

Public Document Pack

Daneshill House
Danestrete
Stevenage
Hertfordshire

8 October 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, 16 October 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

AGENDA

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

2. MINUTES

To approve as a correct record the Minutes of the meeting of the Council held on 31 July 2024 and the Special Council on 2 September 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

The following questions have been submitted by members of the public. Written answers to the questions will be published on a supplementary agenda.

(A) Question from Jennifer Huygen

Could the Council please publish the response to Cllr Robin Parker's supplementary question of the July Council meeting, answering the question on the timeline for the lighting request in Fairlands Valley Park and the request for a regular progress report to Members?

(B) Question from Rebecca Watts

Have biodiversity assessments been conducted on the new development sites located in the released green belt land in Stevenage? Will assessments be conducted on future developments located in green belt/grey belt areas?

(C) Question from Teun van Leeuwen

I appreciate the regeneration of Market Square and the improvement of the streetscape for pedestrians. Despite the guidance on one-way streets in LTN (1/20) cycle infrastructure design, no cycling contraflow has been implemented. This is unfortunate, as the policy guidance in the same document states that the road width allows for this (see para 7.3.4 and 7.3.5). Please, can SBC explain how they would expect a person leaving from the cycle parking of the indoor market to safely cycle to any destinations inside and outside of the town centre that are South of the indoor market? Please consider that cycling is done by people of all ages and includes tricycles, cycles used for mobility purposes, and cargo bikes.

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. NOTICE OF MOTIONS

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

- 1 Winter Fuel Allowance

To be moved by Councillor Phil Bibby:

Council Notes:

- The Labour Government's recent decision to restrict the Winter Fuel Payment to only pensioners in receipt of means-tested benefits like Pension Credit, as announced by Chancellor Rachel Reeves.
- The estimated impact of this decision, which Age UK says will mean 2 million pensioners who badly need the money to stay warm this winter will not receive it.
- The significant role that Winter Fuel Payments play in helping older residents of Stevenage and across the UK afford heating during the coldest months, thereby preventing 'heat or eat' dilemmas and safeguarding health.
- The criticism from Age UK, the Countryside Alliance and other charities, highlighting the social injustice and potential health risks posed by this sudden policy change.
- The additional strain this decision will place on vulnerable pensioners, many of whom do not claim Pension Credit despite being eligible, further exacerbating their financial hardship.

Council believes:

- That the Winter Fuel Payment has been a lifeline for many older people across the UK and that restricting its availability solely to those on Pension Credit risks leaving many pensioners in financial hardship.
- While some pensioners currently in receipt of the Winter Fuel Payment may not require it, many thousands across Stevenage sit just above the cut-off for Pension Credit and will now lose their allowance.
- The decision to means-test Winter Fuel Payments, especially with such short notice and without adequate compensatory measures, is deeply unfair and will disproportionately affect the health and well-being of our poorest older residents.
- The government's approach fails to consider the administrative barriers and stigma that prevent eligible pensioners from claiming Pension Credit, leaving many without the support they desperately need.

Council resolves to:

- Bring forward a Council-led local awareness campaign to alert those eligible of Pension Credit which in some respects will help access to the Winter Fuel Payment for those most in need.
- Request that the Council Leader write to the Chancellor of the Exchequer, urging a review of the decision to means-test the Winter Fuel Payment and asking the government to ensure that vulnerable pensioners, particularly those who do not claim Pension Credit, are protected from fuel poverty.

2. Welcoming 21st Century New Towns

To be moved by Councillor Richard Henry

In 1946 the post war Labour Government had a vision to address the housing crisis arising from the aftermath of the Second World War and subsequently Stevenage as Britain's first New Town was conceived.

In 2024 we are facing another housing crisis with many Stevenage residents on the housing waiting list. The new Labour Government has looked at that inspirational post war time house building programme to launch a New Towns Commission to plan a new generation of new towns fit for the 21st Century.

We were delighted that Stevenage was chosen as the launch place for the New Towns Commission.

These towns will be “well-connected, well-designed, sustainable and attractive places where people want to live, as well as having the infrastructure, amenities and services necessary to sustain thriving communities.”

As Britain's first New Town we welcome this initiative and call on the Government to learn from our lived experience of nearly 80 years and still growing.

We ask the Housing cabinet member and the Leader to write to Sir Michael Lyons to offer support for the development of the commission particularly from the learning of the building of the UK's first new town.

3. Winter Fuel Allowance

To be moved by Councillor McGuinness:

In July, ahead of the October Budget, the Chancellor of the Exchequer announced her decision to end universal Winter Fuel Payments and restrict eligibility to only those in receipt of Pension Credits and other benefits. This was implemented through a Statutory Instrument which came into force on 16th September 2024.

Whilst many agree that universal Winter Fuel Payments are not necessary for some, Council is deeply concerned that many pensioners on lower and middle incomes will now not receive the payments. Across England and Wales the number of people eligible for Winter Fuel Payments will fall by 10 million, from 11.4 million to only 1.5 million.

In Stevenage the number of pensioners affected by the change totals over 11,000. This means around 86% of local pensioners currently eligible for Winter Fuel Payments in Stevenage will no longer be able to claim this much needed support, at a time when fuel bills are still high. This not only risks leaving many vulnerable pensioners across the town in financial hardship but will disproportionately affect the health and well-being of our poorest older residents.

Council understand that no public consultation has taken place, despite Age UK

estimating that 2 million pensioners who badly need the money to stay warm this winter will now not receive it.

Council believes that the Labour Government has set the threshold at which pensioners do not qualify for Winter Fuel Payments far too low. Only those receiving a pension of less than £218.15 a week (or £332.95 a week for couples) are eligible for pension credits. This is significantly lower than the living wage rate.

Council is also concerned by the low take up of pension credit with only 63% of those eligible nationwide receiving them – and over 880,000 pensioners not doing so. Council recognises the role we have to play to increase awareness of benefits such as Pension Credit to ensure people are aware of the support they are entitled to.

Council welcomes the recent motion passed at Labour Conference on 25th September calling on the Government to reverse this damaging policy.

Council further notes that the Energy Price Cap is due to rise by 10% in October, which combined by the removal of Winter Fuel Payments will push thousands of local pensioners into fuel poverty.

Council resolves to:

- Instruct the Chief Executive to write to the Chancellor of the Exchequer calling for the policy on linking Winter Fuel Payments to Pension Credit receipt to be immediately paused and introduce a new threshold to determine eligibility for Winter Fuel Payments. Council further requests the Chief Executive write to the local MP Kevin Bonavia asking him to give his formal support to halting the changes to the Winter Fuel Payment eligibility.
- Request all group leaders within Stevenage sign a joint letter to the Chancellor of the Exchequer calling for the new Winter Fuel Payment policy to be suspended and reviewed.
- Urgently commence a significant awareness campaign to maximise uptake of pension credits. This will include use of Council noticeboards, social media, promotion in local press and also targeted letters to those who may be eligible.

11. 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 Phil Bibby

How important does the Cabinet member believe defence industries based in Gunnels Wood Road are to Stevenage's economic prosperity?

(B) Question from Councillor Andy McGuinness

Why has progress on Town Centre Regeneration stalled and what reassurances can be provided to concerned residents?

(C) Question from Councillor Robin Parker

How is the UK Shared Prosperity Fund allocated between wards, by whom and on what basis?

(D) Question from Councillor Tom Wren

How many enquiries/complaints has the council received regarding garage block cleaning charges and how many charges have not been paid by residents?

(E) Question from Councillor Stephen Booth

What efforts are being made by the Council to address the numerous flooding hotspots on roads across the Town in conjunction with the Highways Authority?

(F) Question from Councillor Graham Snell

Why has the Garage Improvement Programme only delivered around a quarter of the planned refurbished garages target despite almost the entire allocated budget being spent already?

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

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13. AUDIT COMMITTEE MINUTES

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

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STEVENAGE BOROUGH COUNCIL

COUNCIL MINUTES

Date: Wednesday, 31 July 2024

Time: 7.30pm

Place: Council Chamber

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

Start / End Start Time: 7.10pm
Time: End Time: 8.45pm

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

The Mayor invited those present to observe a moment's silence to reflect on the tragedies this week in Southport.

Apologies for absence were received from Kamal Choudhury, Forhad Chowdhury, Lin Martin-Haugh, Simon Speller, and from Lahaina Sutherland, Youth Mayor.

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

It was **RESOLVED** that the Minutes of the Annual Council Meeting held on 22 May 2024 be approved as a correct record and signed by the Mayor.

3 **MAYOR'S COMMUNICATIONS**

The Mayor referred to a list of seventy events he had supported since May which had been circulated at the meeting and gave a report on a number of highlights including:

- The 8th birthday of Stevenage Parkrun at Fairlands Valley Park;
- The NHS Charity Rainbow Run and Wollenwick's Colour Run;
- Stevenage Day;
- Town Twinning Visit;
- Two visits with the Air Ambulance charity;
- Presentations at Marriotts School;
- Covid Cobra 4th anniversary;

The Mayor also reminded Members of the Stevenage Rotary Club charity quiz on 7 September, his Garden Party on 29 September and the Together Awards on 26 October 2024.

4 **COMMUNITY PRESENTATIONS**

There were no community presentations.

5 **PETITIONS AND DEPUTATIONS**

There were no petitions or deputations.

6 **QUESTIONS FROM THE YOUTH COUNCIL**

There were no questions from the Youth Council.

7 **QUESTIONS FROM THE PUBLIC**

There were no questions from the public.

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

The Leader of the Opposition, Councillor Stephen Booth, asked the following question:

“What meetings does the Leader of the Council have planned with the new Labour Government and does he expect next year’s local financial settlement will ensure the Council can avoid cutting essential services and delaying capital projects to balance the budget?”

The Leader of the Council replied that a number of contacts had been made with the new Government including a visit that morning from a senior Minister from the Department of Housing, Communities and Local Government. Later in the meeting he would be giving an update on the work carried out by Kevin Bonavia, the new Stevenage MP to represent the residents and aspirations of the Town. A further meeting with representatives from the Department of Business and Trade would be taking place the following week to discuss the work in the Town with the Space and Defence Industry and Life Sciences Sector. Alongside this the Leader was planning to maintain a strong connection to Baroness Taylor of Stevenage, Parliamentary Under Secretary of State for Housing.

In relation to the financial settlement, it was hoped that a longer term, possibly three year, settlement would be announced in the Autumn Budget by Rachel Reeves the new Chancellor which would allow local authorities to better plan for the future.

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

- Cycle Hire Scheme;

- Co-operative Neighbourhood Management;
- Building a Better Bedwell;
- Youth Mayor and Deputy Youth Mayor;
- Equalities;
- Stevenage Day;
- Aqua Parc;
- Stevenage Theatre wins National Award;
- Museum Exhibitions;
- Brodie Court;
- Resident Engagement Strategy;
- Green Spaces Strategy.

9 **UPDATE FROM SCRUTINY CHAIRS**

In the absence of the Chair of the Overview & Scrutiny Committee, Councillor Rob Broom, Chair of the Environment and Economy Select Committee (who was also a Member of the Overview & Scrutiny Committee) advised that, at its meeting held in June, the Committee had finalised its work programme for 2024/25 as well as scrutinising the decisions of the Cabinet. Council was informed that one-off performance reviews of ICT including the Council's website, the Customer Complaints System alongside a review of how well the move by the Customer Services Centre to the main reception would be undertaken.

Councillor Sarah Mead, Chair of the Community Select Committee advised that, at its meeting held in June 2023, the Committee had received a presentation on the Housing Allocations Policy and the Resident Engagement Strategy. During the coming year the Committee would be considering Equalities and Diversity, Neighbourhood Wardens, the new Leisure Contract as well as holding the statutory Crime and Disorder and Public Health meetings.

The Chair of the Environment & Economy Select Committee advised that the Committee had commenced its 2024/25 work and over the course of the upcoming year would be looking at the Skills Agenda concentrating on technical qualifications relating to the Life Sciences sector and local employers offering roles with a strong Science, Technology, Engineering and maths) STEM content, local access to returning to work, continuing its review of local bus services alongside a watching brief on the Council's response to the climate emergency.

10 **SCRUTINY ANNUAL REPORT 2023/24**

In the absence of the Chair of the Overview & Scrutiny Committee, Councillor Sarah Mead, Chair of the Community Select Committee moved that the Annual Scrutiny Report for 2023/24 be noted.

In moving the report, thanks were given to Members for their robust work on pre-scrutiny and scrutiny and also thanks to officers for their support and evidence.

Councillor Rob Broom seconded the report.

Councillor Stephen Booth questioned the length of the Overview and Scrutiny agendas and suggested that additional meetings should be considered to spread the workload. The Leader, Councillor Richard Henry acknowledged the point but reminded members that the General Election had delayed some items coming forward earlier and that there were legal requirements on the timing for the consideration of some of the reports.

It was **RESOLVED** that the work undertaken by the Overview & Scrutiny Committee and Select Committees during 2023/24, as set out in the report, be noted.

11

NOTICE OF MOTIONS

Code of Conduct

Councillor Phil Bibby moved a motion concerning the Code of Conduct.

In moving the Motion, Councillor Bibby stressed the importance of Councillors treating each other with respect and integrity.

The motion was not seconded and therefore was not debated.

New Labour Government

Councillor Richard Henry moved and Councillor Sandra Barr seconded the following motion

“On 4th 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 17th July, the Government set out its priorities. They are ambitious and diverse priorities. In particular, those that affect Stevenage Borough Council directly include:

- 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.

In moving the Motion, Councillor Richard Henry referred to the austerity programme which had been introduced in 2010 and the lack of support for Local Government throughout the 14 years of the Conservative Government. He advised Members that Kevin Bonavia, the new MP for Stevenage was working pro-actively to support the Council.

In seconding the motion, Councillor Sandra Barr advised that Kevin Bonavia had advised that he would welcome all Members regardless of party, to approach him as the Stevenage MP with any issues they might need his assistance with.

The Leader of the Opposition advised that the New Government’s proposals and targets on house building were welcome but that they should give careful consideration to the Right to Buy legislation and the potential of building on Green Belt Land.

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

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

(A) Question from Councillor Robin Parker CC re: lighting in Fairlands Valley Park

Supplementary question – what is the timescale on this matter and could a regular progress report come to members to keep them updated. In the absence of the Portfolio Holder for Environment and Performance, the Deputy Leader agreed that a written response would be sent to Councillor Parker.

(B) Question from Councillor Stephen Booth re: a four day working week for Council officers

Supplementary question – “Subject to the outcome of the research and ongoing studies would the Council be in favour of the four day week for officers?”

The Deputy Leader advised that the Council would continue to monitor research and developments in this regard noting, as per the written response, that the South Cambridgeshire four day week trial only commenced in January 2023, therefore it would be some time before the longer term implications could be properly assessed to inform a local decision.

(C) Question from Councillor McGuinness regarding land sales.

Supplementary question – could the Portfolio Holder outline in a bit more detail where the capital receipts were actually spent and were any of the spends ringfenced for similar programmes where the assets came from originally?

The Deputy Leader advised that the sale of land had helped to fund projects such as parks and open space schemes, vehicles and plant, fire protection works at Cavendish Road and spend on commercial and operational buildings. All information could also be found in the quarterly monitoring reports submitted to Cabinet. The majority of the £6m receipt related to the sale of the Marshgate Car Park and was ringfenced for regeneration projects in the Town. Councillor Thomas agreed to send the full details in her response to Councillor McGuinness in writing.

(D) Question from Councillor Bibby concerning the use of grey belt land.

Supplementary question – in relation to green belt land in neighbouring authorities, does the Portfolio Holder expect other authorities to build on this land and would SBC be objecting to those green belt developments?

In the Portfolio Holder’s absence, the Deputy Leader agreed to arrange for a written response to Councillor Bibby.

13

HOUSING REVENUE ACCOUNT 2024/25 AND ON-GOING COST PRESSURES

The Council considered a report in respect of the Mid Year Treasury Management Review 2023/24, including the Prudential Indicators. It was noted that the report had

been endorsed by both the Audit Committee and the Executive.

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

In response to questions and comments by Members, Councillor Thomas advised that in relation to a deposit scheme for tenants, this would be difficult due to the financial situation of some tenants. Councillor Thomas replied that in relation to costs for professional services, due to changes of situation and unexpected circumstances such as the Covid pandemic this could fluctuate.

Upon the motion being put to the vote, it was **RESOLVED:**

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 at Appendix A to the Council report be approved.
2. That an additional £400k of HRA expenditure for the remainder of 2024/25 be approved.

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

The Council considered a report in respect of the extension of the term of appointment of an Independent Person for Standards in accordance with the Localism Act 2011.

It was moved by Councillor Jackie Hollywell, and seconded by Councillor Myla Arceno, that the Recommendations in the report be approved.

Upon the motion being put to the vote, it was **RESOLVED:**

1. That Dr Robert Cawley's term of office as the Council's independent Person be extended for a further term of four years with effect from 5 October 2024.
2. That the Monitoring Officer be authorised to seek to recruit a second Independent Person to act as a deputy to Dr Cawley.
3. That the deputy Independent person be paid an annual allowance of £749, which is 50% of the allowance paid to the principal Independent Person.

15 **AUDIT COMMITTEE MINUTES**

The Minutes of the meeting of the Audit Committee held on 4 June 2024 were received.

CHAIR

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STEVENAGE BOROUGH COUNCIL

**COUNCIL
MINUTES**

Date: Monday, 2 September 2024

Time: 7.00pm

Place: Council Chamber

Present: Councillors: Jim Brown, (Mayor), Nazmin Chowdhury, (Deputy Mayor), Myla Arceno, Julie Ashley-Wren, Sandra Barr, Philip Bibby CC, Stephen Booth, Robert Boyle, Leanne Brady, Lloyd Briscoe, Rob Broom, Kamal Choudhury, Forhad Chowdhury, Peter Clark, Akin Elekolusi, Alistair Gordon, Lynda Guy, Richard Henry, Jackie Hollywell, Coleen Houlihan, Mason Humberstone, Lin Martin-Haugh, Conor McGrath, Andy McGuinness, Sarah Mead, Robin Parker CC, Claire Parris, Ellie Plater, Tom 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: 7.55pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received on behalf of Councillor Alistair Gordon.

There were no declarations of interest.

2 MRS JOAN E LLOYD - PRESENTATION OF FREEDOM OF THE BOROUGH

The Mayor welcomed everyone to the meeting in particular Mrs Joan Lloyd, her husband John and the rest of her family members.

The Chamber was reminded that at a Special meeting of the Council on 31 July 2024 a resolution was agreed that the Council should confer the title of Freeman of the Borough on Mrs Joan E. Lloyd.

The Mayor expressed his delight at being able to pay tribute to Mrs Lloyd, and spoke of her commitment to Stevenage, in particular the Bandley Hill area.

Councillor Richard Henry, Leader of the Council spoke of Mrs Lloyd's remarkable contribution to Stevenage having first been elected in 1976. He referred to her various roles over the years including Chairing Committees, the Mayor of the Town and latterly as Deputy Leader and Resources Portfolio Holder. Councillor Henry advised Members that Joan had been instrumental in persuading both him and Councillor Hollywell to first become involved with the Council. He advised that he was delighted that the Freedom of the Borough, the highest award the Council could

bestow upon an individual, was being awarded to the very deserving Mrs Lloyd.

A tribute was paid by the Leader of the Opposition, Councillor Stephen Booth who congratulated Mrs Lloyd on her award.

The Chief Executive then paid tribute to Mrs Lloyd on behalf of current and former Officers of the Council who had worked with her over many years and thanked her for the contribution she had made in overseeing the Council's finances alongside her many other roles. He spoke of Joan's support to Strategic Director and S151 Officer, Clare Fletcher who she had worked closely with over 18 years. He then read a letter of tribute from former Assistant Chief Executive Bill Welch.

A number of Members then spoke in tribute to Mrs Lloyd as a colleague and friend, recognising her long service, her tireless work for the community particularly in the Bandley Hill Ward, in championing the role and leading the way for women as local councillors. Her pivotal roles such as overseeing the work of the Planning and Development Committee and then as the Portfolio Holder for Resources were acknowledged.

Kevin Bonavia MP spoke of Mrs Lloyd's warmth and kindness and congratulated her on this well deserved, public recognition of her many years of service to the Town and advised that he was delighted to be part of her celebrations.

Baroness Sharon Taylor, OBE, spoke in tribute to Mrs Lloyd and her well deserved honour. She spoke of Joan's extraordinary service and her roles over the years particularly in regard to the economic development of the Town. Her thoroughness, efficiency and thoughtfulness had helped to build the financial foundations that Stevenage borough Council was now fortunate enough to stand on. She thanked Joan for her inspiration, encouragement, support and friendship.

A framed scroll was then presented to Mrs Lloyd.

Mrs Lloyd then read out the Freedom of the Borough Oath and made an acceptance speech in which she said that the Council had given her the greatest honour of being awarded the Freedom of the Borough. She advised that she had been very fortunate to work with dedicated officers and councillor colleagues and had been in a privileged position to be able to help shape and deliver the Town we live in today. She especially thanked her family for their support over the years.

CHAIR

COUNCIL – 16 OCTOBER 2024

PUBLIC QUESTIONS

Questions to Portfolio Holders / Committee Chairs

(A) Question from Jennifer Huygen

Could the Council please publish the response to Cllr Robin Parker's supplementary question of the July Council meeting, answering the question on the timeline for the lighting request in Fairlands Valley Park and the request for a regular progress report to Members?

Answer (Councillor Simon Speller):

The response to Councillor Parker's question is for Councillor Parker to share but I can give full assurance to Jennifer Huygen that I will cover the latest position in my Leaders Update later on in this meeting.

(B) Question from Rebecca Watts

Have biodiversity assessments been conducted on the new development sites located in the released green belt land in Stevenage? Will assessments be conducted on future developments located in green belt/grey belt areas?

Answer (Councillor Simon Speller):

Thank you for the question. For recent planning applications in the last few years, yes. Stevenage has been at the leading edge of biodiversity improvements including those related to new developments. Since 2022, we have had a Supplementary Planning Document (SPD) to secure 10% improvements in biodiversity over what is there before any development. This is known as biodiversity net gain (BNG) and has now been embodied in central government regulations. Since April 2024, there has been a legal requirement that new developments achieve a BNG of 10% improvement over what is there, this can be achieved on and off site, and has been secured on all major developments in Stevenage.

I am proud that Stevenage has a Biodiversity Action Plan, and that Cabinet have approved a further update to this Plan. We will continue to work with Herts and Middlesex Wildlife Trust, our fantastic green space volunteers, friends of parks and others over the months and years ahead.

(C) Question from Teun van Leeuwen

I appreciate the regeneration of Market Square and the improvement of the streetscape for pedestrians. Despite the guidance on one-way streets in LTN (1/20) cycle infrastructure design, no cycling contraflow has been implemented. This is unfortunate, as the policy guidance in the same document states that the road width allows for this (see para 7.3.4 and 7.3.5). Please, can SBC explain how they would expect a person leaving from the cycle parking of the

indoor market to safely cycle to any destinations inside and outside of the town centre that are South of the indoor market? Please consider that cycling is done by people of all ages and includes tricycles, cycles used for mobility purposes, and cargo bikes.

Answer (Councillor Simon Speller):

Thank you for your comments. The public realm improvements around Market Square improve the appearance and seating options for pedestrians and Market Square users. It is quite a challenging location, in effect, a service road with limited space. The road flow does not change as part of the plans and the limited space does not allow for the safe provision of a cycle route. The current users of the Indoor Market cycle space can continue to walk their cycle to and from the cycle routes nearby.

I am thrilled to see the commencement of the new Beryl Bikes scheme and as a passionate advocate for cycling also continue to work with Cllr Briscoe and others, to look for opportunities to attract funding and support for further cycling improvements.

COUNCIL – 16 OCTOBER 2024

MEMBERS' QUESTIONS

Questions to Portfolio Holders / Committee Chairs

(A) Question from Councillor Phil Bibby

How important does the Cabinet member believe defence industries based in Gunnels Wood Road are to Stevenage's economic prosperity

Answer (Councillor Lloyd Briscoe):

I believe all the businesses in the town are important to our economic prosperity. We have positive and proactive relationships with many local businesses. For example, there are a range of businesses based in Gunnels Wood Road. Through the fantastic Business and Technology Centre we support SMEs and startups, all the way through the relationships we have with large scale global corporations like Airbus, GSK and MBDA who through their innovation and with the strong skills of their employees have created a local Stevenage eco-systems for defence, advanced engineering, life science and other STEM industries. This provides careers, jobs and investment in our town, alongside advanced technologies to help keep our country and allies connected and safe around the world.

(B) Question from Councillor Andy McGuinness

Why has progress on Town Centre Regeneration stalled and what reassurances can be provided to concerned residents?

Answer (Councillor Richard Henry):

I am delighted to provide a further update on regeneration of the town centre and the great progress that we are making. Indeed, only last week we commenced two new projects on site and I look forward to the town realising the associated benefits in due course. You can read about the numerous live projects in the Regeneration Update that is being circulated to all Members shortly.

Standout projects completed in recent years include the fantastic Bus Interchange creating modern facilities and a better connection to the rail station, 300 new jobs being created in Co-Space, and the arrival of Autolus's £65million European base bringing 400 jobs.

The remodelling of significant parts of Queensway through a £50million scheme backed by SBC with new shops and leisure uses, together with 110 homes, has brought vibrancy back to a struggling street, and acted as a catalyst for the neighbouring landowner to seek planning approval for their own development proposals. Large areas of public realm have been renewed, starting with the Town Square, and our award-winning new car park at the station has doubled

the parking capacity and supports wider regeneration. We've just introduced a brilliant new bike hire scheme, and are making further changes to improve pedestrian routes with better lighting, paving and public art.

Just last week I was thrilled to see the commencement of the SG1 scheme at Swingate, which will deliver 261 homes. Working with the Guinness Partnership, their first 143 affordable homes are nearing completion on the former Matalan Site. We've also just started work on a further expansion of Co-Space, making room for a further 150 jobs.

Reef and UBS are about to start work at the Forum with lab space, offices and shops, eventually creating a further 1,800 jobs in the town centre and driving investor confidence for future developments.

Members and the public will soon be asked for their views on our fantastic new circa £45m leisure and sports facility that should be submitted for planning in the next few months with construction beginning next year. After years of prep work, visible changes are appearing in our town centre and beyond, and we look forward to further exciting transformation taking place over the next few years.

(C) Question from Councillor Robin Parker

How is the UK Shared Prosperity Fund allocated between wards, by whom and on what basis?

Answer (Councillor Sandra Barr):

The previous Government implemented the UK Shared Prosperity Fund (UKSPF), as a replacement for EU structural funding and committed to fund £2.6bn to local authorities through this programme, to the end of 2024/25.

Over £13m was allocated to Hertfordshire authorities, and of this, £1m was for Stevenage. Funding was split over three years, reflecting the commitment to matching previous EU structural funding levels, by the end of year 3 (2024/25).

Our Local Investment Plan for UKSPF covered three investment priorities: Communities & Place, Supporting Local Business & People and Skills, and was approved by the Executive at the time. This resulted in a blend of projects covering areas from skills, to crime prevention, to arts and culture. Our plan included funding into local neighbourhood areas and each ward was awarded £3,000 available for the 2024/25 financial year. We were not required to do so, but chose to make this a priority given our commitment to working cooperatively with our communities.

The Executive also agree a proportion of funding would be prioritised to areas of greater deprivation, where there is greater need and work with particular community groups could have further impact. A further £22,000 funding was allocated to five neighbourhood areas, based on a priority assessment of deprivation, size and reach of the local centre, and visual inspection. The final

scheme also included town-wide investment in key areas like street art, tackling graffiti and neighbourhood cleansing. I was delighted to consult with my Cabinet colleagues in developing the overall plan, and grateful for the support of senior Officers in finalising the approach to this project and a delivery plan.

I am pleased to work closely with a wide range of ward Members to develop ideas and with communities, to improve their neighbourhood areas, and from different political parties.

I hope we have an extension of UKSPF funding so that we can continue to deliver across the town.

(D) Question from Councillor Tom Wren

How many enquiries/complaints has the council received regarding garage block cleaning charges and how many charges have not been paid by residents?

Answer (Councillor Simon Speller):

We have received 161 enquiries/complaints regarding the garage block cleaning charges sent out to private garage freeholders this year. Some of these enquiries relate to payments and some to changes in people's circumstances, but the majority relate to the weeding programme.

The town-wide weed treatments take place 2 to 3 times per year and are intended to suppress weed growth, and are not able to completely prevent weeds from growing.

The new contract for weed spraying commenced in September 2024 and the contractor is working its way through the town, trying to avoid periods of heavy rainfall which reduce the effectiveness of the treatment.

Inspections take place on garage blocks that have been treated for weeds, and the team will cut down any tall weeds that are found.

Garage freeholders can find useful information on the website such as details about the service, including schedules and when their block was last swept and litter picked.

Charges are applied to garage freeholders to cover the cost of cleansing activities, rather than their costs falling to the taxpayer. To summarise, 55p of the annual £15.68 charge to garage freeholders relates to weeding.

The charges were issued 8 weeks ago and 32% of freeholders have paid to date.

(E) Question from Councillor Stephen Booth

What efforts are being made by the Council to address the numerous flooding hotspots on roads across the Town in conjunction with the Highways Authority?

Answer (Councillor Simon Speller):

There is no doubt that there has been a challenging start to the autumn, with some of the September rain the heaviest on record. Many Members will be aware, drainage of roads across the town is the responsibility of Hertfordshire County Council as Highway Authority and the Local Flood Authority. Where we are aware of flooding or flooding in road or pavements, we report these to Hertfordshire County Council for action. We encourage residents to report all highway flooding should be reported to them. While Stevenage Borough Council has no statutory responsibility or resources for highway drainage, Officers and Members alike support HCC where we can in identifying road flooding issues and support improvements when HCC or other environmental bodies can fund them.

(F) Question from Councillor Graham Snell

Why has the Garage Improvement Programme only delivered around a quarter of the planned refurbished garages target despite almost the entire allocated budget being spent already?

Answer (Councillor Simon Speller):

By the end of March 2025, the garage stock that will have been refurbished or rebuilt is forecast to be 1,290 garages across 121 sites. Members will have seen real improvements at some very challenging sites, and an improvement in the number of garages that are leased.

The programme has covered 21% of the stock identified in the initial scope of the Garage Improvement Programme (GIP), back in 2016.

The GIP commenced in 2018 with a focus on sites with the highest void and worst condition, however the combination of older data and inflation reduced the scope of what was originally intended to be completed.

In addition, the initial scope focused on works to garage structures. However it became apparent upon commencement of the programmed works that additional elements such as adjacent hardstanding repairs or replacements, boundary walls and fencing and localised tree work were also required in some locations which also impacted on the budget.

By the end of March 2025, the programme will have bought 462 void garages back into a lettable condition, which will generate £330k additional income per annum.

The overall return on investment (ROI) for sites completed through the GIP is 6.84%. This applies to completed and in-progress sites.

A new Asset Management Strategy is currently being developed by our Estates team which will focus on responsive repairs and planned preventative maintenance (PPM), ensuring income levels are maintained and voids are kept to a minimum. This will be presented to a future meeting of the Cabinet.

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**AUDIT COMMITTEE/ CABINET
/ COUNCIL**

Portfolio Area: Resources and Transformation

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



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

NON-KEY DECISION

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

1 PURPOSE

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

2 RECOMMENDATIONS

2.1 Audit Committee

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

2.2 Cabinet

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

2.3 Council

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

3 BACKGROUND

3.1 Regulatory Requirement

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

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

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

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

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

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

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

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

3.1.6 This report summarises:

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

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

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

3.2 Executive Summary

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

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

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

Table 1

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

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

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

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

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

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

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

4 THE COUNCIL'S CAPITAL EXPENDITURE AND FINANCING

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

² Excludes Finance Leases

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

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

Table 2

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

4.2 THE COUNCIL'S OVERALL BORROWING NEED

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

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

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

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

4.2.4 The total CFR can also be reduced by:

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

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

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

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

4.2.6 The Council's CFR for the year is shown below and represents a key prudential indicator. It includes finance leases included on the balance sheet, which increase the Council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract.

Table 3

CFR (£'000): General Fund	31.3.23 Actual	2022/23 Q3 Budget	31.3.24 Actual
Opening balance	46,366	50,363	55,513
Add: unfinanced capital expenditure (as above)	4,886	5,729	4,180
Increase in finance lease obligations	5,788	0	0
Less:			
Unfinanced capital expenditure from prior years now financed	(510)	(417)	(418)
MRP / VRP	(215)	(374)	(374)
Finance lease repayments	(239)	(266)	(266)
Appropriations to / from HRA	(540)	0	0
Other	(23)	0	0
Closing balance	55,513	55,035	58,635
Closing balance excluding finance lease	38,780	43,366	42,160

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CFR (£'000): HRA	31.3.23 Actual	2023/24 Q3 Budget	31.3.24 Actual
Opening balance	258,581	281,634	264,538
Add: Unfinanced capital expenditure (as above)	4,574	11,208	7,847
New finance lease	843	0	0
Appropriations to / from GF	540	0	0
Other	0	0	(1)
Closing balance	264,538	292,842	272,384
Closing balance excluding finance lease⁴	263,205	291,509	271,051

4.2.7 Borrowing activity is constrained by prudential indicators for gross borrowing and the CFR, and by the authorised limit.

4.3 Limits to Borrowing Activity

4.4 Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2023/24) plus the estimates of any additional capital financing requirement for the current (2024/25) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2023/24. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

Table 4

	31.3.23 Actual £'000	2023/24 Budget £'000	31.3.24 Actual £'000
Gross borrowing position	235,057	280,452	242,557
Finance Leases	18,067	17,808	17,808
CFR	(320,051)	(347,877)	(331,019)
(Under) / over funding of CFR – Internal Borrowing	(66,927)	(49,617)	(70,654)

4.5 The **authorised limit** - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2023/24 the Council has maintained gross borrowing within its authorised limit.

⁴ HRA leases 10 residential properties from Marshgate Ltd a wholly owned subsidiary of the council.

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4.6 The **operational boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

4.7 **Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

Table 5

Authorised limits	Operational Boundary £'000	Authorised Limit £'000	Actual External Debt £'000
Borrowing	354,503	362,503	246,849
Less Investments			(63,425)
Total	354,503	362,503	183,424

4.7.1 The ratio of financing costs to net revenue stream is equal to General Fund interest costs divided by the General Fund net revenue income from Council tax, Revenue Support Grant and retained business rates. For the HRA the net revenue stream is the income shown in the council's accounts – rents, service charges and other income. The ratio of financing costs to net revenue stream reflects the high level of debt as a result of self-financing.

4.8 TREASURY MANAGEMENT ACTIVITIES

TREASURY POSITION AS AT 31 MARCH 2024

4.8.1 The Council's treasury management debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices.

4.8.2 At the end of 2023/24 the Council's treasury position (excluding finance leases), was as follows:

Table 6

Treasury Position						
	2022/23			2023/24		
	31 March 2023 Principal £'000s	Rate / Return %	Average Life (Yrs.)	31 March 2024 Principal £'000s	Rate / Return %	Average Life (Yrs.)
PWLB Borrowing	227,487	3.28	12	234,987	3.26	11
Other Borrowing (LEP)	7,570	0	7	7,570	0	6

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Treasury Position						
	2022/23			2023/24		
	31 March 2023 Principal £'000s	Rate / Return %	Averag e Life (Yrs.)	31 March 2024 Principal £'000s	Rate / Return %	Averag e Life (Yrs.)
Total Debt	235,057			242,557		
Capital Financing Requirement ⁵	(301,985)			(313,211)		
Total Investments	43,285			25,202		
Over/(Under) borrowing	(23,643)			(45,452)		

The maturity structure of the debt portfolio was as follows:

Table 7

Debt Maturity Structure	31.3.23 Actual £'000	2023/24 Authorised Limit £'000	31.3.24 Actual £'000
Within 1 Year	0		0
Over 1 not over 2 years	0		500
Over 2 not over 5 years	18,956		28,056
Over 5 not over 10 years	64,700		55,100
Over 10 not over 15 years	100,663		100,663
Over 15 not over 20 years	37,658		45,158
Over 20 not over 30 years	5,510		5,510
Over 30 years	0		0
Total PWLB Debt	227,487		234,987
LEP Loan:			
Within 1 Year	0		1,000
Over 1 not over 2 years	1,000		0
Over 5 not over 10 years	6,570		6,570
Total LEP Loan	7,570		7,570
Total Debt	235,057	391,000	242,557

⁵ Excludes Finance Leases

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	31.3.23 Actual £000	31.3.23 Actual %	31.3.24 Actual £000	31.3.24 Actual %
Treasury investments – all managed in house				
Banks and Building Societies	26,600	61%	19,499	77%
Local authorities	7,300	17%	5,300	21%
Money Market Funds	9,385	22%	403	2%
Total treasury investments	43,285	100%	25,202	100%

Non-Treasury investments				
Subsidiaries (para 4.8.4)	11,938	100%	11,931	100%
Total Non-Treasury Investments	11,938	100%	11,931	100%
Treasury investments	43,285	78%	25,202	68%
Non-Treasury investments	11,938	22%	11,932	32%
Total of all Investments	55,223	100%	37,134	100%

The maturity structure of the investment portfolio is as follows:

Table 8

Investment Maturity Structure	31.3.23 Actual £000	31.3.24 Actual £000
Within 1 Year	40,985	35,801
Longer than 1 year	14,238	1,333
Total Investments	55,223	37,134

4.8.3 The General Fund loan from the Local Enterprise Partnership (LEP) is in relation to regeneration activities.

4.8.4 The non-treasury loan to the subsidiary is the loan made to Marshgate LTD (WOC), for the purchase and development of housing within the Borough in 2021/22 and 2022/23.

4.8.5 The fall in the treasury investment balances of £18M between 31 March 2023 and 31 March 2024 reflects the use of internal borrowing to fund the capital programme. Refinancing the remaining internal borrowing is scheduled to take place in 2024/25.

4.9 TREASURY MANAGEMENT STRATEGY 2023/24

4.9.1 The Treasury Management Strategy was approved by Council on 7 February 2023.

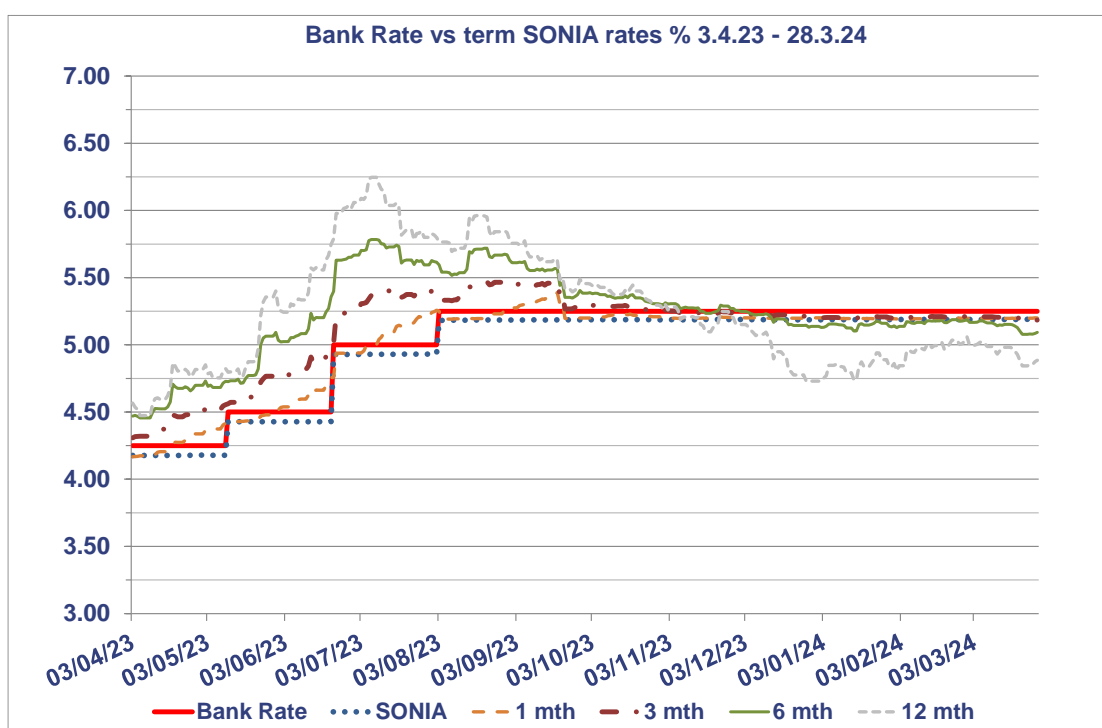
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There are no policy changes to the TMS; the details in this report update the position in the light of the updated economic position and budgetary changes already approved.

4.10 Investment strategy and control of interest rate risk

4.10.1 Investment returns picked up throughout the course of 2023/24 as central banks, including the Bank of England, continued to respond to inflationary pressures. Starting in April 2023, at 4.25%, Bank Rate moved up in stepped increases of either 0.25% or 0.5%, reaching 5.25% by August 2023.

4.10.2 Investment Benchmarking Data – Sterling Overnight Index Averages (Term) 2023/24



4.11 Borrowing strategy and control of interest rate risk

4.11.1 During 2023/24, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council’s reserves, balances and cash flow was used as an interim measure. This strategy was prudent when interest rates on investments were low and this also minimised counterparty risk.

4.11.2 The policy of avoiding new borrowing by running down spare cash balances has served the Council well over the last few years. However, this has been kept under review to avoid incurring higher borrowing costs in the future when the Council may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt. The Council has taken some limited borrowing in 2023/24 to ensure the Council’s cashflow position

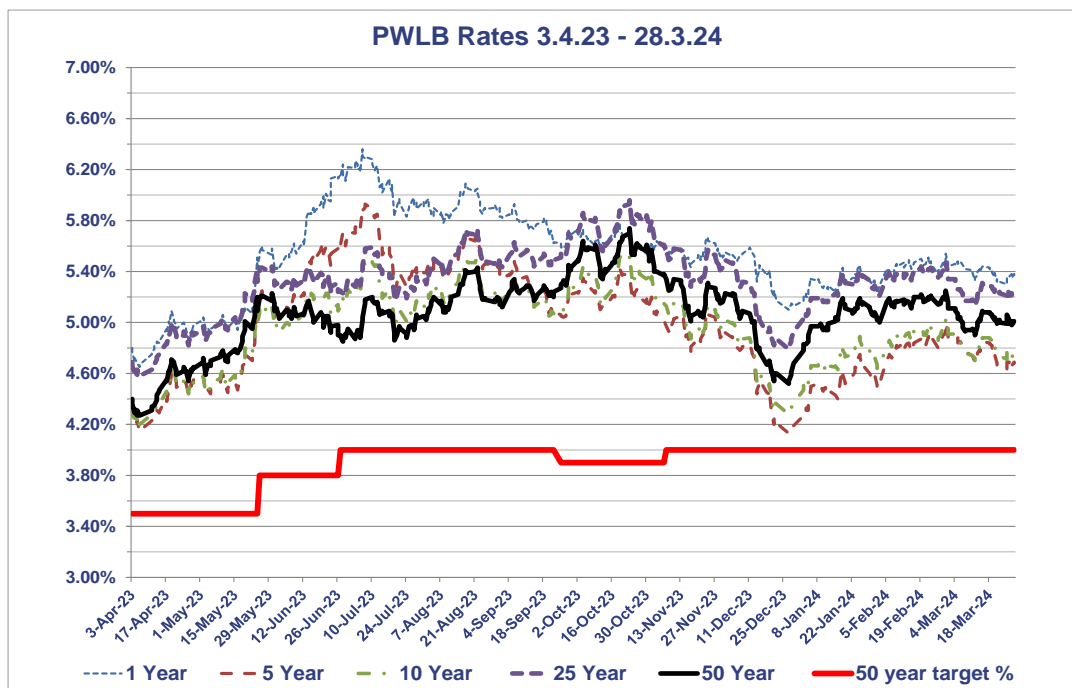
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is resilient and to ensure that if interest rates increase, large amounts of borrowing required are not all taken at higher rates.

- 4.11.3 Interest rate forecasts were initially suggesting only gradual rises in short, medium and longer-term fixed borrowing rates during 2023/24. Bank rate had initially been forecast to peak at 4.5% but is now expected to have peaked at 5.25%.
- 4.11.4 By January it had become clear that inflation was moving down significantly from its 40-year double-digit highs, and the Bank of England signalled in March 2024 that the next move in Bank Rate would be down, so long as upcoming inflation and employment data underpinned that view. Currently the CPI measure of inflation stands at 2% (June) but is expected to fall materially below 2% over the summer months and to stay there in 2025 and 2026. Nonetheless, there remains significant risks to that central forecast, mainly in the form of a very tight labour market putting upward pressure on wages and continuing geo-political inflationary risks emanating from the prevailing Middle East crisis and the Russian invasion of Ukraine.
- 4.11.5 The PWLB certainty rate is gilts plus 80bps. Gilt yields have generally been on a continual rise since the start of 2021, peaking in the autumn of 2023. Currently, yields are broadly range bound between 3.5% and 4.25%.
- 4.11.6 There is likely to be a fall in gilt yields and PWLB rates across the whole curve over the next one to two years as Bank Rates falls and inflation (on the CPI measure) moved closer to the Bank of England's 2% target.
- 4.11.7 As a general rule, short-dated gilt yields will reflect expected movements in Bank Rate, whilst medium to long-dated yields are driven primarily by the inflation outlook.
- 4.11.8 The Bank of England is also embarking on a process of Quantitative Tightening. The gradual reduction of the Bank's original £895Billion stock of gilt and corporate bonds will be sold back into the market over several years. The impact this policy will have on the market pricing of gilts, while issuance is markedly increasing, is an unknown at the time of writing.
- 4.11.9 The Chart below shows the volatility of the PWLB borrowing rates from 1 April 2023 to 31 March 2024.

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PWLB RATES 2023/24
Chart 1



4.12 BORROWING OUTTURN

4.12.1 One new loan was taken out in the year. This was to refinance HRA internal borrowing, details being - £7.5M loan taken from 24 August 2023 to 23 August 2041 at an annual interest rate of 5.3%.

4.12.2 Interest paid on PWLB borrowing during the year was £ 7.6M – Housing Revenue Account (HRA) and £40K - General Fund (GF). This was against an original budget of £8.3M. The favourable variance of £0.7M is due to reduced capital expenditure in year against plan as well as the use of internal resources to fund capital expenditure while still overachieving on investment income versus latest budget.

4.13 INVESTMENT OUTTURN

4.13.1 Investment Policy – the Council’s investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council on 7 February 2023. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).

4.13.2 There were no breaches to this policy in the year to 31 March 2024 with the investment activity conforming to the approved strategy. The Council had no liquidity difficulties and no funds have been placed with the Debt Management Office (DMO), demonstrating that counterparty limits and availability for placing funds approved in the TM Strategy were working effectively. It is

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possible that surplus funds that may be borrowed during 2023/24 will be placed in the DMO temporarily, if PWLB borrowing rates are advantageous and cash balances due to timing of taking out new loans would breach other counterparty limits.

4.13.3 In accordance with the Treasury Management Strategy, the Council invests its surplus cash balances that are committed for future approved spending. The policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data and counterparty limits dependant on level of cash balances held.

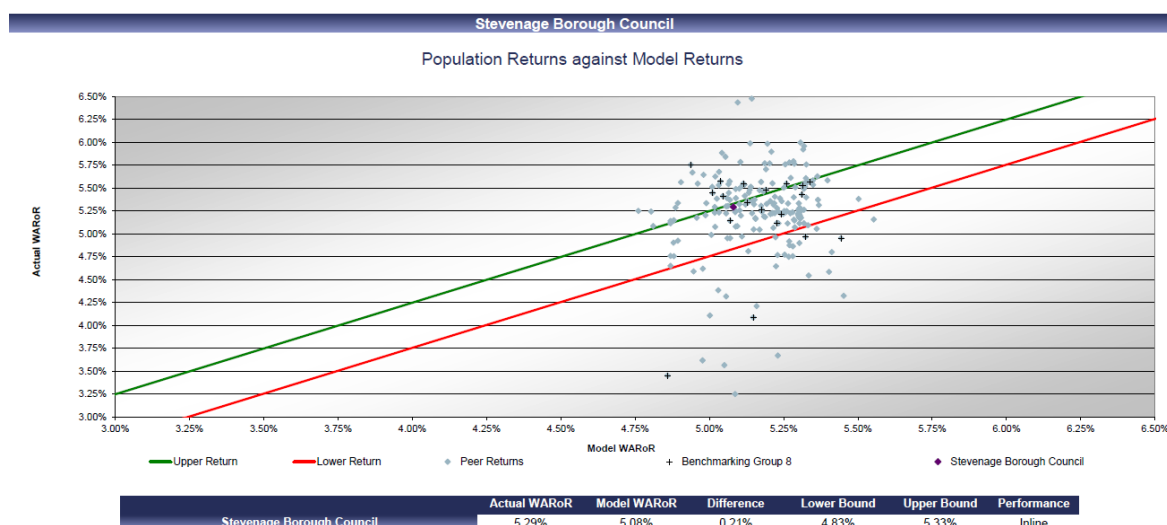
4.14 Investment performance year to date as of 31 March 2024

4.14.1 The Council’s current investment portfolio consists of “conventional” cash investments: deposits with banks and building societies, Money Market Funds and loans to other Local Authorities. No investments have been made with any of the other approved instruments within the Specified and Non-specified Investment Criteria.

4.14.2 Average level of funding available for investment purposes during the year was £48Million, earning an average interest rate of 5.19%. Interest earned to 31 March 2024 was £2.5Million on treasury investments. Against the working budget of £2.1M this resulted in additional contributions to the General Fund (£129K) and Housing Revenue Account revenue income (£263k).

4.14.3 The council’s treasury advisors (Link), provide regular benchmarking analysis of the performance of the council’s investments against a group of 20 other local authorities. The March 2024 report shows performance of the portfolio held at 31 March 2024 being in the upper return range against model returns. This performance is consistent across the year.⁶

Chart 2



⁶ WARoR = Weighted average rate of return on investments at 31 March 2024

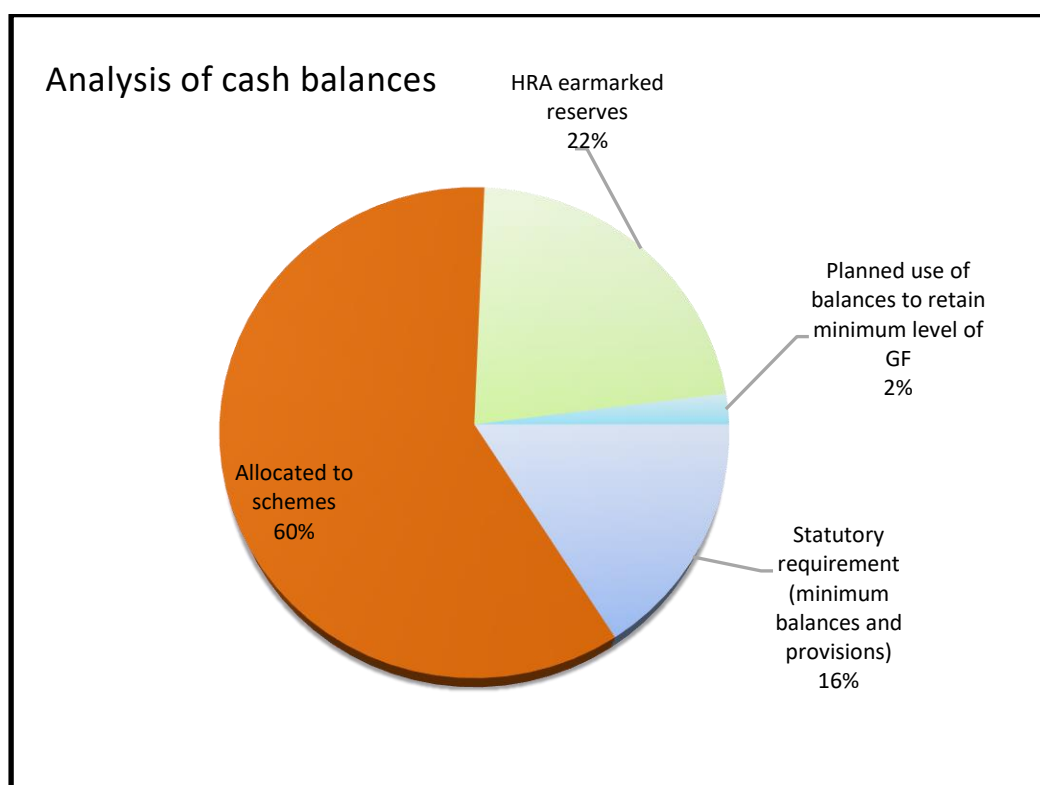
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4.14.4 The Council’s balances are made up of cash reserves e.g. HRA and General Fund balances, restricted use receipts e.g. right to buy one for one receipts and balances held for provisions such as business rate appeals.

4.14.5 In considering the Council’s level of cash balances, Members should note that the General Fund MTFs and Capital Strategy have a planned use of resources over a minimum of 5 years and the HRA Business Plan (HRA BP) a planned use of resources over a 30 year period, which means, while not committed in the current year, they are required in future years.

4.14.6 The following chart shows the planned use of cash balances as at 31 March 2024.

Chart 3



4.14.7 The restrictive use of a proportion of the cash balances set out above, plus the planned use of resources in line with the Council’s capital and revenue strategies mean that the investment balance of £25Million as at 31 March 24 is not available to fund new expenditure.

5 IMPLICATIONS

5.1 Financial Implications

5.1.1 This report is of a financial nature and reviews the treasury management function for 2023/24. Any consequential financial impacts identified in the

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Capital strategy and Revenue budget monitoring reports have been incorporated into this report.

- 5.1.2 During the financial year Officers operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury management practices.

5.2 Legal Implications

- 5.2.1 Approval of the Prudential Code Indicators and the Treasury Management Strategy are intended to ensure that the Council complies with relevant legislation and best practice.

- 5.2.2 There have been no changes to PWLB borrowing arrangements since the last Treasury report. Officers will ensure that any changes to the Prudential and Treasury Management codes from 2024/25 are reflected in treasury operations and reporting requirements.

5.3 Risk Implications

- 5.3.1 The current policy of minimising external borrowing internally where appropriate, taking advantage of the benefits differentials between investment income and borrowing rates is kept under ongoing review as these conditions change. This policy only remains financially viable while cash balances are high. Capital investment, not funded by capital receipts and grant funding reduce these balances if not supported by additional borrowing. The risk is that the Council may need to take borrowing at higher rates than budgeted which would increase revenue costs.

- 5.3.2 The Council's Treasury Management Strategy is based on limits for counterparties to reduce risk of investing with only a small number of institutions.

- 5.3.3 The thresholds and time limits set for investments in the Strategy are based on the relative ratings of investment vehicles and counter parties. These are designed to take into account the relative risk of investments and also to preclude certain grades of investments and counterparties to prevent loss of income to the Council.

- 5.3.4 There is a risk to the HRA BP's ability to fund the approved 30 year spending plans if interest rates continue at the current high level, although currently it is anticipated that rates will reduce (see para 4.11.6). This will be included in the HRA MTFs forecast in 2024.

5.4 Equalities and Diversity Implications

- 5.4.1 This report is technical in nature and there are no implications associated with equalities and diversity within this report. In addition to remaining within agreed counterparty rules, the council retains the discretion not to invest in countries that meet the minimum rating but where there are concerns over human rights issues. Counterparty rules will also be overlaid by any other ethical considerations from time to time as appropriate.

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5.4.2 The Treasury Management Policy does not have the potential to discriminate against people on grounds of age; disability; gender; ethnicity; sexual orientation; religion/belief; or by way of financial exclusion. As such a detailed Equality Impact Assessment has not been undertaken.

5.5 Climate Change Implications

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

BACKGROUND PAPERS

- BD1 Treasury Management Strategy including Prudential Code Indicators 2023/24 (Council 7 February 2023)
- BD2 2023/24 Mid-Year Treasury Management Review and Prudential Indicators (Council 20 December 2023)

APPENDICES

- Appendix A - Investment Portfolio, Link Investment Analysis Review March 2024
- Appendix B – Approved countries for investments

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Stevenage Borough Council

Monthly Investment Analysis Review

March 2024

Monthly Economic Summary

General Economy

The UK Manufacturing PMI rose to 49.9 in March from 47.5 in February, some way above market expectations of 47.8. UK factory activity nearly “stabilised” (ie a reading of 50 divides expansion from contraction), but still recorded a twentieth consecutive monthly contraction. Within the headline reading, subcomponents showed that manufacturers experienced the fastest expansion in new orders since May 2022, causing factories to increase production levels for the first time in a year and sparking renewed optimism, despite higher borrowing costs. However, on the pricing front, manufacturers observed accelerating input costs yet again with continued supply chain disruption as shippers avoid the Red Sea. Meanwhile, the UK Services PMI edged lower to 53.4 from 53.8 in February and below market expectations of an unchanged reading. This represented the slowest growth in business activity for three months, with firms linking it to constraints on households’ disposable income. Consequently, the UK composite PMI fell to 52.9 in March from 53 in February and slightly below market expectations of 53.1. Nonetheless, it was the fifth consecutive month of expansion for the UK private sector driven by a strong rate of output growth. This added to expectations that the UK would avoid a third consecutive negative quarterly growth reading in Q1, meaning that the mildest of recessions seen in the second half of 2023 was now concluded. Meanwhile, the UK construction PMI increased to 49.7 in February from 48.8 in January (it is released on a one-month lag to other sector reports), the highest since August 2023.

The UK economy expanded 0.2% m/m in January, following a 0.1% contraction in December and matching market expectations. Services output rose by 0.2% with strong retail trade and construction output rebounded by 1.1% after a poor December. However, industrial output fell by 0.2% in January after a 0.6% rise in December. Elsewhere, the UK’s trade deficit widened to £3.129 billion in January, after a three-month low in December, driven by a 1.4% rise in imports, compared to a 0.7% rise in exports.

The Chancellor of the Exchequer, Jeremy Hunt, presented his 2024 Spring Budget. It aimed to boost the economy following the weaker performance in the second half of 2023 and ahead of the expected general election later this year. One key point was the 2p cut in National Insurance Contributions following on from the cut in the previous Autumn Statement to reduce tax burdens and support household finances.

The UK recorded a fall in 21,000 jobs in the three months prior to January, below market expectations of a 10,000 increase and following a 72,000 growth in the prior period. This was the first fall in job creation since September 2023. Meanwhile, average weekly earnings (including bonuses) in the UK increased 5.6% y/y in the three months to January, the least since July 2022, and slightly below market expectations of 5.7%. The unemployment rate edged up to 3.9% between November 2023 and January, just above the previous quarter increase of 3.8% and slightly above market expectations of no change.

Regarding inflation, the monthly Consumer Price Index (CPI) rose by 0.6%, reversing the 0.6% fall in January. However, base effects meant the headline annual rate dropped to 3.4% in February, reaching its lowest level since September 2021. The rate of price pressures declined significantly for food and non-alcoholic beverages, and restaurants and hotels, while there was also a slowdown in miscellaneous goods and services. Costs also fell at a slower pace for both housing and utilities and transport. The annual core inflation rate, excluding food and energy, fell to 4.5 % from 5.1% the prior month.

The Bank of England decided to keep Bank Rate at 5.25% in its March meeting as it waits to be certain that the country’s inflationary pressures have subsided back towards its target rate. The Monetary Policy Committee voted 8-1 in favour of keeping rates unchanged, with one member voting for a 25-basis point decrease. In the retail sector, sales remain unchanged in February after an upwardly revised 3.6% increase in January and beating market expectations of a 0.3% decline.

While clothing and department store saw boosts, this was cancelled out by declines in trade at food stores and fuel retailers. Meanwhile, the GfK Consumer Confidence Indicator held at -21 in March and missed market expectations of a slight improvement to -19 as the cost-of-living crisis and broader economic uncertainty continued to dampen sentiment. However, there were increases in indices for consumer confidence over personal finances over past 12 months and next 12 months, alongside increased confidence in the general economic situation over the next 12 months. Elsewhere, public sector net borrowing, excluding public sector banks, rose to £8.4 billion in February which surpassed market expectations of £5.95 billion.

US Economy

The US economy added 275,000 jobs in February, in comparison to the downwardly revised 229,000 added in January, and above market expectations of a 200,000 increase. The main areas of gain were healthcare, government and food services and drinking places. The US economy expanded an annualised 3.4% in Q4 2023, slightly higher than the 3.2% previously reported as consumer spending and services were revised higher. The US inflation rate unexpectedly rose to 3.2% in February from 3.1% in January and above market expectations of holding steady. The Federal Reserve made no change to its policy rates at its March meeting. As in the UK and Europe, the central bank reiterated that members required further evidence that inflation is headed to target levels.

EU Economy

In the Euro area, the inflation rate dropped to 2.6% y/y in February, the lowest rate in three months but still above the ECB's 2% target. Meanwhile, the core rate, excluding food and energy prices, was confirmed at 3.1%, which is its lowest point since March 2022. GDP in Euro area stalled in the last quarter of 2023, after a 0.1% contraction in the previous period as high inflation, record borrowing costs, and poor external demand continued to apply downward pressure on growth. The European Central bank also held policy levels unchanged at its March meeting, stating that while most measures of underlying inflation have eased further, domestic price pressures remain high, in part owing to strong growth in wages.

Housing

The Halifax House Price Index rose 1.7% y/y in February, after a downwardly revised 2.3% gain in the prior month suggesting a relatively stable beginning of 2024 and adding to signs of increased housing activity. There was a fifth consecutive increase monthly for house prices as lower mortgage rates, lower Bank rate expectations and falling inflation all contributing. Meanwhile, the Nationwide House Price Index fell by 0.2% in March, falling for the first time in seven months and against market expectations of a 0.3% rise. However, the index was still 1.6% higher on the year, gaining from 1.2% in February, but short of market expectations of an increase to 2.4%.

Currency

Sterling depreciated against both the Euro and Dollar over the month.

March	Start	End	High	Low
GBP/USD	\$1.2654	\$1.2633	\$1.2882	\$1.2603
GBP/EUR	€1.1678	€1.1697	€1.1754	€1.1652

Interest Rate Forecasts

Link Group and Capital Economics still hold that Bank Rate will peak at 5.25% in this cycle.

Bank Rate	NOW	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Link Group	5.25%	5.25%	4.75%	4.25%	3.75%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Capital Economics	5.25%	5.00%	4.50%	4.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	-

Stevenage Borough Council

Current Investment List

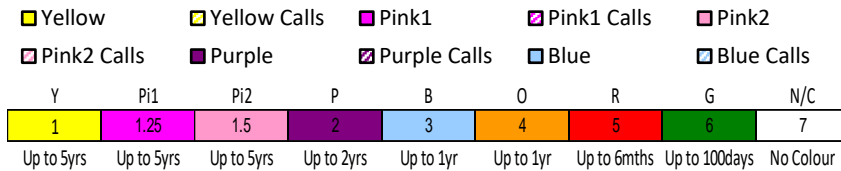
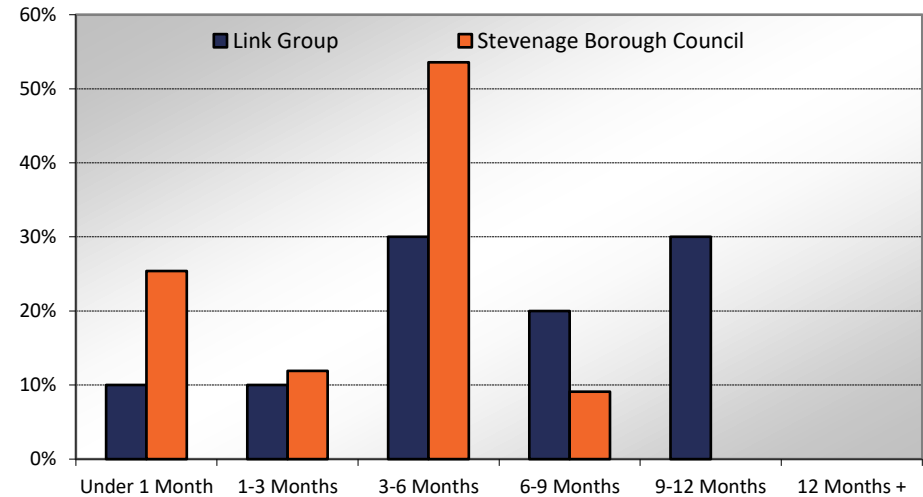
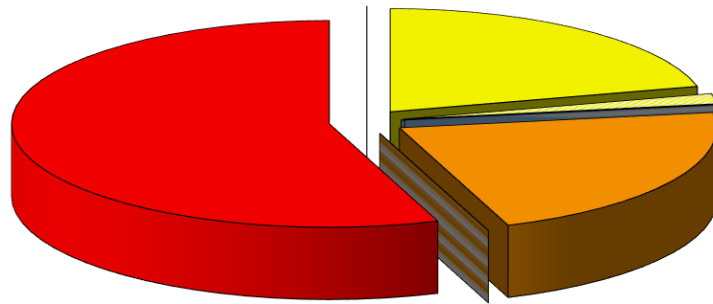
Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default	Expected Credit Loss (£)
MMF Aberdeen Standard Investments	100,000	5.26%		MMF	AAAm		
MMF CCLA	100,000	5.15%		MMF	AAAm		
MMF Morgan Stanley	202,867	5.26%		MMF	AAAm		
Goldman Sachs International Bank	6,000,000	5.57%	16/10/2023	16/04/2024	A+	0.002%	116
Harlow District Council	3,000,000	5.95%	09/02/2024	10/06/2024	AA-	0.005%	0
Lloyds Bank Corporate Markets Plc (NRFB)	5,000,000	5.35%	05/01/2024	05/07/2024	A	0.012%	581
Lloyds Bank Corporate Markets Plc (NRFB)	3,000,000	5.32%	19/01/2024	19/07/2024	A	0.013%	400
Landesbank Hessen-Thuringen Girozentrale (Helaba)	3,000,000	5.96%	01/09/2023	30/08/2024	A+	0.018%	552
Landesbank Hessen-Thuringen Girozentrale (Helaba)	2,500,000	5.93%	05/09/2023	03/09/2024	A+	0.019%	472
Bury Metropolitan Borough Council	2,300,000	2.00%	18/05/2020	18/11/2024	AA-	0.015%	0
Total Investments	£25,202,867	5.29%				0.010%	£2,122

Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to those investments for which a counterparty has a counterparty credit rating and also does not include investments which are not rated.

The Historic Risk of Default column is based on the lowest long term rating. If clients are using this % for their Expected Credit Loss calculation under IFRS 9, please be aware that the Code does not recognise a loss allowance where the counterparty is central government or a local authority since relevant statutory provisions prevent default. For these instruments, the Expected Credit Loss will be nil. Please note that we are currently using Historic Default Rates from 1990-2023 for Fitch, 1983-2023 for Moody's, S&P data was not available at the time of completion of this report..

Where Link Group have provided a return for a property fund, that return covers the 12 months to December 2023, which are the latest returns currently available.

Portfolio Composition by Link Group's Suggested Lending Criteria



Portfolios weighted average risk number = 3.88

WARoR = Weighted Average Rate of Return

WAM = Weighted Average Time to Maturity

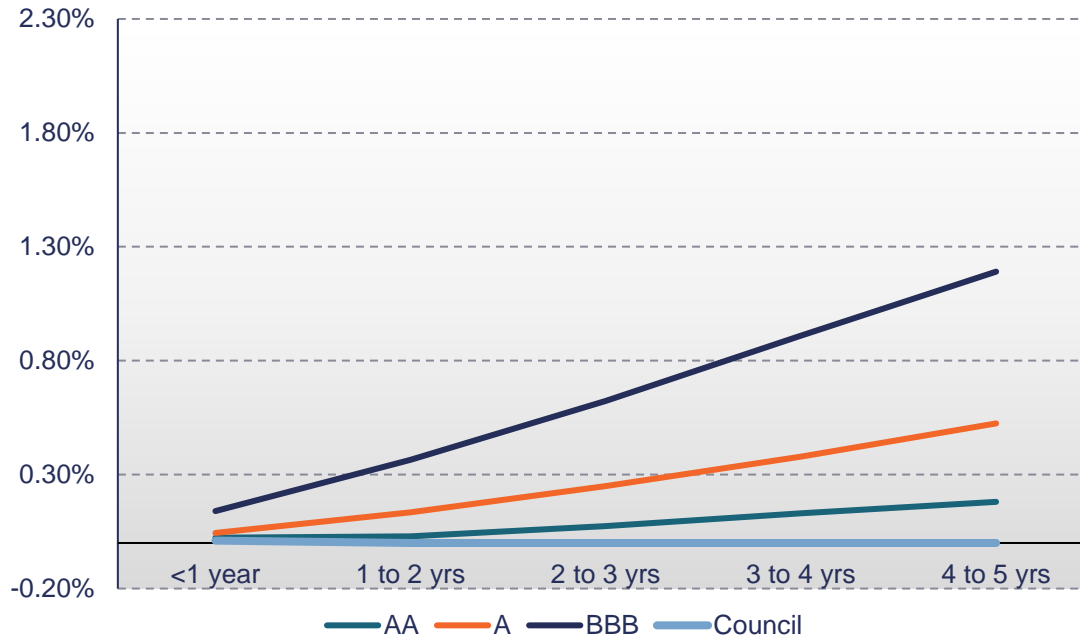
Excluding Calls/MMFs/USDBFs

	% of Portfolio	Amount	% of Colour in Calls	Amount of Colour in Calls	% of Call in Portfolio	WARoR	WAM	WAM at Execution	WAM	WAM at Execution
Yellow	22.63%	£5,702,867	7.06%	£402,867	1.60%	4.31%	131	728	141	783
Pink1	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Pink2	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Purple	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Blue	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Orange	21.82%	£5,500,000	0.00%	£0	0.00%	5.95%	154	364	154	364
Red	55.55%	£14,000,000	0.00%	£0	0.00%	5.44%	65	182	65	182
Green	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
No Colour	0.00%	£0	0.00%	£0	0.00%	0.00%	0	0	0	0
Total	100.00%	£25,202,867	1.60%	£402,867	1.60%	5.29%	99	345	101	351

Stevenage Borough Council

Investment Risk and Rating Exposure

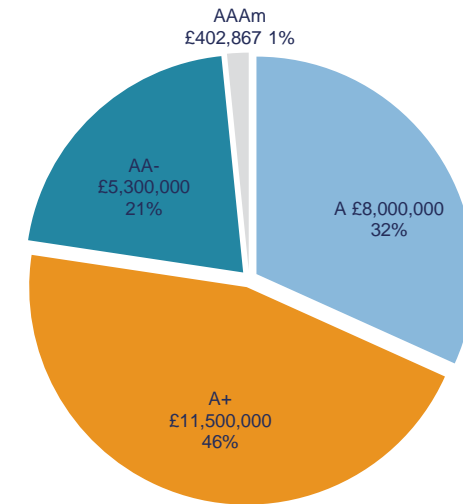
Investment Risk Vs. Rating Categories



Historic Risk of Default

Rating/Years	<1 year	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs
AA	0.02%	0.03%	0.07%	0.13%	0.18%
A	0.04%	0.13%	0.25%	0.38%	0.52%
BBB	0.14%	0.36%	0.62%	0.91%	1.19%
Council	0.01%	0.00%	0.00%	0.00%	0.00%

Rating Exposure



Historic Risk of Default

This is a proxy for the average % risk for each investment based on over 30 years of data provided by Fitch, Moody's and S&P. It simply provides a calculation of the possibility of average default against the historical default rates, adjusted for the time period within each year according to the maturity of the investment.

Chart Relative Risk

This is the authority's risk weightings compared to the average % risk of default for "AA", "A" and "BBB" rated investments.

Rating Exposures

This pie chart provides a clear view of your investment exposures to particular ratings.

Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to those investments for which a counterparty has a counterparty credit rating and also does not include investments which are not rated.

Stevenage Borough Council

Monthly Credit Rating Changes FITCH

Date	Update Number	Institution	Country	Rating Action
20/03/2024	2010	Qatar	Qatar	The Sovereign Rating was upgraded to 'AA' from 'AA-'. The Outlook on the Sovereign Rating was changed to Stable from Positive.
22/03/2024	2011	Clydesdale Bank PLC	United Kingdom	The Short Term Rating was placed on Postive Watch.
25/03/2024	2015	United Kingdom	United Kingdom	The Outlook on the Sovereign Rating was changed to Stable from Negative.
28/03/2024	2016	Qatar National Bank	Qatar	The Long Term Rating was upgraded to 'A+' from 'A'. The Outlook on the Long Term Rating was changed to Stable from Positive.

Stevenage Borough Council

Monthly Credit Rating Changes MOODY'S

Date	Update Number	Institution	Country	Rating Action
06/03/2024	2003	National Australia Bank Ltd.	Australia	The Long Term Rating was upgraded to 'Aa2' from 'Aa3'.
06/03/2024	2003	Westpac Banking Corp.	Australia	The Long Term Rating was upgraded to 'Aa2' from 'Aa3'.
06/03/2024	2003	Australia and New Zealand Banking Group Ltd.	Australia	The Long Term Rating was upgraded to 'Aa2' from 'Aa3'.
06/03/2024	2003	Commonwealth Bank of Australia	Australia	The Stable Outlook on the Long Term Rating was removed. The Long Term Rating was placed on Positive Watch.
06/03/2024	2003	Macquarie Bank Ltd.	Australia	The Long Term Rating was upgraded to 'Aa2' from 'A1'.
08/03/2024	2004	Clydesdale Bank PLC	United Kingdom	The Outlook on Long Term Rating was changed to Positive from Stable.
12/03/2024	2005	Co-operative Bank PLC (The)	United Kingdom	The Long Term Rating was upgraded to 'Baa3' from 'Ba1' and the Short Term Rating was upgraded to 'P-3' from 'NP'.
15/03/2024	2006	Bayerische Landesbank	Germany	The Long Term Rating was upgraded to 'Aa2' from 'Aa3'.
15/03/2024	2007	Landesbank Hessen-Thuringen Girozentrale	Germany	The Long Term Rating was upgraded to 'Aa2' from 'Aa3'.
15/03/2024	2008	Norddeutsche Landesbank Girozentrale	Germany	The Long Term Rating was upgraded to 'Aa2' from 'Aa3'.
15/03/2024	2009	Landesbank Baden-Wuerttemberg	Germany	The Long Term Rating was upgraded to 'Aa2' from 'Aa3'.
22/03/2024	2012	Skandinaviska Enskilda Banken AB	Sweden	The Outlook on the Long Term Rating was changed to Positive from Stable.
22/03/2024	2014	Clydesdale Bank PLC	United Kingdom	The Positive Outlook on the Long Term Rating was removed. The Long Term Rating and Short Term Rating were placed on Positive Watch.

Stevenage Borough Council

Monthly Credit Rating Changes S&P

Date	Update Number	Institution	Country	Rating Action
22/03/2024	2013	Clydesdale Bank PLC	United Kingdom	The Stable Outlook on the Long Term Rating was removed. The Long Term Rating and Short Term Rating were placed on Positive Watch.

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Appendix B: Approved countries for investments as of 31.03.24

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

Based on lowest available rating

AAA

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

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- Qatar

AA-

- Belgium
- France
- U.K.

THIS LIST IS AS AT 05.04.24

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STEVENAGE BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

Date: Wednesday, 4 September 2024

Time: 7.00pm

Place: Council Chamber - Daneshill House, Danestrete

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

Start / End Start Time: 7.00pm

Time: End Time: 7.55pm

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

There were no apologies for absence or declarations of interest.

2 **MINUTES OF PREVIOUS MEETING**

It was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 4th June 2024 be approved as a correct record and signed by the Chair.

3 **SAFS ANNUAL REPORT 2023/24 AND UPDATE ON THE CURRENT YEARS WORK**

The Committee considered an annual report in respect of the Shared Anti-Fraud Service (SAFS) and an update on the current year's work.

The report included a detailed account of all anti-fraud activity during 2023/24. It was explained the Council and SAFS work continuously with a close partnership and much of the work reported was undertaken or supported by Council officers. The report reflected the Councils positive and robust approach to dealing with fraud, this included reactive and proactive activity and the use of technology and current best practice to prevent fraud occurring.

The Committee was advised that during 2023/2024 SAFS received 185 'referrals' (allegations) of fraud affecting council services, a significant increase from the 132 in the previous 12 months, but still within the broad range of historical referrals and comparable to other SAFS Partners. Reporting of suspected fraud by staff and the public was good and indicated that staff knew their fraud risks and when to report their suspicions and that the public had confidence in reporting matters to the Council.

Councillors queried what were the overall impacts of the service provided by SAFS on the fraud the council experienced. In response to the question the officer stated that it was difficult to determine the impact solely on statistics because officers had

received training on how to identify and report fraud cases and an increased amount of fraud cases could be as a result of more detection. It was explained that SAFS were determined to ensure a good level of service and had increased members of staff on their team to reflect this.

RESOLVED:

- a) That activity undertaken by the Shared Anti-Fraud Service (SAFS) to deliver the 2023/2024 Anti-Fraud Plan for the Council be noted.
- b) That all Anti-fraud activity undertaken by Council Officers and SAFS to protect the Council and the public funds it administers be noted.

PROGRESS WITH SAFS ANTI-FRAUD PLAN 2024/25

This item was considered as part of the previous item.

RESOLVED:

- a) That the progress by officers and the Shared Anti-Fraud Service to deliver the Anti-Fraud Plan for the Council be noted.

4 PROGRESS WITH SAFS ANTI-FRAUD PLAN 2024/25

This item was considered as part of the previous item.

RESOLVED:

- a) That the progress by officers and the Shared Anti-Fraud Service to deliver the Anti-Fraud Plan for the Council be noted.

5 INTERNAL AUDIT PLAN 2024/25 - PROGRESS REPORT

Simon Martin (SIAS) presented the Internal Audit Plan 2024/25 Progress Report to the committee. The report provided members with the progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's 2024/25 Internal Audit Plan to 16 August 2024, the findings for the period 1 May 2024 to 16 August 2024, details of any changes required to the approved Internal Audit Plan, the implementation status of previously agreed audit recommendations, an update on performance management information to 16 August 2024 and a briefing paper on the revised Global Internal Audit Standards. Internal Audit's Annual Plan for 2024/25 was approved by the Audit Committee at its meeting on 26 March 2024. The Audit Committee receive periodic updates against the Internal Audit Plan. It was noted that this was the first update report for 2024/25.

It was explained that as of 16 August 2024, 32% of the 2024/25 Internal Audit Plan days had been delivered (the calculation excluded contingency days that had not yet been allocated).

Members discussed whether the committee should receive details of any medium priority internal audit recommendations, in addition to the critical and high priority recommendations already received. At the conclusion of that discussion, it was decided that medium priority recommendations should be added to the schedule going forward.

RESOLUTION:

- a) That the Internal Audit Progress Report be noted
- b) That the Internal Audit Plan Changes be approved
- c) That the Status of Critical and High Priority Recommendations be noted
- d) That the Global Internal Audit Standards Briefing paper be noted
- e) That a standing item be added to each agenda to analyse the effectiveness of the Audit Committee

6 ANNUAL TREASURY MANAGEMENT STRATEGY - REVIEW OF 2023/24

Brian Moldon (Assistant Director Finance) presented the Annual Treasury Management Strategy – review of 2023/24 to the committee. The purpose of the report was to review the operation of the 2023/24 Treasury Management and Investment Strategy. During 2023/24 the minimum reporting requirements were that the Council should receive the following reports: an annual treasury strategy in advance of the year (Council 7 February 2023), a mid-year treasury update report (Council 20 December 2023), an annual review following the end of the year describing the activity compared to the strategy.

The Assistant Director of Finance confirmed that there have been no breaches in the Prudential Indicators and that all temporary investments were carried out in line with the Treasury Management Strategy.

RESOLVED:

- a) That the 2023/24 Annual Treasury Management Review be recommended to Council for approval.

7 URGENT PART 1 BUSINESS

There was no urgent part 1 business.

8 EXCLUSION OF PUBLIC AND PRESS

It was **RESOLVED:**

- 1. That, under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as described in paragraphs 1 to 7 of Part 1 of Schedule 12A of the Act, as amended by SI 2006 No. 88.

2. That having considered the reasons for the following item being in Part II, it be determined that maintaining the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.

9 **INTERNAL AUDIT PLAN 2024/25 - PROGRESS REPORT**

It was **RESOLVED** that the recommendations be noted.

10 **STRATEGIC RISK REGISTER**

It was **RESOLVED** that the Strategic Risk Register had been noted.

11 **URGENT PART II BUSINESS**

There was no urgent Part II business.

CHAIR