations of focus.

They aimed to achieve their aims/goals through working with partners, Local Authorities, patient-led organisations, and charities. Therefore, the Healthy Stevenage Partnership within Stevenage Borough Council was born to address this finding at a local level, as well as encourage public engagement and active participation in the research process itself.

Quarterly meetings have been held as part of the Healthy Stevenage Partnership over the past year with 42 partner organisations in attendance. The key updates from these meetings have included Everyone Active providing a comprehensive overview of their health and wellbeing services and programmes delivered through their Healthy Hub, Herts Mind Network's ongoing Crisis Café operations, and Applied Research Collaboration's extension of their research initiatives in October 2023.

In February 2024, updates covered the council achieving Dementia Friendly Community Status, the collaboration between Stevenage and the Countywide walking programme to

expand the current walk programme, an overview of Stevenage FC Foundation's 8-week cooking initiative called the Community Kitchen that offers families the chance to learn budget-friendly healthy meal preparation, and Herts Sports & Physical Activity Partnership's Live Longer Better campaign that's designed to use various activities to promote longer, healthier, and happier lives for Hertfordshire residents.

Most recently, April 2024 updates included the rebrand of the previous Stevenage Careline Alarm Service to Care Connect 24/7, Everyone Active Young combining the People's Healthy Hub with the Adult Healthy Hub to give a better offer to all Stevenage residents, Citizens Advice providing key statistics on the wider issues that may impact health for residents, and the development of a revised Healthy Stevenage Strategy by the council.

In addition to these specific updates, the partnership has explored the possibility of joining the UK Network for Age-Friendly Communities, aiming to further support the aging population in Stevenage. Progress on the revised Healthy Stevenage Strategy had also commenced, with consultation with NHS and Hertfordshire Public Health helping to inform the direction of the strategy.

The Council is in the process of renewing the Healthy Stevenage Strategy and the partnership will continue to play a vital role in that development and delivery. Consultation with partners will take place following the General Election in July 2024. As a result, this action will continue into next year's EDI Action Plan to gain consistent updates on the great work carried out by the Healthy Stevenage Partnership.

3.4 Objective 4: The Council will use local data to shape services so that the needs of the diverse population are met

3.4.1 Action 4a: The Equality & Diversity Annual Report – 'The Council will publish the Equality & Diversity Report 2022/2023 and use the information it contains to help shape its services so that the needs of the diverse population are met'

Team: Corporate Policy & Performance

As part of the Council's Public Sector Equality Duty (PSED), the council is committed to annually publishing equality information relating to people with protected characteristics, this is achieved through the Equality and Diversity Annual Report. Published in last few months of the year, this annual report utilises the most recent Census data, alongside other key data sources, to outline key demographic information about the residents of Stevenage. This information is then used to help shape the council's services, programmes and projects so they reflect the changing needs of the community.

This year the report specifically includes the Office for National Statistics' 2021 Census Stevenage, Hertfordshire and England data. It also contained new sections on Gender Identity, Maternity, Education, and Skills, as well as a new 'Highlights of 2022/23' section demonstrating EDI activities the council had accomplished that year.

A few of the key highlights of the report included a 6.6% population growth; Stevenage has a younger (15-64yrs) resident population than Hertfordshire and England (64.6% vs. 63.9% and 63% in Hertfordshire and England, respectively); employment rate increased (61.7% to 62.2%); increase in residents gaining degrees (22.1% to 29.6%); and as Stevenage is at the

heart of the Golden Research Triangle, the Science, Technology, Engineering & Mathematics (STEM) industry employs the highest rate of Stevenage residents (16.9%).

Following senior leader approval and a presentation given to members at the Overview and Scrutiny Committee in November 2023, the report was shared on the internal intranet, external internet, and at tier 4 managers meeting for dissemination.

Due to the Equality & Diversity report being published annually, this action will continue into next year's EDI Action Plan and has also been captured in the team's Service Plan 24/25.

3.4.2 Action 4b: Gender Pay Gap – 'The Council will publish the Gender Pay Gap report 2022 and use it to inform its findings to inform its review of the Workforce Strategy and gender pay parity in the workforce'

Team: Human Resources & Organisational Development

The council is committed to annually publishing their Gender Pay Gap report as part of their PSED, and using the findings of the to further inform its continuing focus on inclusive recruitment and retention practices as part of the wider Workforce Strategy.

In line with the financial year ending, analysis conducted in March 2024. It indicated that the council has a downward trend of 3.73 for 2023, compared to 4.23 in 2022. The results were also compared to the ONS survey, calculated for each quartile and in line with guidance published by the Advisory, Conciliation and Arbitration Service and the Government Equalities Office. The findings were shared with senior leaders and were published publicly on International Women's Day (8th March) on the Data Transparency webpage on the external website. This year's report demonstrates a continued improving trend, and insights from this will feed into Workforce Strategy development.

As it is an annual requirement for the council to publish their gender pay gap, this action will be again included in next year's EDI Action Plan.

3.4.3 Action 4c: Workforce Data – 'The Council will continue to review its workforce data and explore opportunities to collate specific ethnicity data that can help identify and address key issues.'

Team: Human Resources & Organisational Development

This action was added in response to a discussion at a SEC meeting which suggested that there was a significant absence of local data on ethnicity trends. The council then committed to exploring opportunities to collate specific ethnicity data upon review of their workforce data. However, recording of this data is currently not a statutory requirement, nor is there national guidance. The council currently report workforce data on other protected characteristics, but as it not mandatory for staff to self-report their ethnicity, greater understanding is required of the council's data capabilities.

As a result, HR set out a year-long timeframe involving a data cleanse, specialised investment in system changes, and liaising with key officers to determine what information could be extracted, what data would be required, and what options were available to build a report to track progression/development opportunities internally.

The council's commitment to introducing ethnicity pay gap recording is also in line with the council's pledge to instigate UNISON's Anti-Racism charter. Whilst the majority of charter's commitments are already demonstrated within the council's existing EDI activities, they encourage the introduction of ethnicity pay gap reporting. As a result, the council has publicly committed to implementing this within an action in the council's Gender Pay Gap report, through UNISON's Anti-Racism charter, and through this EDI Action Plan. This action will therefore continue into next year's EDI action plan to ensure this is explored further.

3.5 Objective 5: The Council aims to improve its diversity as organisation at all levels to be representative of the communities it serves.

3.5.1 Action 5a: Build upon the ambitions of the Workforce Strategy – 'As part of its planned review of the Workforce Strategy (2020-23) the Council, informed as well by the findings of the 2022 recruitment audit and national best practice guidance, will continue to develop its response to improving the diversity of the organisation.'

Team: Human Resources & Organisational Development

The council committed to continuing to build upon its ambitions of the Inclusion and Wellbeing Theme of the Workforce Strategy: Future Town Future People (2020-2023). This would be achieved by using the findings of the recruitment audit in 2022 to inform targeted action around career development and retention strategies for under-represented groups. It had been running for a year when added to this EDI Action Plan so HR already had a full years' worth of extracted recruitment data to inform the review of the Workforce Strategy.

The analysis process of the recruitment audit was broken down through the ATS system provided the five stages of recruitment from April 2022-2023, this covers Application, Shortlist, Interview, Offered and Rejected. Protected characteristic data on ethnicity, disability, religion, birth gender, gender identity and sexual orientation is then outlined for each stage. However, it should be noted that a number of candidates do not complete all equality opportunities questions and this therefore affects the reliability of any analysis completed.

The recruitment audit alongside workforce demographics were then compared with the 2021 Census data, which reaffirmed that as an organisation the Council are largely reflective of the community it serves. Additionally, and in line with action 4C, further work was identified as being needed to capture the ethnicity of the current workforce in line with governance. As a result, the Workforce Strategy 2024-27 is set to go to September Cabinet with Diversity and Inclusion as a key theme identified within this for the next three years.

In next year's EDI Action Plan, this action will be revised to cover the development of the Diversity and Inclusion theme in 2024-27 Workforce Strategy. More details on this are given in section four of this report.

3.6 Objective 6: The Council is committed to ensuring staff have the values, skills, and knowledge to maintain a positive and inclusive workplace culture that values all employees equally.

3.6.1 Action 6a: Review EDI E-learning Modules – ‘The Council will review the equality induction eLearning package and introduce an updated module on equality, diversity and inclusion’

Team: Human Resources & Organisational Development

To increase staff knowledge of equality, diversity and inclusion, the council committed to reviewing the equality induction eLearning package and introduce an updated module on protected characteristics. By reviewing learning, the council aimed to build upon the current training package, ensuring staff had clear expectations of inclusivity ambitions.

After updating the mandatory iLearn equality and diversity training alongside the dignity at work module, this training was considered not all encompassing of what the council would hope it would include, so to enhance understanding amongst the workforce HR stated their intention to carry out comprehensive face-to-face training throughout the year.

As a result, a series of awareness sessions were held amongst operatives that were designed to prompt a shift in mindset, encouraging operatives to reflect on the impact of seemingly harmless banter, nicknames, and derogatory terms. Video content, tailored to the council’s diverse audience and incorporating relatable contexts like football, served as a powerful medium to drive this message home as well as poignant questions such as, "How would you feel if sexist remarks were directed at your daughter, wife, or partner?" A total of 111 operatives over a period of 6 weeks were trained. The impact of these sessions will continue to be monitored through drop-in sessions and creating safe spaces for people to come forward to report any issues relating to the subjects discussed.

Seeking to embed EDI principles in the fabric of the workplace culture, HR also created their very own the "Game of Equalities." This innovative board game engaged teams in discussions around real-life EDI scenarios. The game reinforced positive behaviours whilst also instilling a sense of healthy competition, thereby promoting a workplace where equality is not just a concept but a lived experience. The game received excellent feedback such as “the course was really thought provoking”, “it was fun and inclusive and a great way to learn about scenario’s they had maybe never encountered before”.

HR additionally recognised the need for targeted education, so conducted specialised training for the management team on navigating conversations about menopause. This training was delivered by experts from “Hen Picked”, and equipped leaders with the confidence and tools needed to support female team members during this life stage. They also have plans to expand further on the session by training menopause champions across the council over the next six months, as well as teaming up with Unison to enable us to supply free sustainable & ethical sanitary products across both Cavendish and Daneshill sites for a period of two years, with support from a company called TOTM.

This action will not carry over into next year’s action plan due to the planned review of the EDI e-learning modules being completed. However, engagement with staff through ongoing training sessions will continue to be monitored through the OEG.

3.6.2 Action 6b: EqlA Toolkit Review and Training – ‘The Council will review the EqlA Toolkit and provide updated guidance and training to business units, as well as exploring the addition of an independent review process for EqlAs going forward.’

Team: Corporate Policy & Performance

The council continues to provide guidance to staff on the EqlA process, but this action specifically outlined the requirement for a review of the EqlA Toolkit and the publication of updated guidance and training to staff. The introduction of EqlA monitoring as part of Service Plan reporting was proposed to allow the Council to plan EqlA workload and improve how it supported staff through the process. The independent review aspect of this action was added in response to discussions with members of the SEC.

This EqlA review began in February 2024 and was completed by April 2024. The review of the EqlA Toolkit was subsequently approved by senior leaders alongside the planned EDI Policy review, and were all encouraged to promote the completion of EqlAs more widely going forward and to consider all of the protected characteristics in every piece of work they produce. The independent 'critical friend' review offering was consistently offered throughout the year, and would be supported, going forward, with enhanced greater independent review through officers attending OEG. Additionally, a schedule for publishing EqlAs on the website was also agreed. The new EqlA template and associated guidance toolkit was also advertised on the intranet to ensure the wider dissemination amongst staff.

This action will not carry over into next year's action plan due to the planned review of the EqlA toolkit being completed and ongoing completion of EqlAs will be monitored as part of Action 1B within this EDI Action Plan next year.

3.6.3 Action 6c: Champion Workshops – ‘The Council will work with the Officer Equality Group (OEG) to develop individual-led ‘Champion’ workshops that focus on particular EDI subjects. The purpose of the events will be to share understanding and raise awareness.’

Team: Human Resources & Organisational Development

The council committed to working with the OEG to develop focused workshops on particular EDI subjects to raise awareness and understanding of each topic. The council also agreed, in partnership with the OEG, to facilitate discussions on Health, Gender Pay Gap, Gender Bias and Work/Life Balance. This was also informed by the findings of the Spring 2023 Inclusion Survey.

A pivotal aspect of the council's EDI programme involved the establishment of networks and safe spaces for its employees. For example, the creation of a Women's Networking Group this past year has offered a platform for discussions on topics such as women's health and imposter syndrome. Further, a LGBTQ+ networking group was recently established to offer a supportive environment to colleagues. This is also the first year the council has adopted a Pride theme for its annual Stevenage Day, as Stevenage has the third highest LGBTQ+ community in Hertfordshire.

Additionally, an Officer Equality Group (OEG) comprised of officers from different business units convenes monthly to discuss equality matters and chart a course forward. This group,

chaired by a senior leadership team member, actively works towards identifying champions for various equality subjects. For example, a Ramadan Workshop was recently held during OEG and resulted in increased attendance from colleagues across the council and . An events calendar had now been established as the awareness grows, they plan to expand the networking groups/champion workshops into different subjects.

A dynamic and inclusive intranet has served as a vital platform for the council's ongoing initiatives too. Regularly published articles, strategically timed during key dates such as Pride Month, Ramadan, and Disability Pride, contribute to fostering empathy and understanding internally. These articles provide insights into diverse perspectives, creating a culture where inclusivity is not only acknowledged but celebrated. A series of officer blogs and training sessions were also posted throughout the year to raise awareness including on Neurodiversity, Passover, Easter and Mental Health Awareness, as well as webinars on Autism and LGBTQ+ Awareness in the Workplace from external speakers to coincide with Neurodiversity Awareness Month and Pride Month. There is also a dedicated EDI intranet page that's designed to store all EDI information including individual stories, educational blogs, toolkits & policies.

The council also continued to host a range of equality-driven events in 2023-24, a number of which were held at the council's Event Island. These included an Older People's Network event and Barrio Fiesta, whereby the Stevenage Filipino community showcased Filipino cuisine and performances with support from the Mayor of Stevenage Cllr Myla Arceno and Ambassador Teodoro L. Locsin, Jr. from the Philippine Embassy. Local community centre events such as Bedwell Community Group Spring Event also celebrated the religious event of Easter using Local Community Budgets. The council's annual Stevenage Day also celebrated the cultural diversity of Stevenage in 2023 with a dedicated World Music Stage featuring music and performances from a wide range of cultures alongside over 200 stall holders.

This action will carry over into next year's EDI action plan to continue to monitor the occurrence of EDI champion-led workshops at part of the OEG.

4. EDI Action Plan 2024/25

- 4.1 To ensure that the revised version of the EDI Action Plan still included actions that were meaningful to local people and their communities, residents were consulted on their views and were given the opportunity to flag any emerging inequality issues for consideration.
- 4.2 Consultation was held for two weeks between 15th – 26th July 2024, and was delayed as well as the timeframe it was active reduced due to the pre-election period before the General Election on 4th July 2024.
- 4.3 The survey was disseminated to the general public through social media posts on Facebook and X (formerly Twitter), during community groups such as the Stevenage Equalities Commission, and internally through the intranet to Officers during the Officer Equality Group (OEG) and to Members within the Social Inclusion Partnership and the Equality and Diversity Governance Group (EDGG) to disseminate to staff contacts and clients. Respondents were given the opportunity to respond online or in-person via a printed copy of the questions. Enhancing consultation efforts with residents has remained a key focus for the council and a future engagement plan is currently under development to ensure the priorities of the community are reflected across the council's services.
- 4.4 A total of 18 responses were gained, with the majority of respondents (61%) agreeing with all proposed actions and made some of the following comments:
- “This action plan is good”
 - “I feel the action plan has everything in place”
 - “The action plan looks manageable and feasible”
 - “Good to see the council does so much on equality”
 - “I agree with [the] aims of the council on this subject”
 - “This action plan covers a lot and I look forward to seeing it all carried out”
 - “Excellent approach and being involved in the Unison Anti Racism charter... working towards representing the community through workforce data at all levels”
- 4.5 For the respondents that thought more could be done to advance EDI within the council (39%), their concerns focussed upon engagement activities and ensuring any planned activities occur both digitally and through in-person events to ensure those who are unable to access online services are not excluded. Respondents who were also SBC employees additionally emphasised their desire to see increased promotion of this action plan internally from managers to staff too.
- 4.6 The EDI Action Plan was also shared for comment with Officers and Members of the EDGG and OEG. Both groups were very positive about the areas of focus and welcomed the identification of existing projects and programmes to help demonstrate work across EDI. Two additional actions were added following these meetings, they cover actioning the results of the 2024 All Staff Pulse Survey to advance inclusion and wellbeing amongst staff, and the council's ongoing collaboration and partnership with Sir Lewis Hamilton's charity Mission 44.

- 4.7 Following the consultation feedback, the draft EDI Action Plan 24/25 has undergone a thorough review and will include a combination of existing programmes of work and newly introduced workstreams. As a result, the overarching six equality objectives will remain in place and will do so until 2027 when they are scheduled for review. Until then, 18 actions are proposed across the six objectives for 2024/25.
- 4.8 12 of these actions will carry over from the 2023/24 EDI Action Plan, these cover the Community Safety SoSafe Strategy, EqlAs, SEC activities, resident engagement, procurement, Healthy Stevenage Partnership, and equality data reporting. Further details on these can be found in section three of this report.
- 4.9 The following three actions were not carried over due to all being standalone reviews that were completed within 2023/24:

5a: As part of its planned review of the Workforce Strategy (2020-23) the Council, in response to the findings of the 2022 recruitment audit and national best practice guidance, will continue to develop its response to improving the diversity of the organisation.

6a: The Council will review the equality induction eLearning package and introduce an updated module on equality, diversity, and inclusion, and explore opportunities for further equalities training.

6b: The Council will review the EqlA Toolkit and provide updated guidance and training to business units, as well as exploring the addition of an independent review process for EqlAs going forward.

Further details on the completion of these actions can be found in section three of this report.

- 4.10 Five new actions are proposed for next year's EDI Action Plan 24-25. These are detailed below:

3c: Through the Council's ongoing partnership with Mission 44, the council will provide opportunities for young people to engage with STEM Education and careers, with a particular focus on those who are facing social injustice. This is linked to the councils wider commitments around Enterprise & Skills which is focused on ensuring that Stevenage residents are able to make the most of the opportunities on their doorstep.

5a: Through the Making Stevenage Even Better Corporate Plan, the council has committed to the cross-cutting theme of Equality, Diversity and Inclusion. This will encourage staff to consider the impact on equalities when designing and delivering services.

5b: Following Cabinet approval of the Workforce Strategy 2024-27, the council will have committed to the inclusion of Diversity and Inclusion as a key theme and will use this to continue to develop its response to improving the diversity of the organisation.

6b: The council will support the creation of an LGBTQ+ staff network group to ensure an inclusive workplace through encouraging discussions, events, and initiatives that promote awareness and understanding.

6c: The council will explore the possibility of establishing a Neurodiversity staff network group to ensure an inclusive workplace is in place and informed by discussions, events, and initiatives that promote awareness and understanding.

6d: The council will continue to promote a positive and inclusive workplace culture, and following the results of the 2024 All Staff Pulse Survey, will develop specific corporate actions to advance inclusion and wellbeing amongst staff.

4.11 A complete draft EDI Action Plan for 2024/25 can be found at Appendix B.

5. Appendices

- A. [EDI Action Plan 23/24](#)
- B. [EDI Action Plan 24/25](#)

Table of Abbreviations

ASB	Anti-Social Behaviour
EDGG	Equality and Diversity Governance Group
EDI	Equality Diversity and Inclusion
EFLG	Equality Framework for Local Government
EqIA	Equalities Impact Assessment
OEG	Officer Equality Group
PSED	Public Sector Equality Duty
SEC	Stevenage Equalities Commission
STEM	Science, Technology, Engineering & Mathematics

This page is intentionally left blank

Equality, Diversity, and Inclusion (EDI) Action Plan 2024-25 – DRAFT

(July 2024 - June 2025)

The proposed Equality, Diversity, and Inclusion Action Plan contains two types of actions; those that are being delivered by services as part of **existing** programmes of work, or **newly** introduced actions. All these actions build upon our ambitions as an ‘Achieving’ Council under the Equality Framework for Local Government (EFLG) or are in response to recommendations from the Stevenage Equality Commission (SEC). Each action is aligned with an objective of the Council’s Equality, Diversity & Inclusion Policy (2022) and will underpin the council’s approach to advancing equality, diversity, and inclusion over the next year.

Page 81

SBC Objective 1: We will understand the diverse needs of our communities and how to meet them effectively.				
Action(s)	Lead Responsibility	Protected Characteristic	Existing / New	Due by
a. The council will continue to foster good community relations and social cohesion through the Community Safety SoSafe Strategy programme of work.	Community Advice & Support	All	Existing	June 2025
b. The council will continue to monitor its approach to Equality Impact Assessments (EqIA) through Service Plans, and how the information is used to inform decision making and the wider understanding of existing and future community needs.	Corporate Policy & Performance	All	Existing	June 2025
c. The council will continue to champion the work of the Stevenage Equalities Commission (SEC) through the facilitation of the SEC Legacy Group. The Legacy Group will work with partners for 12 months to deliver meaningful change in response to the findings of the SEC.	Housing & Neighbourhoods	Race	Existing	June 2025
SBC Objective 2: We will actively engage, encourage, and support local people, groups, and organisations to participate in local democracy to improve opportunity and inclusion.				
Action(s)	Lead Responsibility	Protected Characteristic	Existing / New	Due by

a. The council will strengthen the voice of tenants and leaseholders, including consideration of people's differing needs, through the development and implementation of a Resident Engagement framework .	Housing & Neighbourhoods	All	Existing	June 2025
b. The council will digitally engage with residents as part of our UK Shared Prosperity Fund Local Investment Plan to help shape the approach to the development of local community plans and provide opportunities for people, including those who share protected characteristics, to participate in local democracy.	Housing & Neighbourhoods	All	Existing	June 2025
c. The council and its partners will work together to establish a Civic Leadership Programme that targets and provides support for underrepresented communities who are interested in political representation and standing for public roles.	Housing & Neighbourhoods	Race	Existing	June 2025
SBC Objective 3: We will promote equality, diversity and inclusion through strategic partnerships, service delivery and supply chain(s).				
Action(s)	Lead Responsibility	Protected Characteristic	Existing / New	Due by
a. The Council will review the extent to which its procured services inform and help to uphold and implement our equality objectives.	Procurement	All	Existing	June 2025
b. Through its Healthy Stevenage Partnership , the council will continue to promote activities and events that reduce health inequalities and improve the health and wellbeing of Stevenage residents.	Housing & Neighbourhoods	All	Existing	June 2025
c. Through our ongoing partnership with Mission 44 , the council will provide opportunities for young people to engage with STEM Education and careers, with a particular focus on those who are facing social injustice. This is linked to the council's wider commitments around Enterprise & Skills which is focused on	Housing & Neighbourhoods	Age, Race & Socio-Economic Duty	<u>New</u>	June 2025

ensuring that Stevenage residents are able to make the most of the opportunities on their doorstep.				
SBC Objective 4: We will use local data to shape services so that the needs of our diverse population are met.				
Action(s)	Lead Responsibility	Protected Characteristic	Existing / New	Due by
a. The council will publish the Equality & Diversity Report 23/24 and use the information it contains to help shape its services so that the needs of the diverse population are met.	Corporate Policy & Performance	All	Existing	December 2024
b. The council will publish the Gender Pay Gap report 2023/24 and use its findings to inform its gender pay parity in the workforce	HR	Gender	Existing	March 2025
c. The council will continue to review its workforce data and explore opportunities to collate specific ethnicity data that can help identify and address key issues in line with commitments made as part of UNISON's Anti-Racism Charter.	HR	Race	Existing	April 2025
SBC Objective 5: We aim to improve the diversity of our organisation at all levels so that our communities are represented.				
Action(s)	Lead Responsibility	Protected Characteristic	Existing / New	Due by
a. Through the Making Stevenage Even Better Corporate Plan , the council has committed to the cross-cutting theme of Equality, Diversity and Inclusion. This will encourage staff to consider the impact on equalities when designing and delivering services.	Corporate Policy & Performance	All	<u>New</u>	June 2025
b. Through the inclusion of Diversity and Inclusion as a key theme within the Workforce Strategy 2024-27 , following Cabinet approval, the council will commit to continuing to develop its response to improving the diversity of the organisation.	HR	All	<u>New</u>	June 2025

SBC Objective 6: We are committed to ensuring our staff have the values, skills, and knowledge to maintain a positive and inclusive workplace culture that values all employees equally.

Action(s)	Lead Responsibility	Protected Characteristic	Existing / New	Due by
a. The council will work with the Officer Equality Group to develop individuals led 'Champion' workshops that focus on particular EDI subjects. The purpose of the events will be to share understanding and raise awareness.	HR	All	Existing	June 2025
b. The council will support the creation of an LGBTQ+ staff network group to ensure an inclusive workplace through encouraging discussions, events, and initiatives that promote awareness and understanding.	HR	Sexual Orientation	<u>New</u>	June 2025
c. The council will explore the possibility of establishing a Neurodiversity staff network group to ensure an inclusive workplace is in place and informed by discussions, events, and initiatives that promote awareness and understanding.	HR	Disability	<u>New</u>	June 2025
d. The council will continue to promote a positive and inclusive workplace culture, and following the results of the 2024 All Staff Pulse Survey , will develop specific corporate actions to advance inclusion and wellbeing amongst staff.	HR	All	<u>New</u>	June 2025

Table of Terminology

Equality Impact Assessment (EqIA)

Protected Characteristics

Stevenage Equalities Commission (SEC) Service Plan

An EqIA is a document that helps us to evidence, understand and seek to mitigate impacts that our decisions might have on different types of people.

There are nine protected characteristics within the Equality Act (2010), these are:

1. Age
2. Disability
3. Gender Reassignment
4. Marriage and Civil Partnership
5. Pregnancy and Maternity
6. Race
7. Religion or Belief
8. Sex
9. Sexual Orientation

Although socio-economic duty was removed from the Equality Act 2010, Councillors and Officers are required to consider the impact of their decisions on people who might be disadvantaged because of their social and economic background.

The SEC was set up in April 2021 to assess and address racial disparities and inequalities in Stevenage. A document setting out a team's objectives and deliverables for the year.

This page is intentionally left blank

Meeting Cabinet
Portfolio Area All
Date 18 September 2024



CORPORATE PERFORMANCE QUARTER ONE 2024/25

KEY DECISION

Authors Chloe Pullen
Daryl Jedowski

Contributor Strategic Leadership Team

Lead Officers Matt Partridge | 2456
Richard Protheroe | 2938

Contact Officer Richard Protheroe | 2938

1 PURPOSE

- 1.1 To highlight the Council's performance across key priorities and projects for Quarter 1 2024/25 and provide an update on progress against Cost-of-Living support for residents and current strategic risks.
- 1.2 For Member's information, a presentation will be provided at the Cabinet meeting which will cover updates in relation to delivery against Corporate Plan Priorities and the key themes emerging from the Quarter 1 performance data.

2 RECOMMENDATIONS

- 2.1 That the service performance against 49 corporate performance measures and delivery of key milestones in Quarter 1 2024/25 through the Making Stevenage Even Better Programme (Appendix A) be noted.
- 2.2 That the performance challenges in relation to rent collection (section 4.3.2) be noted, and the planned measures to improve performance be endorsed. That it

be noted that the challenges related to rent collection are not just specific to Stevenage.

2.3 That improvements to voids works management (4.3.9) be noted.

2.4 That the strategic risk updates (section 4.7) be noted.

3 BACKGROUND

3.1 In January 2024, the Cabinet agreed the new Making Stevenage Even Better (MSEB) Corporate Plan until 2027. This includes five strategic priorities:

- Transforming Our Town
- More Social, Affordable & Good Quality Homes
- Thriving Neighbourhoods
- Tackling Climate Change
- Balancing the Budget

The plan also includes three Cross-cutting themes:

- Equality, Diversity & Inclusion
- Health & Wellbeing
- Technology & Innovation

The plan was subsequently approved at Full Council in February 2024. The corporate performance suite was also updated to reflect existing and future programmes of work, resident priorities and regulatory and legislative housing requirements.

3.2 The Council's approach to performance management demonstrates a clear link between service delivery and the strategic objectives in the MSEB Corporate Plan. By aligning performance measures and milestones under the 5 strategic priorities a 'golden thread' linking what the Council delivers, to the fulfilment of its strategic outcomes can be clearly seen. By taking this approach, the Council can simplify and streamline how performance monitoring and progress is communicated to Members and residents.

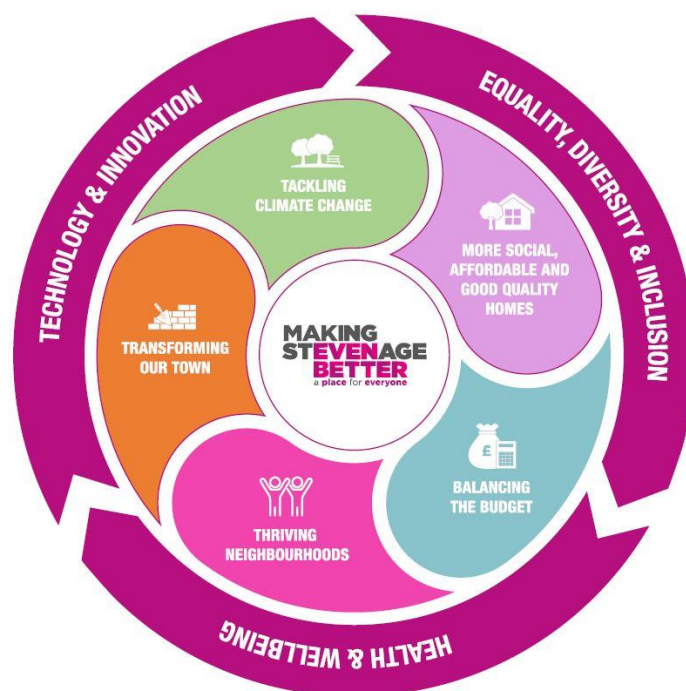


Fig 1.

- 3.3 The Council is committed to the delivery of its priorities and its local services, to the benefit of local residents and businesses. This is challenging in a very competitive, employee-driven market and there is a risk that not being able to retain, attract and recruit the right people and skills at all levels could continue to impact the Council's capacity to deliver all of its priorities as well as provide core services and implement new government legislation. The Council is continually reviewing its recruitment and retention approaches to strive to ensure it maintains the right capacity, skills, values and experience amongst staff at all levels.
- 3.4 The Corporate Performance Suite for 2024/25 contains 49 measures which are aligned with the 5 MSEB strategic priorities. There are also 13 measures relating to the Office for Local Government (OFLOG), these will be reported annually. The 49 measures are complemented by many statutory and local measures which are managed internally and overseen by the Strategic Leadership Team.
- 3.5 There are 19 baseline measures within the corporate performance suite. The majority of these reflect the increased regulation and focus on housing compliance in 2024/25. Baseline measures provide a starting point from which to assess and compare performance in future. The remaining 30 measures are relevant to the Council's focus on what matters to residents and progress against the MSEB objectives.

4 REASONS FOR RECOMMENDED ACTIONS AND OTHER OPTIONS

4.1 QUARTER ONE CORPORATE PERFORMANCE

- 4.1.1 As outlined in section 3, the corporate performance suite has been aligned with the five MSEB priorities set out in Figure 1. In addition, during 2024/25 progress against performance measures has been presented alongside key programme milestones. By taking this mixed-method approach, the Council is able to present a holistic overview of its performance activity. This helps demonstrate to residents that the Council is on track to deliver key projects, programmes and service improvements associated with MSEB, as well as highlighting performance against key service delivery targets.
- 4.1.2 Key highlights from the MSEB programmes are summarised in section 4.2. For further information on the aims and objectives of the MSEB programme in 2024/25 please refer to MSEB Plan on a Page, which was presented to the Cabinet in July 2024 as Appendix C of the Corporate Performance Suite 2024/25 report: [MSEB Plan on a Page 2024/25 \(stevenage.gov.uk\)](https://www.stevenage.gov.uk/mseb-plan-on-a-page-2024-25)
- 4.1.3 The total number of measures by Red, Amber & Green (RAG) rating is shown in Figure 2 below. For the purposes of this report, only commentary for Red Status measures is provided. The full set of current corporate performance measures results and MSEB milestones are attached at Appendix A.

Q1 2024/25 CORPORATE PERFORMANCE OVERVIEW						
MSEB Programme	Baseline measure for 2024-25	Meeting or exceeding target	Amber Status (Within a manageable tolerance)	Red Status (Urgent improvement action required)	Unavailable Data	Milestones Reported Qtr. 1
More Social Affordable and Good Quality Homes (21 measures)	9	12	0	0	0	4
Transforming Our Town (3 measures)	0	3	0	0	0	4
Thriving Neighbourhoods (11 measures)	5	6*	0	0	0	1
	*The data for 'NI191: Residual household waste per household (kgs)' and 'NI192: Percentage of household waste sent for reuse, recycling and composting' comes from an external source and is only available a quarter in arrears, therefore will be reported this way					
Tackling Climate Change (1 measures)	0	1	0	0	0	3
Balancing the Budget (13 measures)	5	7	0	1	0	5
TOTAL (49)	19	29	0	1	0	17

Fig 2.

4.1.4 There are several strong areas of performance this quarter, these are highlighted below:

- The number of homes maintained as decent against the national minimum standard is 95.4% which is a significant rise since Quarter 1 of 2023/24 (82.44%).
- Compliance certification and documentation for Gas Safety, Fire Safety, Asbestos, Legionella and Lifts are all at 100%.
- Satisfaction with the CSC customer service is high at 92.8%, which is higher than any result in 2023/24.
- All Planning measures have achieved their targets, with 100% of major and minor applications being determined within target timescales.
- Garage voids as a percentage of stock is 6.99% which is significantly lower than Quarter 1 of 2023/24 (11.58%).

4.2 MSEB PERFORMANCE HIGHLIGHTS

4.2.1 Alongside performance, the council also captures quarterly updates on the milestones associated with the strategic priorities set out in the MSEB Corporate Plan and subsequent service planning and priority setting activities. All programmes have made progress on the projects agreed at Cabinet in July 2024, with Quarter 1 highlights including:

- The demolition of Hobbs Court has been completed as part of The Oval development. There will now be some additional ecology surveys taking place.
- A preferred design and supplier are now in place for improvements to the Brent Court Park. Work on site is expected to commence in the early Autumn subject to the lead time on equipment.
- The development of Brodie Court has been completed, delivering 88 one and two bed independent living apartments. Former residents of Walpole Court started moving in during August and will all be moved in by September 2024.
- To support the council's ongoing Major Refurbishment Contract external funding has been awarded through the Social Housing Decarbonisation Fund. Delivery is already underway with works in progress on a number of flat blocks.
- Full compliance with the Decent Homes standard is on track with a programme of significant capital works being delivered throughout the town contributing to compliance with the standard.
- The regeneration communications strategy has been devised. The five key themes are; Connectivity, Town Centre Living, Jobs & Skills, Public Realm and Sports & Leisure.
- The 'Stevenage First' commercial approach was launched, and many officers attended the 'New Approach to Contract Management' training.
- An event was held for International Women's Day, and an informal business networking event supported by the council. This was attended by the mayor.
- For the second year running a 'Meet the Buyer' event held and supported by 90+ representatives from local businesses. The initiative was part of the council's wider Sustainability Support programme to support wider contract readiness support for local businesses. The event provided an overview of the wider regeneration and development opportunities. This event was also supported by the procurement team to provide information on the regulations and to ensure greater access to contract opportunities.
- A funding scheme is now in place for the Climate Change Community Fund, with a new website and application form created and published online.
- The delivery of the third year of the UK Shared Prosperity funding is underway, with Junction7 continuing the street art project in collaboration with telecom companies to paint a selection cabinet around the town centre. So far, four cabinets have been completed, with plans to paint three in the coming months. Efforts to continue to remove graffiti are still ongoing with £30k being allocated to complement the work undertaken through the previous blitz activities, all with the objective of mitigate graffiti levels.
- The cabinet has approved the Stevenage Works Skills Framework to solidify the council's ambitions around Enterprise & Skills. Integral to this has been the involvement of key strategic partners including; Mission44, North Hertfordshire College, Hertfordshire Futures, the University of Hertfordshire and the Department for Work and Pensions.
- The Discovery Phase of the Pioneering Young STEM Futures programme, delivered in partnership with Mission44 is now completed. A summit event

was held at Knebworth House to share case studies and establish the next steps with key stakeholders.

4.2.2 Further details on the projects included in the MSEB programmes and corporate highlights can be found in Appendix A.

4.3 PERFORMANCE MEASURES – AREAS FOR IMPROVEMENT

4.3.1 As highlighted in Figure 2, one measure did not meet its target in Quarter 1. The table below outlines the actual performance and the target that was set for the performance measure. The paragraphs that follow set out the reasons why performance has been below expectation in Quarter 1 and the activities in place to address this.

<u>MEASURE NAME</u>	<u>BUSINESS UNIT</u>	Actual - Quarter 1 2023/24 YTD	Actual - Quarter 2 2023/24 YTD	Actual – Quarter 3 2023/24 YTD	Actual - Quarter 4 2023/24 YTD	Actual - Quarter 1 2024/25 YTD	Actual - Quarter 1 2024/25 YTD	Target - Quarter 2 2024/25 YTD
Balancing the Budget								
BV66a: Rent Collection Rate	Housing Management	92.4%	95.14%	95.96%	97.46%	89.44%	92.4%	95.14%

Fig.3

BV66a: Rent Collection Rate

4.3.2 Income collection for Q1 end of June 2024 is 89.44%, this is below the set target of 92.40%. This is largely due to the high amount of arrears brought forward from 2023/24, £1,066,658.29.

4.3.3 The arrears level is 2.6%, a decrease of 0.08% this quarter in comparison to Quarter 1 2023/24.

4.3.4 A number of factors are directly impacting income collection and arrears recovery, including:

- A high number of tenants are in receipt of Universal Credit (UC). Of the 2,668 tenants on UC as of the end of June 2024, 1,825 of these were in arrears totalling £1,121,381.54, contributing to over 80.11 % of the overall gross arrears. The number of those in receipt of Universal Credit and in arrears is 49.85% of total arrears cases.
- There is a reduction in tenants in receipt of Housing Benefits. There are now 26.16% of current tenants in receipt of Housing Benefit. This is likely to be a direct result of the increase in tenants in receipt of Universal Credit.
- Where tenants on benefits are in arrears, DWP and Courts usually award the minimum repayment amount of rent plus £4.75 per week mandated by the government. At this level, this would equate to £242 in reduced arrears over a year.
- The reduced Discretionary Housing Payments (DHP) budget has resulted in more people being refused and those who are in receipt of DHP are receiving lower amounts. The amount of DHP allocated for 2024/25 is £141,827. There have been 214 DHP applications this quarter, of those 60

have been paid totalling £42,970. Ongoing effort is to target tenants under occupying through planned events and encourage them to downsize and this is supported by the revised Under Occupation Policy and dedicated Under Occupying officer.

- More cases are being referred to Citizens Advice and the internal Welfare Benefit and Debt team for support. The income services team has referred 413 cases between Jan-Jun 2024. These are still taking longer to resolve due to the high complexity levels, nature and urgency of support needed e.g., guidance on what benefits to apply for and assistance with UC applications that need to be dealt with immediately.
- New court practice regulations have resulted in Judges favouring Adjournment on Terms over Suspended Possession Orders (SPOs). Since the start of Q1, the council has been granted 19 possession orders with arrears totalling £40,764. However, these are often ordered at the government mandated minimum of £4.75 per week.

4.3.5 The Council's Income team is proactively working to maximise income collected and sustain the level of arrears as outlined below.

- 103 Notices of seeking possession (NSP) were served in Q1 2024/25 (in comparison to 121 in Q1 2023/24).
- There were 22 court application cases in Q1 2024/25 (in comparison to 9 in Q1 2023/24).
- There have been no evictions in Q1 2024/25

4.3.6 Currently 1,059 tenants have repayment arrangements in place (of those, 13% through DD arrangements, 24% through Court Orders and 63 % through other arrangements). This figure is in line with other stock holding local authorities. This figure is expected to increase throughout the year dropping at the end of the year when many tenants clear the arrears, as a result of both Christmas and End of Year campaigns that encourage tenants to clear their accounts. Outlined below is a breakdown of current arrangements:

- 142 Direct Debit payers who are working and have rent arrears, £60 extra is collected towards arrears each month.
- 731 Alternative Payment Arrangements (APAs) for rent payments and of those 570 are in arrears totalling £476,864.67.
- 448 Third Party Deductions (TPD) for rent arrears and water rates (TPD) are deducted from tenants' benefits on a monthly basis with a total of £25,036.28 paid four weekly in arrears. For most of these cases, DWP pays £4.75 per week the minimum set recovery amount by the government.
- There are currently 6 cases in the breathing space initiative with total arrears of £14,269.22.

4.3.7 Due to the ongoing high levels of debt outstanding a decision has been taken to extend the Council's Income Recovery Action Plan by a further 2 years 2024-26. The focus continues to be on the following areas:

- Support for customers - ensuring that all tenants have access to money advice and systems are in place to identify vulnerable households/tenants at risk of being unable to pay for rent, fuel, or food (rent arrears is a potential indicator but there will be households who continue to pay the rent but cannot afford food or fuel).
- Working to mitigate the anticipated challenges such as tenant welfare, increased level of arrears and demand on services, tenant engagement and affordability.

- Continuing with a direct debit take up campaign.
- Carry out a tenant's wellbeing day whereby officers will visit targeted groups of tenants.
- Visit all tenants on housing benefits that are affected by the benefit cap.
- Continuing collaborative work with external agencies to tap into financial support for our tenants' e.g., Stevenage Community Trust and CA to support those tenants experiencing financial challenges.
- Seeking ways to support tenants such as working with partners CA who can issue energy bill vouchers and in partnership with local food banks.

4.3.8 There is a performance clinic for income collection planned for September 2024 to identify further improvement actions.

Voids Update

4.3.9 The average relet time continues to be impacted by the backlog of voids generated in the previous year(s) due to the time taken to undertake works.

4.3.10 As of 1 April 2024 there were 70 voids with works in progress (WIP) but during Q1 this has reduced significantly and generally has been much closer to a typical WIP of circa 30 voids although this number fluctuates based on the number of new voids and the extent of works required. There are a significant proportion of voids which require major works due to their condition which impacts not only on the time taken but also the cost of void works. A report to Full Council in July requested additional budget allocation in 2024/25 to manage these cost pressures.

4.3.11 Further improvement in average relet times will be demonstrated through 2024/25, especially once the historic backlog of voids has been fully relet.

4.4 TENANT SATISFACTION MEASURES (TSM)

4.4.1 Tenant Satisfaction Measures (TSMs) were introduced in 2023/24 as a regulatory requirement for all landlords in England. There are 22 TSMs – of which 12 are sourced from a tenant perception survey. The Council has commissioned Housemark and Service Insight to conduct the tenant perception surveys quarterly during 2024/25. The Council are required to complete at least 570 surveys for its stock size; however, for 2024/25, 1000 responses will be collated over the year to ensure further statistical accuracy. The aim is for 90% of surveys to be completed over the phone with the remaining 10% online.

4.4.2 In Quarter 1 for 2024/25, 264 surveys were completed 264 over the phone. The Q1 satisfaction results can be seen in the table below:

Ref	Question	Previous year (2023/24)	First quarter (2024/25)	Difference (+/-)
TP01	Overall satisfaction	56.0%	65.5%	+9.5%
TP02	Repairs service overall	62.7%	74.2%	+11.5%
TP03	Speed of repairs	52.4%	73.8%	+21.4%
TP04	Home is well-maintained	59.2%	68.8%	+9.6%
TP05	Home is safe	69.9%	78.3%	+8.4%
TP06	Listens to views and acts	44.9%	56.0%	+11.1%
TP07	Keeps tenants informed	50.9%	56.9%	+6.0%
TP08	Treats tenants fairly and with respect	70.2%	72.8%	+2.6%
TP09	Complaint handling	22.8%	39.7%	+16.9%
TP10	Communal areas are clean and well-maintained	53.3%	60.2%	+6.9%
TP11	Contribution to neighbourhood	47.7%	62.2%	+14.5%
TP12	ASB handling	49.5%	57.9%	+8.4%

Fig 4

4.4.3 The Council has seen an improvement across all twelve measures, ranging from a 2.6% increase in the previously highest score relating to treating tenants with fairness and respect which is now 72.8%, to a 21.4% increase for satisfaction with the speed of repairs increasing to 73.8%. The improved scores are further in line with those benchmarked by Housemark and other local authorities. However, it should be noted that the scores were achieved with 100% phone call surveys. Online responses expected in Quarter 2 and Quarter 3, are expected to impact the overall scores for 2024/25, as online results generally trend 2% below telephone-based ones. In addition to this, general data collection trends suggest that Spring and Summer results are often better than those collected during the rest of the year.

4.4.4 In addition to the twelve standard questions, the team have opted to ask two additional questions which will vary each quarter. For Quarter 1, tenants were asked for a reason behind their initial overall satisfaction score. A question was also asked about how tenants would like to report repairs in the future. Feedback is being used as part of the consultation into the new repairs and maintenance policy. The free text provided is being analysed and any issues reported by tenants who have given permission for their details to be shared have been reported to individual teams to make further contact where necessary. The overall themes of the free text are being compared with those identified in 2023/24, with the aim to help identify additional service improvements required.

4.5 COMPLAINTS MANAGEMENT HANDLING

4.5.1 As set out within the Council Complaints Policy residents are able to contact either the Housing Ombudsmen, mainly for issues which relate to the Council as a landlord or the Local Government and Social Care for areas such as Homelessness, the Housing Register and associated advice.

4.5.2 Both Ombudsmen services will independently consider cases where they have been approached by residents and will then consider the required determination. In line with the Housing Ombudsmen's new Statutory Code of Complaint Handling, the Council is required to report the outcome of such cases, and this will be provided to Cabinet on a quarterly basis.

- 4.5.3 The Q2 Corporate Performance Report will contain an update from the Monitoring Officer to report decisions upheld by the Local Government and Social Care Ombudsman. From then on, judgements and findings of both the Housing and Local Government and Social Care Ombudsman will be reported quarterly alongside the council's performance information as part of this report.
- 4.5.4 In Q1 the Housing Ombudsmen completed its investigation of 3 complaints, the details of which are set out in Appendix B. As part of their judgements, the Ombudsmen will make a determination in the various elements of the complaints and then issue an Order to the Council for each of these.
- 4.5.5 Where cases are referred to the Ombudsmen by a resident it can take some time for the Housing Ombudsmen to complete their investigation and issue a determination, and so cases that have been determined by the Housing Ombudsmen in Quarter 1, relate back to 2022. The Council has reviewed all cases and complied with the relevant Orders. All cases are now considered closed.
- 4.5.6 The Council has reviewed its Complaints Policy in line with the latest regulatory and legal requirements. Details of this along with the Annual Self-Assessment of Complaint Handling against the Housing Ombudsmen's Code. This has seen the introduction of a new Member for Complaints (Housing) role within the Cabinet as well as the introduction of a fortnightly Housing Complaint Clinic with the purpose of reviewing trends and undertaking root cause analysis to help drive improvements and learning.
- 4.5.7 The Annual Housing Complaints and Service Improvement Report were considered initially by the Executive Housing Working Group, which is Chaired by the Portfolio Holder for Housing and attended by other key Councillors including the Leader of the Council, prior to being approved by the Cabinet on 5 June 2024.
- 4.5.8 Complaint monitoring data illustrates that complaint handling satisfaction has improved substantially with the overall number of complaints reducing. Satisfaction with the way in which the council handles complaints has increased by 16.9% during Quarter 1.
- 4.5.9 The Housing Complaint Clinic is continuing to take a lead in monitoring and improving performance, Full details of this work and performance are presented as part of the Council's Quarterly Performance Framework.

4.6 COST OF LIVING

- 4.6.1 Following approval of the Cost of Living (CoL) Action Plan in October 2022, a number of activities were mainstreamed into service delivery across the Council and with partners. This recognises there is a significant amount of "business as usual" activity for the Council that is specifically targeted at supporting people facing financial, housing and other difficulties.
- 4.6.2 A vital component of CoL activities has been the work with partners to reach a broad range of residents in as many compelling ways as possible.
- 4.6.3 In Quarter 1, the Council has also continued to provide funding to Holy Trinity, St Hugh and St John Churches and the Salvation Army for their warm space cafés and craft clubs. Dedicated pages covering the Stevenage Warm Spaces Network (launched in November 2022) are regularly updated and information is also promoted via community noticeboards, direct mail, the Chronicle magazine and Community Associations, recognising that not all residents have digital means to access information.

- 4.6.4 The Council continues to administer the Household Support Fund Scheme. A total of £50,000 will be distributed to groups and organisations that are directly supporting Stevenage residents with food and energy poverty. The current funding must be allocated by the council by the 30th of September 2024, there is currently no commitment to continue this funding beyond the current deadline, although this could be subject to change.
- 4.6.5 The funding is split with £37,500 for food poverty support and £12,500 for energy support. Groups that have been supported previously include foodbanks, daycare support centres and community cafes offering free food and refreshments, along with social interaction and support.

4.7 STRATEGIC RISK

- 4.7.1 The strategic risks were considered by Corporate Risk Group on 24 July 2024, agreed by the Senior Leadership Team on 20 August 2024 and were considered by the Audit Committee at its meeting on 4 September 2024.
- 4.7.2 The Audit Committee receives a detailed Strategic Risk Report each quarter. The report to the Audit Committee considers the actions which have been identified to mitigate each of the identified risks and the progress of those actions. Changes to the way risk is managed at the Council are also highlighted and considered by the Audit Committee. Where the Committee raises specific concerns about the risks or the process for managing them, these are highlighted to the Cabinet within this quarterly report.

HIGHLIGHTED RISKS

- 4.7.3 There were no changes to any risk scores this quarter. Work continues to progress the actions to mitigate high and very high risks. For further information on the mitigations in place please contact the Corporate Policy & Business Support Team at policy@stevenage.gov.uk.

5 IMPLICATIONS

5.1 FINANCIAL IMPLICATIONS

- 5.1.1 There are no direct financial implications from the recommendations contained in this report. However, officers responsible for delivering the priorities over the coming year and implementing any improvement activity set out within this report will need to identify and consider any resulting financial implications. Any financial impact of the under/over achievement of Corporate Performance Indicators will be reported as part of the Quarterly Monitoring report.

5.2 LEGAL IMPLICATIONS

- 5.2.1 There are no direct legal implications from the recommendations contained in this report. However, officers responsible for delivering the priorities over the coming year and implementing any improvement activity set out within this report will need to identify and consider any resulting legal implications.

5.3 EQUALITIES AND DIVERSITY IMPLICATIONS

5.3.1 There are no direct equality, diversity and inclusion implications arising from this report. Where required, Equality Impact Assessments will be completed for programmes, projects, service changes and improvement activity identified.

5.4 RISK IMPLICATIONS

5.4.1 There are no direct significant risks to the Council in agreeing the recommendation(s). However, officers responsible for implementing any improvement activity set out within this report will need to consider any risk implications that arise.

5.4.2 The Council has an embedded approach to risk management that mitigates any adverse effect on delivery of the Council's objectives and internal control processes and provides good governance assurance.

5.5 CLIMATE CHANGE IMPLICATIONS

5.5.1 The Council declared a climate change emergency in June 2019 with a resolution to work towards a target of achieving net zero emissions by 2030. There are no direct climate change implications arising from this report, except for those activities that seek to have a positive impact in this area, and the officers responsible for delivering the improvements will need to identify and address any climate change considerations in the implementation of activities.

5.6 OTHER CORPORATE IMPLICATIONS

5.6.1 Implementing the priorities and improvement activity outlined in this report may impact on the development of future policy or procedure, which will be monitored through the formal policy/procedure sign-off process via the Senior Leadership Team (SLT).

6 BACKGROUND DOCUMENTS

- Strategic Risk Register (Part II Audit Committee Report)
- Annual Governance Statement 2024/25
- [MSEB Plan on a Page 2024/25 \(stevenage.gov.uk\)](https://www.stevenage.gov.uk/mseb-plan-on-a-page-2024-25)

7 APPENDICES

- Appendix A: Compendium of Performance Results Quarter One 2024/25
- Appendix B: Ombudsman Determinations Quarter One 2024/25

Corporate Performance Report 2024/25

Quarter 1 (April, May, June)



Key to Performance Status Symbols

- Red - Focus of Improvement
- Amber - Initial Improvement Activity Identified
- Green - Achieving Target
- Pink - Baseline Measure

Key to Milestone Status Symbols

- ▲ - Will slip more than 1 quarter
- - Slipped but to be completed within next quarter
- ★ - On track
- ✔ - Completed

MORE SOCIAL, AFFORDABLE & GOOD QUALITY HOMES 2024/25 PERFORMANCE









	Actual - Quarter 1 2023/24 YTD	Actual - Quarter 2 2023/24 YTD	Actual - Quarter 3 2023/24 YTD	Actual - Quarter 4 2023/24 YTD	Actual - Quarter 1 2024/25 YTD	Target Quarter 1 2024/25 YTD	Target Quarter 2 2024/25 YTD	Comments
% of customers satisfied with how their complaint was handled at stage two (Housing)					0.00%			30/06/2024 1 person was surveyed and the result was 'neither satisfied nor dissatisfied'
% of Damp and Mould cases completed on time					64.00%			30/06/2024 Initially to reflect timelines being proposed under Awaab's Law both the inspection and works jobs were being raised at the same time. However, once KPI data for Q1 was produced it was evident that the works element was being raised too soon leading to many cases going out of time. Corrective action has now been taken to ensure that works orders are only raised once the inspection is completed.
% of Damp and Mould inspections completed on time					72.00%			30/06/2024 The Increase in No Access Inspections continues to impact completion dates. We have focused support from the Housing Asset Management team to help resolve access issues, actioned a new NEC process to capture reportable data specific to individual properties which could be easily rolled out to other teams
% of tenants satisfied with how their complaint was handled at stage one (Housing)					36.00%			30/06/2024 25 respondents 36% were either very or fairly satisfied 12% neither satisfied/dissatisfied 52% were either very or fairly dissatisfied <ul style="list-style-type: none"> This is a new transactional survey and is based on 25 responses. Last years Tenancy Satisfaction Measures found that overall satisfaction with complaint handling was 22.8%, whilst for the first quarter this has now risen to 39.7% which reflects local transactional data, and which compares favourable to Peer Group data of 29.7%.

	Actual - Quarter 1 2023/24 YTD	Actual - Quarter 2 2023/24 YTD	Actual - Quarter 3 2023/24 YTD	Actual - Quarter 4 2023/24 YTD	Actual - Quarter 1 2024/25 YTD	Target Quarter 1 2024/25 YTD	Target Quarter 2 2024/25 YTD	Comments
Average time taken to relet a routine void (GN). key to key					73.00			30/06/2024 QTR 1 figures included the last of Wates work one at 473 days on with multiple contractors. Also included returned property to voids with major works . Lettings rationale: insufficient staffing numbers / high return rate of voids / refusals: ASB – care leaver refusals / non attendance In addition to the delays with completion of works there were capacity issues within the Lettings team to manage a high volume of ready to let properties and there were issues with refusals for various reasons including ASB and care leaver refusals. As the letting of remaining properties from 2023/24 is worked through and the time taken to complete repairs to routine voids further improves the expectation is that the average relet times will reduce during 2024/25 and get closer to the target of 25 days set for this year. Please note Major work void path was not being used, this has now been rectified and will be ready for reporting in QTR 2. QTR 2 will see a vast improvement on the time scale of the work stage
BV213: Homelessness preventions	27.00	97.00	156.00	206.00	37.00	30.00	60.00	30/06/2024 Following the implementation of Jigsaw the team are now able to differentiate between successful outcomes between the prevention and relief duties and therefore have now split these statistics. This will enable a focus on preventive measures within the prevention duty. The lack of availability of affordable private rented accommodation and financial difficulties faced by applicants continues to place a high demand on the service. However, the team have been able to gain preventions through other measures such as negotiations with excluders and hostel placements. The Council have spent some time introducing a triage service to allow Housing Options Caseworkers to focus on in depth casework and to ensure timely signposting or provision of information so early advice and guidance can be provided efficiently and quickly to the most vulnerable customers. Due to recent recruitment, changes to the customers journey and subsequent duties carried out by the Housing Options Caseworkers, the team are now in a position to prioritise decision making within a reasonable timeframe to allow sufficient move on from interim accommodation.
HDD1d: Number of affordable homes delivered (gross) by the Council (since 2014)	339.00	394.00	401.00	495.00	497.00	487.00	488.00	
Rep4: Percentage repairs fixed first time	96.21%	93.50%			96.79%	90.00%	90.00%	30/06/2024 In Quarter 1 4494 of 4643 repairs were fixed the first time
RP01a: Percentage of homes maintained as decent against national minimum DH standard	82.44%	84.39%	84.77%	94.00%	95.40%	86.00%	90.00%	30/06/2024 In Quarter 1 7574 of 7939 homes were maintained as decent against the national minimum decent homes standard
RSH BS01: Percentage of dwellings with a valid gas certificate	100.00%			100.00%	100.00%	100.00%	100.00%	

	Actual - Quarter 1 2023/24 YTD	Actual - Quarter 2 2023/24 YTD	Actual - Quarter 3 2023/24 YTD	Actual - Quarter 4 2023/24 YTD	Actual - Quarter 1 2024/25 YTD	Target Quarter 1 2024/25 YTD	Target Quarter 2 2024/25 YTD	Comments
RSH BS02: Percentage of dwellings with a valid Fire Risk Assessment	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
RSH BS03: Percentage of properties that require an annual asbestos inspection / survey	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
RSH BS04: Percentage of sites with valid legionella inspections certificate	100.00%	100.00%	100.00%	96.65%	100.00%	100.00%	100.00%	
RSH BS05: Percentage of domestic passenger lifts with an in date LOLER inspection	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
RSH CH01 (part 2): Number of stage two complaints made by tenants	25	48	67	88	21			
RSH CH01 (part1): Number of stage one complaints made by tenants	265	473	655	818	214			
RSH CH02 (part1): Number of stage 1 complaints made by tenants and responded to within CH Timescale	173	323	483	631	199			30/06/2024 The number responded to within complaint handling target timescales of 199 is higher than the corresponding figure of 173 for Q1 of last year but this is good because it means a higher % of responses were sent out in time compared to Q1 of 2023/24 when only 173 were sent out in time whilst number of stage 1 complaints received in that quarter was higher at 265. So overall when compared to the same quarter in 2023/24 the number of stage 1 complaints received is lower whilst the % responded to in time is higher. This shows 92% of stage one complaints were responded to within complaint handling timescales.
RSH CH02 (part2): Number of stage 2 complaints made by tenants and responded to within CH Timescale	12	29	42	61	19			
RSH Rep1: Proportion of emergency responsive repairs completed within target timescale	88%	87%	84%	88%	96%	98%	98%	

	Actual - Quarter 1 2023/24 YTD	Actual - Quarter 2 2023/24 YTD	Actual - Quarter 3 2023/24 YTD	Actual - Quarter 4 2023/24 YTD	Actual - Quarter 1 2024/25 YTD	Target Quarter 1 2024/25 YTD	Target Quarter 2 2024/25 YTD	Comments
RSH Rep2: Proportion of non-emergency (Routine and Urgent) responsive repairs completed within target	82.79%	85.63%	91.02%	91.98%	95.34%	95.00%	95.00%	
VED1: Percentage of dwellings with a valid EICR Electrical Certificate	100.00%	99.47%	99.78%		99.58%	100.00%	100.00%	30/06/2024 In Quarter 1 7875 of 7908 dwellings had a valid EICR Electrical Certificate. The 33 dwellings that do not have valid certificates are due to access issues, which is being worked through.




MORE SOCIAL, AFFORDABLE & GOOD QUALITY HOMES 2024/25 MILESTONES

	Performance	Comments
 Brent Court Garages - Park improvements		30 Jun 2024 Work has progressed with the park improvements, with a preferred design and supplier selected following a tender exercise, with work on the new site expected to take place within 8 weeks subject to lead times on the equipment.
 Caretaking Improvement Plan - Project plan agreed following Ridge Review		
 Kenilworth Phase 2 - Approve design for phase 2		30 Jun 2024 This has been completed, and a Planning approval was issued in May 2024.
 The Oval - Demolition of Hobbs Court		30 Jun 2024 This is principally complete subject to final elements once additional ecology surveys have been completed

TRANSFORMING OUR TOWN 2024/25 PERFORMANCE

	Actual - Quarter 1 2023/24 YTD	Actual - Quarter 2 2023/24 YTD	Actual - Quarter 3 2023/24 YTD	Actual - Quarter 4 2023/24 YTD	Actual - Quarter 1 2024/25 YTD	Target Quarter 1 2024/25 YTD	Target Quarter 2 2024/25 ytd	Comments
NI157a: Percentage of major planning applications determined in thirteen	80.0%	85.7%	76.9%	83.3%	100.0%	60.0%	60.0%	
Ni157b: Percentage of minor planning applications determined in eight weeks	100.0%	97.1%	98.0%	98.5%	100.0%	65.0%	65.0%	
NI157c: Percentage of other planning applications determined in eight weeks	98.3%	94.4%	95.1%	96.3%	98.2%	80.0%	80.0%	

TRANSFORMING OUR TOWN 2024/25 MILESTONES


	Performance	Comments
<input checked="" type="checkbox"/> Communications and Marketing - Strategy agreed		30 Jun 2024 The regeneration communication strategy has been devised which identifies five key themes - Connectivity, Town Centre Living, Jobs & Skills, Public Realm and Sports & Leisure.
<input checked="" type="checkbox"/> Gunnels Wood Road infrastructure - Legal agreement reached		30 Jun 2024 Negotiations are ongoing regarding the legal agreement for the delivery of this project.
<input checked="" type="checkbox"/> International Womens Day - Plan event programme and hold event		30 Jun 2024 International Women's Day As part of global celebrations this International Women's Day 2024 Stevenage Borough Council & Women In Business Network supported an informal business networking event at Hotel Cromwell Stevenage on Friday 8 March, with over 70 women led businesses or women in leadership. The event was supported by CEO Danielle Bridge from Black Minds Matter UK & founder of ABC Life Support CIC which supports Barnardo's and some of the Children's centres in Stevenage. The event was also attended by the mayor of Stevenage Cllr Myla Arceno and provided several networking opportunities for those who attended to increase supply chain opportunities through wider B2B activities.

	Performance	Comments
<input checked="" type="checkbox"/> Meet the Buyer Event 2		<p>30 Jun 2024</p> <p>The second Meet the Buyer event was supported by 90+ representatives from local businesses at Knebworth Barns. The initiative was part of the councils wider Sustainability Support Programme to support wider contract readiness support for local businesses. The Meet the Buyer event was supported by 8 Buyer organisations, including Stevenage BC and provided an overview of the wider regeneration and development opportunities for local businesses, alongside the county wide retrofitting opportunity and specialised support programmes open to businesses. Businesses were able to connect with key contract managers and decision makers from amongst the Buyers and learn of forthcoming tender and contract opportunities, as well as wider initiatives. The event was also supported by the council's Corporate Procurement lead on the new Procurement Rules to ensure greater access of contract opportunities by smaller businesses. There was also support from the Social Value Portal to outline the significance of social value in securing successful bids, as well as county wide and national business support agencies to ensure businesses were fully equipped with wider enterprise and innovation support.</p>

THRIVING NEIGHBOURHOODS 2024/25 PERFORMANCE

	Actual - Quarter 1 2023/24 ytd	Actual - Quarter 2 2023/24 YTD	Actual - Quarter 3 2023/24 YTD	Actual - Quarter 4 2023/24 YTD	Actual - Quarter 1 2024/25 (YTD)	Target - Quarter 1 2024/25 YTD	Target - Quarter 2 2024/25 YTD	Comments
ASB6: Percentage of ASB cases resulting in successful enforcement action	67.00%	52.00%	77.00%	95.00%	93.00%	80.00%	80.00%	
CD1 Number of people engaged in Cooperative Neighbourhood 'Community & Place' initiatives	1,700.00	3,400.00	5,100.00	7,300.00	2,200.00			30/06/2024 No engagement taken place due to 2 pre - election periods
RSH NM01(part1): ASB cases opened by or on behalf of the provider during the reporting year	22.00	54.00	70.00	108.00	21.00			
RSH NM01(part2) ASB cases that involve hate incidents opened by or on behalf of the provider during	0.00	0.00	1.00	1.00	0.00			
% of Fly Tipping Clearances completed					60.40%			30/06/2024 There has been a process issues with regards fly tipping with evidence and fly tipping without evidence and which teams pick these up and how they are handled. This has led to a number of jobs remaining open on the system. Following a meeting between SDS and Community Safety, it was concluded that regardless of the evidence position, SDS would attend and clear and provide the required info if evidence was discovered for CS to pursue.
% of Graffiti Clearances completed					18.00%			30/06/2024 The graffiti machine has been sent away for repair. The cleansing team have therefore only been able to tackle items that are offensive (contractor) or using graffiti wipes that only work on small areas of graffiti on smooth, glossy surfaces.
CNM2g: Garage Voids as a percentage of stock	11.58%	11.02%	11.07%	11.07%	6.99%	7.09%	6.87%	30/06/2024 The residential garage void rate for Q1 is 6.99% against a target of 7.03%. A higher than average number of terminations in Q1 was offset by proactive marketing, promotion through local estate agents and leaflet drops to area where there are garage voids. Digital lettings continues to work well and makes the process for obtaining a garage license simple and transparent. The platform will continue to evolve and the development of mapping feature is currently in progress.
ES1: Percentage of residential bins collected	99.45%	99.65%	99.67%	99.67%	99.64%	99.00%	99.00%	
NI191: Residual household waste per household (kgs)	126.00	240.00	360.00	483.49		130.00	245.00	30/06/2024 This measure is reporting in arrears from an external source. The figure for Q1 will not be available until the end of September 2024
NI192: Percentage of household waste sent for reuse, recycling and composting	42.00%	42.70%	36.90%	34.00%		40.00%	40.00%	30/06/2024 This measure is reported in arrears from an external source. The figure for Q1 will not be available until the end of September 2024.
CWLS1: EvAc - No of under 16 using facilities and outreach prog at least once p/w	22,139.00	19,804.00	15,141.00	20,094.00	26,117.00	22,000.00	20,000.00	

THRIVING NEIGHBOURHOODS 2024/25 MILESTONES




	Performance	Comments
<input checked="" type="checkbox"/> CN Centralised Forward Planning-Collate a plan of meetings, walkabouts, and events across all areas		30 Jun 2024 A new format for co-operative meetings will be introduced this year. This format will include quarterly Strategic Board Priority Setting meetings throughout the year, modelled after police priority meetings. Following each Strategic Board meeting there will be three breakout groups for North, Central, and South areas. This approach aims to foster effective collaboration and strategic decision-making across the town's neighbourhoods, enhancing community engagement and addressing local priorities efficiently. Due to the recent pre-election periods, these meetings have not yet taken place but will commence in August. Additionally, neighbourhood walkabouts have been scheduled and will occur throughout July with the second set for the year taking place in September.

TACKLING CLIMATE CHANGE 2024/25 PERFORMANCE

	Actual - Quarter 1 2023/24 YTD	Actual - Quarter 2 2023/24 YTD	Actual - Quarter 3 2023/24 YTD	Actual - Quarter 4 2023/24 YTD	Actual - Quarter 1 2024/25 YTD	Target - Quarter 1 2024/25 YTD	Target - Quarter 2 2024/25 YTD	Comments
CC1: Percentage of homes that have an Energy Performance Certificate (EPC) rating of Band C or above	55.00%	55.00%	57.00%	58.00%	62.33%	63.00%	63.00%	

Page 106

TACKLING CLIMATE CHANGE 2024/25 MILESTONES






	Performance	Comments
<input checked="" type="checkbox"/> Energy Topic Reference Panel - Objectives and participants of panel agreed		30 Jun 2024 Establishment of the group has been postponed according to the politically restricted periods before local and general elections. We need to communicate and promote this to receive people interests and responses.
<input checked="" type="checkbox"/> Meadow Grassland Sites - Identify new sites for meadow grasslands		30 Jun 2024 Sites will be identified towards the end of the summer season
<input checked="" type="checkbox"/> Sustainable Organisation Culture - Climate champions trial		30 Jun 2024 Climate Champions group has been established and regular meetings are being conducted.

BALANCING THE BUDGET 2024/25 PERFORMANCE

	Actual - Quarter 1 2023/24 YTD	Actual - Quarter 2 2023/24 YTD	Actual - Quarter 3 2023/24 YTD	Actual - Quarter 4 2023/24 YTD	Actual - Quarter 1 2024/25 YTD	Target - Quarter 1 2024/25 YTD	Target - Quarter 2 2024/25 YTD	Comments
% of Corporate Building Overall Completed Remedials					84.00%			30/06/2024 Overall Remedials - 3863 Outstanding Remedials - 589
% of Corporate Building Overall Compliance Inspections completed					100.00%			30/06/2024 Inspections Required - 58 Inspections Completed - 58
% reviews and projects each year completed from the 5 year transformation programme				0.00%	0.00%			30/06/2024 Reviews, in the form of business cases and service design projects (including process reviews) are underway, but no reviews have been completed in Q1 2024/25.
CompGF1: % of council service customer complaints responded to within deadline	85.50%	81.10%	91.90%	87.60%	82.20%	80.00%	80.00%	
CSC Satisfaction: Customer satisfaction with CSC customer service	88.00%	88.20%	91.60%	91.00%	92.80%	80.00%	80.00%	
Dig2: Number of online payments	28,973.00	58,347.00	87,259.00	115,124.00	29,182.00	29,500.00	59,500.00	30/06/2024 Quarterly performance was an improvement compared to Q4, despite around 2000 further online payments not happening in June due to system availability issues.
Finance BV10: Percentage of non-domestic rates due for the financial year received by the authority	39.70%	64.11%	91.07%	98.99%	38.65%	36.00%	60.00%	
Finance BV66a: Rent collection rate	92.40%	95.14%	95.96%	97.46%	89.44%	92.40%	95.14%	30/06/2024 Income collection for Q1 end of June 2024 is 89.44%, this below the set target of 92.40% due to the large amount of arrears brought forward from last year of £1,066,658.29. The arrears level is 2.60%, a decrease of 4.82% this quarter compared to Q1 in 2023/24. Further detail can be found in the report.
Finance BV9: Percentage of council tax collected	32.80%	59.00%	85.30%	94.30%	32.90%	33.00%	60.00%	30/06/2024 Council Tax arrears have been growing since COVID and this trend is similar in Hertfordshire. The Council may have to look at the provision for collection rate used in determining the taxbase going forward.
Garage/Commercial/Parking- income raised vs budget for the top 3 income streams of the General Fund					100.00%			
NEW - CR1: % of commercial rent collected from estates	90%			92%	91%	90%	90%	

	Actual - Quarter 1 2023/24 YTD	Actual - Quarter 2 2023/24 YTD	Actual - Quarter 3 2023/24 YTD	Actual - Quarter 4 2023/24 YTD	Actual - Quarter 1 2024/25 YTD	Target - Quarter 1 2024/25 YTD	Target - Quarter 2 2024/25 YTD	Comments
NI181: Time taken (days) to process housing benefit new claims and change events	9.42	7.80	6.66	4.72	7.70	12.00	12.00	
Tracking delivery of financial benefit of £350,000 GF & HRA transformation savings.				0.00%	0.00%			30/06/2024 Work to enable financial savings through Transformation is underway, but no cashable savings were realised in Q1 2024-25

BALANCING THE BUDGET 2024/25 MILESTONES

	Performance	Comments
<input checked="" type="checkbox"/> Business Process improvements/efficiencies		30 Jun 2024 The third party tipping digital process that was introduced at the beginning of the year continues to work well. The commercial team are now working to build the client base further. Quarter 1 also saw tweaks to some commercial offers to offer direct debit options to make them more affordable and increased collaboration between commercial services and other corporate teams resulting in valuable sales leads.
<input checked="" type="checkbox"/> Commercial Garages - Actively advertise commercial garages & include in trade waste brochure		
<input checked="" type="checkbox"/> Garage Voids - Reduce garage voids		30 Jun 2024 Garage services met their void rate target for quarter 1 for both residential and commercial garages. Terminations have been above average in quarter 1, but this has been offset by proactive marketing.
<input checked="" type="checkbox"/> Increased Sustainable Income - report increased income to Commercial and Investment Working Group		30 Jun 2024 Income for garages and advertising and sponsorship remain on target. The Council's trade waste service continues to grow its customer base in the town and the third party tipping offer is generating income. Care Connect 24/7 has been relaunched and the marketing plan will be fully implemented in quarter 2. The Health and Safety training course offer will launch in July 2024. Following the large production in the town centre in March, filming has been slow, but the commercial team will continue to work with all commercial services to cross-sell and promote their offers.
<input checked="" type="checkbox"/> Insourcing Options- review of services provided to or on behalf of the council by external supplier		30 Jun 2024 The Insourcing Roadmap is under continual review. Officers are currently working on an insourcing proposal to be presented at the September meeting of the Commercial and Investment Working Group.

CROSS CUTTING 2024/25 MILESTONES

There are no cross-cutting milestones due this quarter

OFLOG MEASURES (ANNUAL)

	Actual - Quarter 1 2023/24 YTD	Actual - Quarter 2 2023/24 YTD	Actual - Quarter 3 2023/24 YTD	Actual - Quarter 4 2023/24 YTD	Actual - Quarter 1 2024/25 YTD	Target - Quarter 1 2024/25 YTD	Target - Quarter 2 2024/25 YTD	Comments
Council tax revenue per dwelling	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r
Debt servicing as % of Core Spending Power	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r
Level of Band D council tax rates	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r
Reserves as a percentage of Net Revenue Expenditure	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r
Reserves as a percentage of Service Spend	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r
Total Core Spending Power per dwelling	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r
Total debt as % of Core Spending Power	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r
Contamination rate of recycling - calculated as estimated proportion that is rejected of total amount				8.00				
NI191: Residual household waste per household (kgs)	252.00	480.00	720.00	966.98		260.00	490.00	30/06/2024 This measure is reporting in arrears from an external source. The figure for Q1 will not be available until the end of September 2024
NI192: Percentage of household waste sent for reuse, recycling and composting	84.00	85.40	73.80	68.00		80.00	80.00	30/06/2024 This measure is reported in arrears from an external source. The figure for Q1 will not be available until the end of September 2024.
NI157a: Percentage of major planning applications determined in thirteen	80.0%	85.7%	76.9%	83.3%	100.0%	60.0%	60.0%	
NI157b: Percentage of minor planning applications determined in eight weeks	100.0%	97.1%	98.0%	98.5%	100.0%	65.0%	65.0%	
NI157c: Percentage of other planning applications determined in eight weeks	98.3%	94.4%	95.1%	96.3%	98.2%	80.0%	80.0%	

This page is intentionally left blank

APPENDIX B

There were three determinations received during Q1 as summarised below and all judgements have been complied with and cases have been reviewed and now closed.

Complaint No	Council Process Ended	To Ombudsmen	Ombudsmen Decision	Issue	Determination	Order
1	29/09/22	15/02/23	13/06/24	Responsibility for a Communal Garden	Maladministration	<ul style="list-style-type: none"> £200 compensation
				Nuisance	Maladministration	<ul style="list-style-type: none"> £400 compensation
				Key leaseholder status	Service Failure	<ul style="list-style-type: none"> £50 compensation
				Complaint Handling	Service Failure	<ul style="list-style-type: none"> £75 compensation Apology Case Review
2	19/05/23	01/02/24	10/06/24	Repair & Maintenance	Resolved	<ul style="list-style-type: none"> None Complaint Resolved following Ombudsmen's Intervention
3	07/05/21	19/07/22	24/04/24	Seeking a transfer	Outside of Ombudsmen's jurisdiction	<ul style="list-style-type: none"> None
				Property alterations	Outside of Ombudsmen's jurisdiction	<ul style="list-style-type: none"> None
				Under Occupation Charge	No maladministration	<ul style="list-style-type: none"> None
				Repair	Service Failure	<ul style="list-style-type: none"> £50 compensation Offer suitable appointment
				Complaint Handling	Maladministration	<ul style="list-style-type: none"> £100 compensation Review Complaint Handling process

This page is intentionally left blank

Meeting: EXECUTIVE
Portfolio Area: RESOURCES & TRANSFORMATION

Agenda Item:



Date: 18 SEPTEMBER 2024

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY UPDATE (2024/25 – 2028/29)

Author – Clare Fletcher
 Contributors - Strategic Leadership Team
 Lead Officer – Clare Fletcher
 Contact Officer – Clare Fletcher

1. PURPOSE

- 1.1. To update Members on the General Fund Medium Term Financial Strategy (MTFS).
- 1.2. To advise Members concerning the current and future position of the Council's General Fund budget over the next five years.
- 1.3. To update Members regarding the revised inflation projections and pressures for the General Fund MTFS.
- 1.4. To update the 'Balancing the Budget' Future Town Future Council (FTFC) financial targets for the period 2025/26 – 2028/29.

2. RECOMMENDATIONS

- 2.1 That Members approve the change to the MTFS principles, as outlined in paragraph 3.11 to this report and as amended in paragraph 4.9.7.
- 2.2 That, for modelling purposes, Council tax increases be set at the maximum threshold allowed by the government in order to help achieve a balanced budget as set out in paragraph 4.6.10. The MTFS has modelled a 1.99%, but the CFO recommends that if the threshold is set higher by the government this should be applied.
- 2.3 That the updated inflation assumptions used in the MTFS as set out in section 4 of the report be approved.
- 2.4 That the approach to the 'Balancing the Budget' options as set out in section 4.8 be approved.

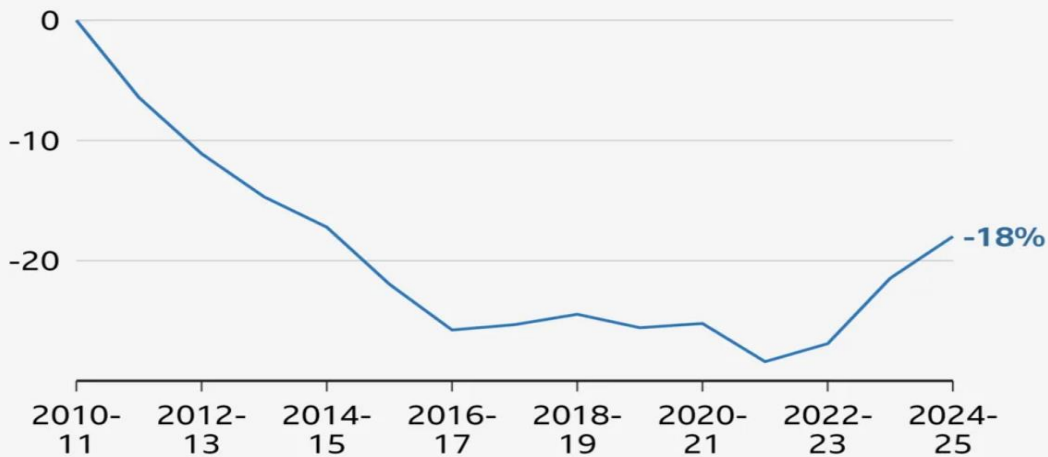
- 2.5 That a Balancing the Budget Target of £2.985Million, (of which £1.285Million relates to 2025/26), be approved for the period 2025/26- 2027/28, as set out in section 4.9 of the report.
- 2.6 That General Fund growth is only approved for the Council's FTFC priorities and that any growth would need to be funded from increased savings in addition to the £2.985Million target identified.
- 2.7 That a minimum level of balances for the General Fund of £3.45million be approved for 2025/26 as set out in paragraph 4.10.7.
- 2.9 The MTFS is regularly reviewed and revised to reflect any material financial pressures so forecasts are updated and re-presented to the Cabinet for approval.
- 2.10 That the Trade Unions and staff be consulted on the key messages contained within the MTFS and more specifically when drawing up any proposals where there is a risk of redundancy.

3. BACKGROUND

- 3.1 The MTFS is presented at least annually to the Executive and more often if financial risks are heightened which have included the impacts relating to COVID and the recent cost of living crisis.
- 3.2 This report will provide Members with a projection for the General Fund for the period 2024/25-2028/29, with particular emphasis on the current and next year's budgets. The 2024/25 original budget still contained legacy financial pressures which arose during the COVID pandemic such as lower parking income (with people adopting new hybrid working patterns) and higher inflationary pressures particularly for utilities and fuel following the Russian invasion of Ukraine and the ensuing cost of living crisis, although as reported in the 1st Quarter monitoring report to this committee these pressures are now projected to be reducing.
- 3.3 The financial challenges outlined above follow more than a decade of local authority funding cuts which, when considered alongside the need to absorb inflationary pressures and taxation changes results in the need to make significant savings in order to balance the books. Inflationary and service pressures have continued to outstrip the main source of General Fund net expenditure funding, income from council tax rises (capped by government policy at 2.99% for 2024/25).
- 3.4 In 2024 the British Broadcasting Company (BBC) reported on its website about an Institute for Fiscal Studies (IFS) Local Government report, which showed that Councils funding is still down by 18% when compared to 2010.

Councils' funding still down almost a fifth since 2010

Percentage change in inflation-adjusted core funding per person for English local authorities



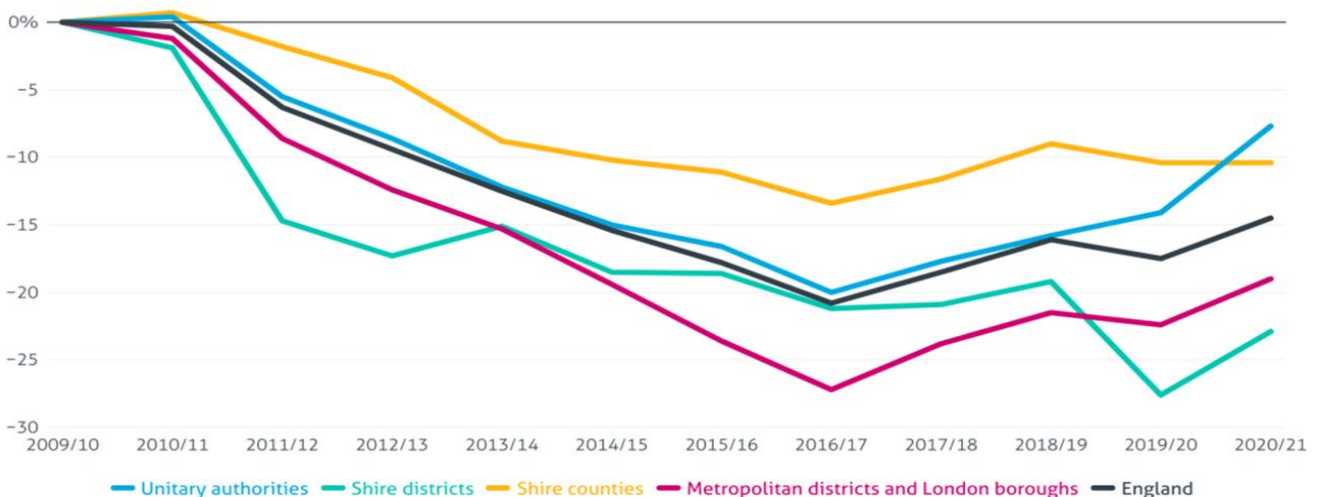
Source: Institute for Fiscal Studies

BBC

- 3.5 In an earlier IFS report (March 2020) they reported that the deepest local government funding cuts have been experienced by shire districts. In part this is because they did not benefit from the 2019/20 and 2020/21 social care uplifts given to upper and single-tier authorities.

Change in local authority spending power since 2009/10, by type of authority

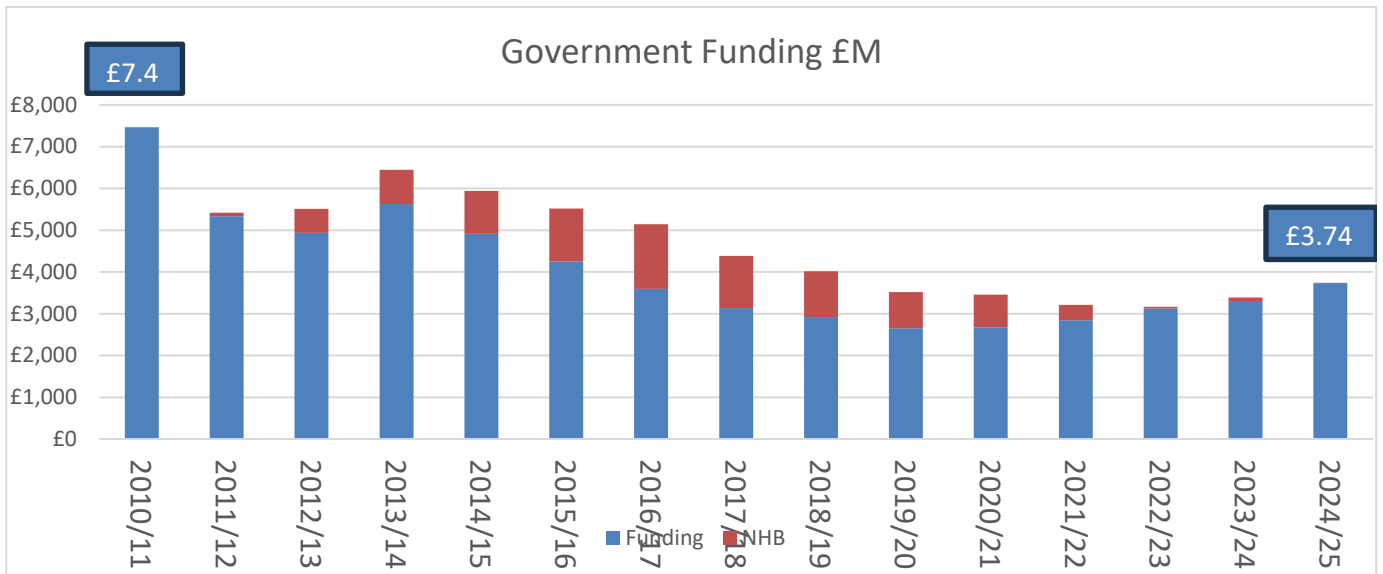
IfG



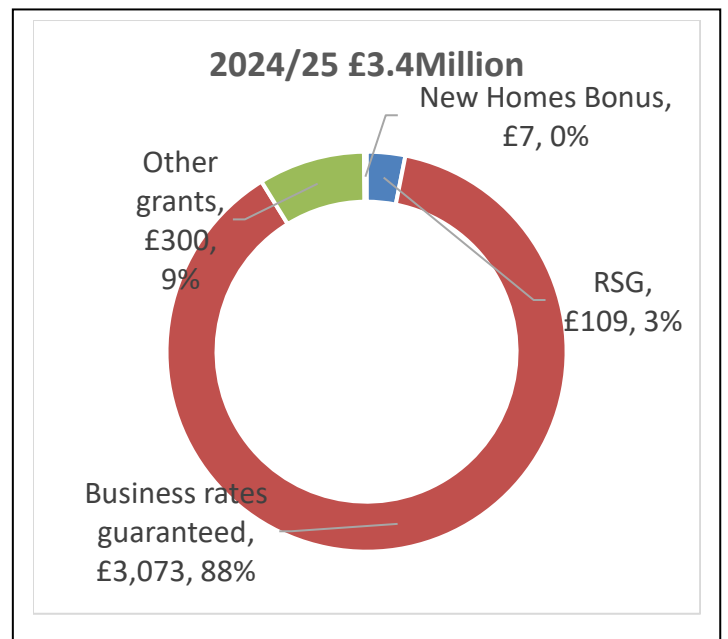
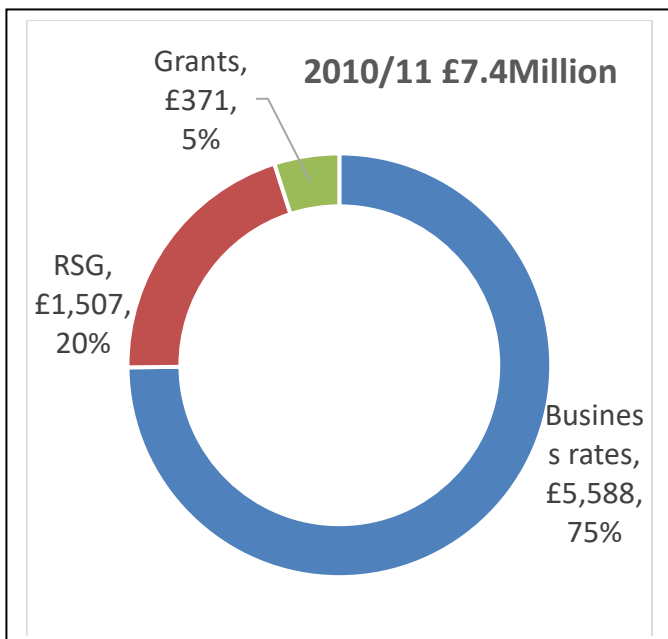
Source: Institute for Government analysis of DLUHC, Local Authority Revenue expenditure and financing in England: individual local authority data – revenue outturn. Notes: 'England' excludes 'Other' authorities, and excludes grants for education services, police, and public health. The sharp increase in Unitary authority spending power between 2018/19 and 2020/21 mostly reflects local authority reorganisations in Dorset and Buckinghamshire. This analysis excludes 2021/22 because totals are still provisional.

CC BY-NC

- 3.6 At a local Council level Stevenage's 2010/11 government funding adjusted for subsequent changes for council tax support etc is £3.72Million for 2024/25 after 14 years and before consideration of a 10% population growth and 14 years of compound inflationary pressures.

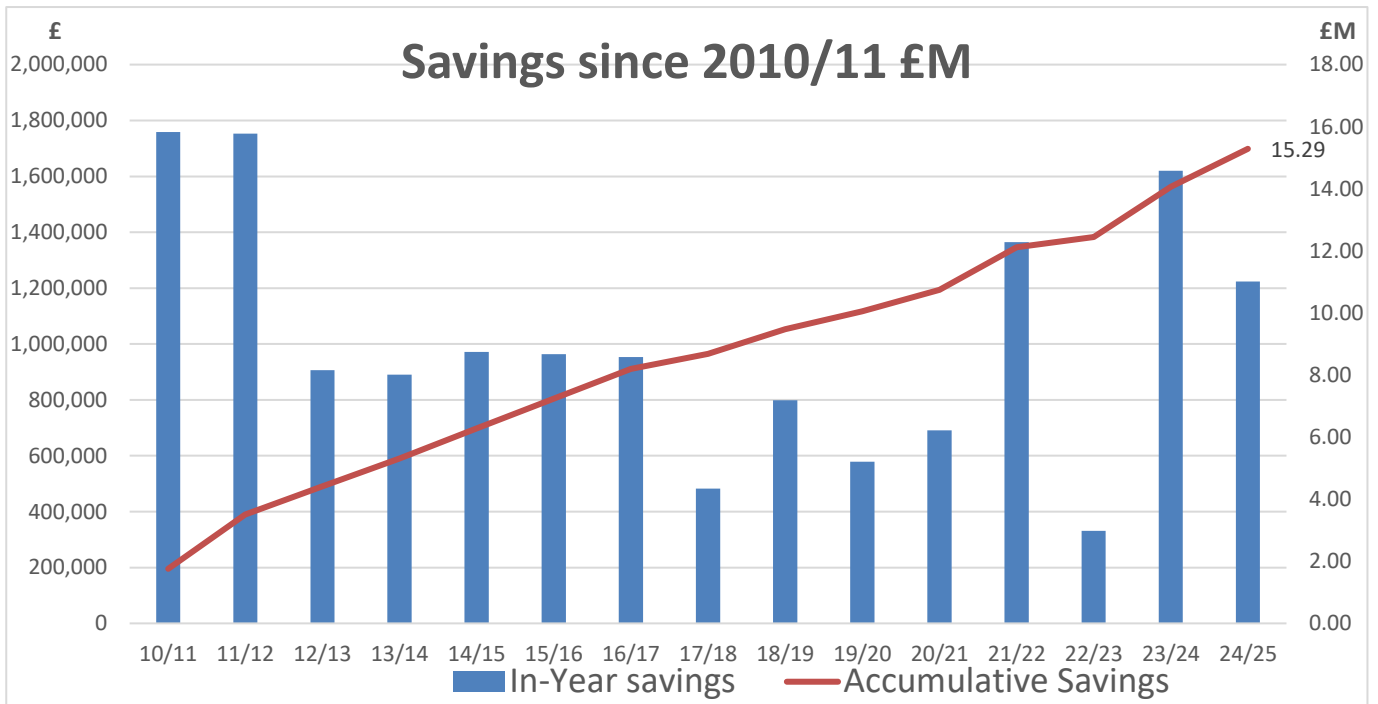


3.7 To illustrate that difference, In 2010/11, government funding support for SBC was £7.4Million (after adjusting for council tax support costs introduced in 2012/13), compared to £3.7Million for 2024/25. The business rate funding in 2024/25 is only guaranteed at 92.5% of the total funding with individual Councils having to pick up the first 7.5% of business rate losses. In addition, there is no certainty that grants such as the 4% guarantee grant will be on-going.



Numbers are £'000

3.8 Despite the significant financial pressures the Council has faced 2010/11 onwards the Council has had a track record of identifying and delivering permanent savings to reduce the over all financial footprint of the Council and to date has delivered £15Million through it's saving priority, currently 'Balancing the Budget' (see also section 4.8) as summarised in the chart below.



3.9 Looking forward the previous government’s projected public sector spending (using the 2023 spending review), funding increases beyond April 2025 were only slightly under 1% in real terms every year, baking in the erosion of real budgets from higher inflation. The conservative government’s commitment to spending increases on the NHS, defence, foreign aid and childcare implies real terms cuts for unprotected areas of spending such as services provided by District Councils and the Office for Budgetary Responsibility (OBR) estimate falls of over 2% per year in real terms. It is not clear what the new labour administration will do, whether they will use spend envelope of the last administration or increase funding.

3.9 These funding challenges further evidence the importance of MTFs planning which is the mechanism through which the Council assesses the financial impacts of national and local pressures. All budget challenges are modelled and the impacts on the draw and level of balances are considered, such as:

- National and local government policy on the five year forecast of resources for the General Fund (and Housing Revenue Account);
- Local pressures emerging from service provision, i.e. ICT licence costs
- Legacy COVID financial impacts that remain due to changes in customer behaviour.
- Inflationary pressures on the Council’s finances

3.10 Individually, in year or on-going financial pressures may sometimes be absorbed through a draw on balances or by a small increase to the level of savings, subject to the shortfall in any one year and post considering what is realistically achievable.

3.11 The current approved MTFs principles are set out below.

No	MTFS principles
1	To ensure the financial resilience of the General Fund that any net funding gap is reduced by 2027/28.

No	MTFS principles
2	To consider as part of the budget setting process, and throughout the year as necessary, what support can be given to the community, tenants, leaseholders and businesses in times of particular hardship.
3	To use the Council's reserves in a cost-efficient and planned manner to deliver the Council's priorities.
4	To maximise the Council's income by promptly raising all monies due and minimising the levels of arrears and debt write-offs.
5	To identify alternative means of resourcing the Capital Strategy to minimise the impact of borrowing (GF only).
6	In setting General Fund balances a % for overruns (currently 1.5%), specific known risks, loss of savings & risks associated with new ventures and the cost of borrowing for the capital programme is included.
7	To identify variations to the approved budget via quarterly monitoring and only incur additional on-going spending when matched by increased income or identified savings.
8	To propose Council tax increases in line with the Government 's annual thresholds for modelling purposes to ensure that the General Fund core resources are sufficient to meet the cost of running the Council's services.
9	To ensure that resources are aligned with the Council's Strategic Plan and FTFC priorities and growth limited to the Council's top priorities
10	The Council does not depend upon short term sources of funding such as business rate gains and in any one year only allows a proportion of the gains to be retained in the General Fund based on the MTFS projections.

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

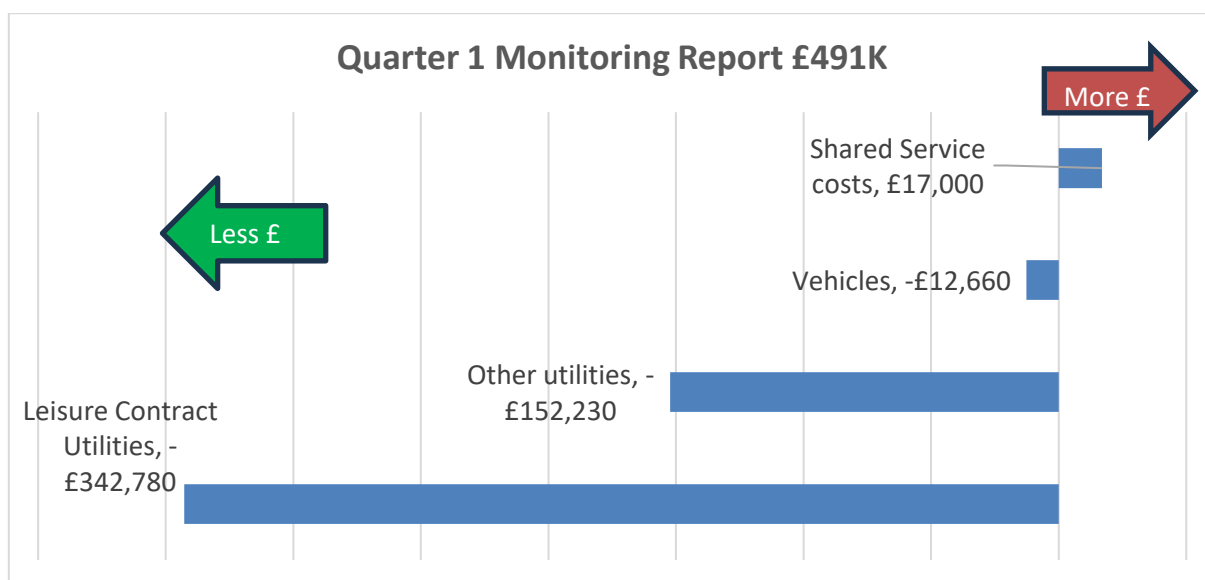
4.1 General Fund pressures

4.1.1 Included within the MTFS modelling are a number of considerations which are:

- Inflationary pressures (section 4.2)
- Consideration of new service or income pressures (section 4.3)

4.2 Inflationary Pressures

4.2.1 The 2024/25 MTFS projection for inflation has reduced from £931K (2023/24 £1.72Million) to £416K, £570K lower, largely due to lower utility costs (£495K) as included in the 1st Quarter Monitoring report to this committee. In total £491K of inflation reductions have been identified, (despite including the estimated shared service cost for 2025/26 increasing by a further £136K), contributing to the savings target for 2025/26.

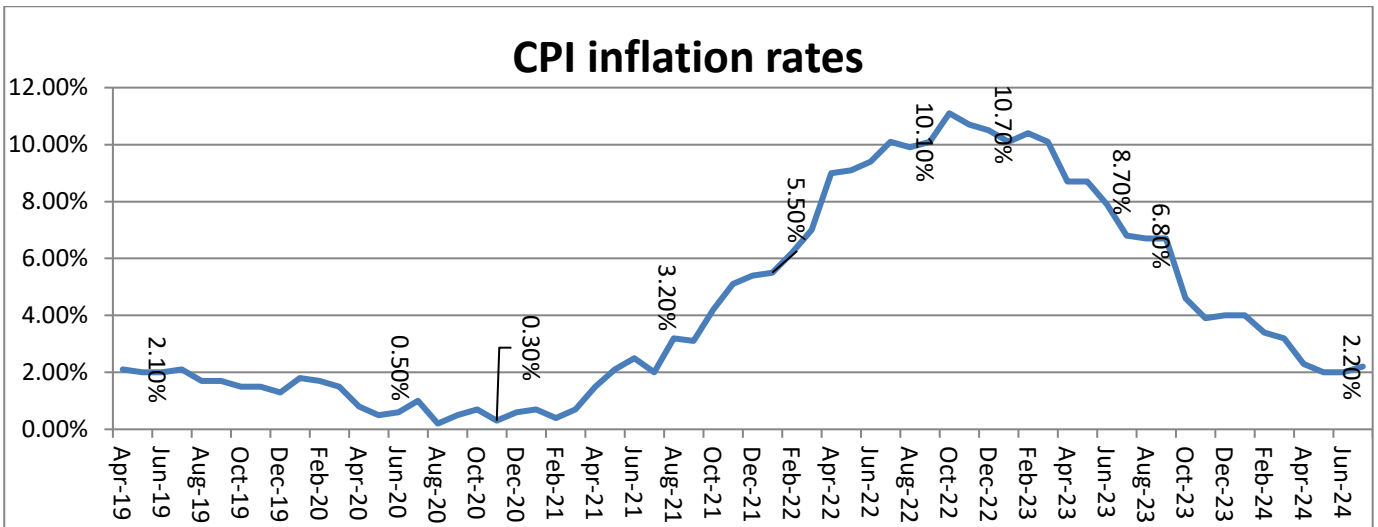


4.2.2 In addition to the 1st quarter changes the MTFs also includes an assumption regarding the cost of the 2024/25 pay award. The current 2024/25 employer offer has been rejected by the union Unison is a £1,290 increase for staff earning up to £51.5K (£1925 for 2023/24) with other officers receiving a 2.5% increase. The budget included a 3.5% increase for the pay award of £758K, (before HRA share of £144K). If the current deal was agreed there would be a reduction in General Fund costs of circa £80K. While this decrease has been reflected in the latest MTFs it has not been included in the 'Balancing the Budget' target, as the employer offer may be revised. The current deal is once again to mitigate the impact on the pay scales from the increases in the minimum wage (2023/24 and 2022/23 £1,925). While this is welcome for Local Government employees who face increased costs of living and have had below inflation pay increases in previous years pay awards, they are not government funded and also outside of the Council's control.

4.2.3 The 2025/26 onwards inflation assumptions are summarised in the table below. The July Consumer Price Index (CPI) was 2.2% (June 2024 2%), the MTFs assumes that inflation will remain at this level reducing inflationary pressures compared to previous years, however this remains uncertain. Lower inflation will reduce the financial pressure on the General Fund and in turn subject to other pressures being identified reduce the need to make higher levels of 'Balancing the Budget' savings.

	2025/26	2026/27	2027/28	2028/29
Inflation-Applied to:				
September CPI for business rate increases	2.00%	2.00%	2.00%	2.00%
Salaries - % increase	3.00%	2.00%	2.00%	2.00%
CPI indices increases	2.00%	2.00%	2.00%	2.00%
Investment interest	4.00%	3.00%	3.00%	3.00%
Fuel Increases	3.00%	5.00%	5.00%	5.00%
Gas & Electric Increases				
Gas (unit charge only)	5.00%	5.00%	8.00%	8.00%
Electricity (unit charge only)	5.00%	5.00%	8.00%	8.00%

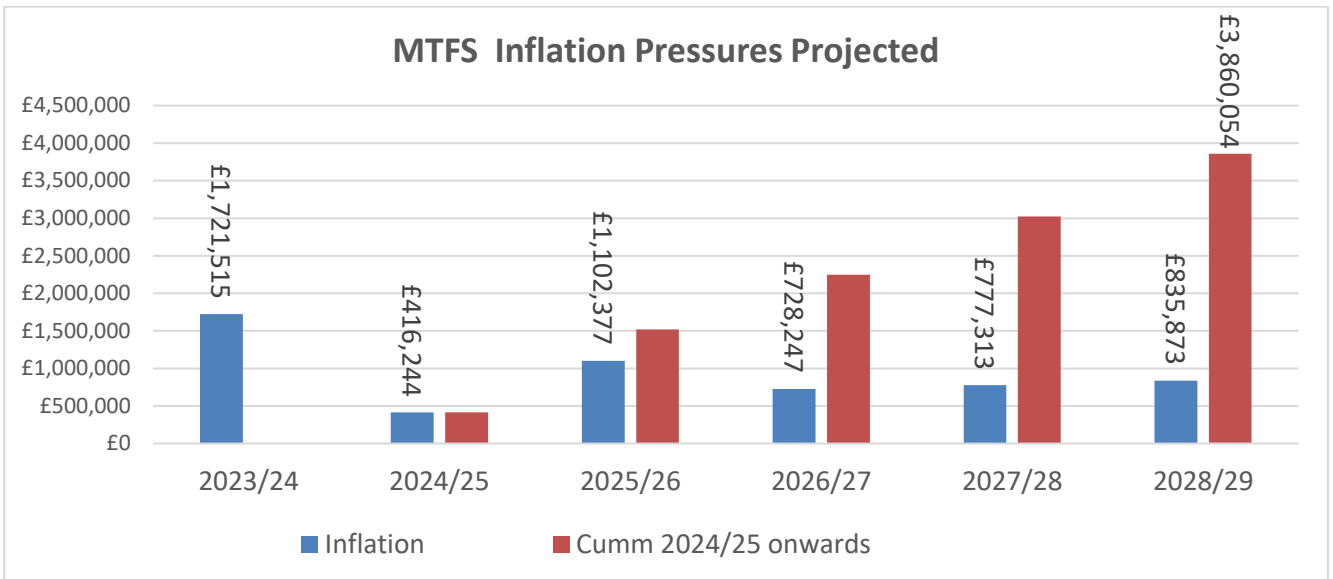
4.2.4 CPI is the tracked measure for inflation used by the government and also used for increases to business rates and Council housing rents, (September CPI). The historic CPI trend is shown below and the volatility with the impact of the cost of living crisis and higher utility costs.



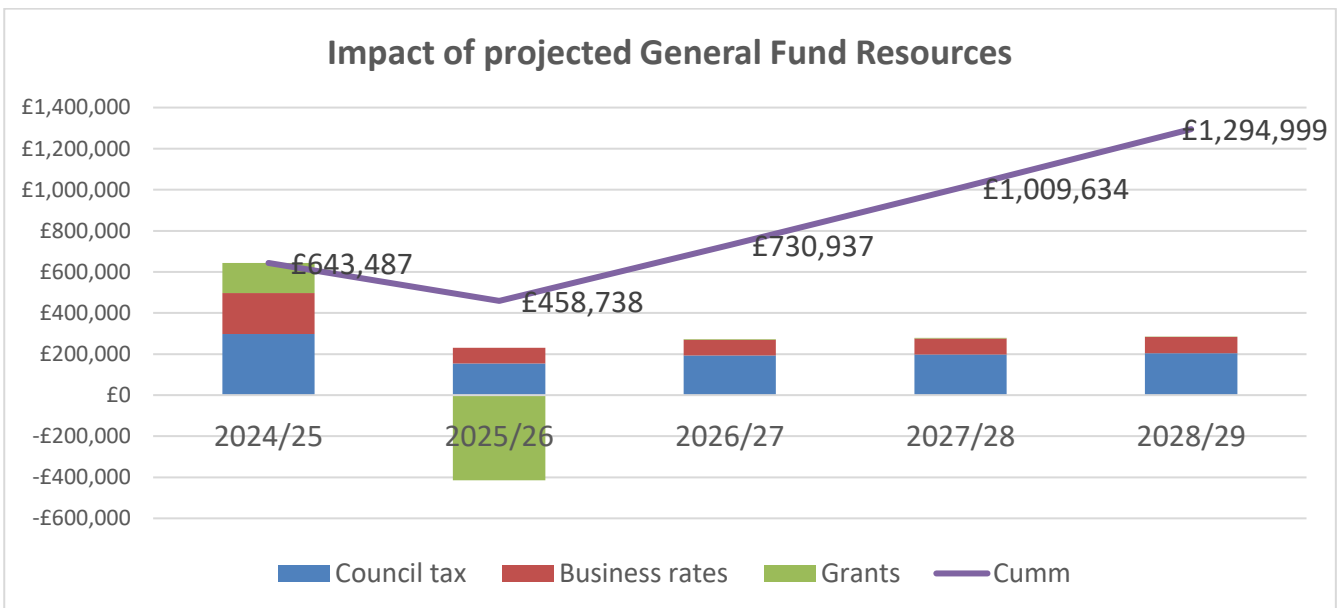
4.2.5 It is difficult to predict the sustainability of lower inflation over the medium term but the MTFS rationale and alternative scenarios are set out below.

Rationale for inflation assumption	
Salaries - % increase	The employer offer has fallen from 5.67% in 2023/24, to estimated at 3.4% for 2024/25. Based on lower inflationary increases the projection is 3% 2025/26 and thereafter 2%. This outside the control of the Council and subject to collective bargaining and whether pay offers will continue above CPI to reflect years of below inflation increases.
Utility increases	Overall utility costs have decreased and a lower increase is projected for 2025/26 to reflect prices may still reduce leading to a lower starting cost base. The level of increase going forward in the MTFS are based on historic average increases beyond 2026/27 and may fluctuate between individual years.
Consumer Price Index (CPI) indices increases	The July CPI was 2.2% and the MTFS has modelled inflation at a flat 2% during the MTFS. CPI has fallen from the levels shown in para. 4.2.4, the key will be whether this is sustained.
Business Rate Increases	Business rates were projected to increase by £144K in 2024/25 as a significant number of the Council's buildings experienced an increase in business rates as part of the 2023 revaluation. However most of the increase has been realised and just the September inflation % has been included.

4.2.6 The amount of inflation projected for 2024/25 to 2028/26 is summarised in the chart below and totals £3.8Million.



For the same period council tax, business rate income and government grant funding are projected to increase by £1.295Million a deficit of £2.57Million.

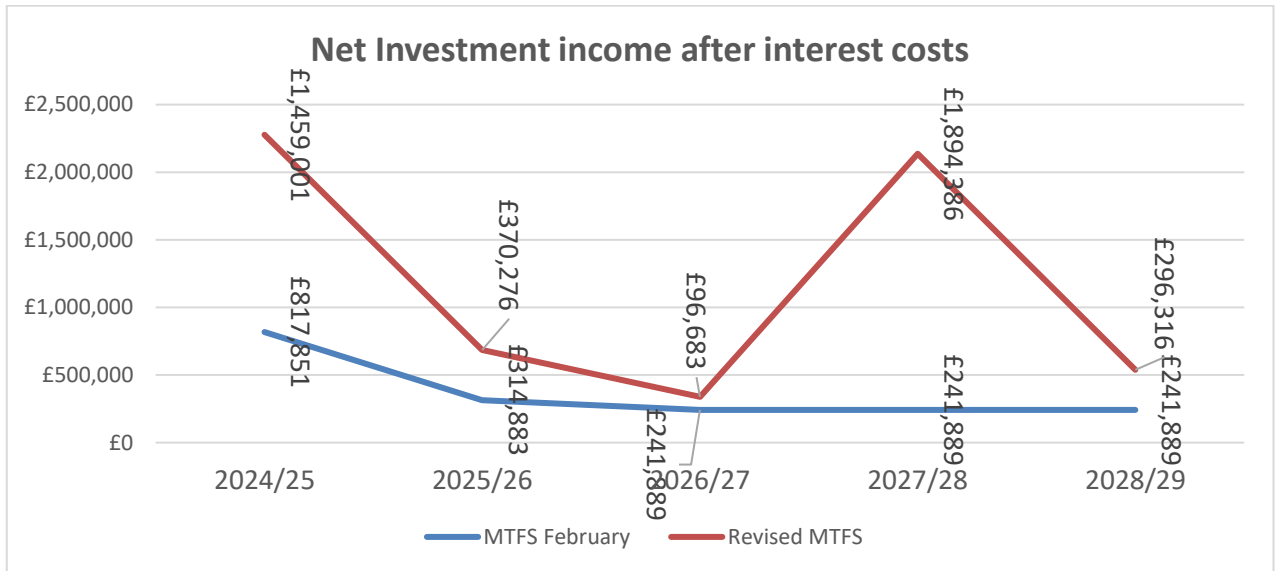


4.3 Other General Fund Pressures and Savings

4.3.1 In addition to meeting the inflation funding gap, the MTFS makes assumptions about other pressures for the General Fund these total £336,711 and are summarised in the table below.

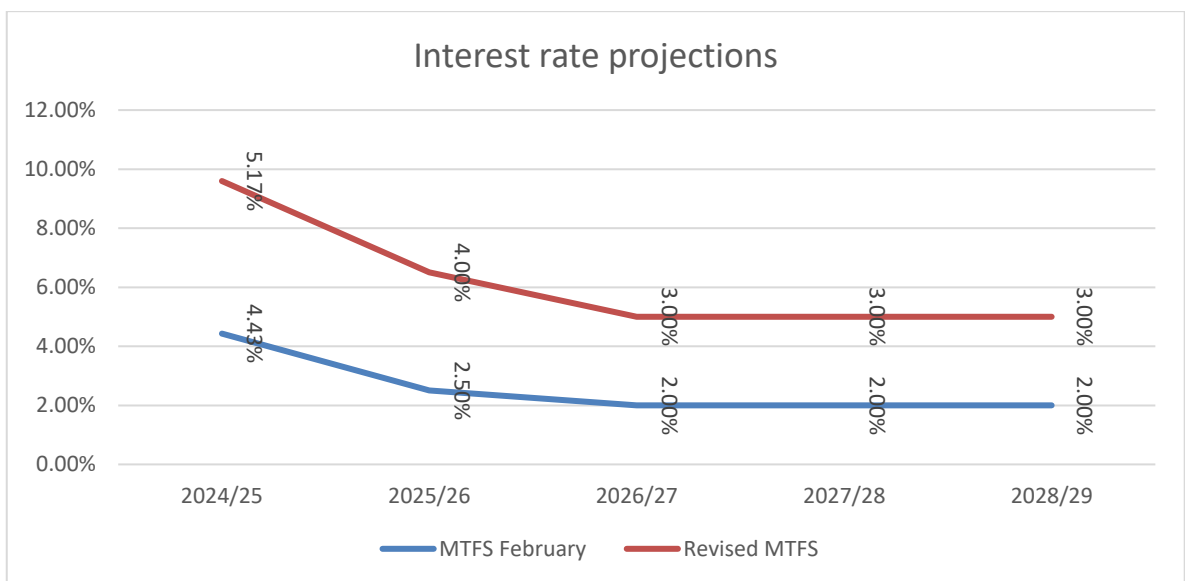
New	Additional MTFs Pressures	£ 2025/26	Rationale
Y	Apprentice Levy	£20,000	The amount the Council pays for the levy is linked to a % of the pay bill. Recent pay increases means the current budget is insufficient going forward
Y	Payment system upgrade	£59,051	General Fund share of the pay system upgrade, the price was fixed for the last seven years, which has led to a significant increase in price for 2025/26 as reported in the 1st Quarter Monitoring report.
Y	Cost of clinical waste	£17,400	Reported as part of 1st Quarter Monitoring report.
Upda ted	Car parking income	£200,000	The MTFs previously assumed a loss of £300K in 2024/25 with income fully recovered beyond that. It is unlikely that based on current income levels this will be realised, so a £200K loss has been assumed in 2025/26 and 2026/27 funded from a transfer from the income equalisation fund. From 2027/28 the assumption is that £200K will be removed from the income base permanently.
Y	Digitalisation of Streets and Grounds planning	£30,260	This is estimated to be a one off cost in 2025/26 as efficiencies and other savings have been identified which reduce the on-going software licence and staff costs.
N	Housing subsidy administration	£10,000	Subsidy payments are based on caseload which is reducing although the workload has not reduced at the same rate due to the increased real time information and changes of circumstances. The MTFs is assuming a £10K reduction in cost per year.
Y	Queensway LLP reserve	£50,000	The Council set up the LLP to act as a catalyst for regeneration in the town centre as set out in the 4th Quarter Monitoring report to the July 2024 Cabinet. In order to ensure that funding to invest in the asset and/or support the LLP over the 37 year lease, the CFO recommends a new contribution of £50K per year to the Queensway reserve is included in the MTFs. This is to ensure the financial resilience of the asset and town centre, (a contribution from 2024/25 is recommended).
	Total Revised Pressures	£386,711	

4.3.2 **Net Investment income after external borrowing costs-** The investment income and borrowing interest are shown in the chart below for the MTFS. The current Council position is to use internal borrowing to fund capital expenditure rather than take external loans. The revised position shows a higher long term investment rate of 3.0% (compared to 2% previously) and no external borrowing with the exception of the one loan for the investment property bought in 2017/18.

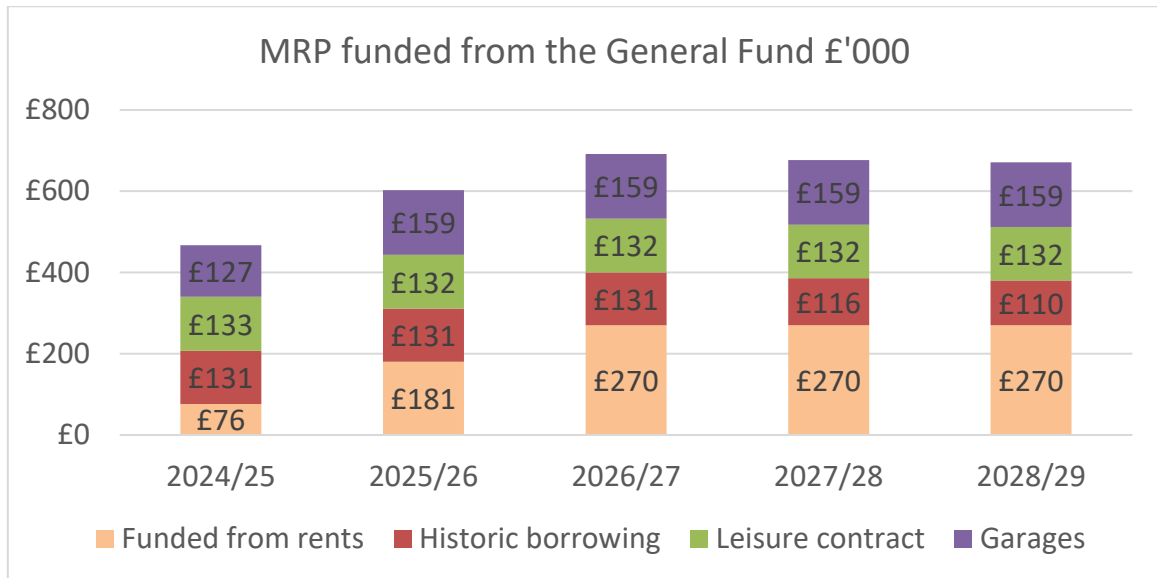


4.3.3 The September revised interest position shows a number of fluctuations which are as a result of:

- Higher net investment income in 2024/25 due to higher predicted interest rates (5.17% versus 4.43%), higher reserve levels than predicted and the re-profile of the Wholly Owned Company (WOC) loan to Marshgate being returned in 2024/25 rather originally anticipated in 2023/24.
- Higher investment interest projected in 2027/28 as the Council's Joint Venture on the Swingate site returns monies to the Council.
- Higher interest received as a result of interest rates longer term projected at 3% versus 2%.

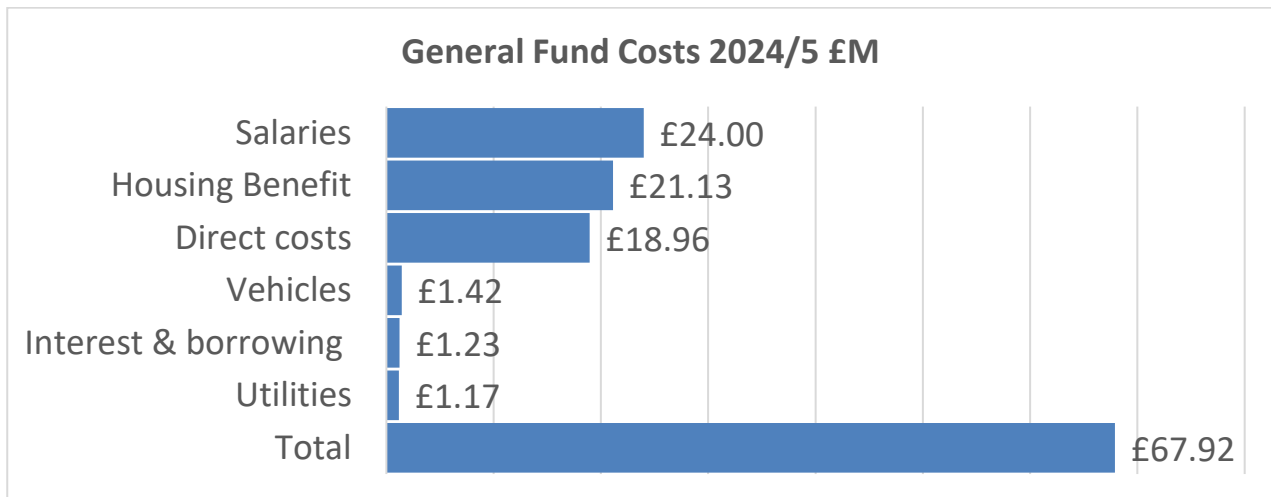


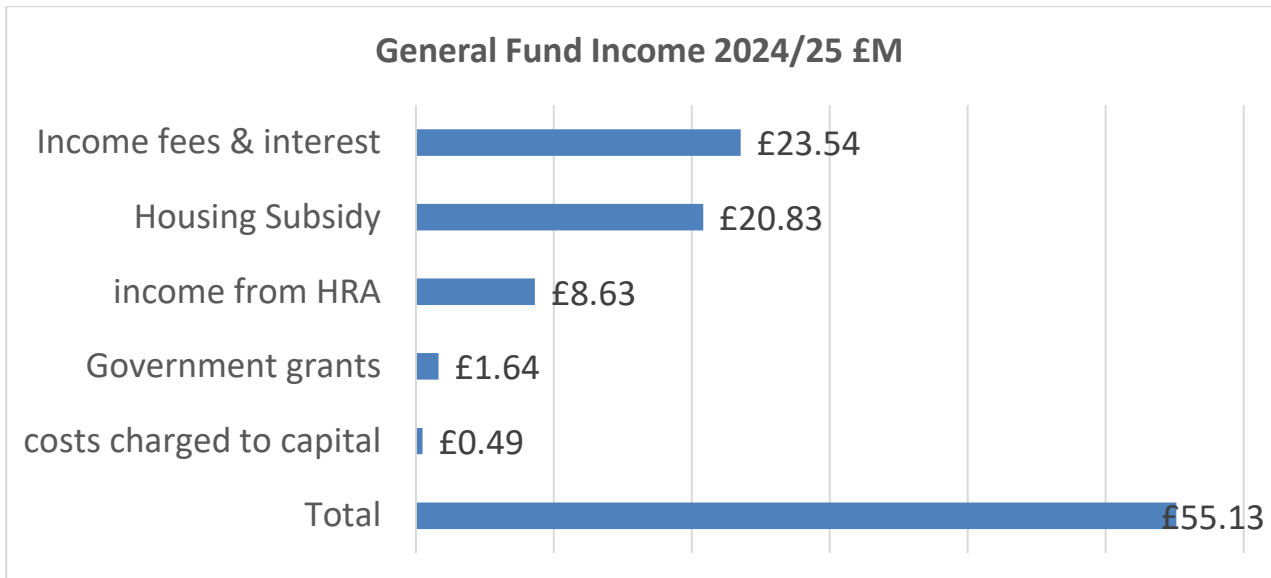
4.3.4 There is no allowance in the General Fund MTFS for new borrowing costs, other than that already approved. There is provision for the cost of repaying the borrowing or Minimum Revenue Provision (MRP), which is based on the cost of the asset divided by its life. The amount of MRP provided for is shown in the chart below.



4.4 General Fund Resources available to fund the Net Cost of Services

4.4.1 The original 2024/25 General Fund net budget was £12.78Million, before any of the changes that have been identified as part of the quarterly monitoring reports or this MTFS update.





4.4.2 The cost of General Fund services is not fully funded through fees and charges, service specific grants from central government i.e. flexible homeless grant, NDR admin allowance and housing subsidy grants. This means that each year the Council has to set a General Fund annual net expenditure budget.

4.4.3 The General Fund only has three 'core income resources' to meet the annual cost of providing those net services for local people and businesses. These are namely council tax, retained business rates and any additional non service specific government grants, such as the service grant or the 4% income guarantee grant, the latter of which is not guaranteed on-going. Although the new Labour government is committed to setting multi-year settlements, it is not clear whether this will be possible from 2025/26, if not this would be the sixth one year grant funding, making planning in the medium term more difficult.

4.4.4 The ongoing uncertainty around government funding levels compounds the difficulties in trying to set a balanced budget and in reality, council tax increase levels have been capped below inflation levels increasing the reliance on having to make savings to maintain services.

4.5 Business Rates

4.5.1 Retained business rates are the amount above which the government allows Councils to keep business rates generated within their boundary. This is calculated by:

Step one - The government sets a baseline need value - this is assessed as the amount needed based on the funding formula.

Step two – The Council collects business rates in Stevenage, net of reliefs, and keeps a notional 40%, (50% is sent to the government and 10% to Hertfordshire County Council).

Step three- Calculate the amount of section 31 grant due to the Council based on reliefs the government has legislated (post the business rate methodology was introduced), given to reduce the amount of collectable business rates (retail reliefs, extended small business rate relief, zero rating increases in business rates).

Step four -The government applies a tariff which then reduces the collected 40% share of business rates and reliefs (based on the last revaluation on rates), so that it is closer to the baseline need (as identified in step 1).

Step five - If there are still gains after step 4, a further levy is applied at 50% so effectively any gains above baseline need are split 50:50 with the government.

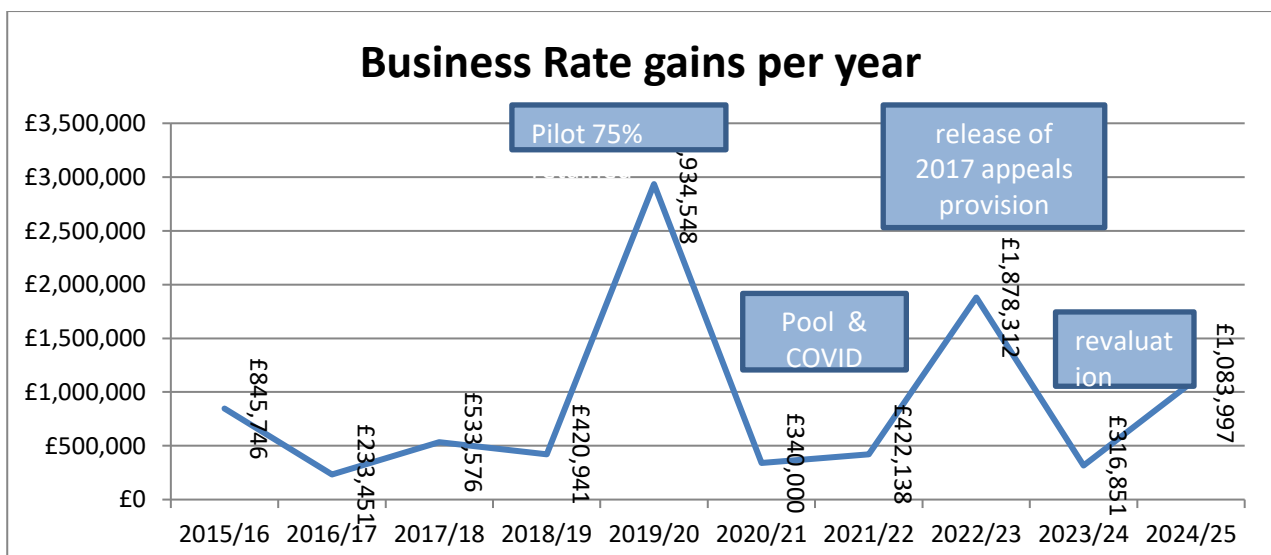
Or In the event that there are in fact losses (i.e. less business rate income was received than the baseline) SBC must fund the first 7.5% below the base line need (approximately £180,000). The rest of the losses are funded by the government via the 'safety net'.

Step six - The levy, safety net and section 31 grants are paid based on the amount due in year, all other payments are paid based on estimate with gains and losses due/paid in future years.

4.5.2 Stevenage has benefited historically from business rate gains, which have been influenced by a number of factors such as opportunities to pool gains among Councils or the pilot in 2019/20 where Hertfordshire Councils kept 75% of all business rates. However, SBC has only been in the 'Hertfordshire pool' twice and the government has only allowed Hertfordshire Councils to be in one pilot scheme. This adds complexity to projecting income and, in addition to this complexity, gains are not realised in the year they were achieved but are based on the prior year estimates.

4.5.3 The new Labour government committed in its manifesto to replace current business rate rules, with 'a new system that will level the playing field between the high street and online giants'. It's unclear at this early stage what that would mean for the business rate yield in Stevenage. The previous government repeatedly moved back business rate re-sets meaning the actual levels of business rates collected by local authorities has become increasingly decoupled from their baselines (target levels) which were set in 2013. Any future "reset" of the system could therefore see significant changes in baselines meaning, authorities like Stevenage which benefits from gains would likely see a reduction in funding.

4.5.4 The reforms which have taken place have been around revaluations for what individual businesses pay, the last one being a revaluation for 2023 based on 2021 data. Unlike the previous revaluation in 2018, this led to an increase in collectable business rates in Stevenage, (increases for offices etc) . It could also lead to more appeals therefore an amount has been set aside to deal with those claims.



4.5.5 The current system, whilst allowing SBC to benefit from gains, is hard to predict as income fluctuates between years making income difficult to ‘bank’ on and to use as a source to fund services on an on-going basis. Accordingly, such gains have been used to increase financial resilience or fund priority one off growth pressures. The current MTFS policy position is to assume an amount of £200K per year for 2024/25-2028/29 as this is below the level achieved historically to support service expenditure. The Business Rates reserve has been used to support the cost of carry of the Council’s joint venture for the period 2024/25-2026/27 as approved by Members.

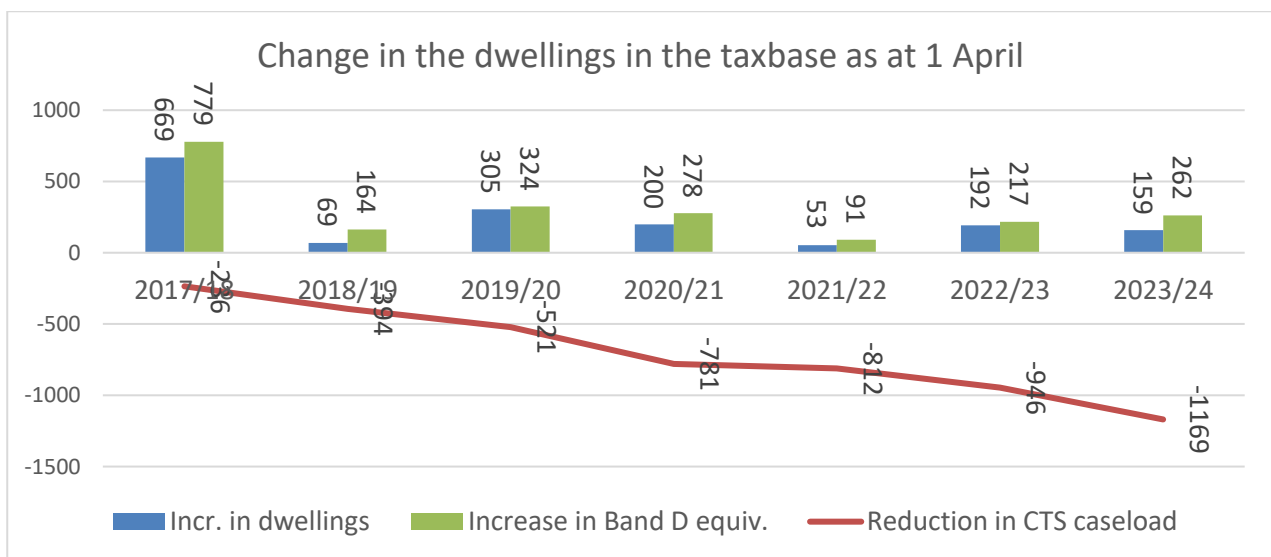
4.5.6 The Business rate yield for 2024/25 is slightly below the 2024/25 original estimate (£180K reduction) and is tracked on a monthly basis. Members will be updated as part of the November Balancing the Budget report on the projected level of business rates for 2024/25.

4.5.7 The business rate inflation projection built into the MTFS is 2% for 2025/26 and thereafter (based on a lower projected CPI inflation figure), the corresponding increase for 2024/25 was 6.7%. A 2% increase equates to £76K before any gains, (including assumptions about under-indexing).

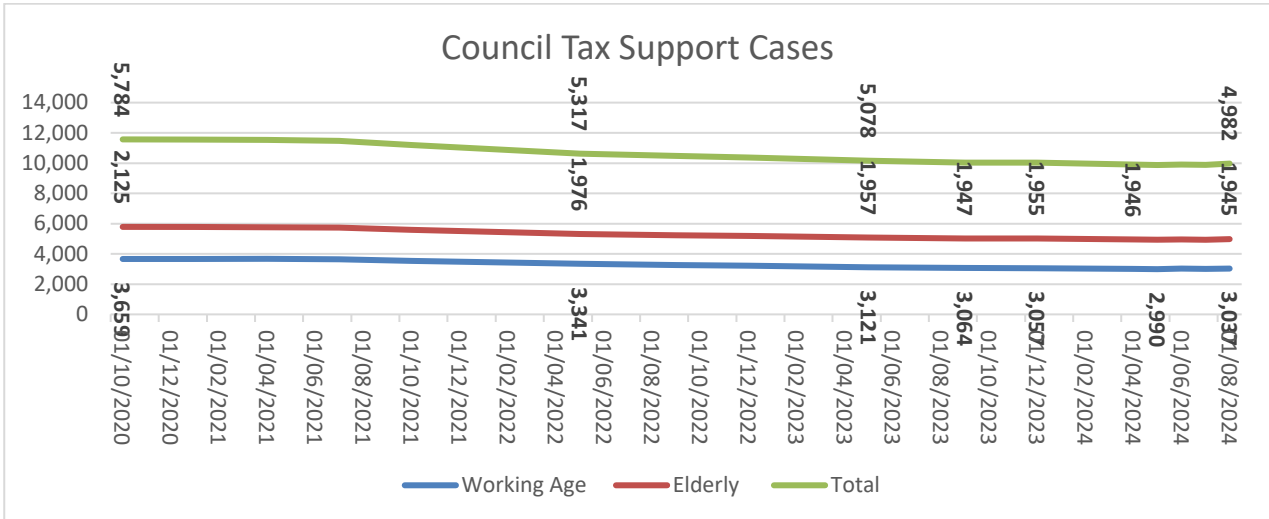
4.6 Council Tax

4.6.1 The amount of council tax that can be raised annually is influenced by two factors, firstly the growth in the tax base and secondly the inflationary increase applied each year. The tax base estimates when new properties will be brought into use and converts this to Band D equivalents for the year, together with all the existing properties and discounts given.

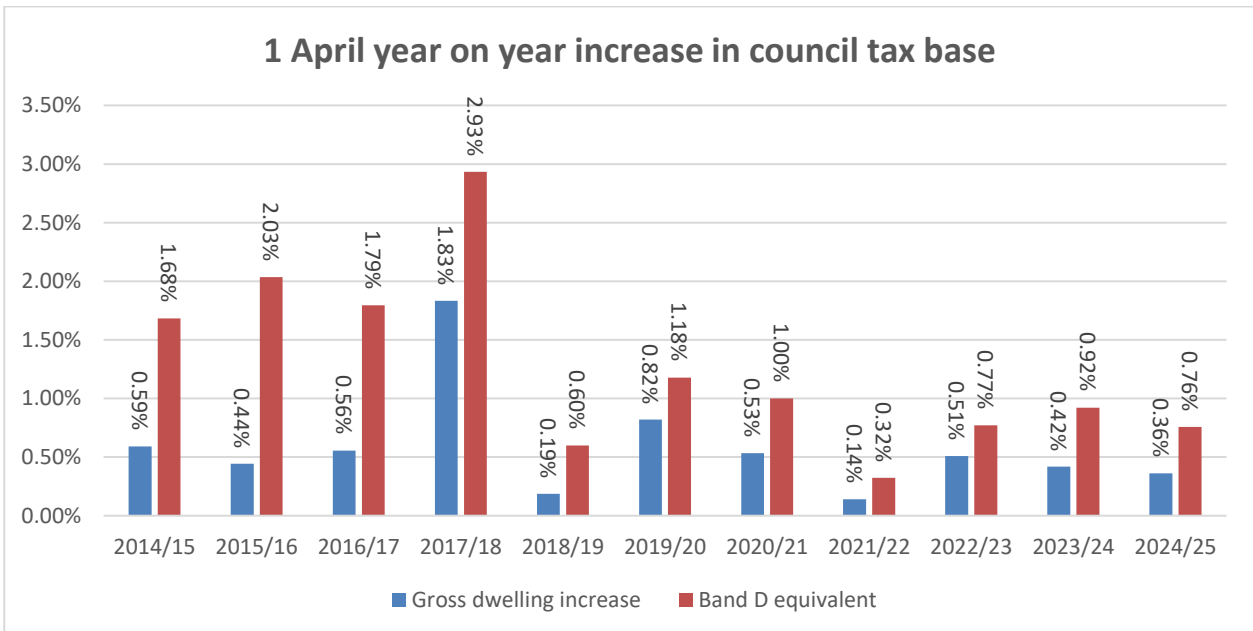
4.6.2 The tax base is calculated based on an estimate of the gross dwellings in Stevenage, reduced by the amount of discounts, (single person discount, council tax support and other exemptions). The increase in new properties fluctuates significantly based on economic development, however the net number of Band D properties has exceeded new homes in the town, (which should be less as there are more properties banded A to C), because the level of Council tax support (CTS) claimants has been reducing year on year.



4.6.4 However, in 2023/24 there has been slight increase in CTS caseload which appears to be linked to the increase in universal credit (UC) migration (CTS 1 April 2024 4,953, 1 August 2024 4,982 (0.6% increase). This does appear to have had an adverse impact on the taxbase yet, as officers think that that the amount of CTS payable per claimant is reducing where UC is in payment. This may be due to UC having some components that are intended to provide additional income for recipients which can lead to a reduced CTS entitlement. The impact on the current taxbase will continue to be monitored.



4.6.5 The percentage increase in the taxbase does fluctuate from year to year and for 2024/25 the taxbase is currently below the approved base by 143.82 Band D equivalents, (as at 1 August 2024). This would be a shortfall of circa £34K for a full year for SBC. A number of new builds anticipated in the taxbase have yet to come on stream and some demolitions have suppressed the taxbase.



4.6.6 The approved taxbase for 2024/25 increased 1.51% increase compared to the 2023/24 approved taxbase, but as at 1 August 2024 only a 1% increase has been realised.

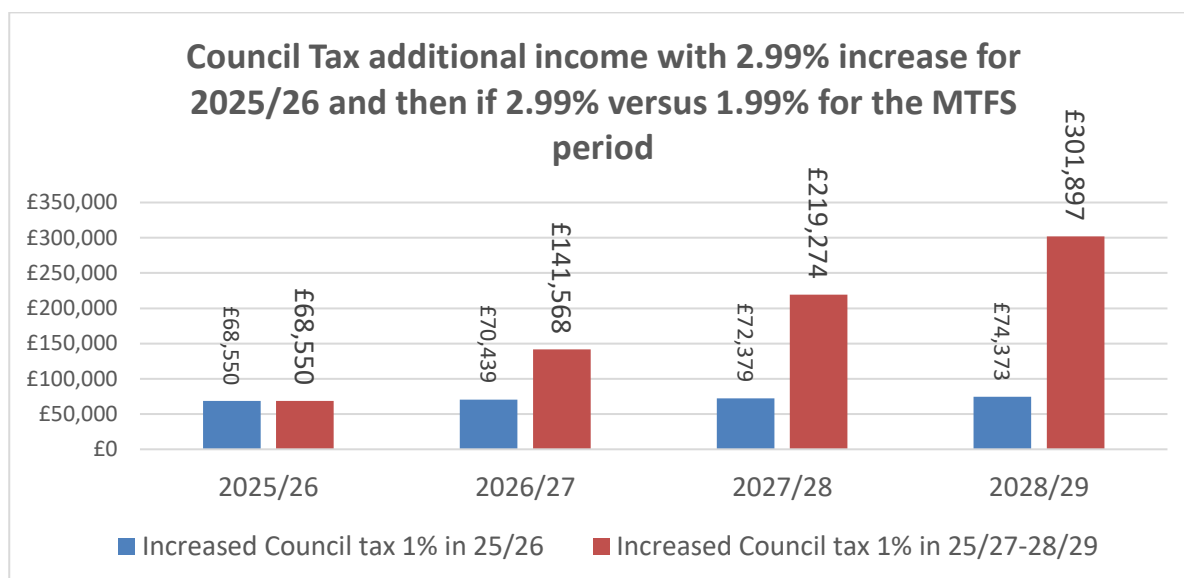
4.6.7 When calculating the taxbase, the level of collectable council tax must be estimated, currently a deduction of 1.75% is made for bad debt each year on the taxbase. However,

the in-year collection level has been much lower (94.3%, 2023/24), although some monies are collected in future years. The level of arrears has increased since 2019/20 from £4.6Million to £10.2Million as at 31 March 2023/24, with the number of customers in arrears increasing from 6,801 to 8,466. Some of this is as a consequence of higher council tax rises for social care and the PCC and an increase in arrears has been seen across Hertfordshire (2019/20 £47.7Million, 2023/24 £96.6Million). The Council's shared service has a process for recovery of debt and this will be reviewed to consider what further measures can be taken.

4.6.8 An assessment will be made about what level of bad debt provision should be included in the taxbase later in the year, however based on the below anticipated growth in the taxbase for 2024/25 and the level of collection an assumption has been made that the tax base will only increase by 0.25% for 2025/26 and 0.75% per year thereafter. Hertfordshire CFO's discussed collection rates and levels of arrears at their September 2024 meeting.

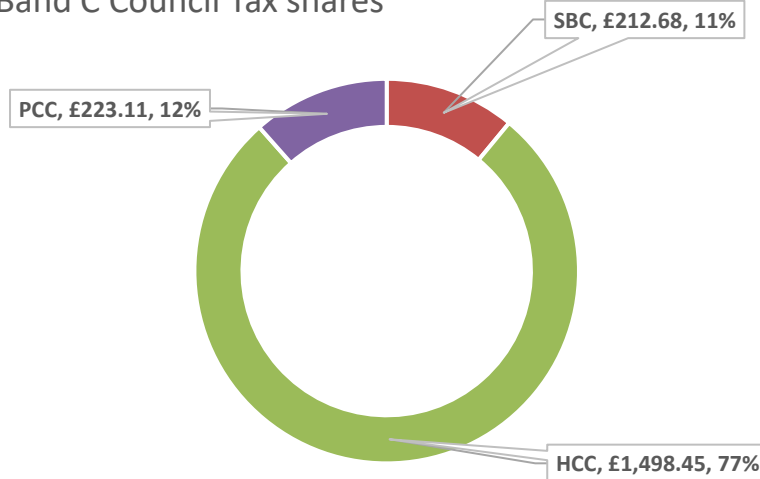
4.6.9 The MTFs includes a 1.99% increase in council tax for 2025/26 onwards, (2024/25 2.99%). It is not clear with lower inflation circa 2%, what level the new labour government will allow Councils to increase it by, albeit there are significant funding issues with the sector. the Local Government Association (LGA) has called for the council tax referendum limit to be abolished.

4.6.10 A 1% in council tax increase would give circa £70K additional income per year and if included throughout the MTFs period an extra £302K per year by 2028/29. Based on the level of financial pressures facing the Council and the need to make annual savings, the CFO recommends that council tax is increased by the maximum allowed during the MTFs period to improve the financial resilience of the Council.



4.6.11 SBC only retains a relatively small part of the overall council tax raised for the year. To illustrate this, taking a Band C property (which makes up 58% of total properties in Stevenage as at 1 August 2024), SBC keeps £212.68 or 11% of the total charge as shown below.

2024/25 Band C Council Tax shares

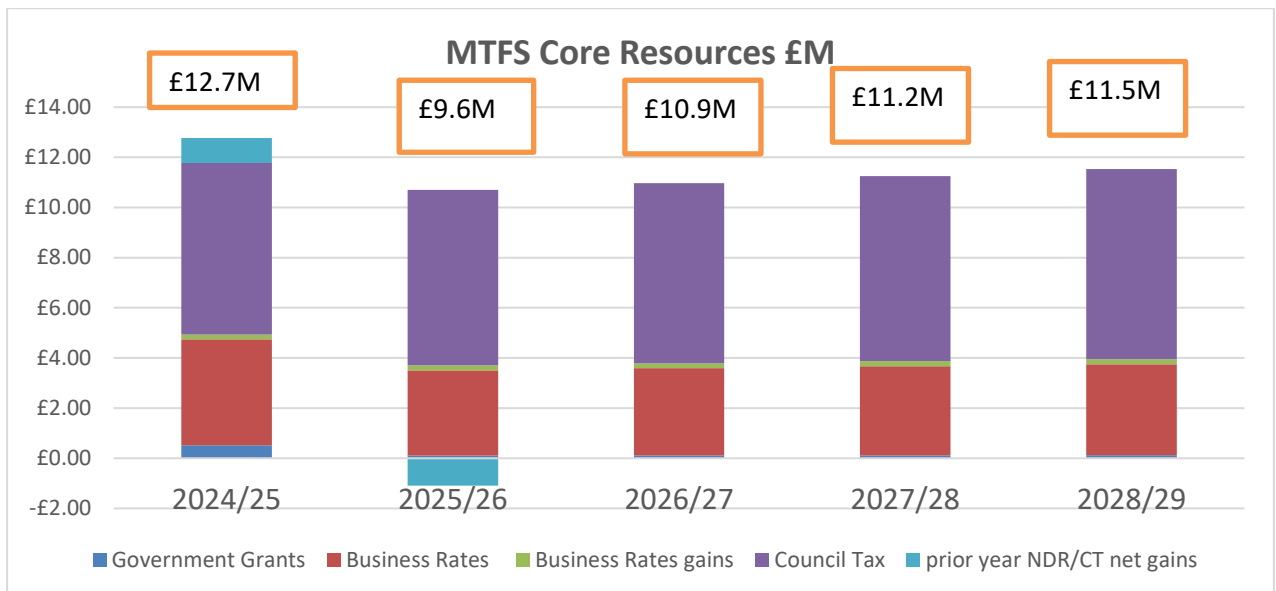


4.7 Finance Settlement including New Homes Bonus (NHB) and Support Grants

4.7.1 The 2023/24 finance settlement assumed a 4% overall increase in funding before council tax increases or use of reserves, this was increased from 3% in the final 2024/25 settlement for which Councils were required to publish a Productivity Plan. SBC's Productivity Plan can be found on the Council's website and was appended to the Annual report to the July 2024 Cabinet. The CFO has assumed that grant funding will reduce based on the analysis set out in para. 3.7, with the following assumptions made in the MTFS. This will be revised when the Labour Government produces their Autumn Statement on the 30 October 2024.

Funding projections £'000	2024/25 Provisional Settlement	Final Settlement	2025/26	2026/27	2027/28	2028/29	Rationale
Business Rates	(£2,813)	(£2,813)	(£2,869)	(£2,927)	(£2,985)	(£3,045)	2% increase
Under indexing	(£509)	(£509)	(£529)	(£549)	(£569)	(£589)	
Total Business Rates	(£3,322)	(£3,322)	(£3,399)	(£3,476)	(£3,555)	(£3,634)	
Revenue Support Grant	(£109)	(£109)	(£110)	(£112)	(£115)	(£117)	2% increase
New Homes Bonus (NHB)	(£7)	(£7)	£0	£0	£0	£0	minimal amounts 2023/24 onwards
Services Grant	(£16)	(£18)	£0	£0	£0	£0	Based on SR 2023 reductions in unprotected services expected no funding beyond 2024/25
3%/4%guarantee	(£292)	(£391)	£0	£0	£0	£0	
Total	(£3,747)	(£3,847)	(£3,509)	(£3,589)	(£3,669)	(£3,751)	
(Increase)/decrease to MTFS £'000			£338	(£80)	(£81)	(£82)	

- 4.7.2 **NHB** was introduced in 2011/12. Essentially money is paid to Council's based on the increase in properties in the tax base, (top sliced from nationally business rate revenues). The scheme has been amended over the last few years which has made it less financially beneficial to Council's, by:
- Reducing the number of years a payment is made for, from six to four years and then to one year only;
 - Introducing a threshold of 0.4% of the tax base before any new payment is made.
- 4.7.3 The Council received £7,290 in 2024/25 (2023/24 £86,736, 2022/23 £32,200). The previous government had considered reforming the scheme. The level of payment SBC have received have significantly reduced and no assumptions have been made in the MTFS 2025/26 onwards.
- 4.7.4 **Service Grant and income guarantee funding.** In previous years service grant numbers were distributed via 2013/14 Settlement Funding Assessment (SFA) shares (service £18K 2024/25, income guarantee £391K). Taking into consideration a reduction in the public sector funding envelope, using the previous governments cost projections no monies has been included in the MTFS beyond 2024/25. The Labour government has made a commitment to multi-year funding settlements which would provide more clarity when looking at finances over the medium term. If the 2025/26 funding settlement was to be in line with 2024/25 then a further £406K would support General Fund spend, which included that 4% funding guarantee versus the draft settlement 3%.
- 4.7.5 The MTFS makes no assumption about '**Extended Producer Pays**' funding an initiative which the Department for Environment and Rural Affairs (DEFRA) was due to introduce for 2024/25. A letter to the CFO dated 30 July 2024 deferred the digital Local Authority payments function from summer 2024 to April 2025, but said Authorities would be notified in November 2024 of payments due with amounts received late 2025. There is no clarity about the amounts that would be receivable or how this would actually be calculated, therefore no assumptions have been made in the MTFS. This would have seen Councils compensated by packaging producers for the costs of efficiently and effectively managing household packaging waste collected from households. However, MHCLG has maintained that any gains would be adjusted through the finance settlement.
- 4.7.6 From April 2026 Councils must collect separate food waste, the MTFS assumes that the Council will be fully compensated by the government for the increased costs incurred. To date only capital amounts have been released.
- 4.7.7 The MTFS Core resources estimated for the period are summarised in the following chart and the reduction between 2024/25 and 2025/26 reflects the removal of the 4% guarantee and service grant. The majority of core funding comes from council tax which increases from 562% in 2024/25 to an estimated 64% by 2028/29.



Note: 2024/25 includes £1M prior year business rate gains and £1.1M in year estimated gains (£985K transferred to the NNDR reserve), 2025/26 contains £1M prior year business losses

4.7.8 Included in core resources are prior years gains and losses for council tax and business rates. When the budget for the year is set an estimate is made of business rates (NNDR1), this is revised as part of the following years return and again at the outturn for the year (NNDR3). There was a significant adverse swing in business rates losses for 2023/24 (actual or NNDR 3) due a rating adjustment given by the valuation office which was significantly higher than expected. The business rate adjustments are ‘matched’ by a transfer to/from the NNDR reserve as no gains are spent until realised and used for one off spend (with the exception of the £200K supporting General Fund services).

Collection Fund Core Resource movements	2024/25	2025/26	Total
2023/24 Business rate (gains)/losses	(£397,238)	£1,056,964	£659,726
2022/23 Business rate gains	(£440,820)		(£440,820)
2023/24 Council Tax gains/(Losses)	(£162,403)	£27,939	(£134,464)
Total	(£1,000,460)	£1,084,903	£84,443

4.7.9 `Council tax gains and losses tend to be much smaller as they not complicated by appeals and large revaluations. No assumption has been made in the MTFS for 2024/25 gains and losses for business rates and council tax, this will be reviewed as part of the 2025/26 budget. Members should note however as stated earlier in the report both NDR and council tax are trending slightly below the approved budget.

4.8 Balancing the Budget

4.8 1 The Balancing the Budget is one of the Council’s key priorities to ensure that the Council remains financially resilient whilst striving to deliver against its service and high-level ambitions across both the General Fund and the HRA. Balancing the budget consists of four main streams. The graphic below sets out the process for 2024/25 onwards.



- 4.8.2 **Transformation (including digital)** –Members approved a set of principles to be applied to securing improvements to customer access to services, through the use of digital design at the August 2021 Executive meeting Further reports were made to the Executive in October 2022 and September 2023, updating on the delivery so far. Customers are at the heart of the Council’s services, so the aim of the programme is to ensure that they will be served in a straightforward way, with resolution at the first point of contact and, where deemed possible, through the provision of easy to access online services that are so good, people choose to use them. A five year pipeline is being compiled to support the balancing the budget savings target.
- 4.8.3 In addition to the Corporate Transformation Team’s work, Members approved a part two report on investing in Town Centre Assets at the July Cabinet meeting (Agenda item 16). This is projected to realise budget savings for the Council and a Balancing the Budget savings assumption has been made in the MTFS of £140K for 2025/26 onwards.
- 4.8.4 **Commercialisation & Insourcing** -The Council approved the latest Co-operative Commercial and Insourcing Strategy at the October 2023 Executive. This strategy set out a number of work streams which are overseen by an Executive working group. This work has already contributed to Balancing the Budget and the October report will also include proposed fees and charges increases for 2025/26.
- 4.8.5 A further update on the work arising from the Co-operative Commercial and Insourcing Strategy will be included in the November 2024 Balancing the Budget Report to the Cabinet.
- 4.8.6 **Efficiency savings** are reported and removed from the General Fund as part of the formal quarterly monitoring process and are included in the 1st Quarter monitoring report to this meeting and are summarised below and included in the MTFS, recommended to be used on-going to reduce the savings target by £422,770.

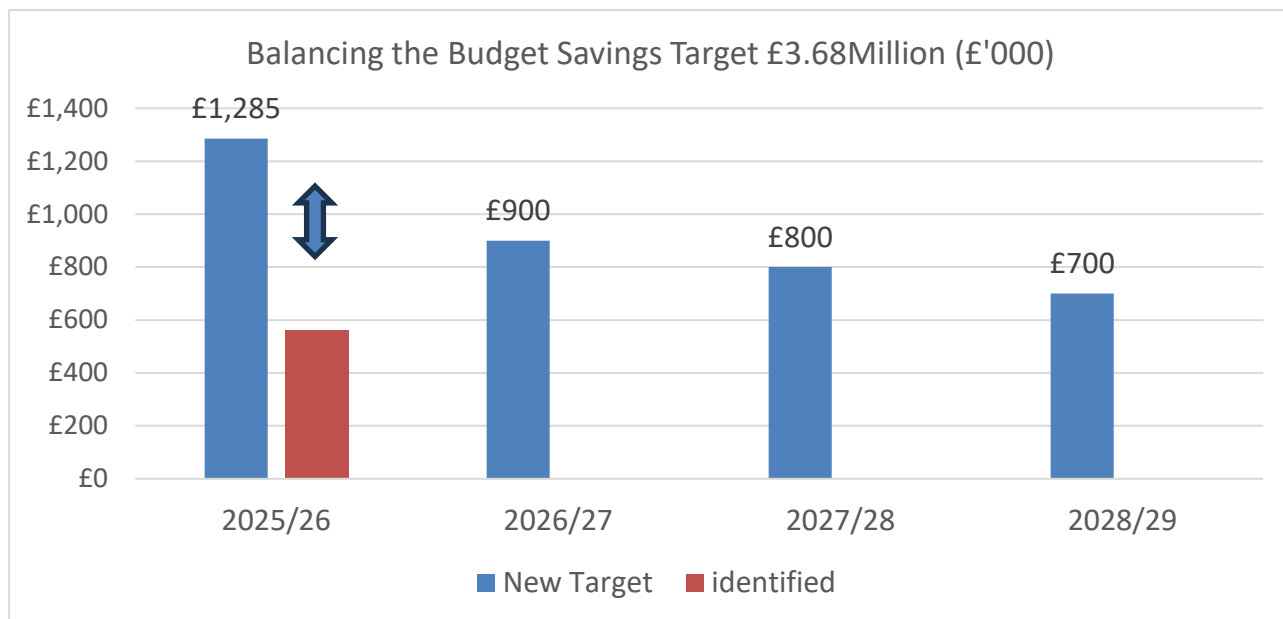
BALANCING THE BUDGETS EFFICIENCIES	£
SAVINGS	
Utilities - Leisure contract	342,780
Utilities - General Fund Share	152,230
Vehicles	12,660
Corporate Budgets	48,460
Postage	43,000
EV Chargers	20,000
Bank Charges	20,000
TOTAL SAVINGS	639,130
GROWTH	
Revenues & Benefits	152,840
Civica Contract (payment system)	26,120
Collection of Clinical Waste	17,400
Apprenticeship Levy	20,000
TOTAL GROWTH	216,360
NET SAVINGS	422,770

- 4.8.7 The last strand of the programme is to **prioritise services**. If a funding gap remains for the General Fund after efficiencies, Transformation and commercial, then the final lever is to reduce the level of service provision, after giving due regard to the Council's stated priorities. In 2022/23 and 2023/24 the Council had to reduce discretionary spend and ceased both the Community Transport and Play services. The financial environment Councils operate in has become difficult exacerbated by COVID and cost of living crisis. Utility inflationary pressures seem to be easing, with costs projected below budget but the pay award has still to be agreed and the MTFS is estimating lower inflation as set out in section 4.2 and still requires a significant savings target annually.
- 4.8.8 The CFO does not consider it prudent to set an undefined savings target for any of the Balancing the Budget workstreams, as any interventions need to be identified, scoped, discussed with and ultimately agreed by Members. Furthermore, setting an undefined target would compound risks to the budget and the Council's financial resilience.

4.9 Balancing the Budget Target

- 4.9.1 The General Fund MTFS has had to set an annual Balancing the Budget savings target due to the level of aforementioned funding reductions and increased financial pressures as set out in this and previous reports. The previous funding gap target for 2024/25-2026/27 was £3.2Million.
- 4.9.2 In setting the savings target, consideration needs to be given as to whether the target sum is achievable in any given year versus setting an amount which delivers no draw on balances. This should be done whilst at the same time, ensuring the Council is still able to deliver on its priorities and that a budget can be set with a prudent level of balances. Even with the savings targets set out below there is still a General Fund draw on balances until 2028/29.

4.9.3 The projected budget gap for 2025/26 net of the savings identified to date (para. 4.8.5-4.8.6) is currently £722K. For the following three years beyond 2025/26 there is a further £2.4Million to be found as set out below. The next three year's target 2025/26-2027/28 is £2.985Million which the CFO recommends is identified.



4.9.4 The Council's Senior Leadership Team will be holding 'Star Chamber' sessions in September to identify further options to meet the gap currently identified for 2025/26 and the following two years. Members will have an opportunity to consider the BTB options at the November 2024 Cabinet meeting.

4.9.5 This planned approach to looking beyond the next year in conjunction with the BTB work streams will enable the Council to achieve a level of savings whilst continuing to deliver on priorities. However, this is subject to inflationary pay and contract pressures remaining around the 2% threshold, no further erosion of government funding and those savings being identified.

4.9.6 This level of savings target will be challenging to meet and will undoubtedly necessitate the Council taking a blended approach, potentially requiring options to be presented from all four strands of the Balancing the Budget work stream. There are a number of opportunities that could contribute to future years savings targets which are currently not included in the MTFS including;

- An increase in 2025/16 council tax by 1% (MTFS 1.99%) would deliver a further £70K (see also para. 4.6.10)
- An increase in a multi-year funding settlement above that included in the MTFS (see also para.4.7.1), however a one year settlement would not give any certainty around future years and the CFO recommends that this would contribute to reducing balances rather than the BTB savings target as it cannot be guaranteed beyond one year.
- The financial impact of the new Aqua Park offer at Fairlands Valley beyond that assumed within the budget, which opened the summer of 2024
- Fees and Charges to be presented to the October 2024 Cabinet for consideration and approval.

- Building a new leisure centre by 2027 will generate a reduction in the cost of the management by an estimated £1Million. This will be included in the MTFS once the funding strategy for the leisure centre is finalised. This is because a proportion of the saving may be used to support the cost of borrowing.
- Extended Producer Pays (EPR), however this has already been delayed and it is not clear whether other funding reforms would offset the increase in income.
- Reduction in operational building costs with the building of the Council's multi-partner hub building in the town centre as part of SG1 regeneration programme.

4.9.7 The current MTFS principles require a contribution to balances by 2027/28 but the MTFS now predicts this to be 2028/29 which includes a requirement to find £3.68Million savings. Closing the gap by 2027/28 would mean a further £138K to be delivered by that year or in total £3.1Million by 2027/28. Due to the size of the existing target the following amendment is recommended to the principles.

No	MTFS principles
1	To ensure the financial resilience of the General Fund that any net funding gap is reduced by 2028/29.

4.10 General Fund Balances and Reserves in the MTFS

4.10.1 Council's General Fund reserves are classified as either general or as being held for a specific purpose. The General Fund or the Council's main reserve is designed to cushion the impact of unexpected events/emergencies and to help absorb the impact of uneven cash flows.

4.10.2 The Council's General Fund balances projected in the MTFS are summarised in the table below and requires the £3.68Million savings to be modelled in the MTFS. The projected lower inflation pressures for 2024/25 versus the September 2023 MTFS has meant that General Fund year end balances are estimated to be higher at circa £5Million.

General Fund balances	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Opening Balance	(£5,303)	(£5,565)	(£5,464)	(£5,397)	(£5,259)
In Year	(£262)	£101	£67	£138	(£75)
Closing Balance	(£5,565)	(£5,464)	(£5,397)	(£5,259)	(£5,334)

() equals surplus

4.10.3 Guidance issued by CIPFA emphasises this requirement, particularly in light of the responsibilities placed upon the S151 Officer on an annual basis (under the Local Government Act 2003), to report on the adequacy of proposed reserves when Council sets the council tax for the forthcoming year.

4.10.4 The Act includes a reserve power for government to lay down the minimum reserves local authorities must allow for when they set their budgets. It is therefore expected, that authorities will have regard to the CIPFA guidance when considering the adequacy of balances and allocated reserves.

4.10.5 Reserves can be held for three main purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
- A contingency to cushion the impact of unexpected events or emergencies; and
- A means of building up funds to meet known or predicted liabilities (this is often referred to as allocated reserves).

4.10.6 In order to assess the adequacy of unallocated general reserves when setting the budget, the CFO must take account of the strategic, operational and financial risks facing the authority.

4.10.7 In terms of determining the level of general balances, the CFO has based her advice on consideration of the factors included in the table below which projects a £3.45Million (2024/25 £3.53Million) minimum level. This assessment is indicative at the current time and will be further reviewed as part of the budget setting process and is lower than the projected level of balances in the MTFS.

General Fund balances Minimum Level Assessment	2025/26 £Million
Amount to cover a 1.5% overrun in gross expenditure	£1.02
Amount to cover a 1.5% overrun in gross income	£0.83
Amount to cover pay award above the budgeted amount	£0.40
Amount to cover higher prices with higher than forecast inflation	£0.50
Amount to cover fee and charges losses through price fluctuation	£0.30
Amount to cover risk to Balancing the Budget savings	£0.40
Total Estimated General Fund Reserves	£3.45

4.11 Allocated Reserves

4.11.1 The Council's Allocated revenue reserve projections are summarised in the table below. The reserves have been categorised as being allocated for a specific use or available to support the General Fund.

Reserves £'000	Closing 2023/24	Use	Closing 2024/25	Use	Closing 2025/26	Use	Closing 2026/27
NHB reserve	(£253)	£243	(£10)	£0	(£10)	£0	(£10)
Transformation Reserve	(£690)	£222	(£467)	£0	(£467)	£0	(£467)
Homeless reserve	(£390)	£150	(£240)	£0	(£240)	£0	(£240)
Planning Delivery	(£287)	£110	(£177)	£0	(£177)	£0	(£177)
Queensway monies	(£122)	(£93)	(£215)	(£143)	(£358)	(£193)	(£551)

Reserves £'000	Closing 2023/24	Use	Closing 2024/25	Use	Closing 2025/26	Use	Closing 2026/27
Regeneration Reserve	(£225)	£0	(£225)	£100	(£125)	£0	(£125)
Town square reserve	(£1,507)	(£183)	(£1,689)	£0	(£1,689)	£0	(£1,689)
Insurance reserve	(£72)	£10	(£62)	£0	(£62)	£0	(£62)
ICT reserve	(£190)	£95	(£96)	£0	(£96)	£0	(£96)
New Leisure	(£340)	£340	£0	£0	£0	£0	£0
Stevenage works	(£20)	£0	(£20)	£0	(£20)	£0	(£20)
Asylum seekers reserve	(£197)	£50	(£147)	£0	(£147)	£0	(£147)
Future Councils reserve	(£459)	£375	(£84)	£0	(£84)	£0	(£84)
Commercial Property repair reserve	(£41)	£0	(£41)	£0	(£41)	£0	(£41)
Ukraine reserve	(£20)		(£20)	£0	(£20)	£0	(£20)
Syrian refugees	(£185)		(£185)	£0	(£185)	£0	(£185)
Afghan	(£97)		(£97)	£0	(£97)	£0	(£97)
Domestic abuse reserve	(£196)		(£196)	£0	(£196)	£0	(£196)
Total Allocated for use	(£5,289)	£1,319	(£3,970)	(£43)	(£4,013)	(£193)	(£4,206)
Gains (NNDR)	(£2,711)	(£1,657)	(£4,368)	£1,370	(£2,998)	£102	(£2,897)
Income equalisation Reserve	(£758)	£0	(£758)	£200	(£558)	£200	(£358)
Total Available to support the GF	(£3,469)	(£1,657)	(£5,126)	£1,570	(£3,556)	£302	(£3,255)
Total allocated reserves	(£8,758)	(£338)	(£9,096)	£1,527	(£7,569)	£109	(£7,460)

4.11.2 There are balances of £3.256Million estimated at the end of 2026/27 that would be available to support the financial resilience of the General Fund if inflationary pressures continue to increase and if fees and charge are impacted such as recyclates and parking income. However, the total includes an assumption that 2024/25 NNDR gains will be realised and then transferred to the gains reserve of £985K.

4.11.3 Reserves are held for a number of specific reasons such as the Town Square reserve, or due to higher risk levels where funding levels cannot be guaranteed year on year. The MTFS does now assume a level of business rate gains of £200K per year, with any other annual gains retained in the NNDR reserve and released to support the General Fund resilience.

4.12 CFO commentary

4.12.1 The MTFS projects that 2025/26 general balances will be above minimum levels - based on the revised calculation in paragraph 4.10.8, with an additional £3.56Million of allocated financial resilience reserves. However, the General Fund faces a level of financial uncertainty including for the reasons set out below:

- There is still a draw on balances projected until 2028/29 and this relies on inflation levels reducing to circa 2% levels.
- There is a potential on-going risk to income streams from cost of living crisis and parking income has not recovered to pre-pandemic levels. An assumption has been modelled to use £200K of income guarantee reserves for 2025/26 and 2026/27 after such point a £200K parking income reduction has been assumed in the MTFS.

- there is a risk to higher inflationary pressures from utilities with an expected 10% increase in October 2024 in the price cap for domestic customers and contract prices for commodities such as software licences are trending much higher than CPI.
- The 2024/25 pay negotiations have not been settled and the MTF5 assumes a lower pay award in 2025/26 at 3% and 2% thereafter in line with assumed lower inflation pressures.
- There is uncertainty around future government funding and what the new governments public sector funding plans are, however even funding at 2024/25 levels requires significant savings.

4.12.2 It is critical that General Fund reserve resilience measures, such as the Locality Review receipts, meet the in-year target required and the Balancing the Budget targets are achieved as set out in the Strategy. This means that options, identified and presented to the November Executive, need to meet the target for 2025/26 onwards.

4.12.3 Growth should be limited to that which is necessary to deliver the Council's top priorities only, based on the ability to deliver the existing Corporate Plan commitments and should be met by increasing the savings target. The growth allowance for 2025/26 is modelled at £75,K, however £66K of this has been earmarked for the full year impact of the HVO fuel introduced on the 1 October 2024. There is a need to increase resources to enable the Council to meet its 2030 net zero pledge including maximising grant funding opportunities and the ongoing development of the strategy and implementation of the related action plan which will be necessary to meet the deadline and mitigate costs to both the General Fund and the HRA. It should be noted though that further support from the Government with regards to elements such as social housing decarbonisation will also be needed in order for that target to be met.

4.13 Approach to Consultation

4.13.1 Previously the Council has sought the views of residents and stakeholders through consultation, finding out their preferences for reducing services, increasing fees and charges and increasing Council Tax. The recent residents' survey results showed what priority the Council should make savings.

4.13.2 The 2021/22 Residents survey shows that resident's preferences are firstly to reduce costs through the provision of more on line services. Moving services on line was ranked the highest (out of five options in 2021 and 2017) with 41% of those responding to the survey indicating that this was their preferred option; this ranking has increased from 2017 and supports proposals being developed via the Transformation programme as a method to reduce costs and improve customer satisfaction / response times.

Please tell us your order of preference for each of the following options by ordering them 1 to 5	2021 rank	2017 rank	1st
Reduce time and money spent on paperwork by interacting with more residents and customers online	1	1	41%
Increase income from fees and chargeable services, to keep the council's element of Council Tax as low as possible	2	3	24%
Spend less by reducing or cutting the services that you tell us are not a priority	3	2	16%

Please tell us your order of preference for each of the following options by ordering them 1 to 5	2021 rank	2017 rank	1st
Make money by selling more of our services to residents and customers	4	5	9%
Increase our element of Council Tax (for example from 51p per day to 55p per day)	5	4	10%

4.13.3 In addition, the CFO is reviewing what additional consultation and engagement with residents could be developed concerning the 2025/26 Balancing the Budget options. These options will be discussed with Members and through the Member Led cross party group.

4.14 Decision Making Process

4.14.1 It is currently planned that the following approval process will be followed:

Date	Meeting	Report
Oct-24	Executive	2025/26 Fees and Charges
	Overview and Scrutiny	2025/26 Fees and Charges
Nov-24	Executive	Balancing the Budget Report with the savings proposals for the General Fund and HRA
	Overview and Scrutiny	Balancing the Budget Report with the savings proposals for the General Fund and HRA
Dec-24	Executive	Draft 2025/26 HRA budget and rent setting report
	Overview and Scrutiny	Draft 2025/26 HRA budget and rent setting report
Jan-25	Executive	Final 2025/26 HRA budget and rent setting report Draft 2025/26 General Fund budget, Council Tax and Council Tax Support
	Overview and Scrutiny	Draft 2025/26 General Fund budget, Council Tax and Council Tax Support
	Council	Final 2025/26 HRA budget and rent setting report
Feb-25	Executive	Final 2025/26 General Fund budget, Council Tax and Council Tax Support
	Overview and Scrutiny	Final 2025/26 General Fund budget, Council Tax and Council Tax Support
	Council	Final 2025/26 General Fund budget, Council Tax and Council Tax Support

4.14.2 Following the approval of the proposed options for 2025/26, the Council will have an obligation to begin consultation with staff and partners.

5. IMPLICATIONS

5.1. Financial Implications

- 5.1.1 The CFO view is set out within this report. There is still a draw on balances which increases the necessity to adhere to the spending and saving plans.
- 5.1.2 There may also be pressure on fees and charges targets as increases in fees or new commercial options may conflict with other business objectives and new ways of working following COVID and the cost of living crisis have diminished the ability to achieve previous levels of rents and charges.

5.2. Legal Implications

- 5.2.1 The objective of this report is to outline a MTFS and forecast for the next five years. There are no legal implications at this stage of the planning cycle, however, Members are reminded of their duty to set a balanced budget.
- 5.2.2 Balancing the Budget savings options considered will have due regard to any consultation carried out, if consultation is required.

5.3. Risk Implications

- 5.3.1 A review of the risks facing the General Fund budgets has been listed in the table below, not all the impacts are known at the present time. The current MTFS projections are based on prudent assumptions and include the CFO's best assessment of the financial risks. However, if any of these risks become a reality then the MTFS will need to be updated once the actual impacts are known.

Risk Area	Risk Mitigation	Likelihood	Impact
Anticipated savings options not achieved (Negative Risk) –agreed options do not deliver expected level of savings either on a one-off basis or On-going.	Regular monitoring and reporting takes place, but the size of the net budget reductions increases the risk into the future. Non achievement of options would require other options to be brought forward. General Fund reserves should be held to ensure that decisions to reduce net costs are taken in a considered manner. This may become more of a risk as options around commercialisation are explored.	Medium	Medium
Council Tax Support (CTS) (Negative Risk) – increased demand is under- estimated.	An increase in demand would impact on future years as the deficit in the collection fund would need to be repaid by the General Fund. However, the modelling in the MTFS leaves the higher level of CTS caseload	Medium	Medium
NEW Council Tax collection rates remain	The trend has been towards lower collection rates and this could	High	Medium

Risk Area	Risk Mitigation	Likelihood	Impact
lower and the taxbase is reduced	mean the amount included in the taxbase will need to increase for bad debt. The CFO is tracking trends across other Herts Councils and looking at measures to reduce arrears		
Localisation of Business Rates (Potential Negative) – A major employer leaves the town and impacts the business rate yield due to the Council	Negative: The safety net means a maximum loss in year of £190K which the council has included in an allocated reserve. On-going this would impact on the savings target and ultimately services.	Medium	Medium
Loss of Business Rates due to Companies going into administration	As above.	Medium	Medium
The NDR Check Challenge Appeal process impacts on the Council's baseline assessment and increases the level of successful appeals and reduces the yield (Negative risk)	Officers will be monitoring changes to the NDR system and will be talking to the Valuation office. However, since the system has been introduced. There are still appeals outstanding on the 2017 list and the revaluation for 2023 has seen an increase in business rates which inevitably will lead to an increase in appeals for the new list.	Medium	Medium
Impact of the Universal Credit (Negative Risk) – The grant given to the Council is cut before the Revenue and Benefits Partnership is able to reduce costs. The Welfare reform bill may impact on residents' ability to pay council bills.	A reduction in the amount of grant assumed within the MTFS would require compensating reductions in planned spending within services. UC rollout has increased in 2024/25 with 5% of the Housing Benefit caseload reducing between April and August 2024.	Medium	High
pay inflation pressures increase	General balances are risk assessed to ensure overall levels are maintained that can meet higher than expected inflation rates. The inflation projections include a 3.5% pay award for 2024/25 (was 3%) and 3% for 2025/26 based on lower inflation projections, however this remains a significant risk for an insourcing Council. However, it	Medium	High

Risk Area	Risk Mitigation	Likelihood	Impact
	reduces the risk to inflationary pressures on external contracts		
Utility inflation pressures increase	General balances are risk assessed to ensure overall levels are maintained that can meet higher than expected inflation rates. The 1 st Quarter monitoring report identifies a reducing in utilities, however the domestic price cap will be increasing by 10% October 2024. The inflation projections for 2025/26 are modelled at 5%. However this remains a risk for the Council.	Medium	High
Recession risk due to high inflation	General balances are risk assessed to ensure overall levels are maintained that meet an in-year short fall in income and higher costs. In addition the Council has an income equalisation reserve to mitigate against fluctuating income levels.	Medium	High
Impact of Future Welfare Reforms (Negative Risk) – There could be an increase in the need for the council’s services requiring additional resources to be put into those services	Regular monitoring and reporting and the council has a welfare reform group which monitors impacts.	Medium	Medium
All MTFS risks not adequately identified (Negative or Positive Risk) – Financial risks and their timing are not accurately judged leading to either a pressure or benefit to the MTFS.	Council’s risk management framework ensures operational and strategic risks are identified as part of the annual service and MTFS planning process.	Low	High
Impact of future years capital programme (Negative) There could be increased pressure from the capital programme on the General Fund.	There is a robust challenge process for capital bids. Officers will be required to confirm that resources are in place to deliver any approved spend. The Locality reviews should identify capital receipt opportunities.	Medium	High
The Council’s regeneration of SG1	The Council has already approved the use of ring fenced NDR gains	High	High

Risk Area	Risk Mitigation	Likelihood	Impact
increases the financial resources the Council must find.	for this purpose and the MTFS recommends this continues. The Council has identified NDR reserves to support the holding costs associated with the Swingate site in conjunction with Mace.		
Fees and Charges target may not be reached (negative risk)	Non achievement of the target may require other options to be brought forward, for future years. But the Council has an income equalisation reserve to meet in year losses and an assumption is also contained within the minimum level of balances to meet an in year loss.	High	High
Homeless Bed and Breakfast costs increase	The actual spend was £5K for 2023/24 with £21K spent up the 23 August 2024 which is within the £80K budget.	Medium	Medium
New Labour Government Funding model for Councils reducing more than the MTFS	The MTFS assumes no service grant or 3% guarantee funding for 2025/26 based on the previous governments funding envelope. In addition only a 1.99% council tax increase has been assumed.	Medium	Medium

5.4. Equalities and Diversity Implications

- 5.4.1 The Council has committed itself to providing high quality services that are relevant to the needs and responsive to the views of all sections of the local community, irrespective of their race, gender, disability, culture, religion, age, sexual orientation or marital status. The General Equality Duty (Section 149 of the Equality Act 2010) requires the Council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations in the exercise of its functions. The Equality Duty and the impact of decisions on people with protected characteristics must be considered by decision makers before making relevant decisions, including budget savings.
- 5.4.2 The process used to develop the Council's budget has been designed to ensure appropriate measures are in place to ensure the impact of decisions on the community is considered as part of the decision making process. It is officers' view that undertaking an Equalities Impact Assessment (EqIAs) on the strategy is not appropriate at this stage. EqIAs will be done on individual savings proposals (when relevant) at an early stage in the budget savings process to aid decision makers in their consideration of the Equality Duty. This work is being planned into the budget setting process.

5.5. Policy Implications

- 5.5.1 The approval of the revised budget framework includes a link for the Council's service planning requirements to ensure service priorities are identified. In addition, the budget

framework represents a development of a policy led budgeting approach across Council services and the overall Financial Strategy.

5.6 Staffing and Accommodation Implications

5.6.1 It will be evident that there are potentially staffing implications in this report. The associated matters will be discussed with the Trade Unions at the earliest opportunity.

5.7 Climate Change Implications

5.7.1 The Budget and Policy setting process has prioritised growth for climate change as part of the 2022/23, 2023/24 and 2024/25 budget setting process. However, there will be a need to provide more resource than is currently included in the budget to meet the 2030 deadline. The 2025/26 process should have due regard for climate change implications based on the Council's approved Climate Change Strategy.

BACKGROUND DOCUMENTS

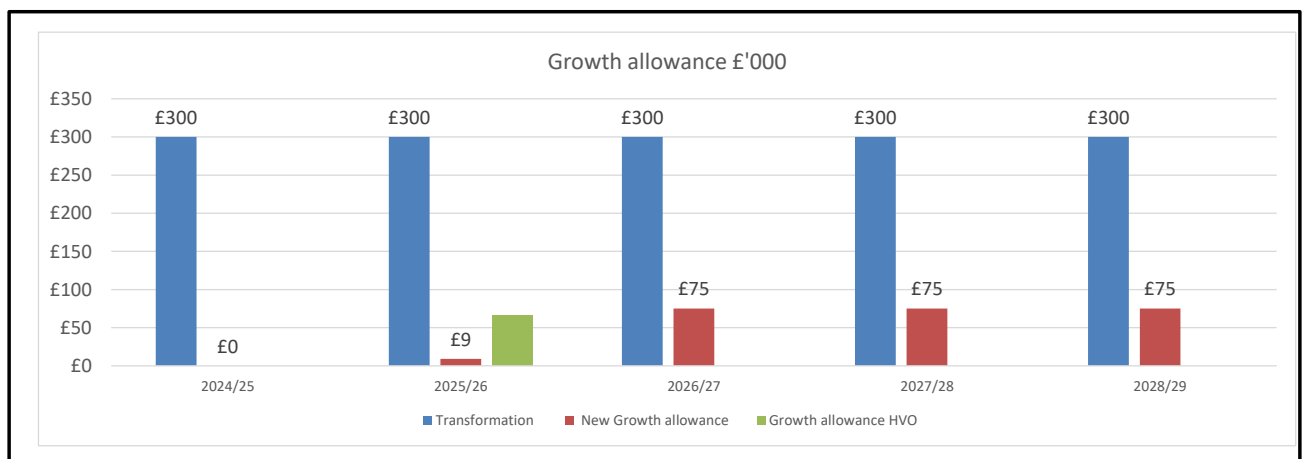
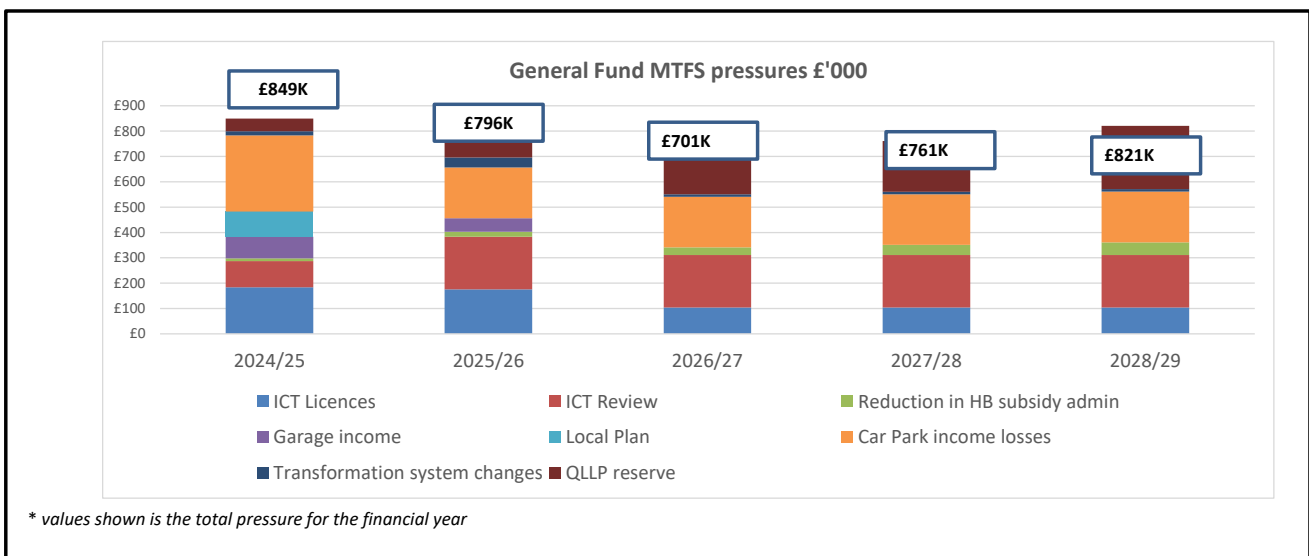
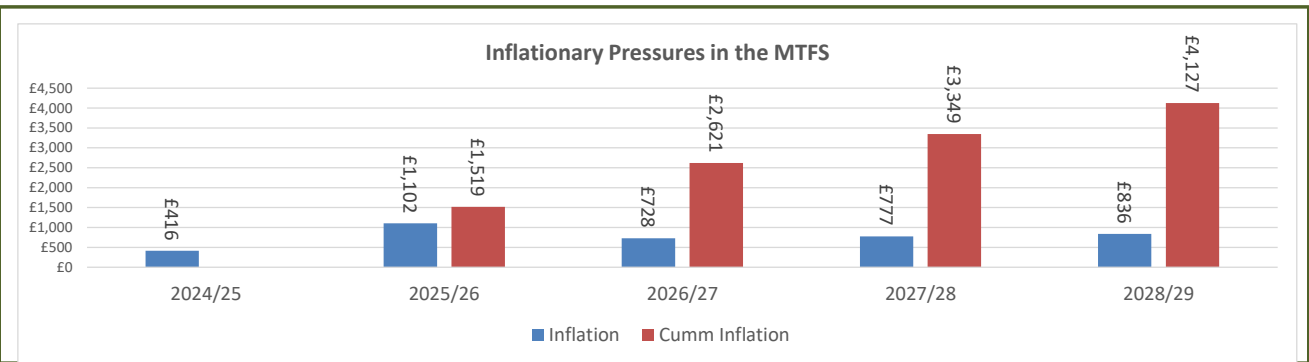
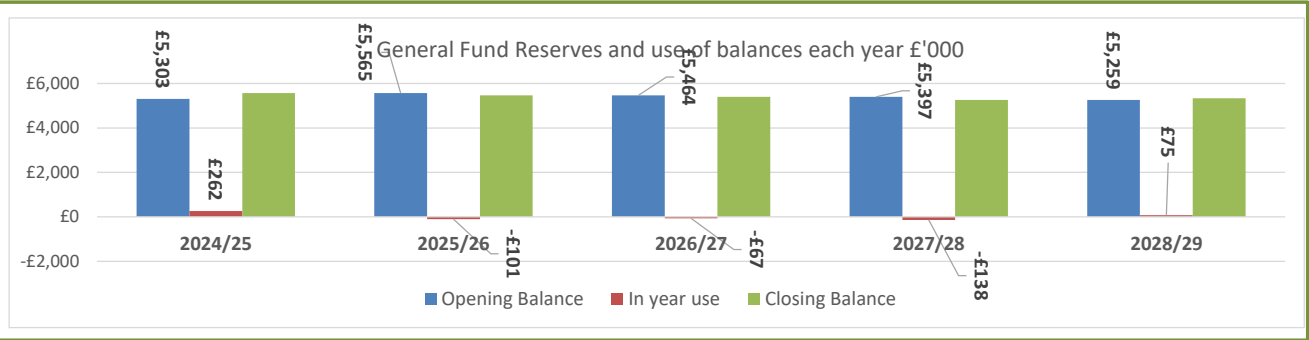
BD1 – 2023 September MTFS Strategy

APPENDICES

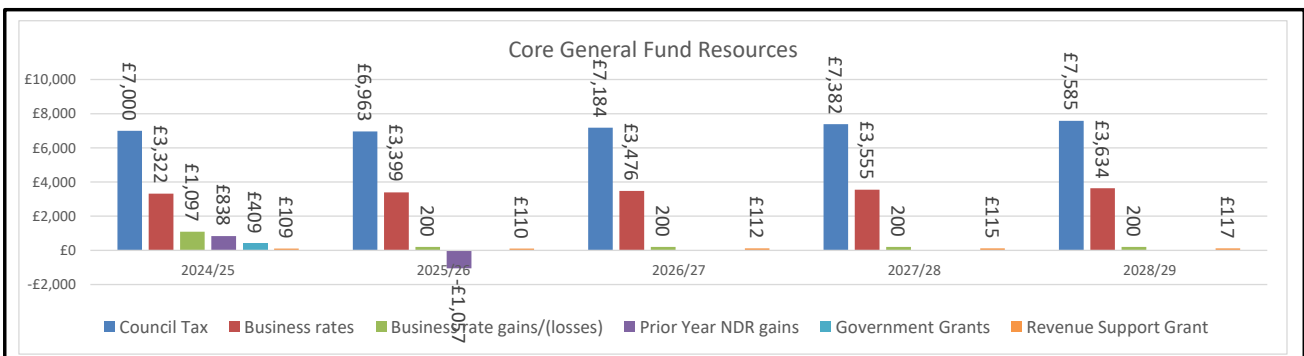
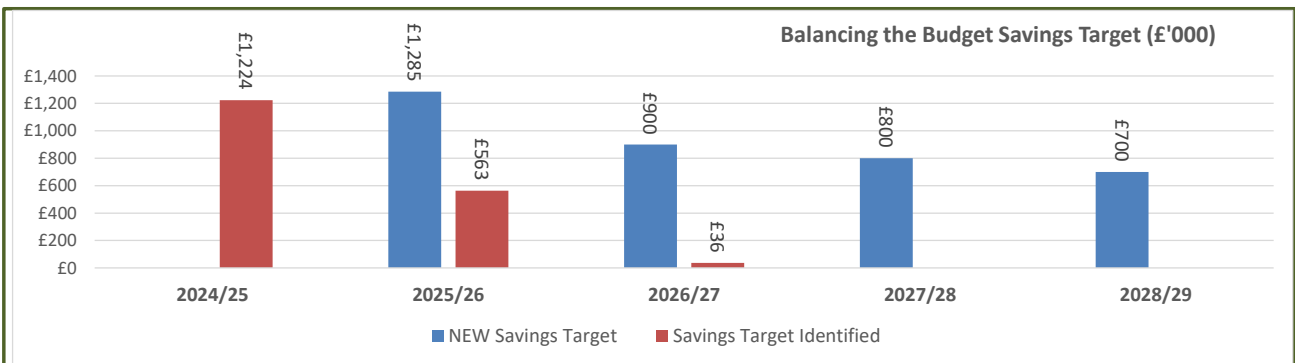
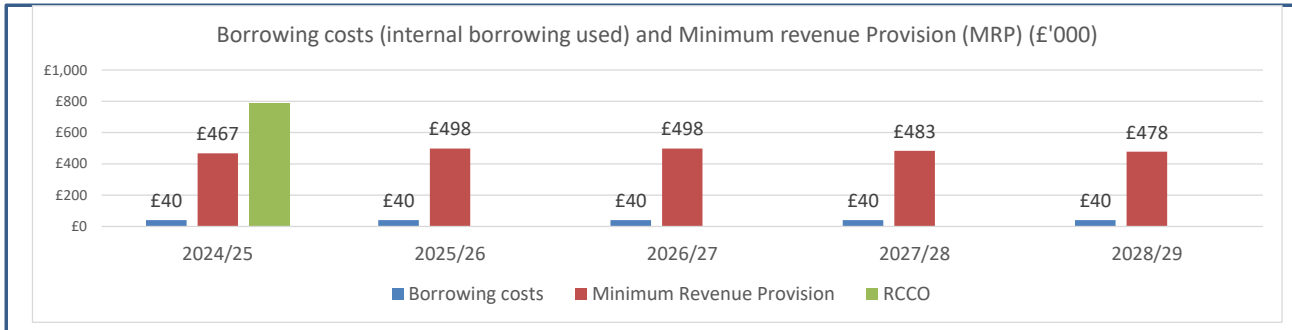
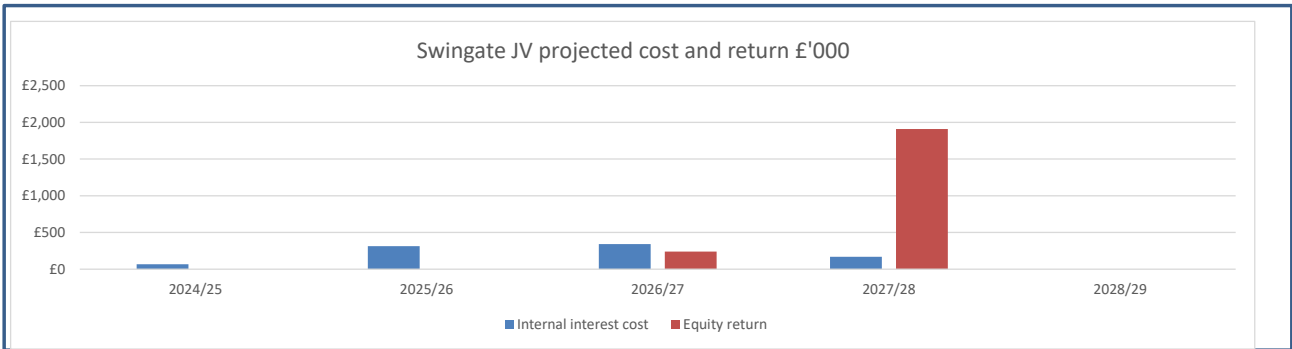
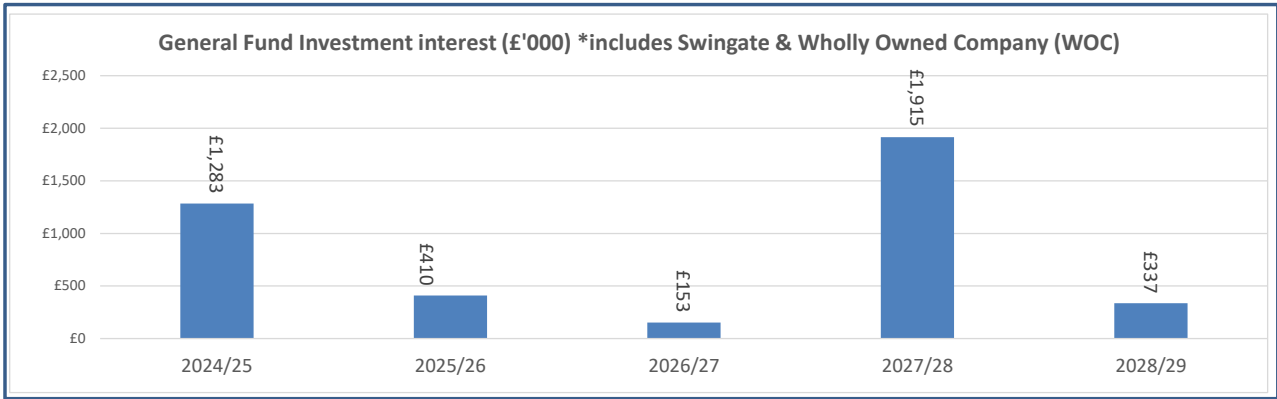
Appendix A MTFS

This page is intentionally left blank

APPENDIX A GENERAL FUND MTFS



APPENDIX A GENERAL FUND MTFS





Meeting: CABINET

Agenda Item:

Portfolio Area: Resources



Date: 18 September 2024

1ST QUARTER REVENUE AND CAPITAL MONITORING REPORT – GENERAL FUND AND HRA

KEY DECISION

Author – Veronika Mendy/Keith Reynoldson/Rhona Bellis Ext. 2943

Contributor – Brian Moldon, Finance team and budget Managers

Lead Officers – Brian Moldon Ext. 2933

Contact Officer – Brian Moldon Ext.2933

1. PURPOSE

- 1.1 To update Members on the projected General Fund (GF), Housing Revenue Account (HRA) and Capital 2024/25 net expenditure and seek approval to amend the General Fund, HRA and Capital budgets as part of the quarterly revenue monitoring review.
- 1.2 To update Members on the reserves and balances available to support revenue expenditure and seek approval for revisions to the allocated reserves.

2. RECOMMENDATIONS

General Fund

- 2.1 That the 2024/25 first quarter projected net decrease in General Fund expenditure of £617,420 be approved.
- 2.2 That Members note the cumulative changes made to the General Fund net budget remains within the £400,000 increase variation limit delegated to the Executive.
- 2.3 That Members note the proposed movement on reserves as detailed in paragraph 4.2.1

- 2.4 That Members approve the use of additional income from garages of £75,000 to fund responsive garage works within the Capital Garage Improvement Programme (paragraph 4.1.7).

Housing Revenue Account

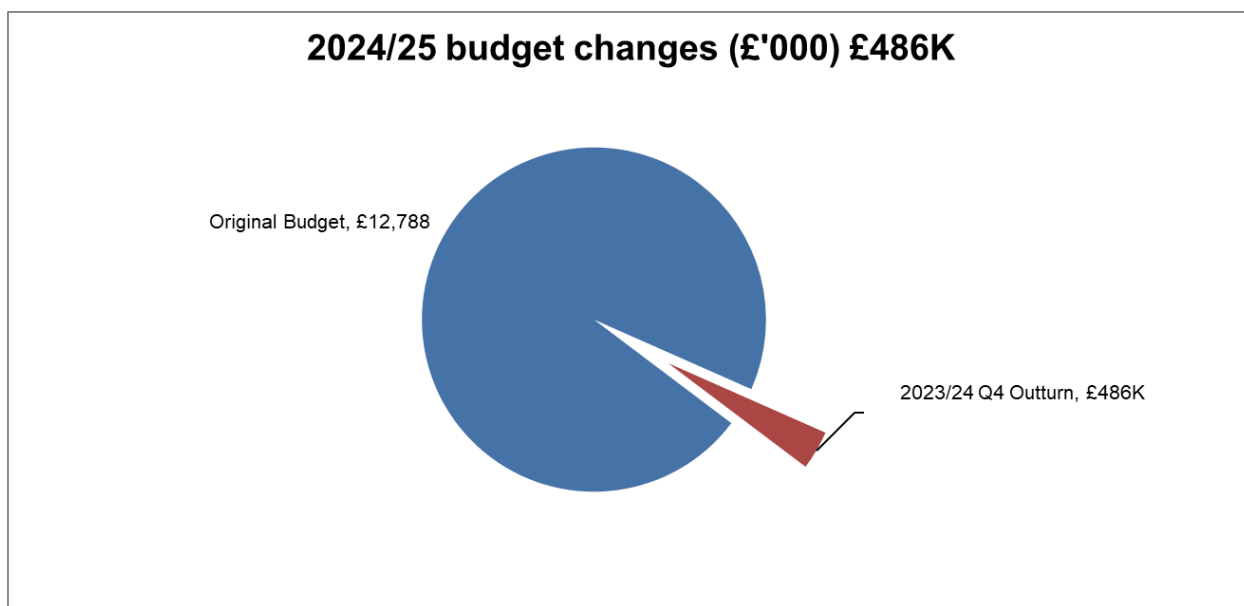
- 2.5 That the 2024/25 1st quarter net decrease in HRA expenditure of £619,620 be approved.
- 2.5 That Members note the cumulative increases made to the HRA net budget remain within the £400,000 variation limit, delegated to the Executive.

Capital Programme

- 2.6. That the General Fund capital budget re-phasing of £5.4Million from 2024/25 to future years be approved.
- 2.7. That the Housing Revenue Account capital budget re-phasing of £22.6Million from 2024/25 to future years be approved.
- 2.8. That the new grant funded budget for the pool cover of £36k be approved for inclusion to the General Fund capital budget in 2024/25, (paragraph 4.8.1).
- 2.9. That an additional £150K be approved to be added to the joint venture budget in 2025/26, (paragraph 4.9.1).
- 2.10. That the new capital budget for essential garage works £75K, funded from revenue contributions, be approved for adding to the General Fund capital budget in 2024/25, (paragraph 4.10.1).
- 2.11. That £20K be added to the Leisure Management capital budget in the General Fund in 2024/25, funded from revenue contributions (£20k) and that the associated virement of £49K from capital budgets within the service be approved, (paragraph 4.10.2).
- 2.12. That the General Fund capital budget virements in paragraph 4.12.1 be approved.
- 2.13. That the Q1 Prudential Indicators in **Appendix C** be noted.

3. BACKGROUND - GENERAL FUND

- 3.1. Since the General Fund net budget of £12,788,410 was approved at February Council, Members have approved net budget changes of £485,600 as detailed in the chart below:

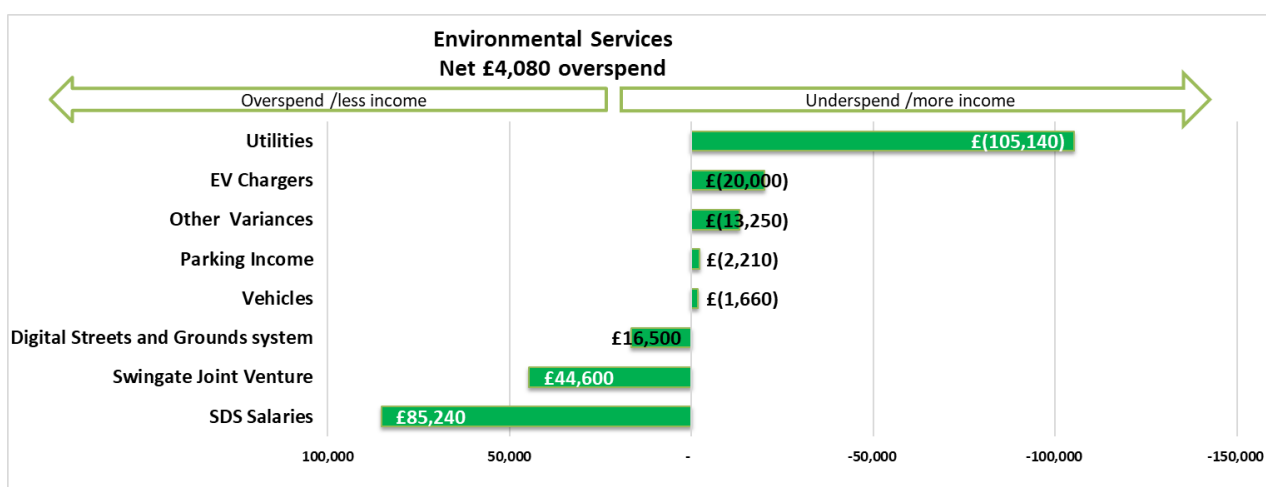


4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 General Fund – Budget Review

4.1.1 Following the first quarter review of the General Fund budgets officers have identified a projected reduction in the forecast budget for the year of £617,420. A significant part of these savings comes from lower utility costs from the leisure contract and Council owned buildings (see paragraphs 4.1.4 and 4.1.10). A detailed analysis is set out below by service area.

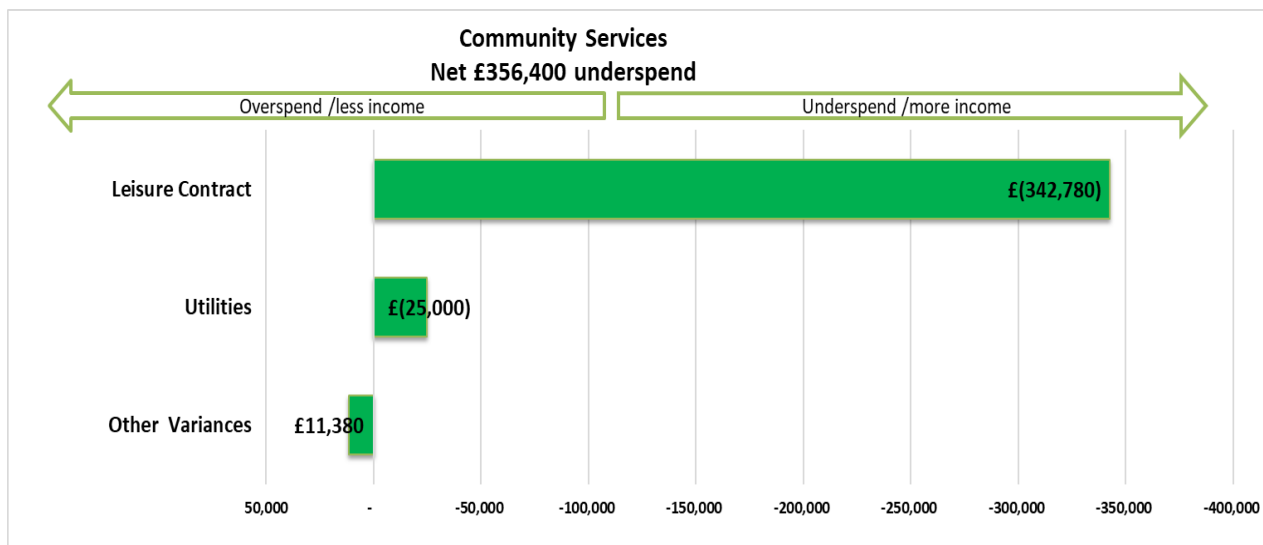
4.1.2 **Environmental Services** is forecasting an increase in expenditure or a decrease in income for 2024/25 of £4,080.



4.1.3 The analysis is detailed below:

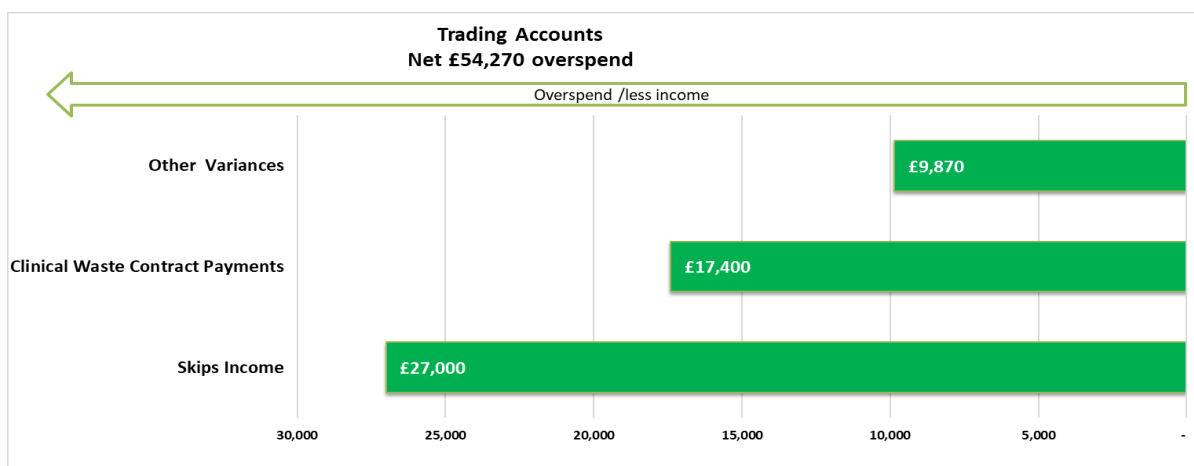
- **Utilities £105K** – information relating to utilities is summarised in paragraph 4.1.10.
- **EV Chargers £20K** – Since introducing EV charging points in the car parks, the Council earns income from their use. Based on the latest information, officers estimate an annual income of £20K, which is now considered an ongoing saving.
- **Other variances £13K** – a combination of small variances across the service.
- **Parking Income £2K** – Is still recovering from the impact of COVID and new working patterns. The budget includes £300K in support from the Medium-Term Financial Strategy for the current year. Off-street parking income is challenging and is projected to have a loss of £136K in-year. However, on-street parking has seen an increase in parking fines due to the deployment of additional traffic wardens. This increase has offset this loss, resulting in a surplus of £2K.
- **Vehicles £2K** – a review of the fuel budgets for the Council vehicles has identified an ongoing saving of £80K. However, this is offset by in-year pressure of £78K from vehicles parts. This increase in cost is due to parts becoming more expensive over the past few years because of inflation, which Council budgets has not been kept up with, and the need for replacement parts for older vehicles. The ongoing pressure is £67K.
- **Digital Streets and Grounds system £16K**– A business case has recently been approved to move from a paper based to a digital system for street cleansing and grounds maintenance, however additional upfront costs are required of £16K over that budgeted. This system will improve the coordination of work in these areas. The goal of the new digital system is to make the service more efficient, accommodate the demands from regeneration projects, and create capacity for commercial opportunities. There are associated projected savings which could be realised in 2026/27 onwards.
- **Swingate Joint Venture (JV) £44.6K**– continuing negotiations with Mace on the creation of a joint venture to start construction of phase 1 of SG1 development have meant further set up costs have been incurred. The JV will generate a return to the Council in 2027/28 on current projections.
- **SDS Salaries / Agency £85K**– The service is currently dealing with several vacancies within Refuse and Recycling, as well as Streets and Grounds teams. Additionally, there have been instances of sickness and annual leave during the quarter, necessitating the use of agency staff. Despite the teams working closely with HR to fill the vacancies and manage sickness, but the nature of work will always require some level of agency to cover for absences. Furthermore, the Grounds team has been significantly impacted by the seasonal grass regrowth, requiring extra workforce to handle the increased workload.

4.1.4 **Community Services** is forecasting a decrease in expenditure or an increase in income for 2024/25 of £356,400. The analysis is detailed below:



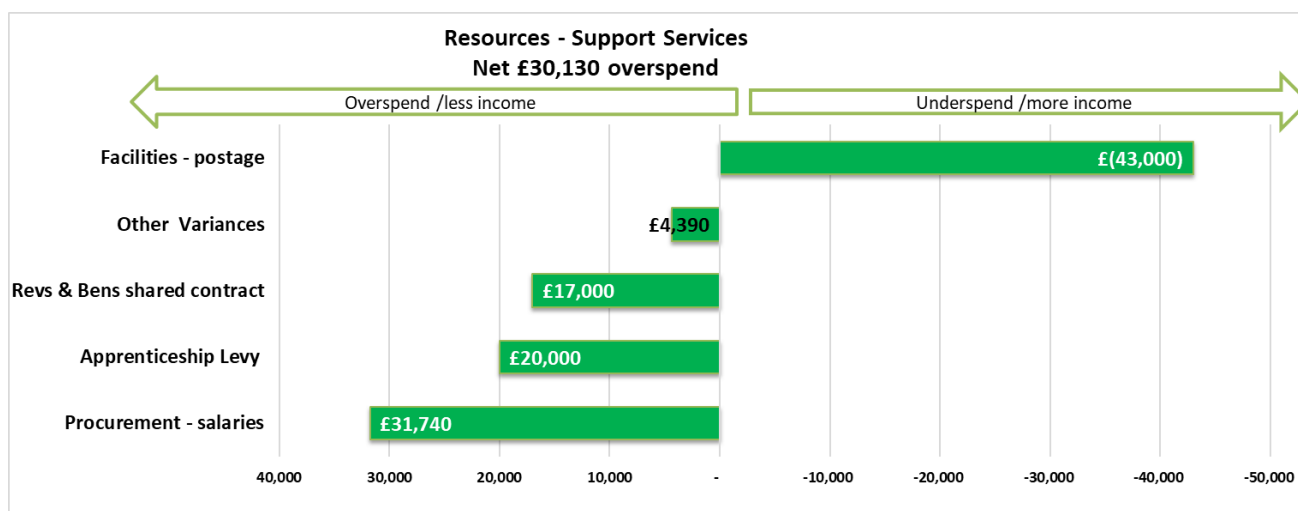
- Leisure Contract £343K** – When the Council entered into the new Leisure Contract, utility costs were high. The agreement stated that if utility price fluctuated beyond the first 5%, the Council would cover the excess costs, and conversely, would benefit from cost reductions if prices fell. Everyone Active (EA), which manages the Leisure Contract, renewed the utility contract in April. Due to the fall in prices over the last few months, the new contract has resulted in ongoing saving of £343K. There is a request to use £20K of saving to fund additional costs in relation to Leisure capital works as referenced in capital section 4.10.2.
- Utilities £25K** - information relating to utilities is summarised in paragraph 4.1.10.
- Other variances £11K** - a combination of small variances across the service.

4.1.5 **Stevenage Direct Trading Account** is forecasting an increase in expenditure or a decrease in income for 2024/25 of £54,270. The analysis is detailed below:



- **Other variances £10K** - a combination of small variances across the service.
- **Clinical Waste Contract Payments £17K** – The Council is statutorily required to provide clinical waste collection (sharps bins) for residents. This service is outsourced to an external company, which collects the materials from the transfer station and disposes of them accordingly. This is an ongoing pressure to cover the associated costs.
- **Skips Income £27K** – The Council’s skips service has been consistently utilised for internal jobs during the first quarter. However, it continues to struggle in the domestic and commercial markets, despite an extensive marketing plan and the introduction of pay-by-weight for commercial customers. A report on skips will be presented to the Commercial and Investment Working Group later this year to determine the future direction of this service.

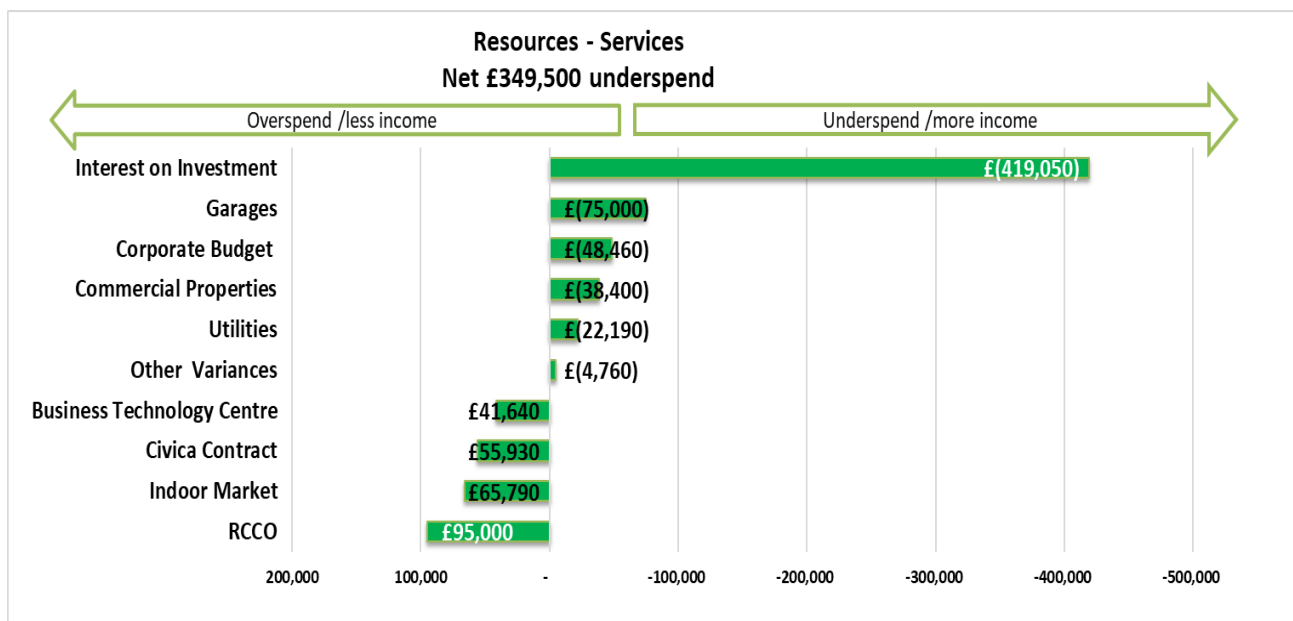
4.1.6 **Resources – Support Services** is forecasting an increase in expenditure or reduction in income for 2024/25 of £30,130. The analysis is detailed below:



- **Facilities – Postage £43K** – Since COVID, the Council shifted to more digital communication with our residents and customers. This change has significantly reduced the use of the franking machine, resulting in on-going saving of £43K.
- **Other variances £4K** - a combination of small variances across the service.
- **Revenues & Benefits Shared Contract £17K** – The most recent projection from the Shared service indicated an ongoing pressure of £153K against the original budget. However, for the current year, a pressure of £17K is forecasted due to vacancies. The 2025/226 ongoing pressure remains at £153K, as the vacancies are expected to be filled before the next financial year.

- **Apprenticeship Levy £20K** – The Council pays a 0.5% of its total salary costs as part of the apprenticeship levy scheme. This financial pressure is due to increased pay over the past few years, directly correlating with pay inflation.
- **Procurement Salaries £32K** – To ensure compliance with the new Procurement Act 2023, which comes into force in October 2024, a temporary staff member has been appointed to assist with implementing changes to the procurement process.

4.1.7 **Resources Services** is forecasting a reduction in expenditure or an increase in income for 2024/25 of £349,500. The analysis is detailed below:



- **Interest on Investment £419K** – Higher than budgeted projected balances and interest rate reductions being slower than estimated has meant an additional income of £291K for the General Fund. In addition, the revised timeline for the Courtlands site from the Wholly Owned Company (WOC) and projected JV for Swingate timeline has resulted in an additional interest from the former and lower internal borrowing in year for the latter.
- **Garages £75K** - Due to the Garage Improvement Programme and proactive marketing strategy, current income projections from the service are expected to exceed the budget target by £75K. Members are requested to approve the use of the additional income to fund responsive garage works within the capital Garages Improvement Programme, as referenced in section 4.1.12.
- **Corporate Budget £48K** – A review of all General Fund salary budgets identified savings of £48K based on the current staff in post.

- **Commercial Properties £38K** – Recent rent reviews have generated additional rental income for the Council on top of what was already increased from the Balancing the Budget options for 2024/25. Successful rentals of Play Centres, newly added to the commercial property portfolio, also contributed to the projected additional income.
- **Utilities £22K** – information relating to utilities is summarised in paragraph 4.1.10.
- **Other Variances £5K** – a combination of small variances across the service.
- **Business Technology Centre £42K** – The latest projection from the managing company suggests lower than budgeted income levels. There is an ongoing review of the budgeted target to assess achievable income levels which has seen an increase in utility and other costs.
- **Civica Contract £56K** – The Council is set to renew its cash management system in February 2025 using a framework agreement. There will be a one-off in-year cost of £56,930 for implementation and annual fees, following seven years without any inflationary increases. The ongoing cost pressure for 2025/26 will be £26,120.
- **Indoor Market £66K** – Continued pressures within the Indoor Market are due to several larger stallholders terminating their leases, increasing void rates to around 46% as of June 2024.
- **Revenue Contribution to Capital (RCCO) £95K** – information relating to RCCO is summarised in paragraph 4.1.11.

4.1.8 The cumulative changes made to the General Fund net budget as agreed at Council (July 2024) remains within the £400,000 increase variation limit delegated to the Cabinet.

Executive Delegation - General Fund	£'000
Original Net General Fund Budget	12,788
Approved Budget Changes at July Cabinet	486
Revised GF Budget agreed	13,274
Quarterly monitoring Q1	(617)
Updated GF Budget	12,657
Within Executive Delegated Limit	1,017

4.1.9 **Other Pressures – Pay Inflation.** The budgeted pay award was based on 3.5% increase. The employers offer of £1,290 per employee up to spinal point 43 and 2.5% for above. This would represent slight saving against 3.5% pay award budgeted for 2024/25 of £22K. This has been rejected by the unions.

4.1.10 **Utilities** – the utility contract pricing is determined on the 1 April each year and for the larger usage buildings such as Daneshill, Cavendish etc. on the 1 October annually. Since the budget was approved projected increases in utility prices have reduced and the forecast for the renewal at the 1 October is lower than budgeted and provides a forecast in-year saving. An update will come back in quarter 2 with latest forecast for the October rates including the recent Ofgem’s energy price cap from October.

Service Area	Utility Savings
Resources - Services	(22,190)
Community Services	(25,000)
Environmental Services	(105,040)
	(152,230)

Revenue Contribution to Capital (RCCO)

4.1.11 As set out in the above paragraphs there was an underspend to the working budget which has allowed for the following two budgets to be used to fund capital schemes as follows:

- **Garages £75K** new capital bid to fund works to existing garages to ensure the Council is maximising its income stream from garage lets. This can be funded from garage income that has exceeded budget in-year as reported in paragraph 4.1.7.
- **Leisure £20K** to fund the costs arising to the end of the last Leisure contract in relation to capital works. This is summarised in more detail under capital section 4.10.2.

4.2 Review of General Fund Balances

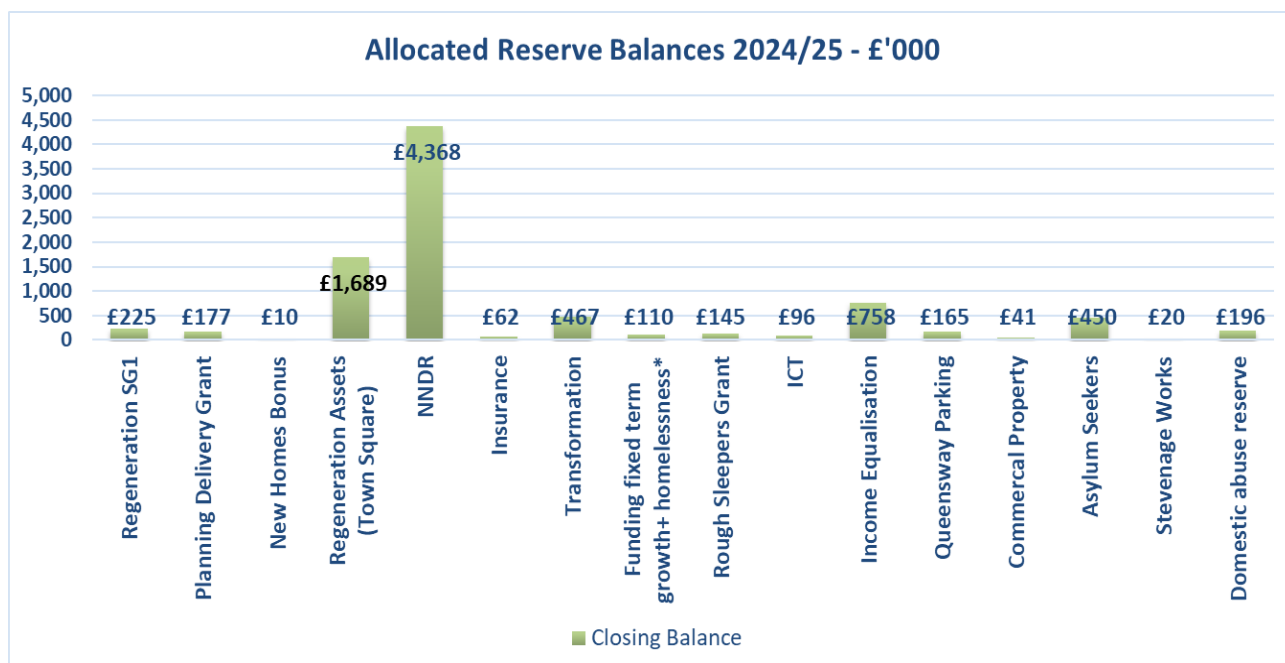
4.2.1 **Allocated Reserves** - these balances are ‘ring fenced’ and have been set aside for specific purposes. The estimated total value of (revenue) allocated reserves as at 31 March 2025 is **£9,045,960** (31 March 2024, £8,758,063). During quarter one, the following movement between reserves have been recommended.

Reserves	Q1 To Be Approved
Regeneration SG1	(100,000)
Town Square	(37,470)
NNDR Reserve	(123,492)
Transformation	(226,720)
ICT reserve	9,212
Total	(478,470)

*() represents movement to reserves

- **Regeneration SG1** – Transfer to reserves based on the latest phasing of expenditure for the year, reflecting the current work activity of the Regeneration team.
- **Town Square** – Transfer to reserves from the savings identified, based on the latest utility projections for the year.
- **NNDR Reserve** – Transfer to reserves based on the latest interest cost projections for the equity share in the Swingate Joint Venture.
- **Transformation** – forecast transfer to reserve for the year based on the latest transformation activity profile for 2024/25.
- **ICT reserve** transfer from reserves based on the latest projections for the year.

4.2.2 Below shows the current forecast closing balances on the allocated reserves after taking into account the above movement.



4.2.3 General Fund Balance – Following the 1st quarter review the General Fund balance as at the 31 March 2025 is now forecast to be £5,425,212.

General Fund Balances	£'000
Original Net General Fund Budget	12,788
Approved budget changes	486
Net Working budget approved to Date	13,274
1st Quarter Review	(617)
Total Net Expenditure post Q3 review	12,657
Less core resources at Budget Setting Report	(12,778)
Transfer (to)/from General Fund balances	(122)
General Fund balance 31/3/24	(5,303)
Transfer (to)/from General Fund balances	(122)
Projected General Fund balance 31/3/25	(5,425)
Allocated Revenue Reserves (Paragraph 4.2.1)	(9,046)
Total General Fund Revenue balances (estimated 31/3/25)	(14,471)

4.3 **Review of Savings** – As part of the 2024/25 budget setting, the Council agreed savings of £1.224Million. The table below represents the RAG rated delivery of those schemes.

Target	RAG		% of Target
1,223,880	Delivering	1,218,880	100%
	Delay in delivery	-	0%
	Not achieving	5,000	0%
1,223,880		1,223,880	

4.3.1 Successful delivery of schemes is projected based on the 1st Quarter expenditure position. A single scheme is not projected to meet its saving target of £5K from the reduction in car parking running costs. This is due to the unexpected costs incurred to cover the replacement of old equipment. It is expected to start making savings from 2025/26.

4.3.2 The following items below are Balancing the Budget options that have been included into the Medium-Term Financial Strategy report that is also on this agenda as part of the budget process for 2025/26. The net cost reductions identified in this report reduce the 'Balancing the Budget' savings required by £423K if approved as part of the MTFs report.

BALANCING THE BUDGETS 2025-26 OPTIONS	£
SAVINGS	
Utilities - Leisure (paragraph 4.1.4)	342,780
Utilities - GF (paragraph 4.1.10)	152,230
Vehicles (paragraph 4.1.3)	12,660
Corporate Budgets (paragraph 4.1.7)	48,460
Postage (paragraph 4.1.6)	43,000
EV Chargers (paragraph 4.1.2)	20,000
Bank Charges*	20,000
TOTAL SAVINGS	639,130
GROWTH	
Revenues & Benefits (paragraph 4.1.6)	152,840
Civica Contract (paragraph 4.1.7)	26,120
Collection of Clinical Waste (paragraph 4.1.5)	17,400
Apprenticeship Levy (paragraph 4.1.6)	20,000
TOTAL GROWTH	216,360
NET BTB OPTIONS	422,770

*Bank Charges – An external review was conducted to assess the current charges. This review identified opportunities for the Council to reduce costs while maintaining the same level of service, resulting in an ongoing saving of £20K starting in 2025/26

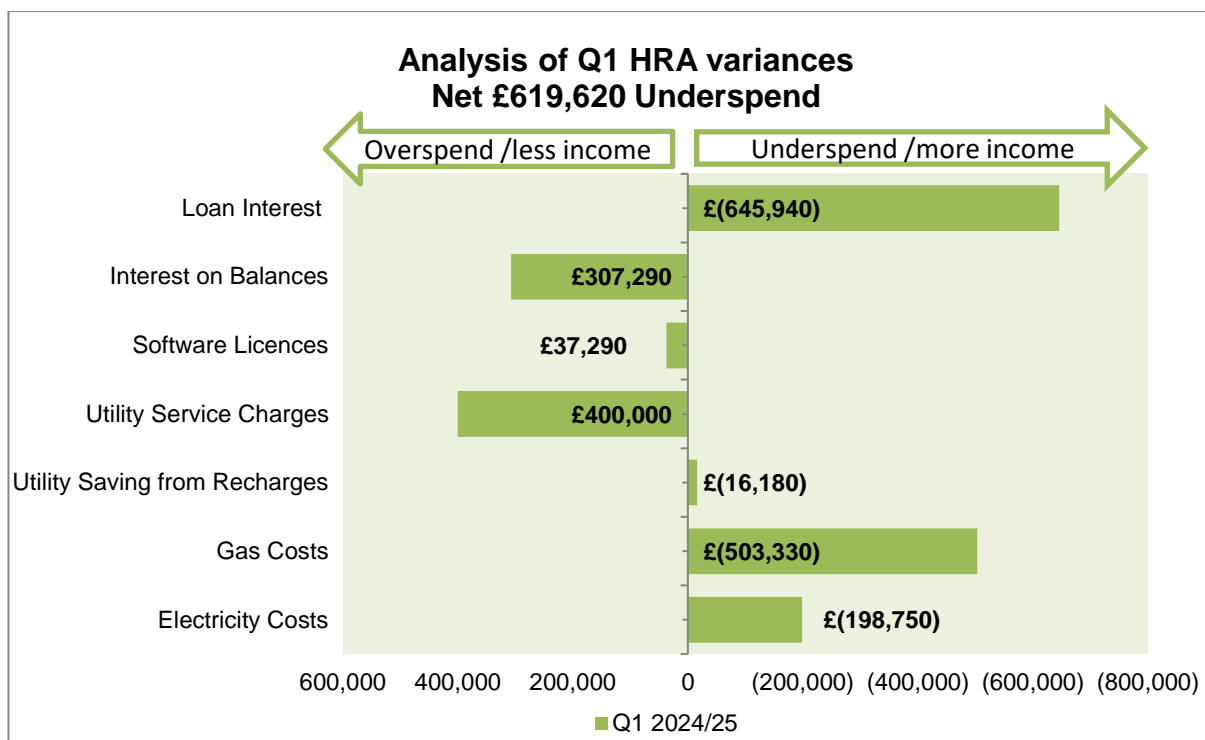
4.4 Housing Revenue Account

4.4.1 Since the Housing Revenue Account (HRA) net budget deficit of £261K was approved at Council in January 2024, Members have further approved net changes of £2.481Million shown in the following table.

HRA Working Budget	£'000
Original Budget 2024/25	261
23/24 Q4 Carry Forwards	47
23/24 Q4 New Budget Pressures for 24/25	2,434
Total Working Budget	2,743

4.5 Housing Revenue Account - Budget Review

4.5.1 Following the 1st quarter review of revenue budgets officers have identified and projected the following budget movements.



4.5.2 Loan Interest (£646K). Due to changes on the timing of taking loan finance for the HRA, there is a projected underspend on loan interest payments in 2024/25 of £846K. The unallocated saving target of £200K that was included in the budget has been offset against this to give a net saving in the HRA of £646K. This is not an ongoing saving and the future impact of loan finance will be modelled and reflected in the Medium Term Financial Strategy (MTFS) that will be presented to Cabinet in October. This will also reflect the ongoing savings targets required to balance the account. This area will continue to be monitored throughout the year and where conditions are favourable the timing may need to change again to secure the best interest rates for the Council. Any further changes will be reported in the following quarters.

4.5.3 Interest on Balances £307K. The latest projection for interest on balances, based on anticipated interest rates and level of reserves in the HRA, has seen a reduction of £307K for 2024/25. While interest rates are slightly higher than anticipated (paragraph 4.1.7), budget changes agreed as part of the Q4 report of £2.4M and other projections on the level of balances have resulted in a reduction in interest for the year.

4.5.4 Software Licence Fees £37K. as reported at paragraph 4.1.7, the Council is due to renew its current cash management system with Civica in February and this has resulted in an additional in year cost of £37K for the HRA's use of the system. Any ongoing increase in costs will be included in future budget proposals.

4.5.5 Net Utility Savings £318K. In paragraph 4.1.10 utility cost savings have been identified in the General Fund that are also reflected in the HRA. However, as some of the costs in the HRA are recovered through service charges to our customers this has also been adjusted. The changes are:

- Gas (£503K) – the original budget was reduced from 2023/24 to 2024/25, but latest estimates of contract prices indicate that a further significant reduction is likely. However, this will continue to be monitored for both usage and to reflect the new contract prices set to be agreed in October for the coming winter period.
- Electricity (£199K) – prices for electricity supply have also fallen since the original estimates were made and this has resulted in the £199K saving. As with the gas budgets this will need to be monitored over the year to reflect usage as well as price.
- Recharge Savings (£16K) – the HRA is also projected to have reduced recharges for office accommodation due to the overall reduction in utility costs and this has resulted in a £16K saving.
- Service Charge Reductions £400K – as some of the utility costs within the HRA relate directly to service charges, these have been reduced by £400K at Q1. This is an estimate at this time and will need to be monitored during the year to reflect actual charges, as they are incurred.

This area can be fairly volatile, with prices linked to international events and usage for gas linked to the severity of the winter. Therefore, further projections are likely to be incorporated in future reports.

4.6 Housing Revenue Account Balances

4.6.1 Following the 1st quarter review the HRA balance is now forecast to be £8.5Million. This is below the recommended level of balances agreed in the last business plan, as additional resources are now required to meet new regulatory requirements and increased repairs costs. These changes were agreed by Council as part of the outturn report for last year. The minimum balance on the HRA was increased in the last plan, as the potential for increased costs was anticipated and some of that additional reserve has been needed in the current year. Options to balance the account and bring balances back in line with the business plan will be brought forward as part of the MTFs review for next year's budget.

Housing Revenue Account Outturn Position	£'000
Working Budget – Cabinet 24th July 2024	2,743
1st Quarter Net Projected Underspend	(620)
Projected net Deficit post 1st Quarter review	2,123
HRA balance brought forward 1/4/24	(10,625)
Deficit in year	2,123
Projected HRA balance 31/3/2025	(8,502)
Remaining Cabinet Delegated Limit	1,020

4.6.2 The underspends at Q1, combined with the delegated cabinet limit of £400K, allow for a further £1.020Million adjustment to the HRA budget in future monitoring reports.

4.7. Capital Monitoring

4.7.1. The latest revised capital strategy (Q4) was approved by Cabinet on 24 July 2024. The 2024/25 approved budget for each fund was:

- General Fund £44Million
- Housing Revenue Account £60Million

4.7.2. The table below summarises the Capital programme 2024/25 and the proposed rephasing of capital budgets at Q1 into future years.

£000	2024/25				2025/26		2026/27	
	Actual & Committed Spend Q1	Capital Strategy Q4	Revised Strategy Q1	Variance Q4 v Q1	Re-phased Q1	Revised Strategy	Re-phased Q1	Revised Strategy Q1
Total GF Schemes	4,195	44,023	38,607	(5,415)	5,272	22,106	143	1,904
Total HRA Schemes	5,903	60,280	37,673	(22,607)	22,607	79,066	0	35,939
Total Capital Programme	10,098	104,303	76,280	(28,022)	27,879	101,172	143	37,843
<i>Re-phase detail:</i>								
Stevenage Direct Services				(310)	310		0	
Housing Development				(800)	800		0	
Regeneration				(4,280)	4,137		143	
Planning and Regulatory				(25)	25		0	
Total GF Re-phasing				(5,415)	5,272		143	
New Build (Housing Development)				(22,607)	22,607		0	
Total HRA Re-phasing				(28,022)	27,879		143	

Re-phasing

4.7.3. Re-phasing (re-profiling) of budgets are changes regarding the forecast timing of expenditure from the approved programme, between financial years, with no reported increase or decrease in budget requirement.

4.7.4. Forecasting spend during the year involves making assumptions about future events that may be out of the control of service managers e.g. Weather, thus re-phasing is a normal part of capital monitoring.

4.7.5. General Fund – re-phasing £5.4Million - the main items are explained below:

- Stevenage Direct Services £310K -
 - Roof on the residual waste bay Cavendish £150k - whilst works are ongoing to the support the structure, this project cannot commence. It is now anticipated that this is not likely to take place this year and the budget has been slipped to 2025/26.

- Delays to the new housing development for the west of Stevenage had resulted in the budget allocation for new receptacles (for the new rounds) being slipped now to 2025/26.
- Kenilworth £800K – Following residents moving into Brodie Court during August from Walpole Court, work has been delayed on the demolition of Walpole Court due to delays from statutory suppliers disconnecting utilities. Demolition of the existing block is now not likely to be completed until October 2024. This will impact the forecast spend for the year, as the new build construction cannot commence until demolition has concluded.
- Regeneration – Joint Venture (JV) (Mace) £4.3Million – the financial phasing is being agreed which has meant a re-profiling of when monies will be required as the Council equity stake in the JV. The current programme shows the equity of £9.3Million will be returned to the Council in 2027/28. Internal borrowing will be used to bridge the funding gap.

4.7.6. HRA – re-phasing £22.6Million – the main items are explained below:

- New Housing Development –
 - March Hare £1.1Million - Herts County Council acting as the Lead Local Flood Authority are experiencing capacity issues with their appointed contractor, therefore pre-commencement conditions at the scheme have yet to be discharged causing a delay to the Programme forecast spend. This should be resolved in the near future.
 - The Oval £2Million - The scheme has achieved a huge milestone in being granted both an outline and detailed planning consent for the phased delivery of a new mixed-use scheme. However due to the delay caused by national elections to the planning and committee cycles there is a postponement to carrying out preparatory works to commence on site and the projected spend. The balance of £2Million is, now being re-phased to 2025/26.
 - New Build Programme £19.5Million - The proposed successful bidder, has opted to withdraw, with mutual consent from the scheme due to a change in their ownership since initially tendering for the opportunity because the scheme no longer fits into their template portfolio of delivering low rise developments. Whilst work has begun to appoint an alternative contractor, the volume of spend anticipated to take place in 2024/25 has therefore been adjusted. The scheme has grant funding attached to it, and currently discussions with Homes England have been positive in terms of retaining the grant allocation and they have expressed confidence in both the scheme and the Council to engage a new development contractor.

4.7.7. The total Capital Programme, detailing all programmes with the relevant approval to spend, is detailed in Appendix A (GF) and B (HRA). It shows the revised budget position.

4.8. New Growth – Grant funded

- 4.8.1. Funding of £36K has been granted by Sports England to fund a pool cover at the leisure centre. Approval is requested to add this budget to the General Fund capital programme to allow the work to proceed. This equipment will enable utility cost reductions which will feed back to the council through the profit sharing arrangement the council has with the leisure contractor.

4.9. New Growth – Joint Venture

- 4.9.1. The capital cost budget for the joint venture with Mace at Swingate, has been revised as increased cost pressures over the period of negotiation have been included in the business plan modelling. As a result approval is requested for an additional £150,000 to be added to the budget in 2025/26, funded initially by internal borrowing in the short term and eventually funded by capital receipt from the joint venture profiled for 2028/29.

4.10. New Growth – Funded from Revenue Contributions

- 4.10.1. **Essential garage capital works £75K** – essential works have been identified by the service which fall outside the Garage Improvement Project and have no relevant capital budget. These costs have arisen in the past and been mitigated using other capital budgets, but there is no capacity to mitigate the pressure in-year. This report recommends the use of £75K of garage income to fund capital works in 2024/25.

- 4.10.2. **Leisure Capital Works £70K** - costs arising in relation to the end of the last leisure contract have exceeded budget by £70K, approval is requested to vire £50K from KC248 (the stock condition budget) and also to fund the remaining gap of £20K from leisure revenue savings in 2024/25.

4.11. Virement Approved for note

- 4.11.1. A virement was approved by the CFO to move £46k from the deferred works reserve to SLAC to cover the cost of replacing a lighting desk used during theatre productions. The replacement of the lighting desk became urgent due to failures in July. This work was undertaken when the theatre was closed in August. The balance remaining on the deferred works reserve after the virement is £446,510.

4.12. Virements for Approval

- 4.12.1. **Thermal Image Cameras Cavendish (KE927) - £60,000**, the thermal camera project is a few years old and the original design required 4 cameras. The brief has now changed, with two additional cameras required to cover new vehicles (value - £30K each) and a battery store. The additional costs are £55k for the cameras plus the cabling for the entire job (previously not included in the budget). Approval is requested for the virement below to enable works to commence.

Original budget £80,000, budget requirement £140,000, additional pressure £60,000. To be funded from two budgets that are no longer required:

- KE559 Indoor Market guttering £20,000 and;
- KE536 MSCP Emergency Lighting £40,000

4.12.2. Domestic Recycling Collection Vehicles (KE598) - £172,548.

The working budget for the acquisition of domestic recycling collection vehicles was £734,996, however, due to the current prices of these vehicles (£907,544) following inflationary pressures, the budget now needs to increase by £172,548. The service has identified budgets that can be slipped, plus savings to mitigate this pressure as below. An Officer Key Decision was approved by Strategic Director in August after consultation with the Portfolio Holder and Chair of Overview & Scrutiny to proceed with the purchase of the four refuse and recycling freighters. The balance that cannot be identified from within the service is vired from the deferred works reserve. This will leave that reserve with £427K.

- KE423 Vehicle Replacement KE008 ACU £12,000, existing vehicle life to be extended, although a replacement will be needed within the next two years;
- KE512 Vehicle Replacement LK08 PVT – £105,110, no longer certain that this vehicle is needed. If required a new growth bid will be submitted in the future;
- KE938 Mobile Elevated Work Platform £16,150, saving against budget on procurement;
- Additional capital receipts from vehicle sales £20,000;
- KR911 Deferred works reserve £19,288, balance of budget required.

4.13. Capital Financing

4.13.1. The table below sets out the change in the Capital Financing position since Q4, as a result of changes to the expenditure phasing and virements discussed above.

£000	2024/25				2025/26		2026/27	
	Actual & Committed Spend Q1	Capital Strategy Q4	Revised Strategy Q1	Variance Q4 v Q1	Re-phased Q1	Revised Strategy	Re-phased Q1	Revised Strategy Q1
Total Capital Programme	10,098	104,303	76,280	(28,022)	27,879	101,172	143	37,843
<i>Changes detail:</i>								
Short Term Borrowing				(5,360)	5,374		143	
Other				(55)	(102)		0	
Total GF Financing changes				(5,415)	5,272		143	
Borrowing				(12,275)	12,275		0	
Direct Revenue Financing				(1,944)	1,944		0	
Grants				(8,333)	8,333		0	
Other				(55)	55		0	
Total HRA Financing changes				(22,607)	22,607		0	
Total Capital Financing				(28,022)	27,879		143	

4.14. Capital Receipts Forecast

4.14.1. A key recommendation from the June 2020 MTFS COVID recovery report was that a pipeline of land disposals be identified from Locality Reviews to help maintain the resilience of General Fund balances. This strategy continues and along with other property sales and housing development receipts support the delivery of capital projects.

4.14.2. The tables below summaries the current capital receipts forecasts for the General Fund.

Locality Receipts £000	Previous Forecast	Revised Forecast/Actual	Variance
Year 2024/25 Forecast	1,248	866	(382)
Year 2025/26 Forecast	300	545	245
TOTAL	1,548	1,411	(137)
Other Capital Receipts £000	Previous Forecast	Revised Forecast/Actual	Variance
Year 2024/25 Forecast	5,694	6,944	1,250
Year 2025/26 Forecast	250	250	0
Year 2026/27 Forecast	12,390	12,390	0
TOTAL	18,334	19,584	1,250

4.14.3. Until sold, the value of land sales can fluctuate from the forecast as can be seen in the overall reduction in the forecast value of locality review sales above. This relates mainly to a parcel of land marketed recently which attracted lower than anticipated bids. The property will be remarketed, but for prudence the value has been lowered given that the original estimate may now be unachievable. Proposals for further garage sales will be reported to members separately. Other capital receipts includes those associated with housing development and regeneration.

5 IMPLICATIONS

5.1 Financial Implications

5.1.1 This report is financial in nature and consequently financial implications are included above. The impact of these changes for future years will be incorporated into the budget setting process.

5.2 Legal Implications

5.2.1 The objective of this report is to outline the projected General Fund net expenditure, HRA and Capital Strategy for 2024/25 and the impact on the General Fund and HRA balances. While there are no legal consequences at this stage Members are reminded of their duty to set a balanced budget.

5.3 Equalities and Diversity Implications

- 5.3.1 This report summarises external and internal factors that impact on approved budgets and recommends changes to those budgets in year. Budget changes identified for future years that could adversely impact on groups covered by statutory equality duties will be incorporated into the budget setting process which includes Equality Impact Assessments (EqIA). None of the budget changes reported will change any existing equalities and diversity policies.
- 5.3.2 The service department has been asked to look at the equalities and diversity implications in the increase in void re-let times and any potential impact on protected groups.

5.4 Risk Implications

- 5.4.1 A risk based assessment of balances is undertaken and reported to Council as part of the General Fund Budget setting process. Both the General Fund and HRA balances are projected to be above minimum levels.
- 5.4.2 Inflationary pressures continue to be a financial risk to both the HRA and General Fund, in the form of higher borrowing, wages and material costs, these risks will be continued to be reviewed as part of the budget monitoring and setting process.

5.5 Policy Implications

- 5.5.1 The budget framework represents a development of a policy led budgeting approach across Council services and the overall Medium Term Financial Strategy.

5.6 Climate Change Implications

- 5.6.1 The Budget and Policy setting process prioritised growth for climate change. The process should have due regard for climate change implications based on the Council's Climate Change Strategy. There are no direct climate change implications from the budget changes in this report.

6. BACKGROUND PAPERS

BD1 – Housing Revenue Account Rent Setting Report (Council 24 January 2024)

BD2 – Council Tax Setting Report 2024/25 and Final Capital Strategy 2023/24-2028/29 (Council 21 February 2024)

BD3 – 4th Quarter Monitoring Report General Fund, Housing Revenue Account, Capital, and Group Companies 2023/24 (Executive 24 July 2024)

Appendices

- A - General Fund Capital Strategy
- B - HRA Capital Strategy
- C - Q1 Performance Indicators

This page is intentionally left blank

APPENDIX A - GENERAL FUND CAPITAL STRATEGY



Cost Centre	Scheme	2024/25				2025/2026			2026/2027			2028/29
		Q4 Working Budget	Actuals (incl. commitments)	Q1 Revised Budget	Variance Q4 v Q1	Q4 Working Budget	Q1 Revised Budget	Variance Q4 v Q1	Q4 Working Budget	Q1 Revised Budget	Variance Q4 v Q1	Q1 Revised Budget
		£	£	£	£	£	£	£	£	£	£	£
	General Fund - Schemes											
	Stevenage Direct Services	5,792,179	1,486,107	5,546,713	(211,017)	169,000	479,000	310,000	0	0	0	0
	Housing Development	5,837,837	(99,138)	5,037,837	(800,000)	5,753,900	6,553,900	800,000	424,498	424,498	0	0
	Finance and Estates	2,527,794	323,051	2,502,244	(60,000)	0	0	0	0	0	0	0
	Digital & Transformation	378,822	164,752	378,822	0	0	0	0	0	0	0	0
	Regeneration	27,094,238	1,487,123	22,813,390	(4,280,848)	10,901,851	15,039,290	4,137,439	1,335,670	1,479,079	143,409	0
	Communities and Neighbourhoods	952,536	296,177	998,629	46,093	10,000	10,000	0	0	0	0	0
	Planning and Regulatory	946,707	531,002	922,333	(24,374)	0	24,375	24,375	0	0	0	0
	Deferred Works Reserve	492,510	0	407,222	(85,288)	0	0	0	0	0	0	0
	Total Schemes	44,022,623	4,189,075	38,607,190	(5,415,433)	16,834,751	22,106,565	5,271,814	1,760,168	1,903,577	143,409	0

APPENDIX A - GENERAL FUND CAPITAL STRATEGY



Cost Centre	Scheme	2024/25				2025/2026			2026/2027			2028/29
		Q4 Working Budget	Actuals (incl. commitments)	Q1 Revised Budget	Variance Q4 v Q1	Q4 Working Budget	Q1 Revised Budget	Variance Q4 v Q1	Q4 Working Budget	Q1 Revised Budget	Variance Q4 v Q1	Q1 Revised Budget
		£	£	£	£	£	£	£	£	£	£	£
	Stevenage Direct Services				0							
	Parks & Open Spaces				0							
KC218	Hertford Road Play Area (S106 Funded)	25,000	0	25,000	0		0			0		0
KE494	Green Space Access Infrastructure	53,018	49,013	53,018	0					0		0
KE542	Flat block waste management infrastructure	18,730	0	18,730	0		0			0		0
KE911	Play Area Improvement Programme	480,330	455,000	480,330	0	75,000	75,000			0		0
KE916	Peartree skate park	40,000	0	40,000	0	50,000	50,000			0		0
KS263	Waste and Recycling System	18,546	0	0	(18,546)	0	0			0		0
KE520	Welfare improvements at out based hubs	10,000	0	10,000	0	0	0			0		0
KE543	Shrub bed programme	47,109	0	47,109	0	44,000	44,000			0		0
KG002	Garages	1,534,610	654,083	1,534,610	0	0	0			0		0
	Vehicles, Plant, Equipment				0							
KE497	Trade Waste Containers	20,000	0	20,000	0	0	0			0		0
Various	Vehicle/Plant replacement Programme - see Appendix 'A1 Vehicles'	1,360,886	198,055	1,240,174	(120,712)	0	160,000	160,000	0	0	0	0
KE423	Vehicle replacement for KE008ACU (Fiesta)	12,000	0	0	(12,000)					0		0
KE512	Vehicle replacement for LK08PVT Roll On/Off FAD CF85 41	105,110	0	0	(105,110)					0		0
KE598	Domestic Recycling Collection Vehicles (x3)	734,996	0	907,544	172,548					0		0
KE918	Cleaning machine for the town centre	24,000	0	24,000	0					0		0
KE934	Receptacles for new rounds etc	160,000	0	0	(160,000)		160,000	160,000		0		0
KE935	Westin Road ABS Pump	5,500	0	5,500	0					0		0
KE936	Vehicles	107,980	124,205	107,980	0					0		0
KE937	Trailer vehicle solar panels	16,300	0	16,300	0					0		0
KE938	Purchase of new MEWP (Mobile Elevated Work Platform)	90,000	73,850	73,850	(16,150)					0		0
KE942	Replace Water Bowers - TRK 16 and TRK25	15,000	0	15,000	0					0		0
KE943	Maxi Truck EL 4WD 48V 4WD articulated truck with a 1,00	40,000	0	40,000	0					0		0
KE945	Tomcat Industrial Scrubber Dryer	50,000	0	50,000	0					0		0
KE925	Repair closed church wall St Nicholas church	30,000	0	30,000	0		0			0		0
KE926	roof residual waste bay Cavendish Transfer Station	150,000	0	0	(150,000)		150,000	150,000		0		0
KE927	Thermal Image Cameras	80,000	114,898	140,000	60,000		0	0		0		0
KE928	Ph2 fire protection works Cavendish	350,000	0	350,000	0		0	0		0		0
KE929	Digital system fleet and workshop operation	20,000	0	38,546	18,546		0	0		0		0
KE930	Digital system streets and grounds services	56,000	0	56,000	0		0	0		0		0
KE931	Digital system play area inspections/managment	16,500	0	16,500	0		0	0		0		0
KE932	Digital book of remembrance	2,000	0	1,696	(305)		0	0		0		0
KE933	Asset Management system	10,000	0	10,000	0		0	0		0		0

APPENDIX A - GENERAL FUND CAPITAL STRATEGY



Cost Centre	Scheme	2024/25				2025/2026			2026/2027			2028/29
		Q4 Working Budget	Actuals (incl. commitments)	Q1 Revised Budget	Variance Q4 v Q1	Q4 Working Budget	Q1 Revised Budget	Variance Q4 v Q1	Q4 Working Budget	Q1 Revised Budget	Variance Q4 v Q1	Q1 Revised Budget
		£	£	£	£	£	£	£	£	£	£	£
	Vehicles, Plant, Equipment - cont.				0			0				
KE598	Food collection vehicles (x5)	850,000	0	850,000	0		0	0				0
KE599	Replace four refuse vehicles - VU66 NPY, VU66 NPZ, VU66	305,000	0	305,000	0		0	0				0
KE600	Replace Sweeper - LK20 EJO	65,000	0	65,000	0		0	0				0
KE601	Shovel Loader to replace - FN69 XSU	200,000	0	200,000	0		0	0				0
KE602	Stand on Mowers to replace AN100520 & AN100559	15,000	15,059	15,000	0		0	0				0
	Total Stevenage Direct Services	5,792,179	1,486,107	5,546,713	(211,017)	169,000	479,000	310,000	0	0	0	0
	Housing Development Scheme (Joint GF/HRA)				0			0				
KG032	Building Conversion New Homes	0	186	0	0			0				0
KG035	Kenilworth - Community Centre	648,680	0	648,680	0	574,900	574,900	0	0	0	0	0
KG036	Kenilworth - private sale (Malvern Close & Blocks A3&A6)	2,127,907	(99,138)	1,327,907	(800,000)	5,179,000	5,979,000	800,000	424,498	424,498	0	0
Various	Housing Development Schemes (Joint GF/HRA)	2,776,587	(99,138)	1,976,587	(800,000)	5,753,900	6,553,900	800,000	424,498	424,498	0	0
KG038	Marshgate Wholly Owned Housing Development Company (WOC)	3,061,250	0	3,061,250	0	0	0	0	0	0	0	0
	Total Housing Development (including grants to Register)	5,837,837	(99,138)	5,037,837	(800,000)	5,753,900	6,553,900	800,000	424,498	424,498	0	0
	Finance & Estates				0			0				
	Estates	0	0	0	0			0				
KE526	Cavendish Fire Protection works formerly know as Depots: Urgent and H&S Works	0	15,569	0	0	0	0	0	0	0	0	0
KE527	Depots: Planned Preventative Works (reroof)	258,951	159,999	257,240	(1,711)	0	0	0	0	0	0	0
KE529	Community Centres Urgent and H&S Works	3,970	0	3,970	0	0	0	0	0	0	0	0
KE536	Multi Storey Car Park - Installation of emergency lighting	247,737	2,200	207,737	(40,000)	0	0	0	0	0	0	0
KE554	Bedwell Neighbourhood centre canopy repairs	11,811	6,262	7,555	(4,256)	0	0	0	0	0	0	0
KE555	8-10 The glebe roof replacement	0	250	0	0	0	0	0	0	0	0	0
KE558	MSCP resurface worn stairwell floor	79,856	0	79,856	0	0	0	0	0	0	0	0
KE559	MSCP / Indoor Market guttering	30,000	0	10,000	(20,000)	0	0	0	0	0	0	0
KR150	Works to improve vacant premises prior to re-letting	16,162	19,477	19,476	3,314	0	0	0	0	0	0	0
KR151	Daneshill: Urgent and H&S Works	59,088	8,243	59,088	0	0	0	0	0	0	0	0
KR152	BTC 2019/20 Backlog H&S Works	27,930	0	27,930	0	0	0	0	0	0	0	0
KR153	BTC Urgent and H&S Works	65,780	0	65,780	0	0	0	0	0	0	0	0
KR154	BTC Planned Preventative Works	179,188	875	179,188	0	0	0	0	0	0	0	0
KR155	EPC Surveys	81,896	7,207	81,896	0	0	0	0	0	0	0	0
KR156	EPC remedials	209,710	0	209,710	0	0	0	0	0	0	0	0
KR157	Building condition and Insurance valuation Survey	18,937	20,466	16,240	(2,697)	0	0	0	0	0	0	0
KR162	Fairlands valley farmhouse roofing works	0	1,950	1,950	1,950	0	0	0	0	0	0	0
KR165	Cavendish Road reception access enhancement	0	610	612	612	0	0	0	0	0	0	0
KR166	Cavendish Road manhole covers	48,079	24,827	48,079	0	0	0	0	0	0	0	0
KR167	Cavendish Road penstock valve	49,886	0	49,886	0	0	0	0	0	0	0	0
KR169	MSCP replacement fuse boards	8,000	7,080	8,000	0	0	0	0	0	0	0	0

APPENDIX A - GENERAL FUND CAPITAL STRATEGY



Cost Centre	Scheme	2024/25				2025/2026			2026/2027			2028/29
		Q4 Working Budget	Actuals (incl. commitments)	Q1 Revised Budget	Variance Q4 v Q1	Q4 Working Budget	Q1 Revised Budget	Variance Q4 v Q1	Q4 Working Budget	Q1 Revised Budget	Variance Q4 v Q1	Q1 Revised Budget
		£	£	£	£	£	£	£	£	£	£	£
KR170	BTC Essential works - Replace / upgrade doors, Lighting and control upgrade and replacement of lift in the new block	195,000	0	195,000	0	0	0	0	0	0	0	0
KE921	Improvement works to Hampson Park depot	34,450	42,063	37,238	2,788	0	0	0	0	0	0	0

APPENDIX A - GENERAL FUND CAPITAL STRATEGY



Cost Centre	Scheme	2024/25				2025/2026			2026/2027			2028/29
		Q4 Working Budget	Actuals (incl. commitments)	Q1 Revised Budget	Variance Q4 v Q1	Q4 Working Budget	Q1 Revised Budget	Variance Q4 v Q1	Q4 Working Budget	Q1 Revised Budget	Variance Q4 v Q1	Q1 Revised Budget
		£	£	£	£	£	£	£	£	£	£	£
	Estates Cont.											
KR171	Burwell Road shops - Reroofing,	60,000	0	60,000	0			0				0
KR172	MSCP fire door replacement	35,000	0	35,000	0			0				0
KR173	Commercial - shop units roof works	125,000	0	125,000	0			0				0
KR174	Commercial properties - General repairs	100,000	0	100,000	0			0				0
KR175	cavendish - IT server room works	65,000	0	65,000	0			0				0
KR176	King George V Pavilion - Works to existing Fascia boards	20,000	0	20,000	0			0				0
KR177	Replace 1 FM Team vehicle	28,000	3,500	28,000	0			0				0
KR178	Cavendish - generator	90,000	0	90,000	0			0				0
KR916	Commercial Properties Refurbishment (MRC Programme)	359,671	0	359,671	0	0	0	0		0	0	0
KS278	New Management Software	53,143	2,475	53,143	0	0	0	0		0	0	0
	Total Estates	2,527,794	323,051	2,502,244	(60,000)	0	0	0	0	0	0	0
	Total Finance & Estates	2,527,794	323,051	2,502,244	(60,000)	0	0	0	0	0	0	0
	Corporate Projects, Customer Services & Technology				0			0				0
	IT General				0			0				0
KS268	Infrastructure Investment	273,605	163,542	273,605	0	0	0	0		0	0	0
KS318	Core ICT Equipment		1,210									
KS320	Telephony Hardware Refresh	22,500	0	22,500	0			0		0	0	0
KS321	VDI hosting Hardware Refresh	11,250	0	11,250	0			0		0	0	0
KS322	Hardware Replacment Program	78,660	0	78,660	0			0		0	0	0
KS323	Hardware Replacment Program (HRA Element)	(37,466)	0	(37,466)	0			0		0	0	0
	Total IT General	348,549	164,752	348,549	0	0	0	0	0	0	0	0
	Connected to Our Customer (CTOC)				0			0				0
KS274	New CRM Technology	30,273	0	30,273	0	0	0	0		0	0	0
	Total CTOC	30,273	0	30,273	0	0	0	0	0	0	0	0
	Total Corporate Projects, Customer Services & Technology	378,822	164,752	378,822	0	0	0	0	0	0	0	0

APPENDIX A - GENERAL FUND CAPITAL STRATEGY



Cost Centre	Scheme	2024/25				2025/2026			2026/2027			2028/29
		Q4 Working Budget	Actuals (incl. commitments)	Q1 Revised Budget	Variance Q4 v Q1	Q4 Working Budget	Q1 Revised Budget	Variance Q4 v Q1	Q4 Working Budget	Q1 Revised Budget	Variance Q4 v Q1	Q1 Revised Budget
		£	£	£	£	£	£	£	£	£	£	£
	Regeneration				0							
KE506	Public Sector Hub	1,309,738	128,067	1,309,738	0	0	0	0	0	0	0	0
KE585	Public Sector Hub Assembly		1,150									
KE539	Repay LEP Loan	1,000,000	0	1,000,000	0				0	0	0	0
KE947	SG1 Joint Venture	8,654,500	0	4,373,652	(4,280,848)	545,500	4,682,939	4,137,439		143,409	143,409	0
	Towns Fund:	0		0	0							
KE538	Towns Fund	0	50,500	0	0	0	0	0	(88,390)	(88,390)	0	0
KE560	Stevenage Enterprise Centre	4,000,000	40,955	4,000,000	0	0	0	0		0	0	0
KE561	Gunnels Wood Road Infrastructure	980,000	979,177	980,000	0	0	0	0		0	0	0
KE562	Station Gateway	500,000	0	500,000	0	0	0	0		0	0	0
KE563	Marshgate Biotech	0	21,785	0	0	206,351	206,351	0		0	0	0
KE564	Stevenage Innovation & Technology Centre (SITEC)	4,000,000	51,060	4,000,000	0	1,000,000	1,000,000	0		0	0	0
KE565	New Towns Heritage Centre	1,000,000	0	1,000,000	0	500,000	500,000	0	479,820	479,820	0	0
KE566	Stevenage Sports & Leisure Club	2,000,000	29,724	2,000,000	0	7,450,000	7,450,000	0	326,930	326,930	0	0
KE567	Cycling & Pedestrian Connectivity	1,200,000	178,429	1,200,000	0	1,200,000	1,200,000	0	113,320	113,320	0	0
KE568	Diversification of Retail & Garden Square	2,450,000	6,276	2,450,000	0	0	0	0	503,990	503,990	0	0
Various	Towns Fund	16,130,000	1,357,906	16,130,000	0	10,356,351	10,356,351	0	1,335,670	1,335,670	0	0
	Total Regeneration	27,094,238	1,487,123	22,813,390	(4,280,848)	10,901,851	15,039,290	4,137,439	1,335,670	1,479,079	143,409	0
	Community & Neighbourhoods				0							
KC202	Fairlands Valley Park - Aqua	3,571	0	3,571	0	0	0	0		0	0	0
KC232	SALC and the Swim Centre Urgent and H&S Works	11,992	68,845	57,992	46,000	0	0	0		0	0	0
KC231	SALC, Swim Centre, and Fairlands Valley Sailing Centre 2019/20 Backlog H&S Works	18,216	16,615	18,216	0	0	0	0		0	0	0
KC242	SLL Leisure management - end of contract capital provision	65,970	178,425	135,970	70,000	0	0	0		0	0	0
KC237	Fire stopping works at SALC	77,819	8,925	77,819	0	0	0	0		0	0	0
KC238	Lift replacement at SALC	41,599	5,750	41,599	0	0	0	0		0	0	0
KC240	Replacement Camera programme	40,000	0	40,000	0	10,000	10,000	0	0	0	0	0
KC052	Shephalbury Park	5,600	2,584	5,600	0	0	0	0	0	0	0	0
KC236	Ridlins Athletics	0	56	56	56	0	0	0	0	0	0	0
KE917	Ridlins Athletics Facility	5,916	11,009	15,916	10,000	0	0	0	0	0	0	0
KC243	New Leisure Contract	4	0	4	0	0	0	0	0	0	0	0
KC245	Equipment replacement at Fairlands Valley Sailing Centre	31,887	0	31,887	0	0	0	0	0	0	0	0
KC246	Aqua Park - Rubber crumb surface replacement	35,000	0	35,000	0	0	0	0	0	0	0	0
KC247	Lighting of clock tower - permanent install	65,000	0	65,000	0	0	0	0	0	0	0	0
KC248	Stock condition survey Leisure sites	149,963	0	80,000	(69,963)	0	0	0	0	0	0	0
KC250	Fire stopping at SALC	220,000	0	220,000	0	0	0	0	0	0	0	0
KC252	Lift procurement at SALC	160,000	0	160,000	0	0	0	0	0	0	0	0
KC253	Sailing Centre	10,000	0	10,000	0	0	0	0	0	0	0	0
KC254	Ridlins Stadium	10,000	0	0	(10,000)	0	0	0	0	0	0	0
KC903	Golf Course		3,968		0	0	0	0	0	0	0	0

APPENDIX A - GENERAL FUND CAPITAL STRATEGY



		2024/25				2025/2026			2026/2027			2028/29
Cost Centre	Scheme	Q4 Working Budget £	Actuals (incl. commitments) £	Q1 Revised Budget £	Variance Q4 v Q1 £	Q4 Working Budget £	Q1 Revised Budget £	Variance Q4 v Q1 £	Q4 Working Budget £	Q1 Revised Budget	Variance Q4 v Q1 £	Q1 Revised Budget £
	Total Community & Neighbourhoods	952,536	296,177	998,629	46,093 ⁰	10,000	10,000	0 ⁰	0	0	0	0

APPENDIX A - GENERAL FUND CAPITAL STRATEGY



Cost Centre	Scheme	2024/25				2025/2026			2026/2027			2028/29
		Q4 Working Budget	Actuals (incl. commitments)	Q1 Revised Budget	Variance Q4 v Q1	Q4 Working Budget	Q1 Revised Budget	Variance Q4 v Q1	Q4 Working Budget	Q1 Revised Budget	Variance Q4 v Q1	Q1 Revised Budget
		£	£	£	£	£	£	£	£	£	£	£
	Planning & Regulatory				0							
KC244	Community Climate Change Fund	117,578	7,979	93,204	(24,375)	0	24,375	24,375		0	0	0
KC916	Street Scene UKSPF	156,520	0	156,520	0	0	0	0		0	0	0
KC917	St Georges MSCP - conversion of store room and boiler room to office space	50,000	0	50,000	0	0	0	0		0	0	0
KE119	Off Street Car Parks (Multi Storey Car Parks)	521,000	499,910	521,000	0	0	0	0		0	0	0
KE201	Hard standings	34,338	5,157	34,338	0	0	0	0		0	0	0
KE217	Parking Restrictions	15,000	17,234	15,000	0	0	0	0		0	0	0
KE470	Electric Car Charging Points	30,102	0	30,102	0	0	0	0		0	0	0
KE530	Car Park Equipment - Digitalisation	0	723	0	0	0	0	0		0	0	0
KE531	Workplace Travel Plan	16,172	0	16,172	0	0	0	0		0	0	0
KE569	Cashless on street parking transition	5,998	0	5,998	0	0	0	0		0	0	0
	Total Planning & Regulatory	946,707	531,002	922,333	(24,374)	0	24,375	24,375	0	0	0	0
KR911	Deferred Works Reserve	492,510	0	407,222	(85,288)	0	0	0		0	0	0

APPENDIX B - HOUSING CAPITAL STRATEGY



Cost Centre	Scheme	2024/25				2025/26			2026/27	2027/2028	2028/2029
		Q4 Working Budget	Actuals (incl. commitments)	Q1 Revised Budget	Variance Q4 v Q1	Q4 Working Budget	Q1 Revised Budget	Variance Q4 v Q1	Q1 Revised Budget	Q1 Revised Budget	Q1 Revised Budget
		£	£	£	£	£	£	£	£	£	£
	SUMMARY										
	Capital Programme Excl New Build (Housing Investment)	26,952,135	4,303,840	26,916,063	(36,072)	25,092,000	25,092,000		22,939,000	24,254,000	25,868,000
	Special Projects & Equipment		36,073	36,073	36,073						
	New Build (Housing Development)	33,038,961	1,551,355	10,431,720	(22,607,241)	31,366,520	53,973,759	22,607,239	13,000,000	12,783,580	8,400,000
	Digital & Transformation	288,936	12,057	288,936	0						
	TOTAL HRA CAPITAL PROGRAMME	60,280,032	5,903,325	37,672,792	(22,607,240)	56,458,520	79,065,759	22,607,239	35,939,000	37,037,580	34,268,000

Cost Centre	Scheme	2024/25				2025/26			2026/27	2027/2028	2028/2029
		Q4 Working Budget	Actuals (incl. commitments)	Q1 Revised Budget	Variance Q4 v Q1	Q4 Working Budget	Q1 Revised Budget	Variance Q4 v Q1	Q1 Revised Budget	Q1 Revised Budget	Q1 Revised Budget
		£	£	£	£	£	£	£	£	£	£
	Planned Investment including Decent Homes										
Various	Decent Homes - Internal/External Works	3,704,857	1,031,466	3,704,857	0	8,650,000	8,650,000		9,800,000	10,700,000	10,700,000
KH308	Decent Homes Internal/External Works Contractor 1	2,175,114	452,251	2,175,114	(0)						
KH310	Decent Homes Internal/External Works Voids	(557,070)	560,147	(557,070)	0	450,000	450,000		450,000	450,000	450,000
KH157	Decent Homes - Redecs		9,382								
KH143	Decent Homes Internal/One off Heating Works	2,000,000		2,000,000		3,500,000	3,500,000		3,500,000	3,500,000	3,500,000
KH141	Decent Homes Electrical	86,813	9,687	86,813	0	150,000	150,000		150,000	500,000	500,000
KH142	Decent Homes Kitchens					1,900,000	1,900,000		3,000,000	3,000,000	3,000,000
Various	Decent Homes External Works	1,570,000		1,570,000		500,000	500,000		550,000	550,000	550,000
KH285	Window Replacement	1,500,000		1,500,000		2,000,000	2,000,000		2,000,000	2,500,000	2,500,000
KH298	Roofing	70,000		70,000		100,000	100,000		100,000	150,000	150,000
KH298	Insulation Measures					50,000	50,000		50,000	50,000	50,000
Various	Decent Homes - Roofing										
Various	Decent Homes - Flat Blocks	9,324,046	1,635,855	9,324,046	(0)	5,400,000	5,400,000		250,000	250,000	250,000
KH311	MRC Flat Blocks - Wates	4,500,000	1,135,346	4,500,000		500,000	500,000				
KH311	MRC Flat Blocks - Mulalley	5,000,000	404,144	5,000,000		4,700,000	4,700,000				
KH313	MRC Flat Blocks - Misc	(175,954)	90,752	(175,954)	(0)	200,000	200,000		250,000	250,000	250,000
KH300	MRC		5,614								
KH205	Communal Heating					100,000	100,000		100,000	100,000	100,000
KH321	High Rises - Improvement Works	2,471,529	61,153	2,471,529	0	1,750,000	1,750,000		1,750,000		
KH332	New Schemes to be created					947,000	947,000		2,993,000	5,158,000	6,772,000
	Health & Safety										
KH085	Fire Safety	1,779,157	79,848	1,779,157	0						
KH112	Asbestos Management	230,099	62,526	230,099	0	300,000	300,000		300,000	300,000	300,000
KH114	Subsidence	137,627	42,573	137,627	0	120,000	120,000		120,000	120,000	120,000
KH144	Contingent Major Repairs	552,089	183,068	552,089	0	500,000	500,000		500,000	500,000	500,000
KH327	Building safety	1,000,000		1,000,000		1,000,000	1,000,000		1,000,000	1,000,000	1,000,000
	Estate & Communal Area										
KH223	Asset Review - Challenging Assets	601,891	113,897	601,891	(0)	600,000	600,000		600,000	600,000	600,000

Cost Centre	Scheme	2024/25				2025/26			2026/27	2027/2028	2028/2029
		Q4 Working Budget	Actuals (incl. commitments)	Q1 Revised Budget	Variance Q4 v Q1	Q4 Working Budget	Q1 Revised Budget	Variance Q4 v Q1	Q1 Revised Budget	Q1 Revised Budget	Q1 Revised Budget
		£	£	£	£	£	£	£	£	£	£
	Other HRA Schemes										
KH318	Stock condition Surveys	96,589	36,658	96,589	(0)	125,000	125,000		125,000	125,000	125,000
KH174	Energy Efficiency Pilot Projects	200,000	15,434	200,000		200,000	200,000		200,000	200,000	200,000
KH319	Decarbonisation	4,175,169	905,592	4,175,169	0	3,800,000	3,800,000		3,800,000	3,800,000	3,800,000
KH094	Disabled Adaptations	1,094,202	135,772	1,094,202	(0)	1,100,000	1,100,000		1,100,000	1,100,000	1,100,000
KH330	CCTV	122,975		122,975	0						
KH016	New Business Plan expenditure	(108,094)		(144,167)	(36,073)	500,000	500,000		301,000	301,000	301,000
	TOTAL CAPITAL PROGRAMME EXCL. NEW BUILD	26,952,135	4,303,840	26,916,063	(36,072)	25,092,000	25,092,000		22,939,000	24,254,000	25,868,000
	SPECIAL PROJECTS & EQUIPMENT										
	HRA Equipment										
KH015	Capital Equipment (including Supported Housing Equip)		36,073	36,073	36,073						
	Sub Total Special Projects & Equipment		36,073	36,073	36,073						
	CAPITAL PROGRAMME NEW BUILD										
	New Build Programme - eligible for 1-4-1	5,828,841	1,229,240	4,614,964	(1,213,877)	21,666,520	24,773,759	3,107,239	13,000,000	12,783,580	8,400,000
	New Build Programme - ineligible	27,210,120	322,115	5,816,756	(21,393,364)	9,700,000	29,200,000	19,500,000			
KH233	Open Market Acquisitions (Social Rent)		927,633	767,463	767,463					891,790	
	Open Market Acquisitions (Afford. Rent)									891,790	
	Open Market Acquisitions (Ineligible 141)										
KH241	Ditchmore Lane 6 units (Ineligible 141)	1,991			(1,991)						
KH244	Twin Foxes		390								
KH245	March Hare in Burwell Road (15 Units)	2,214,479	(13,728)	1,107,240	(1,107,239)	500,000	1,607,239	1,107,239			
KH247	Kenilworth Close (105 units) (Ineligible 141)	846,485	(77,656)	846,485							
	Kenilworth Close 1 for 1 Expenditure (61.8%)	469,190		469,190							
KH280	Symonds Green		(51,891)								
KH279	Shephall Way	430	8,834	430							
KH282	North Road (Ineligible 141)		10,248	5,645	5,645						
KH303	Dunn Close (27 units, 21 main block SA)	1,715,967	440,866	1,715,967							
KH333	Brent Court Social Rent	21,961,579		1,666,749	(20,294,830)	9,700,000	29,200,000	19,500,000			



Cost Centre	Scheme	2024/25				2025/26			2026/27	2027/2028	2028/2029
		Q4 Working Budget	Actuals (incl. commitments)	Q1 Revised Budget	Variance Q4 v Q1	Q4 Working Budget	Q1 Revised Budget	Variance Q4 v Q1	Q1 Revised Budget	Q1 Revised Budget	Q1 Revised Budget
		£	£	£	£	£	£	£	£	£	£
	Schemes Under Development	5,828,841	306,658	3,852,552	(1,976,289)	21,166,520	23,166,520	2,000,000	13,000,000	11,000,000	8,400,000
KH307	The Oval (70 Units)	5,000,000	211,596	3,000,000	(2,000,000)	12,000,000	14,000,000	2,000,000	6,000,000		
KH301	Redcar Drive aka Cartref (Social Rent)	237,729	15,720	237,729		3,721,820	3,721,820				
	Redcar Drive aka Cartref (Affordable Rent)	375,000		375,000		3,721,820	3,721,820				
KH314	Ellis Avenue (Social Rent)	100,000	136	100,000		861,440	861,440				
	Ellis Avenue (Affordable Rent)	116,112		116,112		861,440	861,440				
KH334	Neighbourhood Centre Social Rent								3,500,000	5,500,000	
KH335	Neighbourhood Centre Afford.Rent								3,500,000	5,500,000	
KH304	Shephall Social		74,155	18,660	18,660						
KH072	L.S.S.O. Buy Back		5,051	5,051	5,051						
	TOTAL CAPITAL PROGRAMME NEW BUILD	33,038,961	1,551,355	10,431,720	(22,607,241)	31,366,520	53,973,759	22,607,239	13,000,000	12,783,580	8,400,000
	<u>INFORMATION TECHNOLOGY</u>										
	<u>IT General (IT)</u>										
KH268	Infrastructure Investment	97,299		97,299	0						
KH291	Tablets (144)		3,913								
KH315	Core Ict Equipment		849								
KH336	2024/25	20,000		20,000							
	Total General IT	117,299	4,762	117,299	0						
	<u>Connected To Our Customers (CTOC)</u>										
KH288	New CRM Technology (Digital Platform)	52,967	7,195	52,967	0						
	Total CTOC	52,967	7,195	52,967	0						
	<u>Housing All Under One Roof programme (HAUOR)</u>										
KH283	Housing Improvements - Northgate online	118,670	100	118,670							
	Total HAUOR	118,670	100	118,670							
	TOTAL ICT INCLUDING DIGITAL AGENDA	288,936	12,057	288,936	0						

Page 182

APPENDIX C-1: Prudential and Treasury Indicators for 2024-25 as of 30th June 2024

Treasury Indicators	HRA 2024/25 Budget £'000	HRA 2024/25 Q1 Forecast £'000	GF 2024/25 Budget £'000	GF 2024/25 Q1 Forecast £'000	Total 2024/25 Budget £'000	Total 2024/25 Q1 Forecast £'000
Authorised limit for external debt	292,060	265,301	99,704	29,032	391,764	294,333
Operational boundary for external debt	288,060	265,301	85,904	29,032	373,964	294,333
Gross external debt (excludes finance leases)	299,156	240,731	9,326	9,326	308,482	250,057
Investments					42,151	46,865
Net borrowing					266,331	203,192

Debt Maturity Structure	31.3.24 Actual £'000	31.6.24 Actual £'000
Within 1 Year	0	500
Over 1 not over 2 years	500	0
Over 2 not over 5 years	28,056	28,056
Over 5 not over 10 years	55,100	72,700
Over 10 not over 20 years	145,821	128,221
Over 20 not over 30 years	5,510	13,010
Over 30 years	0	0
Total PWLB Debt	234,987	242,487
LEP Loan:		
Within 1 Year	1000	1,000
Over 1 not over 2 years	0	0
Over 5 not over 10 years	6,570	6,570
Total LEP Loan	7,570	7,570
Total Debt	242,557	250,057

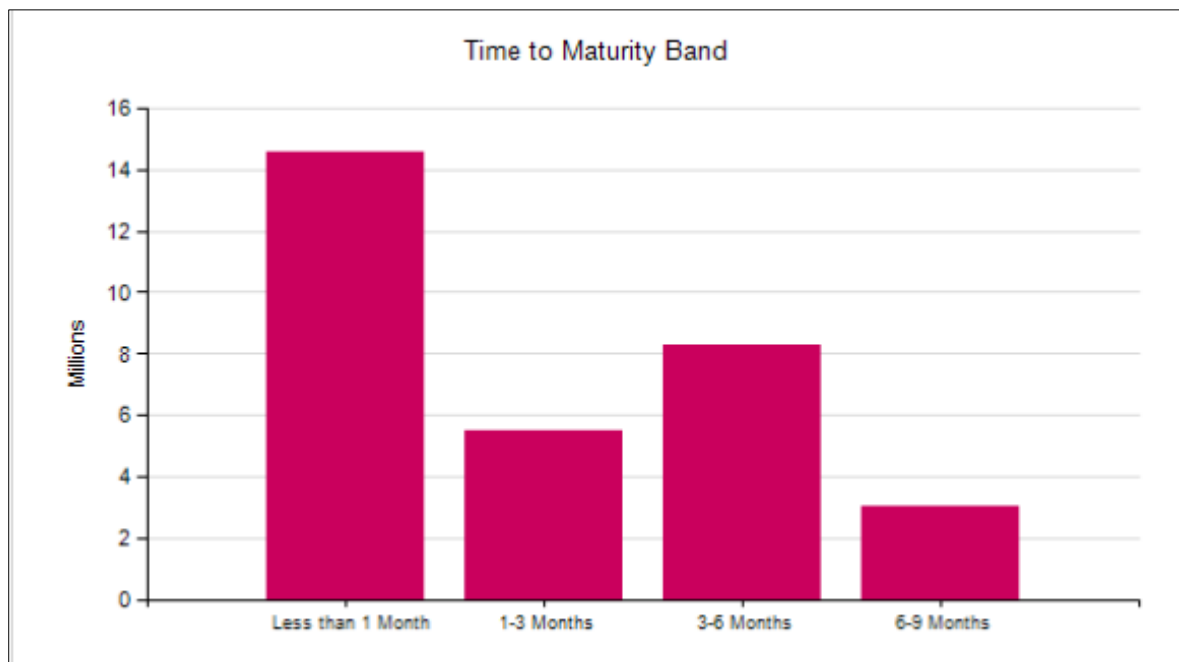
Prudential Indicators	2024/25 Budget £'000	2024/25 Q1 Forecast £'000
Capital expenditure	104,303	76,280
Capital Financing Requirement (CFR)	347,430	331,034
Annual change in CFR	9,253	2,386

In year borrowing requirement	18,776	13,066
-------------------------------	--------	--------

APPENDIX C-2: Investment Portfolio

Portfolio Analysis Matrix

Organisation Type	Counterparty	Jun/2024	Mar/2024	Jan/2024	Dec/2023	Oct/2023
Banks	Australia and New Zealand Banking Group Ltd.					£5,000,000
	Goldman Sachs International Bank	£6,000,000	£6,000,000	£6,000,000	£6,000,000	£6,000,000
	HSBC Bank PLC (NRFB)			£1,350,000	£4,000,000	£670,000
	HSBC UK Bank Plc (RFB)	£198,000				
	Landesbank Hessen-Thuringen Girozentrale	£8,500,000	£5,500,000	£5,500,000	£5,500,000	£5,500,000
	Lloyds Bank Corporate Markets Plc (NRFB)	£8,000,000	£8,000,000	£8,000,000	£8,000,000	£8,000,000
	Santander UK PLC					£1,000,000
	Standard Chartered Bank				£7,029,509	£7,029,509
	Total	£22,698,000	£19,500,000	£20,850,000	£30,529,509	£33,199,509
Local Authority	Bury Metropolitan Borough Council	£2,300,000	£2,300,000	£2,300,000	£2,300,000	£2,300,000
	Harlow District Council		£3,000,000			
	Total	£2,300,000	£5,300,000	£2,300,000	£2,300,000	£2,300,000
Money Market Fund	MMF Aberdeen	£4,090,000	£100,000	£10,000,000	£5,550,000	£10,000,000
	MMF CCLA	£2,092,000	£100,000	£10,000,000	£503,000	£503,000
	MMF Morgan Stanley	£203,000	£202,867	£2,502,867	£5,402,867	£2,521,867
	Total	£6,385,000	£402,867	£22,502,867	£11,455,867	£13,024,867
Total	£31,383,000	£25,202,867	£45,652,867	£44,285,376	£48,524,376	



Approved countries for investments as of 30th June 2024

Clients may wish to draw the attention of members to any changes to their approved list of countries for investments since their last report to members.

Based on lowest available rating

AAA

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

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- Qatar (upgraded from AA- 20/3/24)

AA-

- Belgium
- France
- **U.K.**



**AUDIT COMMITTEE/ CABINET
/ COUNCIL**

Portfolio Area: Resources and Transformation

**Date: 4 September 2024 / 18
September 2024 / 16 October
2024**



**ANNUAL TREASURY MANAGEMENT REVIEW 2023/24 AND PRUDENTIAL
INDICATORS**

NON-KEY DECISION

Author – Rhona Bellis
Contributor – Brian Moldon
Lead Officer – Brian Moldon
Contact Officer – Brian Moldon

1 PURPOSE

1.1 To review the operation of the 2023/24 Treasury Management and Investment Strategy.

2 RECOMMENDATIONS

2.1 Audit Committee

That, subject to any comments by the Audit Committee to the Cabinet, the 2023/24 Annual Treasury Management Review be recommended to Council for approval.

2.2 Cabinet

That, subject to any comments made by the Cabinet, in addition to those made by the Audit Committee, the 2023/24 Annual Treasury Management Review be recommended to Council for approval.

2.3 Council

That, subject to any comments from the Audit Committee and the Cabinet, the 2023/24 Annual Treasury Management Review be approved.

3 BACKGROUND

3.1 Regulatory Requirement

3.1.1 The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2023/24. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

3.1.2 During 2023/24 the minimum reporting requirements were that the Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 7 February 2023)
- a mid-year treasury update report (Council 20 December 2023)
- an annual review following the end of the year describing the activity compared to the strategy (this report).

3.1.3 In addition the Treasury management update at Q1 was reported to Cabinet in the Capital Monitoring Report Q1 & Q2, 15 November 2023.

3.1.4 In December 2017, CIPFA revised the Code to require, all local authorities to report on:

- a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed; and
- the implications for future financial sustainability.

These elements are covered in the annual Capital Strategy reported to Council in February each year.

3.1.5 The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by Members.

3.1.6 This report summarises:

- Capital activity during the year;
- Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement);
- The actual prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;

Part I
Release to Press

- Summary of interest rate movements in the year;
- Detailed debt activity; and
- Detailed investment activity.

3.1.7 Officers confirm that they have complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit Committee and the Cabinet before they were reported to the Council.

3.2 Executive Summary

3.2.1 During 2023/24, the Council complied with its legislative and regulatory requirements¹ as outlined in paragraph 3.1.1 above. These requirements include: -

- The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

3.2.2 The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Table 1

Prudential and treasury indicators	31.3.23 Actual £000	2023/24 Original £000	31.3.24 Actual £000
Capital expenditure			
GF	17,814	34,017	8,880
HRA	43,966	62,420	37,569
Total	61,780	96,437	46,449
Capital Financing Requirement:	55,513	55,035	58,635

• ¹ For more detail please refer to Treasury Management Strategy including Prudential Code Indicators 2023/24 (Council 7 February 2023)

Part I
Release to Press

Prudential and treasury indicators	31.3.23 Actual £000	2023/24 Original £000	31.3.24 Actual £000
GF	264,538	292,842	272,384
HRA	320,051	347,877	331,019
Total			
Gross borrowing²	235,057	280,452	242,557
Investments			
• Longer than 1 year	2,300	0	0
• Under 1 year	40,985	15,091	25,202
• Total	43,285	15,091	25,202
Net borrowing	191,772	265,361	217,355

3.2.3 There was slippage of planned capital expenditure from 2023/24 into future years resulted in an overall reduction in the use of borrowing to finance capital expenditure. Not all capital expenditure is funded from borrowing so the reduction in the capital financing requirement (the councils need to borrow) does not match the reduction in capital expenditure.

3.2.4 Other prudential and treasury indicators are to be found in the main body of this report. The Chief Finance Officer also confirms that borrowing (internal and external) was only undertaken for a capital purpose and the statutory borrowing limit (the authorised limit) was not breached.

3.2.5 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the year the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2023/24.

3.2.6 All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

4 THE COUNCIL'S CAPITAL EXPENDITURE AND FINANCING

4.1.1 Capital expenditure³ can be financed either by capital resources the Council has on its balance sheet (e.g. capital receipts and capital grants) or by making a revenue contribution to capital. If sufficient capital resources are not available to fund the expenditure the Council would need to borrow to meet the funding gap. This borrowing may be taken externally in new loans or internally from cash balances held by the Council. The need to borrow is measured and reported through the Prudential Indicators.

² Excludes Finance Leases

³ Council expenditure can be classified as capital when it is used to purchase assets with a life of more than one year, exceeds £7,500 in value and meets the guidelines laid out in CIPFA accounting practices.

Part I
Release to Press

4.1.2 The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

Table 2

2023/24 Capital Expenditure and Financing			
	31.3.23	2023/24 Q3 Working Budget	31.3.24
	£'000	£'000	£'000
General Fund			
Capital Expenditure:	17,814	13,300	8,880
Financed excluding borrowing	(12,928)	(7,571)	(4,700)
Unfinanced capital expenditure (borrowing)	4,886	5,729	4,180
HRA			
Capital Expenditure:	43,966	40,746	37,569
Financed excluding borrowing	(39,392)	(29,538)	(29,722)
Unfinanced capital expenditure (to be met from borrowing)	4,574	11,208	7,847

4.2 THE COUNCIL'S OVERALL BORROWING NEED

4.2.1 The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR). It represents the amount of debt it needs to/has taken out to fund the capital programme (and includes both internal and external borrowing). The CFR is then reduced as debt repayments are made and Minimum Revenue Provisions are made. A separate CFR is calculated for the General Fund and Housing Revenue Account and any transfers of assets (such as land or buildings) between the two accounts will impact on each fund's CFR. The CFR will go up on the fund "receiving" the assets and go down (by the same amount) on the fund "giving" the asset. There were no transfers of assets in 2023/24.

4.2.2 Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies, (such as the Government, through the Public Works Loan Board [PWLb], or the money markets), or utilising temporary cash resources within the Council.

4.2.3 Reducing the CFR – the Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need, (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available

Part I
Release to Press

to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

4.2.4 The total CFR can also be reduced by:

- the application of additional capital financing resources, (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

4.2.5 The Council's 2023/24 Minimum Revenue Provision Policy (MRP), as required by MHCLG Guidance, was approved as part of the Treasury Management Strategy Report for 2023/24 on 7 February 2023.

The MRP charged to the General Fund in 2023/24 was £374,923 of which:

- £35,119 is funded from investment property
- £89,101 is funded by the Garage Improvements Programme
- £130,703 is a net cost to the General Fund
- £120,000 (VRP) charged to leisure

4.2.6 The Council's CFR for the year is shown below and represents a key prudential indicator. It includes finance leases included on the balance sheet, which increase the Council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract.

Table 3

CFR (£'000): General Fund	31.3.23 Actual	2022/23 Q3 Budget	31.3.24 Actual
Opening balance	46,366	50,363	55,513
Add: unfinanced capital expenditure (as above)	4,886	5,729	4,180
Increase in finance lease obligations	5,788	0	0
Less:			
Unfinanced capital expenditure from prior years now financed	(510)	(417)	(418)
MRP / VRP	(215)	(374)	(374)
Finance lease repayments	(239)	(266)	(266)
Appropriations to / from HRA	(540)	0	0
Other	(23)	0	0
Closing balance	55,513	55,035	58,635
Closing balance excluding finance lease	38,780	43,366	42,160

Part I
Release to Press

CFR (£'000): HRA	31.3.23 Actual	2023/24 Q3 Budget	31.3.24 Actual
Opening balance	258,581	281,634	264,538
Add: Unfinanced capital expenditure (as above)	4,574	11,208	7,847
New finance lease	843	0	0
Appropriations to / from GF	540	0	0
Other	0	0	(1)
Closing balance	264,538	292,842	272,384
Closing balance excluding finance lease⁴	263,205	291,509	271,051

4.2.7 Borrowing activity is constrained by prudential indicators for gross borrowing and the CFR, and by the authorised limit.

4.3 Limits to Borrowing Activity

4.4 Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2023/24) plus the estimates of any additional capital financing requirement for the current (2024/25) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2023/24. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

Table 4

	31.3.23 Actual £'000	2023/24 Budget £'000	31.3.24 Actual £'000
Gross borrowing position	235,057	280,452	242,557
Finance Leases	18,067	17,808	17,808
CFR	(320,051)	(347,877)	(331,019)
(Under) / over funding of CFR – Internal Borrowing	(66,927)	(49,617)	(70,654)

4.5 The **authorised limit** - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2023/24 the Council has maintained gross borrowing within its authorised limit.

⁴ HRA leases 10 residential properties from Marshgate Ltd a wholly owned subsidiary of the council.

Part I
Release to Press

4.6 The **operational boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

4.7 **Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

Table 5

Authorised limits	Operational Boundary £'000	Authorised Limit £'000	Actual External Debt £'000
Borrowing	354,503	362,503	246,849
Less Investments			(63,425)
Total	354,503	362,503	183,424

4.7.1 The ratio of financing costs to net revenue stream is equal to General Fund interest costs divided by the General Fund net revenue income from Council tax, Revenue Support Grant and retained business rates. For the HRA the net revenue stream is the income shown in the council's accounts – rents, service charges and other income. The ratio of financing costs to net revenue stream reflects the high level of debt as a result of self-financing.

4.8 TREASURY MANAGEMENT ACTIVITIES

TREASURY POSITION AS AT 31 MARCH 2024

4.8.1 The Council's treasury management debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices.

4.8.2 At the end of 2023/24 the Council's treasury position (excluding finance leases), was as follows:

Table 6

Treasury Position						
	2022/23			2023/24		
	31 March 2023 Principal £'000s	Rate / Return %	Average Life (Yrs.)	31 March 2024 Principal £'000s	Rate / Return %	Average Life (Yrs.)
PWLB Borrowing	227,487	3.28	12	234,987	3.26	11
Other Borrowing (LEP)	7,570	0	7	7,570	0	6

Part I
Release to Press

Treasury Position						
	2022/23			2023/24		
	31 March 2023 Principal £'000s	Rate / Return %	Averag e Life (Yrs.)	31 March 2024 Principal £'000s	Rate / Return %	Averag e Life (Yrs.)
Total Debt	235,057			242,557		
Capital Financing Requirement ⁵	(301,985)			(313,211)		
Total Investments	43,285			25,202		
Over/(Under) borrowing	(23,643)			(45,452)		

The maturity structure of the debt portfolio was as follows:

Table 7

Debt Maturity Structure	31.3.23 Actual £'000	2023/24 Authorised Limit £'000	31.3.24 Actual £'000
Within 1 Year	0		0
Over 1 not over 2 years	0		500
Over 2 not over 5 years	18,956		28,056
Over 5 not over 10 years	64,700		55,100
Over 10 not over 15 years	100,663		100,663
Over 15 not over 20 years	37,658		45,158
Over 20 not over 30 years	5,510		5,510
Over 30 years	0		0
Total PWLB Debt	227,487		234,987
LEP Loan:			
Within 1 Year	0		1,000
Over 1 not over 2 years	1,000		0
Over 5 not over 10 years	6,570		6,570
Total LEP Loan	7,570		7,570
Total Debt	235,057	391,000	242,557

⁵ Excludes Finance Leases

Part I
Release to Press

	31.3.23 Actual £000	31.3.23 Actual %	31.3.24 Actual £000	31.3.24 Actual %
Treasury investments – all managed in house				
Banks and Building Societies	26,600	61%	19,499	77%
Local authorities	7,300	17%	5,300	21%
Money Market Funds	9,385	22%	403	2%
Total treasury investments	43,285	100%	25,202	100%

Non-Treasury investments				
Subsidiaries (para 4.8.4)	11,938	100%	11,931	100%
Total Non-Treasury Investments	11,938	100%	11,931	100%
Treasury investments	43,285	78%	25,202	68%
Non-Treasury investments	11,938	22%	11,932	32%
Total of all Investments	55,223	100%	37,134	100%

The maturity structure of the investment portfolio is as follows:

Table 8

Investment Maturity Structure	31.3.23 Actual £000	31.3.24 Actual £000
Within 1 Year	40,985	35,801
Longer than 1 year	14,238	1,333
Total Investments	55,223	37,134

4.8.3 The General Fund loan from the Local Enterprise Partnership (LEP) is in relation to regeneration activities.

4.8.4 The non-treasury loan to the subsidiary is the loan made to Marshgate LTD (WOC), for the purchase and development of housing within the Borough in 2021/22 and 2022/23.

4.8.5 The fall in the treasury investment balances of £18M between 31 March 2023 and 31 March 2024 reflects the use of internal borrowing to fund the capital programme. Refinancing the remaining internal borrowing is scheduled to take place in 2024/25.

4.9 TREASURY MANAGEMENT STRATEGY 2023/24

4.9.1 The Treasury Management Strategy was approved by Council on 7 February 2023.

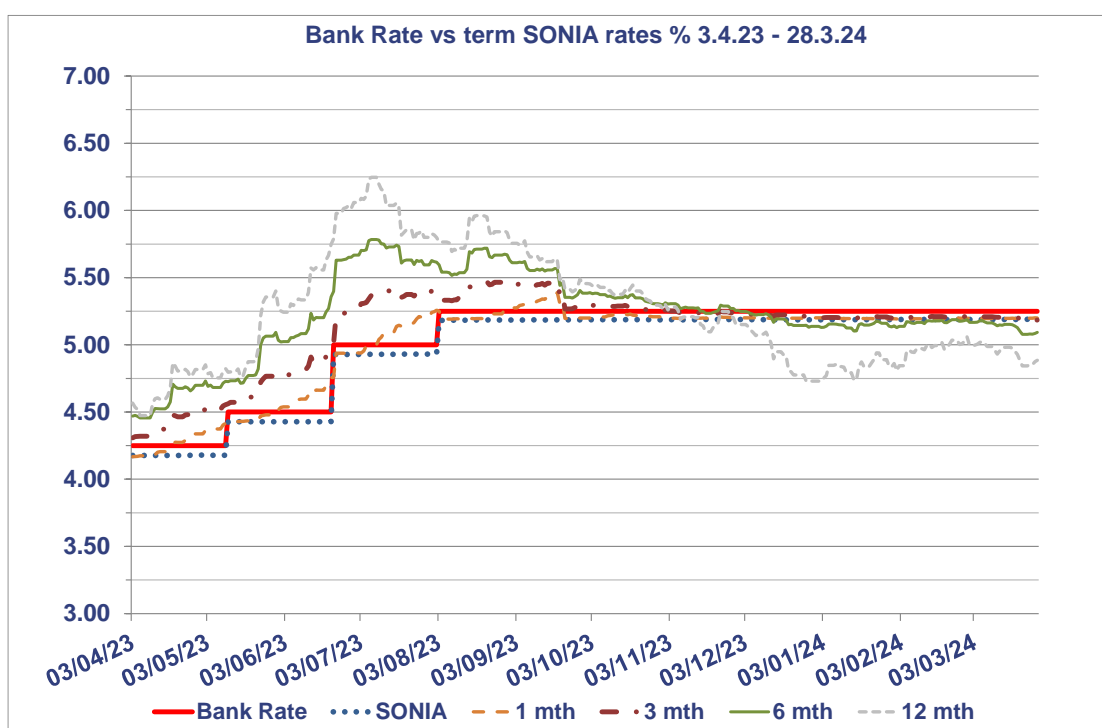
Part I
Release to Press

There are no policy changes to the TMS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

4.10 Investment strategy and control of interest rate risk

4.10.1 Investment returns picked up throughout the course of 2023/24 as central banks, including the Bank of England, continued to respond to inflationary pressures. Starting in April 2023, at 4.25%, Bank Rate moved up in stepped increases of either 0.25% or 0.5%, reaching 5.25% by August 2023.

4.10.2 Investment Benchmarking Data – Sterling Overnight Index Averages (Term) 2023/24



4.11 Borrowing strategy and control of interest rate risk

4.11.1 During 2023/24, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council’s reserves, balances and cash flow was used as an interim measure. This strategy was prudent when interest rates on investments were low and this also minimised counterparty risk.

4.11.2 The policy of avoiding new borrowing by running down spare cash balances has served the Council well over the last few years. However, this has been kept under review to avoid incurring higher borrowing costs in the future when the Council may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt. The Council has taken some limited borrowing in 2023/24 to ensure the Council’s cashflow position

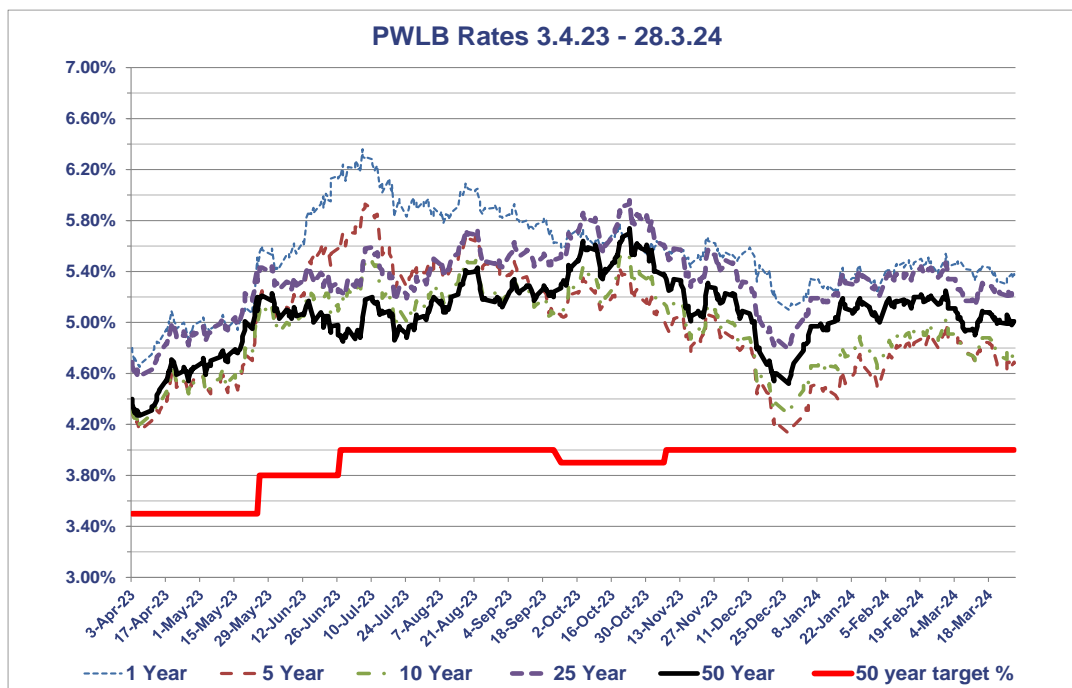
Part I
Release to Press

is resilient and to ensure that if interest rates increase, large amounts of borrowing required are not all taken at higher rates.

- 4.11.3 Interest rate forecasts were initially suggesting only gradual rises in short, medium and longer-term fixed borrowing rates during 2023/24. Bank rate had initially been forecast to peak at 4.5% but is now expected to have peaked at 5.25%.
- 4.11.4 By January it had become clear that inflation was moving down significantly from its 40-year double-digit highs, and the Bank of England signalled in March 2024 that the next move in Bank Rate would be down, so long as upcoming inflation and employment data underpinned that view. Currently the CPI measure of inflation stands at 2% (June) but is expected to fall materially below 2% over the summer months and to stay there in 2025 and 2026. Nonetheless, there remains significant risks to that central forecast, mainly in the form of a very tight labour market putting upward pressure on wages and continuing geo-political inflationary risks emanating from the prevailing Middle East crisis and the Russian invasion of Ukraine.
- 4.11.5 The PWLB certainty rate is gilts plus 80bps. Gilt yields have generally been on a continual rise since the start of 2021, peaking in the autumn of 2023. Currently, yields are broadly range bound between 3.5% and 4.25%.
- 4.11.6 There is likely to be a fall in gilt yields and PWLB rates across the whole curve over the next one to two years as Bank Rates falls and inflation (on the CPI measure) moved closer to the Bank of England's 2% target.
- 4.11.7 As a general rule, short-dated gilt yields will reflect expected movements in Bank Rate, whilst medium to long-dated yields are driven primarily by the inflation outlook.
- 4.11.8 The Bank of England is also embarking on a process of Quantitative Tightening. The gradual reduction of the Bank's original £895Billion stock of gilt and corporate bonds will be sold back into the market over several years. The impact this policy will have on the market pricing of gilts, while issuance is markedly increasing, is an unknown at the time of writing.
- 4.11.9 The Chart below shows the volatility of the PWLB borrowing rates from 1 April 2023 to 31 March 2024.

Part I
Release to Press

PWLB RATES 2023/24
Chart 1



4.12 BORROWING OUTTURN

4.12.1 One new loan was taken out in the year. This was to refinance HRA internal borrowing, details being - £7.5M loan taken from 24 August 2023 to 23 August 2041 at an annual interest rate of 5.3%.

4.12.2 Interest paid on PWLB borrowing during the year was £ 7.6M – Housing Revenue Account (HRA) and £40K - General Fund (GF). This was against an original budget of £8.3M. The favourable variance of £0.7M is due to reduced capital expenditure in year against plan as well as the use of internal resources to fund capital expenditure while still overachieving on investment income versus latest budget.

4.13 INVESTMENT OUTTURN

4.13.1 Investment Policy – the Council’s investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council on 7 February 2023. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).

4.13.2 There were no breaches to this policy in the year to 31 March 2024 with the investment activity conforming to the approved strategy. The Council had no liquidity difficulties and no funds have been placed with the Debt Management Office (DMO), demonstrating that counterparty limits and availability for placing funds approved in the TM Strategy were working effectively. It is

Part I
Release to Press

possible that surplus funds that may be borrowed during 2023/24 will be placed in the DMO temporarily, if PWLB borrowing rates are advantageous and cash balances due to timing of taking out new loans would breach other counterparty limits.

4.13.3 In accordance with the Treasury Management Strategy, the Council invests its surplus cash balances that are committed for future approved spending. The policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data and counterparty limits dependant on level of cash balances held.

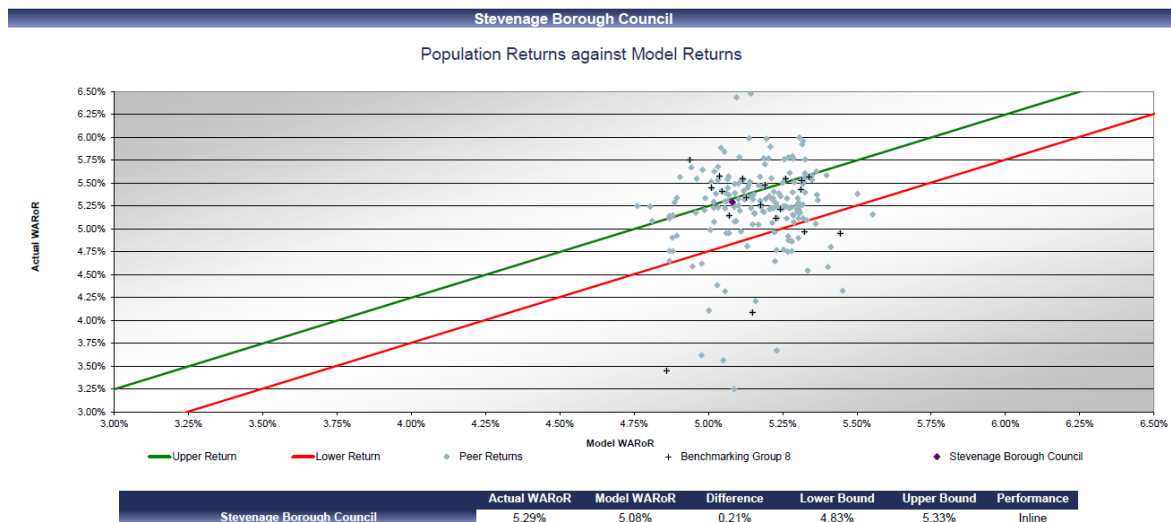
4.14 Investment performance year to date as of 31 March 2024

4.14.1 The Council’s current investment portfolio consists of “conventional” cash investments: deposits with banks and building societies, Money Market Funds and loans to other Local Authorities. No investments have been made with any of the other approved instruments within the Specified and Non-specified Investment Criteria.

4.14.2 Average level of funding available for investment purposes during the year was £48Million, earning an average interest rate of 5.19%. Interest earned to 31 March 2024 was £2.5Million on treasury investments. Against the working budget of £2.1M this resulted in additional contributions to the General Fund (£129K) and Housing Revenue Account revenue income (£263k).

4.14.3 The council’s treasury advisors (Link), provide regular benchmarking analysis of the performance of the council’s investments against a group of 20 other local authorities. The March 2024 report shows performance of the portfolio held at 31 March 2024 being in the upper return range against model returns. This performance is consistent across the year.⁶

Chart 2



⁶ WARoR = Weighted average rate of return on investments at 31 March 2024

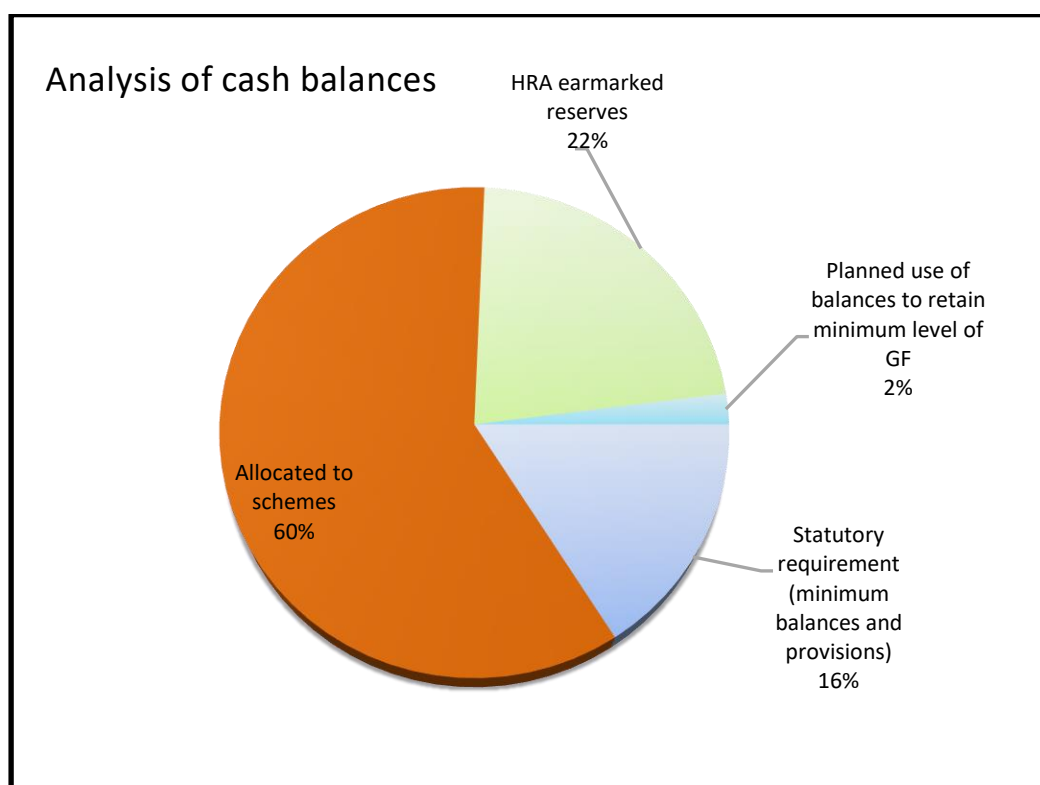
Part I
Release to Press

4.14.4 The Council’s balances are made up of cash reserves e.g. HRA and General Fund balances, restricted use receipts e.g. right to buy one for one receipts and balances held for provisions such as business rate appeals.

4.14.5 In considering the Council’s level of cash balances, Members should note that the General Fund MTFs and Capital Strategy have a planned use of resources over a minimum of 5 years and the HRA Business Plan (HRA BP) a planned use of resources over a 30 year period, which means, while not committed in the current year, they are required in future years.

4.14.6 The following chart shows the planned use of cash balances as at 31 March 2024.

Chart 3



4.14.7 The restrictive use of a proportion of the cash balances set out above, plus the planned use of resources in line with the Council’s capital and revenue strategies mean that the investment balance of £25Million as at 31 March 24 is not available to fund new expenditure.

5 IMPLICATIONS

5.1 Financial Implications

5.1.1 This report is of a financial nature and reviews the treasury management function for 2023/24. Any consequential financial impacts identified in the

Part I

Release to Press

Capital strategy and Revenue budget monitoring reports have been incorporated into this report.

- 5.1.2 During the financial year Officers operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury management practices.

5.2 Legal Implications

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

- 5.2.2 There have been no changes to PWLB borrowing arrangements since the last Treasury report. Officers will ensure that any changes to the Prudential and Treasury Management codes from 2024/25 are reflected in treasury operations and reporting requirements.

5.3 Risk Implications

- 5.3.1 The current policy of minimising external borrowing internally where appropriate, taking advantage of the benefits differentials between investment income and borrowing rates is kept under ongoing review as these conditions change. This policy only remains financially viable while cash balances are high. Capital investment, not funded by capital receipts and grant funding reduce these balances if not supported by additional borrowing. The risk is that the Council may need to take borrowing at higher rates than budgeted which would increase revenue costs.

- 5.3.2 The Council's Treasury Management Strategy is based on limits for counterparties to reduce risk of investing with only a small number of institutions.

- 5.3.3 The thresholds and time limits set for investments in the Strategy are based on the relative ratings of investment vehicles and counter parties. These are designed to take into account the relative risk of investments and also to preclude certain grades of investments and counterparties to prevent loss of income to the Council.

- 5.3.4 There is a risk to the HRA BP's ability to fund the approved 30 year spending plans if interest rates continue at the current high level, although currently it is anticipated that rates will reduce (see para 4.11.6). This will be included in the HRA MTFs forecast in 2024.

5.4 Equalities and Diversity Implications

- 5.4.1 This report is technical in nature and there are no implications associated with equalities and diversity within this report. In addition to remaining within agreed counterparty rules, the council retains the discretion not to invest in countries that meet the minimum rating but where there are concerns over human rights issues. Counterparty rules will also be overlaid by any other ethical considerations from time to time as appropriate.

Part I
Release to Press

5.4.2 The Treasury Management Policy does not have the potential to discriminate against people on grounds of age; disability; gender; ethnicity; sexual orientation; religion/belief; or by way of financial exclusion. As such a detailed Equality Impact Assessment has not been undertaken.

5.5 Climate Change Implications

1.1.1 There are no specific climate change implications resulting from this report.

BACKGROUND PAPERS

- BD1 Treasury Management Strategy including Prudential Code Indicators 2023/24 (Council 7 February 2023)
- BD2 2023/24 Mid-Year Treasury Management Review and Prudential Indicators (Council 20 December 2023)

APPENDICES

- Appendix A - Investment Portfolio, Link Investment Analysis Review March 2024
- Appendix B – Approved countries for investments

This page is intentionally left blank



Stevenage Borough Council

Monthly Investment Analysis Review

March 2024

Monthly Economic Summary

General Economy

The UK Manufacturing PMI rose to 49.9 in March from 47.5 in February, some way above market expectations of 47.8. UK factory activity nearly “stabilised” (ie a reading of 50 divides expansion from contraction), but still recorded a twentieth consecutive monthly contraction. Within the headline reading, subcomponents showed that manufacturers experienced the fastest expansion in new orders since May 2022, causing factories to increase production levels for the first time in a year and sparking renewed optimism, despite higher borrowing costs. However, on the pricing front, manufacturers observed accelerating input costs yet again with continued supply chain disruption as shippers avoid the Red Sea. Meanwhile, the UK Services PMI edged lower to 53.4 from 53.8 in February and below market expectations of an unchanged reading. This represented the slowest growth in business activity for three months, with firms linking it to constraints on households’ disposable income. Consequently, the UK composite PMI fell to 52.9 in March from 53 in February and slightly below market expectations of 53.1. Nonetheless, it was the fifth consecutive month of expansion for the UK private sector driven by a strong rate of output growth. This added to expectations that the UK would avoid a third consecutive negative quarterly growth reading in Q1, meaning that the mildest of recessions seen in the second half of 2023 was now concluded. Meanwhile, the UK construction PMI increased to 49.7 in February from 48.8 in January (it is released on a one-month lag to other sector reports), the highest since August 2023.

The UK economy expanded 0.2% m/m in January, following a 0.1% contraction in December and matching market expectations. Services output rose by 0.2% with strong retail trade and construction output rebounded by 1.1% after a poor December. However, industrial output fell by 0.2% in January after a 0.6% rise in December. Elsewhere, the UK’s trade deficit widened to £3.129 billion in January, after a three-month low in December, driven by a 1.4% rise in imports, compared to a 0.7% rise in exports.

The Chancellor of the Exchequer, Jeremy Hunt, presented his 2024 Spring Budget. It aimed to boost the economy following the weaker performance in the second half of 2023 and ahead of the expected general election later this year. One key point was the 2p cut in National Insurance Contributions following on from the cut in the previous Autumn Statement to reduce tax burdens and support household finances.

The UK recorded a fall in 21,000 jobs in the three months prior to January, below market expectations of a 10,000 increase and following a 72,000 growth in the prior period. This was the first fall in job creation since September 2023. Meanwhile, average weekly earnings (including bonuses) in the UK increased 5.6% y/y in the three months to January, the least since July 2022, and slightly below market expectations of 5.7%. The unemployment rate edged up to 3.9% between November 2023 and January, just above the previous quarter increase of 3.8% and slightly above market expectations of no change.

Regarding inflation, the monthly Consumer Price Index (CPI) rose by 0.6%, reversing the 0.6% fall in January. However, base effects meant the headline annual rate dropped to 3.4% in February, reaching its lowest level since September 2021. The rate of price pressures declined significantly for food and non-alcoholic beverages, and restaurants and hotels, while there was also a slowdown in miscellaneous goods and services. Costs also fell at a slower pace for both housing and utilities and transport. The annual core inflation rate, excluding food and energy, fell to 4.5 % from 5.1% the prior month.

The Bank of England decided to keep Bank Rate at 5.25% in its March meeting as it waits to be certain that the country’s inflationary pressures have subsided back towards its target rate. The Monetary Policy Committee voted 8-1 in favour of keeping rates unchanged, with one member voting for a 25-basis point decrease. In the retail sector, sales remain unchanged in February after an upwardly revised 3.6% increase in January and beating market expectations of a 0.3% decline.

While clothing and department store saw boosts, this was cancelled out by declines in trade at food stores and fuel retailers. Meanwhile, the GfK Consumer Confidence Indicator held at -21 in March and missed market expectations of a slight improvement to -19 as the cost-of-living crisis and broader economic uncertainty continued to dampen sentiment. However, there were increases in indices for consumer confidence over personal finances over past 12 months and next 12 months, alongside increased confidence in the general economic situation over the next 12 months. Elsewhere, public sector net borrowing, excluding public sector banks, rose to £8.4 billion in February which surpassed market expectations of £5.95 billion.

US Economy

The US economy added 275,000 jobs in February, in comparison to the downwardly revised 229,000 added in January, and above market expectations of a 200,000 increase. The main areas of gain were healthcare, government and food services and drinking places. The US economy expanded an annualised 3.4% in Q4 2023, slightly higher than the 3.2% previously reported as consumer spending and services were revised higher. The US inflation rate unexpectedly rose to 3.2% in February from 3.1% in January and above market expectations of holding steady. The Federal Reserve made no change to its policy rates at its March meeting. As in the UK and Europe, the central bank reiterated that members required further evidence that inflation is headed to target levels.

EU Economy

In the Euro area, the inflation rate dropped to 2.6% y/y in February, the lowest rate in three months but still above the ECB's 2% target. Meanwhile, the core rate, excluding food and energy prices, was confirmed at 3.1%, which is its lowest point since March 2022. GDP in Euro area stalled in the last quarter of 2023, after a 0.1% contraction in the previous period as high inflation, record borrowing costs, and poor external demand continued to apply downward pressure on growth. The European Central bank also held policy levels unchanged at its March meeting, stating that while most measures of underlying inflation have eased further, domestic price pressures remain high, in part owing to strong growth in wages.

Housing

The Halifax House Price Index rose 1.7% y/y in February, after a downwardly revised 2.3% gain in the prior month suggesting a relatively stable beginning of 2024 and adding to signs of increased housing activity. There was a fifth consecutive increase monthly for house prices as lower mortgage rates, lower Bank rate expectations and falling inflation all contributing. Meanwhile, the Nationwide House Price Index fell by 0.2% in March, falling for the first time in seven months and against market expectations of a 0.3% rise. However, the index was still 1.6% higher on the year, gaining from 1.2% in February, but short of market expectations of an increase to 2.4%.

Currency

Sterling depreciated against both the Euro and Dollar over the month.

March	Start	End	High	Low
GBP/USD	\$1.2654	\$1.2633	\$1.2882	\$1.2603
GBP/EUR	€1.1678	€1.1697	€1.1754	€1.1652

Interest Rate Forecasts

Link Group and Capital Economics still hold that Bank Rate will peak at 5.25% in this cycle.

Bank Rate	NOW	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Link Group	5.25%	5.25%	4.75%	4.25%	3.75%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Capital Economics	5.25%	5.00%	4.50%	4.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	-

Stevenage Borough Council

Current Investment List

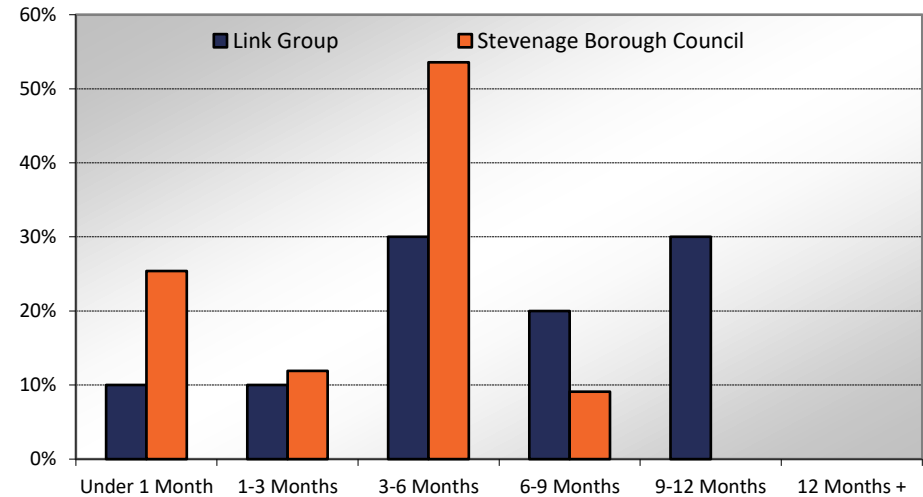
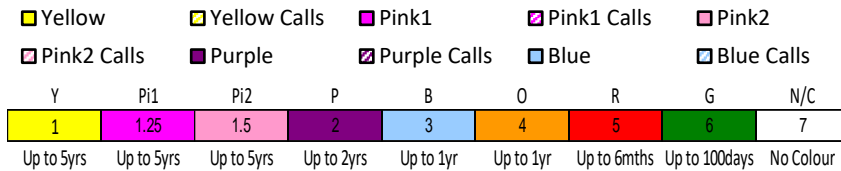
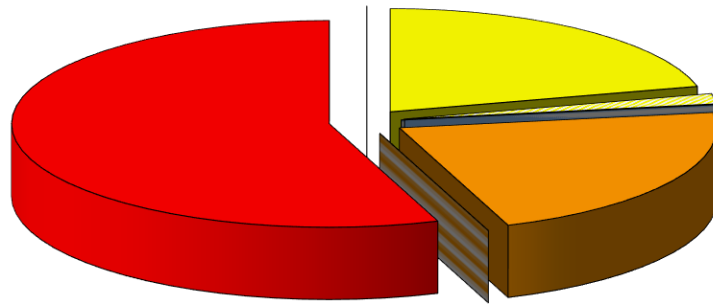
Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default	Expected Credit Loss (£)
MMF Aberdeen Standard Investments	100,000	5.26%		MMF	AAAm		
MMF CCLA	100,000	5.15%		MMF	AAAm		
MMF Morgan Stanley	202,867	5.26%		MMF	AAAm		
Goldman Sachs International Bank	6,000,000	5.57%	16/10/2023	16/04/2024	A+	0.002%	116
Harlow District Council	3,000,000	5.95%	09/02/2024	10/06/2024	AA-	0.005%	0
Lloyds Bank Corporate Markets Plc (NRFB)	5,000,000	5.35%	05/01/2024	05/07/2024	A	0.012%	581
Lloyds Bank Corporate Markets Plc (NRFB)	3,000,000	5.32%	19/01/2024	19/07/2024	A	0.013%	400
Landesbank Hessen-Thuringen Girozentrale (Helaba)	3,000,000	5.96%	01/09/2023	30/08/2024	A+	0.018%	552
Landesbank Hessen-Thuringen Girozentrale (Helaba)	2,500,000	5.93%	05/09/2023	03/09/2024	A+	0.019%	472
Bury Metropolitan Borough Council	2,300,000	2.00%	18/05/2020	18/11/2024	AA-	0.015%	0
Total Investments	£25,202,867	5.29%				0.010%	£2,122

Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to those investments for which a counterparty has a counterparty credit rating and also does not include investments which are not rated.

The Historic Risk of Default column is based on the lowest long term rating. If clients are using this % for their Expected Credit Loss calculation under IFRS 9, please be aware that the Code does not recognise a loss allowance where the counterparty is central government or a local authority since relevant statutory provisions prevent default. For these instruments, the Expected Credit Loss will be nil. Please note that we are currently using Historic Default Rates from 1990-2023 for Fitch, 1983-2023 for Moody's, S&P data was not available at the time of completion of this report..

Where Link Group have provided a return for a property fund, that return covers the 12 months to December 2023, which are the latest returns currently available.

Portfolio Composition by Link Group's Suggested Lending Criteria



Portfolios weighted average risk number = 3.88

WARoR = Weighted Average Rate of Return

WAM = Weighted Average Time to Maturity

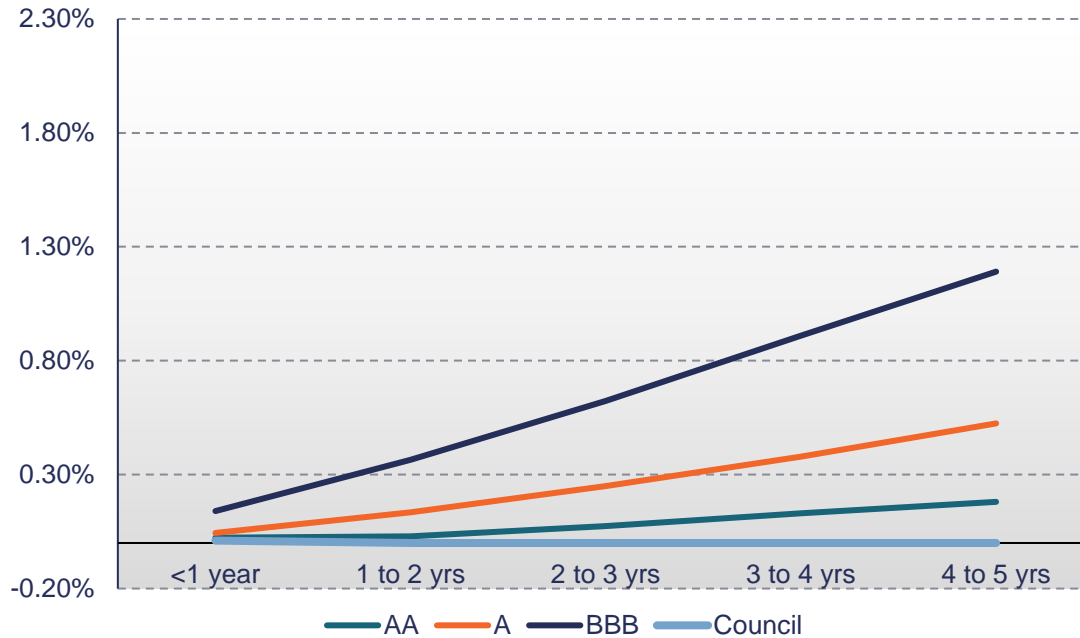
Excluding Calls/MMFs/USDBFs

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution	WAM	WAM at Execution
Yellow	22.63%	£5,702,867	7.06%	£402,867	1.60%	4.31%	131	728	141	783
Pink1	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Pink2	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Purple	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Blue	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Orange	21.82%	£5,500,000	0.00%	£0	0.00%	5.95%	154	364	154	364
Red	55.55%	£14,000,000	0.00%	£0	0.00%	5.44%	65	182	65	182
Green	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
No Colour	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Total	100.00%	£25,202,867	1.60%	£402,867	1.60%	5.29%	99	345	101	351

Stevenage Borough Council

Investment Risk and Rating Exposure

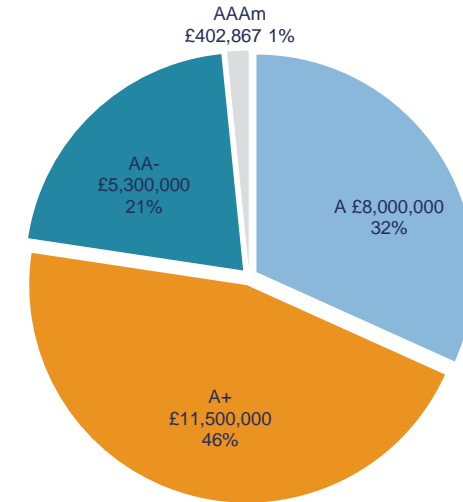
Investment Risk Vs. Rating Categories



Historic Risk of Default

Rating/Years	<1 year	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs
AA	0.02%	0.03%	0.07%	0.13%	0.18%
A	0.04%	0.13%	0.25%	0.38%	0.52%
BBB	0.14%	0.36%	0.62%	0.91%	1.19%
Council	0.01%	0.00%	0.00%	0.00%	0.00%

Rating Exposure



Historic Risk of Default

This is a proxy for the average % risk for each investment based on over 30 years of data provided by Fitch, Moody's and S&P. It simply provides a calculation of the possibility of average default against the historical default rates, adjusted for the time period within each year according to the maturity of the investment.

Chart Relative Risk

This is the authority's risk weightings compared to the average % risk of default for "AA", "A" and "BBB" rated investments.

Rating Exposures

This pie chart provides a clear view of your investment exposures to particular ratings.

Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to those investments for which a counterparty has a counterparty credit rating and also does not include investments which are not rated.

Stevenage Borough Council

Monthly Credit Rating Changes FITCH

Date	Update Number	Institution	Country	Rating Action
20/03/2024	2010	Qatar	Qatar	The Sovereign Rating was upgraded to 'AA' from 'AA-'. The Outlook on the Sovereign Rating was changed to Stable from Positive.
22/03/2024	2011	Clydesdale Bank PLC	United Kingdom	The Short Term Rating was placed on Postive Watch.
25/03/2024	2015	United Kingdom	United Kingdom	The Outlook on the Sovereign Rating was changed to Stable from Negative.
28/03/2024	2016	Qatar National Bank	Qatar	The Long Term Rating was upgraded to 'A+' from 'A'. The Outlook on the Long Term Rating was changed to Stable from Positive.

Stevenage Borough Council

Monthly Credit Rating Changes MOODY'S

Date	Update Number	Institution	Country	Rating Action
06/03/2024	2003	National Australia Bank Ltd.	Australia	The Long Term Rating was upgraded to 'Aa2' from 'Aa3'.
06/03/2024	2003	Westpac Banking Corp.	Australia	The Long Term Rating was upgraded to 'Aa2' from 'Aa3'.
06/03/2024	2003	Australia and New Zealand Banking Group Ltd.	Australia	The Long Term Rating was upgraded to 'Aa2' from 'Aa3'.
06/03/2024	2003	Commonwealth Bank of Australia	Australia	The Stable Outlook on the Long Term Rating was removed. The Long Term Rating was placed on Positive Watch.
06/03/2024	2003	Macquarie Bank Ltd.	Australia	The Long Term Rating was upgraded to 'Aa2' from 'A1'.
08/03/2024	2004	Clydesdale Bank PLC	United Kingdom	The Outlook on Long Term Rating was changed to Positive from Stable.
12/03/2024	2005	Co-operative Bank PLC (The)	United Kingdom	The Long Term Rating was upgraded to 'Baa3' from 'Ba1' and the Short Term Rating was upgraded to 'P-3' from 'NP'.
15/03/2024	2006	Bayerische Landesbank	Germany	The Long Term Rating was upgraded to 'Aa2' from 'Aa3'.
15/03/2024	2007	Landesbank Hessen-Thuringen Girozentrale	Germany	The Long Term Rating was upgraded to 'Aa2' from 'Aa3'.
15/03/2024	2008	Norddeutsche Landesbank Girozentrale	Germany	The Long Term Rating was upgraded to 'Aa2' from 'Aa3'.
15/03/2024	2009	Landesbank Baden-Wuerttemberg	Germany	The Long Term Rating was upgraded to 'Aa2' from 'Aa3'.
22/03/2024	2012	Skandinaviska Enskilda Banken AB	Sweden	The Outlook on the Long Term Rating was changed to Positive from Stable.
22/03/2024	2014	Clydesdale Bank PLC	United Kingdom	The Positive Outlook on the Long Term Rating was removed. The Long Term Rating and Short Term Rating were placed on Positive Watch.

Stevenage Borough Council

Monthly Credit Rating Changes S&P

Date	Update Number	Institution	Country	Rating Action
22/03/2024	2013	Clydesdale Bank PLC	United Kingdom	The Stable Outlook on the Long Term Rating was removed. The Long Term Rating and Short Term Rating were placed on Positive Watch.

Whilst Link Group makes every effort to ensure that all the information it provides is accurate and complete, it does not guarantee the correctness or the due receipt of such information and will not be held responsible for any errors therein or omissions arising there from. All information supplied by Link Group should only be used as a factor to assist in the making of a business decision and should not be used as a sole basis for any decision. The Client should not regard the advice or information as a substitute for the exercise by the Client of its own judgement.

Link Group is a trading name of Link Treasury Services Limited (registered in England and Wales No. 2652033). Link Treasury Services Limited is authorised and regulated by the Financial Conduct Authority only for conducting advisory and arranging activities in the UK as part of its Treasury Management Service, FCA register number 150403. Registered office: 6th Floor, 65 Gresham Street, London, EC2V 7NQ.

Appendix B: Approved countries for investments as of 31.03.24

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

Based on lowest available rating

AAA

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

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- Qatar

AA-

- Belgium
- France
- U.K.

THIS LIST IS AS AT 05.04.24

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank