

# Public Document Pack

Daneshill House  
Danestrete  
Stevenage  
Hertfordshire

23 July 2024

Dear Sir/Madam

Notice is hereby given that a meeting of the Stevenage Borough Council will be held in the Council Chamber, Daneshill House, Danestrete, Stevenage on Wednesday, 31 July 2024 at the conclusion of the Special Meeting and you are summoned to attend to transact the following business.

Yours faithfully

Matthew Partridge  
Chief Executive

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## AGENDA

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

**2. MINUTES - ANNUAL MEETING - 22 MAY 2024**

To approve as a correct record the Minutes of the meeting of Annual Council held on 22 May 2024.

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**3. MAYOR'S COMMUNICATIONS**

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

**4. COMMUNITY PRESENTATIONS**

None received.

**5. PETITIONS AND DEPUTATIONS**

None received.

**6. QUESTIONS FROM THE YOUTH COUNCIL**

None received.

**7. QUESTIONS FROM THE PUBLIC**

None received.

## **8. LEADER OF THE COUNCIL'S UPDATE**

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

## **9. UPDATE FROM SCRUTINY CHAIRS**

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

## **10. SCRUTINY ANNUAL REPORT 2023/24**

To consider the Annual Scrutiny Report 2023/24.

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## **11. NOTICE OF MOTIONS**

In accordance with Standing Orders, the following motions have been received for consideration:

### **(1) Code of Conduct**

To be moved by Councillor Phil Bibby

The Council notes that the Code of Conduct for Members states that we should treat other councillors and members of the public with respect, and that the Campaigning Rules state that we must not knowingly make a false statement about the personal character of a candidate.

The Council also notes that there have been instances where these rules have not been adhered to, so resolves to remind all councillors, activists and future candidates of the need to treat everyone with respect and, on all occasions, act with integrity.

### **(2) Labour Government**

On 4<sup>th</sup> July, 2024, after 14 years of disastrous, draconian and divisive Conservative government, the country chose change. It chose hope. It chose Labour.

The people of Stevenage also chose Labour and, for the first time in 14 years, the Stevenage constituency will have an MP worthy of the title. Kevin Bonavia will reset the expectations of what a good local MP should be: one who works full time for Stevenage; one who works with the local authorities in his constituency, not against them; one who is accessible and accountable to local people.

We congratulate Kevin Bonavia on his election. He is one of 411 Labour MPs in the House of Commons who, with Sir Keir Starmer as Prime Minister, a talented front bench team and a clear mandate, will bring the change and stability that the people of this country want and need.

We also congratulate the former Leader of the Council, Baroness Taylor of Stevenage, on her appointment as Parliamentary Under Secretary of State in the Department of Housing, Community & Local Government.

The new Government has hit the ground running. In the King's Speech on 17<sup>th</sup> July, the Government set out its priorities. They are ambitious and diverse priorities.

- A Renters' Rights Bill that will abolish Section 21 "no-fault evictions" and empower tenants to challenge rent increases "designed to force them out by the back door".
- Respect orders – a revamped form of Asbos – will give police powers to place restrictions on adults to tackle anti-social behaviour.
- A Planning and Infrastructure Bill to speed up the planning process and planning committees will be modernised, with resources to do their jobs.
- A commitment to housing – including social and affordable housing.
- A devolution bill for England,
- An Employment Rights bill, recognising that Labour values workers' rights.
- Nationalisation of our railways.

The Labour Manifesto, published prior to the general election, gave commitments that a Labour Government would work collaboratively with local government. The manifesto emphasises the importance of stable funding, decision-making flexibility, and partnership with local leaders and communities to drive growth and provide essential services. The King's Speech has opened the door to that collaboration, and, in Stevenage, we warmly welcome it.

This Council resolves that:

1. We look forward to a collaborative relationship with the newly elected Labour MP and Government to meet the Council ambitions for housing, growth and regeneration, and for the benefit of the people of Stevenage.
2. The Leader of the Council writes to Kevin Bonavia, MP for Stevenage, congratulating him on his election to Parliament and that SBC looks forward to a close working relationship.
3. The Leader of the Council writes to Baroness Taylor of Stevenage upon becoming Parliamentary Under Secretary of State in the Department of Housing, Community & Local Government and wishes her every success with her new role.

## **12. QUESTIONS FROM MEMBERS TO CHAIRS/PORTFOLIO HOLDERS**

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

(A) Question from Councillor Robin Parker

What progress has been made since the Council meeting of 20 December 2023 when Council agreed, inter alia, to investigate the installation of wildlife-friendly lighting in Fairlands Valley Park?

Have similar sites in other local authorities been researched?

Has suitable technology been fully considered?

(B) Question from Councillor Stephen Booth

Following the successful trials by South Cambridgeshire Council of switching council employees to working a four-day week, what has the Council done to investigate the important outcomes of this important trial, and what impact it could have specifically for Stevenage Borough Council?

(B) Question from Councillor Andy McGuinness

What is the total amount received in capital receipts from land sales owned by the Council (excluding Right to Buy & property receipts) in each year covering the financial periods since 2019-2020?

(C) Question from Councillor Phil Bibby

Does the Cabinet Member consider there is enough 'Grey Belt' land in Stevenage to cater for the Labour Government's likely increase in house building targets?

## **13. HOUSING REVENUE ACCOUNT 2024/25 AND ON-GOING COST PRESSURES**

To consider a report requesting an additional £2.434Million for the Housing Revenue Account (HRA) during 2024/25, in response to current and ongoing operational pressures.

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## **14. APPOINTMENT OF INDEPENDENT PERSON FOR STANDARDS COMMITTEE**

To consider the extension of the term appointment of an 'Independent Person for Standards' in accordance with the Localism Act 2011.

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**15. AUDIT COMMITTEE MINUTES**

To note the Minutes of the meeting of the Audit Committee held on 4 June 2024.

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STEVENAGE BOROUGH COUNCIL

## COUNCIL MINUTES

Date: Wednesday, 22 May 2024

Time: 7.00pm

Place: Council Chamber, Daneshill House, Danestrete, Stevenage

**Present:** Councillors: Myla Arceno (Mayor), Jim Brown (Deputy Mayor), Julie Ashley-Wren, Sandra Barr, Philip Bibby CC, Stephen Booth, Robert Boyle, Leanne Brady, Lloyd Briscoe, Rob Broom, Kamal Choudhury, Forhad Chowdhury, Nazmin Chowdhury, Peter Clark, Akin Elekolusi, Alistair Gordon, Lynda Guy, Richard Henry, Jackie Hollywell, Coleen Houlihan, Mason Humberstone, Conor McGrath, Andy McGuinness, Sarah Mead, Robin Parker CC, Claire Parris, Tom Plater, Ellie Plater, Ceara Roopchand, Loraine Rossati, Graham Snell, Simon Speller, Jeannette Thomas, Carolina Veres, Anne Wells, Nigel Williams, Jade Woods and Tom Wren

**Start / End**      Start Time:    7.00pm  
**Time:**            End Time:      8.35pm

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

The Mayor welcomed everyone to the meeting.

Apologies for absence were received from Councillor Lin Martin-Haugh.

There were no declarations of interest.

### 2      **MINUTES - 21 FEBRUARY 2024**

It was **RESOLVED** that the Minutes of the meeting of the Council held on 21 February be approved as a record and signed by the Mayor.

### 3      **ELECTION OF MAYOR**

The Mayor presented a Long Service Award to Councillor Robin Parker in recognition of his 40 years of service to the Town and the Council.

The Mayor then welcomed all Members, in particular the newly elected Members, to the meeting. She then gave a speech thanking the Council for a wonderful year in office, during the 50th anniversary year for the Council. She informed Council that it had been a great honour to have been able to serve the Town as its Mayor and she recounted some of the highlights of her year, which included Chairing the Council meetings

The Mayor then thanked her son John Arceno who had been her Consort for the year, her husband Joseph for his support along with work colleagues from the NHS and the many community groups she had dealt with during the course of the year. The Mayor then thanked colleagues across the Council and the Council Officers who had helped her throughout her year in office, particularly the Mayor's PA Tracey Frost and Members' Services officer Sheila Scrivens. The Mayor reminded Council that she had undertaken 366 engagements during the course of the year and had raised £11,500 for her charities. The Mayor was pleased to advise that she would continue to be a Dementia Champion for the Council and ensure Stevenage remained a dementia friendly Town.

The Mayor then asked for nominations for the Office of Mayor for 2024/25.

Councillor Richard Henry nominated Councillor Jim Brown for the Office of Mayor. In nominating Councillor Brown, Councillor Henry informed the Council that Cllr Brown was a keen runner and cyclist and had run more than 60 marathons. He was also a board member of Cycling UK and had been a Governor at Marriotts School for almost thirty years.

The nomination was seconded by Councillor Simon Speller.

There being no other nominations, a vote was taken and it was **RESOLVED** that Councillor Jim Brown be elected as Mayor for the 2024/25 Municipal Year.

Councillor Jim Brown then made the statutory declaration of office.

The Mayor then announced that Penny Schenkel would be the Mayoress for 2024/25.

The Mayor thanked the Council for his election and all his guests for their attendance at the meeting. He particularly mentioned the diverse make-up of the Council following the recent elections. He then gave an inaugural speech, including the announcement that his chosen charities for the year were about sport and active recreation; the arts and music; and social inclusion:

- Stevenage Arts Guild;
- Hertfordshire Sports Partnership and
- People for People.

#### 4 **ELECTION OF DEPUTY MAYOR**

The Mayor asked for nominations for the Office of Deputy Mayor for 2024/25.

Councillor Ellie Plater nominated Councillor Nazmin Chowdhury. The nomination was seconded by Councillor Conor McGrath. In nomination and seconding of Councillor Chowdhury, she was described as an advocate for her residents and a beacon of hope for the community.

There being no other nominations, a vote was taken and it was **RESOLVED** that Councillor Nazmin Chowdhury be appointed Deputy Mayor for the 2024/25



Municipal Year.

Councillor Nazmin Chowdhury then made the statutory declaration of office. The Deputy Mayor announced that her husband Keir Williams would be her Consort for the 2024/25 Municipal Year.

## 5 **APPOINTMENT OF YOUTH MAYOR**

The outgoing Youth Mayor, Ella Lacey, thanked the outgoing Mayor, Councillors, Officers, family and friends for their support over the year. She outlined some of the highlights of her year in office and wished the incoming Youth Mayor every success in the role.

It was then moved by Councillor Conor McGrath, seconded by Councillor Sandra Barr and **RESOLVED** that Lahaina Sutherland be elected as Youth Mayor for the 2024/25 Municipal Year.

Lahaina Sutherland then signed the declaration of office. In her acceptance speech, the new Youth Mayor thanked the Council for her election. She further thanked the outgoing Youth Mayor and outlined a number of initiatives including public transport, safety, inclusivity and opportunities for young people as areas she would focus on during her year in office. She then announced that Frankie Duncan would be her Deputy Youth Mayor for the 2024/25 Municipal Year.

## 6 **BOROUGH COUNCIL ELECTIONS 2024**

The Council considered a report that detailed the results of the Borough Council Elections that were held on 2 May 2024.

The Leader thanked the Chief Executive and the Senior Leadership Team and in particular Luke Fattorusso and the Elections Team for their organisation and professionalism in running the all-out elections this year. The Leader welcomed the twelve new Labour Members to the Council and congratulated them on their election. He referred to the talent and diverse nature of the Labour Group following the Election.

The Leader then paid tribute to the outgoing Councillors, including Baroness Taylor, Mrs Joan Lloyd, Michael Downing and Maureen McKay who had over 100 years service between them to Stevenage residents and the Town.

The Leader also paid tribute and thanked former Conservative Councillor and twice Mayor Margaret Notley who had lost her seat by the narrowest of margins and drawn lots.

Councillor Phil Bibby expressed concern regarding material placed on Social Media during the lead up to the Borough Election and how this had impacted on him personally.

A number of Members spoke and agreed the importance of mutual respect.

7 **APPOINTMENT OF LEADER AND DEPUTY LEADER OF THE OPPOSITION**

The Chief Executive advised that the Leader of the Opposition would be Councillor Stephen Booth and that Councillor Robin Parker CC would be his Deputy.

8 **APPOINTMENT OF LEADERS AND DEPUTY LEADERS OF POLITICAL GROUPS ON THE COUNCIL**

The Chief Executive advised the Council that Councillors Richard Henry and Stephen Booth had been appointed as Leaders of the Labour and Co-operative and Liberal Democrat Groups respectively.

It was noted that Councillors Jeannette Thomas, and Robin Parker CC would be Deputy Leaders of the Labour and Co-operative, and Liberal Democrat Groups respectively.

**CONSTITUTIONAL ISSUES**

Council considered various matters relating to the Member level decision making structure of the Council and the Council's constitution for the forthcoming Municipal Year.

It was moved, seconded and **RESOLVED**:

- 1 That the Terms of Reference, as detailed in the appendices to the report; and the size and political composition for the following bodies that form the non-Executive Member level decision making structure of the Council be approved subject to the rules of proportionality where appropriate for 100 Committee places where applicable (relevant Committees are identified thus\*) -

Overview and Scrutiny Committee\* (Appendix A) – 14 Members (11 Labour Members, 2 Liberal Democrat Group, 1 Conservative Member)

Community Select Committee\* (Appendix B) – 10 Members (8 Labour Members, 2 Liberal Democrat Members)

Environment and Economy Select Committee\* (Appendix C) – 11 Members (9 Labour Members, 2 Liberal Democrat Members)

Planning & Development Committee\* (Appendix D) – 14 Members (12 Labour & Co-operative Members, 2 Liberal Democrat Members)

Licensing Committee (Appendix E) – 14 Members (12 Labour Members, 2 Liberal Democrat Members)

General Purposes Committee\* (Appendix F) – 14 Members (12 Labour Members, 2 Liberal Democrat Members)

Appointments Committee\* (Appendix G) - 8 Members (7 Labour Members, 1

Liberal Democrat Members)

Standards Committee\* (Appendix H) – 8 Members (6 Labour Members, 1 Liberal Democrat Member, 1 Conservative Member)

Audit Committee\* (Appendix I) – 10 Members (8 Labour Members, 1 Liberal Democrat Member, 1 Conservative Member) + 1 Co-opted non-elected member

Statement of Accounts Committee\* (Appendix J) – 8 Members (7 Labour Members, 1 Liberal Democrat Member)

Joint Consultative Committee\* (Appendix K) – 3 Members (2 Labour Members, 1 Liberal Democrat Member)

\* Indicates where those bodies covered by the rules of proportionality for the purposes of the Local Government (Committees and Political Groups), Regulations 1990 – total Committee places being 100

2. That, in accordance with a proposal from the Leader of the Council, the name of the “Executive” be changed to “Cabinet”.
3. That the Borough Solicitor be authorised to make consequential amendments to the Constitution to reflect the proposal set out in Resolution 2 above.
4. That the membership of the Cabinet and the individual Portfolios, as set out below, be noted including the addition to the Housing Portfolio of the “Member responsible for complaints”, in accordance with the Housing Ombudsman’s and the Local Government and Social Care Ombudsman’s recently published Complaints Handling Code:

Councillor Richard Henry – Leader, Transforming Stevenage  
Councillor Jeannette Thomas – Deputy Leader, Resources & Transformation  
Councillor Sandra Barr – Co-operative Council and Neighbourhoods  
Councillor Lloyd Briscoe – Economy, Skills and Transport  
Councillor Jackie Hollywell – Housing  
Councillor Conor McGrath – Stronger Communities  
Councillor Loraine Rossati – Culture, Leisure and Wellbeing  
Councillor Simon Speller – Environment and Performance

3. That the various Cabinet bodies appointed by the Leader, detailed in Paragraph 4.4 of the report and the relevant Terms of Reference for each body set out in Appendix L to the report, be noted.
4. That the dates for Council meetings for the Municipal Year 2024/25, as shown at Paragraph 4.9 of the report, be approved, and that the calendar of formal meetings shown at Appendix M to the report, be noted.

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## **APPOINTMENT TO COMMITTEES OF THE COUNCIL**

Details of the individuals nominated to serve on each Committee, together with the Chairs and Vice-Chairs of those Committees, where stated, had been circulated prior to the meeting.

Council noted that in relation to the membership of the Joint Consultative Committee, Councillor Tom Plater should replace Councillor Ceara Roopchand.

Councillor Richard Henry moved and Councillor Jeannette Thomas seconded the appointment of Committees. Councillor Richard Henry moved and Councillor Jeannette Thomas seconded the appointment of Chairs and Vice-Chairs to the Committees.

It was **RESOLVED**:

1. That the membership of Committees, together with the Chairs and Vice-Chairs, where detailed, are appointed for 2024/25 Municipal Year as follows:

**OVERVIEW AND SCRUTINY COMMITTEE**

14 Members (11-2-1)

Councillors – L Martin-Haugh (Chair), R Parker, CC (Vice-Chair), P Bibby, CC, M Arceno, S Booth, R Broom, F Chowdhury, P Clark, L Guy, S Mead, T Plater, C Roopchand, C Veres and A Wells

**COMMUNITY SELECT COMMITTEE**

10 Members (8-2-0):

Councillors – S Mead (Chair), J Ashley-Wren (Vice-Chair), S Booth, L Brady, K Chowdhury, A Elekolusi, A Gordon, L Guy, M Humberstone and J Woods

**ENVIRONMENT & ECONOMY SELECT COMMITTEE**

11 Members (9-2-0):

Councillors – R Broom (Chair), A McGuinness (Vice-Chair), L Brady, F Chowdhury, A Gordon, S Mead, C Parris, E Plater, G Snell, N Williams and J Woods

**PLANNING & DEVELOPMENT COMMITTEE**

14 Members (12-2-0)

Councillors – C Parris (Chair), N Chowdhury (Vice-Chair), J Ashley-Wren, R Broom, F Chowdhury, K Choudhury, P Clark, A Elekolusi, L Guy, C Houlihan, E Plater, G Snell, C Veres and A Wells

Substitutes - S Booth

+ 6 Labour substitutes (tba)

**LICENSING COMMITTEE**

14 Members (12-2-0)

Councillors – E Plater (Chair), S Barr (Vice-Chair), M Arceno, R Boyle, P Clark, A Elekolusi, A Gordon, C Houlihan, M Humberstone, L Martin-Haugh, C Parris, G Snell, A Wells, T Wren

Substitutes - S Booth

A McGuinness

+ 6 Labour substitutes (tba)

### **GENERAL PURPOSES COMMITTEE**

14 Members (12-2-0)

Councillors – E Plater (Chair), S Barr (Vice-Chair), M Arceno, R Boyle, P Clark, A Elekolusi, A Gordon, C Houlihan, M Humberstone, L Martin-Haugh, C Parris, G Snell, A Wells, T Wren,

Substitutes - S Booth  
A McGuinness  
+ 6 Labour substitutes (tba)

### **APPOINTMENTS COMMITTEE**

8 Members (7-1-0)

Councillors – R Henry (Chair), S Booth, M Humberstone, L Martin-Haugh, L Rossati, S Speller, J Thomas and N Williams

### **STANDARDS COMMITTEE**

8 Members (6-1-1)

Councillors – J Hollywell (Chair), M Arceno (Vice-Chair), P Bibby, CC, C McGrath, C Roopchand, L Rossati, N Williams and T Wren.

Independent Person who must be consulted on alleged breaches to the Code of Conduct – Dr. Robert Cawley

### **AUDIT COMMITTEE**

10 Members (8-1-1) + 1 Independent Co-opted Member (S Uddin)

Councillors – C Veres (Chair), L Briscoe (Vice-Chair), P Bibby, CC, R Boyle, L Guy, M Humberstone, T Plater, C Roopchand, A Wells and T Wren

### **STATEMENT OF ACCOUNTS COMMITTEE**

8 Members (7-1-0)

Councillors – J Thomas (Chair), S Barr (Vice-Chair), M Arceno, L Brady, K Choudhury, A Elekolusi, R Parker, CC and S Speller.

### **JOINT CONSULTATIVE COMMITTEE**

3 Members (2-1-0)

Councillors – Jackie Hollywell (Employer Side Chair), R Parker CC and T Plater.

## 11 **APPOINTMENTS TO OUTSIDE BODIES**

Council considered a list of individuals nominated to serve on Outside Bodies which had been circulated before the meeting.

It was moved by Councillor Richard Henry, seconded by Councillor Jeannette Thomas and **RESOLVED** that the following individuals are appointed to represent the Council on the various bodies detailed below for one year, unless otherwise stated:

COUNCIL FOR THE PROTECTION OF RURAL ENGLAND: THE

HERTFORDSHIRE SOCIETY - Portfolio Holder for Environment and Performance

EAST COAST MAINLINE AUTHORITIES (ECMA) CONSORTIUM – Portfolio Holder for Economy Skills and Transport

EAST OF ENGLAND LOCAL GOVERNMENT ASSOCIATION - The Leader of the Council

EAST OF ENGLAND REGIONAL PLANNING - Portfolio Holder for Environment and Performance

HERTS WASTE MANAGEMENT PARTNERSHIP - Portfolio Holder for Environment and Performance

HERTFORDSHIRE GROWTH BOARD – The Leader of the Council

HERTFORDSHIRE INFRASTRUCTURE PLANNING AND POLICY GROUP - Portfolio Holder for Environment and Performance

HERTFORDSHIRE LOCAL AUTHORITIES LEADERS GROUP - The Leader of the Council

HERTFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP – The Leader of the Council

HERTFORDSHIRE CLIMATE CHANGE AND SUSTAINABILITY PARTNERSHIP - Portfolio Holder for Environment and Performance

LOCAL GOVERNMENT ASSOCIATION - The Leader of the Council

SOSAFE PARTNERSHIP - Portfolio Holder for Community Safety, and Equalities

STEVENAGE COMMUNITY SAFETY PARTNERSHIP - Portfolio Holder for Stronger Communities

STEVENAGE DEVELOPMENT BOARD - The Leader of the Council and Deputy Leader

AGE CONCERN STEVENAGE – Jeannette Thomas

BEDWELL COMMUNITY ASSOCIATION – Conor McGrath

CHELLS MANOR COMMUNITY ASSOCIATION - Andy McGuinness

CROSSROADS CARE – Anne Wells

DOUGLAS DRIVE SENIOR CITIZENS ASSOCIATION – Myla Arceno

HOME-START STEVENAGE – Coleen Houlihan

KADOMA LINK ASSOCIATION - Graham Snell and Mason Humberstone

LIVING ROOM PROJECT - Jackie Hollywell

OLD STEVENAGE COMMUNITY ASSOCIATION – Nigel Williams

OVAL COMMUNITY ASSOCIATION - Lloyd Briscoe

PIN GREEN COMMUNITY ASSOCIATION - Jeannette Thomas

SHEPHALL COMMUNITY ASSOCIATION – Sarah Mead

ST NICHOLAS COMMUNITY ASSOCIATION - Sandra Barr

STEVENAGE CITIZENS ADVICE BUREAU – Rob Broom

STEVENAGE COMMUNITY TRUST – Lorraine Rossati and Nigel Williams

STEVENAGE CREDIT UNION LIMITED – Carolina Veres

SPRUSE – Lin Martin-Haugh

HAVEN FIRST – Mason Humberstone

STEVENAGE/AUTUN/INGELHEIM ASSOCIATION – Sandra Barr and Simon Speller

STEVENAGE WORLD FORUM FOR ETHNIC COMMUNITIES – Forhad Chowdhury and Mason Humberstone

SYMONDS GREEN COMMUNITY ASSOCIATION – Jackie Hollywell

TIMEBRIDGE COMMUNITY ASSOCIATION – Tom Wren

TURN THE TIDE – Nazmin Chowdhury

EAST OF ENGLAND LGA IMPROVEMENT AND EFFICIENCY PANEL - Richard Henry

HCC HEALTH SCRUTINY COMMITTEE – Alistair Gordon

LOCAL GOVERNMENT INFORMATION UNIT – Jim Brown

LUTON AIRPORT CONSULTATIVE COMMITTEE – Akin Elokolusi

**CHAIR**

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**Meeting** COUNCIL  
**Portfolio Area** ALL  
**Date** 31 JULY 2024



## ANNUAL SCRUTINY REPORT FOR 2023-24

Author – Stephen Weaver, Scrutiny Officer (on behalf of the Scrutiny Members) Ext.No. 2332

Lead Officer – Tom Pike, Deputy Chief Executive Ext. No. 2288

Contact Officer – Stephen Weaver Ext.No. 2332

### 1 PURPOSE

- 1.1 To report on the work undertaken by the Overview & Scrutiny Committee and the Select Committees during the 2023/24 Municipal Year and to outline the Work Programme for the three Committees for 2024/25.

### 2 RECOMMENDATIONS

- 2.1 That the work undertaken by Overview & Scrutiny Committee and the Select Committees during 2023/24 be noted.

### 3 BACKGROUND

- 3.1 Under the provisions of the Local Government Act 2000, Overview and Scrutiny's role is to operate as an independent function of the Council's decision-making process, by having overview of the Council's decision making, holding the Executive to account, having the power to "call in" decisions for reconsideration and undertake internal and external scrutiny reviews.
- 3.2 The Council's Constitution requires that there be an annual report to Council on the scrutiny activity over the past Municipal Year (see Article 6.3 of the Constitution).

- 3.3 This report is largely a retrospective look at the scrutiny review work undertaken by the Overview & Scrutiny Committee and the two Select Committees during the 2023-24 Municipal Year.
- 3.4 In accordance with the Constitution the Overview and Scrutiny Committee was also charged with scrutinising the Executive's proposals on Budget & Policy Framework items that go before Council for decision. In addition, the Committees considered updates on Scrutiny studies that had been undertaken previously, examining the progress of recommendations and where appropriate following up on matters raised.
- 3.5 The Committees have also worked with their relevant Executive Portfolio Holders on a number of separate policy development meetings developing policies and considering reports before their submission to the Executive.

#### **4 SUMMARY OF SELECT COMMITTEE REVIEWS**

- 4.1 Each Select Committee review made formal recommendations to the relevant Executive Member, Officers and external partners. The following is a summary of the outcomes of each scrutiny review.

##### **4.2 COMMUNITY SELECT COMMITTEE**

The Community Select Committee held 9 meetings during the 2023-24 Municipal Year.

##### **4.2.1 Scrutiny of Housing Repairs**

In conducting this review, the Community Select Committee met on 4 occasions in total with 3 formal Committee meetings to undertake the review as follows: On 26 July 2023, 19 October 2023, 14 November 2023 and 8 January 2024, and held 1 site visits days on 29 August 2023 to visit the Housing Repairs Team and accompany the repairs team on a tenant repair visit and were supported by the following officers AD Building Safety and Housing Property Services, Denise Lewis, Repairs Service Manager, Dean Stevens, and the review interviewed Executive Portfolio Holder for Housing Development and Housing, Cllr Jeannette Thomas.

- 4.2.2 The review made recommendations on the following 9 areas:

- 1 **Recommendation 1- Development of a suite of Policies and Procedures for Housing Property Services** - so that issues like quantifying the level of a repair into an agreed standard can be established which should help the authority manage repairs in a more planned way.
- 2 **Recommendation 2 - Improved Communication both internal and external** - (i) ensure that all team members communicate effectively with tenants and with colleagues to get repairs resolved quickly and efficiently; and (ii) improve communications with tenants via direct engagement, social media and newsletters so that tenants are aware of the implications of missing appointments.

- 3 **Recommendation 3 – Make better use of technology** - Including (i) encouraging tenants to send in digital photos and videos of the repair; (ii) using data on in year repairs against previous years to see trends and to profile the type of work that would be expected in different age/style housing stock; (iii) use remote diagnostic tools that are available in the housing sector or the development of an in-house housing App that tenants could use to report on repairs and general stock condition.
- 4 **Recommendation 4 – Work with the Customer Service Centre regarding training** - Housing Officers be invited to work with the Customer Services Centre (CSC) to improve training to help them clearly identify if the work is a repair or planned investment and (ii) develop a checklist of questions for use with CSC Officers to ask the tenants to ascertain as much information to accompany the original request.
- 5 **Recommendation 5 – Review of the booking system** - The scheduling system (DRS) be reviewed by the repairs team after the original booking and prior to sending out repairs operatives to ensure everything is in place to avoid the need for a future visit.
- 6 **Recommendation 6 – Streamline working between Investment and Repairs** - Need for the investment and repairs teams to have closer collaboration between them with a standardised process whereby the repair's team are not relied upon to attend a job only to discover it is an investment team consideration not a repair.
- 7 **Recommendation 7 – Development of an audit trail via a tracker for each repair /enquiry** - The process and journey of each tenant's request for a repair (whether it be defined as a repair or housing investment) be able to be traced and the initial request is the start of the timeline for the resident.
- 8 **Recommendation 8 – Development of Customer Self-serve App** - The booking hub that is currently under development be brought back to Community Select Committee Members to view to establish the efficacy of the booking system. While there are improvements in use of technology, it will remain the case that there will be residents who cannot access it and officers will need to resume a client facing approach.
- 9 **Recommendation 9 – Collecting feedback from all stakeholders** - It was evident that tenants, Members and the Portfolio Holder are all unclear on the existing processes. In order to evaluate any new policy, feedback should be collected to establish its success. The aim will be clear understanding of the journey of an individual case and the decisions attached to it.

4.2.3 The details of the review report can be found by following the link to the meeting that they were agreed on at 8 January 2024 – [Report and Recommendations – Housing Repairs Review – 8 January 2024](#)

#### 4.2.4 **Update on the Cultural Strategy**

4.2.5 The Community Select Committee received an update on the cultural offer across the town and Members scrutinised the various projects and activities that the Council was engaged in including:

- ambition to grow the festival and event offer in the town
- protect the Gordon Craig Theatre offer to provide a good or better facility
- establish a new museum in a New Town Heritage Centre in the Hub
- encourage high quality music facilities like Old Town Live
- assist the work of Junction 7 Creatives
- promote cultural activities in the town centre Event Island
- create an arts and heritage trail including artwork in the underpasses
- recognising the sports heritage in Stevenage, and the Hertfordshire Cultural Education Partnership in schools
- promote the cultural offer to a wider participatory audience

4.2.6 For further details of the presentation and Minute of the item follow the link to the [Agenda for Community Select Committee for Tuesday 19 September 2023](#)

#### 4.2.7 **Pre-scrutiny of the revised Housing Allocations Policy**

4.2.8 The Committee received a presentation on the proposed changes to the Housing Allocations Policy. The Changes were in response to the increased statutory burdens placed on the Council from central government and the finite supply of available social housing. The new policy was proposing 7 significant changes which the Committee considered and commented on, these included:

- to only accept applicants onto the housing register if they had a specific housing need
- to disqualify those with sufficient savings or incomes from applying for social housing
- to introduce a New Generation scheme which would give priority to 1 bed need adults to enable the downsizing of tenants
- to reduce the number of bands that applicants can be placed into, with just 3 bands (1,2 & 3)
- to remove people who had not bid within 12 months
- to let homes based on housing need only
- to change the bedroom standard to allow more household members to share

4.2.9 For further details of the officer presentation and the Committee discussion of this pre-scrutiny policy development item, follow the link to the meeting of the [Community Select Committee held on Tuesday 19 September 2023](#)

#### 4.2.10 **Community Select Committee sitting as the Council Statutory Crime & Disorder Committee**

4.2.11 Members received a presentation on areas of interest that they had raised with the Police regarding the following issues:

- Theft from persons
- Incidents of assaults across the town
- Work with young offenders

- Incidents of drugs criminality and Anti-Social Behaviour
- Fly tipping

4.2.12 Members were informed that during the past year the following incidents of crime were recorded for Stevenage:

- There had been a 28% reduction in theft from person incidents across Stevenage, with 70 incidents compared to 97 in the previous year
- There had been a 50% reduction in incidents initially classified as drugs-related antisocial behaviour, with 241 incidents compared to 478 in the previous year
- With regard to incidents of fly tipping the Councils Community Safety team were given a focus to find cost-effective solutions. Strategies included encouraging perpetrators, when identified, to remove waste themselves

Members asked questions in relation to the following issues:

- crime trends in the Roaring Meg Retail Park area
- concern about antisocial behaviour in the Marymead area and issues related to drug problems and malfunctioning CCTV cameras
- questions related to Police resourcing in the town compared to other areas in the County
- work undertaken with schools and specifically regarding pupils who were not attending school

4.2.13 For further details of the Police and Officer presentation and the Committee discussion follow the link to the meeting of the [Community Select Committee, Wednesday 3 April 2024](#).

### 4.3 **ENVIRONMENT & ECONOMY SELECT COMMITTEE**

4.3.1 The Environment & Economy Select Committee held 11 meetings during the 2023-24 Municipal Year.

#### 4.3.2 **Bus Scrutiny**

In conducting this review, the Environment & Economy Select Committee met on 7 occasions in total with 6 formal Committee meetings and 1 site visit to undertake the review as follows:

- 14 June 2023 to agree a scope.
- 6 July 2023 to consider written data from partners.
- 29 August 2023 Members undertook a site visit to Metroline, TFL bus company garage in Potters Bar to view electric buses and charging infrastructure and interview the Garage Manager.
- 4 September 2023, interview with Arriva Bus Company and consideration of the data Arriva shared with Members and interview with the Bus User Group for Stevenage (BUGS) and received an updated mapping document.
- 10 October 2023, interviews with Herts Sight Vision Loss Charity and SBC Executive Portfolio Holder for Transport, Cllr Lloyd Briscoe and SBC Climate Change officers regarding encouraging uptake in public transport and consideration of an updated mapping document.

- 12 December 2023 to consider the draft report and recommendations.
- 16 January 2024 to consider the final report and recommendations.

#### 4.3.3 The review made recommendations on the following 13 areas:

1. **Recommendation 1** SBC Executive Portfolio Holder for Transport be invited to consider holding a yearly transport seminar for Stevenage bringing together the HCC transport unit and the public transport providers.
2. **Recommendation 2** (i) Arriva be strongly encouraged to update the real time information for bus services on their website and App, as bus users rely on this information to wait for bus services, if cancelled or delayed; and (ii) that real-time information also be included at bus stops, so passengers know when the next bus is due and also if a service is not running etc.
3. **Recommendation 3** (i) to help wheelchair users and disabled and the visually impaired that some (a least two or three) of the information screens in the bus interchange be lowered and the contrast of those screens be adjusted to provide a good contrast to enable those users to be able to read the information more easily, and (ii) in addition, that a similar sign to the RNIB signage used near the ticket office at the railway station be installed at the bus interchange.
4. **Recommendation 4** (i) HCC Passenger Transport Unit and Arriva need to engage in an open and ongoing conversation with disability groups like Herts Vision Loss to help refine and shape the services, as it appeared to Members that this was not currently the case; and (ii) the use of trusted apps for those with disabilities be championed by bus providers and transport authorities at HCC.
5. **Recommendation 5** Arriva should revisit their driver training regarding courtesy and care towards disabled passengers. Herts Vision Loss reported that their members were, on occasion, not given sufficient time to be seated when boarding or were dismissed or ignored by some drivers when asking for assistance or information about the bus route.
6. **Recommendation 6** HCC Passenger Transport Unit and Arriva advance the roll out of audio announcement on buses as well as visual displays screens, which need to be retrofitted to all existing fleet and be provided as standard on any new fleet stock.
7. **Recommendation 7** (i) Bus companies should be encouraged to consider electric vehicles or other alternatives to move away from fossil fuels; and (ii) during the long transition to EV electric replacement buses and considering the variable supply of hydrogen, that HCC and Arriva be invited to consider using a more environmentally friendly Biodiesel which produces 90% less carbon than conventional diesel.
8. **Recommendation 8** Regarding new housing developments, SBC Planning and Development Officers should consult with Bus Companies regarding their views to help avoid any unintended consequences to buses using routes into new housing developments and that HCC Highways Officers should be invited to consult with bus companies regarding the introduction of traffic calming measures such

as speed bumps, narrowed roads or chicanes that can make bus journeys slower and therefore not run to optimum journey times. Any changes made to road schemes for traffic calming should consider bus gates.

9. **Recommendation 9** Regarding the new bus station interchange:
  - (i) SBC, fully consider the use of the Bus Station in its new location, and the user experience. In respect of the pedestrian access from the Bus Station through to the shops, the existing signage be reviewed to ensure that it is clear which way to walk to the shops to encourage pedestrians to use the designed route to the pedestrianised Town Centre along the front of the Leisure Centre, rather than to the side of Daneshill House/Registry Office, which should be discouraged as it was equidistance to the route in front on the leisure centre, but was less safe, as it is on a main road;
  - (ii) Officers and Partners should consider means of assisting older and disabled users to move from the Bus Station into the town, such as a shuttle bus\*, and if an opportunity arises in the future to enhance the provision of mobility services that consideration be given to locating these at the Bus Interchange;
  - (iii) that the provision of WiFi be considered at the Bus Interchange to help passengers access the Arriva App; and
  - (iv) that Officers and Partners consider all available options to ensure that there is a safe and comfortable user experience at the Bus Station.
10. **Recommendation 10** As part of the regeneration of the town centre strategically placed bus stops near public infrastructure will need to be provided, for example there should be a bus stop provided at the new leisure centre when this is built at the town centre gardens, St Georges Way site, as well as consideration of a new bus route to service any new stops.
11. **Recommendation 11** Arriva and HCC be encouraged to consider the provision of a spine route running from the north to the south of the town.
12. **Recommendation 12** SBC via the Executive Portfolio Holder for Enterprise and Transport lobby HCC to consider different funding models for the provision of bus travel for Hertfordshire as it was felt that it was right to challenge the funding model which was not currently delivering a service that was fit for purpose.
13. **Recommendation 13** Consideration should be given to a circular bus route between Roaring Meg, Leisure Park, Old Town and the Town Centre, and that officers of the Council review this to identify any funding opportunities, if possible as an electric bus service.

4.3.4 For further details of the final report and background to the recommendations follow the link to the [meeting of the E&E Select Committee on 16 January 2024](#)

#### 4.3.5 **Climate Emergency update**

4.3.6 The Select Committee received an update in November 2023 and again in March 2024 from the Executive Member for Environment, Councillor Simon Speller and the Head of Climate Action, Fabian Oyarzun and the AD Planning and Regulation, Zayd Al-Jawd. In November the Committee received an updated document detailing the latest position against the original review recommendations and the Executive Member response - [Exec Member Response Update for November 2023](#). In March 2024 the Committee commented on a further update based on the challenges that they provided to the Portfolio Holder and to officers - [Update on Climate Change Actions - Wed 6 March 2024](#)

4.3.7 In addition to the formal review work undertaken by Environment and Economy Select Committee Members, selected Members and Officers supported the work of the Executive Portfolio Holder for Climate Change by contributing to 5 informal meetings of the Portfolio Holder's Climate Change Progress Group.

#### 4.4 **Cost of Living Review**

4.4.1 The Committee started its review of the Cost of Living with a scoping document in December 2022 where it decided that the focus of the review should be on three areas including a focus on the impact on (i) local residents, (ii) impact on local businesses and (iii) the impact on Council staff.

4.4.2 The Committee received an officer presentation in January 2023 providing an overview of the cost-of-living crisis in a national, County and local context from the interim Head of Policy and Communities, Ben Threadgold. The Committee also interviewed Charlotte Blizzard-Welch, CEO Stevenage Citizens Advice and SBC officer, Gemma Maret, Co-operative Neighbourhoods Programme Manager regarding the operation of warm spaces.

4.4.3 In February 2023 the Committee received a presentation from the Business Relationship Manager, Mena Caldbeck on the impact of the cost-of-living crisis on small to medium sized businesses (SMEs) in Stevenage.

4.4.4 Members interviewed Simon Holmes, Director of Client Services and Enterprise Partnership Manager and Emma Wright, Client Services Operations Manager from Wenta (an independent, not-for-profit social enterprise that run the Council's Business Technology Centre (BTC)) to present on how businesses at the BTC are being impacted by the cost-of-living crisis. The Executive Portfolio Holder for Economy, Enterprise and Transport, Cllr Lloyd Briscoe, also attend the meeting and joined in the discussion.

4.4.5 In March 2023 the Committee received responses to questions they had set for the Trade Unions and interviewed the Head of Human Resources (job-share), Kirsten Frew and Clare Davies regarding the impact on Council's employees.

4.4.6 The Committee revisited the three themes of the review in on 14 June 2023 to complete the review and interviewed Sharon Bell MBE, Children's Service Manager, Stevenage, North Herts Quadrant Family Support Service and Claire



Norris, Service Delivery Manager from Home-Start Hertfordshire and the final report was published on 16 January 2024.

4.4.7 The review made recommendations on the following areas:

1. **Recommendation 1 - Sign Posting** – (i) an “holistic” approach, or resident centred approach, should extend across SBC service, and into the Housing Team and (ii) delivery of council services accessible via digital means be continued with traditional person to person methods still made available.
2. **Recommendation 2 - Importance of Early Intervention** - It is recommended that SBC and partners continue to support residents coming forward for help by encouraging early intervention mechanisms.
3. **Recommendation 3 – Continuation of administration of the Household Support Fund** - It is recommended that if the Government make a further round of the Household Support Fund available for 2024-25 that officers carry on making this very valuable fund available to eligible local people.
4. **Recommendation 4 - Continuation of Warm Spaces** - It is recommended that the provision of warm spaces continues for 2023-24 and that the officer report from 2022-23 regarding the provision of warm spaces during this period be shared with Members.
5. **Recommendation 5 – SBC frontline staff training on Cost-of-Living** - It recommended that SBC training is maintained on the cost of living across all public facing teams, especially Housing and Council Tax.
6. **Recommendation 6 – Council Tax Arrears and Rent Arrears** - It is recommended that the level of Council Tax Arrears and Rent Arrears should be recorded and disseminated, not only because of the revenue implications for SBC, but because these are indicators of the impact on family finances.
7. **Recommendation 7 – Impact on Businesses in Stevenage** - It is recommended that the Business Relationship Manager and the Executive Portfolio Holder for Economy and Transport be invited to commission a report on the ongoing conditions of the business market in the town, looking at the pressures of on businesses particularly on SME's.

For further details of the final report and background to the recommendations follow the link to the [E&E Select Committee's Final report and recommendations Cost of Living Scrutiny Review](#)

4.5 **Pre-scrutiny policy development of the updated Biodiversity Action Plan**

4.5.1 The Committee received a presentation from the Environmental Policy & Development Manager and the Herts and Middlesex Wildlife Trust on the draft updated Biodiversity Action Plan for Stevenage, which the Committee considered and provide some policy development comment on the updated action plan before it was brought forward for a decision at Cabinet. Members

also considered an overview about how the Tree and Woodland Strategy and the Green Space Strategy would be developed in 2024-25. Details of the Committee's discussion and comment can be found by following the link to the Committee's meeting [E&E Select Committee 27 February 2024](#)

#### **4.6 Pre-scrutiny policy development of the Stevenage Skills Framework**

4.6.1 The Committee received a presentation on the Stevenage Skills Framework provided by Co-operative Neighbourhoods Programme Manager, Daryl Jedowski and Strategic Director, Tom Pike with input from the CEO North Herts College, Kit Davies and Norman Jennings from Hertfordshire LEP. The project's aim to address the needs of local people, including young individuals, those facing barriers to employment, and individuals seeking career progression. Details of the Committee's discussion and comment can be found by following the link to the Committee's meeting [E&E Select Committee 27 March 2024](#)

#### **4.7 Overview & Scrutiny Committee**

4.7.1 The Overview and Scrutiny Committee met on 9 occasions to provide overview of the work of the Executive, specifically looking at all Key Decisions made by the Executive and all Budget and Policy Framework items. In addition to these meetings the Overview and Scrutiny Committee

#### **4.7.2 2021 Census data**

4.7.3 The Overview and Scrutiny Committee, as an agreed work programme item, received a presentation from the Corporate Policy and Performance Manager and the Corporate Policy and Research Officer on the outcomes of the 2021 Census data. Following the presentation Members asked a series of questions with regards to; the protected characteristic groups; online accessibility; definition of legal partnerships; and the work of the Equalities and Diversity Governance Group and officer Equalities & Diversity Group, which the officers provided verbal responses at the meeting. For further details of the presentation and minutes of the meeting follow the link to the [O&S Committee 22 Nov 2023 - 2021 Census Data](#)

#### **5.1 2024/2025 Scrutiny Work Programmes**

5.1 Following the usual practise, the Scrutiny Officer canvassed scrutiny Members in January for their feedback on scrutiny activity and ideas for future scrutiny reviews. This informed a report to each of the three scrutiny Committees in February and March 2024. The shape of the three committees work programmes are as follows:

#### **5.2 Community Select Committee:**

The Community Select Committee agreed to scrutinise the following issues:

- Housing Investment – Members to receive an update on the various elements to Housing Investment including the decent homes programme, the major repairs contract and on one-off repairs.

- Independent Living (Sheltered Accommodation) - The Strategic Director agreed to provide a briefing note to Members outlining the various care elements provided, who supplies the service and what is available to residents.
- Review the impact of the new Housing Allocations Policy – The Strategic Director agreed to instruct Officers to provide a report on the overview of the communications plans with the public on the new Housing Allocations Policy before it is delivered in July 2024.
- Equalities & Diversity - The Council's Equalities Officer be invited to a future CSC meeting to provide a PowerPoint presentation to CSC Members regarding who does what in relation to promoting Equalities and Diversity and good community cohesion. Following the presentation and liaison with the Equalities Commission Legacy Group a scope for a review could be brought back to the Committee for consideration.
- Neighbourhood Wardens - Officers should bring a one-off update on the work of the Neighbourhood Wardens to the Committee.
- Community Centres - The Chair of the Committee to meet up with the Strategic Director and Statutory Section 151 Officer with responsibility for the Council's Finances regarding how the Committee might engage on this issue.
- Update on the new Leisure Contract performance - Everyone Active & the Council's Health and Wellbeing Officer be invited to attend a meeting and provide an update presentation to Members.
- Statutory Crime & Disorder Committee and Standing item on Public Health – That these items be scheduled into the Committee's work programme for the year, with a view to work with HCC Public Health lead and partners in various NHS governance groups to develop a joint health strategy document for an Integrated Care Network for the area as a piece of pre-scrutiny policy development.

### 5.3 Environment and Economy Select Committee:

The Environment & Economy Select Committee agreed to scrutinise the following issues:

- Offer a training session on or before the first meeting in the new Municipal Year to orientate newly elected Members regarding how scrutiny is conducted.
- Conduct a review of Stevenage Skills Framework
- Ongoing watching brief on the Climate Emergency – continue with 2 sessions during the year in Oct/Nov to coincide with the Annual Climate Change update to Council and in March to drill down on some specific measures.
- Invite the HCC to provide a briefing on what the impact might be to the workings of the LEP now it is being brought into the County Council.
- Tree Management. Officers to provide a one-off performance review session on how the Tree Management Policy is explained to the public to

counter the general misconceptions of what is possible within the Councils current resources.

- Receive an update on the current Refuse and Recycling service and look at possible policy changes once Government Guidance is issued in this area.
- Provide a one-off review update on the Indoor Market following up on actions from the 2017 Scrutiny review.
- Provide a one-off review update on the current position with the Cost-of-living review.
- Biodiversity Net Gain – The Committee is considering the Biodiversity Action Plan as a piece of pre-scrutiny policy development work in February 2024 and may look to bring back future updates, if Committee time allows, including further sessions on the Tree Management Strategy and the Green Space Strategy.
- Provide a one-off performance review session on Parking Enforcement with some details on the service and the number of fines administered.
- Town Centre Regeneration – Initially an overarching Officer presentation to be provided and then a more focused thematic approach around the local skills agenda, access to work opportunities, placemaking, night-time economy etc.

The programmes above will be prioritised to ensure the key review activity takes place during the Municipal Year. As well as carrying out review work the Committee will also undertake any other pre-scrutiny Policy Development work as directed by the officer Strategic Leadership Team and the Council and Executive Forward Plan.

#### 5.4 Overview & Scrutiny Committee Work Programme:

5.4.1 In addition to undertaking all scrutiny of Budget & Policy Framework items and decisions of the Executive, the Overview and Scrutiny Committee has the capacity to undertake a “Select Committee” style meeting during the year if it so wishes. The Committee agreed to add the following items to its work programme:

- One off performance review of ICT including an update on the website.
- Customer Services Centre – how well has the move to the single reception area gone?
- YourSay Councillors Complaints System – What will the new system provide?

As well as carrying out review work the Committee will also undertake pre-scrutiny Policy Development work as directed by officer Strategic Leadership Team the Council and Executive Forward Plan.

5.4.2 The Overview and Scrutiny Committee will review the Council’s Forward Plan of Key Decisions and also consider all ‘Call-in’ requests in accordance with the Council’s Constitution as well as considering any Councillors Call for Action in relation to matters relating to Resources and any Petition appeals, in

accordance with the Councils Petition Scheme, regarding matters relating to Resources or of a Corporate or Council wide nature.

## 5.5 Scoping reviews

5.5.1 A schedule of dates for meetings for the two Select Committees has been arranged for the 2024-25 Municipal Year, as and when any further meetings are scheduled electronic diary invites will be sent to Members on the Committee. These meetings will incorporate the scoping of the review where Members will identify the areas they wish to cover during the review, who to interview, what evidence/background information is required and which Members will lead the questioning on a specific area, as well as undertaking site visits, where appropriate. Meetings will also be arranged to revisit previous reviews to monitor actions.

## 5.6 **Pre-Scrutiny Policy Development Meetings**

5.6.1 Pre-scrutiny Policy Development meetings will continue to be undertaken as and when directed by the Strategic Directors/Assistant Strategic Directors. These meetings are chaired by the relevant Overview & Scrutiny or Select Committee Chairs and the relevant Cabinet Portfolio Holders are invited to attend.

## 5 **IMPLICATIONS**

### 5.1 **Financial Implications**

5.5.1 There are no financial implications for this report.

### 5.2 **Legal Implications**

5.2.1 There are no legal implications for this report.

### 5.3 **Climate Change Implications**

5.3.1 All Climate Change implications are addressed in paragraphs 4.3.6 to 4.3.7

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**Meeting** Council  
**Portfolio Area** Housing, Resources and Transformation  
**Date** 31st July 2024



## HOUSING REVENUE ACCOUNT GROWTH REQUIREMENTS 2024/25

### KEY DECISION YES

**Authors** Kerry Clifford  
Brian Molden

### 1 PURPOSE

- 1.1 The report requests an additional £2.434Million for the Housing Revenue Account (HRA) during 2024/25, in response to current and ongoing operational pressures.
- 1.2 A detailed explanation for the growth has been included in the Cabinet Report and within Appendix B. These requests are being recommended to Council for approval as they exceed the amount delegated to the Cabinet.

### 2 RECOMMENDATIONS

- 2.1 That the request for in-year growth due to HRA 2024/25 budget pressures of £2,434,050 as detailed in paragraph 4.11.2 of the Cabinet Report (Appendix A) be approved, subject to Cabinet consideration and recommendations made on 24th July 2024.
- 2.2 That Council authorises the Cabinet to approve an additional £400K of HRA expenditure for the remainder of 2024/25.

### 3 BACKGROUND

- 3.1 The background to this report is set out in the Cabinet report at Appendix A, paragraphs 4.11.2 to 4.11.8.

## 4 REASONS FOR RECOMMENDED ACTIONS AND OTHER OPTIONS

- 4.1 The table below lists the requested growth in the 2024/25 HRA budget in response to current identified service pressures:

	2024/25 £	Ongoing £
<b>New Posts re Regulatory Demands</b>	<b>144,050</b>	<b>246,940</b>
<b>Repairs and Voids Costs</b>		
Responsive Repairs	500,000	500,000
Voids	1,285,000	750,000
Staffing Restructure	375,000	95,000
Disrepair Claims	130,000	130,000
	<b>2,290,000</b>	<b>1,475,000</b>
<b>Total Growth Request</b>	<b>2,434,050</b>	<b>1,721,940</b>

- 4.2 A full breakdown of these pressures can be found in section 4.11 of the Cabinet report and within Appendix B.
- 4.3 The budget pressures seen in the HRA for 2023/24 and the request for additional budget provision in 2024/25 clearly illustrate the current financial risks in the ringfenced account.
- 4.4 Many of these pressures are also being experienced at a national level in the social housing sector and the Local Government Association is currently commissioning work to assess the impact, to be better placed to inform the newly elected government of the extent of the problems and offer potential solutions.
- 4.5 Increased regulation and operating requirements, combined with high inflation and recent rent capping, have significantly increased financial risk. The last HRA Business Plan recognised that there were many uncertainties in the medium term and in response increased the required minimum balances from £3Million to £10Million.
- 4.6 This was to help cover budget pressures in the short to medium term, while longer term solutions could be put in place, and recognised the higher level of debt carried over the life of the plan.
- 4.7 With the ongoing budget growth of £1.72Million requested, the HRA is likely to fall below the minimum balances set out in the last business plan, and this will need to be reviewed over the summer in preparation for the 2025/26 budget setting process. However, the HRA still has fairly high levels of funds within specific reserves, detailed at paragraph 4.13 within the Cabinet report, that are held for debt repayments and the impact of higher interest rates. This gives the Council some flexibility in balancing the account in the next 30-year plan and approving the in-year spend. However further measures are likely to be required



to ensure the financial security of the HRA in the Medium and long term in addition to the balancing the budget savings target of £500K per year.

- 4.8 On-going pressures on the HRA budget and the adjustments required will be considered as part of the normal budget setting cycle and will be reassessed in the next MTFS review for 2025/26, which will be reported to the Cabinet in October 2024.

## **5 IMPLICATIONS**

### **5.1 FINANCIAL IMPLICATIONS**

- 5.1.1 The report is financial in nature and consequently financial implications are included in Appendix A and B.

### **5.2 LEGAL IMPLICATIONS**

- 5.2.1 There are no direct legal implications from the recommendations contained in this report.

### **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 Officers responsible for implementing any improvement activity set out within this report will need to consider any risk implications that arise.

### **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.

### **5.6 OTHER CORPORATE IMPLICATIONS**

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

## **6 BACKGROUND DOCUMENTS**

- FTFC Corporate Plan 2016 to 2024
- Quarter 4 Corporate Performance Report 23/24

## **7 APPENDICES**

- Appendix A: 4th QUARTER MONITORING REPORT GENERAL FUND, HOUSING REVENUE ACCOUNT, CAPITAL, AND GROUP COMPANIES.

- Appendix B: HRA budget growth items

**Meeting:** CABINET  
Portfolio Area: Resources and Transformation

**Agenda Item:**



**Date:** 24 July 2024

## 4th QUARTER MONITORING REPORT GENERAL FUND, HOUSING REVENUE ACCOUNT, CAPITAL, AND GROUP COMPANIES.

### KEY DECISION

Author – Brian Moldon

Lead Officer – Veronika Mendy / Keith Reynoldson/Rhona Bellis

Contact Officer – Veronika Mendy / Keith Reynoldson/Rhona Bellis

### 1 PURPOSE

- 1.1 To update Members on the 2023/24 outturn positions for the General Fund (GF), Housing Revenue Account (HRA), Capital, and the Council's Subsidiary Companies and to seek approval for changes to 2024/25 working revenue budgets. The report also requests an additional £2.434Million for 2024/25 HRA cost pressures in response to current and ongoing operational pressures. The revenue spends included within this report is still subject to completion and audit of the 2023/24 statement of accounts.
- 1.2 To update Members on the Council's reserves and balances available to support revenue expenditure and/or the financial resilience of the Council.

### 2 RECOMMENDATIONS

#### 2.1 General Fund

- 2.1.1 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.
- 2.1.2 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).
- 2.1.3 That carry forward/spend requests totalling £535,600 be approved for the General Fund (paragraph 4.1.3 and 4.3).

- 2.1.4 That the Transfer to reserves of £1.902Million be approved for the General Fund (paragraph 4.7.1).
- 2.1.5 That Members note the transfer from allocated reserves in 2024/25 of £78,628 as detailed in paragraphs 4.6.1 - 4.6.3
- 2.1.6 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).
- 2.1.7 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).
- 2.1.8 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).

## **2.2 Housing Revenue Account**

- 2.2.1 That the 2023/24 actual in year HRA surplus of £106,271 be noted, subject to the audit of the Statement of Accounts.
- 2.2.2 That a carry forward requests for decant costs totalling £47,350 (paragraph 4.11.1) is approved.
- 2.2.3 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.

## **2.3 Capital Programme**

- 2.3.1 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.
- 2.3.2 That the Housing Revenue Account capital budget re-phasing of £3.2Million from 2023/24 to future years be approved.
- 2.3.3 That the 2024/25 virement and in year growth funded from ringfences receipts detailed on paragraph **Error! Reference source not found.** be approved.

## **2.4 Council's Subsidiary Companies**

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

### **3 BACKGROUND**

- 3.1.1 The General Fund 2023/24 working revenue budget of £13.743Million was approved by Members at the March 2024 Executive, as part of the Quarter 3 monitoring report.
- 3.1.2 The HRA working revenue budget surplus of £517,050 was approved by Members at the March 2024 Executive, as part of the Quarter 3 monitoring report.
- 3.1.3 The Accounts and Audit Regulations contain provisions on financial management, annual accounts and audit procedures. Within the amended regulations there is no requirement for Member approval of the Statement of Accounts prior to the completion of the external audit and only the Responsible Financial Officer is required to certify the presentation of the pre audit annual accounts.
- 3.1.4 Each financial year Stevenage Borough Council is required to produce and publish a draft set of accounts, allow public inspection of the draft accounts, have the draft accounts audited and to subsequently publish the final audited set of accounts. The deadlines set under regulation for the accounts prepared for the 2023/24 financial year are:
- publish draft set of accounts one day prior to the start of public inspection.
  - public inspection to start no later than 1 June 2024 for a period of 30 working days.
  - completion of audit and publication of audited accounts by 30 September 2024.
- 3.1.5 Public inspection for 2023/24 has been delayed whilst unaudited draft accounts are being finalised. The production of Council's accounts is taking longer than the regulations allow due to the complexity of local authority reporting requirements and resourcing issues and significant asset balances awaiting final valuation reports. Stevenage Borough Council continues to experience major audit delays along with many other Councils due to lack of resources in the audit sector. The audit of the Statement of Accounts 2020/21 has yet to be finalised and the audits of 2021/22 and 2022/23 are yet to commence. The Council continue to engage with external auditors and will announce when the accounts are open for inspection through all the standard channels in due course. This will also impact the completion of the audit and the publication of audited accounts.
- 3.1.6 Nationally, the number of outstanding audit opinions (all years) peaked on 30 September 2023 at 918. As at 31 December 2023, the backlog of outstanding audit opinions stood at 771. DLUHC's consultation on a proposed 'backstop', a compulsory deadline for all outstanding financial assessments, started in February 2024 and closed to submissions in March 2024. The plan includes phased deadlines for outstanding audits, starting with a backstop by 30 September 2024 to publish audited accounts for financial years 2015-16 to 2022-23.
- 3.1.7 The National Audit Office (NAO) Issued Guidance on 19 June 2024 considering the impacts of the general election on 4 July 2024 on the plans above - " The proposals consulted upon by the NAO and DLUHC respectively for changes to the Code of Audit Practice and the introduction of statutory publication deadlines for audited accounts ('backstop' dates) cannot proceed until a new Parliament is formed and the new government has had the opportunity to consider whether it wishes to proceed with the proposals. Until then, auditors should continue to follow the current Code of Audit Practice. Where auditors are planning to complete

audits, they should continue to make every effort to do so and as soon as possible”.

3.1.8 The performance of subsidiary companies and relevant joint ventures has been reported to members through the individual governance arrangements in place for each entity. These have now been consolidated and reported from paragraph 0 onwards. An overview of the performance of these entities reported through their governance arrangements, including any implications for the Council will be included in future reports to improve transparency and oversight.

## 4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

### 4.1 General Fund 2023/24 outturn

4.1.1. The 2023/24 actual Services Net Expenditure on the General Fund was £13.397Million, compared to a budget of £13.743Million. The in-year underspend (before the consideration of any carry forward requests) was £346K.

4.1.2. A high-level summary of the over and underspends split by the cost categories are shown in the table below.

	Overspends	Underspend	Timing delays	Total
<b>Employees:</b>				
Professional training		(£16,075)		<b>(£16,075)</b>
<b>Premises:</b>				
Utility costs	£19,756			<b>£19,756</b>
<b>Supplies &amp; Services:</b>				
Cost of shared services	£66,182			<b>£66,182</b>
Car Park internet connectivity	£160,072			<b>£160,072</b>
Bed & Breakfast costs		(£74,153)		<b>(£74,153)</b>
External Audit fees		(£67,828)		<b>(£67,828)</b>
Garages			(£90,000)	<b>(£90,000)</b>
Climate Change grants			(£70,000)	<b>(£70,000)</b>
Credit Card charges - Car parks	£10,840			<b>£10,840</b>
Trade Waste Disposal Costs	£73,599			<b>£73,599</b>
Joint Venture Set Up Costs (Swingate)	£59,992			<b>£59,992</b>
<b>Transport:</b>				
Vehicles		(£40,787)		<b>(£40,787)</b>
<b>Funding Capital:</b>				
Direct Revenue Financing			(£123,250)	<b>(£123,250)</b>
<b>Income:</b>				
Investment Income		(£128,933)		<b>(£128,933)</b>
On-street Car parks		(£92,441)		<b>(£92,441)</b>
Markets income	£14,543			<b>£14,543</b>
Other		(£48,000)		<b>(£48,000)</b>
	<b>£404,985</b>	<b>(£468,218)</b>	<b>(£283,250)</b>	<b>(£346,483)</b>

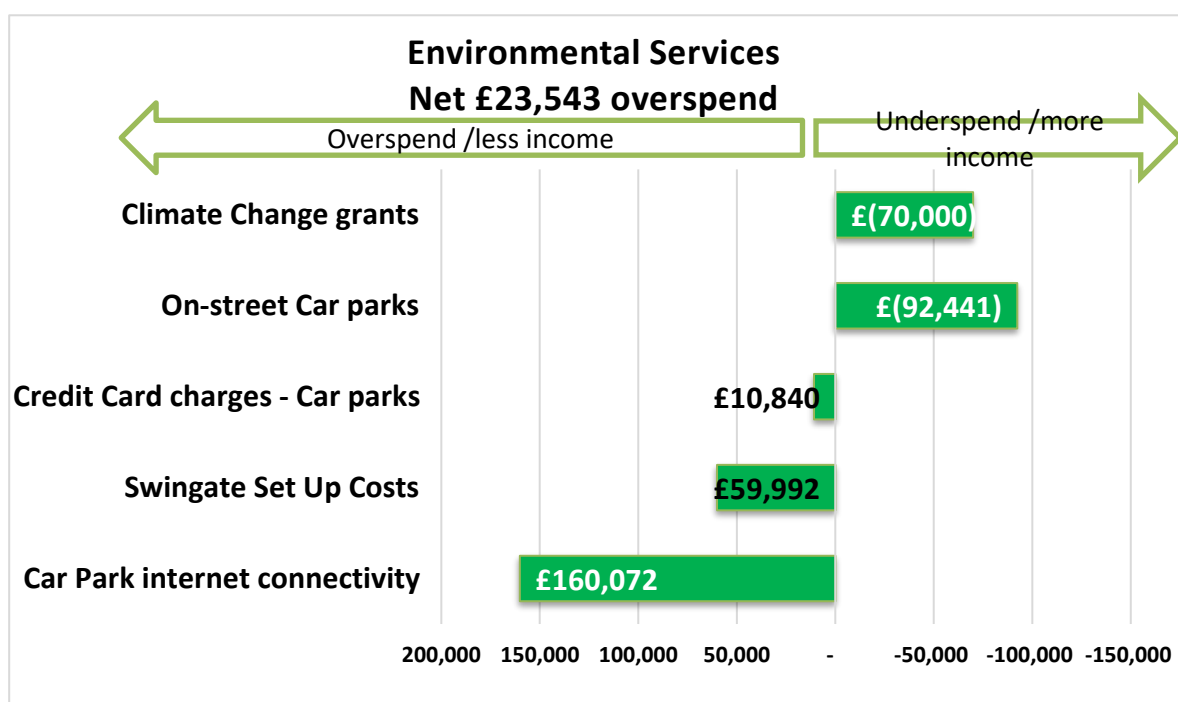
4.1.3. In addition, a number of carry forward request have been received from officers, the table below represents the total carry forward requests, split by timing delays and general carry forwards. These requests are detailed below in paragraph 4.3.

Committee	Timing Delays	Carry Forward	Total
Housing & Neighbourhoods		£40,000	£40,000
Environmental Services	£70,000	£87,460	£157,460
Housing Services		£28,420	£28,420
Resources - Services	£194,970	£55,000	£249,970
Resources - Support Services		£21,000	£21,000
Trading Accounts		£38,750	£38,750
	<b>£264,970</b>	<b>£270,630</b>	<b>£535,600</b>

## 4.2. Analysis of variances

4.2.1. **Housing Services** net underspend of £74K. The Council has taken action to reduce the bed and breakfast costs by interventions such as the Housing First model and provision of modular units to accommodate people for example at Oaks Cross and the purchase of other accommodation (172 units to date), which has resulted in Bed and Breakfast costs reducing from a high in 2021/22 of £1Million to just £5.8K in 2023/24. However, owing to the challenges facing the UK economy and the ongoing cost of living crisis, this remains an area in which further pressures could emerge and will be monitored closely.

4.2.2. **Environmental Services** shows a net overspend of £24K. In addition, there was a request for carry forward of £185K (section 4.3 for details). This would leave a net variance of £209K as one off in year overspend. The breakdown of this is shown in the chart below:

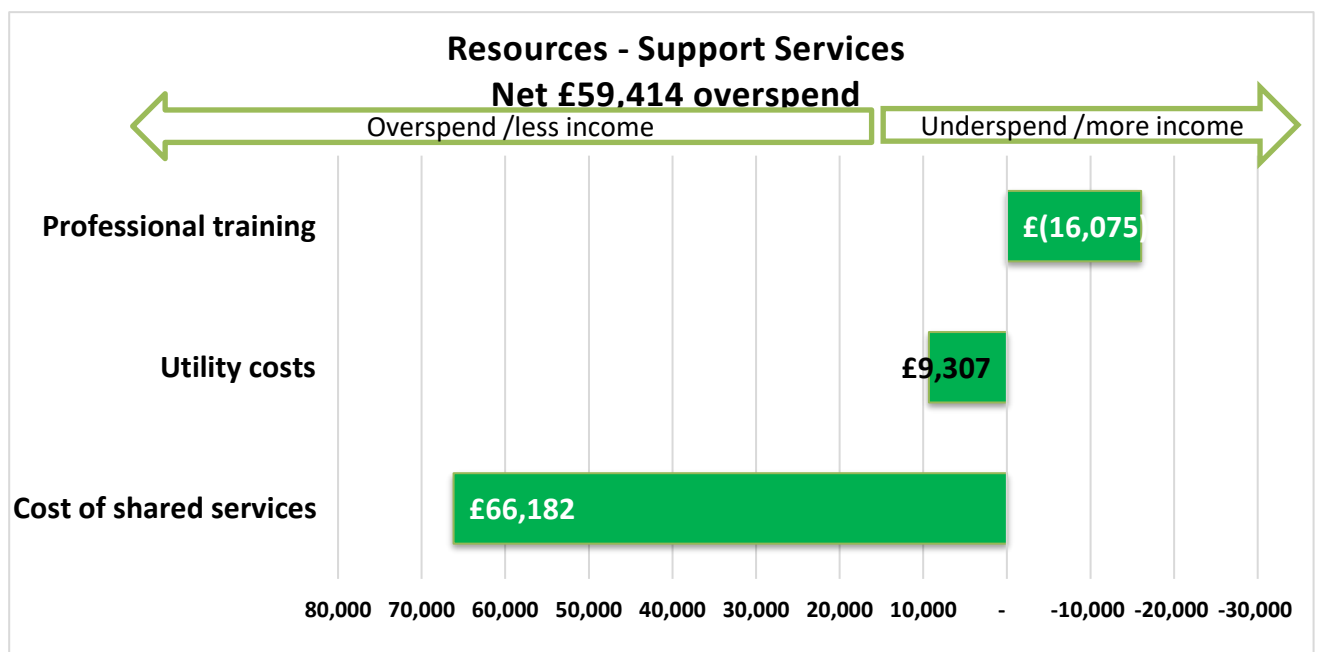


- **Climate Change Grants** – £70K funding was allocated to provide micro grants to SME's to support them to decarbonise and grow in Stevenage. The use of the

business rate pooling monies was agreed and received in February 2024 (at Council), resulting in the monies being spent in 2024/25.

- **On-Street Car Parks** - in 2023/24 the Parking enforcement service returned back to pre-Covid deployed hours of patrols which has resulted in additional parking fines income of £92K. The implications for the 2024/25 budget onwards will be reviewed as part of the quarter one monitoring report.
- **Credit Card Charges – Car Parks** – Since moving to cashless payments in 2021, credit card charges have increased in line with income. These charges equate to approximate 3% of off-street parking annually, however the 2023/24 budget had not been increased to allow for this rise in costs resulting in an overspend of £11K. However, as part of the 2024/25 budget setting process the budget was adjusted for the increase in charges.
- **Swingate Set Up Costs** – Members approved a budget of £150K for the Joint Venture (JV) set up costs funded from Business rate pooling gains. The actual spend was £315K for SG1 professional fees partly offset by £105K funding to be returned from Mace due to an underspend on Plot A enabling works. This resulted in a £60K overspend.
- **Car Park Internet Connectivity** – during the Automatic Number Plate Recognition (ANPR) system installation it was identified that internet connectivity for the car parks was running on end-of-life technology. To avoid any disruption to the collection of payments, the Council had to continue with the private emergency overrun service until the new fibre service was connected. This has resulted in one off costs of £160K.

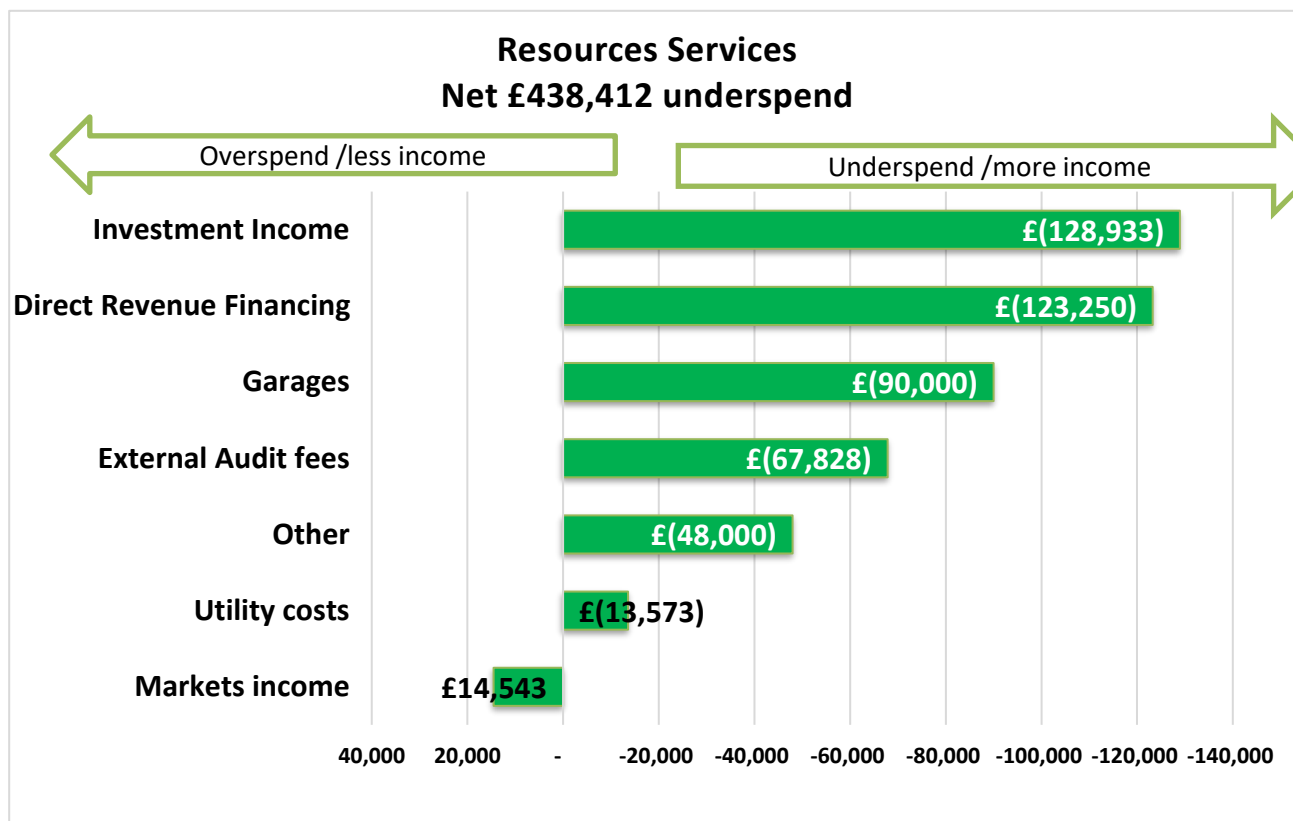
4.2.3. **Resources** – Support Services reported a net overspend of £59K. In addition, £28K has been requested as carry forward (section 4.3 for details). This leaves a net variance (one-off) overspend of £87K. The breakdown of the overspend is given below:





- **Professional Training** - Professional training budget was not fully utilised across the Council during 2023/24, with £6K being spent against the £22K budget, resulting in an in-year saving of £16K.
- **Utility Costs** – there was an overspend on electricity at Daneshill House (£21K) which was partly offset by £7k saving on gas, and £5K saving on metered water.
- **Costs of Shared Services** - this is a combination of pressures from Revenues & Benefits and Legal Services. The latter being the main contributor due to an increase of additional hours used in the year compared to the budget. A review is currently being undertaken of why hours have increased.

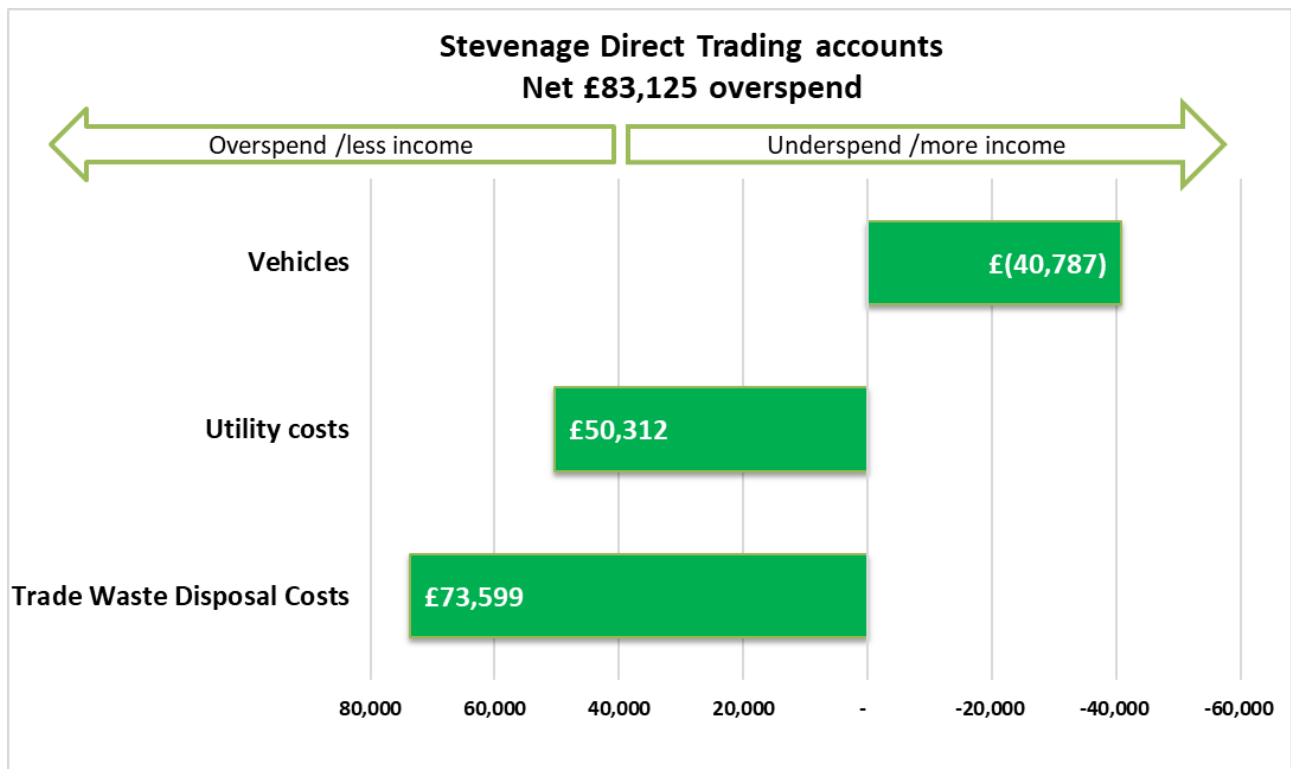
4.2.4. **Resources Services** reported an underspend of £438K. The carry forward request for this service is £268K (section 4.3 for details) of which £213K relates to timing delays. This leaves as an underspend one-off variance of £170K. The analysis is provided below:



- **Investment Income** – Interest earned for the year exceeded forecast, due to average balances and rates achieved remaining higher than forecasted, which resulted in additional £129K. Any impact on 2024/25 will be updated as part of quarter one monitoring report.
- **Direct Revenue Financing** - The slippage in capital schemes has meant the funding is now required in 2024/25.
- **Garages** - Carry forward funding from 2022/23 was approved to provide disturbance payments to garage holders affected by asbestos. During 2023/24, 115 garage accounts were issued with payments with the remainder to be completed in 2024/25.

A carry forward of £90,000 is required for 2024/25 for the remaining affected garage tenants.

- **External Audit Fees** - based on the latest information around the backstop arrangements to bring all Councils back to the latest years (2023/24) to be audited in-year. The Council has assessed that for 2021/22 and 2022/23 the audit fees required will be reduced due to only the Value for Money audits being undertaken, with the main audit of those years accounts not being undertaken due to the well documented issues with national backlog of local authority audits. This has allowed the Council to reduce its accruals for previous audit fee years by £68K. However, this is dependent on the final invoices to be received by EY for any Value for Money and disclaimer opinions and the 2020/21 audit. Members should also note as set out in para.3.1.7 the legislation for the backstop has yet to be laid before parliament.
  - **Utility** – there was electricity saving of £35K at the Bus Interchange, which was partly offset by overspends elsewhere within the Council Commercial Properties.
  - **Markets Income** – Continued pressures within the indoor market due to higher void rates which were around 38% as at March 2024.
  - **Other Variances** – a combination of small underspends across the remaining services.
- 4.2.5. **Trading Accounts** reported £83K net overspend. A carry forward of £55K (see section 4.3 for details) has been requested, this would leave a net adverse variance of £138K. A breakdown of the service is below:



- **Vehicles** - At Quarter 3, vehicle fuel budgets were reduced by £47K to reflect the impact of falling prices throughout 2023/24. This reduction included an expectation that prices would increase during the last quarter, however they remained at lower rates which resulted in a further £35K saving. In addition, there was a saving of £9K

on tyres and tubes due to many of the general fund fleet vehicles being newer and requiring fewer replacements. An assessment of the impact on 2024/25 budgets will be included in the first quarter monitor to the September Cabinet.

- **Utility Costs** – mainly related to an overspend on electricity costs at Cavendish Road (£45K) relating to a year end adjustment to clear historic invoices.
- **Trade Waste Disposal Costs** - an increase of disposal costs from £135 to £155/tonne between 2022/23 and 2023/24 resulted in one-off cost pressures of £74K. An assessment of the impact on 2024/25 budgets will be included in the first quarter monitor to the September Cabinet.

### 4.3. Carry Forwards

4.3.1. The carry forwards/spend requested for approval by Members is shown below and total £536K. This is breakdown down between carry forward requests of £271K, and £265K timing delays.

Service Area	Carry Forward/Spend Requests	£
Environmental Health	To continue to fund a fixed term post in Environmental Health	£30,000
Climate Change	To fund promotional activities in relation to the decarbonisation scheme	£7,460
Civic Links	To fund hosting of Town Twinning in 2024	£20,000
Daneshill House	Funding for continual AV Improvements works in committee rooms	£21,000
Stevenage Direct Services	For contract works for graffiti blitz (funding received from community neighbourhoods Q4 2023/24)	£34,750
Environmental Health	Smoke Control grant received and is being used to fund agency for residential team temp technical officer	£23,420
Emergency Planning	Investment into new InPhase (reporting software) portal in preparation for performance reporting in 2024/25. To improve insight into performance across a range of services and aligned with an increase focus nationally to monitor local government performance through implementation of the Office for Local Government performance metrics.	£10,000
Sports Development	Funding for fixed term post. Due to timing issues, funding needs to be carried forward to fund the period Apr-Jul 24	£15,000
Neighbourhood Wardens	To fund 6 months Community Development Officer post (Apr-Sep 24)	£25,000
Housing Options	Private landlord deposit scheme	£5,000
	<b>TOTAL Carry Forwards</b>	<b>£191,630</b>
TRF Station	A request to contribute towards funding IT hardware (tablets) - required for all refuse and recycling vehicles	£4,000

Service Area	Carry Forward/Spend Requests	£
Environmental Development	To fund 1-year SDS Systems Manager Post	£50,000
Transformation	To support costs associated with office moves at Daneshill	£25,000
	<b>TOTAL Spend Requests</b>	<b>£79,000</b>
Garages	£90k dispensation claims not fully paid in year	£90,000
Climate Change	Support to Businesses for Climate Change initiatives	£70,000
Direct Revenue Financing	To be used in 2024/25 to fund capital schemes (RCCO)	£104,970
	<b>TOTAL Timing</b>	<b>£264,970</b>

**£535,600**

#### 4.4. General Fund Core Resources

4.4.1. The budgeted level of Core Funding for 2023/24 (as detailed in the table below), was £12.380Million; the total amount recognised in the 2023/24 pre-audited accounts is £12.747Million, a surplus of £367K.

Core Resources	2023/24 Working Budget	2023/24 Outturn	Variance
	£	£	£
Business Rates net of tariff (note 1)	(£2,941,673)	(£3,526,402)	(£584,729)
Business Rates Pooling Gains	(£220,000)	(£220,000)	£0
Section 31 Grant (note 2)	(£2,347,568)	(£2,103,944)	£243,624
Council Tax SBC Precept	(£6,586,657)	(£6,586,657)	£0
Government Grants (note 3)	(£284,492)	(£310,298)	(£25,806)
<b>Total Core Funding Position</b>	<b>(£12,380,390)</b>	<b>(£12,747,301)</b>	<b>(£366,911)</b>

4.4.2. The reasons for the variances are given below:

- Note 1- Business Rates – The amount of business rates in the General Fund is fixed at the point the budget was approved in February 2023 and was included in the NNDR1 return to Government. The variance relates to a positive adjustment to the tariff payment (one year only), and reduction in the levy charge to Council as a result of less 2023/24 business rates yield of £1.6Million than projected.
- Note 2 - Section 31 Grant – The amount of Section 31 grant received was lower than the working budget. This is based on actuals for the year and is what the Government needs to compensate councils for, for decisions made nationally around giving reliefs to businesses.
- Note 3 – Government Grants – the Council received unexpected grant as part of Redmond Review around Local Audits to meet the anticipated rise in audit fees, driven by new requirements on auditors including the 2020 Code of Audit Practice. This is Stevenage share of the £15Million Government provided nationally.

## 4.5. 2023/24 General Fund Budget

- 4.5.1. The outturn position for the General Fund budget is summarised in the table below and this provides some additional resilience to the Council as there was a reduction in the projected drawdown on balances of £712K, before the 2024/25 impact on the budget for carry forwards (£536K) and changes to business rates. This will be incorporated in the next General Fund Medium Term Financial Strategy (MTFS) update.

General Fund Outturn Position	2023/24 Working Budget	2023/24 Outturn	Variance
	£	£	£
Services Net Expenditure	£13,743,466	£13,397,416	(£346,050)
Core Resources (including TIG)	(£12,380,393)	(£12,747,160)	(£366,767)
General Fund Outturn Position	£1,363,073	£650,256	(£712,817)
Balance Brought Forward	(£5,953,648)	(£5,953,648)	£0
Use of balances	£1,363,073	£650,256	(£712,817)
Balance Carried Forward	(£4,590,575)	(£5,303,392)	(£712,817)

## 4.6. Impact on 2024/25 General Fund Budget

### Impact of 2023/24 Outturn on 2024/25 budgets

- 4.6.1. As set out in table 4.3.1 there was an underspend to the working budget for Revenue Contribution to Capital (RCCO) which is required in 2024/25 for the following schemes from allocated reserves/General Fund balances, where there was a corresponding underspend:
- Leisure £66K, from General Fund balances.
  - Memorial Tree £39K, from General Fund balances.
  - Asset Management System £10K, from Allocated reserves
- 4.6.2. Following a review of the costs associated with the Local Plan within the Medium Term Financial Strategy and the monies already set aside in 2023/24 and included in the 2024/25, the AD Planning and Regulation has identified that £50K of monies set aside in the Planning reserve for that purpose can be returned to General Fund balances.
- 4.6.3. Due to the timing in the setup of the Swingate Joint Venture (JV) drawdown of £18,628 from the Business Rates reserve is now required in 2024/25 for the holding costs associated with the Council's Equity investment in the JV.

### Other Potential Impacts on the 2024/25 budget

- 4.6.4. The current pay award for 2024/25 is still being negotiated between the unions and employers. The current offer is £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. This has been rejected by the unions.

- 4.6.5. Finance is currently working on the underspends and overspends analysis to identify any potential impact on the 2024/25 budget. This will be reported back as part of Quarter 1 report to the Cabinet in September.

Other Recommended changes to the 2024/25 budget

- 4.6.6. In February 2024 officers undertook a review of the allotments function with the aim of identifying any areas of efficiency or savings and informing future projects in Digital and Transformation. The report was presented to the meeting of the informal officer and Member Commercial and Investment Working Group in March 2024. The recommendations were that the administration fee for new tenants should be increased in order to fully cover the cost of providing the service. Similarly, the deposit for constructing an outbuilding on a plot should be increased, in order to offset the increased costs of outbuilding removal. The increased price of woodchips was noted in the report, with the recommendation that fees for wood chips are applied, to be set according to market prices at the time, in consultation with Stevenage Gardens and Allotments Association (SGAA).

**4.7. Reserves**

- 4.7.1. Allocated Reserves - Some balances are ‘ring fenced’ and have been set aside for specific purposes. The total value of allocated reserves available for the Council to spend at 31 March 2024 is £8.8Million. The movement in the year has been an increase of £3.202Million in to reserves. Executive has already approved £1.3Million of reserves movement during the year therefore Members are requested to approve the remaining £1.902Million.

- 4.7.2. The reserve balances may seem a significant sum but are held for specific purposes, some of which are set out below. These mean they are not available to fund General Fund expenditure with the exception of NDR gains and the income equalisation reserve.

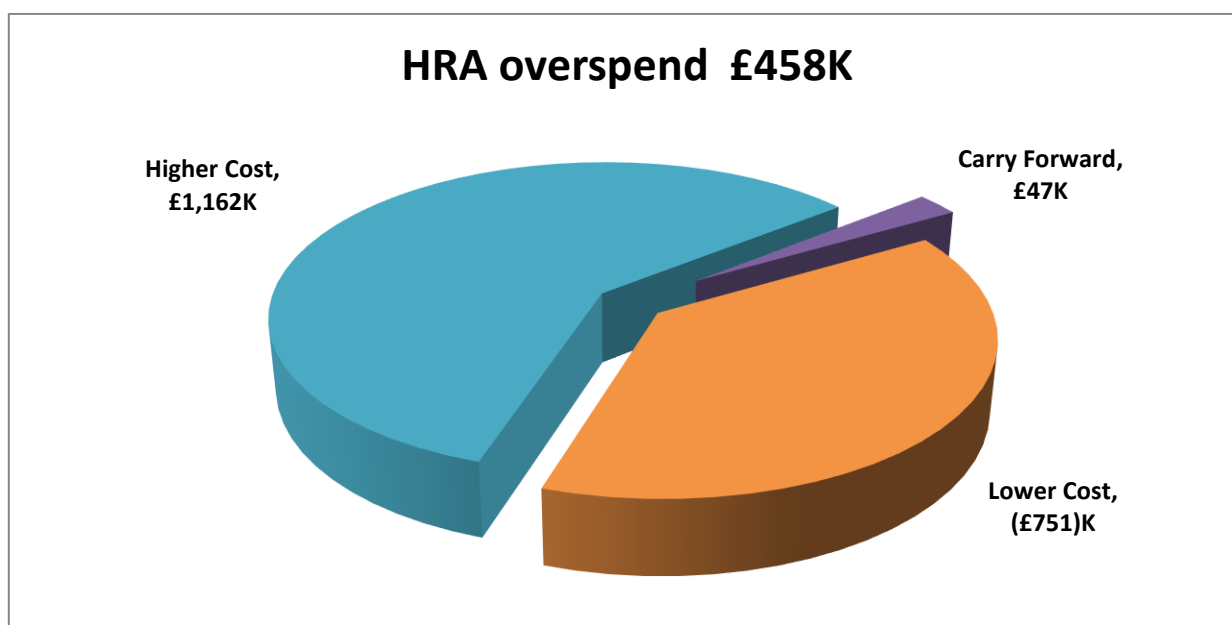
- £1.507Million required to fund the holding costs of assets in the r Town Square which includes assets for regeneration as part of SG1 (note2)
- £2.711Million of NNDR reserves relates to gains generated from previous years. Reserves remain high as there is a risk to the Council from unexpected appeals being given to businesses which may not been accounted in the provisions (note 1)
- £690K to fund the Councils Transformation ambitions and to support the ‘Balancing the Budget’ priority (note 3)
- £390K grant funding ring fenced for homeless and rough sleeper initiatives (note 5)
- £459K of Future Council’s reserve relates to a new pilot scheme by the Department for Levelling Up, Housing and Communities (DLUHC) in Autumn 2022 to work with a group of eight councils to test and iterate a new approach to help local authorities become more modern and resilient (note 4)

Reserves	Opening 2023/24	Movement	Closing 2023/24	Projected Movement	Closing 2024/25
NHB reserve	(£253)	£0	(£253)	£243	(£10)
Transformation Reserve note 3	(£714)	£25	(£690)	£449	(£240)
Homeless reserve note 5	(£429)	£38	(£390)	£150	(£240)
Planning Delivery	(£165)	(£122)	(£287)	£110	(£177)

Reserves	Opening 2023/24	Movement	Closing 2023/24	Projected Movement	Closing 2024/25
Queensway Car Park monies	(£79)	(£43)	(£122)	(£43)	(£165)
Town square reserve <i>note 2</i>	(£1,059)	(£448)	(£1,507)	(£145)	(£1,652)
Regeneration Reserve	(£264)	£39	(£225)	£100	(£125)
Insurance reserve	(£78)	£6	(£72)	£10	(£62)
ICT reserve	(£327)	£137	(£190)	£86	(£105)
Town centre	(£12)	£12	(£0)	£0	(£0)
Leisure reserve	(£150)	(£190)	(£340)	£340	£0
Commercial Property repair	(£41)	£0	(£41)	£0	(£41)
Capital reserve	(£20)	£20	£0	£0	£0
Future Councils reserve <i>note 4</i>	(£750)	£291	(£459)	£375	(£84)
Asylum reserve	(£50)	(£450)	(£500)	£50	(£450)
Stevenage works	(£53)	£33	(£20)	£0	(£20)
Domestic abuse reserve	£0	(£196)	(£196)	£0	(£196)
<b>Total Allocated for use</b>	<b>(£4,443)</b>	<b>(£847)</b>	<b>(£5,289)</b>	<b>£1,724</b>	<b>(£3,565)</b>
Income equalisation Reserve	(£458)	(£300)	(£758)	£0	(£758)
Gains (NNDR) <i>note 1</i>	(£656)	(£2,055)	(£2,711)	(£1,534)	(£4,245)
Total Available to support the GF	<b>(£1,114)</b>	<b>(£2,355)</b>	<b>(£3,469)</b>	<b>(£1,534)</b>	<b>(£5,003)</b>
<b>Total allocated reserves</b>	<b>(£5,556)</b>	<b>(£3,202)</b>	<b>(£8,758)</b>	<b>£191</b>	<b>(£8,567)</b>

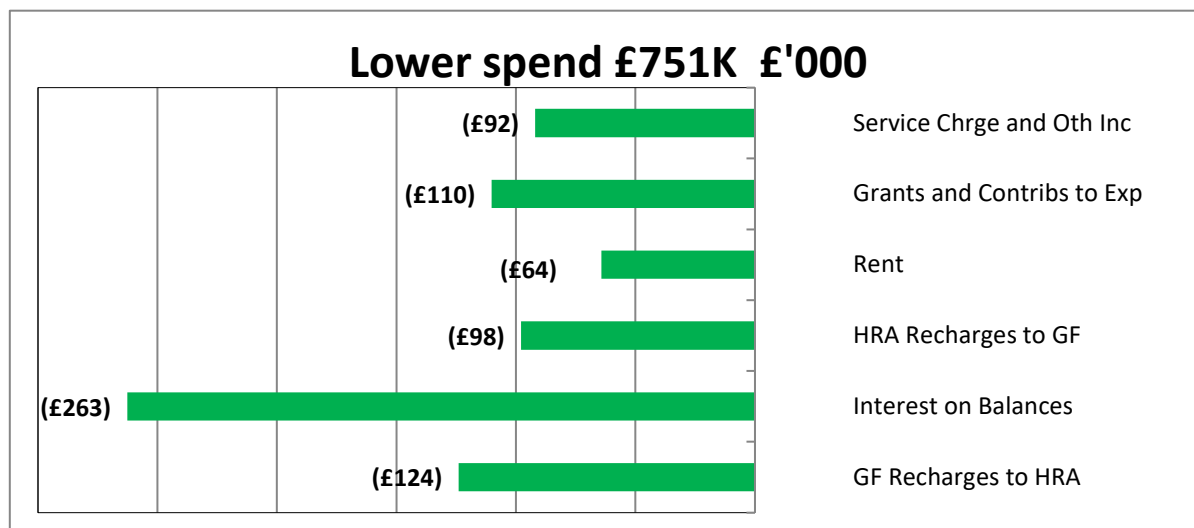
#### 4.8. Housing Revenue Account (HRA)

4.8.1. The 2023/24 outturn position on the HRA was an in-year surplus of £106,271, a £410,779 decrease from the working budget surplus of £517,050. Allowing for carry forward requests of £47K, there is an underlying overspend of £458K. The main variances to the working budget are highlighted below.



#### 4.9. Lower Costs / Higher income than budgeted

4.9.1. There were underspends, or greater income, of £751K that are listed in the chart, with explanations in the following paragraphs.



4.9.2. **Service Charge and Other Income £92K** – There was a net increase in non-rent income of £92K over the budget. This was spread across several areas including service charges and temporary accommodation. Some variability in the budget has been caused by the increase in temporary accommodation within the HRA, as void periods can be hard to predict and there are additional charges on this type of accommodation. There were also higher levels of income from utility charges in 2023/24, but the outturn is currently being reviewed to ensure that customers are only charged the actual costs incurred by the Council for the year. Any adjustment to rent accounts for these utility charges will be reported during 2024/25.

4.9.3. **Grants and Contributions towards Expenditure £110K** – The Council receives funding from the Government and other public bodies for specific schemes during the year. The funding is often project related and one-off in nature and the timing can be difficult to predict. In last year there was £110K more than anticipated, but this will have been offset by additional costs elsewhere in the HRA accounts and has not been included as an ongoing change to the budgets.

4.9.4. **Rent - £64K** – total rental income was £64K higher than the position estimated at quarter 3 and this is a 0.14% variance on the total rent budget of £44.8Million. However, the original rent budget had been reduced by £800K from £45.6Million during the year, giving an original to outturn variance of -1.75%. The income has fluctuated in 2023/24, due to the number of new properties versus budget expected from the Kenilworth development and operational difficulties in returning empty properties to a lettable state. The small positive variance over the last reported position was due to the timing of letting the new properties and contributed to a positive outturn compared to the working budget.

4.9.5. **Recharges to the General Fund £98K** – the HRA makes recharges to the General Fund to reflect costs incurred in the ring-fenced account that relate to non-HRA activities. This includes allocation of management time, use of the housing management system and the non-landlord proportion of temporary accommodation costs. Due to the large increase in temporary accommodation capacity and cases being handled, the recharge from the HRA in this area increased. This area is



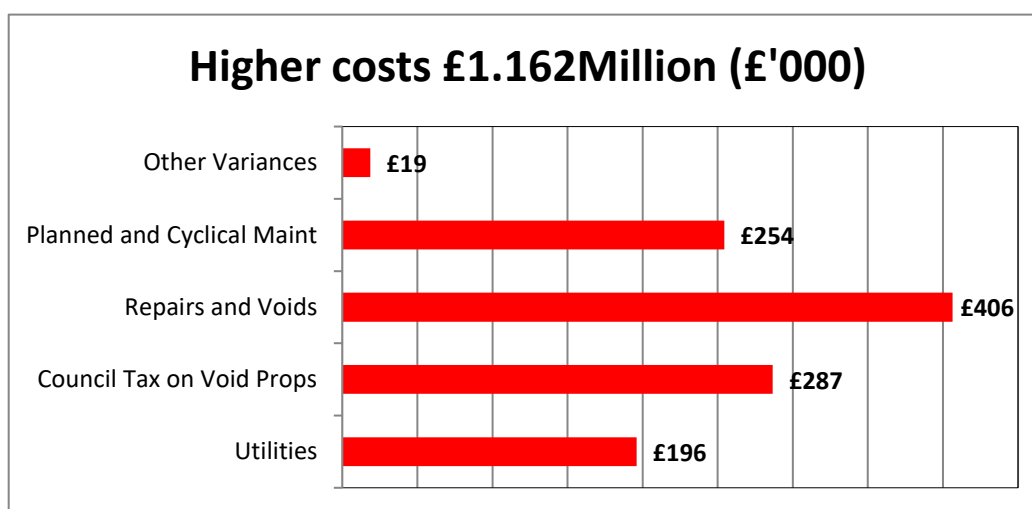
currently under review so there are likely to be further changes during 2024/25 and these will be reflected in the quarterly reports.

4.9.6. **Interest on Balances £263K** – the Council earns interest on the balances held in its accounts and these need to be split between the General Fund and the HRA. This split is dependent on the amounts held over the year and the prevailing interest rates available from investments. It also includes capital reserves as well as revenue reserves. Due to interest rate changes during the year the budget was increased from £1.025Million to £1.547Million. However, the final outturn increased this figure by £263K to £1.810Million, taking into account the relative reserves of both the HRA and the General Fund. The level of interest rates and the balances held by the Council will impact on the 2024/25 HRA position and these will be reported in future monitoring reports.

4.9.7. **General Fund Recharges to the HRA £124K** - there was a reduction in recharges from the General Fund to the HRA of £124K compared to a working budget of £5.7Million. This was due to variances in the final costs relating to central services provided to the HRA.

#### 4.10. Higher Costs / Lower income than budgeted

4.10.1. In contrast to lower costs/increased income of £715K, there were also higher costs of £1.162Million which are summarised below together with explanations.



4.10.2. **Planned and Cyclical Maintenance £254K** – There was a £254K overspend in this area on a working budget of £3.9Million and this represents a 6.5% variance for the year. The main areas of overspend were on gas maintenance at £181K, water tank testing at £88K and, landlord lighting testing at £172K. These additional costs were all related to compliance works and the overspends will be reviewed to make sure that there is adequate budget in 2024/25 to cover the required work programmes.

4.10.3. **Repairs and Void Costs £406K** – The original budget for responsive repairs and voids work was increased significantly over 2023/24 from £5.1Million to £6.8Million. This was in response to growing pressures in the service detailed in Appendix C of this report. Despite the additional budget provision in 2023/24 there were further pressures realised in year of £406K. This has had an ongoing impact into the 2024/25 budget year and is detailed at paragraph 4.11.2.

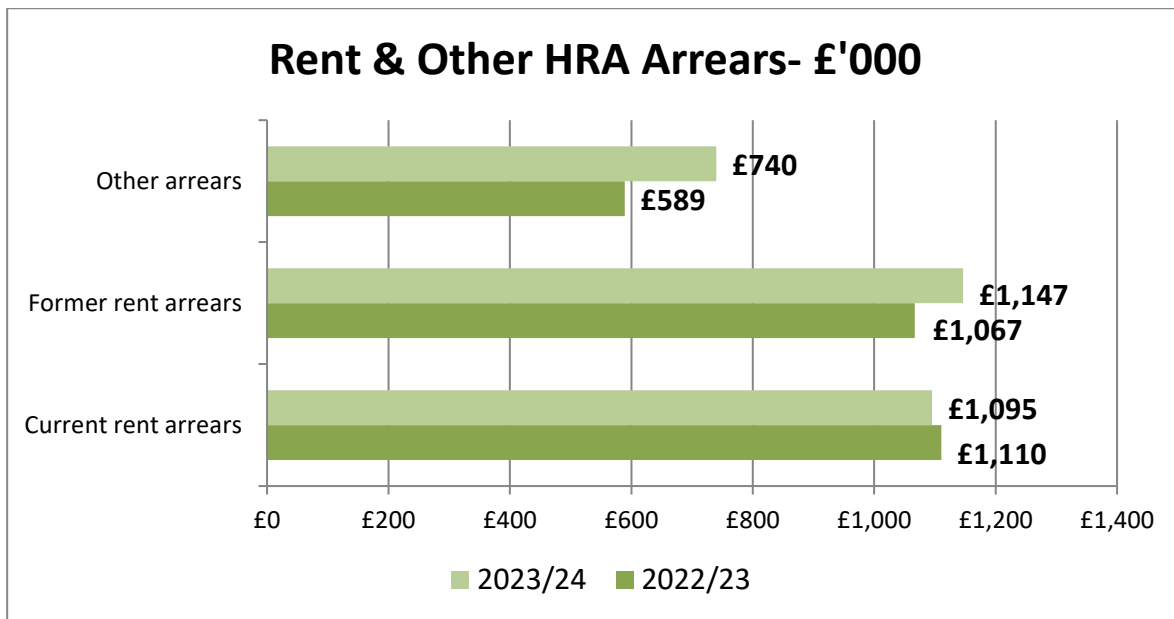
4.10.4. **Council Tax on Void and Temporary Accom. Property £287K** – A number of factors have contributed to a significant increase in the level of council tax paid on vacant property during the year. A full review of long term empty properties has been undertaken in liaison with the shared Revenues and Benefits service, with the results summarised below.

- Timing on the major re-development programme at Kenilworth has led to some properties being held vacant before demolition can take place and this has added £89K to the budget.
- There are also increased costs from holding a higher level of temporary accommodation (TA) stock in the HRA, where the Council is responsible for paying the initial bill and then recharging the tenant. The additional recharges were included in the income to cover these costs, but due to timing differences in processing the bills, these were not included in the Q3 reports and have led to a further pressure of £31K.
- There were also £58K of historic account charges that were processed after the last monitoring report and were not reflected in the working budget. The remaining budget pressure related to the backlog of void properties and the operational difficulties in clearing this work, as detailed in Appendix C to this report. Looking forward to 2024/25, void processing is coming under control and should be less significant in this area.
- There are some re-development properties that are awaiting demolition and the TA stock holding will need to be reflected in the base budget in the Q1 monitoring report, but most of the cost pressures should substantially reduce in 2024/25.

4.10.5. **Utility Costs £196K** – Gas and electricity costs were higher than budgeted, with a final budget pressure of £196K for the year on a total budget of £1.6Million. Gas costs were £36K over the budget and electricity costs were higher by £159K. A review of utility costs is being undertaken by the Facilities Team and if any refunds are secured on overcharges these will be reflected in future periods. As reported in 4.9.2, service charges were also higher than the budget, but the increased income did not fully cover this variance. The budgets set for 2024/25 are adequate to cover this level of spend, so no ongoing pressure has been included.

4.10.6. **Other Variances £19K** – there were a combination of other variances across the HRA with a combined total of £19K that have not been reported separately.

4.10.7. **Bad Debt Provision** – the contribution to the provision for bad debts was in line with the budget, the graph below gives a more detailed position and breakdown of the current outstanding rent and other income in the HRA. The provision is based on the level and type of outstanding debt in the HRA. This mainly relates to rent arrears and a higher provision is allowed for former tenants, where it is normally more difficult to recover outstanding amounts. Current tenant rent arrears were stable through the year, decreasing slightly by £15K to £1.095Million. However, former tenant rent arrears rose by £80K, to £1.147Million and these are provided for at a higher percentage. The provision held against bad debt currently sits at £1.95Million and this covers 65% of the total arrears of £2.98Million. Total outstanding debt is now equivalent to 5.45% of the £54.7Million HRA income budgeted for 2024/25.



#### 4.11. Carry Forwards and Future Budget Pressure

4.11.1. As part of Quarter 4 monitoring, only one carry forward has been identified. There is a request to carry forward £47,350 on the decant cost budget. This is in relation to the remaining tenants that are due to move as part of the Kenilworth development and has occurred due to the timing of completion of the scheme.

##### 2024/25 New Budget Pressures

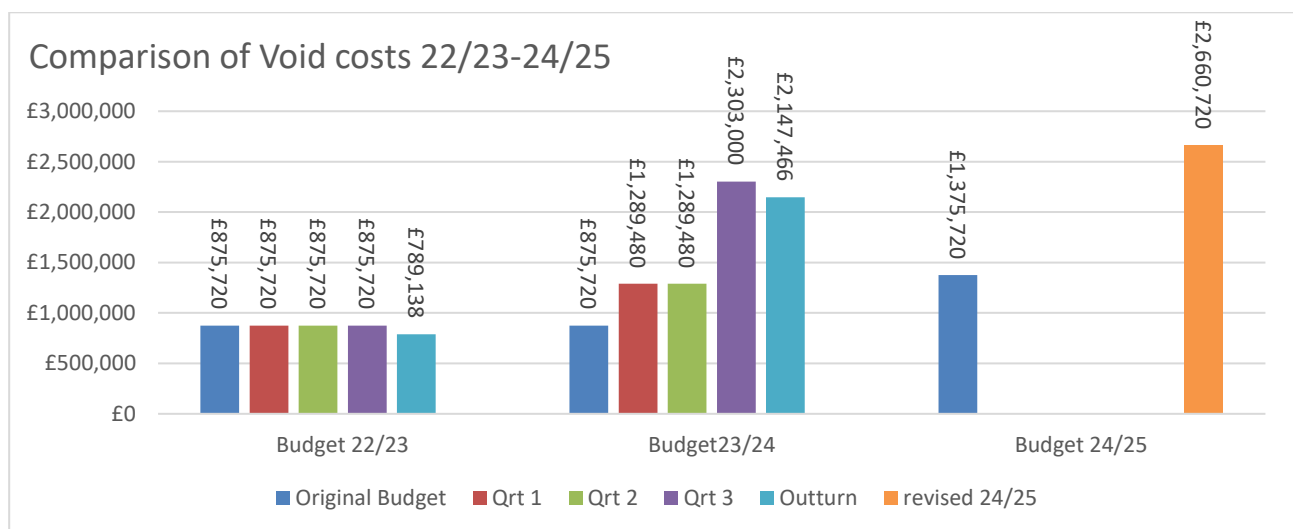
4.11.2. The table below lists the requested growth in the 2024/25 HRA budget in response to current identified service pressures that have been detailed in Appendix C.

	2024/25 £	Ongoing £
<b>New Posts re Regulatory Demands</b>	<b>144,050</b>	<b>246,940</b>
<b>Repairs and Voids Costs</b>		
Responsive Repairs	500,000	500,000
Voids	1,285,000	750,000
Staffing Restructure	375,000	95,000
Disrepair Claims	130,000	130,000
	<b>2,290,000</b>	<b>1,475,000</b>
<b>Total Growth Request</b>	<b>2,434,050</b>	<b>1,721,940</b>

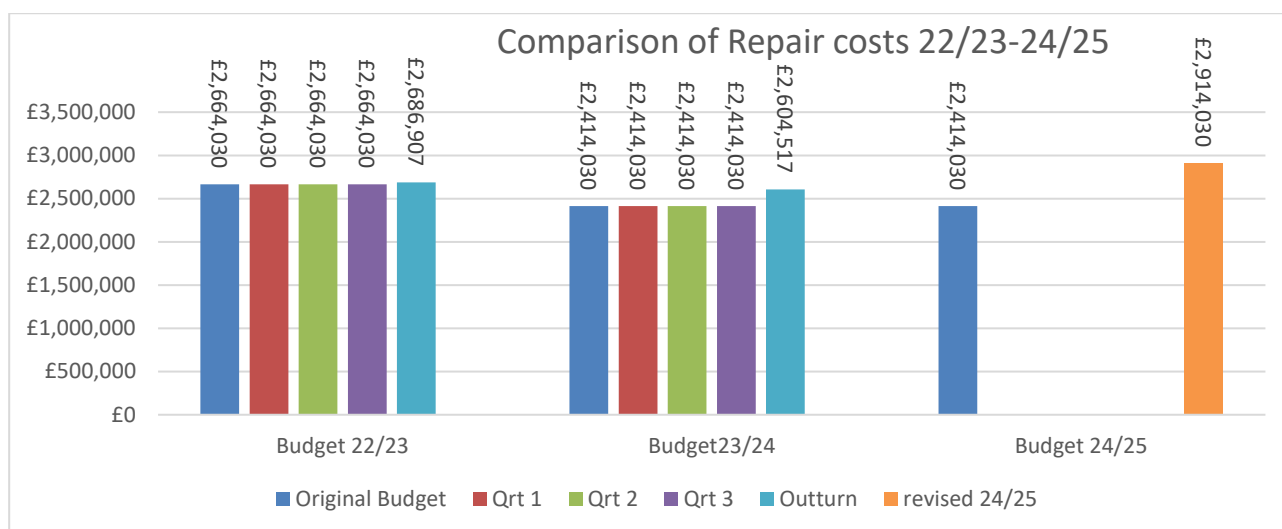
4.11.3. There is a request of £144K in relation to new regulatory requirements, with an ongoing cost of £246K in future years. This will cover four new positions and will supplement existing posts to form a Business Insight and Performance Unit for the housing service. These changes aim to improve digital services and data quality for the HRA and to enhance resident engagement in direct response to legislative changes and the new requirements placed on Local Authority housing providers.

4.11.4. There is also a £2.290Million request for growth in the repairs and voids service, with an ongoing impact of £1.475Million. This breaks down into four core areas, detailed below:

- Void Repairs £1.285Million** - As detailed in Appendix C, there has been a large increase in void repairs expenditure over the last two years, with average revenue repair costs rising from £2.5K to an estimated £6K per repair for 2024/25. The graph below shows the dramatic increase in costs over the last two years and the anticipated impact on the current year. Last year the budget was increased by £1.4Million to £2.3Million in order to meet demand and return properties to use. At this time it was anticipated that costs could be reduced in the current year and the budget was reduced to a base of £1.375Million. However, a combination of continued high numbers, higher repairs costs and higher amounts of work in each property mean that it is likely that ongoing costs will be significantly higher than historic averages. This has led to the request of £1.285Million for 2024/25, but with a lower ongoing impact of £750K per annum, as the new staff structures and work programmes take effect.



- Responsive Repairs £500K** - The second growth request of £500K relates to responsive repair costs on roofing, fencing and damp and mould work. The graph below shows the last two years and the anticipated costs for the current year. Additional one-off funding was made available for some of this work in 2023/24, but demand and costs are higher than current budgets and a growth request has been necessary to cover this demand led activity. While this has also been assumed as an ongoing increase there are mitigations being made that could help to reduce this in the longer term and these are detailed in Appendix C.

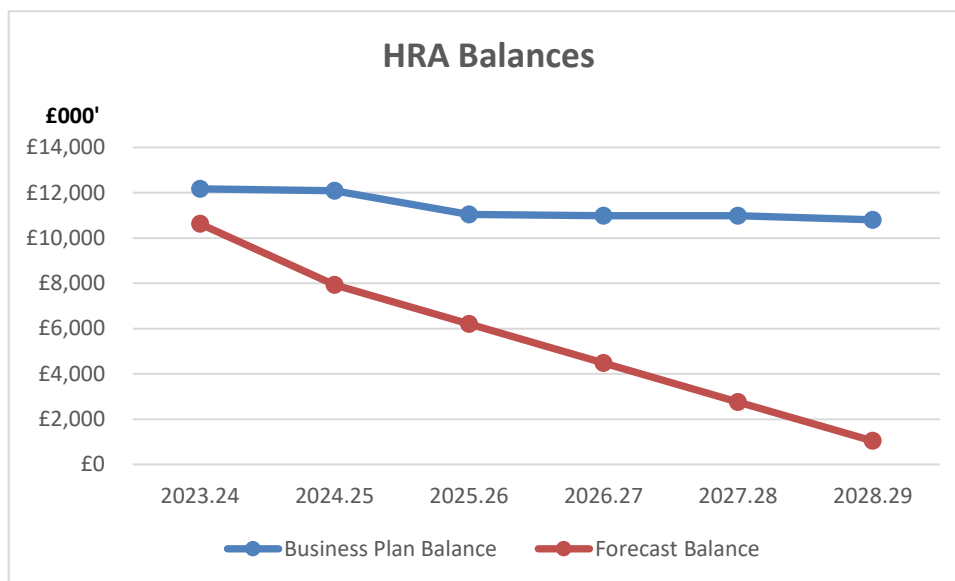


- **Staff Restructure £375K-** Due to the current level of vacancies in management and supervisory roles there is currently a reliance on agency staff to maintain the service. This cost has led to a required budget growth of £375K in 2024/25, but the ongoing growth for 2025/26 and beyond is reduced to £95K per annum and reflects the proposed introduction of a new staffing structure from October of this year. Details of these proposals have been included in Appendix C.
- **Disrepair Claims £130K** – There were increased costs associated with disrepair claims against the Council in last year and there remains a list of cases that are currently being processed. Therefore, an ongoing growth request of £130K has been made to cover these costs. While mitigations have been made to reduce claims there are further regulatory changes that could increase activity in this area. However, there is an expectation that this can be reduced in the medium term with the management actions currently being undertaken.

4.11.5. Currently no potential savings to offset the growth requested have been identified and they exceed the amount delegated to the Cabinet for approval. The increased costs will need to be funded from HRA reserves, but Members should note that the last HRA business plan highlighted the increased risks facing the HRA and required minimum balances to increase to £10Million from £3Million. The projected 2024/25 year-end balance means that the HRA reserves, at £7.9Million, fall below that level. However, it is possible to absorb this growth in the current year, but this would not be sustainable going forward without changes to the business plan in November 2024, which may include:

- Review of borrowing versus use of revenue balances
- Review of borrowing costs as interest rates have reduced below the 5% included in the business plan (4.9% as at 25 June 2024)
- Release of part of the debt repayment reserve in the interim as savings are identified through the Transformation programme and Balancing the Budget options. The balance is currently £17.2Million
- Increase in the Balancing the Budget Target, currently £500K for 2025/26
- Reduction in expenditure including what the Council will resource for tenants

- Reduction in discretionary spend
- Review of income charges



4.11.6. The graph above compares the expected level of reserves in the HRA business plan from 2023/24 to 2028/29 and the combined impact of last year's outturn and the requested growth items. This illustrates that reserves would fall to £1Million over the next five years if everything else remains equal. Members should note that the business plan also includes cumulative savings targets of £2.2Million over this timeframe that will need to be identified in future budget setting.

4.11.7. There are areas that will be reviewed in the next business plan revision, highlighted in 4.11.5, that could help ease the current budget pressures. However, there is also uncertainty around key Government policies post the General Election, particularly on rent levels from 2025/26 that have currently not been agreed. Anecdotally it is believed that the social housing sector is under financial strain at this time, particularly maintenance costs, and the Local Government Association is currently completing a piece of work assessing the national position in order to help inform policy making going forward. This could lead to more positive interventions from Government going into next year, but this is currently uncertain.

4.11.8. As these are significant growth requests a more detailed explanation has been included separately in Appendix C. These requests will be recommended to Council for approval on 31 July 2024, as they exceed the amount delegated to the Cabinet.

#### 4.12. 2023/24 – HRA Out-turn Position

4.12.1. The impact of the outturn position for 2023/24 on HRA balances is summarised in the table below.

HRA Balance £'000	2023/24 Original Budget	2023/24 Working Budget	2023/24 Actual	Variance to Working
HRA Balance 1 April	(£10,518,527)	(£10,518,527)	(£10,518,527)	
In Year (Surplus) / Deficit	(£1,792,270)	(£517,050)	(£106,271)	(£410,779)
HRA Balance 31 March	(£12,310,797)	(£11,035,577)	(£10,624,798)	(£410,779)

4.12.2. The last HRA business plan, presented in November 2023, recognised the significant challenges facing the ring-fenced account. Recent inflationary pressures, rent capping by the Government, higher interest rates on borrowing and increased regulation and statutory requirements have added to budget uncertainty and higher risk. The ongoing budget pressures for 2024/25, detailed at 4.11.2 in the report, clearly illustrates the need for higher reserves and this position will be reassessed in the next MTFs review for 2025/26, due in October.

#### 4.13. Usable reserves – Housing Revenue Account

4.13.1. The total value of allocated reserves available for the HRA to spend at 31 March 2024 is £20.7Million consisting of three reserves.

4.13.2. Compared to general HRA balances, these are high, but are held for specific purposes, set out below.

- The Interest Equalisation Reserve was set up to allow the HRA to absorb interest rate increases in the short term. The HRA is due to take significant borrowing over the next two years and it could be necessary to use this reserve where there is a significant rate difference between the cost of the loans taken and the assumptions made in the current business plan.
- The Transformation Reserve had a £90K drawdown in 2023/24, leaving a balance of £118K carried forward. This is due to be spent on the ongoing programme in the short term.
- The Debt Repayment Reserve was created to reflect upcoming loan repayments in the HRA and to show a more realistic working balance in the main HRA account. This currently reflects loan repayments up to 2027/28, but no loan repayments were due in 2023/24 and the reserve was not used.

Reserves £'000	2022/23 Opening £	Use £	2022/23 Closing £	Use £	Closing 2023/24 £
Debt Repayment Reserve	£0	(£17,200)	(£17,200)	£0	(£17,200)
Interest equalisation reserve	(£3,423)	£0	(£3,423)	£0	(£3,423)
Transformation Reserve	(£164)	(£44)	(£208)	£90	(£118)
<b>Total Allocated Reserves</b>	<b>(£3,587)</b>	<b>(£17,244)</b>	<b>(£20,831)</b>	<b>£90</b>	<b>(£20,741)</b>

#### 4.14. Capital Monitoring

4.14.1. The revised capital strategy at Q3 2023/24 was approved by Executive on 13 March 2024. The 2023/24 approved budget for each fund was:

- General Fund £13.3Million
- Housing Revenue Account £41Million

4.14.2. The table below summarises the Capital outturn 2023/24 and the proposed rephasing of capital budgets at Q4 into future years. Projects that have completed in the year resulted in underspends of £280K.

	2023/24			2024/25		2025/26	
£000	Actual Spend to 31.03.24	Q3 Capital Strategy	Variance	Re-phased Q4	Revised Strategy	Re-phased Q4	Revised Strategy
Total GF Schemes	8,880	13,300	(4,420)	5,353	43,946	207	16,834
Total HRA Schemes	37,568	40,746	(3,178)	3,178	60,280	0	56,459
<b>Total Capital Programme</b>	<b>46,448</b>	<b>54,046</b>	<b>(7,598)</b>	<b>8,531</b>	<b>104,226</b>	<b>207</b>	<b>73,293</b>
<i>Re-phase detail:</i>							
Stevenage Direct Services			(426)	362		0	
Housing Development			(615)	615		0	
Finance & Estates			(1,297)	1,266		0	
Digital & Transformation			(205)	205		0	
Regeneration**			(940)	2,039		207	
Communities and Neighbourhoods			(302)	302		0	
Planning and Regulatory			(373)	301		0	
Deferred Works Reserve			(262)	262		0	
<b>Total GF Re-phasing</b>			<b>(4,420)</b>	<b>5,353</b>		<b>207</b>	
Capital Programme Excluding New Build (Housing Investment)			(352)	352		0	
New Build (Housing Development)			(2,590)	2,590		0	
Digital & Transformation			(236)	236		0	
<b>Total HRA Re-phasing</b>			<b>(3,178)</b>	<b>3,178</b>		<b>0</b>	

\*\* £1.399Million Re-phased from 2026/27 to 2024/25 £1.192Million and 2025/25 £207K

## Re-phasing

4.14.3. 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. At year end where projects are ongoing expenditure budgets have been re-phased into future years to reflect this.

4.14.4. 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. Actual spend during the year was 85% of the approved budget at the end of the year.

4.14.5. General Fund – re-phasing £5.3Million - £4.140Million from 2023/24 and £1.192Million from 2026/27 – the main items are explained below:

- Stevenage Direct Services £362K -



- weather impacts and challenges procuring suppliers has delayed the completion of the garage improvement programme - £115K. This re-phasing represents 5.55% of the 2023/24 budget.
  - delays to replacement of vehicles £166K including extended lead times.
- Housing Development £615K – delay in completing the legal agreements between the WOC and the council relating to this loan facility has resulted in £611K of approved funding not being drawn down before 31 March. This will be spent in 2024/25 as part of the completion of the housing development at Courtland.
- Finance & Estates £1.266Million – significant resourcing issues within the team in 2023/24 (retirement and long-term sickness), resulted in delays to delivery of projects during the year, in this team and also other services where the estates team expertise supports the program. The team is now fully staffed and progress against targets is being made –
  - projects expected to complete Q1 2024/25 of £267K
  - projects now at the tendering stage amount to £253K
  - other ongoing projects £278K
  - essential works where boundaries of responsibility between the council and partners has delayed implementation £468K
- Digital & Transformation £205K GF £256K HRA - restructuring of the team to enhance capacity and resilience has been taking place in order to deliver on planned projects. A full review of capital requirements and budget provision will be undertaken in 2024/25.
- Regeneration £2.039Million –
  - The SG1 JV terms are being finalised and work on site is now likely commence in the next few months - £750K. This re-phasing represents 6.6% of the overall project.
  - Gunnels Wood - £980K, contracted works will take place in 2024/25 and the relevant budgets has been slipped. A balance of £977K was held in an Escrow account at year end.
  - Public Sector Hub – re-phased - £310K, reduced costs in 2023/24 as consultant and architect costings were lower than anticipated
- Communities and Neighbourhoods £302K – projects have been delayed due to vacancies in the surveying team needed to support these technical projects (fire stopping and the SALC lift). Cost of £258K (excluding accruals) were committed as at 31 March and projects are expected to be delivered in 2024/25.
- Planning and Regulatory £281K – the budget of £193K allocated to car park resurfacing was repurposed for the essential ANPR barrier system upgrade. Work began in 2023/24 with St Georges car park and is due to complete in 2024/25.
- Deferred Works Reserve £262k – this unallocated budget is required to support hyperinflation and emergency or unforeseen works that may arise in 2024/25.

#### 4.14.6. HRA – re-phasing £3.2Million – the main items are explained below:

- Housing investment - £375K of decarbonisation re-phasing. This budget relates to two projects - combined SHDF wave 1 and SHDF wave 2. The second project has been delayed because of weather and planning related issues. It is expected that this project will be completed in 2024/25 and retentions slipping into 2025/26 (value of these yet to be confirmed).
- New Housing Development –
  - Dunn Close £1Million – The scheme suffered with delays on site over the winter and spring period due to adverse weather conditions which impacted progress. The site has since moved at a quicker pace and the scheme is expected to complete in 2024/25.
  - Brent Court £462K – Additional design enhancements to improve the overall scheme viability have meant a delay to starting on site whilst these opportunities are fully explored and costed. Some initial enabling works are expected to begin in summer 2024/25.
  - Kenilworth £882K – There have been some minor delays on site which limited spend on the internal design and decoration including furnishing for communal areas. This has since been resolved and lettings are expected to be taking place in Quarter 1 2024/25.

#### 4.15. Net Underspend GF 2023/24 £280K

4.15.1. These savings relate to projects funded by ring fenced grants or contributions and do not represent funds available to finance new capital growth in 2024/25. This is particularly relevant to:

- Regeneration team £92K (Towns fund).
- Community Climate change fund £92K (funded from CIL).
- Chells park budget £46K (funded from developers' biodiversity contributions). Associated funding will be used for relevant purposes in 2024/25.

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

#### 4.16. Pressure 2024/25

4.16.1. Replacement of refuse vehicles 2024/25 – a separate report will be coming forward in July as a key Officer decision relating to the budget pressures now arising in relation to the purchase of 4 refuse and recycling freighters. The budget for 2024/25 of £1.010Million is now insufficient due the inflationary pressures since the budget was set. The service is working to mitigate this pressure and use underspends where possible.

#### 4.17. Virement for Approval

4.17.1. Car Park ANPR Barrier System 2024/25 - the off street car parking budget used to fund this project - £374,950, was built up using virements and repurposing redundant budgets from within the service. The project was procured via a framework contract, to ensure compatibility with existing retained systems at the new railway MSCP, the total cost of the works is £521,000 which exceeds the budget

available. Additional funds are likely to be found from other budgets within the service during 2024/25, but it is anticipated that there will be a £76,543 shortfall.

- 4.17.2. It is recommended that an in-year virement of £60K from KE569 – Cashless on street parking transition and £16,570 from KE530 Car Parking Equipment – Digitalisation to KE119 Off Street Car Parks be approved and that £76,543 is added to KE119 Off Street Car Parks, this shortfall to be funded from the capital receipt from the forum car park.

#### 4.18. Capital Financing

- 4.18.1. The table below sets out the change in the Capital Financing position since Q3, as a result of changes to the expenditure phasing discussed above.

£000	2023/24			2024/25		2025/26	
	Actual Spend to 31.03.24	Q3 Capital Strategy	Variance	Re-phased Q4	Revised Strategy	Re-phased Q4	Revised Strategy
<b>Total Capital Financing</b>	<b>46,448</b>	<b>54,046</b>	<b>(7,598)</b>	<b>8,531</b>	<b>104,226</b>	<b>206</b>	<b>73,293</b>
Changes detail:							
Capital Receipts			(2,572)	754		0	
Towns Fund			223	0		206	
Other Grants and Contributions			(258)	85		0	
Other reserves			(264)	80		0	
Borrowing			(1,549)	4,433		0	
<b>Total GF Financing changes</b>			<b>(4,420)</b>	<b>5,352</b>		<b>206</b>	
MRR (Self Financing Depreciation)			342	(4,336)		0	
Capital Receipts			189	150		0	
Leaseholder Contributions			(2,627)	0		0	
Borrowing			(3,361)	6,128		0	
Direct Revenue Financing			813	(123)		0	
Grants			1,466	1,359		0	
<b>Total HRA Financing changes</b>			<b>(3,178)</b>	<b>3,178</b>		<b>0</b>	
<b>Total Capital Financing</b>			<b>(7,598)</b>	<b>8,531</b>		<b>206</b>	

#### 4.19. Capital Receipts Forecast

- 4.19.1. 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.
- 4.19.2. The tables below summaries the current capital receipts forecasts for the General Fund.

Locality £000	Receipts	Previous Forecast	Revised Forecast/Actual	Variance
Year 2023/24	Actual	335	70	(265)
Year Forecast	2024/25	744	1,248	504
Year Forecast	2025/26	0	300	300
<b>TOTAL</b>		<b>1,079</b>	<b>1,618</b>	<b>539</b>

Other Receipts £000	Capital	Forecast / Actual
Year 2023/24	Actual	135
Year Forecast	2024/25	5,694
Year Forecast	2025/26	250
Year Forecast	2026/27	12,390
<b>TOTAL</b>		<b>18,469</b>

4.19.3. Sales in the pipeline in March 2024, just missed being included in 2023/24. In April and May the council received £667K and anticipated sales in 2024/25 are expected to be significant across both tables above. The re-phasing of capital expenditure has meant that the sales not achieved in 2023/24 against the forecast has no impact on the delivery of the program in 2023/24.

#### 4.20. Council's Subsidiary Companies

4.20.1. The Council own or part own a number of companies. The responsibilities for producing accounts and those being audited are with the Directors of those companies.

4.20.2. The table below summarises the relationships with the Council.

Company Name	Wholly owned either directly or indirectly by SBC	Included as a material subsidiary in council group accounts 2023/24
Queensway Properties (Stevenage) LLP - (QLLP)	Yes	Yes
Marshgate Ltd (WOC)	Yes	Yes
Hertfordshire CCTV Partnership Ltd (CCTV)	No – 37% share	No
Building Control Company (group)	No - 12.5% share	No
Joint venture (Mace)	No – JV with MACE	No Trading results 2023/24

4.20.3. More details of the individual companies can be found in the following paragraphs.

#### 4.21. Queensway Properties (Stevenage) LLP – (QLLP)

##### Background

- 4.21.1. QLLP was set up in 2018 as a new partnership between Stevenage Borough Council (SBC) and Marshgate (WOC) to implement a multi-million-pound regeneration of 85 Queensway, 89-103 Queensway, 24-26 The Forum and Marshgate, an area of Stevenage town centre. This project was initiated as a catalyst for regeneration in the town centre and has been followed by the delivery of the new Autolus life sciences building creating up to 400 new jobs for the local economy, and planning consent for a mixed life-sciences, retail and commercial scheme in the Forum that could create up to 1,800 new jobs. The Queensway project was structured so that the Council established an entity (and LLP) to manage the asset, holding a long-term lease from the owner (and development funder, Aviva) with an option to acquire the asset for £1 at the end of the lease term. The total cost of the development was c£45m, funded by Aviva with the Council taking a lease and making an annual payment to Aviva.
- 4.21.2. The benefits realised by the Queensway regeneration scheme include the enhancement of the existing shop fronts, canopies and facades, exciting new retail, fitness and food and beverage offers, rebranding the wayfinding and enlivenment, and the development of 110 brand new residential apartments in Queensway and Marshgate which is located behind Queensway. The aims of the scheme were to reposition the retail, create an enticing environment for retailers and customers, increase the night-time economy, improve the public realm, enhance new retail and leisure spend, increase dwell times, let vacant accommodation and increase occupational income and lease terms with existing tenants.
- 4.21.3. The accounts of QLLP for the 12 months to 31 March 2024 are incorporated into the SBC group accounts as a material subsidiary. Management accounts are presented to the Board of QLLP on a quarterly basis and costs and revenues scrutinised.

##### Outturn 2023/24

- 4.21.4. The outturn below compares the actual performance for the year against the forecasts presented to the QLLP Board at quarter 3. Future budgeting is based on the latest cash flow projections using information from QLLP appointed leading property development and investment specialists, Reef Estates and their subcontractors (Cortland and Colliers), as well as SBC officers.

£000	Outturn 2023/24	Q3 Forecast for the year 2324	Variance against Forecast	Budget 2425
Commercial	603	598	6	428
Residential	(34)	(88)	54	(145)
<b>Operational Combined</b>	<b>569</b>	<b>510</b>	<b>59</b>	<b>283</b>
Overheads	141	141	0	151
<b>Net Operating Profit / loss</b>	<b>710</b>	<b>651</b>	<b>59</b>	<b>435</b>

- 4.21.5. The costs for 2023/24 also include those related to the sublease on the above property - £1.8Million. This cost should be covered by net rents from commercial

and residential tenancies. The development completed in 2021/22, with new residential and commercial spaces to be let commercially. There were some challenges in the early years of the asset related to the covid pandemic which, along with subsequent inflation and cost of living impacts have affected performance in the first years of operation. One-off costs relating to rent free incentives for commercial tenants, contributions to fit out costs, and significant negotiations on achievable commercial rents due to the economic climate, resulted in an overall loss on the operations of £569K in 2023/24. Residential lettings are performing well and generating income. Retail leases are in place for units within the scheme during 2023/24, including the recent letting to Lloyds Bank and the health and eye care centre. A new office letting to Serco is also in place with other office suite marketing also underway.

- 4.21.6. The Board and partners are actively engaged in managing the associated risks and challenges. A series of workshops between officers and partners have taken place and more are planned, reviewing cash forecasts, costs and income, investigating options and determining actions needed to develop the business to reduce financial risks in the medium to long term. This includes focusing on options to lease the remaining office space, reviewing costs and income related to residential lettings, and a retail unit. The company has sufficient cash reserves to fund the 2023/24 losses.
- 4.21.7. Overheads in the table at para. 4.21.4 mainly consist of depreciation £498k and a lease adjustment for the principal element included in lease payments of £(352)k, both of which are non-cash year end transactions.
- 4.21.8. The operational budget for 2024/25 shows a reduced operational loss as one-off costs and revenue curtailments drop out. Actions being undertaken by the working group should result in further improvements to the financial position in future years, stabilising the performance of this asset over the medium-term to long-term. Through the MTFS process consideration will be given to developing a reserve for future fit out contributions or remodelling to further improve financial performance. A further update will be provided later this year.

## **4.22. Marshgate Ltd (WOC)**

### Background

- 4.22.1. Marshgate Ltd was a company setup in 2018 originally with the principal purpose of forming a partnership with SBC - Queensway Properties (Stevenage) LLP. From 2021, Marshgate Ltd begun expanding its operations beyond this initial remit and is now operating within the residential property market within Stevenage as a property developer. This includes the purchase of land and properties for development and sale in the Stevenage area.
- 4.22.2. The accounts of Marshgate Ltd for the 12 months to 31 March 2024 are incorporated into the SBC group accounts as a material subsidiary. Management accounts are presented to the Board of Marshgate Ltd on a quarterly basis and costs and revenues scrutinised.

### Outturn 2023/24

- 4.22.3. The main operating activity during the year has been the continuing development of the Courtland site. As a result, much of the company's costs have been capitalised and will be released through the profit and loss account when units are sold – planned for 2024/25.
- 4.22.4. The costs and income associated with the lease of 10 properties to the HRA is reflected in the gross profit of £2K below. Although the financing costs of the loan from SBC is capitalised, the income earned on placing surplus cash on the Money Markets is a revenue income stream (£150K). Overall, the company made £92k before tax in 2024/25.

£000	Outturn 2023/24	Q3 Forecast for the year 2324	Variance against Forecast	Budget 2425
Total Sales	(58)	(55)	(3)	(12,257)
Total Cost of sales	56	44	12	10,846
<b>Gross Profit</b>	<b>(2)</b>	<b>(11)</b>	<b>9</b>	<b>(1,411)</b>
Total Other Costs	60	55	5	49
Interest Earned	(150)	(160)	10	(50)
Tax Provision	13	22	(9)	268
<b>(Profit)/Loss after tax</b>	<b>(79)</b>	<b>(94)</b>	<b>15</b>	<b>(1,144)</b>
Investment in Development at Courtlands	7,567			
Cash at Bank	3,175			
Net SBC liabilities	(10,709)			

- 4.22.5. Loans from SBC have been invested in the development at Courtlands with the balance in cash as above. The net liability is made up mainly of this loan and is due to be repaid in 2024/25, when the units are sold.

### **4.23. Hertfordshire CCTV Partnership Ltd (CCTV)**

#### Background

- 4.23.1. The Council has one jointly controlled operation for the provision and management of CCTV in the Hertfordshire and Bedfordshire area. This arrangement is with Stevenage Borough Council (SBC), North Hertfordshire District Council, East Hertfordshire District Council and Hertsmeire Borough Council. On the 1 April 2015 a new company, Hertfordshire CCTV Partnership Ltd, was incorporated to conduct the commercial trading affairs of the CCTV Partnership. SBC holds 37% of the shares and "owns" 37% of the losses or profits. The company is not material and not included in the group accounts of SBC.

#### Outturn 2023/24

- 4.23.2. The company made £50K profit after tax in the year to 31 March 2024. The SBC share of this is £20K. This result is in line with expectations and performance in 2024/25 is expected to be similar – budgeted profit 2024/25 of £58K.

4.23.3. The board agreed that no dividend was to be paid to the shareholders in respect of 2023/24.

#### **4.24. Building Control**

4.24.1. On the 8 August 2016 Hertfordshire Building Control was formed under the trading name Broste Rivers Ltd, incorporating services from 7 Hertfordshire Local Authorities including Stevenage. The company formed to cover all building control service, some authorities DFG works and warranties and at the end of 2019, Dacorum joined and by 2021 Broste Rivers made a strategic move by acquiring Build Insight Group a private approved inspector and in 2023 the new CEO took over.

4.24.2. As part of the set up the company partner Councils gave a loan facility to the company which was adjusted to £107K when Dacorum joined and interest is currently paid at a commercial rate of 6%.

4.24.3. Trading has been challenging in 2023/24, as the market share has declined and the new CEO has put a plan in place to revert the deficit which the Directors of the Board have endorsed along with the individual Council's CFO's. Cash held by the company was £1.04Million on the 31 March 2024 a reduction of £776k on the balance the previous March. In order that the company's cash flow remains financially resilient the CFO's (including SBC's CFO) recommends that the Cabinet approves in principle that the loan facility could be increased by a similar amount to the existing loan, funded from the business rates reserve if required in 2024/25.

#### **4.25. Joint Venture**

4.25.1. The Council is also in the process of setting up a Joint Venture with Mace on the Swingate (Plot A) development. The cost of set up was budgeted for in 2023/24 with £150K and the net outturn position was higher at £210K. Current projections (as at the time of writing the report) on the construction cashflow, interest rate projections and sales forecasts shows that the net return to the Council is projected to be £5.17Million (including the return on the equity debt) and this is only £168K less than included in the June 2023 report approved by Members.

## **5 IMPLICATIONS**

### **5.1 Financial Implications**

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

### **5.2 Legal Implications**

5.2.1 None identified at this time.

### **5.3 Risk Implications**

5.3.1 Although the Council achieved a surplus in 2023/24, there are still many uncertainties facing the Council in the coming years, from delayed local government funding



reform, to cost of living crisis and continual impacts from COVID and the General Election. The surplus in 2023/24 will improve the financial resilience of the General Fund during this period of increased financial risk. The Council has a Strategy in place to address the financial impacts due to the likely level of funding and the increased uncertainty that income levels are going to be challenging to achieve for some time to come. The Quarter 1 Monitoring report to September Cabinet will cover this in more detail.

- 5.3.2 The budget pressures seen in the HRA for 2023/24 and the request for additional budget provision in 2024/25 clearly illustrate the current financial risks in the ring-fenced account. Many of these pressures are also being experienced at a national level in the social housing sector and the Local Government Association is currently commissioning work to assess the impact, to be better placed to inform the next Government of the extent of the problems and offer potential solutions. For Stevenage, increased regulation and operating requirements, combined with high inflation and recent rent capping, have significantly increased financial risk. The last HRA Business Plan recognised that there were many uncertainties in the medium term and in response increased the required minimum balances from £3Million to £10Million. This was to help cover budget pressures in the short to medium term, while longer term solutions could be put in place, and recognised the higher level of debt carried over the life of the plan. With the budget growth of £1.5Million requested in paragraph 4.11.2, the HRA is likely to fall below the minimum balances set out in the last business plan and this will need to be reviewed over the summer in preparation for the 2025/26 budget setting process. However, the HRA still has fairly high levels of funds with specific reserves, detailed at paragraph 4.13, still held for debt repayments and the impact of higher interest rates. This gives the Council some flexibility in balancing the account in the next 30 year plan.

## **5.4 Climate Change Implications**

- 5.4.1 There are no specific climate change implications resulting from this report.

## **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 Equalities and Diversity Implications**

- 5.6.1 This report is of a technical nature reflecting the actual spend for the year for the General Fund and HRA. The identified ongoing budget changes reported have arisen through efficiencies and do not change any existing equalities and diversity policies, nor will they impact on any groups covered by statutory equalities duties.

## **BACKGROUND DOCUMENTS**

- BD1 - 3rd Quarterly monitoring report General Fund and Housing Revenue Account
- BD2 – 2023/24 Council Tax and General Fund Budget
- BD3 – 2023/24 Final HRA Budget
- BD4 – National Audit Office – Supplementary Guidance Note (SGN) 04
- BD5 – Local Audit Delays Update March 2024

## **APPENDICES**

Appendix A – General Fund Capital Strategy Q4

Appendix B – HRA Capital Strategy Q4

Appendix C – HRA Growth request for 2024/25

## 2024/25 HRA Budget Growth Items

Service Area	Budget pressure 2024/25 £	Ongoing £	Narrative
<b>Housing Management:</b>			
	144,050	246,940	<p>In response to the Social Housing White Paper (SHWP) and in preparation of evidencing compliance with the Social Housing Regulation Act 2023 and revised consumer standards, the Council has undertaken a self-assessment against the Housing Quality Networks' SHWP self-assessment tool.</p> <p>From this, officers have produced a 12-18 month action plan to ensure that all the requirements and obligations as a social housing landlord are met and to be assured of the Council's ability to deliver services for the future.</p> <p>Officers have also gained valuable insights from the results of the Tenant Satisfaction Perception Measures, which the Council is obligated to collect and submit on an annual basis to the Regulator of Social Housing. Furthermore, officers have used analysis of complaints to inform how effectively residents feel services are being delivered.</p> <p>Service reviews have also been undertaken by individual services such as Repairs and Maintenance, Damp and Mould, Voids and Caretaking.</p> <p>From these methods, officers have identified 5 key workstreams that sit under a Housing Transformation Programme;</p> <ul style="list-style-type: none"> <li>• Fair Resident Access</li> <li>• Housing ICT &amp; Systems Roadmap</li> <li>• Repairs &amp; Maintenance</li> <li>• Damp, Mould &amp; Condensation</li> <li>• Voids</li> </ul> <p>Key areas for improvement are identified in the following table.</p>

Service Area	Budget pressure 2024/25 £	Ongoing £	Narrative				
			<b>Area</b>	<b>Driver</b>	<b>Position</b>	<b>Realisation</b>	<b>Ask/Consideration</b>
			<b>Repairs Improvement</b>	CS, TSM, PI's	Underway, needs finishing and then embedding, needs improved ICT	To mid '25	Procurement, capacity and IT being reviewed, and requirements will be quantified and reported in May'24
			<b>Voids Improvement</b>	CS, TSM, PI's	Underway, needs finishing and then embedding, needs improved ICT	To mid '25	Report to Executive on resourcing planned focus on and ICT support.
			<b>Resident Engagement</b>	CS, TSM, PI's, Best Practice, Customer Feedback	Underway, strategy needs finishing and adopting and then embedding	To mid '25	Resourcing review identified the need for 2FTE additional specialist posts to deliver new commitment. Details to be presented with new strategy.
			<b>Governance</b>	CS	Framework approach	End '24	Requires review, report to come forward.

Service Area	Budget pressure 2024/25 £	Ongoing £	Narrative				
			<b>Repairs Customer Contact</b>	CS, TSM, PI's, Customer Feedback	Call times too long, review and revise, move within Service, develop ICT	End '24	Call handling times have improved.
			<b>Digital Integration</b>	CS, GDPR, Best Practice	Lack of co-ordination, capacity and integration, with in-consistent data	Late '25	Additional resourcing to be considered as part of Road Map Development and then reported.
			<b>Business Insight</b>	CS, TSM's, PI's,	No specialist capacity	Late '24	Resourcing review identifying need for 1 additional FTE to deliver
			<b>Tenant data management</b>	GDPR, CS, TSM	Developing ICT Road Map	Late '24	Resourcing review identifying need for 1 FTE additional post to deliver
<p>Consumer Standards (CS), Tenant Satisfaction Measures (TSM), Performance Indicators (PI)</p> <p>The housing team has recruited an interim Special Projects Officer who has undertaken the SHWP self-assessment and has implemented an action plan based on compliance with the Consumer Standards. To ensure the Council can affect the necessary service improvements it is important to develop a Housing Business Insight and Performance Unit that will be responsible for leading on the cross-cutting elements</p>							

Service Area	Budget pressure 2024/25 £	Ongoing £	Narrative
			<p>of service and IT improvements as well as providing oversight and assurance that the Council is compliant with the new regulatory framework and the expectations set by the Regulator of Social Housing. The plan is to recruit a Business Insight and Performance Manager to replace the interim arrangements who can deliver the Fair Access and Housing IT Roadmap transformation strands and successful Resident Engagement on the back of the draft Resident Engagement Strategy. It is foreseen that this post will also develop and embed a strong performance culture and help service leads use data and customer feedback to facilitate enhanced and improved service delivery. The post holder will manage the current Business Improvement Officers, Housing IT staff, the proposed Data Manager and the proposed Resident Engagement posts.</p> <p>Through the Housing ICT and Roadmap transformation workstream officers have mapped an intricate network of systems and applications linked to the main housing management system. The way that the Council processes and holds tenant related data needs to be refined to ensure its accuracy, relevance and accessibility. The plan is to recruit a Data Manager to ensure that tenant and property data is accurate, validated and stored appropriately and can be used to provide insight and reporting as well as inform tenant preferences. A key deliverable is the migration of the housing management system to the cloud, with new modules, digitalisation, mobile working and integrations necessary to support the improvements identified through individual service reviews. Without this internal resource the Council will be unable to successfully develop and implement systems improvements to support services and tenant accessibility and may have to request future growth for external providers to provide this specialist support.</p> <p>The Council currently delivers the majority of resident engagement activities through the co-operative neighbourhood model. Community Development Officers do not have the capacity to deliver the key aims and commitments identified within the draft Resident Engagement Strategy, which Cabinet will be asked to approve on the 24<sup>th</sup> July 2024. This will be an area of focus for the Regulator of Social Housing when the Council is inspected in September 2024 and officers will need to demonstrate that the Council is compliant with the Transparency, Influence and Accountability Standard that came into effect on the 1<sup>st</sup></p>

Service Area	Budget pressure 2024/25 £	Ongoing £	Narrative																								
			<p>April 2024. Tenant satisfaction measure responses make it clear that tenants want to be kept more informed and that the Council can demonstrate that it listens and acts on what they say.</p> <p>To provide assurances that the Council is working towards a deeper and broader level of engagement specific to the delivery of the housing service, that the Council is providing formal opportunities to scrutinise services and that officers are keeping tenants informed and communicating with them effectively, the proposal is to introduce two new posts. A Resident Engagement Officer and a Resident Engagement Co-ordinator will be recruited to deliver the strategy as well as oversee the Councils statutory obligations in relation to the Tenant Satisfaction Perception Survey and data measures.</p> <p>Officers will recruit to the four identified posts throughout Q3 2024 and have them embedded by the end of Q4 2024.</p> <p><b>Breakdown of proposed resources</b></p> <table data-bbox="696 847 1727 1193"> <thead> <tr> <th></th> <th style="text-align: right;">2024/25 £</th> <th style="text-align: right;">Ongoing £</th> </tr> </thead> <tbody> <tr> <td><b>New Posts re Regulatory Demands</b></td> <td></td> <td></td> </tr> <tr> <td>Resident Engagement Officer - Grd 8</td> <td style="text-align: right;">33,400</td> <td style="text-align: right;">57,250</td> </tr> <tr> <td>Resident Engagement Co-ordinator - Grd 3</td> <td style="text-align: right;">18,580</td> <td style="text-align: right;">31,850</td> </tr> <tr> <td>Housing Performance and Insight Manager - Grd 11</td> <td style="text-align: right;">41,330</td> <td style="text-align: right;">70,850</td> </tr> <tr> <td>Housing Data Manager - Grd 6</td> <td style="text-align: right;">26,730</td> <td style="text-align: right;">45,830</td> </tr> <tr> <td>Oncost at 20%</td> <td style="text-align: right;">24,010</td> <td style="text-align: right;">41,160</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;"><b>144,050</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>246,940</b></td> </tr> </tbody> </table>		2024/25 £	Ongoing £	<b>New Posts re Regulatory Demands</b>			Resident Engagement Officer - Grd 8	33,400	57,250	Resident Engagement Co-ordinator - Grd 3	18,580	31,850	Housing Performance and Insight Manager - Grd 11	41,330	70,850	Housing Data Manager - Grd 6	26,730	45,830	Oncost at 20%	24,010	41,160		<b>144,050</b>	<b>246,940</b>
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Service Area	Budget pressure 2024/25 £	Ongoing £	Narrative										
<b>Repairs and Voids:</b>													
- Specialist Support contractors	500,000	500,000	<p data-bbox="790 379 2036 555">During 2023/24 the Council experienced a significant increase in demand for roofing and fencing repairs that were carried forward into 2024/25. Also the enhanced budget of £500k, approved in 2023/24 to manage damp and mould cases, was fully spent. With the current caseload remaining high it is expected that the approved budget of £250k for 2024/25 will not meet the demand and additional budget will be required.</p> <p data-bbox="790 595 2036 699">In total an additional £500K of resources are required to cover the cost of these jobs as the current budget provision for 2024/25 is insufficient. A breakdown of the jobs and associated pressures can be seen below:</p> <table border="1" data-bbox="790 735 1285 922"> <thead> <tr> <th data-bbox="790 735 1077 775">Repair Type</th> <th data-bbox="1077 735 1285 775">Pressure (£)</th> </tr> </thead> <tbody> <tr> <td data-bbox="790 775 1077 810">Roofing</td> <td data-bbox="1077 775 1285 810">250,000</td> </tr> <tr> <td data-bbox="790 810 1077 845">Damp and Mould</td> <td data-bbox="1077 810 1285 845">125,000</td> </tr> <tr> <td data-bbox="790 845 1077 880">Fencing</td> <td data-bbox="1077 845 1285 880">125,000</td> </tr> <tr> <td data-bbox="790 880 1077 922"><b>Total</b></td> <td data-bbox="1077 880 1285 922"><b>500,000</b></td> </tr> </tbody> </table> <p data-bbox="790 962 2036 1102">The Council appointed additional interim specialist contractors to undertake the necessary works during quarter 4 of 2023/24, pending the completion of a new Repairs and Void Contractor Framework being procured during 2024/25. This is currently in progress with the contract award included on the Forward Plan for the Cabinet meeting in September 2024.</p> <p data-bbox="790 1142 2036 1283">It is considered prudent to assume that, based on recent figures, additional budget in this area will be required in future years. Demand for specialist repairs will be monitored during this financial year and future pressures will be incorporated in the revision of the HRA Business Plan, which will be presented to the Cabinet in November 2024.</p> <p data-bbox="790 1323 2036 1388">A pilot cyclical programme of gutter clearances/repairs is due to commence in Q2 which aims to prevent and/or minimise the incidence of future repairs arising from leaking or blocked gutters</p>	Repair Type	Pressure (£)	Roofing	250,000	Damp and Mould	125,000	Fencing	125,000	<b>Total</b>	<b>500,000</b>
Repair Type	Pressure (£)												
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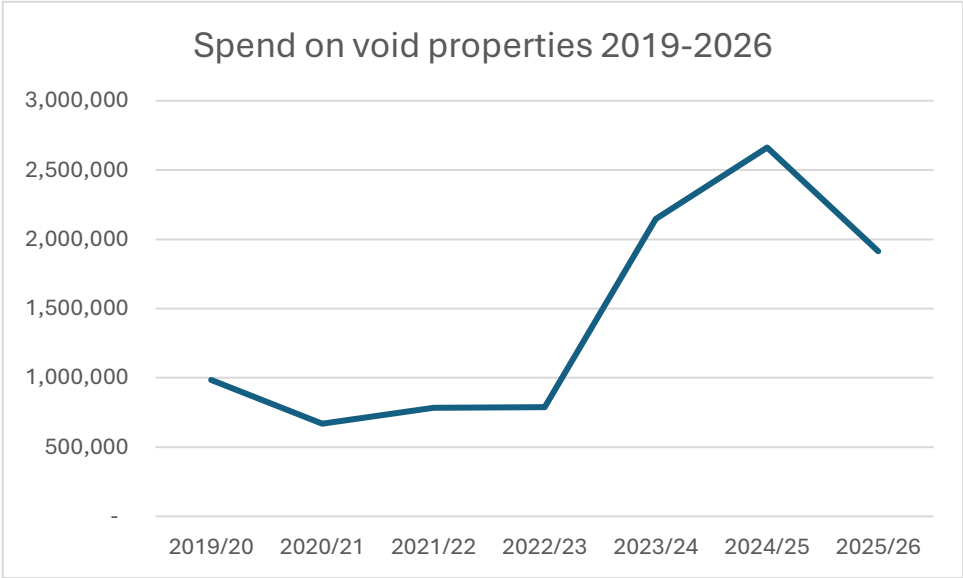
Service Area	Budget pressure 2024/25 £	Ongoing £	Narrative
			<p>and/or downpipes, which evidence suggests is a frequent cause of the roofing and drainage repairs being reported. The pilot will be evaluated to inform the design and implementation of a wider cyclical programme to be delivered from 2025/26 onwards. If successful, the Council would expect to see reduced repair volumes and therefore reduced budget requirement for specialist contractors beyond 2025/26.</p> <p>Whilst funding had been included in the 204/25 HRA budget to clear the historic backlog of fencing repairs, there is a budget pressure arising from newly reported repairs over the last two quarters, for which contractor support is also needed to enable these to be managed effectively.</p> <p>A Fencing Policy has been drafted as part of a new Repairs and Maintenance Policy that the Cabinet will consider alongside this report. Once the policy is considered and approved, taking into account feedback from tenants, the demand on the service and budget pressures arising from fencing related repairs can be better managed and reduced in future years.</p>
- Staffing resources	375,000	95,000	<p>Both a Member led and separate independent review of the Council's Housing Repairs and Voids Service were completed in 2023/24. The reviews identified the need to increase staffing capacity and skills to help drive forward required service improvements. Improvement Plans have been put in place in response to the reviews, to:</p> <ul style="list-style-type: none"> <li>• Increase service resilience and flexibility, where teams can respond to fluctuating service demands.</li> <li>• Ensure high levels of customer satisfaction, driven by consistently delivering against legal obligations and/or published service standards.</li> <li>• Make better use of resources through increased productivity and improved VFM in contract management.</li> <li>• Enable greater collaborative working and joined up services.</li> <li>• Ensure services are easy to deal with, including improving the Council's on-line repairs service offer, with timely and effective communications with customers.</li> </ul>

Service Area	Budget pressure 2024/25 £	Ongoing £	Narrative												
			<ul style="list-style-type: none"> <li>Improve budget forecasting and increase the Council’s ability to generate future efficiencies/savings for the Housing Revenue Account.</li> </ul> <p>The plans include the need to make some key staffing changes which, overall, would see a net increase of 3 FTE staff. There are 6 proposed new roles with 3 existing roles to be deleted and a further 5 to be amended to reflect updated responsibilities. At this stage Officers do not expect any redundancies arising from the implementation of the staffing proposals.</p> <p>The required new roles include:</p> <table border="1" data-bbox="790 662 1825 1211"> <thead> <tr> <th data-bbox="790 662 1041 699">Position</th> <th data-bbox="1041 662 1825 699">Role Purpose</th> </tr> </thead> <tbody> <tr> <td data-bbox="790 699 1041 810">Procurement Manager</td> <td data-bbox="1041 699 1825 810">To lead on and/or support procurement processes within the wider Building Safety and Housing Property Services Business Unit</td> </tr> <tr> <td data-bbox="790 810 1041 884">Senior Planner</td> <td data-bbox="1041 810 1825 884">To support the Repairs Manager with the delivery of the in-house repairs service including leading the Planning team.</td> </tr> <tr> <td data-bbox="790 884 1041 995">Disrepair and Damp and Mould Manager</td> <td data-bbox="1041 884 1825 995">To lead a combined team responsible for managing disrepair claims and addressing damp and mould issues within the housing stock in line with the D &amp; M Policy.</td> </tr> <tr> <td data-bbox="790 995 1041 1107">Disrepair Lead Surveyor</td> <td data-bbox="1041 995 1825 1107">To assess and manage disrepair claims in line with relevant legal protocols and Council Policies and provide support for and day to day supervision of the Disrepair Surveyor.</td> </tr> <tr> <td data-bbox="790 1107 1041 1211">Void Surveyor (x2)</td> <td data-bbox="1041 1107 1825 1211">To scope works required to void properties and once completed ensure that on handover they meet the Lettable Standard.</td> </tr> </tbody> </table> <p>The proposed staffing changes will:</p> <ul style="list-style-type: none"> <li>Improve efficiency and resilience – through combining teams which have synergies/crossover in caseloads.</li> </ul>	Position	Role Purpose	Procurement Manager	To lead on and/or support procurement processes within the wider Building Safety and Housing Property Services Business Unit	Senior Planner	To support the Repairs Manager with the delivery of the in-house repairs service including leading the Planning team.	Disrepair and Damp and Mould Manager	To lead a combined team responsible for managing disrepair claims and addressing damp and mould issues within the housing stock in line with the D & M Policy.	Disrepair Lead Surveyor	To assess and manage disrepair claims in line with relevant legal protocols and Council Policies and provide support for and day to day supervision of the Disrepair Surveyor.	Void Surveyor (x2)	To scope works required to void properties and once completed ensure that on handover they meet the Lettable Standard.
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Service Area	Budget pressure 2024/25 £	Ongoing £	Narrative
			<ul style="list-style-type: none"> <li>• Increase customer satisfaction and reduce complaints through increasing the number of jobs fixed right, first time.</li> <li>• Increase management capacity and capability to move to a more proactive service approach and deliver greater service stability and flexibility.</li> <li>• Manage and/or avoid disrepair claims and the associated financial impacts = savings.</li> <li>• Provide foundations to deliver a high performing service and identify efficiency and other savings.</li> </ul> <p>The budget pressure in 2024/25 is much higher than the ongoing budget pressure arising from the proposed changes to the staffing establishment because there are currently a significant number of roles within the service being covered by agency staff. This has been partly driven by:</p> <ul style="list-style-type: none"> <li>- the need to bring stability, particularly in management of the service.</li> <li>- to temporarily boost staffing resources in key areas to help clear specialist repairs including – roofing, complaints, fencing, voids.</li> <li>- to test out some of the proposals for change prior to permanent implementation</li> </ul> <p>The plan is to recruit to the vacant and agency filled roles (new and existing) with a view to having a permanent staffing establishment in place by end of October or as soon as possible thereafter. This will mitigate against an additional budget pressure arising in 2024/25 as the current financial assumptions do not provide for agency appointments to continue beyond the end of Q2 2024/25. The potential cost of any delays in implementation beyond October 2024 would be up to £41k per month based on current agency staffing costs.</p>
- Works to empty properties	1,285,000	750,000	<p>In February 2023 a principal contractor was appointed through an existing major repairs contract to clear a voids backlog of 123 properties that had built up in the latter part of 2022/23, due to a lack of capacity within the in-house voids team to manage the demand on the service.</p> <p>452 voids were completed in 2023/24 of which 359 were completed by the principal contractor.</p>

Service Area	Budget pressure 2024/25 £	Ongoing £	Narrative										
			<p>A breakdown of void type can be seen below:</p> <table border="1" data-bbox="790 411 1377 598"> <thead> <tr> <th>Property Type</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td>General Needs</td> <td>258</td> </tr> <tr> <td>Independent Living</td> <td>109</td> </tr> <tr> <td>Temporary Accommodation</td> <td>85</td> </tr> <tr> <td>Total</td> <td>452</td> </tr> </tbody> </table> <p>39 of the above TA voids required a visual electrical check only. Since Q3 of 2023/24 these types of TA void have been managed directly by the TA team.</p> <p>During December 2023 the Council moved to a multiple contractor approach, with a view to further improve turnaround times. As a result, the principal contractor was fully demobilised by the end of March 2024.</p> <p>The multiple contractors were appointed on an interim basis, pending completion of a fully compliant procurement process to appoint support contractors for the Repairs and Voids service. The related contract award is on the Forward Plan for Cabinet in September.</p> <p>The average cost of voids works per property undertaken by the principal contractor during 2023/24 was £6.6k, inclusive of capital works which represented on average 25% of total spend.</p> <p>During Q1 of 2024/25 an analysis of 114 voids handed by contractors has identified that the overall average cost per void remains high despite more competitive pricing with the multiple contractor model – this is illustrated in the table below:</p>	Property Type	Volume	General Needs	258	Independent Living	109	Temporary Accommodation	85	Total	452
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<p>Notes:</p> <ol style="list-style-type: none"> <li>1. Assumed average run rate of voids = 7.5 per week based on Q1.</li> <li>2. Average cost based on sample of 114 voids completed in Q1 above.</li> <li>3. The assumed % split between capital and revenue is based on actual spend in 2023/24.</li> </ol>																											

Service Area	Budget pressure 2024/25 £	Ongoing £	Narrative																
			<p>4. The actual number of voids and average costs are not predictable and could be higher or lower – for example no allowance has been made in the calculations for increased transfers due to new build completions.</p> <p>5. We will be reviewing the lettable standard during 2024/25 as part of the implementation of the void’s improvement plan which along with other proposed actions should help contain costs and improve turnaround times.</p> <p>6. It is assumed at this stage that any additional budget required for capital spend on voids can be accommodated through a virement within the approved HRA capital programme.</p> <p>The spend in 2023/24 and forecast spend in 2024/25 is consistently high compared to previous years as illustrated by the graph below:</p>  <table border="1" data-bbox="931 770 1890 1350"> <caption>Spend on void properties 2019-2026</caption> <thead> <tr> <th>Fiscal Year</th> <th>Spend (£)</th> </tr> </thead> <tbody> <tr> <td>2019/20</td> <td>1,000,000</td> </tr> <tr> <td>2020/21</td> <td>700,000</td> </tr> <tr> <td>2021/22</td> <td>800,000</td> </tr> <tr> <td>2022/23</td> <td>800,000</td> </tr> <tr> <td>2023/24</td> <td>2,100,000</td> </tr> <tr> <td>2024/25</td> <td>2,600,000</td> </tr> <tr> <td>2025/26</td> <td>1,900,000</td> </tr> </tbody> </table>	Fiscal Year	Spend (£)	2019/20	1,000,000	2020/21	700,000	2021/22	800,000	2022/23	800,000	2023/24	2,100,000	2024/25	2,600,000	2025/26	1,900,000
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			<p>Note: For 2024/25 and 2025/26 this is based on forecast spend.</p> <p>Prior to the pandemic the average cost per void was tracking at around £2.5-£3k.</p> <p>Whilst more analysis is being undertaken the key drivers of the increased spend on voids are as follows:</p> <ul style="list-style-type: none"> <li>- Inflation – construction cost inflation is measured through the Building Cost Information Index (BCIS) rather than CPI and tracks contractors pricing levels in accepted tenders. Generally, BCIS is above both CPI and RPI. Demand is the primary motivator for pricing and with increased investment and more competition in the sector this has led to an upward pressure on prices. Labour and material costs also influence tender prices, and a shortage of skilled workers will remain one of the inflationary drivers in 2024.</li> <li>- Condition of properties – in general the works required to meet the Lettable Standard are more significant than they have been in the pre-pandemic years, due to a range of factors including demographics, with Stevenage having a higher proportion of older people compared to the national and county average and also the ageing nature of the stock.</li> <li>- Volume of properties becoming void – a high proportion of voids are linked to tenants transferring within our stock. This churn and chain moves generated can be positive where it helps meet housing need – for example enabling older people to downsize to more suitable properties and free up family sized homes for those in housing need including families living in overcrowded conditions, but at same time the chain moves generated come at a cost particularly where the vacated property needs significant works to meet the Lettable Standard. With new build schemes in the current pipeline, for example Kenilworth Close, the Council would also expect to generate further internal transfers. However, understanding the reason for other moves and how the Council can ensure that properties are left in a lettable condition will be an area of focus within the Voids Improvement project – for example tenancy audits and pre-termination visits will be used to remind tenants of their obligations under their Tenancy Agreement.</li> </ul>

Service Area	Budget pressure 2024/25 £	Ongoing £	Narrative
			<p>- Anecdotally, we understand that many other local authorities have also experienced a significant increase in average void costs. We will be undertaking some benchmarking in 2024/25 as part of the review of the Lettable Standard which will be brought to Cabinet later in the year.</p> <p>To mitigate the risk of future backlogs and minimise the time taken to relet properties, a sustainable future voids delivery model needs to be agreed and implemented. This will be based on a blended approach of an in-house team with contractor support. It is therefore assumed at this stage that the budget pressure in future years can be managed downwards but the key assumption will be reviewed and updated for inclusion in the future voids delivery model and the HRA Business Plan reports, to be presented to Cabinet in the Autumn.</p> <p>A detailed proposal with financial modelling will be set out in the report on the future delivery model for voids to Cabinet in October, alongside the HRA Business Plan revision, and it is expected that this will not only provide a resilient and more efficient delivery model but improved Value for Money for tenants. However, given some of the drivers of the costs, it is prudent to assume that costs will be sustained at a much higher level than the base budget from previous years.</p>
- Disrepair claims	£130,000	£130,000	<p>Housing disrepair claims allow tenants to take legal action against their landlord to get repairs done and/or receive compensation.</p> <p>The disrepair pressure seen in 2024/25 is due to several historic cases that are still being worked through from previous financial years.</p> <p>The staffing proposals referenced above aim to mitigate the risk of ongoing cost pressures in relation to disrepair claims through a more proactive and preventative approach and also ensuring that the recently updated processes are followed to enhance prospects of successfully defending future claims.</p>



Service Area	Budget pressure 2024/25 £	Ongoing £	Narrative
			<p>Whilst at this stage officers cannot rule out that this will be an ongoing cost pressure, not least because of the implications of Awaab's Law (once enacted), officers expect to be able to reduce if not fully eliminate associated costs in future years because of the actions taken to date and those planned to mitigate this risk.</p> <p>SBC has had very low costs in this area, but the new operating environment and legislation is likely to require a higher ongoing budget resource and enhanced case management to minimise future cases</p>
<b>TOTALS</b>	<b>2,290,000</b>	<b>1,475,000</b>	

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**Meeting**            **COUNCIL**  
**Portfolio Area**    **ALL**  
**Date**                **31 JULY 2024**



## **APPOINTMENT OF AN INDEPENDENT PERSON FOR STANDARDS (LOCALISM ACT 2011)**

Author – Simon Pugh  
Lead Officer – Matt Partridge (Ext. 2456)  
Contact Officer – [Simon.pugh@stevenage.gov.uk](mailto:Simon.pugh@stevenage.gov.uk)

### **1. PURPOSE**

- 1.1 To extend the term appointment of an 'Independent Person for Standards' in accordance with the Localism Act 2011 (Chapter 7 – Standards).

### **2. RECOMMENDATIONS**

- 2.1 That Dr Robert Cawley's term of office as the Council's Independent Person is extended for a further term of 4 years with effect from 5 October 2024.
- 2.2 That the Monitoring Officer is authorised to seek to recruit a second Independent Person to act as a deputy to Dr Cawley, subject to confirmation of the appointment by full Council.
- 2.3 That the deputy Independent Person is paid an annual allowance of £749, which is 50% of the allowance paid to the principal Independent Person.

### **3. BACKGROUND**

- 3.1 Under section 28 of the Localism Act 2011 local authorities are required to appoint at least one Independent Person as part of their arrangements for dealing with complaints that a Member has breached the Code of Conduct.
- 3.2 The Act provides that when the Council is dealing with a complaint against a Member which it has decided to investigate then it must consult with the Independent Person before making a final decision on the allegation.

- 3.3 The Act further provides that the Council may, if it wishes, also consult with the Independent Person about a complaint at any other time in the process and any Member who receives a complaint against them may consult with the Independent Person at any time regarding the complaint against them.
- 3.4 The Council is also required to appoint its Independent Person to an 'Independent Panel'. The Independent Panel is a statutory body appointed to make recommendations to Council before it decides to dismiss the Head of Paid Service (Chief Executive), Chief Finance Officer (Strategic Director) or the Monitoring Officer

#### **4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

- 4.1 The Council first appointed Dr. R Cawley to this position in October 2016 following an advertisement being placed in the Comet and the Council's website and a subsequent interview that included the then Chief Executive and the Council's Monitoring Officer. On 15 July 2020 the Council extended Dr Cawley's appointment for a further four-year period from 4 October 2020.
- 4.2 Dr Cawley is well qualified for this role. After 24 years in education, the latter 12 years of which were in senior school and trust leadership positions, Dr Cawley now holds a portfolio of roles. He is a member of the Parole Board for England and Wales, a schools adjudicator, and sits on professional regulation panels in nursing and midwifery, social work, counselling and psychotherapy. As well as those roles, he works for two universities as an education consultant, including the TES Institute and as an education associate at the General Medical Council. He has held non-executive director roles, been an independent member of a London borough council's audit and standards committee and sat on panels undertaking the role of professional regulation in teaching.
- 4.3 The Monitoring Officer has found the support given by Dr Cawley to be invaluable. Given Dr Cawley's suitability and experience. Accordingly the Monitoring Officer recommends that his term of appointment is extended for a further four years.
- 4.4 This report also recommends the appointment of a deputy Independent Person. The appointment of a deputy would provide resilience in circumstances where Dr Cawley is indisposed, absent or conflicted on any issue. It would also be prudent in terms of succession planning. The recommendation is for an allowance to be paid in respect of the role at 50% of the allowance paid to the principal Independent Person, i.e. £749. Council is asked to authorise officers to undertake a recruitment process for a deputy

Monitoring Officer. Appointment would be subject to confirmation by full Council.

## **5. IMPLICATIONS**

### **5.1 Financial Implications**

The Members' Allowances Scheme includes provision of an allowance of £1,489 to the Independent Person. This is paid monthly pro-rata.

The report recommends the appointment of a deputy Independent Person with an allowance of £749 per annum.

### **5.2 Legal Implications**

This appointment is in accord with the provisions of the Localism Act 2011.

## **APPENDICES**

None

## **BACKGROUND DOCUMENTS**

Localism Act 2011 - <http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

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STEVENAGE BOROUGH COUNCIL

## AUDIT COMMITTEE MINUTES

Date: Tuesday, 4 June 2024

Time: 6.00pm

Place: Council Chamber

**Present:** Councillors: Carolina Veres (Chair), Lloyd Briscoe (Vice-Chair) Philip Bibby CC, Robert Boyle, Lynda Guy, Mason Humberstone, Tom Plater, Ceara Roopchand and Tom Wren

**Start / End Time:** Start Time: 6.00pm  
End Time: 6.39pm

### 1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were submitted on behalf of Councillors Anne Wells, and apologies for lateness from Councillor Tom Wren.

There were no declarations of interest.

The Chair welcomed the new Members of the Committee to the first meeting of the Municipal Year.

### 2 MINUTES - 26 MARCH 2024

It was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 26 March 2024 be approved as a correct record and signed by the Chair.

### 3 TERMS OF REFERENCE

The Chair explained to the Committee that within the Terms of Reference it stated that, a Cabinet Member could not Chair the Audit Committee. This meant that Councillor Briscoe (who was appointed at the Annual Council meeting) would not be able to chair a meeting should Councillor Veres be absent.

Councillor Veres then nominated Councillor T Plater, and Councillor L Briscoe seconded the proposal. A vote was carried out and the motion was carried.

It was **RESOLVED:**

- It was agreed that Councillor T Plater had been elected as Vice-Chair of the Audit Committee for the 2024/25 Municipal Year.
- The Terms of Reference for the Audit Committee, as agreed by the Annual Council meeting on 22 May 2024, be noted.

### 4 EXTERNAL AUDIT 2023/24 - PROGRESS REPORT

The Committee received a progress report from Azets in respect of the 2023/24 External Audit – progress report.

The purpose of the report was to provide the Audit Committee with a report on the progress in delivering the responsibilities as the external auditors. The papers included details of the progress made to date and where it was on track, where progress was on track, any initial finding which may impact the final accounts audits.

It was explained within the report, Azets were planning to complete the audit for SBC for the year ended 31 March 2024 in line with the statutory timetable and would report to the audit committee in late 2024 with the initial findings. It was explained they would not be able to complete the audit fully until the predecessor auditor has completed their audit for the year ended 31 March 2023. Once the 2023 audit has been completed, Azets would need to review the predecessor's audit file to gain assurance over SBCs opening balances as at 1 April 2023 and consider the impact on the audit for 2024 due to any modifications to their auditors report.

Councillors queried why the elections had disrupted the 22/23 statement of accounts and would need to wait till after the elections. It was suggested that EY should have brought forward their item onto this agenda. Officers stated it was due to the proposal around the backstop but there would be no parliament to lay the legislation until after the Election. Without the change in law, they would not be able to finish the audit. It was explained EY were focusing on all the audits that they had started but whichever audits had not begun, they would use it for the backstop.

It was **RESOLVED** the item be noted by the committee.

5 **ANNUAL ASSURANCE STATEMENT & INTERNAL AUDIT ANNUAL REPORT 2023/24**

The SIAS Client Audit Manager presented a report in respect of the SIAS Annual Assurance Statement and Annual Report 2023/24.

The SIAS Client Audit Manager stated that in line with the previous year, a reasonable assurance opinion had been issued regarding the Council's financial and non-financial systems, and that SIAS had concluded that SBC's corporate governance and risk management frameworks substantially complied with the CIPFA/SOLACE best practice guidance on corporate governance.

Councillors requested assurance that the weaknesses referred to had been corrected before they approved the report. In response to a question, the Officer stated the Corporate Governance Group, chaired by the chief finance officer had been monitoring throughout the year and all recommendations had been addressed. It was explained they were included within the annual governance statement and brought forward to the committee.



The Assistant Director of Finance confirmed to the committee that there were no inappropriate limitations on Internal Audit during 2023/24.

It was **RESOLVED:**

- That the Annual Assurance Statement and Internal Audit Annual Report 2023/24 was noted.
- That the results of the self-assessment required by the Public Sector Internal Audit Standards (PSIAS) and the Quality Assurance and Improvement Programme (QAIP) was noted.
- That the SIAS Audit Charter 2023/24, as attached to the report, was approved.
- That it was confirmed that the scope and resources for internal audit were not subject to inappropriate limitations in 2023/24.

6 **ANNUAL GOVERNANCE STATEMENT 2023/2024 AND LOCAL CODE OF CORPORATE GOVERNANCE**

The Corporate Performance and Improvement Officer presented the Annual Governance Statement (AGS) and Local Code of Corporate Governance for 2023/24.

The Corporate Performance and Improvement Officer stated that the Local Code of Corporate Governance had been drawn up in conformity with the CIPFA/SOLACE Framework “Delivering Good Governance in Local Government (2016)”. The document had been reviewed, and the changes were summarised in the table set out in Paragraph 3.2.4 of the report.

The Corporate Performance and Improvement Officer advised that the AGS was required to be reviewed each year. It described the Council’s governance arrangements, how they were reviewed, significant governance challenges and actions to address them. The Committee was advised that certain audits had been deferred due to officer availability.

It was **RESOLVED:**

1. That the changes to the Council’s Local Code of Corporate Governance, as attached at Appendix 1 to the report, be approved.
2. That the Council’s 2023/24 Annual Governance Statement, as attached at Appendix 2 to the report, be recommended for approval by the Statement of Accounts Committee.

7 **URGENT PART I BUSINESS**

None.

8 **EXCLUSION OF PUBLIC AND PRESS**

It was **RESOLVED** that:

1. 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. Members considered the reasons for the following reports being in Part II and determined that the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.

9 **PART II MINUTES - AUDIT COMMITTEE - 26 MARCH 2024**

It was **RESOLVED** that the Part II Minutes of the meeting of the Audit Committee held on 26 March 2024 be approved as a correct record and signed by the Chair.

10 **STRATEGIC RISK REGISTER**

The Corporate Performance and Improvement Officer presented a report providing the Quarter 4 2023/24 (January to March 2024) update in respect of the Strategic Risk Register.

It was **RESOLVED** that the latest Strategic Risk Register be noted.

11 **URGENT PART II BUSINESS**

It was explained by the Chair and Assistant Director for Finance that training would be scheduled for Members of the Committee in due course.

**CHAIR**