

# Public Document Pack

Daneshill House  
Danestrete  
Stevenage  
Hertfordshire

17 February 2026

Dear Sir/Madam

Notice is hereby given that a Special Meeting of the Stevenage Borough Council will be held in the Council Chamber, Daneshill House, Danestrete, Stevenage on Wednesday, 25 February 2026 at 7.00pm and you are summoned to attend to transact the following business.

Yours faithfully

Tom Pike  
Chief Executive

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## AGENDA

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

**2. MINUTES 21 JANUARY 2026**

To approve as a correct record the Minutes of the meeting of the Council held on 21 January 2026

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**3. GENERAL FUND AND COUNCIL TAX SETTING 2026/27 AND CAPITAL STRATEGY**

To approve the Council's Final General Fund Budget 2026/27 and Capital Strategy for 2025/26 to 2029/30, and final proposals for the 2026/27 Council Tax and Council Tax Support Scheme.

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**4. ANNUAL TREASURY MANAGEMENT STRATEGY INCLUDING PRUDENTIAL INDICATORS 2026/27**

To consider the Treasury Management Strategy 2026/27, including its Annual Investment Strategy, Prudential Indicators and Minimum Revenue Provision (MRP) policy following considerations from Audit and Cabinet committees.

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**5. MEMBERS' ALLOWANCES SCHEME 2026/27**

To approve a Members' Allowances Scheme for 2026/27.

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**6. PAY POLICY STATEMENT 2026/27**

To approve the Council's Pay Policy Statement for financial year 2026/27.

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**7. DECISIONS TAKEN BY THE EXECUTIVE UNDER THE SPECIAL URGENCY PROVISIONS OF THE LOCAL AUTHORITIES (EXECUTIVE ARRANGEMENTS) (ACCESS TO INFORMATION) (ENGLAND) REGULATIONS 2012**

To note the decision(s) taken by the Cabinet in accordance with the Special Urgency provisions of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012.

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STEVENAGE BOROUGH COUNCIL

## COUNCIL MINUTES

Date: Wednesday, 21 January 2026

Time: 7.00pm

Place: Council Chamber

**Present:** Councillors: Nazmin Chowdhury (Mayor), Lloyd Briscoe, (Deputy Mayor), Myla Arceno, Stephen Booth, Robert Boyle, Leanne Brady, Rob Broom, Jim Brown, Forhad Chowdhury, Peter Clark, Coleen De Freitas, Akin Elekolusi, Alistair Gordon, Lynda Guy, Rob Henry, Mason Humberstone, Lin Martin-Haugh, Andy McGuinness, Sarah Mead, Robin Parker CC, Claire Parris, Tom Plater, Ceara Roopchand, Loraine Rossati, Simon Speller, Jeannette Thomas, Carolina Veres, Peter Wilkins, Jade Woods and Tom Wren

**Start / End** Start Time: 7.00pm  
**Time:** End Time: 9.50pm

### 1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for Absence were received from Councillors Julie Ashley-Wren, Sandra Barr, Phil Bibby, Kamal Choudhury, Ellie Plater and Nigel Williams.

Councillors Coleen De Freitas and Claire Parris, declared an interest in Item 12 – HRA Budget and Rent Setting as Council tenants.

### 2 MINUTES - 17 DECEMBER 2025

It was **RESOLVED** that the Minutes of the Council Meeting on 15 October and Special Meeting on 17 November 2025 be approved as correct records and signed by the Mayor.

### 3 MAYOR'S COMMUNICATIONS

The Mayor reminded Members that in compliance with the Constitution, they should refer to each other by their correct title of 'Councillor' throughout the meeting.

The Mayor then referred to a number of events she had attended since the Council December meeting which included:

- The Christmas Social Evening where £385 was raised in the raffle for the Mayor's Charities and the Charity Quiz night which had raised £867;
- Sabbath evening service and supper during Jewish festival of Chanukah;
- Warriorz Caribbean Christmas Experience;
- Cycling UK Stevenage Christmas Lights Special Cycle Ride; and

- The Mayor of Welwyn's Civic Service.

The Mayor advised that her next fundraising event would be the upcoming Mayor's Charity Ball on the 7<sup>th</sup> February and she gave special thanks to the Deputy Mayor, Cllr Lloyd Briscoe and Cabinet Members for representing and accompanying her to several events.

#### 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 Andy McGuinness, asked the following question:

Does the Leader of the Council agree that since the introduction of the new shops at the Roaring Meg (9 Yards) retail park, the parking situation has got progressively worse and although not a Council responsibility could the Council play a facilitation role in trying to improve the situation for residents and shoppers?

The Leader of the Council asked the Portfolio Holder for Economy, Enterprise and Transport to respond. The Portfolio Holder advised that although the parking at the Retail Park was privately owned and the responsibility of the owners of the site to manage, she would be happy to work in partnership with the owners and the County Council as this was primarily a highways issue. She suggested that Councillor McGuinness could contact the Lib Dem Highways Portfolio Holder at the County Council to encourage joint working on this issue.

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

- STEM and STEAM Opportunities;
- Stevenage Works Community Chest Fund and the Meet the Builders Event at the Oval;
- New Weekly Food Waste Collection;
- work with Age UK;
- Sustaining Local Leadership and Place-Based Innovation project;

- Project Vigilant and The Orphan Film;
- Young Persons Working Party;
- Stevenage's 80<sup>th</sup> Anniversary;
- Stevenage Station Gateway.

In response to the updates, Councillor Andy McGuinness asked the Portfolio Holder for Environment if he was aware of the issues that had been reported with the mechanisms on the new food waste caddies. The Portfolio Holder advised that there had been some teething problems which were being addressed. He would be speaking to the Team and would report the concerns back to them but gave assurances that the problems would be addressed before the whole town roll out of the scheme.

## 9 **UPDATE FROM SCRUTINY CHAIRS**

Councillor Jim Brown, Chair of the Overview & Scrutiny Committee, provided updates for Council from the meetings of the Council which had been held since the Council meeting in December. He advised that the Committee had received a presentation from Officers on the Council Workforce and had raised the following issues:

- Members asked HR officers to look into the percentage of senior staff living in SG1 & SG2 post codes;
- Potential for recruitment biases relating to the academic institutions candidates had attended;
- There needed to be an improvement on the 43% staff survey return rate in future years;
- Workforce disability data was under reported and an improvement on the way the information was collected was requested;
- Did the statistics on observations of harassment and bullying incidents in the workplace relate to staff on staff or incidents perpetrated by the public;
- A number of questions regarding the impact of LGR on staff were raised and it was acknowledged that work was underway to support staff through a time of change.

Members considered the decisions of the Cabinet held on Wednesday 14 January and provided challenge and questioning on a number of reports including:

- (i) Housing Revenue Account Final Budget and Rent Setting 2026/27, (ii) Draft General Fund and Council Tax Setting 2026/27, and (iii) Draft General Fund Capital Strategy 2025/26 To 2029/30
- 2025 Residents Survey Findings
- Response to MHCLG letter re Postponement of Local Elections

Members were particularly interested in making sure that there would be budget available within the general fund and capital reserves for any future lighting scheme in Fairlands Vally Park once the studies had been completed.

Members welcomed the provisional settlement from Government for Stevenage

under the fair funding review. In response to the Residents Survey, a better response from younger respondents was welcomed alongside a request for future surveys to provide a better breakdown of responses from younger respondents, particularly those aged 18 to 25.

In the absence of the Chair of the Community Select Committee Councillor Ellie Plater, Councillor Leanne Brady advised that the Committee had not met since the last Council meeting on 17 December 2025. However, Officers and Members had been preparing for an upcoming meeting on 4 February where the Committee would be talking to the Hertfordshire County Council Director of Public Health about aspects of public health that were of concern to residents, specifically on the detail of the Joint Strategic Needs Assessment document. Members would also be receiving an update on the Stevenage Healthy Hub and joint working initiatives with partners and the County Council.

Councillor Leanne Brady, Chair of the Environment & Economy Select Committee then advised that the Committee had not met since the last Council meeting on 17 December 2025. Members and officers had been preparing for the meeting on 28 January on cycling and would consider progress of the 2018 Cycle Strategy and would address two actions from the Action Plan to Create an implementation plan for cycle network improvements and maintenance and also to increase the provision of secure and accessible cycle parking across the town, including e-bike charging points. The Committee would be holding a future meeting on cycling, inviting input from various cycling user groups in the town.

The Committee would also be receiving the final report and recommendations on its review of recycling in flat blocks.

## 10 NOTICE OF MOTIONS

### Care Experience as a Protected Characteristic

Councillor Coleen De Freitas moved the following motion:

‘This Council welcomes the changes already made to Government guidance, in that it removes the local connection requirement for care leavers when applying for and being allocated local social housing. The Council will ensure that guidance and support will be given to care leavers in accordance with its legal and statutory responsibilities.

This Council notes that:

- a) care experienced people face significant barriers that impact on them throughout their lives. Care leavers make up 25% of Britain’s young homeless population, and adults who have spent time in care are far more likely than their peers to die prematurely.
- b) despite the resilience of many care experienced people, society too often does not take their needs into account and care experienced people often face direct and indirect discrimination in many areas of life, including housing,

health, education, relationships, employment and criminal justice.

- c) the Public Sector Equality Duty requires public bodies, such as councils, to eliminate unlawful discrimination, harassment, and victimisation of people with protected characteristics.
- d) current Care Leaver provision ends at age 25, whereas recognition of care experience as a protected characteristic would mean that care experience would be taken into account for a lifetime – in the same way as the discrimination and hardships resulting from care experience last a lifetime.

This Council therefore resolves that:

1. it recognises that care experienced people are a group who are likely to face discrimination and will treat care experience as if it were a protected characteristic, and expects councillors and Council staff to challenge negative attitudes and prejudices towards care experienced people.
2. Equality Impact Assessments relating to any future decisions, services and policies made and adopted by this Council will now also include impact of changes on people with care experience, alongside those who formally have a protected characteristic.
3. requests that the Chief Executive undertakes an assessment of current policies and service areas provided by Stevenage Borough Council to determine impact, including any financial impact, of this policy change.
4. in its delivery of the Public Sector Equality Duty, this Council will include care experience in the publication and review of Equality Objectives and the annual publication of information relating to people who have a protected characteristic in services and employment.
5. this Council formally calls upon all other bodies, including other local authorities in Hertfordshire, to treat care experience as a protected characteristic until such time as this recognition may be introduced by legislation.
6. this Council will proactively seek and listen to the voices of care experienced people when developing new policies.'

In moving the motion, Councillor De Freitas advised that the motion built upon progress that had already been made and that she welcomed the Government's changes to guidance which removed the local connection requirement for care leavers applying for social housing. She also welcomed the positive steps taken locally including HCC's signing of the care leaver covenant and the introduction of additional support around housing, council tax, employment and training.

Councillor De Freitas advised that the motion recognized a simple truth that care experience continued to shape a person's life long after formal support ended. She advised that the statistics showed at least a third of care leavers experienced

homelessness within two years of leaving care and that 25% of the adult homeless population were care leavers. She advised that too many were living in unsuitable accommodation and that instability had more consequences such as significant barriers in education and employment. Only 14% entered higher education by the age of 19 compared with nearly half of the wider population and would face discrimination across housing, health education, employment and the justice system.

In seconding the Motion, Councillor Alistair Gordon advised that many who had experienced the care system would also experience trauma, instability or disrupted attachment leading to mental health problems, lower educational attainment and social isolation.

Councillor McGuinness, Leader of the Opposition thanked Councillor De Freitas for the motion the subject of which was being supported by Councils across the country and advised that his Group would be supporting the motion.

A number of Members spoke on the motion and made the following comments:

- evidence of deprivation for care experienced people was overwhelming;
- the Council should provide additional consideration, support and protection where possible;
- the definition of a care leaver should be clarified although it was recognised that the impact of being in care did not end at a specific age;
- implementation of the motion was key and it was critical that councillors and officers were committed to the issue;
- Members and Officers would be required to receive training in this area in the light of new responsibilities coming as a result of Local Government Reorganisation;
- Support should only be given around care leaver provision being available up to the age of 25;
- The removal of the local connection requirement for care leavers could impact Stevenage residents in terms of housing allocation creating potential division.

Following further debate, Councillor De Freitas, thanked Members for their contributions.

Upon being put to the vote, the Motion was carried.

#### May's Local Elections in Stevenage must go ahead

Councillor Andy McGuinness moved the following motion:

‘This Council understands the importance of having a replenished electoral mandate from the people of Stevenage which can only come through the ballot box. This Council also affirms the sanctity of elections which should only be cancelled in the most extreme of circumstances. Therefore, this Council believes that the scheduled local elections for Thursday 7<sup>th</sup> May 2026 in Stevenage should continue as planned and there is no current compelling reason, linked to local government reorganisation, to cancel them.’

In moving the Motion, Councillor McGuinness advised that it was the duty of the

Council to protect democratic systems and institutions. In his view, cancelling the elections was cowardly, unjustified and a betrayal of local people's democratic rights without cause. Other local authorities in Hertfordshire were running elections. There were no exceptional circumstances this year, additional pressures from Local Government Reorganisation were manageable and the May elections must continue.

He advised that although Cabinet had made a case for the cancellation with reasons they had set out in the letter to the Secretary of State, in his opinion they had not justified the cancellation of the elections.

In seconding the Motion, Councillor Stephen Booth advised that elections were at the core of local democracy and local citizens were entitled to choose their representatives. Although the timing of Local Government Reorganisation was not helpful at this stage in the political cycle, he had faith in the ability of the Senior Officer Team at the Council to manage the Council and the elections.

During further debate, the following points were raised:

- The Government had imposed Local Government Reorganisation on Local Authorities. Early engagement in the process in order to get the best outcome for Stevenage had identified the amount of work required by both members and Officers;
- The Government had requested local authorities to consider if they could better deliver on LGR by requesting a postponement of the May 2026 elections and a decision had been taken by Cabinet to request the postponement;
- The decision would ultimately be taken by the Secretary of State and not the Council although it was reported that a Judicial Review hearing would take place between 19 and 20 February and a final decision would not be reached until after this date;
- There were precedents for a number of different parties cancelling elections throughout the Country where LGR was taking place;
- The threshold for exceptional circumstances had been reached for the reasons that had been set out at the recent Cabinet meeting;
- The elections would be cancelled and not postponed as stated;
- The right to vote was fundamental even if the outcome could be uncomfortable for the Council;
- The prospect of a short term election would not be helpful to those elected or to the people of Stevenage but all those elected across the parties were ultimately there to represent Stevenage residents.

Upon being put to the vote, the Motion was lost.

**Motion: Practical Environmentalism – Delivering Cleaner Streets and Better Value for Residents**

Councillor Mason Humberstone moved the following motion:

- **This Council notes that:**

- Stevenage Borough Council declared a “Climate Emergency”, committing officer time and financial resources to strategies and targets largely outside the Council’s direct control.
- Residents consistently identify cleaner streets, safer parks, reduced fly-tipping and better maintenance of public spaces as higher priorities than aspirational, costly and unrealistic climate declarations.
- This Council faces ongoing financial pressures, including debt, which require a sharper focus on value for money and frontline delivery.
- **This Council believes that:**
- Environmental policy should focus on practical, visible improvements to the local environment rather than symbolic declarations.
- Council resources should be directed toward outcomes residents can see and feel in their daily lives.
- A cleaner, safer and well-maintained town is the most effective form of local environmentalism.
- **This Council resolves to:**
- Rescind the Council’s Climate Emergency declaration and discontinue non-statutory programmes, strategies and reporting arising from it.
- Redirect all associated funding and officer time toward:
  - Reducing Council debt;
  - Strengthening frontline services;
  - Improving core environmental enforcement and maintenance.
- Adopt a “Practical Environmentalism” approach, prioritising:
  - Stronger enforcement against fly-tipping, including increased use of Fixed Penalty Notices and prosecutions;
  - Enhanced street cleaning, litter removal and waste enforcement;
  - Improved maintenance of parks, play areas and community spaces;
  - Faster response times to environmental complaints.
- Report annually to Full Council on:
  - Environmental enforcement outcomes;
  - Cleanliness and maintenance standards across the town;
  - Savings achieved and how they have been reinvested in frontline services.

In moving the Motion, Councillor Humberstone advised that the Council’s declaration on the climate emergency may have been well-intentioned but had not delivered locally and had used officer time to report on targets that the Council had very little control over while every day environmental issues on the streets of Stevenage had been left wanting. Residents wanted cleaner streets, safer and well maintained parks and green spaces and an improved response to fly tipping.

Councillor Rob Henry seconded the motion. He advised that the vast majority of residents wanted their streets cleaned, grass cut and fly tipping dealt with and a Climate Change Emergency declaration did not need to be in place to address these

issues.

During further debate, the following points were raised:

- The Council's climate programme and practical delivery of outcomes had moved a long way since the declaration;
- Outcomes such as the warm homes grant delivering upgraded housing for 240 Council homes and more to come in the future; free central heating grants and grants for improvements like insulation, double glazing and solar panels;
- In parks, a new skate park and a multi use games area had been installed. Additionally small woods were being planted within the three large parks;
- Many service improvements had been introduced including the roll out of a weekly food waste collection service;
- A number of delivery frameworks were in place to prioritize work and attract external funding which reduced pressure on council finances.

Upon being put to the vote, the Motion was lost.

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

The Council received eight questions from Members to Committee Chairs/Portfolio Holders.

The responses to the eight questions had been published in the supplementary agenda for the meeting.

- (A) Question from Councillor Julie Ashley-Wren re: Fire risks from e-bikes and e-scooters.

Supplementary question from Councillor Tom Wren in Councillor Julie Ashley-Wren's absence – is the provision of e-bike charging considered when looking at new developments in the Town?

The Portfolio Holder advised that he would provide a written response.

- (B) Question from Councillor Robin Parker re: Chronicle Magazine

Supplementary question – could the Council return to using council staff to deliver the Chronicle instead of the contractor currently being employed and not doing a particularly good job.

The Leader of the Council advised that he would provide a written response.

- (C) Question from Councillor Stephen Booth regarding: the new food waste disposal scheme

Supplementary question – Had consideration been given to any alternative schemes?

The Portfolio Holder advised that service improvements would continue including the introduction of food waste recycling and flat block recycling facilities.

(D) Question from Councillor Peter Wilkins regarding: Graffiti removal

Supplementary question – a number of incidents of graffiti around the team still needed to be removed.

The Portfolio Holder for Environment advised Councillor Wilkins to let him know directly of any areas that needed to be looked at and he would pass this on.

(E) Question from Councillor Andy McGuinness regarding: Local Government Reorganisation

Supplementary question – What will scrutiny look like in Stevenage following LGR

The Leader of the Council advised that Herts Leaders were working together on the transition between now and June when the new configuration was known. A number of all Member briefings were being organised and updates to Cabinet and the Overview and Scrutiny Committee would be arranged to update Members on the transition.

(F) Question from Councillor Tom Wren regarding replacement tree planting

Supplementary question – could we use the 3 for 1 tree replacement requirement for the Council's own developments?

The Portfolio Holder for Environment agreed to take this back to officers for consideration.

(G) Question from Councillor Rob Henry regarding Council elections

Supplementary question – What impact does the Leader of the Council believe the decision to cancel the upcoming elections had on his credibility?

The Leader of the Council advised that this had been the subject of a long debate earlier in the meeting which had covered the issue.

(H) Question from Councillor Mason Humberstone regarding: Local infrastructure and new developments

Supplementary question – will the Leader of the Council agree that there was a lack of communication between the Council and residents on the impact of new developments in the town?

The Leader of the Council advised that a communications summit had been held to look at how to get more information to a wider audience. Short Cabinet briefings had also been launched but improvements to communications were

constantly under review.

## 12 **HRA BUDGET AND RENT SETTING 2026/27**

The Council considered a report seeking approval to the Housing Revenue Account (HRA) Budget and Rent Setting for 2026/27.

In moving the motion, Councillor Jackie Hollywell, Cabinet Member for Housing advised that the Council had taken major strides in strengthening the foundations of the Housing Revenue Account and improving its housing services. Stock-condition surveys had been undertaken covering nearly 97% of homes and non-decency reduced to just 1.5%. The data had shaped a clear investment pathway that would maintain 100% decent homes standard in 2026/27.

The Portfolio Holder informed Council that by the end of this financial year, the Council would have delivered 623 new homes since 2014, with a further 281 homes currently under construction. With substantial grant funding secured of over £40Million including Homes England funding of £38million, the target of delivering 1,000 new homes by 2029/2030 was being worked towards ensuring that more families in Stevenage could have access to safe, secure and affordable homes.

It was noted that the Business Plan committed £138million over the next five years, and £745 million over the next 30 years to maintain and improve homes including major investment in building safety, fire compliance, and energy efficiency, with firm commitments to deliver an energy or EPC-C rating across all council homes by 2030.

In relation to rents for next year, in line with the Government's 10-year rent policy, rents would increase from April by 4.8%, equating to average weekly rises of £5.89 for social rent, £8.85 for affordable rent, and £7.26 for shared ownership. The increases would provide essential income required to maintain homes, support compliance programmes, and invest in measures reducing living costs for tenants.

In relation to service charges, it was noted that only the actual cost of providing services would be recharged. Two-thirds of tenants would pay no service charge at all; and for most who did, the increase would be less than 50p per week.

The Portfolio Holder advised that the 2026/27 HRA Capital Programme proposed £75.6 million of investment, including £35.6 million of borrowing, to support major works, to existing and delivery of new homes. The capital programme also supported progress toward delivering the EPC-C energy rating by 2030, maintaining momentum on the Warm Homes retrofit programme, and continuing new-build delivery.

In respect of revenue, the budget included £700,000 of targeted growth for service improvements and regulatory compliance, alongside £496,000 of identified efficiencies across staffing structures, ICT licensing, cleaning and support costs.

In seconding the motion, Councillor Jeannette Thomas, Portfolio Holder for Resources and Performance and Deputy Leader advised that the budget made five

clear promises:

- Safety - The budget included programmed door, lift inspection and repair, water-system checks; targeted fire remedials; and the operational changes required by Awaab's Law so damp and mould cases were dealt appropriately to support the Council's improvement journey towards securing a C1 grading with the Regulator of Social Housing.
- Warmer homes at lower running costs. The worst-performing stock would be prioritised with accelerated retrofits to help tackle fuel poverty sustainably.
- An improved day-to-day service. The budget backed the booking hub and service redesign which would enable residents to get clearer appointments, fewer repeat visits, and faster communication. Tenant engagement would be strengthened to inform priorities and standards.
- The Council would deliver many more homes.
- Finances - a £10Million minimum level of balance would be retained as risk had not gone away — interest-rates remained relatively higher than in recent years and compliance demands were rising.

The Portfolio Holder advised Council that this was a budget and plan that would keep homes safe and maintain homes while building new ones and would protect the HRA's financial and operational resilience.

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

1. That HRA dwelling rents be increased (week commencing 1 April 2026) by 4.8%. This equates to an average increase of £5.89 for social rents, £8.85 for affordable rents and £7.29 for Low Start Shared Ownership homes per week (based on a 52-week year), subject to the Government not publishing rent regulations on rent convergence allowing an additional £1 per week for un-converged homes.
2. That the implementation of rent convergence for 2026/27 rents (as set out in the December Draft Budget report and paragraph 4.1.6 of this report), if regulations are published by the date of the Full Council meeting in January 2026 be approved.
3. That the 2026/27 service charges be approved as set out in paragraph 4.2.
4. That the HRA budget for 2026/27, set out in Appendix A, be approved.
5. The 2026/27 growth options as set out in section 4.4 be approved.
6. That the changes from the draft budget in section 4.6 be approved.
7. That the 2026/27 Fees and Charges as set out in Appendix B be noted.
8. That the revised minimum levels of balances for 2026/27 shown in Appendix C be approved.
9. That the Rent Increase Equalities Impact Assessments (EqIA) appended to this

report in Appendix D be approved.

10. That the Capital Strategy detailed in Appendix E be approved, including total spend for 2026/27 of £75.6Million and borrowing to finance capital schemes of £35.6Million.
11. That an additional £1.5Million budget be added to the 2025/26 capital programme, detailed in section 4.8.3, to enable the purchase of 5 additional homes in the Shephall View scheme, to be funded by a budget virement of £330K from the Oval scheme and the remainder from grant from Homes England.
12. That delegated authority be given to the Strategic Director (RP), following consultation with the Portfolio Holders for Housing and Housing Development and Resources & Performance, to complete final negotiations for the purchase of the additional properties, within the agreed total budget.
13. That the contingency sum of £500K, within which the Cabinet can approve supplementary estimates, be approved for 2026/27.
14. That Members note the comments made by the overview and Scrutiny Committee as part of its work in accordance with the Budget and Policy Framework rules in the Council's Constitution.

## **CHAIR**

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Part 1

Agenda item:

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**Meeting** COUNCIL

**Portfolio Area** RESOURCES AND PERFORMANCE

**Date** 25 February 2026



## DRAFT GENERAL FUND AND COUNCIL TAX SETTING 2026/27

### KEY DECISION

**Author** Clare Fletcher

**Contributors** Senior Leadership Team

**Lead Officer** Clare Fletcher

**Contact Officer** Clare Fletcher

### 1 PURPOSE

- 1.1 To consider the Council's draft 2026/27 General Fund Budget, Council Tax Support Scheme and draft proposals for the 2025/26 Council Tax.
- 1.2 To set out the Council's approach to financial resilience and the measures taken to date to ensure that the General Fund can withstand financial pressures such as higher inflation and historic lower government funding through its Balancing the Budget priority and associated activities as set out in Sections 4.5 and 4.10.
- 1.3 This report will also set out that the improved funding position enables the Council to set aside monies to cover Local Enterprise Partnership (LEP) Loan repayment costs, investment into capital projects otherwise not funded, new food waste service offer to residents, funding to support LGR transition as required by Government, and one-off initiatives set out in Section 4.6.
- 1.4 To consider changes to the projected 2025/26 General Fund Budget.

- 1.5 To consider the comments from Overview and Scrutiny as part of the Budget and Policy Framework.

## **2 RECOMMENDATIONS**

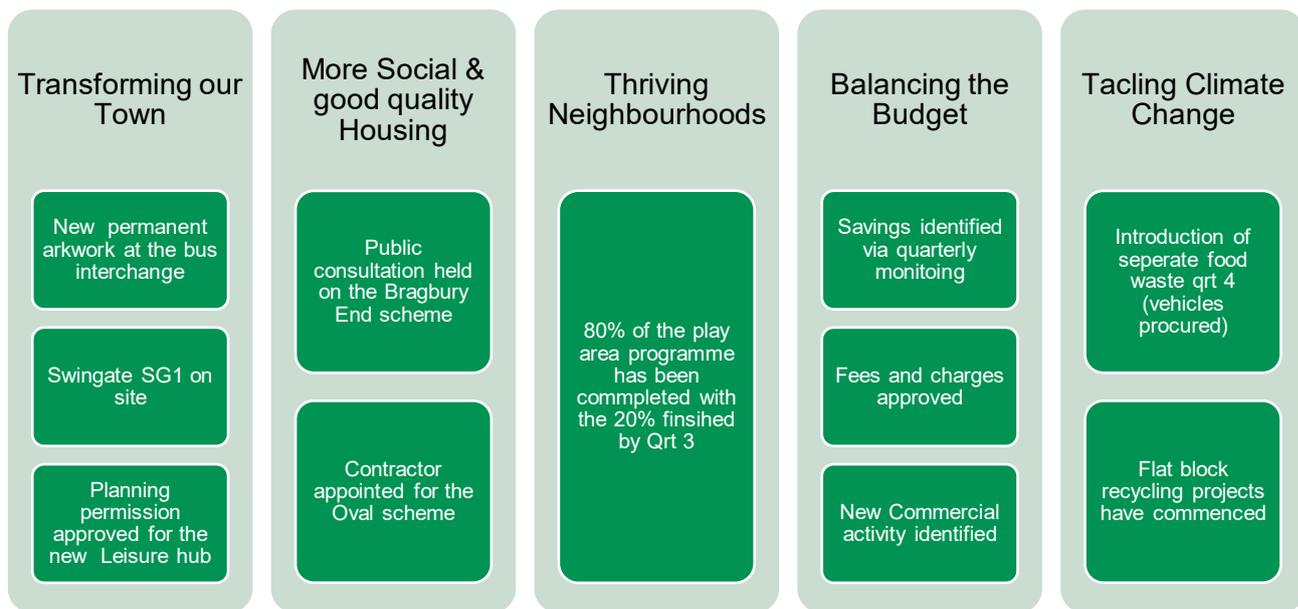
That Council approve:

- 2.1 The 2025/26 revised net expenditure on the General Fund of **£10,585,490** is approved as set out in paragraph 4.8.1.
- 2.2 That for 2025/26 the sum of £250,000 is transferred to the Capital earmarked reserve to support the Draft Capital Strategy as set out in paragraph 4.2.6 and included in the revised net expenditure of £10,585,490.
- 2.3 The draft General Fund Budget for 2026/27 of **£13,587,330** is proposed, with a contribution to balances of **£241** and a Band D Council Tax of **£253.78**, (assuming a 2.99% Council Tax increase).
- 2.4 The updated position on the General Fund Medium Term Financial Strategy (MTFS) as summarised in section 4.10 be noted.
- 2.5 The minimum level of General Fund reserves of **£3,648,355**, based on the 2026/27 risk assessment of balances, as shown at Appendix C to this report, is approved.
- 2.6 The contingency sum of **£500,000** within which the Cabinet can approve supplementary estimates (in addition to the General Fund net budget), be approved for 2026/27 (reflecting the level of balances available above the minimum amount). With a further **£500,000** approved specifically for additional Local Government Reorganisation transition costs if required.
- 2.7 The 2026/27 Balancing the Budget options as set out in section 4.5 and Appendix A, totalling **£84,640** for the General Fund, be included into the Council's budget setting processes.
- 2.8 That Members approve the one-off growth bids of **£589,000** as set out in paragraph 4.6.5-4.6.6 and detailed in Appendix G.
- 2.9 That the pressures identified in sections 4.2 and 4.7 to this report are noted.
- 2.10 That the 2026/27 Balancing the Budget growth options as set out in section 4.6 and Appendix B, totalling **£145,140 (and £95,140 from 2027/28)** for the General Fund, be included in the Council's budget.
- 2.11 That the sum set aside of Local Enterprise Board (LEP) loans of **£500,000** is approved for 2026/27 and for future years the amounts set out in paragraph 4.2.2.
- 2.12 That for 2026/27 the sum of **£1,200,000** is approved to support the Draft Capital Strategy as set out in paragraphs 4.2.5-4.2.7.
- 2.13 That for 2026/27 Members approve the use of **£500,000** Extended Producer Responsibility (EPR) funding for the purchase of two new freighters as set out in paragraph 4.1.14 and also approve the use of EPR grant funded recycling initiatives of **£751,160** as set out in Appendix F and paragraph 4.1.15.

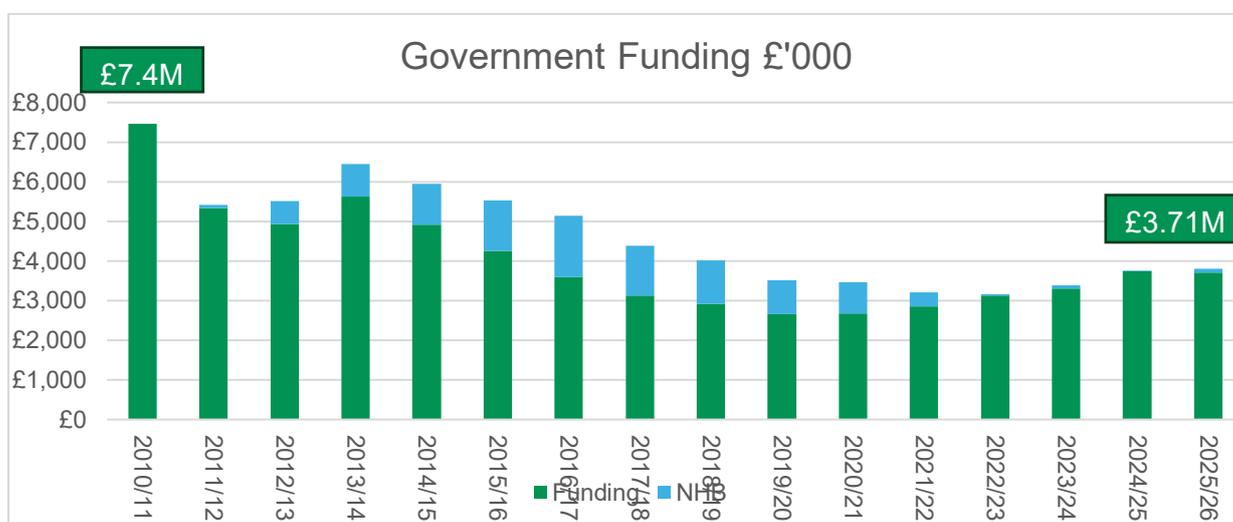
- 2.14 That the sums included in the 2026/27 Budget for Local Government Reorganisation (LGR) transition budgets of **£560,000** are approved and for future years as set out in paragraph 4.2.4.
- 2.15 That Members approve the ringfencing of **£2,000,000** of Business Rates gain reserves for the repayment of LEP loans as set out in paragraph 4.10.6.
- 2.16 That Members approve the Council Tax Support scheme for 2026/27 as set out in paragraphs 4.3.6-4.3.10.
- 2.17 That the Section 25 Statement on Robustness of Estimates and Adequacy of Reserve as set out in Appendix D is approved.
- 2.18 That the Equalities Impact Assessment (EQIA) for the 2026/27 General Fund budget is noted, (Appendix E)
- 2.19 That Members note the feedback on the budget from Overview and Scrutiny as set out in Para.4.13.1 and public consultation in section 4.14.

### **3. BACKGROUND**

- 3.1 This report sets out the 2026/27 draft General Fund Budget including Balancing the Budget (BTB) options, growth bids and pressures. The General Fund Budget forms part of the Council's Budget and Policy Framework. Under Article 4 of the Constitution, the Budget includes: the allocation of financial resources to different services and projects; proposed contingency funds; setting the council tax; the council tax support scheme; decisions relating to the control of the Council's borrowing requirement; the control of its capital expenditure; and the setting of virement limits.
- 3.2 The Council approved an ambitious new Making Stevenage Even Better Corporate Plan in February 2024. It is essential that the Council employs a robust budget review and setting process in order to ensure that both front line services and Making Stevenage Even Better Corporate Plan priorities can be achieved, even during the Local government Reform agenda. As such the budgets both revenue and capital provide the means through which delivery of core service and Corporate Plan objectives can be achieved.
- 3.3 A summary of some of the service and MSEB priority activities which have been delivered as a result of the budget setting activity for 2025/26 is set out below:

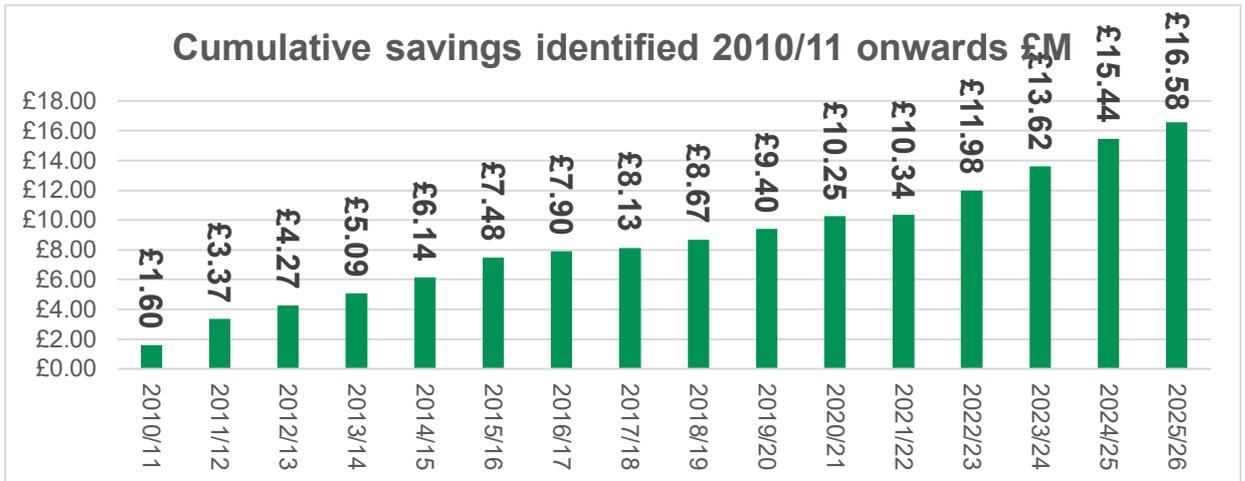


3.4 Funding for Council services reduced significantly between 2010/11-2019/20 during the period of austerity and lower government spending on the public sector and for Stevenage Brough Council this has meant a reduction in government support of £3.75Million up to and including 2025/26, excluding any annually achieved business rate gains which cannot be guaranteed.



3.5 The reduction in funding has historically meant the need to find annual savings while population size and unfunded pressures have grown. The Council has had a major focus on addressing the resulting financial funding gap through its 'Balancing the Budget' priority and this report summarises the options for approved or recommended for approval for 2026/27. The Cabinet and Senior Leadership Team have recognised the need to plan on the basis of a three-year savings horizon to both balance the budget and ensure that there are options identified which can be delivered within the timescales required. Taking such an approach should minimise the need for reactive service cuts. The cumulative

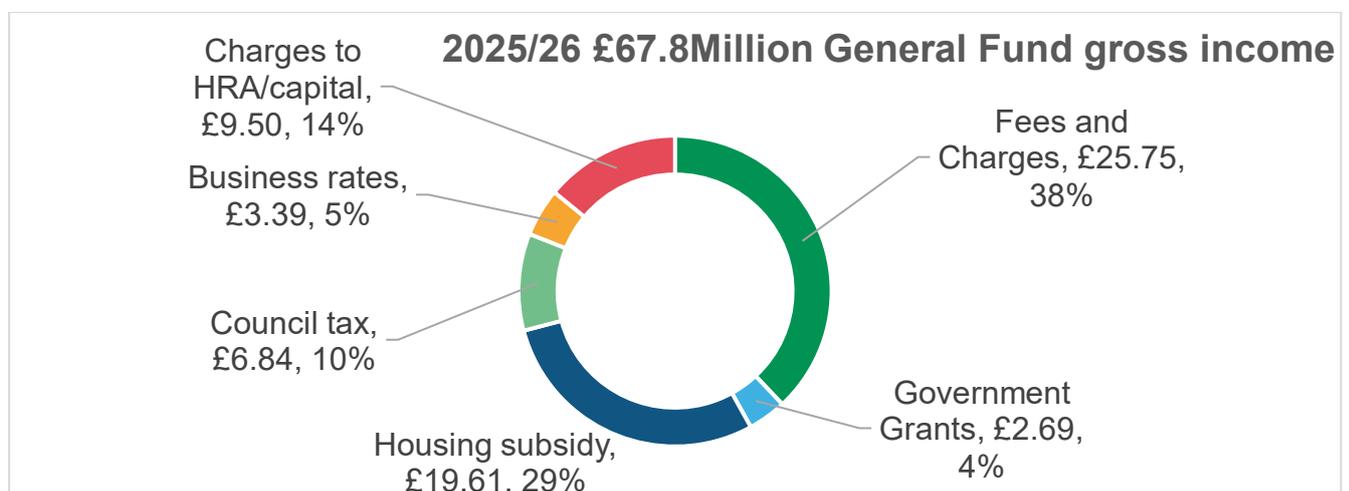
savings identified to date since 2010/11 are circa £16Million as shown in the chart below.



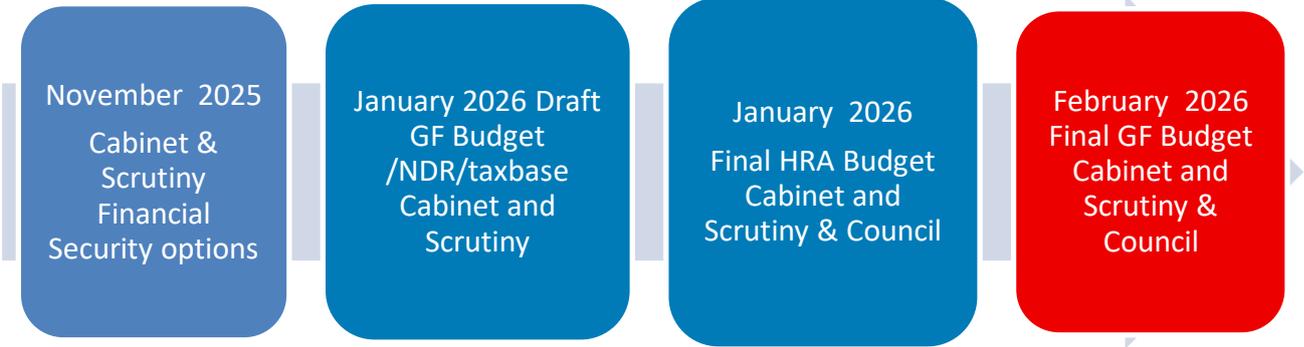
3.6 The 'Balancing the Budget' (BTB) funding gap identified in the September Medium Term Financial Strategy (MTFS) was £2.4Million prior to any known positive impact of Fair Funding for the period 2026/27-2028/29. This was updated in the November 2025 BTB report when the Fair Funding position for Stevenage was becoming clearer (see also section 4.1) with the outstanding savings gap of £1.15Million for the period 2027/28-2029/30 being met from annual fees and charges increases with no further savings required.

3.7 Since the November 2025 BTB report was approved the government published the individual Council provisional Finance Settlements for the period 2026/27-2028/29 and the Final settlement is due to be released on the 9 February 2026 after the publication date of this report. A summary of what the Provisional Finance Settlement means for the Council was set in the January report and also set out in section 4.1 of this report. The Cabinet will be updated verbally at the meeting of the 11 February of any changes as a result of the Final Settlement.

3.8 The level of expenditure and income incurred/received by the General Fund is summarised below using the original 2025/26 SBC General Fund budget of £67.8Million and after taking into account fees and charges, government grants, services to the HRA/Capital and housing subsidy this was a net budget of £10.7Million and is funded as set out below.



3.9 The Budget and Policy Framework Procedure Rules in the Constitution, prescribe the Budget setting process, which includes a consultation period. The timescale required to implement this process is outlined below.



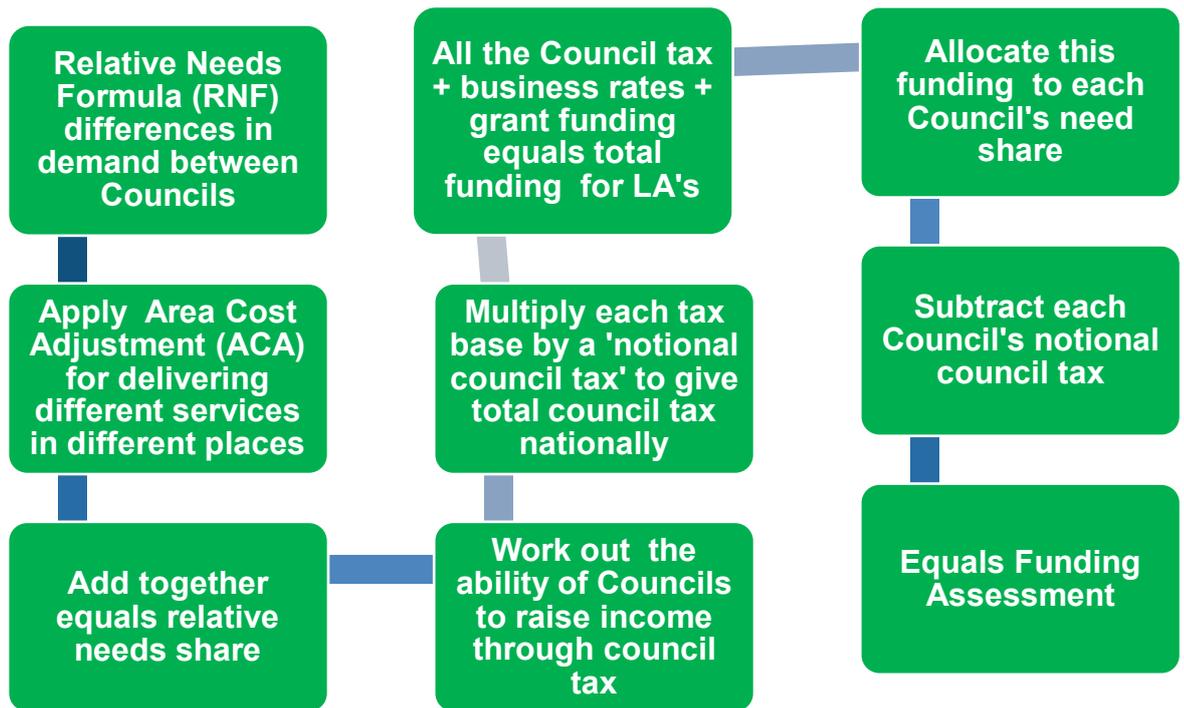
**4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

**4.1 Stevenage Borough Finance Settlement 2026/27-2028/29**

4.1.1 The Government set out its plans to reform local government funding on the 20 June 2025 via a consultation document ‘The Fair Funding review 2.0’. The system of Local Government funding had remained unchanged since localisation of business rates in 2013 and the plan was to revise how money is allocated to Councils in England. The reforms aim was to account for the different needs and costs faced by communities across the country, including adjusting for the costs of remoteness faced by rural communities, and the ability of individual local authorities to raise Council Tax, while also resetting business rates income. This means an update to the formulae used to calculate funding allocations, which are a decade out of date. The aim was to make the system fairer and more current, so Councils get funding that better reflects their local needs based on a number of factors. So, from 2026/27, this revised system for allocating funding between Councils, will take account of those revisited factors of Councils’ spending needs and their relative abilities to raise revenues themselves via council tax. The elements of the formula are listed below.

Fair Funding Factors	What It Means
<b>Relative Needs</b>	How much support a local area requires (e.g. for social care, housing, deprivation etc.)
<b>Area Costs</b>	How expensive it is to run services in that area (e.g. wages, property costs)
<b>Resource Adjustment</b>	How much money the council can raise itself (mainly through council tax)
	<b>Core Spending Power 2026/27-2028/29</b>

4.1.2 The formulas are then applied based on the graphic below summarised below.



4.1.3 The criteria includes a 'Foundation Formula' for general services and then specific formulas for services like adult social care and temporary accommodation with adjustments for labour, property, and travel costs.

4.1.4 The UK government consulted on the proposed reforms between 20 June 2025 and 15 August 2025. To dampen any large swings in funding, the proposed changes will be phased in over three years to ease the transition for Authorities, with funding floors in place to limit losses for those receiving less funding under the new system than currently. However, unlike the previous system there is no ceiling on the amount of increase gaining Councils will receive. The three year provisional settlement still contains £568Million of protection in place in 2028/29.

4.1.5 The argument for reform is that no reassessment has been made for current demographic and deprivation factors and is based on no change to a government funding system since the introduction of 50% business rates retention in 2013/14, not to mention additional pressures faced by Councils today. However, the difficulty with a long overdue reset means any new scheme could and appears to lead to a significant redistribution of funding around the country.

4.1.6 Included in the funding consultation was the proposals for a full reset of the Business Rates Retention System for 2026/27. The aim is to ensure funding is targeted where it is needed most and restore the balance between aligning funding with need and rewarding business rates growth. The local share (the percentage share of locally collected business rates that will be retained by local government) will continue to be subject to redistribution across local government via 'top-ups' and 'tariffs'. Stevenage is a tariff authority and retains more business rate than the historic needs assessment and for 2025/26 the estimated gains are £1.2Million. The re-set would see those gains reduce through a higher 'tariff' paid to the government with the reset now clarified to

be based on the 2025/26 NNDR 1 submission and not 2024/25 actuals realised.

- 4.1.7 Alongside changes to government funding allocations the consultation document also proposes simplifying grant funding pots. In recent years, central Government has increasingly relied on ringfenced micro-grants in an attempt to ensure the continued delivery of specific departmental priorities. In 2025/26, over 300 grants were awarded to local government from across Whitehall. Research published by the LGA in 2020 found that there were nearly 250 different grants provided to local government, around a third of which were awarded on a competitive basis. The LGA research estimated that the average cost to Councils in pursuing each competitive grant was in the region of £30,000 costing each local authority roughly £2.25Million a year chasing down various pots of money across Whitehall (see also paragraph 4.1.12).
- 4.1.8 The Consultation response was published on 21 November 2025 and the following changes were made. The Final Settlement was published on the 9 February 2026 and an update is included in this report.

<b>Change</b>	<b>Impact on SBC</b>
<b>Baseline for Funding (2025/26)</b>	
Pooling gains included in the calculation for business rates means Authorities which have been assigned levy savings will benefit from a more generous funding floor or, at a minimum, a three-year transition on this saving unwinding.	None not in a pool 2025/26
The recovery grant has been excluded £600Million (not all Councils received this in 2025/26).	SBC received £238K in 2025/26 and excluded from funding envelope
A portion of the £414 million children and families grant has been included.	
The temporary accommodation funding pot within FFR has been increased	SBC projected to receive more than previous estimate
<b>Change to Relative Needs Assessment</b>	
Changed a number of the formula and relative weighting specifically around adult and children social care indices.	Has had an impact on Districts overall (see chart below)
<b>Change to Relative Resources Adjustment</b>	
The main change is the confirmation of the notional council tax levels starting at £2,060 and growing to £2,160 and £2,265 over the three year period	improves funding position for SBC
For London Boroughs specifically, it may be that MHCLG might exclude 2.3% of the London taxbase from FFR altogether in recognition of non-fire GLA functions which sit outside of FFR	reduce overall funding
The Government confirmed the treatment of around 50% of the £3.4 billion extra grant funding. This figure is cumulative and of £3.4 billion, around £1.75 billion	reduce overall funding

Change	Impact on SBC
will be allocated to adult and children's social care using the new formulae	
As previously, the Business rates income is assumed to go up by inflation (this can be changed), and RSG has its own indexation assumption but also is top sliced to create the local authority better care grant for relevant authorities	increases/reduces funding

4.1.9 On 17 December 2025, the Secretary of State for the Ministry for Housing and Communities Local Government (MHCLG) released a written statement to Parliament on the provisional local government finance settlement 2026/27-2028/29. Over the three-year settlement period, Core Spending Power for all English councils (in aggregate) is expected to rise by 15.09% in cash terms. This compares to an estimated 3.3% cash increase for district councils, but for Stevenage there is bigger increase. The increase does include assumptions about increases in council tax, which accounts for an actual increase of 21% nationally\*. The Final settlement was published on the 9 February and the funding that changed is highlighted in grey.

	2025/26	2026/27	2027/28	2028/29
Funding Settlement	£Million	£Million	£Million	£Million
Baseline Funding Level (NNDR)		£16,240	£16,613	£16,948
Legacy Business rates Retention funding	£18,770			
Revenue Support Grant		£15,049	£17,788	£17,948
Legacy grant funding	£11,033			
Grants rolled in	£543			
Improved Better Care Fund (included in RSG from 2027/28)	£2,640	£2,640		
Families First Partnership (within Children, Families and Youth Grant)	£523	£853	£853	£729
Homelessness, Rough Sleeping and Domestic Abuse	£725	£885	£906	£927
Recovery grant	£600	£600	£600	£600
Recovery grant guarantee		£149	£114	£100
Recovery Grant Uplift at the Final Settlement		£115	£150	£175
Mayoral Capacity Funding	£34	£45	£45	£48
Fire and Rescue real-terms floor		£9	£10	£14
100% income protection floor		£86	£172	£294
95% income protection floor		£40	£89	£140
Adjustment support grant		£116		

	2025/26	2026/27	2027/28	2028/29
Funding Settlement	£Million	£Million	£Million	£Million
Council Tax Requirement exc. parish precepts	£38,656	£41,211	£44,019	£47,010
<b>Core Spending Power</b>	<b>£73,522</b>	<b>£78,038</b>	<b>£81,360</b>	<b>£84,933</b>

*\*A number of Councils have permission for higher increases where they are deemed to have lower than average council tax including Westminster, Wandsworth, Windsor & Maidenhead*

4.1.10 The main changes between the provisional and final settlement were:

- The Government has amended its approach to assigning 2025/26 pooling retained business rates among members of pools. The original approach was to allocate the entire pooling gain to tariff authorities or Shire Districts in county area pools. This was revised to 50% of the pooling gain to top-up authorities or Counties within each pool, based on their relative size of the baseline funding level, while the remaining 50% is shared between tariff authorities in pools using the previous approach. Why this is important is that affects authorities' assessed 2025/26 starting points (with knock-on impacts on the transitional mechanism). For a 2026/27 an **adjustment support grant** has been given to neutralise the impact on tariff pool authorities. Stevenage was not in the Hertfordshire pool for 2025/26 and was not impacted.
- **Funding floor** – changes to pooling arrangements and the treatment of the City of London have reduced the cost of the funding floor by £18.4 million in 2026/27, £85.2 million in 2027/28 and £124.2 million in 2028/29. Fire authorities will receive extra funding floor payments to uplift their core spending power by at least 3.8% in 2026/27, with this baked into future funding floors to sustain real terms growth in CSP – overall worth approx. £6 million. This reduction in funding floor cost has freed up funding for extra Recovery Grant.
- **Recovery Grant uplift** – there is a further £440 million of Recovery Grant total over three years. This acts as an additional layer for the Recovery Guarantee, aiming to achieve 17% growth in core spending power for upper tier authorities in receipt of the Recovery Grant in 2025/26. For authorities whose growth in CSP was already estimated between 14% and 17%, this extra grant will be capped at £10 million. Stevenage did not receive any further funding.
- **Homelessness, Rough Sleeping and Domestic Abuse** – the consolidated grant has been topped up by £92 million by 2028/29 compared to 2025/26, largely frontloaded to 2026/27 (£90.7 million). This includes an uplift for Renters' Rights new burdens and the rest will be targeted at supported housing which Stevenage benefited from.
- **SEND deficits** – the Government has committed to resolving 90% of local authorities' DSG High Needs deficits accrued to the end of 2025/26, estimated to be worth approx. £5 billion. All local authorities with a SEND deficit will be eligible to receive grant funding subject to submitting and securing the Department for Education's approval of a local SEND reform plan. From

2028/29, SEND spending will be covered by the overall government DEL budget, meaning local authorities are not expected to fund future SEND costs from general funds, once the Statutory Override ends at the end of 2027/28.

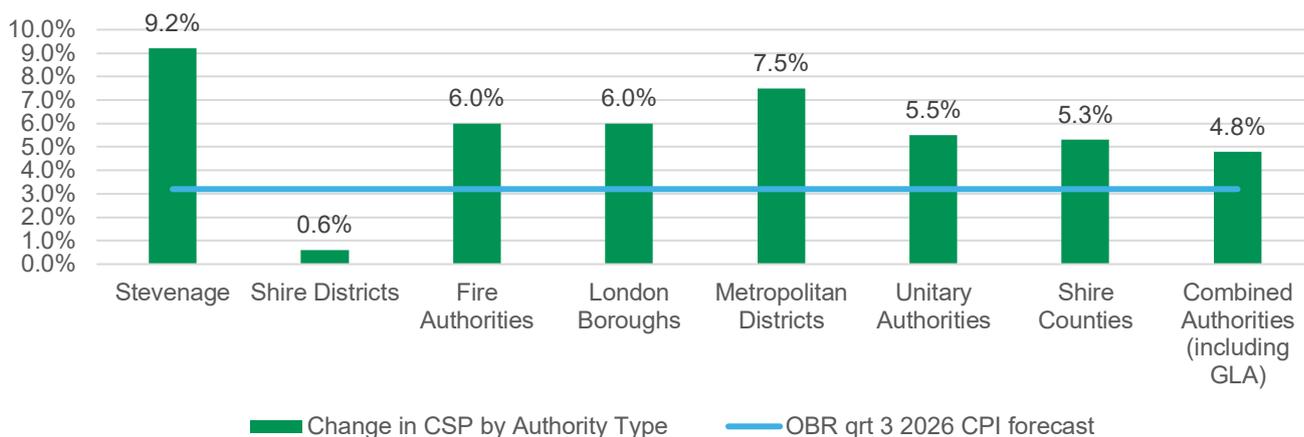
- **Council tax** – while referendum limits have stayed at the same default levels, the following authorities have been granted additional flexibility: Bournemouth, Christchurch and Poole (6.74%), Warrington (7.49%), Trafford (7.49%), Worcestershire (8.99%), Shropshire (8.99%), North Somerset (8.99%), and Windsor and Maidenhead (7.49%) next year. These figures are inclusive of the adult social care precept. In addition, six Police and Crime Commissioners will have a further £3.50 flexibility on the police precept and Northamptonshire Commissioner Fire and Rescue Authority will have a further £5 flexibility on the fire precept.

4.1.11 The Stevenage provisional and final settlement remain unchanged and are compared to the Balancing the Budget projections and summarised below.

Funding:	2025/26	2026/27		2027/28		2028/29	
	£'000	BTB £'000	settlement (£'000)	BTB £'000	settlement (£'000)	BTB £'000	settlement (£'000)
RSG	£149.0	£5,390.4	£2,849.5	£5,713.1	£3,493.6	£6,100.9	£4,130.0
NNDR	£3,379.6		£3,609.3		£3,692.1		£3,766.6
Recovery grant	£283.8	£283.8	£283.8	£283.8	£283.8	£283.8	£283.8
NIC/NHB	£297.8						
NNDR Gains	£1,239.0	£0.0		£0.0		£0.0	
Food waste new burdens		£554.8	in RSG	£554.8	in RSG	£554.8	in RSG
Temporary accommodation grant	£556.8		in RSG		in RSG		in RSG
<b>Total</b>	<b>£5,906.1</b>	<b>£6,229.0</b>	<b>£6,742.6</b>	<b>£838.6</b>	<b>£283.8</b>	<b>£6,939.6</b>	<b>£8,180.4</b>
Reduction for FF2 consultation changes		(£500)	£0	(£500)		(£500)	
<b>Reduction for NNDR losses</b>		(£160)	£0	(£160)	(£106)	£0	(£160)
<b>Total excluding grants</b>	<b>£5,906.1</b>	<b>£5,569.0</b>	<b>£6,742.6</b>	<b>£178.6</b>	<b>£177.8</b>	<b>£6,439.6</b>	<b>£8,020.4</b>
<b>Increase from BTB report</b>			<b>£1,173.7</b>		<b>-£0.8</b>		<b>£1,580.9</b>

4.1.12 Clarification from MHCLG confirmed that the finance settlement also includes the funding relating to the legislated introduction of new separate food waste collection which SBC estimates will cost £554,790 (as set out in paragraph 4.2.1). However, any Government funding amount for this has not been identified separately. Notwithstanding, 2026/27 funding for Stevenage has increased in excess of the cost of food waste compared to 2025/26 amounts. However, overall, the provisional finance settlement for Stevenage was significantly better than for Districts as a whole which is illustrated in the chart below (source LG Futures).

Change in CSP by Authority Type for 2026/27



4.1.13 The settlement also includes bigger, combined grants that replace several smaller ones, helping them focus more on delivering services than on managing payments. These grants will have their own rules for how money is shared, and some will use old methods while others will use new, single formulas, the grants now included are summarised below. The reduction in homeless grant between 2025/26 and 2026/27 relates to the transfer of the temporary accommodation element into Revenue Support Grant (RSG) as shown in paragraph 4.1.11 and is from 2026/27, part of the Council's general government funding. In the final settlement the homeless grant (including monies for Renters Rights Act) increased by £83,120, £63,700 and £33,080 for 2026/27, 2027/28 and 2028/29 respectively and has been included in the budget.

Settlement Funding:	2025/26	Grants		
	£'000	2026/27	2027/28	2028/29
DHP/Crisis resilience fund	£ 141,830	£163,433	£163,433	0
Homeless grant	£1,623,414	£1,072,703	£1,118,614	£1,156,199
Renters Rights Act		£66,758	£31,433	£0
Domestic abuse grant	£38,628	£38,628	£39,492	£40,306
<b>Total announced with settlement</b>	<b>£1,803,872</b>	<b>£1,341,522</b>	<b>£1,352,972</b>	<b>£1,196,505</b>
EPR funding announced:	£'000	2026/27	2027/28	2028/29
Extended Producer Responsibility	£1,078,000	£1,226,580	TBC	TBC
<b>Total</b>	<b>£2,881,872</b>	<b>£2,568,102</b>	<b>£1,352,972</b>	<b>£1,196,505</b>

*Shaded denotes update*

4.1.14 Included above is the 2026/27 allocation for Extended Producer Responsibility (EPR) which increased from 2025/26 and is ringfenced for improving recycling and waste collection.

4.1.15 The January draft General Fund report identified that £500,000 of the 2026/27 EPR allocation was recommended to purchase two new freighters out of the three required in 2026/27 to help fund the capital growth need for next year (in

addition to that set out in paragraph 4.2.5) and was included in the Draft Capital Strategy.

- 4.1.16 The remaining recommended proposals for the 2026/27 EPR grant funding of £726,580 and £24,580 of the EPR reserve are set out in Appendix F and are funding further recycling initiatives.
- 4.1.17 The new grant funding in the Fair Funding Settlement, sits alongside an assumption of a 3% core council tax referendum principle and a 2% adult social care precept, which will result in an average overall real terms increase in local authority core spending power of 2.6% per year between 2025/26 and 2028/29.
- 4.1.18 The business rates safety net for 2026/27 is 100% rather than Council's funding the first 7.5% of losses as in previous years, this is detailed further in paragraph 4.4.3.

#### 4.2 Pressures Projected in the General Fund 2026/27-2028/29

- 4.2.1 The General Fund budget assumptions for 2026/27 now include net growth pressures of £3.66Million as set out below which are included in section 4.7 of this report, (draft report £3.648Million).

Pressures	2025/26 MTFS	2026/27	+/-	Comments
AMENDED Inflation	£1,045,492	£1,535,037	£489,545	Inflation has increased and includes (1) Pay costs have been increased by £209K as the pay award assumptions have been increased from 2.75% to 3.25% based on current higher inflation. (2) Utility costs have increased by £60K as a result of higher standing charges. (3) higher costs from third parties and shared services (£55K amended from £149K). <b>An additional £26.3K has been included since the draft budget including for £27K for utility and £10.7K for salary costs and lower shared service costs.</b>

Pressures	2025/26 MTFS	2026/27	+/-	Comments
Employer pension contributions	£100,000	(£1,327,540)	(£1,427,540)	The Council was notified in November 2025 that the employers rate would reduce from 19.3% to 16.5% and in addition the fixed payment of £1.5Million across both the HRA and General Fund. The Fund is 112% funded hence the significant decrease in costs. This has also lead to a reduction in shared service costs provided to other LA's.
Housing Benefit net costs	£10,000	£75,954	£65,954	With the transfer to Universal Credit the level of bad debt provision has increased for housing benefit overpayments as well as the assumed reduction in housing admin subsidy.
LEP loans repayment reserve	£0	£500,000	£500,000	see paragraph 4.2.2-4.2.3.
Local Government Reform (LGR)	£150,000	£560,000	£410,000	see paragraph 4.2.4.
Revenue Contribution to Capital	£700,000	£1,200,000	£500,000	see paragraph 4.2.5-4.2.7
Queensway LLP	£250,000	£250,000	£0	The Council set up the LLP to act as a catalyst for regeneration in the town centre. In order to ensure that funding to invest in the asset and/or support the LLP over the 37 year lease, the CFO recommended increased contributions be set aside as ser out in the BTB November 2025 report.
Apprentice Scheme	£150,000	£150,000	£0	Members approved as part of the September MTFS to fund the apprentice programme previously assumed to be met from year end underspends
External support for the new Forster Country park	£20,000	£20,000	£0	Members approved as part of the September MTFS a contribution to support the implementation of the Forster Country Park

Pressures	2025/26 MTFS	2026/27	+/-	Comments
Maintenance (including lifts)	£0	£50,000	£50,000	The Council has incurred additional costs relating to in particular the Railway MSCP and Railway lift during 2024-2025. The increase in budget will ensure works are completed in a timely manner.
On-going costs related to PCI compliance (Payment Card Industry Data Security Standard (PCI DSS))	£0	£54,000	£54,000	The Council is implementing a system to support compliance for payments made to the Council, the current projections for annual fees is recommended to be included in the budget
Separate Food Waste	£0	£554,790	£554,790	The MTFS had assumed this would be funded from a allocation within the funding settlement, however it has not identified separately (see para.4.1.12
NEW :Reduction in skip income	£0	£39,000	£39,000	The income budget for Ro-Ro skips is not achieving the budgeted levels and this budget has been reduced for 2026/27 in line with 2025/26 actual income.
<b>Total Identified</b>	<b>£2,425,492</b>	<b>£3,661,241</b>	<b>£ 1,235,749</b>	

4.2.2 The 2026/27 identified pressures of £3.66Million include a £500K recommended transfer to an earmarked reserve for repayment of the Local Enterprise Partnership (LEP) in 2029/30 of £6.5Million. The loans were granted for acquisition of assets to facilitate the Council's SG1 regeneration programme and a scheduled set aside of monies to repay the LEP loans are summarised in the table below and are included in the revised MTFS projections in section 4.10. A significant part of the remainder of the LEP loan balance has been recommended to be ringfenced in the NNDR earmarked reserve as set out in paragraphs 4.10.4-4.10.5, leaving £400K to be identified in the period 2026/27-2029/30.

	2026/27	2027/28	2028/29	2029/30	Total
LEP loan set aside	£500,000	£1,000,000	£1,300,000	£1,300,000	£4,100,000
Still to be identified					£2,400,000
<b>Total Loans to be repaid 2029/30</b>					<b>£6,500,000</b>

4.2.3 The alternative option to the LEP loan reserve would have been to ringfence more business rate gains however, with the changes to business rates as set out in section 4.4, the likelihood is these will be significantly lower than experienced in previous years and 2026/27 projections are currently showing zero gains.

- 4.2.4 Also included in the 2026/27 £6.3Million pressures is an additional cost of £560,000 for Local Government Reorganisation (LGR) transition expenditure which the government anticipates Councils will meet from reserves and LGR savings. The CFO recommends setting aside the following amounts which will be reviewed following any future announcements on the LGR timetable. District Councils in Hertfordshire have suggested a minimum amount of circa £1Million.

	2026/27	2027/28	2028/29	Total
LGR funding	£560,000	£500,000	£400,000	£1,460,000

- 4.2.5 The November 2025 Balancing the Budget report recommended that the identified 2026/27 in year surplus of £706K should be utilised to support the General Fund Capital Strategy as the investment in the Council's assets has been severely restricted to fix on fail due to a shortage of capital resources. The Draft Capital Strategy to this Cabinet meeting includes a larger increase due to the improvement in the General Fund financial position and the contributions to capital recommended are summarised below.

Capital Funding (Revenue)	2026/27	2027/28	2028/29	2029/30	Total
Additional funding for capital	£1,200,000	£1,200,000	£1,200,000	£1,000,000	£4,600,000
Growth Bids not funded	£175,000	£621,700	£140,500	£669,400	£1,606,600

- 4.2.6 In addition to the use of revenue for capital investment in 2026/27 an amount of £250,000 is recommended to be transferred in 2025/26 to the capital earmarked reserve (based on the in-year surplus set out in section 4.8) to given additional financial resilience to the Capital Strategy in the event that projected receipts are delayed. This measure would be in addition to the deferred works reserve of £400,000.
- 4.2.7 However, Members should note that even with the additional resources set out above there are still a number of capital bids not funded and the stock condition survey included in the proposed 2026/27 programme may identify further works required to the Council's community, operational and leisure buildings once completed.

### 4.3 Council Tax and Council Tax Support

- 4.3.1 The December 2025 Cabinet Council Tax base report showed a 2026/27 increase in the tax base of 1.09 % compared to 2025/26, (2025/26 -0.3%). The growth in the taxbase assumed by the government was slightly lower in the Core Spending Power (CSP) with the government assuming £24,688 less council tax income than Stevenage is projecting for 2026/27. In terms of the increase in Band D property the finance settlement assumes a 2.99% increase for Districts plus a further 2% for social care for unitary and upper tier Councils with £15 increase on a Band D for the PCC.
- 4.3.2 The November 2025 Cabinet BTB report recommended a 2.99% increase in council tax and the CFO recommends increasing council tax by 2.99%, a below inflation increase with SBC element of the bill forming only 10.8% of the overall council tax bill for Stevenage residents.

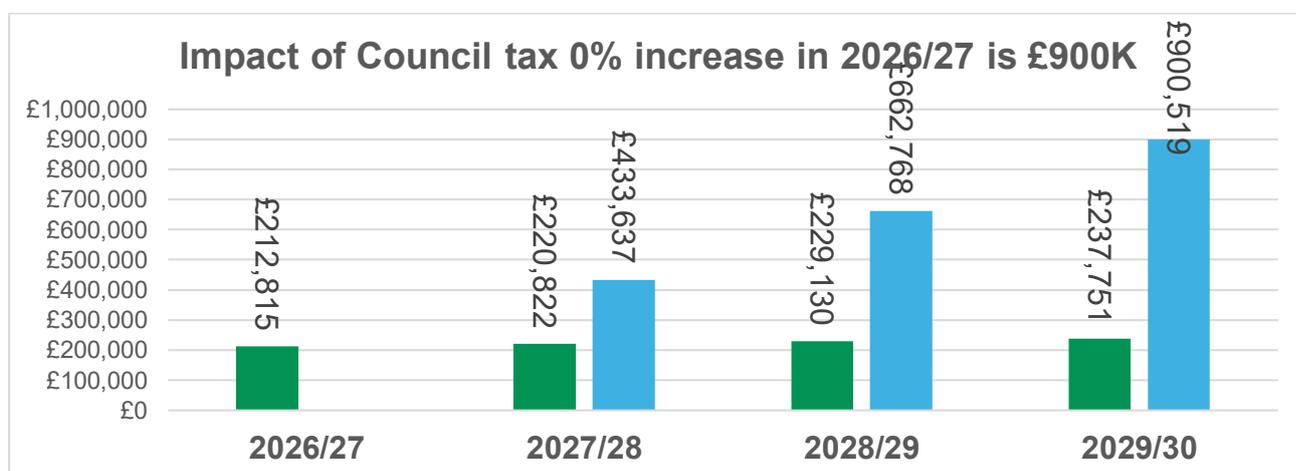
4.3.3 Members will recall that SBC retains the lowest share of the overall Council Tax raised each year. To illustrate this, taking a Band C property, (which is the biggest proportion of properties in Stevenage) the relative shares of council tax for a band C property are shown below.

Authority	2024/25	2025/26	Cost per week	Increase	Share
Hertfordshire County Council	£1,498.45	£1,573.22	£30.25	4.99%	77.58%
Stevenage Borough Council	£212.68	£219.03	£4.21	2.99%	10.80%
Police Crime Commissioner	£223.11	£235.56	£4.53	5.58%	11.62%
<b>Total</b>	<b>£1,934.24</b>	<b>£2,027.81</b>	<b>£39.00</b>	<b>4.84%</b>	<b>100.00%</b>

4.3.4 An estimate of the 2.99% increase in council tax for Stevenage Borough Council is summarised in the table below.

Council tax band	2025/26 SBC	2.99% incr.	2026/27	Incr. per week
A	£ 164.27	£4.91	£169.18	£0.09
B	£ 191.65	£5.73	£197.38	£0.11
C	<b>£ 219.03</b>	£6.55	£225.58	<b>£0.13</b>
D	£ 246.41	£7.37	£253.78	£0.14
E	£ 301.17	£9.01	£310.18	£0.17
F	£ 355.93	£10.64	£366.57	£0.20
G	£ 410.68	£12.29	£422.97	£0.24
H	£ 492.82	£14.74	£507.56	£0.28

4.3.5 The impact of a council tax increase versus no 2026/27 increase during the General Fund medium Term is set out in the chart below and shows that over the period 2026/27-2029/30 this equates to an estimated loss of resources of £900,519.



## **Council Tax Support**

- 4.3.6 A local CTS scheme cannot be revised for at least one financial year. Billing Authorities (such as SBC) must consider whether to revise or replace their scheme with another on an annual basis.
- 4.3.7 Any revision to a scheme must be made by the Council by the 11 March, immediately preceding the financial year in which it is to take effect and will require consultation with those affected. Additionally, consideration should be given to providing transitional protection where the support is to be reduced or removed.
- 4.3.8 The Council must, in the following order, consult with major precepting authorities, (i.e. Hertfordshire County Council and Police and Crime Commissioner (PCC) for Hertfordshire), publish a draft scheme in such manner as it thinks fit, and consult such other persons as it considers are likely to have an interest in the operation of the scheme. The CFO wrote to both precepting authorities regarding the proposal for 2026/27.
- 4.3.9 The current **working age** scheme requires those on maximum benefits only to pay 8.5% of their council tax bill for the year. This equated to £172.36 for a Band C council home in 2025/26 on the total bill (with an additional 25% discount for a single person) or £3.31 per week.
- 4.3.10 In November 2025 Members approved the retention of the existing scheme for next year (uprated to reflect benefit changes for 2026/27) and agreed that officers should look at a banded scheme for proposal to include engagement / consultation with residents subject to the Local government Reform timetable for Hertfordshire.

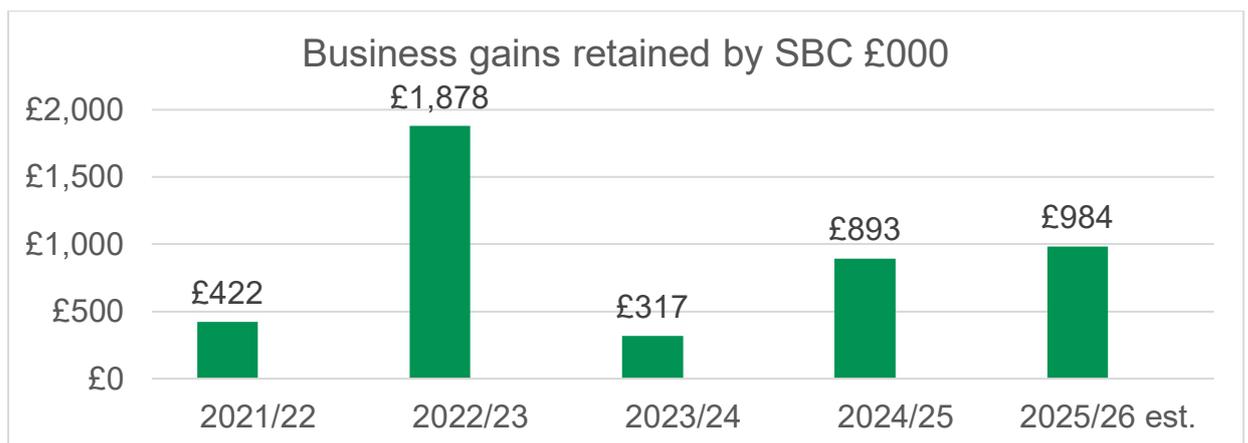
## **4.4 Business Rates Income**

- 4.4.1 The MTFS and draft General Fund budget only includes an assumption of the 2026/27 baseline funding for business rates, or the amount the government has assessed the Council needs under its funding formula. In previous years there has been an additional £200K gains in the General Fund (with the rest transferred to the NNDR gains earmark reserve), however with the complete reset of business rates for 2026/27 and a projected reduction in gains against the 2025/26 estimate (see paragraph 4.4.7) no gains are currently included for the period 2026/27-2029/30.
- 4.4.2 Alongside the reset a number of other changes are being made to business rates, there will be the introduction of up to three new multipliers, which could cause volatility in the projected rates councils collect. This coincides with a new revaluation coming into effect on 1 April 2026, using market values determined as of 1 April 2024. As announced at Autumn Budget 2024, in April 2026, the government will replace retail, hospitality and leisure relief with two lower business rates multipliers for properties with rateable values below £500,000. In addition, a new larger property multiplier will be introduced for properties with a rateable value over £500,000, which is intended to help fund the reduction in the RHL multipliers.

Multipliers	2025/26	2026/27	Scope
Small Business RHL* Multiplier		38.2p	RHL hereditaments with RVs under £51,000
Standard RHL* Multiplier		43p	RHL hereditaments with RVs between £51,000 and £499,999
National Small Business Multiplier	49.9p	43.2p	Non-RHL hereditaments with RVs under £51,000
National Standard Multiplier	55.5p	48p	Non-RHL hereditaments with RVs between £51,000 and £499,999
High-value Multiplier		50.8p	All hereditaments with RVs of £500,000 or above

*\*Retail hospitality and Leisure*

- 4.4.3 The government has recommended changes to the safety net and transitional arrangements which are intended to help councils manage the financial impact of all the impacts summarised above. In previous years the first 7.5% of losses were funded by Councils before the safety net applied. For 2026/27, 2027/28 and 2028/29 the safety net starts at 100%, 97% and 92.5% for the respective years.
- 4.4.4 Historically business rate gains above the £200K assumed in the budget have been used transferred to the NNDR reserve to fund time limited growth and regeneration objectives due to the uncertainty over the level to be achieved. The rules governing NDR accounting mean any estimated gains are taken in year and any difference between the actual and the estimate are taken from or, in the case of losses refunded to, the Collection Fund in future years.



*Note: A Pilot operated in Hertfordshire in 2022/23 where 75% of gains were retained in Hertfordshire*

- 4.4.5 The actual level of business rates that the Council keeps each year is determined once the NDR1 form issued by the government is completed which must be done by the 31 January 2026. This calculates business rates collectable, level of reliefs to be given in 2026/27 and S31 grants due.

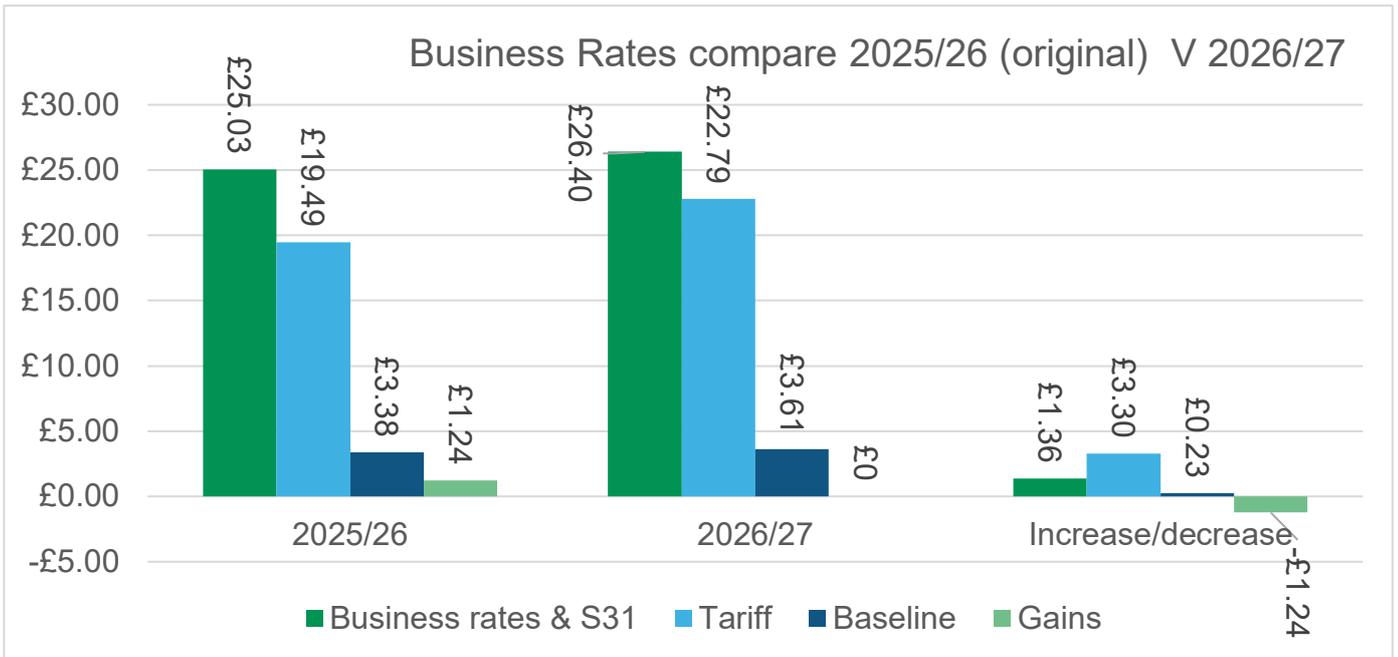
4.4.6 The 2026/27 Business Rates retained by SBC have now been estimated and are at the baseline level with no gains projected for next year.

Stevenage's Business rates retained for 2026/27 versus the Government baseline calculation	Government 2026/27 baseline calculation	SBC 2026/27 Calculation	Variance
Gross Rates	£69,107,886	£69,391,246	£283,360
Mandatory reliefs granted funded from S31 grant		(£7,816,696)	(£7,816,696)
S31 Grant		£7,816,696	£7,816,696
Higher multiplier income in excess of smaller RHL rate not funded through grant		(£154,177)	(£154,177)
Discretionary Relief		(£168,535)	(£168,535)
Appeals provision set aside	(£2,591,546)	(£2,801,898)	(£210,352)
Bad debt provision set aside	(£414,647)	(£165,000)	£249,647
Cost of Collection allowance for administration by SBC	(£110,164)	(£110,164)	£0
Energy reliefs	(£1,518)	(£1,462)	£56
<b>Total Business rates for distribution</b>	<b>£65,990,011</b>	<b>£65,990,010</b>	(£0)
<b>40% of Business Rates retained by SBC</b>	<b>£26,396,004</b>	<b>£26,396,004</b>	(£0)
<b>Tariff</b>	<b>(£22,786,682)</b>	<b>(£22,786,682)</b>	£0
<b>Retained Business Rates</b>	<b>£3,609,322</b>	<b>£3,609,322</b>	(£0)

4.4.7 The 2025/26 business rates have also been reviewed as part of the NNDR1 process and remain unchanged from the draft budget report and are summarised below and included in the 2025/26 and 2026/27 budgets.

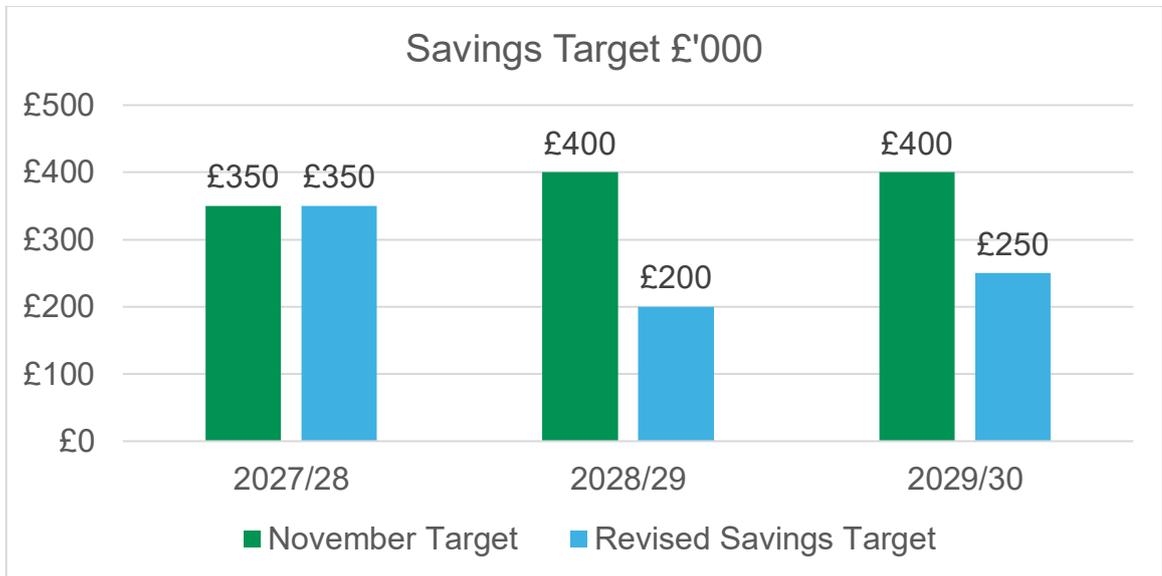
	Original NNDR	Revised NNDR	2025/26 impact	2026/27 impact
Business Rates	(£22,824,068)	(£22,287,351)		£536,717
Tariff	£19,488,317	£19,488,317		
S31 Grants	(£2,210,373)	(£2,185,159)	£25,214	
Levy	£927,339	£651,082	(£276,256)	
Retained Business Rates	(£4,618,785)	(£4,333,110)	(£251,042)	£536,717
Reduction in Business Rates				£285,675

4.4.8 No gains are currently projected as the increase in the 2026/27 NNDR tariff payment to the government has been increased from £19.49Million in 2025/26 to £22.79Million as part of the business rate reset and Fair Funding.



**4.5 The Balancing the Budget Savings Target**

4.5.1 As set out in paragraph 3.7 the 2027/28-2029/30 savings shortfall of £1.15Million could now be addressed through annual fees and charges increases if costs and income remain in line with the updated MTFS projections. The target has been updated based on the financial information included in this report and is now projected to be £800K as summarised below.



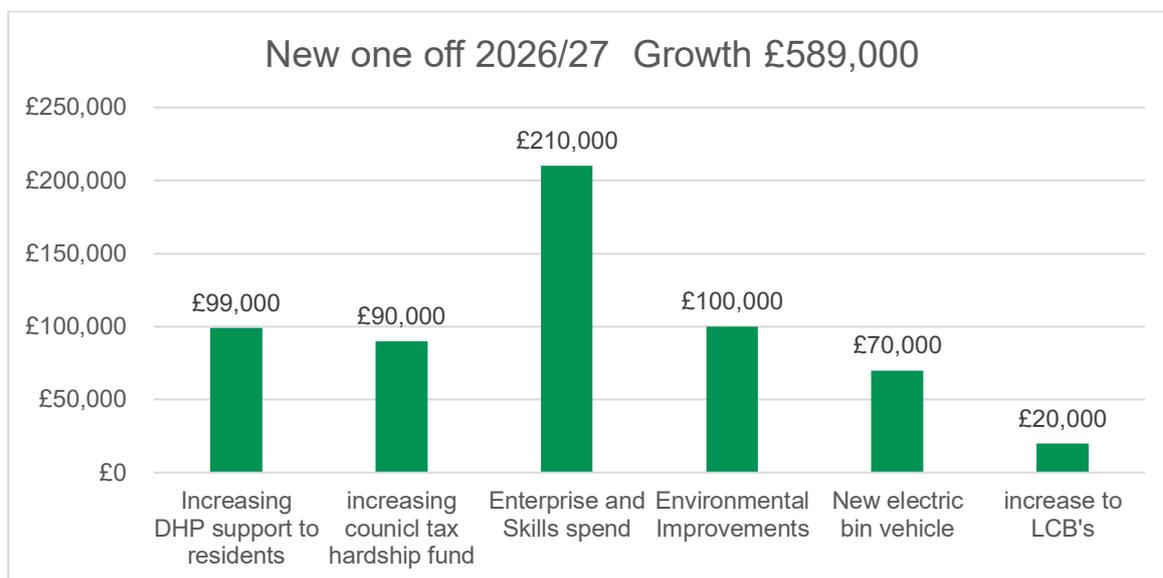
4.5.12 The BTB report to the November 2025 Cabinet report included the recommended/approved budget reductions/income increases, which are summarised and did not contain any service cuts.

Balancing the Budget Savings Summary	Approved	2026/27	2027/28	2028/29
MTFS efficiency savings	September 2025 Cabinet	£766,606	£839,616	£843,364
Fees & charges	October 2025 Cabinet	£309,000	£314,000	£314,000
Taxi Licences	October 2025 Cabinet	£33,000	£60,000	£60,000
Commercial Option Primett Road	October 2025 Cabinet	(£22,500)	£100,000	£100,000
Star Chamber Options (App A)	November 2025 Cabinet	£84,640	£105,970	£132,370
Changes to Leisure Contract	December 2025 Cabinet	£110,000	£110,000	£110,000
<b>Total</b>		<b>£1,280,746</b>	<b>£1,529,586</b>	<b>£1,559,734</b>

## 4.6 Growth Options

- 4.6.1 The September 2025 MTFS assumed growth of £75K for 2026/27 there are a small number of proposed growth bids which include a one off bid of £50K for the Towns 80<sup>th</sup> Anniversary programme in 2026/27 and on-going growth bids of £95,140 and are summarised in Appendix B.
- 4.6.2 Included in the growth bids is monies for events. Members should note that initially event island had a proportion of Towns Fund revenue monies to fund events, if the programme as outlined in Appendix B is to continue a growth bid is required.
- 4.6.3 The growth bids are in excess of the £75K growth target, however savings identified are higher than in the September MTFS and General Fund balances are significantly above the minimum level required and they are all therefore recommended.
- 4.6.4 The November 2025 BTB report further recommended that once the Finance settlement was published there could be further scope to include growth in the 2026/27 General Fund budget and in particular reporting the significant shortfall in capital resources and as set out in paragraph 4.2.5-4.2.6.
- 4.6.5 The January Draft Budget identified that consideration of any further additional growth should take into account the medium-term financial position and the inflation and pressures identified within this report and an amount of £600,000 was identified along the following themes.
- **Supporting our residents** through additional Discretionary housing payments and S13a Council tax support exceptional circumstances to keep residents in their homes
  - **Supporting residents into work** through training interventions including for those of working age
  - **Improving our town** by complementing the proposed draft capital programme with additional spend to complete hedge 'hair cuts' -
  - **Increasing the financial support Councillors can give** through increasing the Local Community Budget that Members can award to groups and charities in their ward and in particular during the 80<sup>th</sup> Anniversary of the town.

4.6.6 Since then, additional inflationary pressures have been identified (see paragraph 4.2.1) reducing the 2026/27 in year surplus slightly. However, there are additional one-off growth bids proposed of £589,000 and summarised below (see also Appendix G) and recommended for approval.



4.6.7 Should the Final Funding settlement announced on the 9 February 2026 be slightly lower the growth can still be recommended as the growth in paragraph 4.6.6 is one off in nature and the General Fund balances are projected to be above minimum balances recommended.

#### 4.7 Changes to the 2026/27 General Fund budget versus the 2025/26 Balancing the Budget

4.7.1 The General Fund budget is now projected to be £13,587,330 (with a contribution to balances of £241), versus the November BTB report projection of £11,589,874 (and a draw on balances of £706,396) which didn't include the any contribution to capital (recommended in the report). General Fund net expenditure is higher versus the BTB report (which now includes a contribution to capital) and as set out in paragraph 4.7.3 core resources have also increased to support the additional budgeted spend. The changes between the BTB report and the proposed General Fund budget are set out below.

BTB report to Draft General Fund Budget	£	Comments
<b>Balancing the Budget</b>	<b>£11,589,870</b>	
<b>Impacts from 2025/26 :</b>		
Slippage of revenue contribution to capital from 2025/26	£163,500	see para. 4.8.1
Total 2025/26 Changes	<b>£163,500</b>	
<b>Inflation :</b>		
Inflation 2026/27	£489,545	see para 4.2.1

<b>BTB report to Draft General Fund Budget</b>	<b>£</b>	<b>Comments</b>
Employer pension contributions	(£1,427,540)	see para 4.2.1
<b>Pressures:</b>		
Housing Benefit net costs	£80,580	With the transfer to Universal Credit the level of bad debt provision has increased for housing benefit overpayments as well as the assumed reduction in housing admin subsidy.
Maintenance (including lifts)	£50,000	see para 4.2.1
On-going costs related to PCI compliance (Payment Card Industry Data Security Standard (PCI DSS))	£54,000	see para 4.2.1
Reduction in skip income	£39,000	see para 4.2.1
<b>Government Reforms:</b>		
Local Government Reform (LGR)	£410,000	The BTB & MTFS report included £150K for LGR transition costs, however discussions within Hertfordshire LA's a figure of £1Million which has been profiles over 2026/27-2027/28 for SBC.
Separate Food Waste Costs	£554,790	The cost of new separate food waste was anticipated to be funded through new burdens see also para. 4.1.11.
Extended Producer Responsibility grant	(£1,226,580)	The second year of the funding for EPR announced in November 2025 (see also para. 4.1.14-4.16)
Recycling & waste related spend (EPR)	£726,580	see para. 4.1.14-4.16
New Revenue Contribution to Capital (EPR)	£500,000	
New use of EPR Reserve	£24,580	
<b>Funding Capital and repaying debt:</b>		
New Revenue Contribution to Capital	£1,200,000	The BTB report recommended the use of surpluses to fund capital which has been restricted for a number of years (see also para. 4.2.5-4.2.6)
LEP loans repayment reserve	£500,000	see paragraph 4.2.2-4.2.3.
<b>Investment Income</b>		
Investment income	(£184,410)	The General Fund balances are projected to be higher for 2026/27, however there is an increase in internal borrowing estimated for 2027/28 which reduces the projected investment interest due.
<b>Savings Changes:</b>		

BTB report to Draft General Fund Budget	£	Comments
Savings recommended	£8,060	This includes a £5K reduction of parking income in the Old Town while the Active Travel highways improvements are underway approved by Members in the November 2025 Cabinet meeting.
<b>Growth Changes</b>		
New one off growth	£589,000	See paras. 4.6.5-4.6.6
<b>Changes to reserves</b>		
Transfer from reserves NNDR	(£536,710)	The 2025/26 projected losses need to be repaid to the Collection Fund in 2026/27 and the equivalent amount has been transferred from the NNDR reserve
Transfer from EPR reserve	(£24,580)	see para.4.1.15
<b>Minor changes:</b>		
Minor movements	£7,644	There has been a reclassification between inflation and minor movements
<b>Total Identified</b>	<b>£1,833,960</b>	
<b>Draft General Fund budget 2026/27</b>	<b>£13,587,330</b>	

4.7.2 The Proposed 2026/27 General Fund budget still includes a sum of £155,000 for running the May 2026 district elections. The Council's Cabinet meeting on the 14 January 2026 voted to approve postponing those elections, however this is a decision for the Secretary of State and the Council has not yet received a decision by the government.

4.7.3 General Fund core resources are summarised in the table below.

Core resources	BTB Assumptions	Draft Budget	BTB V Provisional Variance
Business Rates	(£3,470,303)	(£3,609,322)	(£139,018)
Revenue Support Grant	(£1,420,051)	(£2,849,486)	(£1,429,434)
Recovery grant	(£283,819)	(£283,819)	£0
Business rate losses	£160,000	£0	(£160,000)
<b>Total</b>	<b>(£5,014,174)</b>	<b>(£6,742,626)</b>	<b>(£1,728,452)</b>
Council Tax	(£7,305,404)	(£7,330,308)	(£24,905)
Transfers to Collection Fund NNDR	£183,637	£720,354	£536,717
Transfers from Collection Fund Ctax	(£160,330)	(£234,991)	(£74,660)
<b>Total Collection Fund changes</b>	<b>(£7,282,096)</b>	<b>(£6,844,945)</b>	<b>£437,152</b>
<b>Total Funding</b>	<b>(£12,296,270)</b>	<b>(£13,587,571)</b>	<b>(£1,291,300)</b>
<b>Use of Balances</b>	<b>(£706,396)</b>	<b>(£241)</b>	<b>£706,155</b>

## 4.8 2025/26 Budget changes

4.8.1 The 2025/26 General Fund budget is projected to decrease by £140,980. A summary of the changes is detailed below.

Changes to the 2025/26 Budget			
<b>General Fund quarter 2 budget</b>		<b>£10,726,470</b>	
<b>Higher costs:</b>			
Salary costs	£15,000		Revised salary costs are projected to be slightly higher than the working budget.
Supporting the Valour Hub	£30,000	£45,000	The Community Development Armed Forces Covenant & Valour Programme Officer will coordinate, develop, and deliver SBC's Armed Forces Covenant activities, and lead the development, submission, and start-up delivery of the Valour Hub Programme. Key responsibilities include supporting the Armed Forces Covenant Officer Group and Forum, managing delivery against outcomes, milestones, preparing briefings and reports. This focused capacity is essential to develop the Valour bid to a high standard and ensure the successful implementation of the Stevenage Valour Hub model.
<b>Lower costs:</b>			
Business rates	(£454,690)		The Council has submitted a number of business rates appeals as a result of the 2023 rating list. This is backdated to 2023 and relates to St Georges MSCP.
Housing Benefit costs	(£69,010)	(£523,700)	
<b>Slippage:</b>			
Revenue Contribution to Capital	(£163,500)	(£163,500)	The Draft Capital Strategy identifies slippage including for the garages programme
<b>Changes in Reserves:</b>			
Transfer to NNDR Reserve	£251,220		Core resources have reduced as a result of lower business rate gains from a lower levy on business gains (£366K) off set by lower S31 grants (£188K). All gains above £200K are transferred to the NNDR reserve.
Transfer to Capital Reserve	£250,000	£501,220	Paragraph 4.26-4.27
<b>Total Changes</b>		<b>(£140,980)</b>	
<b>Revised General Fund budget</b>		<b>£10,585,490</b>	

#### 4.9 Level of Balances required for General Fund and projected balances

- 4.9.1 The September 2025 MTFS assumed that the minimum level of balances required would be £3.57Million. A full assessment has been carried out which is detailed in Appendix C and, accordingly, the minimum level of balances now totals £3,648,355. The projected General Fund balances even with one off growth are higher than the revised amount for 2026/27.
- 4.9.2 The projected General Fund balances and council tax requirement are set out below and the level of projected General Fund balances are as set out in paragraph 4.10.1.

General Fund Budget	2025/26 Estimate	2025/26 Projected	2026/27 Estimate
Net Expenditure	£10,753,540	£10,585,490	£13,587,330
Use of/ (Contribution) to Balances	(£6,053)	(£485,370)	(£241)
<b>Budget Requirement</b>	<b>£10,747,487</b>	<b>£10,100,120</b>	<b>£13,587,089</b>
Revenue Support Grant	(£149,048)	(£149,048)	(£2,849,486)
Recovery grant	(£283,819)	(£283,819)	(£283,819)
New Homes Bonus	(£97,000)	(£97,000)	£0
Backstop grant (Audit)	£0	(£60,044)	£0
Total grant support	<b>(£529,867)</b>	<b>(£589,911)</b>	<b>(£3,133,305)</b>
Business Rates net of tariff and levy	(£2,408,412)	(£2,684,669)	(£3,609,322)
S31 grants NNDR	(£2,210,192)	(£2,185,159)	
Total in year business rates	<b>(£4,618,604)</b>	<b>(£4,869,828)</b>	<b>(£3,609,322)</b>
(Return) /Contribution to Collection Fund (NDR) re 2023/43 & 2024/25 & 2025/26	£1,232,757	£1,232,757	£720,354
Collection Fund Surplus (ctax)	£196,632	£196,632	(£234,991)
Council Tax Requirement	(£7,040,510)	(£7,040,510)	(£7,330,308)
Council Tax Base	£28,572	£28,572	£28,885
Council Tax Band D	£246.41	£246.41	£253.78
Council Tax Band C	£219.04	£219.04	£225.58

#### 4.10 Medium Term Financial Strategy General Fund Summary

- 4.10.1 The MTFS modelling has been updated to reflect the contents of this report, there are small deficits in 2027/28 and 2029/30 which if increase may require an adjustment to the savings targets as set out in paragraph 4.5.1 may be required.

General Fund Balances	2025/26	2026/27	2027/28	2028/29	2029/30
In year surplus	£485,370	£241	(£64,004)	£94,311	(£36,434)
Year end balances	£6,990,974	£6,991,215	£6,927,211	£7,021,522	£6,985,088

*\*Members should note that the opening balance for 2025/26 was incorrectly stated in the draft report and increased the General Fund balance by £555K*

4.10.2 Adding the additional one-off £589K growth bids (Appendix G) means the General Fund now has a small projected 2026/27 surplus of £241. Although the funding position is much better for SBC than in recent years, there are still risks to setting a balanced budget going forward which are:

- Business rates do not recover to the base level assumed by the Government and there is an on-going loss of business rates before the safety levy is payable increase net costs to the General Fund a 7.5% loss of retained business rates (before the safety net) would equate to a cost of £282.5K (£160K in the MTFS for 2028/29) and there are no losses assumed in the MTFS after 2028/29.
- LGR transition costs are higher than estimated and there is an expectation that Councils will fund this themselves and all of the proposed Unitary models required savings to be realised. Furthermore, the relatively short timescale could lead to costs for say new ICT needing to be purchased ahead of 2028/29.
- The General Fund Capital Strategy has a future funding shortfalls despite the £1.2Million funding recommended in the Capital Strategy and further capital requirements may be identified as a result of the stock condition survey commissioned for 2026/27 (growth bid).
- Inflation increases which results in the need for higher BTB savings targets to be set.
- The overall government funding envelope reduces beyond 2026/27 requiring a revision to the three year settlement.

4.10.3 The draft 2026/27 budget has includes one off growth (see also paragraph 4.6.6 and Appendix F) and revenue contributions to capital expenditure (RCCO), as a strategy to utilise the additional core funding set out in paragraph 4.1.10. However, if that one off growth was recommended for future years then the General Fund budget would have significant deficits in future years requiring higher savings if not addressed.

<b>General Fund Balances</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
In year surplus	£485,370	£241	(£653,004)	(£494,689)	(£625,434)
Year end balances	£6,990,974	£6,991,215	£6,338,211	£5,843,522	£5,218,088

4.10.4 In addition to the risk assessment of balances to support the General Fund's financial resilience, there are currently two further allocated reserves available which are summarised below. The CFO recommends they are retained at the projected levels in case they are needed to support the General Fund in year, subject to the recommendation in paragraph 4.6.6.

<b>Reserves £'000</b>	<b>Closing 2024/25</b>	<b>(Use)/to</b>	<b>Closing 2025/26</b>	<b>(Use)/to</b>	<b>Closing 2026/27</b>	<b>(Use)/to</b>	<b>Closing 2027/28</b>
Gains (NNDR)	£4,580	(£1,022)	£3,558	(£1,077)	£2,481	£1,442	£3,923
Income equalisation Reserve	£758	(£200)	£558	£0	£558	£0	£558
<b>Total Available to support the GF</b>	<b>£5,338</b>	<b>(£1,222)</b>	<b>£4,116</b>	<b>(£1,077)</b>	<b>£3,039</b>	<b>£1,442</b>	<b>£4,481</b>

4.10.5 The closing balance for the NNDR reserve as at 31 March 2028 is £3.9Million and that includes assumptions about realised and unrealised NNDR and net interest rate earned on the Council's joint venture with Mace at Claxton House. This is summarised below.

<b>NNDR Reserve</b>	<b>£</b>	<b>£</b>
<b>Opening Balance 2025/26</b>		<b>(£4,580,127)</b>
Gains not realised	£1,667,434	£0
Graduate scheme spend	£757,940	£2,425,374
<b>Net Gains still to be achieved</b>	<b>£</b>	
Remaining gains to be realised 2025/26	(£753,903)	£0
Claxton House	(£1,014,434)	(£1,768,338)
<b>Closing Balance 2027/28</b>		<b>(£3,923,092)</b>

4.10.6 The CFO recommends that the £2Million of the reserve's balances are used to contribute to the remaining outstanding LEP loans as set out in paragraph 4.2.2. This would leave a balance of £1.9Million by 31 March 2028 to be utilised if the 2025/26 NNDR gains are achieved and the returns from Caxton House. If this doesn't happen there would be a shortfall on the reserve of £573K to be funded from the General Fund.

<b>NNDR Reserve £'000</b>	<b>Closing 2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
Gains Realised	(£4,580,127)	(£2,580,127)	(£1,557,990)	(£481,399)
Caxton House		£626,201	£101,729	(£1,742,365)
Graduate scheme spend	£0	£202,760	£254,507	£300,673
NNDR Gains projected not realised		£947,080	£720,354	
2025/26 Gains still to be realised		(£753,903)		
LEP loans	£2,000,000			
<b>Total Available to support the GF</b>	<b>(£2,580,127)</b>	<b>(£1,557,990)</b>	<b>(£481,399)</b>	<b>(£1,923,092)</b>

4.10.7 The General Fund reserves allocated for specific purposes are summarised below.

<b>Reserves £'000</b>	<b>Closing 2024/25</b>	<b>Use</b>	<b>Closing 2025/26</b>	<b>Use</b>	<b>Closing 2026/27</b>	<b>Closing 2027/28</b>
NHB reserve <i>note 1</i>	£10	£0	£10	£0	£10	£10
Business Change & Digital Reserve <i>note 2</i>	£773	£314	£1,087	£0	£1,087	£1,087
Homeless reserve <i>note 3</i>	£420	£109	£529	(£96)	£434	£434
Planning Delivery <i>note 4</i>	£198	(£95)	£103	£0	£103	£103
Queensway monies <i>note 5</i>	£215	£193	£408	£293	£701	£1,094
Regeneration Reserve <i>note 7</i>	£245	(£107)	£139	£0	£139	£139
Town Centre Reserve	£0	£56	£56	£0	£56	£56
Town square reserve <i>note 6</i>	£1,711	£55	£1,766	(£35)	£1,731	£1,546

Reserves £'000	Closing 2024/25	Use	Closing 2025/26	Use	Closing 2026/27	Closing 2027/28
Insurance reserve <i>note 8</i>	£62	£0	£62	£0	£62	£62
ICT reserve <i>note 9</i>	£142	£0	£142	£0	£142	£142
New Leisure <i>note 15</i>	£219	(£219)	£0	£0	£0	£0
Stevenage works <i>note 11</i>	£20	(£20)	£0	£0	£0	£0
Asylum seekers reserve <i>note 12</i>	£1,018	(£227)	£790	(£518)	£272	£272
Future Councils reserve <i>note 10</i>	£198	(£198)	£0	£0	£0	£0
Commercial Property repair reserve <i>note 13</i>	£41	£0	£41	£0	£41	£41
Domestic abuse reserve	£196	£0	£196	£0	£196	£196
Extended Producer Pays grant	£0	£218	£218	(£25)	£193	£193
Elections Reserve	£0	£50	£50	(£50)	£0	£0
LEP Loan Reserve	£0	£0	£0	£500	£500	£1,500
Apprentice Reserve	£150	£150	£300	£150	£450	£600
<b>Total Allocated for use</b>	<b>£5,617</b>	<b>£280</b>	<b>£5,896</b>	<b>£219</b>	<b>£6,115</b>	<b>£7,473</b>

4.10.8 There is a planned transfer to balances of £280K and £219K in 2025/26 and 2026/27 respectively. The established reserves are as follows:

1. NHB reserve was created to hold NHB allocations so that the General Fund did not become reliant on the funding. This reserve has reduced from its peak of £1.6Million to £10K in 2025/26.
2. Business Change & Digital Reserve is used to hold the monies set out for the Council's Business Change programme including improving the Council's digital offer and streamlining processes to give better outcomes and improved service delivery for residents. When business cases are established monies will be drawn down from the reserve.
3. These are ringfenced government Homeless grants which are used to support the Council's homeless function including additional staff resources. The 2026/27 allocation has been assumed to be spent in year.
4. Planning Delivery is required to support the surveys for the Local Plan and is used over and above any General Fund allocation.
5. Queensway Car Park Monies - this is the income from the Queensway Limited Liability Partnership (LLP) for parking income and the allowance for future costs for the LLP as agreed in the September 2024 and 2025 MTFS. This money has been ringfenced to support the fit out of future commercial tenancies on Queensway North.
6. Town Square Reserve - the monies are held to support the running costs of assets acquired for regeneration purposes.
7. The Regeneration reserve is used to fund one off additional costs incurred by the Regeneration Team to support the teams projects including professional and legal advice.
8. The Insurance reserve is used to support adhoc preventative works to reduce potential future claims where no core budget is in place.
9. The ICT reserve is ICT Reserve - this was used to absorb pressures in year.

10. The Future Councils Reserve is used to ringfence the £750K grant funding received by the government, which is predicted to be spent by 31 March 2026.
11. Stevenage Works is the flagship job and training hub / partnership which comprises SBC, North Herts College and Job Centre Plus. The funding in the reserve has yet to be forecast and an update will be included in the February report.
12. These are ringfenced Asylum grants which are used to support the Council's homeless function including the provision of additional staff resources.
13. The Commercial Property Reserve is a reactive pot which can be used to support works to the commercial estate if expenditure is above the in-year budget allocation.
14. The Extended Producer Pays reserve see para. 4.1.14-4.1.16.

#### **4.11 Chief Finance Officer's Commentary**

- 4.11.1 The Chief Finance Officer is the Council's principal financial advisor and has statutory responsibilities in relation to the administration of the Council's financial affairs (Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988). This commentary is given in light of these statutory responsibilities, (see also Appendix D).
- 4.11.2 The Council has evolved its budget strategy to meet multiple challenges as set out in this report and the financial strategy to deal with this is the 'Balancing the Budget' priority of 'Stevenage Even Better' Corporate Plan.
- 4.11.3 Officers regularly update the MTFs to ensure that a clear financial position for the Council can be demonstrated over the next five years. This medium-term view of the budget gives a mechanism by which future 'budget gaps' can be identified allowing for a measured rather than reactive approach to reducing net expenditure. Work is ongoing throughout the year to seek to bridge the BTB funding gap.
- 4.11.4 The Council has taken significant steps over recent years to balance its budget and the 2026/27-2028/29 Fair Funding Settlement has improved the financial position of the Council and given certainty about the next three years funding from Government. The 2027/28-2029/30 BTB savings target has significantly reduced from historic levels and totals £800K and should be funded through annual fees and charges increases. This is of course dependent on the realisation of projected inflationary pressures as set out in the MTFs.
- 4.11.5 Events such as COVID and the Cost of Living crises have increased financial risks to Councils which has seen spikes in inflation which have become baselined within the budget. The Council has however taken a number of financial resilience measures which seek to increase the resilience of the Council's position including:
  - A risk assessment of balances to ensure general reserves held take the increased risk from recessionary pressures into account.

- Establishment of the income equalisation reserve (£558K by 31 March 2026) which can be returned to the General Fund if fees and charges are lower than projected.
- Identification of a sufficient level of on-going BTB options to ensure the General Fund is above or at the minimum level of balances.
- Introduction of a Business Change and Digital programme to deliver savings for both the General Fund and HRA and get the Council ready for LGR.
- Implementation of a Commercial and Insourcing Strategy which looks for opportunities to increase the Council's net income from new commercial options, ensuring fees and charges are set based on the cost of services and any insourcing opportunities.
- Setting aside monies in the Queensway reserve to ensure there is sufficient monies available to Queensway LLP for future investment and support.
- Setting aside monies to repay the LEP loans due to be repaid in 2029/30
- Increasing funding for Discretionary Housing Payments and Hardship funding in 2026/27.

4.11.6 The current projections of balances, the new Fair Funding and the measures the Council has taken to date as set in this report mean that the level of balances projected are above the minimum level and sufficient to set the 2026/27 budget. However, a structural deficit could soon open up (as demonstrated in paragraph 4.10.4) if growth is on-going rather than one off in nature.

4.11.7 Further commentary can be found in Appendix D to this report (Section 25 Statement including Robustness of Estimates and Adequacy of Reserves) which Members are asked to approve.

## **4.12 Contingency Sums**

4.12.1 Cabinet Members will recall that a Contingency Sum needs to be determined by the Council as part of the Budget and Policy Framework in order to avoid the need for Council to consider all supplementary estimates during the course of the year. This contingency sum constitutes an upper cumulative limit during the financial year within which the Cabinet can approve supplementary estimates, rather than forming part of the Council's Budget Requirement for the year. A sum of £500,000 is proposed for 2026/27 for general spend and remains unchanged from 2025/26.

4.12.2 In addition a further allowance of £500,000 is recommended specifically for Local Government reorganisation if funding required is needed in advance of the 2027/28 allowance or costs are higher than expected. This means the General Fund would still project cash balances above the minimum levels set out in the report.

#### 4.13 Member Consultation

##### Overview and Scrutiny Committee

- 4.13.1 The Overview and Scrutiny Committee discussed the Draft Budget report at their meeting of the 20 January 2026 and the Strategic Director (S151) advised them that the fair funding settlement had been relatively beneficial to Stevenage compared to the average increase in Core Spending power (CSP) for District Councils.
- 4.13.2 A question was asked about the settlement to which the Strategic Director replied that the final settlement had not yet been received and there could be some changes as a result of this and it was likely to be published end of January beginning of February. The Strategic Director also advised the committee the settlement was for three years but each year's funding would need to be laid before parliament.
- 4.13.3 A Member also asked about the level of Extended Producer Responsibility (EPR) funding the Council will receive/received and the Strategic Director told the Committee that SBC was granted £1.078Million in 2025/26 and a further £1.22Million in 2026/27 that was required to fund recycling initiatives. The Committee were further informed that a breakdown of the recommended spend for 2026/27 was included in the report to the February Cabinet in addition to the funding of the two freighters (£500K) already recommended for approval in the January Draft Cabinet report.

#### 4.14 Public Consultation

##### Resident Survey (2025)

- 4.14.1 The 2025/26 Residents survey (on this Cabinet agenda) shows that resident's preferences with regards to achieving budget savings are firstly to reduce costs through the provision of more online services. This was ranked the highest (out of five options in 2025, 2021 and 2017) with 46%. This first-rate ranking has increased from 2021 and supports the Digital Strategy (approved at the December Cabinet) as a method to reduce costs and improve efficiency / productivity.

Please tell us your order of preference for each of the following options by ordering them 1 to 5	2025 rank	2021 rank	1st
Reduce time and money spent on paperwork by interacting with more residents and customers online/modernising services	1	1	46%
Make money by selling more of our services to residents and customers	2	4	9%
Increase income from fees and chargeable services, to keep the council's element of Council Tax as low as possible	3	2	24%
Spend less by reducing or cutting the services that you tell us are not a priority	4	3	10%

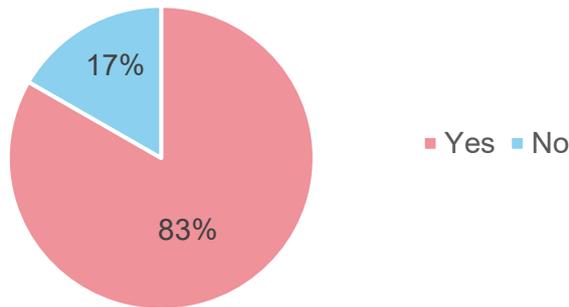
Please tell us your order of preference for each of the following options by ordering them 1 to 5	2025 rank	2021 rank	1st
Increase our element of Council Tax (for example from 51p per day to 55p per day)	5	5	7%

4.14.2 The 2025 residents' survey asked residents whether the council tax represented value for money. While strongly disagree has decreased (from 15% to 12%), overall 44% (was 52% in 2021) of residents agree it represents value for money, with an increase in the number neither agreeing or disagreeing. It should be noted that Stevenage's performance remains above the LGA benchmark (2024) of 36%. Stevenage Borough Council is also the billing authority but only accounts for 10.8% of the overall council tax. The 2025 data and prior year comparators are shown in the chart below.

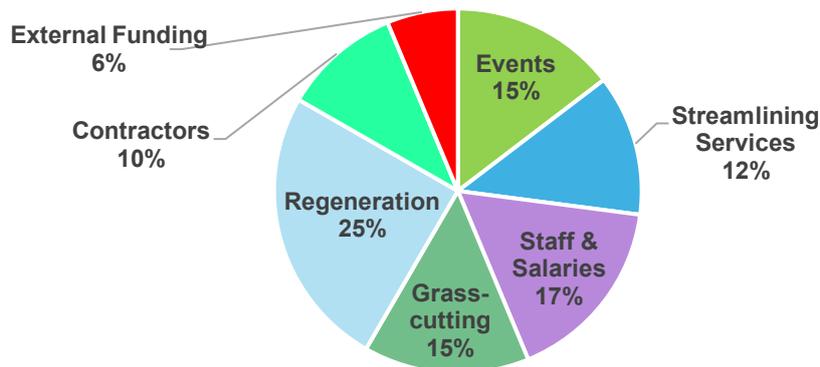
	Responses	2025	2021	2017	2015	2011
To what extent do you agree or disagree that the Council Tax paid to Stevenage Borough Council provides good value for money?	Strongly agree	5%	16%	10%	7%	6%
	Tend to agree	39%	36%	36%	39%	40%
	Neither	28%	18%	30%	30%	33%
	Tend to disagree	13%	10%	17%	18%	16%
	Strongly disagree	12%	15%	7%	6%	5%
	Don't know (DNRO)	4%	4%			
	<b>Summary: Agree</b>	<b>44%</b>	<b>52%</b>	<b>46%</b>	<b>46%</b>	<b>46%</b>
	<b>Summary: Disagree</b>	<b>12%</b>	<b>26%</b>	<b>24%</b>	<b>24%</b>	<b>21%</b>

4.14.3 Development of the Councils 2024/25 Corporate Plan included a period of public and stakeholder engagement and consultation to include ascertaining if respondents:

- Agree that Balancing the Budget should be a priority so that the Council can remain financially resilient and continue to deliver key services as set out in the Corporate Plan?
- If no, is the alternative is to reduce services and provide less?
- If yes, what should the Council stop doing to generate £1.23Million savings?
- 83% of respondents to the consultation agreed that Balancing the Budget should be a priority:



4.14.4 All survey respondents were asked for financial savings suggestions. The responses can be categorised into seven themes:



- The Transforming Our Town programme will attract new businesses to the area which would increase business rate revenue and car parking income (25%). – *The Council has opened a new Multi Storey car park and is working with partners to bring new business into the town, also improving the business rates collected and retained by the Council.*
- Reduce Staff and Councillor salaries (17%). – *The Council’s Member allowances are reviewed and agreed by an Independent Remuneration Panel and staff pay is governed by the collective pay agreements as agreed with the unions.*
- The Council should consider selective grass-cutting allowing green spaces to grow wilder (within safe reasons) and reduce maintenance costs for grass cutting etc. (15%) – *The Council has already implemented this as a measure with an associated cost reduction.*
- Streamlining services (12%) – *The Council has a transformation programme which is targeted at streamlining processes and reducing costs.*
- Reduce use of Contractors (10%) – *The Council has a Commercial and Insourcing Strategy which includes reviewing contracts to see if they can be brought back in-house where deemed viable to do so at the point of re-tendering.*
- Reducing or cancelling events such as the November Fireworks Display, or those held on the Event Island and the Stevenage Museum. (15%) – *the Council has been looking at how it manages and delivers future event activity with a view to driving out efficiencies where possible.*

- Seeking external funding to plug the financial gap (6%). *The Council has actively sought external funding and has received circa £80Million of revenue and capital funding over the last few years.*

## **5 IMPLICATIONS**

### **5.1 Financial Implications**

- 5.1.1 The report deals with Council finances and as such all implications are contained in the main body of the report.
- 5.1.2 Savings options are required to follow the Budget and Policy Framework as set out in this report. Fees and charges require a report to the Cabinet and were considered by the Cabinet in October 2025.

### **5.2 Legal Implications**

- 5.2.1 The Council is required to set a balanced budget each year. The Local Government Finance Act 1992 requires the Council to estimate revenue expenditure and income for the forthcoming year from all sources, together with contributions from reserves, in order to determine a net budget requirement to be met by government grant and council tax.

### **5.3 Policy Implications**

- 5.3.1 The report deals with Council policy and as such all implications are contained in the main body of the report.

### **5.4 Staffing and Accommodation Implications**

- 5.4.1 There is one savings option relating to the Customer Service Centre which reduces staff costs but the saving relates to posts that do not have permanent staff in.

### **5.5 Equal Opportunities Implications**

- 5.5.1 In carrying out or changing its functions (including those relating to the provision of services and the employment of staff) the Council must comply with the Equality Act 2010 and in particular section 149 which is the Public Sector Equality Duty. The Council has a statutory obligation to comply with the requirements of The Act, demonstrating that as part of the decision-making process, due regard has been given to the need to:
- Remove discrimination, harassment, victimisation and any other conduct that its unlawful under this Act
  - Promote equal opportunities between people who share a protected characteristic and those who do not

- Encourage good relations between people who share a protected characteristic and those who do not.

5.5.2 These duties are non-delegable and must be considered by Council when setting the Budget in February 2026.

5.5.3 To inform the decisions about the Budget 2026/27 officers have produced an overarching EQIA for the budget to inform the decision taken by Council in February 2026 (Appendix E). The measures contained within the budget are shown to have a positive impact as many of the savings are efficiency and do not involve service cuts together with the proposed additional growth recommended.

## 5.6 Risk Implications

5.6.1 Risk implications have reduced since the last budget report in terms of funding as a result of the Fair Funding settlement and the reduction in employer pension contributions. But risks to setting a prudent General Fund budget still remain in the short and medium term particularly which includes the delivery of all the Balancing the Budget options identified in Appendix A and within the report.

5.6.2 There are a number of risks that have been identified and these are set out in the report. The risks to the General Fund are summarised below.

<b>Expenditure and Income</b>	<b>Impacted by</b>	<b>Risk (to increase cost)</b>
<b>Inflation</b>	Although price increases around utilities and fuel have fallen, there is still huge volatility in the market with the continual war in Ukraine.	medium
	The MTFs assumes a 3.25% pay award for 2026/27, however previous years deals have been higher and the need for the pay grades to have due regard to inflation and the minimum wage may drive much higher pay negotiation outcomes. The 2027/28 pay award has been increased to 2.75% reflecting current higher levels of inflation from 2.5%.	medium
	The MTFs assumes a reduction in CPI inflation during the MTFs which has to be delivered to keep costs in line with projections.	high
<b>Demand for services</b>	There may be an increase for support services such as homeless and advice and this puts further pressure on the Council's budgets	medium
<b>Local Government Reorganisation</b>	There is a risk that the Council will incur costs associated with LGR following the submission for Hertfordshire in November 2025. Hertfordshire Councils	high

Expenditure and Income	Impacted by	Risk (to increase cost)
	have included an amount in their budget's but this may not be sufficient.	
<b>Fees and Charges</b>	The impact of the current economic climate may impact the Council's fees and charges income which is required to support the funding of services.	medium
<b>Core funding</b>	Future years funding set out in the Fair Funding settlement may not be realised if the pressure to reduce public sector costs increases.	high

## 5.7 Climate Change Implications

5.7.1 The Council declared a climate change emergency at the June 2019 Council meeting with a resolution to work towards a target of achieving net zero emissions by 2030. The Digital Strategy will contribute to reducing the Council's carbon footprint. In 2023/24 the Council approved an additional officer post to support its efforts meet its climate change goals. Included in the 2024/25 options was a growth bid to convert the Council's fleet from diesel to use hydrogenated vegetable oil (HVO) in order to reduce the Council's carbon emissions, the full year impact was included in the 2025/26 General Fund budget.

## 5.8 Local Government reform Implications

5.8.1 As part of the timetable for LGR, the Secretary of State's will issue a Direction under section 24 of the Local Government and Public Involvement in Health Act 2007 (the Section 24 Direction) and this will place restrictions on different types of expenditure by the Hertfordshire Councils without consent in the period up to vesting day.

5.8.2 Section 24 of the Local Government and Public Involvement in Health Act 2007 allows the Secretary of State to direct that from a certain date the authorities to be dissolved under a Structural Change Order may not, without the written consent of those specified in the direction:

- Dispose of land for more than £100,000 (note: disposals include granting or disposing of any interest in land; entering into a contract to dispose of land or grant or dispose of any such interest; and granting an option to acquire any land or any such interest)
- Enter into contracts that exceed the following limits Capital £1,000,000+
- Non-capital £100,000+

Note: all of the financial limits set out above would be cumulative from the date enacted.

- 5.8.3 This means all disposals of land and, for contracts, repeat contracts with the same third party or for a similar description of matter as a previous contract are caught.
- 5.8.4 The purpose of a section 24 direction is to ensure that a new authority has oversight of and a degree of control over the decisions of its predecessor councils which could have implications for the finances and plans of that new authority.

## **BACKGROUND DOCUMENTS**

BD1 General Fund Medium Term Financial Strategy (2025/26-2029/30) September 2025 Cabinet

BD2 Balancing the Budget November 2025 Cabinet

BD3 Fees and Charges October 2025 Cabinet

## **APPENDICES**

Appendix A General Fund Budget Options

Appendix B General Fund Growth Options

Appendix C Risk Assessment of Balances

Appendix D Section 25 Statement including Robustness of Estimates and Adequacy of Reserves

Appendix E EQIA Overarching General Fund budget and Council Tax increase

Appendix F EPR grant use 2026/27

Appendix G Additional one off Growth Proposals

Appendix H Council tax resolution

Appendix I General Fund Budget

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Ref No	Name of Service	Description of Savings Proposal	Budget 2025/26	Impact of Saving Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures)	GF Year 1 (2026/27)	HRA Year 1 (2026/27)	GF Year 2 (2027/28)	HRA Year 2 (2027/28)
2026/S1	Development Management	Introduction of FastTrack applications (Approved in October fees and Charges report but income not yet calculated)	£0	Customers who use this service will be able to secure a faster planning decision. A typical FastTrack application fee charge will be £194 additional and for FastTrack certificate will be £97 additional. More information can be found in the 2026/27 Fees and Charges report to the October Cabinet Appendix D.	£2,910	£0	£2,910	£0
2026/S2	Development Management	Uplift in pre-application fees across a range of application types. (Approved in October fees and Charges report but income not yet calculated)	£57,110	Customers who use the pre-application service will be affected by fee increases. More information can be found in the 2026/27 Fees and Charges report to the October Cabinet Appendix A concerning the fees and charges	£8,000	£0	£8,000	£0
2026/S3	Regeneration	Partners projects advice budget reduction.	£22,110	The saving relates to consultancy budgets for non-priority projects. Key programmes remain unaffected.	£5,000	£0	£5,000	£0
2026/S4	Regeneration	Delete vacant Regeneration post.	£70,430	Changes within the team staffing structure and completion of projects will minimise the impacts of removing this vacant post.	£46,780	£0	£46,780	£0
2026/S5	ICT	Depending on the outcome of a proof of the concepts over the next nine months, replacing the virtual desktop solution with M365 will result in further savings of £40k in 2028/29.	£1,628,850	While not directly affecting external service users, improved staff productivity and system reliability may enhance the quality and responsiveness of public-facing services	£0	£0	£0	£0
2026/S6	Web Team	Banner adverts from blue chip companies on intranet then (website to generate additional income subject to Member approval)	£0	None, as residents can reject cookies and will not see national advertising. Further information on this option is provided in Appendix C	£4,000	£0	£4,000	£0
2026/S7	Customer Services	A management saving is proposed within the Customer Service Centre through the deletion of one management role. No redundancies are expected, as temporary arrangements are currently in place.	£45,000	No significant impact anticipated, the change will be managed within existing processes	£12,150	£21,600	£16,200	£28,800
2026/S8	Web Team	To maximise the use of Microsoft 365, plan is to move the Intranet platform from the current supplier to M365.	£15,300	None	£0	£0	£9,180	£6,120
2026/S9	Refuse and Recycling	Charging new developments for waste and recycling receptacles (new income stream) Officers have undertaken a comprehensive review of all associated costs involved in the process, from the initial request through to site inspection and final delivery. As a result, a revised pricing model has been developed to ensure full cost recovery.	£0	This will help to recover the costs of new bins provided and replaced for new developments. Although the projected additional income from bin deliveries will not materialise until 2027/28 onwards, approval is sought at this stage to enable officers to begin issuing charging packs to external developers from this financial year (2025/26). Early approval ensures timely implementation of the revised cost recovery model and allows the service to operate transparently and consistently with developers	£0	£0	£8,100	£0
2026/S10	Third party tipping	New charges resulting in additional income/covering cost including Gate fee, Missed appointment and Cancelled appointment	£0	These charges will help to optimise the service by reducing the number / frequency of lost booking income.	£5,800	£0	£5,800	£0
<b>Total Savings</b>			<b>£1,838,800</b>		<b>£84,640</b>	<b>£21,600</b>	<b>£105,970</b>	<b>£34,920</b>

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STEVENAGE BOROUGH COUNCIL  
BALANCING THE BUDGET 2026-27 GROWTH PROPOSALS

APPENDIX B: GF Growth Options

Ref No	Name of Service	Description of Growth Proposal	Budget 2025/26	Impact of Growth Proposal on Public/ Customers/ Staff/ Members/Partnerships etc. (include any impact on key corporate programmes/performance indicator measures) .	GF Year 1 (2026/27)	HRA Year 1 (2026/27)	GF Year 2 (2027/28)	HRA Year 2 (2027/28)
2026/G1	Engineering & Parking	Additional Parking Management Officer Post	£436,930	Staff - creation of an additional post to provide additional resources within the Engineering and Parking Section in order to manage the increase in parking restrictions / permit zones being rolled out across the town. 2028/29 costs are reduced by £10K income for parking permits	£46,000	£0	£46,000	£0
2026/G2	Town Centre	The proposal requests funding of £47,400 per year to continue delivering free, inclusive events and maintain key infrastructure at Event Island.	£0	Continued funding will enhance public access to free, inclusive events and strengthen community partnerships through grants and shared delivery. It supports key corporate aims around town centre vibrancy, cultural engagement, and social inclusion.	£47,400	£0	£47,400	£0
2026/G3	Procurement	Staffing restructure required to deliver Procurement Act 2023, which has recently come into force (net growth after other budgets re-alignments)	£65,000	The service has 3 staff which support a shared service across East Herts, Hertsmere and SBC. The additional staff resource is supported by the Senior Leadership Team and will ensure that new regulations as a result of the new Procurement Act 2023 are delivered effectively. The remainder of the posts costs have been identified from changes in the finance team.	£1,740	£7,260	£1,740	£7,260
2026/G4	Leisure	80th Celebration of Stevenage (one-off)	£0	Stevenage is celebrating its 80th anniversary in 2026. Like previous anniversary celebrations, there will be a range of events and activities across service areas led by the portfolio holder. The £50,000 one-off growth budget will enhance this programme.	£50,000	£0	£0	£0
<b>Total Growth</b>			<b>£501,930</b>		<b>£145,140</b>	<b>£7,260</b>	<b>£95,140</b>	<b>£7,260</b>

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**APPENDIX C: RISK BASED ASSESSMENT OF THE LEVEL OF GENERAL FUND BALANCES 2026/27**

Potential Risk Area	Comments including any mitigation factors		
Income from areas within the base budget where the Council raises "Fees and Charges"	Potential risk that the budgeted level of income from activities where the Council is charging for services will not be achieved. This is anticipated largely to be as a result of the downturn in economy and cost of living crisis, but could also be as a result of poor weather, new competition. All "fees and charges" income is reviewed as part of the monthly/quarterly budget monitoring process. All budgets are profiled over the year based upon previous experience.		
		<b>Calculated Risk</b>	
Specific Areas	Estimated Income	Likelihood Percentage	Balances Required
Parking Income* (on street/off-street)	£5,700,010	3.0%	£171,000
Development Control Income	£572,130	4.0%	£22,885
Recycling Income	£1,976,540	5.0%	£98,827
Garages	£4,510,630	3.0%	£135,319
Trade Refuse & Skips	£1,257,840	10.0%	£125,784
Indoor Market	£287,870	10.0%	£28,787
Commercial Property Income	£4,298,940	3.0%	£128,968
Lower fees and charges in excess of budgeted from continual post of Cost of Living			£125,000
<b>Total</b>			<b>£836,571</b>

\* The council has a parking account which identifies how parking fees are spent on parking and related costs

Potential Risk Area	Comments		
Demand Led Budgets	Potential risk that spending on parts of the budget where the Council has a legal duty to provide the service increases significantly. Individual budgets reviewed as part of the monthly budget monitoring process. All budgets are profiled over the year based upon previous experience and so any variances should show up during the year.		
		<b>Calculated Risk</b>	
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Housing Benefit maximum risk based on not meeting threshold for Local Authority errors.	£70,216	40%	£28,086
Loss of Business Rates yield	£3,609,322	maximum loss (0%)	£0
Increase in bad debts as a economic changes impacting on charging for services	£228,780	100%	£228,780
Bed and Breakfast budget been reduced based on current trends. However, there's a risk that demand could increase.	£80,000	75%	£59,400
Risk of capital works requiring funding as a result of rephasing/deferring works in the Capital Strategy	£250,000	50%	£125,000
Impact of Local Government Reorganisation costs are higher than budgeted for	£500,000	75%	£375,000
Housing Benefit overpayment net income reduces and results in a pressure on the General Fund	£346,840	10%	£34,684
Cost of new food waste service is higher than estimated	£554,790	10%	£55,479
<b>Total</b>			<b>£906,429</b>

Potential Risk Area	Comments including any mitigation factors		
Changes since budget was set	Potential risk that things change since the budget estimates were made and the estimates are then under budgeted for.		
		<b>Calculated Risk</b>	
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Transitional Vacancy Rate 4.5%	£876,830	20.00%	£175,366
Less staff time charged to capital than budgeted	£490,510	10.00%	£49,051
REVISED: pay award is higher than budgeted for 1%	£24,588,471		£241,563
Contractual inflation 1% increase	£12,611,343	1.00%	£48,135
Utility and fuel inflation usage/costs increase	£1,214,060	10.00%	£121,406
Borrowing costs will be higher than estimated on new borrowing in Capital Strategy	£1,756,000	1% increase in borrowing costs for the garage programme	£17,560
<b>Total</b>			<b>£653,081</b>

Potential Risk Area	Comments including any mitigation factors		
Other Risks	Potential risk that savings options will not be realised as a result of delay or unforeseen circumstances.		
		<b>Calculated Risk</b>	
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Savings Options	£1,280,746	5.00%	£64,037
<b>Total</b>			<b>£64,037</b>

Potential Risk Area	Comments including any mitigation factors		
Estimated balances required for any over spend or under -recovery of expenditure and income	This calculation replaces the calculation based on Net Expenditure		
		<b>Calculated Risk</b>	
Specific Areas	Estimated Exposure	Likelihood Percentage	Balances Required
Gross Income (excludes specific income listed above)	£63,001,940	1.00%	£630,019
Gross Expenditure (excludes specific expenditure listed above)	£55,821,770	1.00%	£558,218
<b>Total</b>			<b>£1,188,237</b>

**Level of Balances Assumed in General Fund Based on risk**

**£3,648,355**

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**Statement of the Chief finance Officer Section 25 Statement including Robustness of Estimates and Adequacy of Reserves**

**1 ROBUSTNESS OF ESTIMATES**

The Council process for producing the budget estimates involves responsible budget holders and finance officers reviewing and projecting the Base Budget. The Working Budget Estimates are determined against a background of ongoing quarterly budget monitoring for the current financial year and an evaluation of the outturn position and Budgets carried forward from the previous financial year. The 2026/27 Estimates are determined by evaluating and costing all known changes, including pay and price levels, legislative changes, demands for services and policy developments. Projecting inflation has become much more difficult with fluctuating utility costs and pay inflation. The Council has sufficient reserves in order to set a balanced budget for 2026/27 and the current Budget Process has rigorously reviewed current budgets. As part of the 2026/27 Budget process the Council has included the positive impact of Fair Funding which has partly reversed historic Government Grant reductions. The overall budget process is co-ordinated by the Accountancy Section in liaison with the various Business Units and the Council's Strategic Leadership Team. The Budget is recommended by the Cabinet, for approval by Council after it has been through the Scrutiny process required by the Council's Constitution. The process includes consideration of risks and uncertainties associated with projections of future pay, prices, interest rates and projected levels and timing of other potential liabilities. The challenge to the budget process is provided by the Scrutiny and Overview Committee.

Financial monitoring arrangements provide the Cabinet with a quarterly update on the performance of the budget, with action plans where any significant adverse variances have resulted. The MTFs is under constant review to ensure that a clear financial position for the Council can be demonstrated for the next five years aided by the Council's BTB priority. This is necessary as the Councils in Hertfordshire transition into new unitary authorities and all of the model submissions (two, three and four Unitary) require savings to be delivered. The 2026/27 funding settlement was higher than the MTFs projected, however this included the funding for new separate food waste that the Council had assumed would be in addition to the projected funding. The multi-year settlements beyond 2026/27 improve projecting the level of annual savings required. The CFO has identified that further new BTB savings options are required for 2027/28-2029/30 of just £800K to ensure a balanced General Fund budget which could be met from annual fees and charges increases. There is a small annual allowance for growth and a 2.99% increase in council tax beyond 2026/27.

The Council's Financial Regulations require responsible budget holders to ensure that net expenditure does not exceed the total of their Service budgets. Where, despite the assessment of risks that forms part of the budget process, a budget comes under pressure during the course of the financial year, the Council's budgetary framework and Financial Regulations lay down appropriate procedures. Where budget variations cannot be contained overall by the use of virements, these have been reported to Members as part of the quarterly budget monitoring process. In addition, requests for supplementary estimates have to be submitted to the

Executive or Full Council, as appropriate. Supplementary estimates are met from available balances and reserves, subject to the required level of minimum General Fund balances.

The Strategic Director (S151) considers that the Estimates and the processes used to produce them are sound and robust. A further update on the 2025/26 General Fund and HRA budgets will be presented to the March and July Cabinets, together with any on-going impacts.

## **2 ADEQUACY OF RESERVES**

The Council's annual budgetary process and the assessment of the adequacy of Reserves are undertaken in the context of robust medium term financial forecasting. The Council currently has levels of Reserves above the minimum risk assessed level, the Council's Medium Term Financial Strategy (with the delivery of £800K of savings and inflation and pressures in line with MTFs projections. This is based on the assumption that future year's funding settlement is in line with the provisional settlement published on the 17 December 2025, if the Final Settlement differs published on the 9 February the report to Full Council will be updated.

The Council has risk assessed the level of General Fund balances required, based on information from service managers the level of reserves required for 2026/27 is £3,648,355, (see also Appendix C to the main report).

Total available General Fund balances as at 1st April 2026 are estimated to be £6,990,974 (after 2025/26 contribution to balances of £485,370). Total General Fund balances as at 1st April 2027 are estimated to be £6,991,215 (after 2026/27 contribution to balances of £241). These levels of balances meet the minimum level of risk assessed balances that are needed to meet unforeseen expenditure arising in the year and expenses arising before income is received and ensure the Council is financially resilient going into LGR.

Total available HRA balances as at 1st April 2026 are estimated to be £10.338Million (after 2025/26 contribution from balances of £588K). Total HRA balances as at 1st April 2027 are estimated to be £10.095Million (after 2026/27 contribution from balances of £243K). These levels of balances meet the minimum level of risk assessed balances that are needed to meet unforeseen expenditure arising in the year and expenses arising before income is received.

The HRA also has an earmarked reserve for the repayment of debt which is estimated to be £16.7Million as at 1st April 2026 and £8.7Million as at 1 April 2027.

It is estimated that the Council will have General Fund £32,518 capital receipts and £2.453Million regeneration ring fenced receipts and £250,000 capital reserves as at 1st April 2027 and the Council has a need to borrow in 2026/27 £45.11Million including for the HRA £35.61Million for capital plus £7.789Million for conversion of internal debt to borrowing and £9.5Million for the General Fund of which £5.9Million is short term borrowing).

In assessing the adequacy of the council's reserves, the robustness of its Budgetary Process and Systems of Internal Control, the assumptions and uncertainties

discussed in the Budget report, and the levels of special provision have been considered.

In coming to a view on the adequacy of reserves, risks in the area of litigation, business continuity, civil emergency, failure of information systems, budgetary control and interest rate calculations have been considered in terms of the possible maximum financial impact and their probability of occurrence. Ongoing assessment of the financial risks to the council, its budget and MTFs, are embedded as part of the Council's overall Corporate Risk Management processes. On this basis, the Strategic Director (S151) considers the level of general balances to be adequate for the 2026/27 financial year.

### **3 SPECIFIC RESERVES**

As part of the budget preparation process, the current and projected levels of the Council's ringfenced reserves have been considered. Following this review, the Strategic Director (S151) confirms these reserves are £10,012,482 for the General Fund as at 1 April 2026 and £9,154,683 as at 1 April 2027 (excluding reserves held for capital) and continue to be required, (see also paragraph 4.10.4-4.10.8 of the main report for the individual reserve balances and need).

### **4. STATEMENT OF ACCOUNTS**

At the time of publishing this report the Council's last set of published and audited accounts were for the financial year 2023/24 and officers are finalising with the council's auditors Azets the 2024/25 accounts.

Supported by the Financial Reporting Council, The Ministry for Housing Communities and local government (MHCLG) set a backstop date of 27 February 2026 for Local Authorities to publish their 2024/25 audited financial accounts. This approach with the earlier backstop deadlines is anticipated to enable Local Authorities and auditors to focus on the most recent year of accounts as quickly as possible and the Council complied with this. This is particularly important as the Councils transition into LGR.

### **5. LOCAL GOVERNMENT REORGANISATION**

The timetable for LGR is within the MTFs period with a Shadow Authority anticipated from the 1 April 2027 and vesting day to be the 1 April 2028 based on the current government timetable. The Council has set aside £560K and £500K for 2026/27 and 2027/28 respectively with a additional contingency amount recommended for the Cabinet of £500K in next year. There will be significant costs leading up to the new unitary authority (yet to decided by the government) and it is key that has sufficient reserves leading into LGR.

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# **BALANCING THE BUDGET (BTB) 2026/27 APPENDIX E**

## **Overall Equality Impact Assessment (EqIA) of BTB Savings Proposals**

### **Equality at Stevenage Borough Council**

1. Stevenage Borough Council is committed to promoting equality, diversity and inclusion across its services, workforce and local community. To demonstrate its commitment to the identification and mitigation of discrimination and inequality, the Council will complete and publish Equality Impact Assessments (EqIA) when there is a new or revised policy, procedure, function, or where there is a withdrawal of service. For more information about the Council's commitment to advancing equalities please refer to the Equality, Diversity & Inclusion Policy (2022-26).
2. We want to deliver services that are fair, accessible and open to everyone who needs them. Equality Impact Assessments (EqIAs) are an important part of the process in ensuring that our intention is translated into action. They help to ensure that decisions are made in a fair, transparent and accountable way, considering the needs and the rights of different people in the community.
3. Based on the protected characteristics under the Equality Act 2010, the Equality Impact Assessment considers the impact on the following groups when making decisions, updating policies and starting new projects:
  - Age
  - Disability
  - Gender reassignment
  - Marital status
  - Pregnancy and maternity
  - Race
  - Religion or belief
  - Sex
  - Sexual orientation
4. Although non-statutory, the Council has chosen to adopt the Socio-Economic Duty and Care Experience. Council's elected members and officers are required to consider the impact of their decisions on people who are less fortunate because of their social/economic background.
5. EqIAs also help the Council to demonstrate compliance with the requirements of the Public Sector Equality Duty (Section 149 of the Equality Act 2010). The Duty states that a public authority must, in the exercise of its functions, have due regard to the need to:
  - eliminate discrimination, harassment, victimisation and any other conduct that is unlawful under this Act
  - advance equality of opportunity between people who share a protected characteristic and those who do not
  - foster good relations between people who share a protected characteristic and those who do not

## Balancing the Budget Proposals 2026/27

6. Prior to their consideration at Cabinet in October 2025, all savings proposals were reviewed to determine any potential impact on Stevenage residents in terms of their protected characteristics under the Equality Act 2010. Some of these have no direct public impact and so have not been subject to any further EqIA.
7. Where a new change in policy, procedure, function, service or withdrawal of service is proposed, Directors and other appropriate managers have drafted EqIAs.
8. This year there are six new proposals that may potentially have a positive, negative or disproportionate impact. These are:
  - 1) Increasing Discretionary housing payments (DHP)
  - 2) Increasing the Council tax hardship fund
  - 3) Maintaining the allocation of dedicated Enterprise and Skills funding
  - 4) Increasing the financial support Councillors can give through increasing the Local Community Budget
  - 5) Planned improvements to the Gordon Craig Theatre, including new carpets and LED lighting
  - 6) Uplift in pre-application fees across a range of application types
9. The potential impact of these proposals is summarised over the following pages and will inform the recommendations made at Cabinet on 11<sup>th</sup> February 2026. Action to further analyse or mitigate the impact on people with particular protected characteristics is identified where appropriate.
10. It should be noted that EqIA's are working documents and new equality impacts may be identified throughout the planning and implementation stages of the revised policy, procedure, function, service. To ensure that these changes are captured, EqIAs will be updated, and appropriate mitigations considered accordingly.
11. The following further activity will take place:
  - 11<sup>th</sup> February 2026 - Consideration of this document at Cabinet meeting, alongside the budget proposals
  - Ongoing review and update of EQIA's and impact as proposals are further developed and implemented throughout 2026/27, including consultation and engagement as appropriate.

## Summary of Potential Impacts Identified as a Result of Budget Proposals

### Key (Summary Potential Impacts Column)

#	<i>Element</i>	<i>Responsible Officer</i>
1	Increasing Discretionary housing payments (DHP)	Director - Housing & Neighbourhoods (KC)
2	Increasing the Council tax hardship fund	Director - Finance (AI)
3	Maintaining the allocation of dedicated Enterprise and Skills funding	Director - Housing & Neighbourhoods (KC)
4	Increasing the financial support Councillors can give through increasing the Local Community Budget	Director Housing & Neighbourhoods (KC)
5	Planned improvements to the Gordon Craig Theatre, including carpets and LED lighting	Director – Environment & Leisure (SD)
6	Uplift in pre-application fees across a range of application types	Director – Planning & Regulation (AR)

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)
Age	<p>15.5% of Stevenage residents were over 65, compared to significantly higher rates in Hertfordshire (17.4%) and England (18.7%).</p> <p>Stevenage also hosts a slightly younger working population than Hertfordshire and England, with residents aged 16 to 64 years making up 64% of Stevenage's population, compared to 63.6% and 62.9%, respectively.</p> <p>The Office for National Statistics (ONS) report that those in their 40s receive the highest median full-time weekly pay and lowest for younger works aged 16-17 and 18-21. Further, those aged 60+ earn less than the average for all employees.</p> <p><a href="#">Average earnings by age and region - House of Commons Library</a></p>	<p>1., 2., 4., &amp; 6. ONS report reduced average earnings for younger and older residents across the UK, any increase in fees and charges may have a negative impact on those who are between ages 16-21 and over 60 years old and earn less as a result.</p> <p>However, the increase in the offer available through support schemes such as the Council Tax Hardship Fund and Discretionary Housing Payments will positively impact those who qualify and help enable residents to afford the proposed changes.</p> <p>Further detail on the above is provided in the Socio-Economic Status section.</p> <p>3. The Enterprise and Skills allocation will augment the existing activity in Stevenage, which has largely focused on supporting young people into opportunity, particularly through our work on STEM pathways and construction-related progression. The 2026/27 allocation sustains core delivery capacity and commissions targeted interventions that both deepen that youth-focused offer, through an extension of the partnership with Mission 44, and broaden it by expanding support for adults who are out of work or looking to change careers. Alongside this, it strengthens the Stevenage Works approach by funding additional targeted support for 16 to 18 year olds who are not in education, employment or training.</p>	<p>1., 2., 4., &amp; 6. See socio-economic impacts section below.</p> <p>3. The Enterprise and Skills allocation will have a positive impact of the younger resident population of Stevenage. The Council will offer targeted intervention to increase the opportunities available to young people, as well as expand the support to adults not in employment. Therefore, increasing the support provided through the allocation of this dedicated budget.</p>

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)
		5. The proposed budget has allocated significant funds to provide improvements to the Gordan Craig Theatre, including the installation of new carpets and LED lighting. These will help the theatre to continue to provide vital engagement for all ages.	5. The proposed improvements to the theatre will follow the existing commitments made to accessibility to all with dedicated wheelchair accessible viewing areas, blue badge parking, and accommodations available for visitors who are hearing or visually impaired. These considerations will continue as improvements are made and access will be ensured for all ages.
<b>Disability</b>	<p>According to the 2021 Census, 17.3% of Stevenage residents had a disability covered under the Equality Act that limited their day-to-day activities, compared to 14.4% in Hertfordshire and 17.3% in England.</p> <p>The Office for National Statistics (ONS) show that in the UK in 2023, the pay gap between disabled and non-disabled employees was 12.7%, with a median hourly pay of £15.69 for non-disabled employees and £13.69 for disabled employees;</p>	<p>1., 2., 4., &amp; 6. Due to the prevalence of a national disability pay gap, any increase in fees and charges may have a negative impact on those who have a disability and earn less as a result.</p> <p>However, the increase in the offer available through support schemes such as the Council Tax Hardship Fund and Discretionary Housing Payments will positively impact those who qualify and help enable residents to afford the proposed changes.</p> <p>Further detail on the above is provided in the Socio-Economic Status section.</p> <p>5. The proposed budget has allocated significant funds to provide improvements to the Gordan Craig</p>	<p>1., 2., 4., &amp; 6. See socio-economic impacts section below.</p> <p>5. The proposed improvements to the theatre will follow the existing</p>

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)
	<p>this pay gap has remained relatively stable since 2014.</p> <p>In April 2025, there were 5,385 Personal Independent Payment (PIP) claimants in Stevenage, which is a 13.58% increase from 4,741 in April 2024.</p>	<p>Theatre, including the installation of new carpets and LED lighting.</p> <p>Accessibility requirements will be considered during the carpet fitting process and upon their unveiling. Further, individuals with neurodiverse needs often have heightened sensitivity to light and the installation of new LED lighting may cause a negative impact on those attending the theatre. However, soft LEDs are often offered as preferred solutions for neurodiverse needs and therefore this has been considered as part of these improvements.</p>	<p>commitments made to accessibility to all with dedicated wheelchair accessible viewing areas, blue badge parking, and accommodations available for visitors who are hearing or visually impaired. These considerations will continue as improvements are made and access will be ensured for all disabled visitors.</p> <p>Alternate requirements for neurodiverse needs will be dealt with on a case-by-case basis but this has been considered as part of these improvements.</p>
<b>Gender reassignment</b>	<p>0.4% of residents have a different gender identity to the sex registered at birth, compared to 0.41% in Hertfordshire and 0.44% in England</p>	<p>No differential impacts directly related to people having this characteristic have been identified as a result of these proposals.</p>	
<b>Marital status</b>	<p>The majority of Stevenage residents (43.9%) were married or in a registered civil partnership. In comparison, 48.4% of residents are married or in a registered civil partnership in Hertfordshire and 44.7% in England.</p>	<p>No differential impacts directly related to people having this characteristic have been identified as a result of these proposals.</p>	

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)
<b>Pregnancy and maternity</b>	The birth rate in Stevenage in 2024 sat at 12.2 live births per 1,000 people, which is higher than 10.9 in Hertfordshire and 10.5 in England.	No differential impacts directly related to people having this characteristic have been identified as a result of these proposals.	
<b>Race</b>	<p>24.7% of Stevenage residents were from an ethnic minority (non-White British) in 2021, compared to 16.9% in the 2011 Census. In comparison, 28.2% of residents in Hertfordshire and 26.5% in England overall are from an ethnic minority group.</p> <p>In 2022, Office of National Statistics (ONS) figures showed that in the UK in 2022 Black, African, Caribbean or Black British employees earned less (£13.53) median gross hourly pay than White employees (£14.35), which has been consistent since 2012.</p>	<p>1., 2., 4., &amp; 6. Due to the prevalence of a national ethnicity pay gap, any increase in fees and charges may have a negative impact on those from an ethnic minority and earn less as a result.</p> <p>However, the increase in the offer available through support schemes such as the Council Tax Hardship Fund and Discretionary Housing Payments will positively impact those who qualify and help enable residents to afford the proposed changes.</p> <p>Further detail on the above is provided in the Socio-Economic Status section.</p>	1., 2., 4., & 6. See socio-economic impacts section below.
<b>Religion or belief</b>	44.9% of Stevenage residents identify with no specified religion, which is significantly higher than	No differential impacts directly related to people having this characteristic have been identified as a result of these proposals.	

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)
	Hertfordshire and England levels (36.6% and 33.7%).		
<b>Sex</b>	<p>50.6% of Stevenage residents were female and 49.4% were male in mid-2023 ONS estimates.</p> <p>In April 2025, the UK's gender pay gap stood at 6.9%, down from 7.1% in April 2024.</p> <p>In 2021, the UK's gender pay gap rose from 14.9% to 15.4% (Office for National Statistics, ONS, 2021). This means that, on average, women earn just over 15% less than men per hour.</p>	<p>1., 2., 4., &amp; 6. Due to the prevalence of a national gender pay gap, any increase in fees and charges may have a negative impact on those who are female and earn less as a result. However, the increase in the offer available through support schemes such as the Council Tax Hardship Fund and Discretionary Housing Payments will positively impact those who qualify and help enable residents to afford the proposed changes.</p> <p>Further detail on the above is provided in the Socio-Economic Status section.</p>	1., 2., 4., & 6. See socio-economic impacts section below.
<b>Sexual Orientation</b>	2.7% of residents identify with LGBTQ+ sexual orientations, which is higher than Hertfordshire's average of 2.3% but lower than the national average of 3.17% in England.	No differential impacts directly related to people having this characteristic have been identified as a result of these proposals.	
<b>Socio-economic</b>	According to the 2025 English Index of Multiple Deprivation, Stevenage continues to be the	1. The Council uses Discretionary Housing Payments (DHP) to support residents short term to stay in their homes, with awards in 2024/25 reflecting pressure on	Fee increases and charges are reviewed annually by the Council to

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)
	<p>most deprived authority in Hertfordshire. Of this, Bedwell is the most deprived ward in Town.</p> <p>In May 2025, 8,982 households were in receipt of Universal Credit in Stevenage, a 17.18% increase from 7,665 households in May 2024.</p> <p>This significant increase is a result of the migration from benefits such as Employment and Support Allowance (ESA) and Housing Benefit.</p> <p>In April 2025, there were 5,385 Personal Independent Payment (PIP) claimants in Stevenage, which is a 13.58% increase from 4,741 in April 2024.</p> <p>In July 2025, the number of Council Tax Support recipients of working age (non-pensioners) was 3,284, which is a 1.92% increase from 3,222 in July</p>	<p>households affected by the spare room subsidy restriction, and those in receipt of universal credit. There are always more requests than funding and an additional £99K is recommended for 2026/27 to help support this demand.</p> <p>2. The Exceptional Hardship Relief scheme offered by the Council has seen an uptake since the pandemic and during the ongoing difficult economic climate. There is an application process requiring financial information and supporting evidence and each case is reviewed independently and against the Exceptional Hardship Relief policy. Any award will be used to reduce council tax liabilities for those found to be in exceptional hardship and to help them improve their financial situation. SBC has a residual amount of circa £170K remaining and it is recommended that this is increased by £90K to provide greater levels of support for those with lower socio-economic status.</p> <p>This has also been considered in light of the previously announced uplift in council tax for 2026/27, further information mitigating the impact of the proposed increases can be seen in the dedicated EqIA for Council Tax Increase.</p> <p>4. The increase in Local Community Budget (LCB) also enables the financial support Councillors can give to increase and therefore support residents even more in the next financial year.</p>	<p>ensure that the cost of providing the service is met.</p> <p>To help mitigate the increase in Planning Fees, the Council does offer a free enquiry service to ensure a person is provided the advice they need prior to making an application.</p> <p>To help mitigate any negative impacts on residents the Council is able to offer concessions to those who are eligible. Eligibility is dependent on the service but typically will include residents in receipt of a means tested benefit. Please see the Council's Concessionary Policy for further information on the Council's approach to setting concessions.</p> <p>To help mitigate any negative impacts on residents the Council will continue to offer financial assistance through multiple support schemes and activities, including</p>

Protected characteristic	Local/National Information	Summary potential impact(s)	Mitigating action(s)
	2024.	6. The budget proposed uplifting pre-application fees across a range of application types. Customers who use the pre-application service will be affected by fee increases, especially those who have a lower socio-economic status. More information can be found in the 2026/27 Fees and Charges report to the October Cabinet Appendix A concerning the fees and charges.	both DHP and the Council tax hardship fund.

## **Additional EqlAs**

A series of additional, more specific EqlAs have been referenced throughout this overarching Budget EqlA, these are available upon request.

1. Council Tax Increase EqlA
2. Fees & Charges (General Fund) EqlA
3. Fees & Charges (HRA) EqlA

## APPENDIX F EPR PROPOSED SPEND

		<b>Cost</b>
<b>Title</b>	<b>Initiative Detail</b>	<b>2026/27</b>
Flat Block Improvements	Continuation of the work completed through the two flat block trials, plus the extended efforts to introduce recycling facilities in blocks that currently lack them. This will include ensuring all bin stores are fit for purpose, with the correct type, number, and size of bins, appropriate capacity, and clear, consistent signage. The programme will be delivered as a phased, rolling initiative over several years.	£460,000
180lt Bin Replacement	The Household Waste Policy was updated in 2019, introducing a standard 180-litre bin for general household waste. A replacement programme was established to provide new bins upon resident request. Evidence shows that reducing general waste capacity increases recycling participation. Therefore, the proposal is to replace all existing 240-litre bins with 180-litre bins within a 3 year programme.	£175,000
Public Recycling Bins	Capital funding has already been requested to upgrade general waste bins within the town centre. With additional EPR funding, it is recommended to install public recycling bins that align with kerbside collection system, providing improved recycling options for public use	£50,000
Establishment Resource	Use EPR money to support waste projects. The roles of Project Manager - Waste and Environmental Policy, Strategy and Projects Officer to be funded.	£66,160
	<b>Total recommended</b>	<b>£751,160</b>
New Freighters	see paragraph 4.1.14	<b>£500,000</b>
	Total	<b>£1,251,160</b>
	<b>Funding</b>	<b>£</b>
	2026/27 EPR Funding	<b>£1,226,580</b>

	Use of EPR reserve	<b>£24,580</b>
	Total Funding	<b>£1,251,160</b>

£726,580

APPENDIX G ADDITIONAL GROWTH PROPOSALS

Pressures	2026/27	Comments
<b>Theme : supporting our residents:</b>		
Increasing Discretionary housing payments (DHP) (see also para 4.1.12)	£99,000	The Council uses DHP to support residents short term to stay in their homes, with awards in 2024/25 reflecting pressure on households affected by the spare room subsidy restriction, and those in receipt of universal credit. There are always more requests than funding and an additional £100K is recommended for 2026/27. The funding for 2025/26 has already been exhausted and the service is experiencing increasing levels requests for support.
Increasing the Council tax hardship fund	£90,000	An Exceptional Hardship Relief scheme is offered by SBC (Section 13(A) 1 discretionary relief for council tax). There has been an uptake in this since the pandemic and during the ongoing difficult economic climate. There is an application process requiring financial information and supporting evidence and each case is reviewed independently and against the Exceptional Hardship Relief policy. Any award will be used to reduce council tax liabilities for those found to be in exceptional hardship and to help them improve their financial situation. SBC has a residual amount of circa £170K remaining and it is recommended that this is increased by £100K
<b>Theme : supporting residents into work:</b>		
The Enterprise and Skills allocation will augment the existing activity in Stevenage, which has largely focused on supporting young people into opportunity, particularly through our work on STEM pathways and construction-related progression. The 2026/27 allocation sustains core delivery capacity and commissions targeted interventions that both deepen that youth-focused offer, through an extension of the partnership with Mission 44, and broaden it by expanding support for adults who are out of work or looking to change careers. Alongside this, it strengthens the Stevenage Works approach by funding additional targeted support for 16 to 18 year olds who are not in education, employment or training.	£210,000	<b>Enterprise and Skills Partnership Officer</b> (12-month extension) to coordinate delivery, partnerships, bid development and impact reporting.
		<b>Pioneering Young STEM Futures delivery package</b> to extend our partnership with <b>Mission 44</b> , supporting youth voice and progression activity (including the Youth Advisory Board and progression pilots).
		<b>Adult learning and career change pilot</b> to expand support for adults who are out of work or looking to change career, focused on employability and progression into training and work.
		<b>Stevenage Works: training for 16 to 18 NEETs</b> providing targeted support for young people not in education, employment or training, aligned to the wider Stevenage Works “front door” approach to skills and employment support.
<b>Theme : Improving the Town for residents:</b>		
Increasing the budget to allow for increased hedge trimming throughout the Town	£100,000	The current level of resources do not allow for a full summer prune of hedgerows. This growth bid will check vigorous growth and prevent stems becoming woody and too thick for hedge cutters.
Electric Addex bin vehicle	£70,000	The Council currently has one electric bin collection vehicle in the town centre, purchasing a further vehicle will provide service resilience and allow for wider use across the town and improve productivity.
<b>Theme : Increasing the financial support Councillors can give through increasing the Local Community Budget</b>		
LCB's increase per Member	£20,000	This proposal is to increase the LCB allowance by £500 per Member and Youth Mayor in the 80th Anniversary year of the Town
<b>Total</b>	<b>£589,000</b>	

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**STEVENAGE BOROUGH COUNCIL**

**Wednesday 25 February 2026**

**COUNCIL TAX RESOLUTION**

**SETTING THE AMOUNT OF COUNCIL TAX FOR THE COUNCIL'S AREA**

1. That the following be approved:
  - a. the revised working revenue estimates for the year 2025/26 amounting to £10,585,480 and the revenue estimates for 2026/27 amounting to £13,587,330;
  - b. the contribution to balances totalling £6,053 in 2025/26;
  - c. the contribution to balances totalling £241 in 2026/27.
2. That it be noted that at its meeting on 10 December 2025 the Cabinet calculated the amount of 28,884.5 Band D equivalent properties as its council tax base for the year 2026/27 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 31B of the Local Government Finance Act 1992 as amended by Section 74 of the Localism Act 2011.
3. That the following amounts be calculated by the Council for the year 2026/27 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by Section 74 of the Localism Act 2011:
  - a. £91,216,105 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2)(a) to (f) of the Act, less the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d)
  - b. £83,885,797 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act.
  - c. £7,330,308 Being the amount by which the aggregate at 3a above exceeds the aggregate at 3b above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year.
  - d. £253.78 Being the amount at 3c divided by the amount at 2 above, calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its council tax for the year
  - e. Valuation Bands

A	£169.18
B	£197.38

C	£225.58
D	£253.78
E	£310.18
F	£366.57
G	£422.97
H	£507.56

Being the amounts given by multiplying the amount at 3d. above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. a. That it be noted that for the year 2026/27 Hertfordshire County Council have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands

	Basic Amount of Council Tax	Adult Social Care Charge	2026/27 Council Tax
A	£1,030.46	£208.33	£1,238.79
B	£1,202.20	£243.06	£1,445.26
C	£1,373.95	£277.78	£1,651.73
D	£1,545.69	£312.50	£1,858.19
E	£1,889.18	£381.94	£2,271.12
F	£2,232.66	£451.39	£2,684.05
G	£2,576.15	£520.83	£3,096.98
H	£3,091.38	£625.00	£3,716.38

- b. That it be noted that for the year 2026/27 Hertfordshire Police Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 and amended by Section 27 of the Police and Magistrates' Court Act 1994, for each of the categories of the dwellings shown below:

Valuation Bands

A	£186.67
B	£217.78
C	£248.89
D	£280.00
E	£342.22
F	£404.44
G	£466.67
H	£560.00

5. That, having calculated the aggregate in each case of the amounts at 3e. and 4a. and b. above, the Council in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts for council tax for the year 2026/27 for each of the categories of dwellings shown below:

Valuation Bands

A	£1,594.64
B	£1,860.42
C	£2,126.20
D	£2,391.97
E	£2,923.52
F	£3,455.06
G	£3,986.62
H	£4,783.94

6. To determine in accordance with Section 52ZB Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2026/27 is not excessive in accordance with principles approved by the Secretary of State under Section 52ZC having calculated the aggregate in each case of the amounts at 3e.

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	Actual 2024/25	Original Budget 2025/26	Working Budget 2025/26	Gross Expenditure* 2026/27	Gross Income * 2026/27	Original Budget 2026/27
	£	£	£	£	£	£
<i>Notes: *Gross expenditure includes internal recharges/gross income includes recharge income</i>						
<b>Summary of Expenditure</b>						
<b>Portfolio:</b>						
Community Services	2,720,584	3,496,950	3,535,190	4,998,890	(1,302,580)	3,696,300
Housing Services	1,869,041	2,844,570	2,857,800	21,031,750	(17,060,390)	3,971,370
Environmental Services	12,800,058	8,881,990	8,708,440	25,260,850	(16,863,440)	8,397,410
Local Community Budgets	60,170	60,500	60,500	80,500	0	80,500
Resources	(5,964,272)	(4,915,590)	(5,107,900)	16,479,880	(19,542,170)	(3,062,290)
Resources - Support	306,360	389,920	541,460	24,591,200	(24,147,880)	443,320
Trading Accounts - Direct Services *	0	(4,800)	(10,000)	4,153,340	(4,092,620)	60,720
<b>Net General Fund Expenditure</b>	<b>11,791,941</b>	<b>10,753,540</b>	<b>10,585,490</b>	<b>96,596,410</b>	<b>(83,009,080)</b>	<b>13,587,330</b>
<b>Government Baseline Funding</b>						
Government Support - Retained Business Rates (NDR)	(2,014,081)	(2,408,413)	(2,684,669)		(3,609,322)	(3,609,322)
S31 Grants	(2,548,754)	(2,210,192)	(2,185,159)	0	0	0
Levy Surplus	(21,574)	0	0	0	0	0
Compensation grant for business rates exemption for green plant and machinery	(26,105)	0	0	0	0	0
Transfer to/from Collection Fund reserve (NDR previous years)	(838,057)	1,232,757	1,232,757	720,354	0	720,354
Transfer to/(from) Collection Fund (Council Tax previous years)	(162,403)	196,632	196,632	0	(234,991)	(234,991)
Backstop Grant			(60,044)	0	0	0
Redmond Review	(27,906)	0	0	0	0	0
Revenue Support Grant	(108,811)	(149,048)	(149,048)	0	(2,849,486)	(2,849,486)
Recovery Grant		(283,819)	(283,819)	(283,819)	0	(283,819)
Service Grant	(17,960)	0	0	0	0	0
3%/4% guarantee increase in core spending	(390,740)	0	0	0	0	0
New Homes Bonus	0	(97,000)	(97,000)	0	0	0
District Precept	(6,837,929)	(7,040,510)	(7,040,510)	0	(7,330,308)	(7,330,308)
<b>Use of (Contributions to) General Fund Balances</b>	<b>(1,202,380)</b>	<b>(6,053)</b>	<b>(485,370)</b>	<b>97,032,945</b>	<b>(97,033,186)</b>	<b>(241)</b>
<b>General Fund Balance:</b>						
Balance 1 April	(5,303,224)	(5,900,168)	(6,505,604)			(6,990,974)
Use of Balances in Year	(1,202,380)	(6,053)	(485,370)			(241)
<b>General Fund Balance 31 March</b>	<b>(6,505,604)</b>	<b>(5,906,221)</b>	<b>(6,990,974)</b>	<b>0</b>	<b>0</b>	<b>(6,991,215)</b>
<b>Allocated Revenue Reserves:</b>						
Balance 1 April	(8,758,063)	(8,206,682)	(10,954,759)			(10,012,482)
Use of Balances in Year	(2,196,697)	(100,000)	942,277			857,799
<b>Allocated Revenue Reserves Balance 31 March</b>	<b>(10,954,759)</b>	<b>(8,306,682)</b>	<b>(10,012,482)</b>	<b>0</b>	<b>0</b>	<b>(9,154,683)</b>
<b>Total Revenue Reserves</b>	<b>(17,460,363)</b>	<b>(14,212,903)</b>	<b>(17,003,456)</b>	<b>0</b>	<b>0</b>	<b>(16,145,897)</b>
<b>Council Tax Bands for 2026/27</b>		<b>2025/26</b>				<b>2026/27</b>
<b>2.99% Increase on Band D Property:</b>						
BAND A		164.27				169.18
BAND B		191.65				197.38
BAND C		219.03				225.58
BAND D		246.41				253.78
BAND E		301.17				310.18
BAND F		355.93				366.57
BAND G		410.68				422.97
BAND H		492.82				507.56

## Community Services

	Actual 2024/25 £	Original Budaet 2025/26 £	Working Budaet 2025/26 £	Gross Expenditure 2026/27 £	Gross Income 2026/27 £	Original Budaet 2026/27 £
<b>Summary of Expenditure</b>						
7 Safeguarding Services	330	530	(6,590)	90,450	(87,650)	2,800
10 Sports & Recreational Facilities	294,664	911,650	889,690	872,770	(20,000)	852,770
11 Sports Development	135,780	124,180	136,370	153,390	(11,540)	141,850
12 Leisure Management and Leisure Promotions	336,272	247,750	392,030	1,242,300	(831,800)	410,500
14 Community Services General	575,727	640,970	571,640	730,960	(124,390)	606,570
<b>14a Neighbourhood Wardens</b>	188,357	203,400	172,050	220,780	(66,210)	154,570
15 Community Associations	147,633	308,420	308,420	430,080	0	430,080
16 Community Safety	202,895	250,000	250,000	257,790	0	257,790
16a Domestic Abuse Service	17,607	20,790	20,790	152,780	(130,430)	22,350
16b No More Service	74,556	74,140	74,140	94,680	(23,880)	70,800
17 Museums	372,339	349,530	361,040	364,030	(6,680)	357,350
18 Grants to Voluntary Bodies	374,424	365,590	365,590	388,870	0	388,870
<b>Total Cost of Portfolio</b>	<b>2,720,584</b>	<b>3,496,950</b>	<b>3,535,170</b>	<b>4,998,880</b>	<b>(1,302,580)</b>	<b>3,696,300</b>

## Housing Services

	Actual 2024/25 £	Original Budaet 2025/26 £	Working Budaet 2025/26 £	Gross Expenditure 2026/27 £	Gross Income 2026/27 £	Original Budaet 2026/27 £
<b>Summary of Expenditure</b>						
20 Homelessness	722,760	1,138,240	1,027,397	3,221,330	(1,302,370)	1,918,960
20a Ex-Offenders & Refugees	(219,136)	0	225,257	190,970	(46,000)	144,970
21 Housing Advice	251,789	284,700	241,576	392,290	(75,220)	317,070
23 Wholly Owned Company	6,870	(52,400)	(38,290)	49,320	(55,550)	(6,230)
24 Private Houses Rent Allowance	376,931	683,320	504,000	7,534,130	(6,902,750)	631,380
25 Rent Rebates Administration	94,759	203,750	299,430	9,097,050	(8,638,300)	458,750
26 Health & Safety and Food Safety	635,067	586,960	598,430	546,660	(40,200)	506,460
<b>Total Cost of Portfolio</b>	<b>1,869,041</b>	<b>2,844,570</b>	<b>2,857,800</b>	<b>21,031,750</b>	<b>(17,060,390)</b>	<b>3,971,360</b>

## Environmental Services

	Actual 2024/25 £	Original Budaet 2025/26 £	Working Budaet 2025/26 £	Gross Expenditure 2026/27 £	Gross Income 2026/27 £	Original Budaet 2026/27 £
<b>Summary of Expenditure</b>						
28 Abandoned Vehicles	1,129	3,180	3,180	2,000	(1,000)	1,000
29 Allotments	(244,089)	2,120	14,760	93,940	(88,490)	5,450
30 Cemeteries	257,715	268,450	296,720	619,400	(291,120)	328,280
31 Pavilions	376,181	283,130	284,750	306,110	(3,500)	302,610
31a Parks Playing Fields & Open Spaces	359,087	388,860	400,340	661,450	(214,440)	447,010
31b Verge Maint	609,536	665,920	613,930	1,445,410	(722,710)	722,700
31c Landscape Maint	540,677	742,120	849,470	1,261,530	(508,700)	752,830
31d Fairlands Park	128,545	222,210	222,210	201,790	(11,730)	190,060
31e Play spaces	281,800	299,920	315,820	289,640	0	289,640
31f Amenity Woodland	435,750	526,920	546,310	675,300	(143,920)	531,380
32 Drainage	7,198	11,520	11,710	10,470	0	10,470
33 Town Centre	642,109	757,550	761,540	821,410	(21,880)	799,530
33a Town Centre Conveniences	33,881	52,110	55,540	52,850	0	52,850
33b Street Cleansing/Graffiti	474,234	370,920	544,220	1,509,660	(1,262,840)	246,820
33c Environmental Development	78,276	164,480	90,510	98,210	(19,810)	78,400
33d Neighbourhood Centres	311,426	328,600	328,600	349,050	0	349,050
35 Local Highway Services	485,248	545,280	523,520	580,200	(14,770)	565,430
36 Christmas Illuminations	30,894	25,490	25,560	28,940	0	28,940
37 Recycled Waste	992,645	(131,980)	85,030	2,206,930	(1,976,540)	230,390
38 Refuse Services	1,826,053	1,993,060	2,117,030	1,958,360	(48,750)	1,909,610
39 Animal Control & Environmental Health Management	190,750	195,670	200,590	244,000	(67,740)	176,260
40 E-car Club and Travel Plan	11,996	15,010	15,190	16,720	0	16,720
41 Parking Facilities - Off Street	1,556,820	(2,299,170)	(2,978,630)	2,170,000	(4,967,970)	(2,797,970)
42 Parking Facilities (On Street)	(326,371)	(280,940)	(256,260)	963,930	(1,201,390)	(237,460)
43 CCTV	345,788	367,760	374,130	400,210	0	400,210
44 Planning Policy	1,478,388	1,382,360	1,425,700	1,256,990	0	1,256,990
44a Climate Change	162,933	104,030	209,020	222,300	(111,150)	111,150
44b CIL	(15,162)	(3,080)	(2,130)	24,580	(28,930)	(4,350)
44c Town Centre Management	726,106	431,280	426,290	617,990	(316,300)	301,690
46 Regeneration	912,833	1,393,170	1,338,310	1,497,590	(240,000)	1,257,590
47 Development Control	82,478	(11,750)	(5,000)	597,330	(572,130)	25,200
48 Building Control	44,070	53,520	42,520	63,780	(15,280)	48,500
49 Engineers and on-street parking	0	(1,040)	910	585,940	(585,940)	0
50 Property & Design	941	(1,230)	(52,450)	749,890	(749,460)	430
51 Environmental Health	195	(1,750)	(23,350)	1,006,730	(1,006,730)	0
52 DSO Admin & Management	0	18,290	(97,150)	1,670,220	(1,670,220)	0
<b>Total Cost of Portfolio</b>	<b>12,800,058</b>	<b>8,881,990</b>	<b>8,708,440</b>	<b>25,260,850</b>	<b>(16,863,440)</b>	<b>8,397,410</b>

## Local Community Budgets

	Actual 2024/25 £	Original Budaet 2025/26 £	Working Budaet 2025/26 £	Gross Expenditure 2026/27 £	Gross Income 2026/27 £	Original Budaet 2026/27 £
<b>Summary of Expenditure</b>						
54 Local Community Budgets	60,170	60,500	60,500	80,500	0	80,500
<b>Total Cost of Portfolio</b>	<b>60,170</b>	<b>60,500</b>	<b>60,500</b>	<b>80,500</b>	<b>0</b>	<b>80,500</b>

## Resources

	Actual 2024/25 £	Original Budaet 2025/26 £	Working Budaet 2025/26 £	Gross Expenditure 2026/27 £	Gross Income 2026/27 £	Original Budaet 2026/27 £
<b>Summary of Expenditure</b>						
56 Commercial Properties	(9,153,416)	(2,001,820)	(1,805,200)	3,608,400	(5,468,170)	(1,859,770)
56a Bus Interchange	181,063	86,600	24,020	252,980	(205,940)	47,040
57 Garages	(1,576,536)	(2,791,180)	(2,660,580)	1,498,000	(4,510,630)	(3,012,630)
58 Council Tax	703,575	785,600	775,600	1,128,010	(268,750)	859,260
59 Non Domestic Rate (NDR)	139,759	135,360	141,890	277,270	(116,230)	161,040
60 Elections	215,593	227,930	191,530	452,320	(220,840)	231,480
61 Electoral Registration	171,077	137,950	137,950	336,890	(198,590)	138,300
62 Indoor Market	200,902	88,170	91,510	342,540	(287,870)	54,670
63 NHC St George	0	(44,110)	74,000	114,100	(88,580)	25,520
64 Hackney Carriages	15,516	0	(5,440)	97,600	(158,240)	(60,640)
65 Local Licensing	37,424	56,830	60,290	93,370	(94,010)	(640)
66 Local Land Charges	12,114	(4,140)	(4,140)	79,870	(88,390)	(8,520)
67 Miscellaneous Services	(31,324)	130,000	130,000	130,000	0	130,000
68 Corporate Projects	73,614	41,250	84,560	545,920	(49,500)	496,420
68a Transformation	354,343	230,890	250,010	557,300	(501,510)	55,790
69 Investment Income and Expenditure	(2,352,727)	(1,380,480)	(2,361,350)	1,316,090	(2,397,170)	(1,081,080)
70 Movement on General Fund Balance	3,324,059	(3,238,490)	(2,846,590)	1,869,740	(3,635,700)	(1,765,960)
71 Corporate & Democratic Core	1,577,977	2,471,580	2,461,570	3,613,670	(1,252,050)	2,361,620
71a Emergency Planning	61,659	88,810	88,810	87,820	0	87,820
71b Civic Links	81,056	63,660	63,660	77,990	0	77,990
<b>Total Cost of Portfolio</b>	<b>(5,964,272)</b>	<b>(4,915,590)</b>	<b>(5,107,900)</b>	<b>16,479,880</b>	<b>(19,542,170)</b>	<b>(3,062,290)</b>

## Resources - Support Services

	Actual 2024/25 £	Original Budaet 2025/26 £	Working Budaet 2025/26 £	Gross Expenditure 2026/27 £	Gross Income 2026/27 £	Original Budaet 2026/27 £
<b>Summary of Expenditure</b>						
72 Daneshill House	51,250	42,240	53,400	1,603,740	(1,589,890)	13,850
74 Facilities Management	4,918	31,070	141,830	1,253,700	(1,191,100)	62,600
75 Corporate Management	0	40,240	50,090	892,300	(881,850)	10,450
76 Democratic Services	0	20	20	580,210	(579,880)	330
76a Members Expenses	0	15,240	35,240	694,060	(686,770)	7,290
77 Legal Services	(9,537)	0	0	546,910	(546,910)	0
78 Policy	0	44,770	44,170	597,530	(597,230)	300
78a Communications	0	(9,600)	6,100	442,790	(443,800)	(1,010)
79 ICT	184,301	(17,530)	(17,530)	6,740,160	(6,718,550)	21,610
79a GDPR	0	(310)	(310)	155,770	(155,670)	100
79c Digital	239	(146,110)	(163,370)	835,360	(829,550)	5,810
80 Human Resources & Organisational Development	79,034	278,760	278,760	330,530	0	330,530
80a Corp Health&Safety	(4)	(270)	(270)	188,700	(188,810)	(110)
80b Human Resources and Training	(1,098)	440	(160)	1,154,160	(1,139,990)	14,170
81 Creditors	0	(900)	(1,050)	421,990	(421,040)	950
81a Payroll	0	(9,370)	(9,370)	58,870	(59,460)	(590)
82 Financial Services	(4,493)	10,580	18,760	2,251,240	(2,257,670)	(6,430)
82a Financial Services - Procurement	0	(1,500)	(1,500)	265,660	(265,930)	(270)
82b Financial Services - Paralegal	0	(4,350)	(4,850)	105,950	(105,240)	710
82c Insurance, Audit, Anti Fraud & Corp Banking Charges	1,751	1,210	10,650	412,190	(413,870)	(1,680)
82d Estates	0	94,110	93,500	913,640	(845,400)	68,240
82e Financial Services - Commercial	0	(270)	(4,870)	286,630	(283,830)	2,800
83 Revenues, Benefits & Local Taxation	0	25,000	8,370	2,301,700	(2,386,160)	(84,460)
84 Customer Services	0	(3,550)	3,850	1,557,410	(1,559,280)	(1,870)
<b>Total Cost of Portfolio</b>	<b>306,360</b>	<b>389,920</b>	<b>541,460</b>	<b>24,591,200</b>	<b>(24,147,880)</b>	<b>443,320</b>

**Stevenage Direct Services (SDS)**
**Street Scene (Graffiti); Refuse (Trade Waste; Skips; Junks); Vehicle Repairs; CCTV Partnership**

TJ\*\*\*, TV110, DA\*\*\*, DC\*\*\*, DE\*\*\*, DS\*\*\*

01	Actual	Original	Working	Gross	Gross Income	Original
	2024/25	Budget	Budget	Expenditure	2026/27	Budget
	£	£	£	£	£	£
<b>Expenditure</b>						
<b>Employee Costs:</b>						
Direct Employee Expenses	846,046	933,050	923,740	906,820	0	906,820
Indirect Employee Expenses	12,011	8,500	8,500	6,790	0	6,790
<b>Premises Related:</b>						
Repairs & Maintenance Of Buildings	115,062	86,060	106,020	93,140	0	93,140
Grounds Maintenance	98,791	63,110	63,110	63,110	0	63,110
Energy Costs	88,904	100,520	100,240	121,910	0	121,910
Rents, Rates & Water Services	222,443	226,910	226,910	235,480	0	235,480
Fixtures & Fittings	3,642	3,410	2,910	3,410	0	3,410
Cleaning & Domestic Supplies	1,057	1,010	550	1,010	0	1,010
Apportionment Of Operational Buildings	159,016	155,570	157,850	164,520	0	164,520
Premises Insurance	5,150	5,640	5,640	5,630	0	5,630
<b>Transport Related:</b>						
Fleet Vehicle Recharges	190,423	237,300	232,840	93,090	0	93,090
Hire Of Vehicles	0	0	0	0	0	0
Travelling Expenses	3,111	1,840	1,840	1,900	0	1,900
<b>Supplies &amp; Services:</b>						
Equipment, Tools & Materials	881,863	458,700	403,400	488,160	0	488,160
Catering	2,342	1,800	1,800	1,800	0	1,800
Clothing, Uniforms & Laundry	4,702	2,770	2,770	2,770	0	2,770
Printing, Stationery & General	1,148	1,300	1,300	1,300	0	1,300
Communications & Computing	43,444	34,220	55,220	54,100	0	54,100
Grants & Subscriptions	11,811	6,430	7,760	6,430	0	6,430
Miscellaneous Expenses	8,223	11,680	14,110	12,280	0	12,280
<b>Third Party Payments:</b>						
Bank Charges	35	0	0	0	0	0
Contract Services	102,791	74,030	61,400	71,770	0	71,770
Private Contractors	470,368	465,600	479,350	489,990	0	489,990
Consultancy & Agency Fees	433,952	384,900	498,900	448,010	0	448,010
<b>Recharges:</b>						
Support Services	393,327	438,440	438,440	397,460	0	397,460
Contract Services Recharge	365,790	374,810	394,430	389,250	0	389,250
<b>Capital Charges:</b>						
Capital Charges	65,855	65,860	65,860	93,210	0	93,210
<b>Total Expenditure</b>	<b>4,064,749</b>	<b>4,143,460</b>	<b>4,254,890</b>	<b>4,153,340</b>	<b>0</b>	<b>4,153,340</b>
<b>Income:</b>						
Other Contributions & Donations	(340,811)	(338,370)	(330,800)	0	(349,640)	(349,640)
Fees & Charges	(1,167,114)	(1,207,780)	(1,289,340)	0	(1,179,060)	(1,179,060)
Recharge Income	(2,556,825)	(2,602,110)	(2,644,750)	0	(2,563,920)	(2,563,920)
	<b>(4,064,749)</b>	<b>(4,148,260)</b>	<b>(4,264,890)</b>	<b>0</b>	<b>(4,092,620)</b>	<b>(4,092,620)</b>
<b>Net Cost of Service</b>	<b>0</b>	<b>(4,800)</b>	<b>(10,000)</b>	<b>4,153,340</b>	<b>(4,092,620)</b>	<b>60,720</b>

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**Meeting** CABINET/COUNCIL  
**Portfolio Area** Resources and Performance  
**Date** 11 February 2026 / 25 February 2026



## FINAL GENERAL FUND CAPITAL STRATEGY 2025/26-2029/30

### KEY DECISION

**Authors** Rhona Bellis  
**Contributors** Senior Leadership Team  
**Lead Officers** Atif Iqbal  
**Contact Officer** Clare Fletcher

### 1. PURPOSE

- 1.1 To approve revisions to the 2025/26 Capital Programme and Strategy and approve the 2026/27 Capital Programme.
- 1.2. To provide Members with an update on the Council's Five-Year Capital Strategy and the resources available to fund the Capital Strategy.
- 1.3. To provide Members with an update on the Council's investment strategy as required by the updated prudential code.
- 1.4. To set out the Council's approach to funding its key priorities.
- 1.5. To update Members on the work of the Council's Financial Security Group (CFSG) in reviewing all General Fund capital bids prior to inclusion in the final 2026/27 Capital Strategy and comments from the Overview and Scrutiny Committee.

### 2. RECOMMENDATIONS

That the following proposals be recommended to Council on 25 February 2025:

- 2.1. Final General Fund growth bids identified for inclusion in the Capital Strategy (section 4.2, and Appendix A to the report) be approved totalling £7.9Million for 2026/27-2028/29.

- 2.2. Final General Fund Capital Budget for 2025/26 to 2029/30 of £118Million, as set out in Appendix B to the report be approved.
- 2.3. Forecast of and approach to resourcing the General Fund capital programme as outlined in the report (Paragraph 4.4) be approved.
- 2.4. The revenue contribution to capital, 2026/27 to 2028/29 as set out in table 4, paragraph 4.3.4 be approved of £4.6Million to fund the capital programme.
- 2.5. That the proposed use of Community Infrastructure Levy (CIL), and Biodiversity Net Gain (BNG) contributions of £225k as set out in section 4.6 be approved.
- 2.6. The approved revenue surplus in any year of up to £500K that can be allocated to the capital reserve to support capital expenditure be noted.
- 2.7. That the comments from Council Financial Security Group and Overview and Scrutiny as set out in section 4.11 are noted.
- 2.8. To note the legal implications of Section 24 of the Local Government and Public Involvement in Health Act 2007 in relation to financial decisions (capital) made by a council that is due to be abolished or reorganised in section 5.2.

### **3. BACKGROUND**

#### **3.1. Introduction**

- 3.1.1. This report is an update on the Council's Draft Capital Strategy 2025/26-2029/30 presented to the January 2026 Cabinet meeting. Changes since that meeting can be found in section 4.2.8.
- 3.1.2. The purpose of the Capital Strategy is to outline how the Council determines its priorities for capital investment and how much it can afford to borrow as well as setting out any associated risks. The Council's Financial Security Group (CFSG) and the Senior Leadership Team reviewed the capital bids for 2026/27 onwards contained within the Capital Strategy in November 2025 /January 2026 and the results of that review are included in this report.
- 3.1.3. The framework the government uses to control how much Councils can afford to spend on capital investment is known as the Prudential Framework. The objectives of the Prudential Code, requires local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions are taken in line with long-term objectives and take account of stewardship, value for money, prudence, sustainability, and affordability.
- 3.1.4. The definition of an investment covers all the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios.
- 3.1.5. The Prudential Code requires authorities to look at capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decisions are made with sufficient regard to the long-term financing implications and potential risks to the authority.
- 3.1.6. The Capital Strategy is a key document for the Council and forms part of the authority's integrated revenue, capital, and balance sheet planning. It provides

a high-level overview of how capital expenditure; capital financing and treasury management activity contribute to the provision of services. It also provides an overview of how associated risk is managed and the implications for future financial sustainability. It includes an overview of the governance processes for developing proposals, approval, and monitoring of capital expenditure.

- 3.1.7. The Capital Strategy specifically excludes investments that are entered into under Treasury Management powers; these are covered in the Treasury Management Strategy. The Treasury Management Strategy also includes the policy for borrowing to finance capital expenditure.

### **General Fund Investment Strategy**

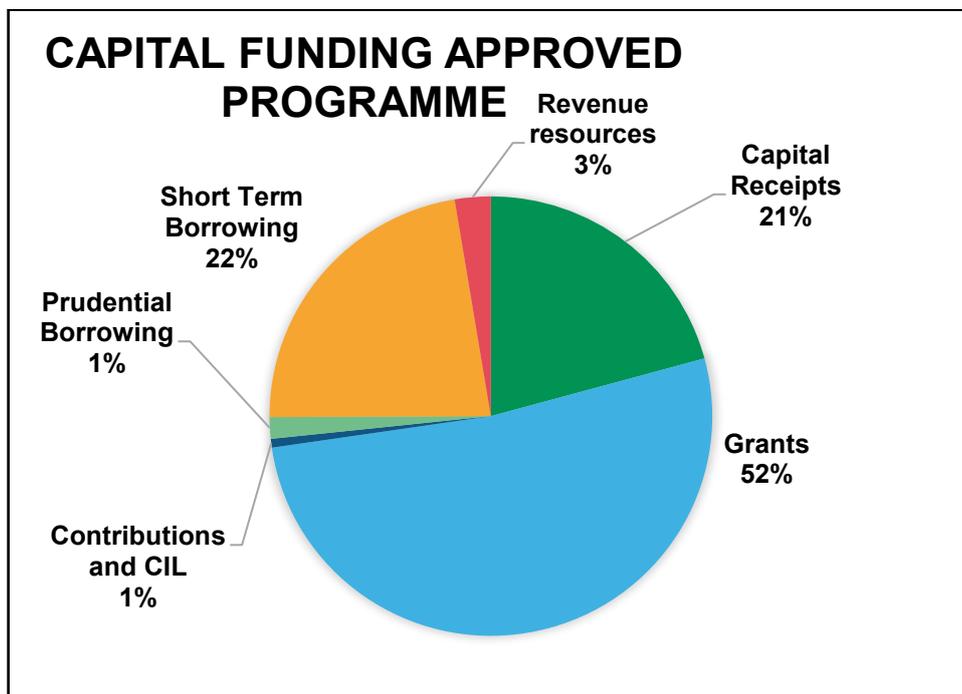
- 3.2.1 For a number of years capital spend has been significantly prioritised due to the limited availability of capital receipts and the Council's ability to afford borrowing costs. Accordingly, the Council has applied a 'fix on fail' approach to assets with no significant asset improvements being funded, with the exception of those supported through external funding or partially through external funding. This approach cannot be sustained in the medium to long term as it will lead to a gradual degradation of the Council's assets with reactive works only being undertaken to keep sites wind and watertight. Sustaining such an approach in the medium term will inevitably lead to close of buildings even before consideration is given to the legal requirements in terms of Energy Performance Certificate (EPC's) and other legal and climate change requirements.
- 3.2.2 To address the issues above, The General Fund Capital Strategy Overview - Priorities versus Funding Requirement 2023/24-2029/30 report to Executive 15 November 2023 set out the Councils key capital regeneration and community asset ambitions and key land and asset disposals, to determine a funding strategy to meet corporate objectives and address the issues outlined above.
- 3.2.3 The following priority schemes / activities required a funding strategy:
- Regeneration SG1- Public Sector Hub, Leisure Centre, and Theatre
  - Climate Change - green fleet, buildings (operational, community and commercial)
  - Towns fund programme where match funding is required
  - Operational need investment in Community Assets
  - Response to Legislative changes e.g. waste and recycling
  - Protection of key income streams to ensure the financial resilience of the General Fund
- 3.2.4 The high-level assessment in the November 2023 report of the potential value of capital receipts that could be realised by SBC is £44Million which is significantly less than the cost of investment needed of £127Million. This means that even if all approved receipts were delivered there will still be a requirement to find alternative funding strategies or third-party funding to meet the gap. The total high level investment requirement and total receipt realisation are currently

excluded from the Capital Strategy but will come forward in future reiterations of the programme as projects and funding are approved.

3.2.5 The current limited funding available compared to the identified current need means (prior to funding recommended in the Final 2026/27 General Fund budget) that in the main priority schemes will need to provide a significant element of self-funding through providing land development opportunities and the bids included for approval are in the main to maintain operational efficiency.

3.2.6 The current years capital programme (approved February 2025 and as subsequently amended through the quarterly monitoring and supplementary reports), is fully funded, and shown in the chart below which reflects the quarter two monitoring report to the November 2025 Cabinet.

- Grants includes £19.2Million Towns Fund Grant from an overall allocation of £37.5Million which is fully allocated to specific regeneration projects. Funding is received in stages as relevant projects proceed.
- Short term borrowing is used to bridge funding gaps and is generally “repaid” from capital receipts in the following years.
- Prudential Borrowing remains an option to fund capital schemes. Due to the on-going net cost to the General Fund, any such proposal requires a business case to be completed to determine affordability and benefit to the Council. This approach may be used to fund income generating schemes which support the Councils Priorities.



**3.3 Budget and Policy Framework**

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

Table 1 Date	Meeting	Report
Jan-26	Cabinet	Draft 2025/26 – 2029/30 Capital Strategy (GF)
	Overview and Scrutiny	Draft 2025/26 – 2029/30 Capital Strategy (GF)
Feb-26	Cabinet	Final 2025/26 – 2029/30 Capital Strategy (GF)
	Overview and Scrutiny	Final 2025/26 – 2029/30 Capital Strategy (GF)
Feb-26	Special Council	Final 2025/26 – 2029/30 Capital Strategy (GF)

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

**4.1 Capital Programme – General Fund**

- 4.1.1. The financial pressures as set out section three of this report resulted in only the most urgent bids or those supporting the delivery of a top priority being included in the list of capital growth for consideration by members.
- 4.1.2. Budgets in the Capital Strategy are reviewed quarterly to ensure that they remain relevant and deliverable. No significant changes to the phasing of the existing Capital Strategy presented to members in the Draft Capital Strategy 2025/26-2029/30 report are expected at the time of drafting this report.

**4.2. Proposed Capital Bids from 2026/27**

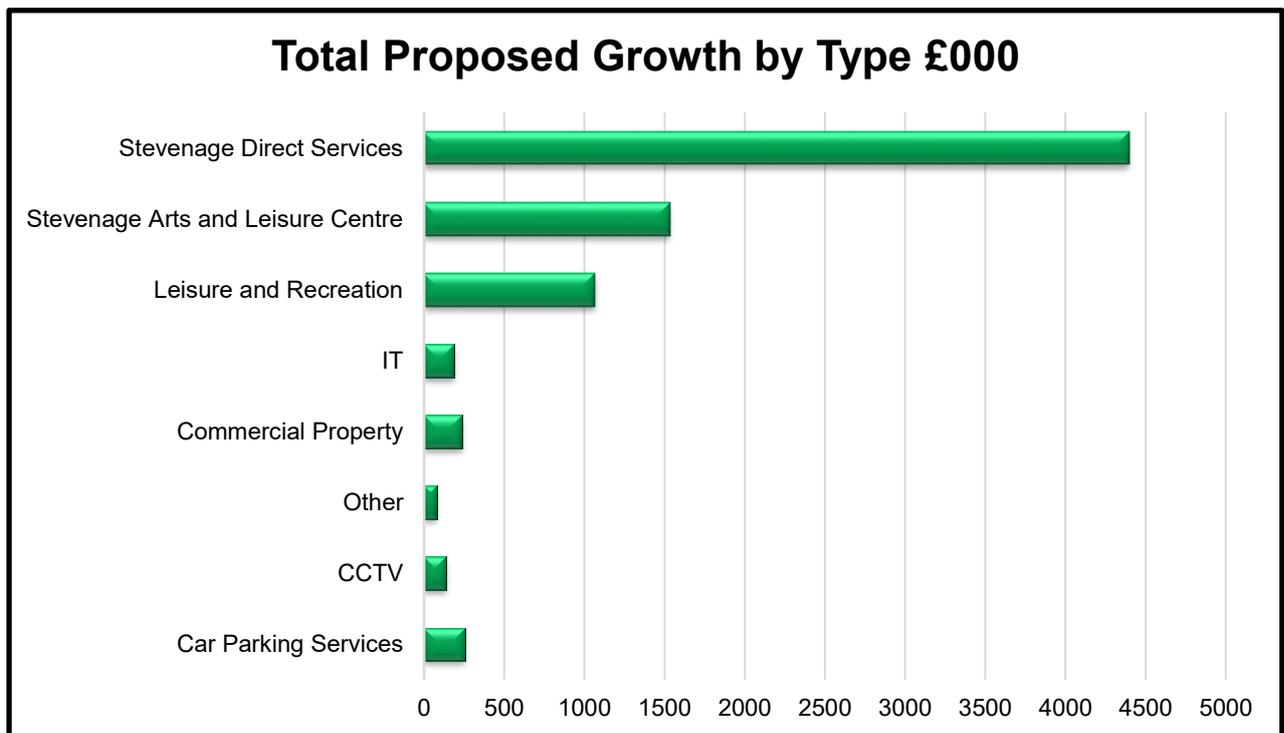
The proposed capital growth bids received and recommended for inclusion in the Capital Strategy (reviewed by Council’s Financial Security Group (CFSG)) and as prioritised by the Council’s Senior Leadership (SLT), are summarised in the table below and are detailed in Appendix A. These bids totalled £7Million for 2026/27, 2027/28 and 2028/29. Late, fully funded bids added after the consultation amounted to £910k (see section 4.2.7). The revised total bid value is £7.9Million.

- 4.2.1. The table below shows the proposed growth by priority and the proposed funding. the detail of the individual bids are summarised in Appendix A.

**Table 2 Proposed General Fund Growth 2026/27 – 2028/29 £000**

		<b>26/27</b>	<b>27/28</b>	<b>28/29</b>	<b>Total</b>
Priority 1	Financial Return	135	1,010	0	1,145
Priority 3	Mandatory requirements (including Health & Safety)	60	525	25	610
Priority 4	Schemes to maintain operational efficiency	3,705	783	1,009	5,497
	Deferred works reserve	400	250	0	650
<b>Total Proposed Capital Growth Bids</b>		<b>4,300</b>	<b>2,568</b>	<b>1,034</b>	<b>7,902</b>
<b>Funding Proposal</b>					
General Capital Receipts		1,615	1,348	14	2,977
Revenue contributions		1,200	1,200	1,200	3,600
EPR Funding		1,185	0	0	1,185
CIL/BNG		260	0	0	260
Match Funding Contributions		40	20	20	80
<b>Total Funding Available</b>		<b>4,300</b>	<b>2,568</b>	<b>1,234</b>	<b>8,102</b>

4.2.2. The proposed growth can be split into eight types as illustrated in the graph below.



- 4.2.3. As a result of the positive impact on the Council of the Fair Funding review (Balancing the Budget - Cabinet November 2025 and the General Fund and Council Tax Setting 2026/27 – on this agenda), the Council has benefited from the revised system of government funding.
- 4.2.4. This has enabled a potential proposed significant increase in investment in the Councils' assets for 2026/27 and future years, which has not been possible for many years and if approved will help ensure the operational viability and future of a number of significant local assets for the town.
- 4.2.5. These investments include:
- £2.5Million for fleet replacements for waste and recycling collection and maintenance of the Council's parks and open spaces.
  - £535k for Stevenage Arts and Leisure Centre (SLAC) to improve customers and performers experience – new carpets, lighting, and sound systems
  - £1Million to re-purpose the sports hall at SALC – creating a new space able to host higher profile events.
  - £500k replacement of the track at Ridlins to ensure it retains county status.
  - £490k investment in new play equipment, shrub bed improvements, and other green space infrastructure
  - £225k for environmental improvements (CIL/BNG)
- 4.2.6. Included in the proposed bids is a £650k increase in the deferred works reserve budget for the period 2026/27 and 2027/28 to fund works arising from asset condition surveys and to add capacity to the capital program in case any deferred bids become urgent.
- 4.2.7. Total funding identified for future years capital growth amounted to £8.1Million. The proposed bids for consideration above amount to £7.9Million. The modest surplus funding identified could be used to fund bids that have not been put forward for approval and remain unfunded – see Appendix C, in addition further bids may also be required in the future arising from stock condition surveys.
- 4.2.8. **Changes since the Draft Capital Strategy Report**
- 4.2.9. Additional s106 contributions received in 2025/26 have now been allocated to the Stevenage Sports & Leisure Club project funding, allowing at this stage the balance of borrowing (£6Million) needed to be reduced by £580k.
- 4.2.10. Proposals for use of the 2026/27 EPR (Extended Producer Responsibility) funding included in the Council tax and General Fund report (elsewhere in this agenda), include the £500k funding for freighters, replacement bins and waste related infrastructure improvements amounting to an additional £685k. These have been added to the growth bids in Appendix A as fully funded (EPR) growth bids for 2026/27.
- 4.2.11. Proposed use of Community Infrastructure Levy (CIL), and Biodiversity Net Gain (BNG) contributions of £255k (see section 4.6.2) have been added to the growth bids to enable deliver of projects aligned with the Council's Climate

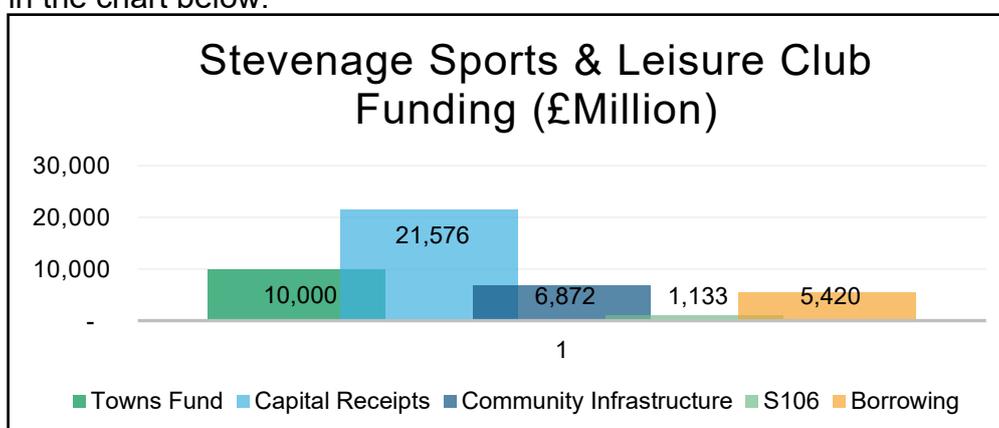
Action Plan, Green Space Strategy, Woodlands Strategy and Biodiversity Action Plan.

### 4.3. Revised Summary Capital Programme 2025/26 – 2028/29 including Proposed Growth

4.3.1. The revised Capital Strategy for 2025/26 – 2029/30 totals £118Million which includes the proposed growth bids of £7.9Million. This is summarised by service in the table below, and in detail in Appendix B.

Table 3: Final Capital Programme including proposed growth by Service £000						
	25/26	26/27	27/28	28/29	29/30	Total
Environment & Leisure	4,538	5,925	3,070	1,823	2,317	17,673
Land, Development & Neighbourhood Regeneration	2,900	17,179	2,750	2,750	0	25,579
Estates	1,132	2,046	0	0	0	3,178
Technology	205	138	79	79	0	501
Regeneration	20,097	21,215	24,714	2,434	0	68,460
Planning & Regulation	809	558	55	45	0	1,467
Deferred Works Reserve	149	400	250	0	0	799
<b>Total GF Schemes<sup>1</sup></b>	<b>29,830</b>	<b>47,461</b>	<b>30,918</b>	<b>7,131</b>	<b>2,317</b>	<b>117,657</b>

4.3.2. Stevenage Sports & Leisure Club was approved at the October 2023 Executive and is now included in the approved programme. This £45Million project is expected to be delivered by 2028/29. The project funding is set out in the chart below.



<sup>1</sup> Service names have been updated since the draft report to reflect the new 2026 Structure

- 4.3.3. The September MTFS report identified the revenue headroom to fund the Community and Retail assets at the Oval of £5.5Million and this is now included in the capital programme. Borrowing to fund the project of £5.5Million is spread over 2027/28 and 2028/29. The indicative annual revenue costs of the scheme include £137.5k MRP for repayment of the principal commencing in 2029/30 in the General Fund budget.
- 4.3.4. Further capital investment will be required over the medium to long term to support service delivery. Capital bids not deemed a high enough priority for funding at this stage have been listed in Appendix C to be considered for approval in future budget rounds, pending funding availability. These include “ongoing” capital investments (e.g., Fleet replacement). The funding of the medium to long term capital strategy is set out in the section 3.2, however the improved financial position of the General Fund as a result of Fair Funding has allowed for a potential £3.6Million in investment to 2029/30.

<b>Table 4 Capital Funding (Revenue) £000</b>					
	<b>26/27</b>	<b>27/28</b>	<b>28/29</b>	<b>2029/30</b>	<b>Total</b>
Additional funding for capital	1,200	1,200	1,200	1,000	4,600
Growth Bids not funded	175	622	141	670	1,608

- 4.3.5. The Deferred Works Reserve, after the inclusion of growth above will have a total maximum budget of £799K by 2027/28. This budget is for any health & safety emergency works that may arise after the budgets are agreed at Council in February, and for works arising as a result of condition surveys including at BTC (£150k) and for other property assets (£250k 2027/28).

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

4.4.1. The projected resources used to fund the Capital Strategy are summarised in the table below.

<b>Table 5: Revised Capital Programme Resourcing including Proposed Growth £000</b>							
	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>	<b>28/29</b>	<b>29/30</b>	<b>Total (£000)</b>	<b>Total (%)</b>
Capital Receipts	5,463	8,910	19,539	1,855	900	36,667	32
Grants and other contributions	13,580	20,838	603	28	5	35,054	30
RCCO and Revenue Reserves	1,125	2,691	1,273	1,269	31	6,389	5
Capital Reserve	116	338	105	134	0	693	<1
CIL/EPR	109	5,182	1,138	909	0	7,338	6
Borrowing	9,437	9,502	8,260	2,936	1,381	31,516	27
<b>TOTAL</b>	<b>29,830</b>	<b>47,4611</b>	<b>30,918</b>	<b>7,131</b>	<b>2,317</b>	<b>117,657</b>	<b>100</b>

4.4.2. The total borrowing recommended of £32Million includes £16Million of short term borrowing for SG1 Joint Venture, garage improvements, and Housing Development schemes the latter scheduled to be repaid by 2027/28 using capital receipts profiled to be received by that year. The remaining balance includes £5.4Million for the new leisure centre, £5.5Million for the Oval commercial and retail development, further Garage Improvements and Housing Development schemes including through the Wholly Owned Company (WOC). The borrowing is repaid through a minimum revenue contribution (MRP) from the General Fund (see also section 4.7).

4.4.3. The use of capital receipts is dependent on delivery of the disposal sites to the market, assuming that all the General Fund Growth Bids in Appendix A are approved. Ring-fenced Town Centre Transformation and SG1 receipts are restricted.

4.4.4. The use of revenue and revenue reserve in the Strategy totals £6.4Million, includes -

- £3.6Million proposed use of General Fund reserves for growth
- £1,185K of Extended Producer Responsibility (EPR) funding for two freighters, bin replacements, and additional Flat block recycling
- £719K revenue grant – for flat block recycling
- Garage improvement plans – revenue contributions £415k
- Leisure contributions and reserves £260k

#### 4.5. Capital Receipts Review Update

- 4.5.1. The current position is detailed below now includes ring fenced capital receipts allocated to part fund the leisure centre (£22Million) across 2027-2029.
- 4.5.2. Anticipated receipts from Kenilworth phase II have now been slipped a year into 2027/28 (£6Million). This will delay the associated re-financing of internal general fund borrowing by a year.
- 4.5.3. Garage sales of £1.35Million forecast to be received from 2027/28 to 2028/29 have been revised down to £1.1Million with only £200k expected in 2027/28 rather than the original £700k forecast when the Garage improvement programme was approved. Receipts of £300k per annum from 2028/29 to 2030/31 are also uncertain. This change has resulted in planned borrowing for the scheme of £3.2Million being brought forward to 2026/27 resulting in higher borrowing costs.
- 4.5.4. Forecasts are based on best information available at the time the report is written.

<b>Table 6: Capital Receipts £000</b>	<b>Previous Forecast</b>	<b>Revised Forecast</b>	<b>Variance</b>
<b>Capital Receipts (GF)</b>			
Year 2025/26 Forecast	2,184	2,058	(126)
Year 2026/27 Forecast	9,493	3,560	(5,933)
Year 2027/28 Forecast	19,276	36,314	17,038
Year 2028/29 Forecast	-	11,568	11,568
<b>Total Capital Receipts (GF)</b>	<b>30,953</b>	<b>53,500</b>	<b>22,547</b>

#### 4.6. Community Infrastructure, Biodiversity Net Gain and S106 Update

- 4.6.1. The Community Infrastructure Levy (CIL), introduced under the Planning Act 2008 and implemented by the Council in April 2020, remains a vital funding mechanism for delivering both strategic and neighbourhood priorities. To date, £5Million of Strategic CIL has been committed to the Sports and Leisure Hub and, where applicable, the Public Sector Hub. In addition, Neighbourhood CIL contributions of £97k per annum have supported the Community Climate Change budget, enabling wards to deliver local climate initiatives.
- 4.6.2. It is proposed that £225k of CIL funding, supplemented by £30k from Biodiversity Net Gain (BNG) contributions (£112.5k in 2025/26 and £142.5k in 2026/27) be allocated to deliver projects aligned with the Council's Climate Action Plan, Green Space Strategy, Woodlands Strategy and Biodiversity Action Plan. These initiatives will deliver tangible benefits, including extensive tree planting, biodiversity enhancements, improved health and wellbeing

outcomes, and enhancements of the public realm, reinforcing Stevenage's commitment to creating greener, healthier, and more inclusive spaces.

- 4.6.3. The current unallocated balance stands at £663k, alongside £68k in non-ringfenced BNG contributions secured prior to mandatory implementation. Officers will continue to work closely with Members to prioritise and progress future investments.
- 4.6.4. The council holds £1.725Million in Section 106 (S106) contributions as at 22 December 2025. Of these contributions, £1.2Million is already accounted for in the Capital programme (£553K contributing to the funding of Sports and Leisure Hub (in addition to CIL above), £211k for cycling infrastructure and £123k funding Play Area Improvements). A further £516k is earmarked for sports including at the new country park or used to support the Leisure Hub. The remaining ring fenced contributions include those for affordable housing £69k and biodiversity projects £186k. In many cases the planning legal agreements require monies to be allocated towards a specific project in a specific location. Even where the Council has more flexibility it will need to ensure any eventual projects comply with the s106 conditions of use.

#### **4.7. Minimum Revenue Provision (MRP)**

- 4.7.1. MRP is applied where the council has to set aside a revenue allocation for provision of debt repayments (borrowing in the capital programme). MRP replaces other capital charges (e.g., depreciation) in the statement of accounts and has an impact on the council's bottom line. MRP will increase and decrease throughout the programme and is sensitive to both expenditure and funding changes. The council will continue to balance the use of capital receipts, internal borrowing, and external borrowing to ensure the most efficient use of resources, including the need to fund MRP.
- 4.7.2. The other main risks to the capital programme are:
- Potential for scheme overspends.
  - Potential for delay in realising capital receipts noting that £5.6Million of land/asset sales are forecast to be achieved in 2025/26 and 2026/27.
  - The deferred works budget may not be sufficient to fund any schemes not currently funded in the Strategy due to the ongoing and aforementioned fix-on-fail policy approach.
  - Potential for money spent as capital on Towns Fund projects to revert to a future revenue liability if projects do not progress to physical completion, e.g., only feasibility and early design are completed.
  - Cost volatility and increased client risk in construction projects due to the impact of cost of living, which has resulted in supply chain pressures and significant price increases across the construction sector.

#### **4.8. Other capital investment and Finance Lease**

- 4.8.1. The Council purchased several properties in the town centre to enable it to meet its SG1 regeneration aims. These properties were purchased in part

using LEP funding. These properties have been purchased for regeneration purposes and therefore do not fall under the Property Investment Strategy. Prior to making these strategic acquisitions full risk assessments were undertaken to ensure the cost of carrying these assets in the short to medium term could be met by the Council.

- 4.8.2. The 2026/27 General Fund Budget Strategy includes the Council's approach to set aside money to repay the LEP loan. An initial £500k will be set aside in 2026/27 with further set asides planned for future years. This strategy can be found elsewhere in the agenda.
- 4.8.3. The Council undertook a long-term finance lease for a circa £50Million mixed development scheme on Queensway in the town centre. This is a lease arrangement and falls outside the scope of capital investment. Prior to the decision to proceed being made a risk assessment was undertaken and presented to Members. Key Officers were given training on their roles and responsibilities for the new governance arrangements associated with the Limited Liability Partnership. Performance of this asset is reported to members as part of the Group companies updates to cabinet.
- 4.8.4. External legal, financial, and commercial advice is procured to ensure the validity and viability of business cases presented to Members.

#### **4.9. De Minimis Level for Capital Expenditure 2025/26**

- 4.9.1. No change to the de-minimis expenditure limit of £10,000 per scheme is being proposed this year.

#### **4.10. Contingency Allowance**

- 4.10.1. The contingency allowance for 2025/26 is £250,000. The contingency proposed for 2026/27 remains at £250,000, for schemes requiring funding from existing capital resources. A limit of £250,000 is also set for schemes for each fund that have new resources or match funded resources identified in addition to those contained within this report. This limit applies individually to both the General Fund and the HRA. This contingency sum constitutes an upper limit on both funds within which the Cabinet can approve supplementary estimates, rather than forming part of the Council's Budget Requirement for the year.
- 4.10.2. Separate to the contingency allowance, is the delegation to Cabinet or Portfolio Lead/Leader of the Council to approve increases to the capital programme for grant funded projects, when external funding sources have been secured. Officers propose that this contingency allowance remains at £5Million where a scheme is fully funded from third party contribution/grant.

#### **4.11. Consultation**

##### **Council Financial Security Group (CFSG) 6 & 13 January 2026**

- 4.11.1. Following a review of all growth bids by Senior Leadership Team (SLT), a priority list was presented to CFSG a cross party Member group on 6<sup>th</sup> January 2026 with the 27 new proposed Growth Bids to be funded for 2026/27, these are summarised in Appendix A. The scoring rationale applied to these budgets was "do not support" 0 point, "support but low priority" 1 point and support with high priority" 3 points.

4.11.2. The seven members of CFSG scored the schemes which resulted in range of between 12 and 21.

Table 7 Consultation results – funded bids (6 January 2026)		
Number of schemes	Total Points per scheme (max 7*3 = 21)	Support % (Actual points v max points)
11	21	100
7	17	81
6	19	90
1	16	76
1	13	62
1	12	57
<b>27</b>	<b>98</b>	

4.11.3. As can be seen from the table above all the proposed schemes received a score of above 50% and were supported by a majority of members.

4.11.4. During the meeting, members sought some clarifications. Where these were not resolved during the meeting, the Director for Finance circulated information afterwards and was discussed during the meeting on the 13<sup>th</sup> of January 2026. These clarifications were:

- **Upgrade/Replacement Programme for CCTV Cameras across Stevenage (£70k in 26/27, £40k in 27/28 and £30k in 28/29, total £140k), Question: Do the replacement CCTV cameras include those for tower blocks?** Yes - tower blocks are covered under this budget for replacement of existing equipment as they come to their end of life.
- **The parking restrictions £75k – Question: what are the details?** An analysis of projects planned was circulated to members for information, including schemes in Bedwell Shephall and the Old Town– there were no follow up queries received.
- **Green Space Infrastructure £150k – Question: what are the details?** An explanation of works was circulated to members for information such as enable repairs and improvements to footpaths, roads, access, etc, within green spaces to reduce costs examples given were:
  - Continued replacement of the worn footboards around the pond edge in the Town Centre Gardens

- Continued resurfacing of Fairlands Main Car Park.
- Thermoplastic re-marking of car parks where necessary
- Installation of new bollards/metal hoops/gates, etc., in parks and open spaces to deter/limit vehicle access
- Repair/replacement of park/green space signage
- Path resurfacing works

4.11.5. Members also asked about the investment in the theatre and SALC once the new Leisure Hub is built (£1Million 2027/28), Members were advised that although there are plans to have a new Theatre as part of the Station gateway agreement this was likely to be 10-15 years in the future. In addition, the Council would be responsible for mothballing parts of the building under the existing leisure contract, and the investment would be to expand the size and offer in the building for shows, but that any bid/business case once completed could be reviewed by CSFG, but was based on including the following:

- To have a fixed venue, which can operate up to seven days per week in the main hall on a permanent basis with seating replaced with more comfortable seats.
- The Bowls Hall will be used as an events venue, the changing rooms converted to a toilet facility commiserate with a large capacity audience.
- The ground floor gym area could be converted to a dedicated bar for main hall shows and events and the squash courts converted to performers dressing rooms.

4.11.6 The lowest scoring bid, the sign at Fairlands raised a number of queries regarding the cost, the officer responsible stated that the sign would be:

- V shaped each side of the V mirrored so it can be seen by vehicles travelling in each direction, the sign will be modular ladder type (with park features listed on the ladder)
- any new features changes can be adapted easily making the sign future proof the sign will be constructed of metal and relocated to a more prominent position subject to planning approval
- The sign will display the parks features for example, splash park, activity centre, café, cycle hub to name a few.

4.11.6. CFSG Members also asked about the 'not recommended' bids and were in a subsequent meeting asked to score the nine bids in Appendix C which are currently unfunded. The scoring rational was the same as for the bids above. This consultation took place on 13 January 2026, and the results are in the table below. Of the seven original members, six attended and voted, resulting

in no majority vote for those bids and remain a lower priority and therefore not funded.

<b>Table 8 Consultation results – un-funded bids (13 January 2026)</b>		
<b>Number of schemes</b>	<b>Total Points per scheme (max 7*3 = 21)</b>	<b>Support % (Actual points v max points)</b>
1	5	28
4	3	17
1	4	22
2	2	11
1	0	0
<b>9</b>	<b>14</b>	

- 4.11.7. Overview and Scrutiny met on the 20 January 2026 to consider the Draft Capital Strategy as part of the budget and policy framework. The Director of Finance gave an overview of the Strategy setting out the size of the programme and the scrutiny by CSFG and the resultant scoring results.
- 4.11.8. A question was asked about why there was no growth bid for the lighting in Fairlands park, to which the Strategic Director (S151) stated the results of the bat survey needed to be considered, followed by a lighting survey and that potential solutions could range from a modest £7,000 to £850,000, which is difficult to budget for and the relative prioritisation of other bids. The Strategic Director stated that there was a deferred works reserve and Capital Reserve that can be utilised if additional works arise in the year.
- 4.11.9. Cabinet is requested to consider the views of CFSG and Overview and Scrutiny and agree to approve all 27 fully funded schemes. These have all been included within the proposed capital programme for 2026/27 (in Appendix B).

## **5. IMPLICATIONS**

### **5.1. Financial Implications**

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

### **5.2. Legal Implications**

#### **5.2.1. Local Government Reorganisation**

Section 24 of the Local Government and Public Involvement in Health Act 2007 provides the Secretary of State with powers to control financial decisions made by local authorities that are due to be abolished or reorganised under a structural changes order. Under this provision, the Secretary of State may

issue a direction that prevents a relevant authority from doing any of the following without written consents: -

- Disposing of land where the consideration exceeds £100,000
- Entering into any capital contract under which the consideration payable to the relevant authority exceeds £1,000,000 or which includes a term allowing the consideration to be varied
- Using financial reserves in budget calculations under the Local Government Finance Act 1972

The direction can specify that the consent must be obtained from the Secretary of State or a designated person of an authority (e.g. a shadow executive). The timing of the direction will be determined by the Secretary of State but will usually be linked to the issuing of the structural change order, the indicative timeframe of which for Hertfordshire is autumn 2026.

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

### **5.3. Equality and Diversity Implications**

- 5.3.1. None specifically in relation to this report.

### **5.4. Risk Implications**

- 5.4.1. The significant risks associated with the capital strategy are inherent within this report.
- 5.4.2. There is a risk that the value of land sales is not realised due to the impact of the cost-of-living crisis reducing demand and prices lower than anticipated as a result. In order to mitigate the impact of this, revenue underspends of up to £500k may be made available to support capital resource in the short term.
- 5.4.3. The Council manages this risk by reviewing and updating the Strategy quarterly, including resources where a sale is likely to complete. This will enable action to be taken where a receipt looks doubtful.
- 5.4.4. A significant risk exists that works deferred due to lack of resources and materials. A reasonable assessment has been made in the prioritisation process to try to keep this risk to a minimum.
- 5.4.5. The impact on the Council's medium - long term capital strategy as a result of the governments English Devolution White Paper (16 December 2024) is currently unknown. Measures include plans for new powers for mayors across strategic planning – giving them the ability to guide infrastructure and development projects across areas, housing, transport, and skills. Impacts if any, will be included in future years capital strategy documents.

## **5.5. Climate Change Implications**

- 5.5.1. In their current form the Council's buildings do not currently support the climate change ambitions in terms of energy efficiency or divestment of use of fossil fuels.
- 5.5.2. However, there is an opportunity through the local asset review programme to build in design principles to improved / future assets in terms of energy efficiency and sustainable energy sources. This should be a core principle of any future designs arising from the local asset reviews. There would be a further benefit of reduced energy costs.
- 5.5.3. The climate change agenda is far wider than the buildings the Council uses. For example, the Council is also examining the vehicle fleet and consideration will be given to reducing its carbon impact
- 5.5.4. In addition to existing assets, new buildings being planned and delivered as part of the regeneration of Stevenage – e.g., the Hub and new Leisure Centre will be designed and equipped to meet modern standards.

## **BACKGROUND DOCUMENTS**

- BD1 Quarter 2 monitoring report (Cabinet, December 2025)
- BD2 GF MTFS (2025/26-2029/30) (Cabinet, September 2025)
- BD3 General Fund Capital Strategy Overview – Priorities Versus Funding Requirement 2023/24-2029/30 (November 2023 Executive)
- BD4 Balancing the Budget 2026/27 (Cabinet November 2025)

## **Appendices**

- A General Fund Capital Bids for consideration
- B General Fund Capital Strategy
- C Non-priority Capital Bids for note – unfunded

STEVENAGE BOROUGH COUNCIL  
GF CAPITAL - PRIORITY BASED BUDGETING 2026/27 CAPITAL GROWTH BIDS (£000)

Ref No	Service	Priority	Description of Growth Proposal	Capital in 2026/27	Capital in 2027/28	Capital in 2028/29
1	Housing & Neighbourhoods	4	Upgrade / Replacement program for CCTV cameras across Stevenage	70,000	40,000	30,000
	<b>Total Housing and Neighbourhoods</b>			<b>70,000</b>	<b>40,000</b>	<b>30,000</b>
2	Estates	3	St Georges Way MSCP - Installation of lightning protection system	35,000	-	-
3	Estates	4	Homestart, 4-5 Bedwell Park. Replacement flat roof.	55,000	-	-
4	Estates	4	Stock Condition survey	150,000	-	-
	<b>Total Estates</b>			<b>240,000</b>	-	-
5	Planning & Regulatory	3	Parking Restriction Schemes	25,000	25,000	25,000
6	Planning & Regulatory	1	Replacing parking machines	80,000	10,000	-
7	Planning & Regulatory	4	Christmas Decorations Phased Replacement	80,000	-	-
8	Planning & Regulatory	4	Power bollards for Town Square	30,000	-	-
9	Planning & Regulatory	4	Parking Hardstandings	20,000	20,000	20,000
9b	Planning & Regulatory	4	Phase 1 CIL	225,000		
	<b>Total Planning &amp; Regulatory</b>			<b>460,000</b>	<b>55,000</b>	<b>45,000</b>
10	ICT	4	Tablets, Monitors, Laptop Replacement	8,460	78,960	78,960
11	ICT	4	Mobile Phone	22,560	-	-
	<b>Total ICT</b>			<b>31,020</b>	<b>78,960</b>	<b>78,960</b>
12	SDS and Leisure	3	Ridlins Athletics - track needs replacing or lose County status	-	500,000	-
13	SDS and Leisure	4	Carpet replacement -Theatre	100,000	-	-
14	SDS and Leisure	4	Phase 2 & 3 Theatre Stage lighting	290,000	-	-
15	SDS and Leisure	1	Re Purpose Stevenage Arts & Leisure Centre post opening of new centre	-	1,000,000	-
16	SDS and Leisure	4	Sound system - Theatre	-	-	145,000
17	SDS and Leisure	4	Fleet Replacement	1,195,000	230,000	393,000
18	SDS and Leisure	4	Plant Replacement	379,000	314,000	292,000
19a	SDS and Leisure	4	Bin Replacement - Town Centre	85,000	-	-
19b	SDS and Leisure	4	180lt Bin Replacement	175,000		
19c	SDS and Leisure	4	Flat Block Improvements (recycling)	460,000		
20	SDS and Leisure	4	Fairlands Valley Park - new main sign	20,000	-	-
21	SDS and Leisure	1	Floodlights for Tennis Courts at Shephalbury Park	55,000	-	-
22	SDS and Leisure	4	Refurbishment of play equipment	140,000	-	-
23	SDS and Leisure	4	Shrub Bed Removal Programme	150,000	50,000	-
24	SDS and Leisure	4	Green Space Infrastructure	50,000	50,000	50,000

STEVENAGE BOROUGH COUNCIL  
GF CAPITAL - PRIORITY BASED BUDGETING 2026/27 CAPITAL GROWTH BIDS (£000)

Ref No	Service	Priority	Description of Growth Proposal	Capital in 2026/27	Capital in 2027/28	Capital in 2028/29
	Total SDS and Leisure			3,099,000	2,144,000	880,000

STEVENAGE BOROUGH COUNCIL  
 GF CAPITAL - PRIORITY BASED BUDGETING 2026/27 CAPITAL GROWTH BIDS (£000)

Ref No	Service	Priority	Description of Growth Proposal	Capital in 2026/27	Capital in 2027/28	Capital in 2028/29
25	Deferred Works Reserve		Business Technology Centre	150,000	-	-
26	Deferred Works Reserve		Property works arising from Stock Condition Survey	250,000	-	-
27	Deferred Works Reserve		Property works arising from Stock Condition Survey	-	250,000	-
	<b>Total Deferred Works Reserve</b>			<b>400,000</b>	<b>250,000</b>	<b>-</b>
	<b>Total New Capital Projects</b>			<b>4,300,020</b>	<b>2,567,960</b>	<b>1,033,960</b>

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## GENERAL FUND CAPITAL STRATEGY

Cost Centre	Scheme	2025/26				2026/27			2027/28			2028/29	2029/30
		Actual Costs	Draft Capital Strategy	Final Capital Strategy	Variance	Draft Capital Strategy	Final Capital Strategy	Variance	Draft Capital Strategy	Final Capital Strategy	Variance	Final Capital Strategy	Final Capital Strategy
		£	£	£	£	£	£	£	£	£	£	£	£
	<b>General Fund - Schemes</b>												
	Environment & Leisure	2,940,942	4,538,054	4,538,054	0	5,240,361	5,925,361	685,000	3,070,000	3,070,000	0	1,823,000	2,317,000
	Land, Development & Neighbourhood Regeneration	173,331	2,900,000	2,900,000	0	17,178,819	17,178,819	0	2,750,000	2,750,000	0	2,750,000	0
	Estates	272,652	1,131,609	1,131,609	0	2,046,066	2,046,066	0	0	0	0	0	0
	Technology	81,539	205,498	205,498	0	138,518	138,518	0	78,960	78,960	0	78,960	0
	Regeneration	14,342,314	20,097,388	20,097,388	0	21,214,521	21,214,520	(0)	24,713,593	24,713,593	0	2,434,295	0
	Planning & Regulation	310,445	809,095	809,095	0	332,500	557,500	225,000	55,000	55,000	0	45,000	0
	Deferred Works Reserve	0	149,073	149,073	0	400,000	400,000	0	250,000	250,000	0	0	0
	<b>Total Schemes</b>	<b>18,121,222</b>	<b>29,830,717</b>	<b>29,830,717</b>	<b>0</b>	<b>46,550,785</b>	<b>47,460,784</b>	<b>910,000</b>	<b>30,917,553</b>	<b>30,917,553</b>	<b>0</b>	<b>7,131,255</b>	<b>2,317,000</b>
	<b>General Fund -Resources</b>												
BG902	Capital Receipts		4,382,860	4,382,860	0	5,604,926	5,604,926	(0)	1,942,960	1,942,960	0	330,000	900,000
	SG1 Receipts		823,000	823,000	0			0	0	0	0	0	0
BG905	Ringfenced receipts		257,467	257,467	0	3,593,625	3,593,625	0	17,595,922	17,595,922	0	1,524,867	0
BG904	Towns Fund		10,717,158	9,584,302	(1,132,856)	12,207,653	12,760,508	552,856	0	580,000	580,000	0	0
BG904	Other Grants and other contributions		2,469,012	2,469,012	0	7,734,000	7,734,000	0	23,000	23,000	0	28,000	5,000
BG862	S106		339,563	1,472,418	1,132,856	606,856	84,000	(522,856)	0	0	0	0	0
BG904	Contractors Deposits		54,644	54,644	0	0	0	0	0	0	0	0	0
BG936	Priorities – Strategic CIL		0	0	0	4,824,422	4,824,422	0	1,137,671	1,137,671	0	909,429	0
BG937	Local – Neighbourhood CIL		109,375	109,375	0	132,500	327,500	195,000	0	0	0	0	0
BG903	Capital Reserve (Housing Receipts)		116,014	116,014	0	263,019	263,019	0	0	0	0	0	0
	RCCO		944,819	944,819	0	1,464,968	2,149,968	685,000	1,273,082	1,273,082	0	1,268,592	31,143
	Revenue Reserves		180,273	180,273	0	41,503	41,503	0	0	0	0	0	0
	Capital Reserve (Revenue Savings)		0	0	0	75,281	75,281	0	105,000	105,000	0	133,960	0
	EPR				0	500,000	500,000	0			0		
	Prudential Borrowing Approved		97,000	97,000	0	3,585,001	3,585,001	0	8,839,918	8,259,918	(580,000)	2,936,408	1,380,857
	Short Term borrowing and funded from private sale		9,339,533	9,339,533	0	5,917,031	5,917,031	0	0	0	0	0	0
	<b>Total Resources (General Fund)</b>		<b>29,830,717</b>	<b>29,830,717</b>	<b>0</b>	<b>46,550,785</b>	<b>47,460,785</b>	<b>910,000</b>	<b>30,917,553</b>	<b>30,917,553</b>	<b>0</b>	<b>7,131,255</b>	<b>2,317,000</b>

## GENERAL FUND CAPITAL STRATEGY

Cost Centre	Scheme	2025/26				2026/27			2027/28			2028/29	2029/30
		Actual Costs	Draft Capital Strategy	Final Capital Strategy	Variance	Draft Capital Strategy	Final Capital Strategy	Variance	Draft Capital Strategy	Final Capital Strategy	Variance	Final Capital Strategy	Final Capital Strategy
		£	£	£	£	£	£	£	£	£	£	£	£
	<b>Environment &amp; Leisure</b>												
	<b>Parks &amp; Open Spaces</b>												
KC218	Hertford Road Play Area (S106 Funded)	0	0	0	0	25,000	25,000	0	0	0	0	0	0
KC256	Valley School Playzone (s106)	0	73,000	73,000	0	29,000	29,000	0	0	0	0	0	0
KE494	Green Space Access Infrastructure	0	52,024	52,024	0	0	0	0	0	0	0	0	0
KE542	Flat block waste management infrastructure	21,937	18,730	18,730	0	0	0	0	0	0	0	0	0
KE543	Shrub bed programme	5,492	46,779	46,779	0	0	0	0	0	0	0	0	0
KE911	Play Area Improvement Programme	0	96,602	96,602	0	0	0	0	0	0	0	0	0
KE916	Peartree skate park	64,791	96,663	96,663	0	0	0	0	0	0	0	0	0
KG002	Garages (GIP)	103,064	29,870	29,870	0	0	0	0	0	0	0	0	0
KG039	Garages (GIP) 10 year plan (£250k/annum)	180,563	125,000	125,000	0	383,000	383,000	0	266,000	266,000	0	274,000	282,000
KG040	Garages asbestos roof capital works	0	0	0	0	1,186,000	1,186,000	0	620,000	620,000	0	639,000	2,035,000
	<b>Community &amp; Neighbourhoods</b>												
KC232	SALC and the Swim Centre Urgent and H&S Works includes roof	31,502	53,181	53,181	0	0	0	0	0	0	0	0	0
KC242	SLL Leisure management - end of contract capital provision	10,555	0	0	0	0	0	0	0	0	0	0	0
KC237	Fire stopping works at SALC	0	177,819	177,819	0	120,000	120,000	0	0	0	0	0	0
KC238	Lift replacement at SALC	153,124	177,000	177,000	0	0	0	0	0	0	0	0	0
KC252	Lift procurement at SALC	1,850	0	0	0	0	0	0	0	0	0	0	0
KC240	Replacement Camera programme	6,072	15,052	15,052	0	0	0	0	0	0	0	0	0
KC052	Shephalbury Park	3,950	10,600	10,600	0	0	0	0	0	0	0	0	0
KE017	Ridlins Athletics Facility (boilers)	11,366	80,000	80,000	0	0	0	0	0	0	0	0	0
KE0245	Toilets at TVP	0	31,887	31,887	0	0	0	0	0	0	0	0	0
KE0246	Aqua Park - Rubber crumb surface replacement	0	0	0	0	35,000	35,000	0	0	0	0	0	0
KE0247	Lighting of clock tower - permanent install	60,000	60,000	60,000	0	0	0	0	0	0	0	0	0
KE0253	Sailing Centre	2,900	5,052	5,052	0	0	0	0	0	0	0	0	0
KE0118	Lighting Desk SALC - Equipmt & Tools	8,588	215,000	215,000	0	0	0	0	0	0	0	0	0
KE0606	Operational Plant	110,229	105,000	105,000	0	0	0	0	0	0	0	0	0
KE604	CCTV Upgrade	302,157	159,900	159,900	0	0	0	0	0	0	0	0	0
KE611	New pumps/aerators to FVP lakes	0	12,000	12,000	0	0	0	0	0	0	0	0	0
KC903	Golf course works	5,948	60,000	60,000	0	0	0	0	0	0	0	0	0
	Padel Courts	0	10,000	10,000	0	0	0	0	0	0	0	0	0
KC210	Riddlins Track Works	35,312	0	0	0	0	0	0	0	0	0	0	0
Growth	Growth bids	0	0	0	0	465,000	465,000	0	1,500,000	1,500,000	0	145,000	0
Growth	Growth bids	0	0	0	0	70,000	70,000	0	40,000	40,000	0	30,000	0
	<b>Vehicles, Plant, Equipment</b>												
Various	<b>Vehicle/Plant replacement Programme</b>	<b>1,815,900</b>	<b>2,060,295</b>	<b>2,060,295</b>	<b>0</b>	<b>953,204</b>	<b>953,204</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
KE925	Repair closed church wall St Nicholas church	600	600	600	0	25,157	25,157	0	0	0	0	0	0
KE609	Fuel pumps at Cavendish Road fuel station.	0	30,000	30,000	0	0	0	0	0	0	0	0	0
KE609	Replacement work Cavendish Road fuel station - manhole covers	0	17,000	17,000	0	0	0	0	0	0	0	0	0
KE952	Flat block recycling (EPR & grant funded)	5,042	719,000	719,000	0	0	460,000	460,000	0	0	0	0	0
New	Replacement Bins (EPR) - Household and Public	0	0	0	0	0	225,000	225,000	0	0	0	0	0
Growth	Growth Bids	0	0	0	0	1,609,000	1,609,000	0	544,000	544,000	0	685,000	0
Growth	Growth Bids	0	0	0	0	340,000	340,000	0	100,000	100,000	0	50,000	0
	<b>Total Environment &amp; Leisure</b>	<b>2,940,942</b>	<b>4,538,054</b>	<b>4,538,054</b>	<b>0</b>	<b>5,240,361</b>	<b>5,925,361</b>	<b>685,000</b>	<b>3,070,000</b>	<b>3,070,000</b>	<b>0</b>	<b>1,823,000</b>	<b>2,317,000</b>



## GENERAL FUND CAPITAL STRATEGY

Cost Centre	Scheme	2025/26				2026/27			2027/28			2028/29	2029/30
		Actual Costs	Draft Capital Strategy	Final Capital Strategy	Variance	Draft Capital Strategy	Final Capital Strategy	Variance	Draft Capital Strategy	Final Capital Strategy	Variance	Final Capital Strategy	Final Capital Strategy
		£	£	£	£	£	£	£	£	£	£	£	£
	<b>Technology</b>												
KS268	Infrastructure Investment	63,479	0	0	0	0	0	0	0	0	0	0	0
KS320	Telephony Hardware Refresh 2425	0	0	0	0	75,638	75,638	0	0	0	0	0	0
KS322	Hardware Replacment Program	0	175,225	175,225	0	0	0	0	0	0	0	0	0
KS324	SBC Idox Re-Tender, and Dell Memory (RAM) for Virtual desktop	0	0	0	0	31,860	31,860	0	0	0	0	0	0
Growth	Growth bids	0	0	0	0	31,020	31,020	0	78,960	78,960	0	78,960	0
	<b>Total IT General</b>	<b>63,479</b>	<b>175,225</b>	<b>175,225</b>	<b>0</b>	<b>138,518</b>	<b>138,518</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Connected to Our Customer (CTOC)</b>												
KS274	New CRM Technology	18,060	30,273	30,273	0	0	0	0	0	0	0	0	0
	<b>Total CTOC</b>	<b>18,060</b>	<b>30,273</b>	<b>30,273</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Technology</b>	<b>81,539</b>	<b>205,498</b>	<b>205,498</b>	<b>0</b>	<b>138,518</b>	<b>138,518</b>	<b>0</b>	<b>78,960</b>	<b>78,960</b>	<b>0</b>	<b>78,960</b>	<b>0</b>
	<b>Regeneration</b>												
KE506	Public Sector Hub	7,335	14,035	14,035	0	796,399	796,399	0	0	0	0	0	0
	Lease buy outs	0	0	0	0	379,750	379,750	0	0	0	0	0	0
KE947	SG1 Joint Venture	7,864,197	7,910,632	7,910,632	0	0	0	0	0	0	0	0	0
KE541	Railway MSCP	(35,980)	0	0	0	0	0	0	0	0	0	0	0
KE566	Stevenage Sports & Leisure Club (not TF Funded element)	0	0	1,132,856	1,132,856	7,830,719	7,277,863	(552,856)	24,713,593	24,133,593	(580,000)	2,434,295	0
KE251	Parkplace - works ahead of Indoor Market relocation (Boston House)	1,101,104	1,244,000	1,244,000	0	0	0	0	0	0	0	0	0
	<b>Towns Fund:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
KE538	Towns Fund	34,110	(113,817)	(113,817)	0	(88,390)	(88,390)	0	0	0	0	0	0
KE560	Stevenage Enterprise Centre	(41,320)	23,142	23,142	0	1,820,583	1,820,583	0	0	0	0	0	0
KE561	Gunnels Wood Road Infrastructure	979,177	979,177	979,177	0	0	0	0	0	0	0	0	0
KE563	Marshgate Biotech	47,638	22,393	22,393	0	149,892	149,892	0	0	0	0	0	0
KE564	Stevenage Innovation & Technology Centre (SITEC)	235,326	1,140,982	1,140,982	0	1,648,793	1,648,793	0	0	0	0	0	0
	Old Indoor Market space - reconfiguration	0	2,000,000	2,000,000	0	0	0	0	0	0	0	0	0
KE565	New Towns Heritage Centre	0	0	0	0	1,979,820	1,979,820	0	0	0	0	0	0
KE566	Stevenage Sports & Leisure Club	1,861,347	3,813,169	2,680,313	(1,132,856)	4,890,661	5,443,517	552,856	0	580,000	580,000	0	0
KE567	Cycling & Pedestrian Connectivity	885,975	1,500,000	1,500,000	0	502,304	502,304	0	0	0	0	0	0
KE568	Diversification of Retail & Garden Square	1,403,407	723,282	723,282	0	1,102,146	1,102,146	0	0	0	0	0	0
KE568	Diversification of Retail & Garden Square (Boston House)	0	840,392	840,392	0	201,844	201,844	0	0	0	0	0	0
Various	<b>Towns Fund</b>	<b>5,405,659</b>	<b>10,928,721</b>	<b>9,795,865</b>	<b>(1,132,856)</b>	<b>12,207,653</b>	<b>12,760,508</b>	<b>552,856</b>	<b>0</b>	<b>580,000</b>	<b>580,000</b>	<b>0</b>	<b>0</b>
	<b>Total Regeneration</b>	<b>14,342,314</b>	<b>20,097,388</b>	<b>20,097,388</b>	<b>0</b>	<b>21,214,521</b>	<b>21,214,520</b>	<b>(0)</b>	<b>24,713,593</b>	<b>24,713,593</b>	<b>0</b>	<b>2,434,295</b>	<b>0</b>

GENERAL FUND CAPITAL STRATEGY

Cost Centre	Scheme	2025/26				2026/27			2027/28			2028/29	2029/30
		Actual Costs £	Draft Capital Strategy £	Final Capital Strategy £	Variance £	Draft Capital Strategy £	Final Capital Strategy £	Variance £	Draft Capital Strategy £	Final Capital Strategy £	Variance £	Final Capital Strategy £	Final Capital Strategy £
	<b>Planning &amp; Regulation</b>												
KC244	Community Climate Change Fund	13,938	109,375	109,375	0	97,500	97,500	0	0	0	0	0	0
Growth	Phase 1 CIL (CIL, BNG)						225,000	225,000					
KC916	Street Scene UKSPF	10,169	68,645	68,645	0	0	0	0	0	0	0	0	0
KC917	St Georges MSCP	30,642	31,000	31,000	0	0	0	0	0	0	0	0	0
KE504	Station Ramp	775				0	0	0	0	0	0	0	0
KE558	MSCP resurface worn stairwell floor	424	283	283	0	0	0	0	0	0	0	0	0
KR172	MSCP fire door replacement	141	141	141	0	0	0	0	0	0	0	0	0
KE119	Phase 4 ENPR - Forum (Off Street Car Parks)	70,538	0	0	0	0	0	0	0	0	0	0	0
KE120	Park Place Remedials	2,618	54,644	54,644	0	0	0	0	0	0	0	0	0
KE201	Hard standings	5,313	16,444	16,444	0	0	0	0	0	0	0	0	0
KE217	Parking Restrictions	36,436	20,000	20,000	0	0	0	0	0	0	0	0	0
KE531	Workplace Travel Plan	71,825	63,563	63,563	0	0	0	0	0	0	0	0	0
KC918	MSCP Lift Reinstatement	5,549	200,000	200,000	0	0	0	0	0	0	0	0	0
KC919	Car Parks Resurfacing	52,276	140,000	140,000	0	0	0	0	0	0	0	0	0
KC920	Car Parks - Lighting Phased Replacement (2 years)	9,800	40,000	40,000	0	0	0	0	0	0	0	0	0
KC918	MSCP Painting (westgate and st george's)	0	40,000	40,000	0	0	0	0	0	0	0	0	0
KC918	MSCP Fire Alarm Upgrade (st george's)	0	25,000	25,000	0	0	0	0	0	0	0	0	0
Growth	Growth bids	0	0	0	0	235,000	235,000	0	55,000	55,000	0	45,000	0
	<b>Total Planning &amp; Regulation</b>	<b>310,445</b>	<b>809,095</b>	<b>809,095</b>	<b>0</b>	<b>332,500</b>	<b>557,500</b>	<b>225,000</b>	<b>55,000</b>	<b>55,000</b>	<b>0</b>	<b>45,000</b>	<b>0</b>
911	<b>Deferred Works Reserve</b>	0	149,073	149,073	0	400,000	400,000	0	250,000	250,000	0	0	0

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STEVENAGE BOROUGH COUNCIL  
GF CAPITAL - UNFUNDED CAPITAL GROWTH BIDS (£000)

Ref No	Head of Service	Service	Priority	Description of Growth Proposal	Capital in 2026/27	Capital in 2027/28	Capital in 2028/29	Capital in 2029/30
1	Kerry Clifford	Housing & Neighbourhoods	4.	Upgrade / Replacement program for CCTV cameras across Stevenage	-	-	-	25,000
2	Kerry Clifford	Housing & Neighbourhoods	4.	Purchase of a fully electric vehicle (EV) for the Neighbourhood Warden team, including full branding .	31,500	-	-	-
		<b>Total Housing and Neighbourhoods</b>			<b>31,500</b>	<b>-</b>	<b>-</b>	<b>25,000</b>
3	Matt Canterford	ICT	4.	VDI hardware	-	293,280	-	-
4	Matt Canterford	ICT	4.	Laptop Replacement Program	-	-	-	78,960
		<b>Total ICT</b>			<b>-</b>	<b>293,280</b>	<b>-</b>	<b>78,960</b>
5	Steve Dupoy	SDS and Leisure	4.	Theatre - Cooling and heating backstage	28,500	28,500	38,000	-
6	Steve Dupoy	SDS and Leisure	4.	Replacement of Ground Keepers Cabin	15,000	-	-	-
7	Steve Dupoy	SDS and Leisure	4.	Golf flood & erosion protection scheme	60,000	60,000	60,000	60,000
8	Steve Dupoy	SDS and Leisure	4.	Ridlins infield upgrades	10,000	10,000	10,000	10,000
9	Steve Dupoy	SDS and Leisure	4.	Ladder beam and fly bars SALC	-	-	32,500	32,500
10	Steve Dupoy	SDS and Leisure	4.	Fleet Replacement	-	-	-	280,000
11	Steve Dupoy	SDS and Leisure	4.	Plant Replacement	-	-	-	133,000
12	Steve Dupoy	SDS and Leisure	4.	Renew theatre stage floor	-	200,000	-	-
17	Steve Dupoy	SDS and Leisure	4.	Green Space Infrastructure	-	-	-	50,000
13	Steve Dupoy	SDS and Leisure	3.	Pool & Leisure Centre works Golf and Riddlins	30,000	30,000	-	-
		<b>Total SDS and Leisure</b>			<b>143,500</b>	<b>328,500</b>	<b>140,500</b>	<b>565,500</b>
		<b>Total Individual Bids</b>			<b>175,000</b>	<b>621,780</b>	<b>140,500</b>	<b>669,460</b>

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## **AUDIT COMMITTEE/ CABINET / COUNCIL**

Portfolio Area: Resources and Performance

**Date: 3 February 2026 / 11 February  
2026 / 25 February 2026**

## **ANNUAL TREASURY MANAGEMENT STRATEGY INCLUDING PRUDENTIAL INDICATORS 2026/27**

### **NON-KEY DECISION**

Author – Rhona Bellis  
Lead Officer – Atif Iqbal  
Contact Officer – Atif Iqbal

### **1 PURPOSE**

1.1 To recommend to Council the approval of the Treasury Management Strategy 2026/27, including its Annual Investment Strategy, Prudential Indicators and Minimum Revenue Provision (MRP) policy following considerations from Audit and Cabinet committees.

### **2 RECOMMENDATIONS**

#### **2.1 Audit Committee**

That post consideration by the Audit Committee to the Cabinet, the 2026/27 Treasury Management Strategy is recommended to Council for approval.

#### **2.2 Cabinet**

That post consideration by the Cabinet, in addition to those made by the Audit Committee, the 2026/27 Treasury Management Strategy is recommended to Council for approval.

#### **2.3 Council**

That post consideration by the Audit Committee and the Cabinet, the 2026/27 Treasury Management Strategy be approved by Council.

**3 BACKGROUND**

- 3.1.1 CIPFA published the latest Treasury Management and Prudential Codes on 20 December 2021 for implementation from 2023/24. This Council, therefore, has to have regard to these Codes of Practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year, which are taken to Full Council for approval.
- 3.1.2 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 3.1.3 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 3.1.4 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 3.1.5 CIPFA defines treasury management as:
- “The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*
- 3.1.6 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

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### **3.2 Reporting Requirements**

#### **3.2.1 Capital Strategy**

The Capital Strategy (January and February 2026 Cabinet meeting) will be brought before members as a separate report. The aim of that strategy is to ensure that all Members of the Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

#### **3.2.2 Treasury Management reporting**

The Council is required to receive and approve (as a minimum) three main treasury reports each year. The annual treasury management strategy including the Prudential Indicators (this report) is forward looking, it is the first and most important of the three and includes:

- a. **Prudential and treasury indicators and treasury strategy** (this report)-
  - the capital plans, (including prudential indicators).
  - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time).
  - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
  - an Annual Investment Strategy, (the parameters on how investments are to be managed).
- b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.
- c. **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

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

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

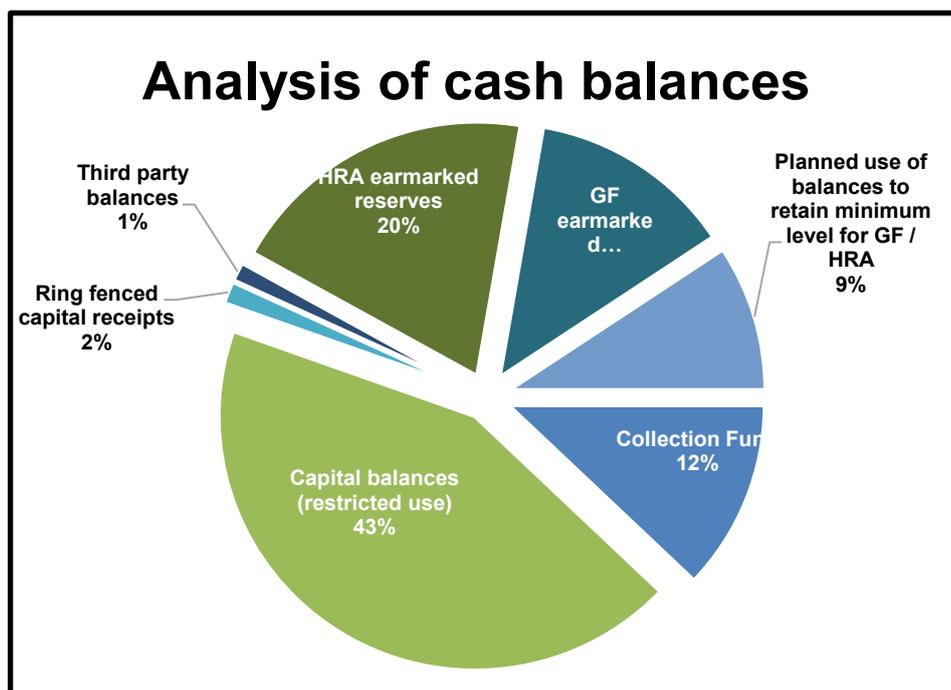
## **4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

### **4.1 PERFORMANCE OF CURRENT TREASURY STRATEGY**

4.1.1 For the financial year to 31 December 2025 returns on investments have averaged 5.27% and total interest earned was £1.8Million contributing to General Fund and Housing Revenue Account income.

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- 4.1.2 Cash balances as of 31 December 2025 were £56Million and are forecast to be £42Million as of 31 March 2026. The Council's balances are made up of cash reserves e.g., HRA and General Fund balances, restricted use receipts such as right to buy one for one receipts and balances held for provisions such as business rate appeals, reduced by internal borrowing.
- 4.1.3 In considering the Council's level of cash balances, Members should note that the General Fund MTFs and Capital Strategy have a planned use of resources over a minimum of five years and the HRA Business Plan (HRA BP) a planned use of resources over a 30-year period, which means, while not committed in the current year; they are required in future years.
- 4.1.4 The Council's current investment portfolio is held for Treasury management purposes only and consists of "conventional" cash investments: deposits with banks and building societies, Money Market Funds and loans to other Local Authorities. Currently no investments have been made with any of the other approved instruments within the Specified and Non-specified Investment Criteria (see Appendix C).
- 4.1.5 There have been **no breaches** of treasury **counter party limits**, with the investment activity during the year conforming to the approved strategy. Any breach would be notified to the Chief Finance Officer. The Council has had no liquidity difficulties, and no funds have been placed with the Debt Management Office (DMO) during 2025/26 to date, demonstrating that counterparty limits and availability for placing funds approved in the TM Strategy were working effectively. It is possible that surplus funds borrowed during the year may be placed in the DMO temporarily if cash balances, due to the timing of taking out new loans would breach other counterparty limits.
- 4.1.6 The following chart shows the planned use of cash balances forecast to be held at 31 March 2026.



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**4.2 TREASURY MANAGEMENT STRATEGY FOR 2026/27**

4.2.1 The strategy for 2026/27 covers two main areas:

**Capital issues**

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

**Treasury management issues**

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

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

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

4.2.4 The Council's Capital Strategy is reported separately from the Treasury Management Strategy. Non-treasury investments are reported through the former, ensuring the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

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

• **Treasury management**

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

• **Service delivery**

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

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- **Commercial return**

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

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

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

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

#### **4.3 TRAINING**

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

4.3.2 The last training arranged for members took place on 22 January 2026, further training will be arranged as required.

4.3.3 The training needs of treasury management officers are periodically reviewed, and all new members of staff are given formal external training by CIPFA.

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

#### **4.4 TREASURY MANAGEMENT CONSULTANTS**

4.4.1 The Council uses MUFG Corporate Markets Treasury Limited (MUFG - formerly Link Asset Services) as its external treasury management advisors.

4.4.2 The Council recognises that responsibility for treasury management decisions always remains with the organisation and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisors.

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4.4.3 It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

**4.5 THE CAPITAL PRUDENTIAL INDICATORS 2026/27-2028/29**

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

4.5.1 **Capital Expenditure and Financing** – this prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of the Capital Strategy 2026/27 and HRA Budget 2026/27. Members are asked to approve the capital expenditure forecasts: -

Capital Expenditure £000	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Non-HRA	13,347	29,831	46,551	30,918	6,427
HRA	31,074	40,556	75,634	45,799	37,961
<b>Total</b>	<b>44,421</b>	<b>70,387</b>	<b>122,185</b>	<b>76,717</b>	<b>44,388</b>

4.5.2 Some late changes included in the Final Capital Strategy 2025/26 in relation to fully funded (grants and contributions) have not been included above. These fully funded schemes have no impact on the borrowing position of the council.

4.5.3 **Affordability Prudential Indicator** – this assesses the affordability of the capital investment plans on the council's overall finances. Members are asked to approve the following indicators: -

Ratio of financing costs to net revenue stream %	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
General Fund <sup>1</sup>	(1.1)	4	8	8	2
HRA <sup>2</sup>	12.70	13	15	16	15

The estimates of financing costs include current commitments and proposals in this budget report and both external and internal borrowing.

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

<sup>1</sup> General Fund: Net revenue stream is the RSG, NNDR grant, and Council Tax raised for the year.

<sup>2</sup> HRA: The net revenue stream is the total HRA income shown in the Council's accounts from received rents, service charges and other incomes. The ratio of financing costs to net revenue stream reflects the high level of debt as a result of self-financing.

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<b>Financing of Capital Expenditure £000</b>	<b>2024/25 Actual</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>	<b>2028/29 Estimate</b>
Capital receipts	8,941	10,279	19,548	23,729	4,074
Capital grants and contributions	8,061	24,987	35,997	9,400	3,742
Community Infrastructure Levy (CIL)	137	109	4,957	1,138	1,729
Capital reserves	591	116	338	105	133
Revenue	3,319	1,125	2,605	2,857	1,070
Major Repairs Reserve	19,312	13,138	13,630	14,044	14,792
<b>Net financing need for the year</b>	<b>40,361</b>	<b>49,754</b>	<b>77,075</b>	<b>51,273</b>	<b>25,540</b>
<b>Capital Expenditure requiring borrowing</b>	<b>4,060</b>	<b>20,633</b>	<b>45,110</b>	<b>25,444</b>	<b>18,847</b>

**4.6 The Council's Borrowing Need (the Capital Financing Requirement) -**

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

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

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

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

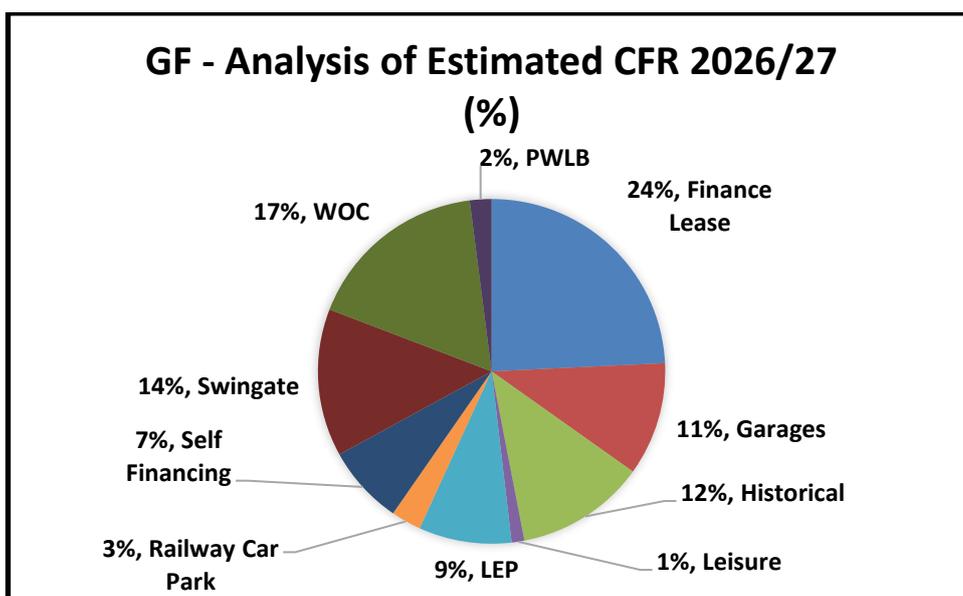
<b>£000</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>Capital Financing Requirement</b>					
General Fund excluding Finance Lease	44,884	53,756	50,055	35,884	38,165
Finance Lease	17,235	17,016	16,693	16,353	16,009
Total General Fund	62,119	70,772	66,748	52,237	54,174
Housing	272,356	283,039	310,634	318,525	324,822
<b>Total CFR</b>	<b>334,475</b>	<b>353,811</b>	<b>377,382</b>	<b>370,762</b>	<b>378,996</b>
<b>Movement in CFR</b>		<b>19,336</b>	<b>23,571</b>	<b>(6,620)</b>	<b>8,234</b>

<b>Movement in CFR represented by</b>					
Net financing need for the year (above)		<b>20,633</b>	<b>45,110</b>	<b>25,444</b>	<b>18,847</b>

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£000	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate	Estimate	Estimate	Estimate
Internal and External debt repayments		(500)	(20,528)	(31,048)	(9,600)
Less MRP/VRP <sup>3</sup> and other financing movements		(797)	(1,011)	(1,016)	(1,013)
<b>Movement in CFR</b>		<b>19,336</b>	<b>23,571</b>	<b>(6,620)</b>	<b>8,234</b>

4.6.4 The General Fund CFR consists of mainly internal borrowing as illustrated below for 2025/26 (£71Million).



#### 4.7 Liability Benchmark

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

Financial Year End	2026 £'000	2027 £'000	2028 £'000
(Over)/Under Liability Benchmark	(13,650)	(12,379)	(35)

4.7.1 There are four components to the LB: -

- Existing loan debt outstanding – the Council’s existing loans that are still outstanding in future years.
- Loans CFR - this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
- Net loans requirement: this will show the Authority’s gross loan debt less treasury management investments at the last financial year-end, projected

<sup>3</sup> Voluntary Revenue Provision

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into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.

- Liability benchmark (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

4.7.2 In years where actual loans are less than the benchmark (negative value) this indicates a future borrowing requirement; any years where actual loans outstanding exceed the benchmark (positive value) represent a technically overborrowed position.

4.7.3 The table above shows the current forecast overborrowed position remaining over the short term. This shows that in each year, there are theoretical investment balances that if unallocated, could be used to pay off debt.

4.7.4 Investment balances held by the Council are already allocated and are not available for repayment of debt or additional capital expenditure. As a result, the Council will need to externally borrow to replace internal borrowing in the medium term.

4.7.5 Cashflow is monitored on an ongoing basis to ensure that the timing of external borrowing to support the Capital Strategy and Treasury function is undertaken in a timely and prudent manner.

**4.8 Core Funds and Expected Investment Balances**

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

Year End Resources £000	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Fund balances / reserves	92,682	105,165	66,777	65,269	74,101
Provisions	3,410	3,500	3,500	3,500	3,500
<b>Total core funds</b>	<b>96,092</b>	<b>108,665</b>	<b>70,277</b>	<b>68,769</b>	<b>77,601</b>
Working capital*	28,642	10,000	10,000	10,000	10,000
(Under)/over borrowing	(78,602)	(76,321)	(50,277)	(46,073)	(57,601)
<b>Expected investments</b>	<b>46,132</b>	<b>42,344</b>	<b>30,000</b>	<b>32,696</b>	<b>30,000</b>

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

**4.9 Minimum Revenue Provision (MRP) Policy Statement**

4.9.1 Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Council has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP). The 2003 Regulations have been further amended with full effect from April 2025 to expressly provide that in determining a prudent provision local authorities cannot exclude any amount of CFR from its calculation, unless by an exception set out in statute.

4.9.2 The Council is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is

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reasonably commensurate with that over which the capital expenditure provides benefits.

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

**4.10 Borrowing**

4.10.1 The capital expenditure plans set out in paragraph 4.5.1 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

**4.11 Current Portfolio Position**

The overall treasury management portfolio as at 31 March 2025 and as at 31 December 2025 are shown below for both borrowing and investments.

<b>TREASURY PORTFOLIO</b>		
<b>£000</b>	actual <b>31.3.25</b>	current <b>31.12.25</b>
Banks	17,692	12,503
Local Government	10,000	29,570
Money Market Funds	18,440	14,000
<b>Total treasury investments</b>	<b>46,132</b>	<b>56,073</b>
<b>Treasury external borrowing:</b>		
PWLB	247,987	247,987
Finance Leases and other external borrowing	23,305	23,086
<b>Total external borrowing</b>	<b>271,292</b>	<b>271,073</b>
<b>Net treasury investments / (borrowing)</b>	<b>(227,097)</b>	<b>(215,000)</b>

4.11.1 The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, highlighting any over or under borrowing.

<b>£000</b>	<b>2024/25 Actual</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>	<b>2027/28 Estimate</b>	<b>2028/29 Estimate</b>
<b>External Debt</b>					
Debt at 1 April	258,532	271,292	298,800	333,874	339,681
Expected change in Debt	13,121	27,727	35,397	6,148	6,310

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£000	2024/25 Actual	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Expected change in Other long-term liabilities (OLTL)	(361)	(219)	(323)	(341)	(343)
Actual gross external debt at 31 March	271,292	298,800	333,874	339,681	345,648
The Capital Financing Requirement	(334,475)	(353,812)	(377,382)	(370,762)	(378,996)
(Under) / over borrowing external debt	(63,183)	(64,228)	(50,054)	(30,646)	(20,617)

4.11.2 Within the range of prudential indicators there are several key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2026/27 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

4.11.3 The S151 officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

**4.12 Treasury Indicators: Limits to Borrowing Activity**

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

Operational Boundary £000	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
General Fund	60,772	56,747	42,237	44,174
General Fund additional borrowing facility available to the Housing (WOC) Wholly Owned Company	15,000	15,000	15,000	15,000
<b>Total - General Fund</b>	<b>75,772</b>	<b>71,747</b>	<b>57,237</b>	<b>59,174</b>
HRA	285,039	312,634	320,525	326,822
<b>Total</b>	<b>360,812</b>	<b>384,382</b>	<b>377,762</b>	<b>385,996</b>
Previous Operational Boundary	<b>356,740</b>	<b>370,250</b>	<b>361,749</b>	<b>361,749</b>

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

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

Authorised Limit £000	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Borrowing - General Fund	82,772	78,747	64,237	66,174
Borrowing - HRA	296,039	323,634	331,525	337,822
<b>Total</b>	<b>378,811</b>	<b>402,381</b>	<b>395,762</b>	<b>403,996</b>
<b>Previous Authorised Limit</b>	<b>374,740</b>	<b>388,250</b>	<b>379,749</b>	<b>379,749</b>

**4.13 Prospects for Interest Rates**

4.13.1 The Council retains MUFG as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. MUFG provided the following forecasts on 9 January 2026. These PWLB rates exclude the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 (standard rate minus 60 bps) and will end on 31 March 2026.

Interest Rate Forecasts								
Bank Rate	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
MUFG CM	3.75%	3.50%	3.50%	3.25%	3.25%	3.25%	3.25%	3.25%
Cap Econ	3.50%	3.50%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%
<b>5Y PWLB RATE</b>								
MUFG CM	4.60%	4.50%	4.30%	4.20%	4.10%	4.10%	4.10%	4.10%
Cap Econ	4.70%	4.60%	4.60%	4.50%	4.50%	4.40%	4.40%	4.40%
<b>10Y PWLB RATE</b>								
MUFG CM	5.20%	5.00%	4.90%	4.80%	4.80%	4.70%	4.70%	4.70%
Cap Econ	5.30%	5.20%	5.10%	5.10%	5.10%	5.10%	5.10%	5.10%
<b>25Y PWLB RATE</b>								
MUFG CM	5.80%	5.70%	5.60%	5.50%	5.50%	5.40%	5.30%	5.30%
Cap Econ	5.90%	5.80%	5.70%	5.60%	5.60%	5.50%	5.50%	5.50%
<b>50Y PWLB RATE</b>								
MUFG CM	5.60%	5.50%	5.40%	5.30%	5.30%	5.20%	5.10%	5.10%
Cap Econ	5.60%	5.50%	5.30%	5.20%	5.20%	5.20%	5.20%	5.20%

4.13.2 The Bank of England (BOE) base rate stands at 3.75% currently and is expected to continue its gradual downwards path when both the CPI inflation and wage/employment data are supportive of such a move.

4.13.3 The CPI measure of inflation (a key bank of England KPI driving decisions on interest rates) is now 3.2%. The BOE expects inflation to reduce to near 2% by the middle of 2026.

4.13.4 Regarding the PWLB forecast, these show an increase in forecast and current rates since the last forecast, coming back to similar levels to the historical averages.

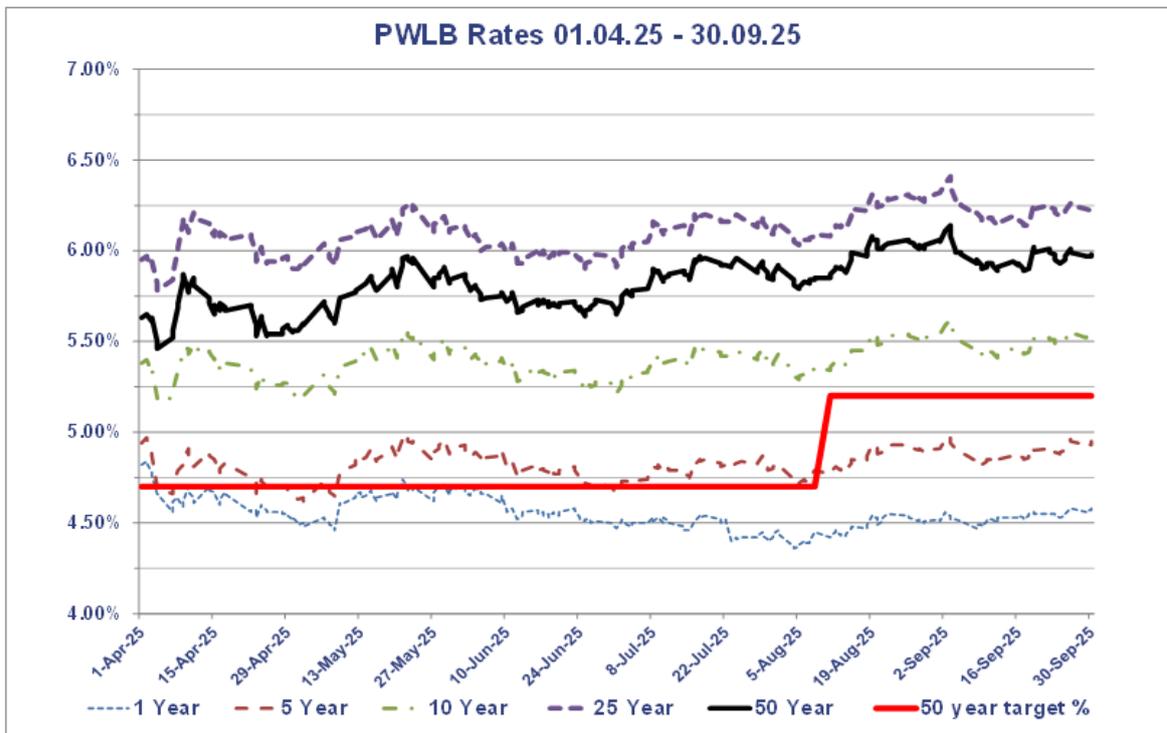
4.13.5 The short to medium part of the curve is forecast to remain elevated over the course of the next year, and the degree to which rates moderate will be tied

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to the arguments for further Bank Rate loosening or otherwise. The longer part of the curve will also be impacted by inflation factors, but there is also the additional concern that with other major developed economies such as the US and France looking to run large budget deficits there could be a glut of government debt issuance that investors will only agree to take if the interest rates paid provide sufficient reward for that scenario.

4.13.6 Invariably the direction of US Treasury yields will, in all probability, impact UK gilt yields. So, there are domestic and international factors that could impact PWLB rates whilst, as a general comment, geo-political risks abound in Europe, the Middle East, Asia and now in America (N&S).

4.13.7 Historical PWLB loans rates and shown in the chart below.



**5 Current Borrowing Position**

5.1.1 The estimated Council’s capital financing requirement (CFR) for 2025/26 is £353Million. The CFR denotes the Council’s underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing), or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The Council had £271Million in external debt at 31 December 2025, of which PWLB debt and its purpose is detailed in the table below.

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<b>Purpose of Loan</b>	<b>PWLB Loan £'000</b>
<b>General Fund Regeneration Assets</b>	<b>1,756</b>
<b>HRA</b>	
Decent Homes	38,320
Self-Financing	207,911
<b>Total HRA Loans</b>	<b>246,231</b>
<b>Total PWLB Debt at 31st December 2024</b>	<b>247,987</b>

5.1.2 Borrowing balances in this report reflect the position as at 31 December 2025. PWLB borrowing of £12M has been agreed with PWLB and will be remitted to Stevenage on 26<sup>th</sup> January 2026. This has been taken to re-finance HRA internal borrowing. Remaining planned borrowing in the capital programme is being kept under regular review because of inflationary pressures, shortages of materials and labour. Our borrowing strategy will, therefore, also be regularly reviewed and then revised, if necessary, to achieve optimum value and risk exposure in the long-term.

5.1.3 General Fund external borrowing and finance leases are: -

- PWLB borrowing of £1.8Million
- Local Enterprise Partnership (LEP) borrowing £6.57Million, repayable in 2030.
- A finance lease of £15.9Million (Aviva) for Queensway entered into in 2018/19 for 37 years and immediately sublet to Queensway Properties (Stevenage) LLP for 37 years, and
- A finance lease of £1Million in relation to Boston House (indoor market).

5.1.4 The HRA has external borrowing from PWLB of £246Million

- £7.763Million from pre-2012,
- £4.010Million taken out in 2019/20,
- £10.0 Million taken out in 2020/21,
- £9.047Million taken out in 2021/22,
- £7.5Million taken out in 2023/24 and
- £13Million taken out in 2024/25.

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

5.1.5 The target average borrowing rate in the latest HRA MTFS is 4.8% in 2025/26 and 4.8% in 2026/27.

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

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forecast that the HRA outstanding debt will be repaid in full by 2055/56, including period of re-financing.

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

## **5.2 Borrowing Strategy**

- 5.2.1 The Council is currently maintaining an under-borrowed (non-fully funded) position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains relatively elevated in 2026 even if further rate cuts arise.
- 5.2.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2026/27 treasury operations. The Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.
- 5.2.3 Borrowing may be taken to facilitate investment in regeneration and/or economic improvements for the town. This may include investment in special purpose vehicles owned by the Council to facilitate regeneration aspirations. Any such investments will be presented to Members.

## **5.3 Policy on Borrowing in advance of Need**

- 5.3.1 It is the Council's intention not to borrow more than or in advance of its needs purely to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- 5.3.2 In determining whether borrowing will be undertaken in advance of need the Council will.
- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
  - ensure the ongoing revenue liabilities created, and the implications for the future and budgets have been considered
  - evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
  - consider the merits and demerits of alternative forms of funding
  - consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

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**5.4 Rescheduling**

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

**5.5 New Financial Institutions as a Source of Borrowing and / or Types of Borrowing**

5.5.1 Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

5.5.2 Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).

5.5.3 Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).

5.5.4 The Council’s advisors will keep us informed as to the relative merits of each of these alternative funding sources.

5.5.5 The latest list of approved borrowing sources is in Appendix E. These options allow flexibility if funds are required for the short or medium term in order to minimise costs where possible.

**5.6 Annual Investment Strategy**

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

5.6.2 In managing the TM function other areas kept under review include:

- Training opportunities available to Members and officers (the most recent training for Members took place on 22 January 2026)
- That those charged with governance are also personally responsible for ensuring they have the necessary skills and training
- A full mid-year review of the TMS will be reported in 2026/27.

5.6.3 The 2026/27 Strategy uses the credit worthiness service provided by MUFG the Council’s treasury advisors. This service uses a sophisticated modelling approach which utilises credit ratings from the three main credit rating agencies and is compliant with CIPFA code of practice.

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

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5.6.5 The TM limits for 2026/27 (Appendix C) have been reviewed. No changes are considered necessary since that agreed as part of the Mid-Year Review of 2025/26.

5.6.6 The latest list of “Approved Countries for Investment” is detailed in Appendix E. This lists the countries that the Council may invest with providing they meet the minimum credit rating of AA-. The Council retains the discretion not to invest in countries that meet the minimum rating but where there are concerns over human rights issues.

**5.7 Non-Treasury Investments**

5.7.1 The CIPFA Prudential and Treasury Codes recommend that authorities’ capital strategies should include a policy and risk management framework for all investments. The Codes identify three types of local authority investment:

- Treasury management investments, which are taken to manage cashflows and as part of the Council’s debt and financing activity
- Commercial investments (including investment properties), which are taken mainly to earn a positive net financial return (previously purchased commercial investments only as Council’s are no longer permitted to access PWLB rates if they invest in commercial investments primarily for gain.
- Service investments, which are taken mainly to support service outcomes

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

**5.8 Investment returns expectations**

5.8.1 The current BOE base rate of 3.75% is expected to reduce during 2026 to 3.25% by March 2027. The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows: -

Average earnings in each year	
2026/27	3.5%
2027/28	3.0%
2028/29	3.0%
Years 5+	3.0%

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

5.8.3 Against this view the forecast of interest earned on Treasury investments in 2026/27 is £1.7Million based on average balances of £49Million.

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### **Release to Press**

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

#### **5.9 Changes of investment strategy**

5.9.1 There are no proposed changes to the Strategy for 2026/27.

#### **5.10 OTHER ISSUES**

5.10.1 **UK Sovereign rating and investment criteria:** The UK sovereign rating is currently on the lowest acceptable level suggested for approved countries as set out in Appendix E. The Council's investment criteria only use countries with a rating of AA- or above. The UK rating will be exempt from the sovereign rating investment criteria so in this event if it were to result in the UK being downgraded below AA- it would not impact on the Council's ability to invest with UK institutions. Other investment criteria will be considered in this event to ensure security of funds for the Council.

5.10.2 **Queensway Properties (Stevenage) LLP:** In December 2018, the Council entered into a 37-year agreement with Aviva to facilitate the regeneration of Queensway in the town centre. A separate legal entity, Queensway Properties (Stevenage) LLP, was incorporated to manage the rental streams and costs associated with the scheme.

## **6 IMPLICATIONS**

### **6.1 Financial Implications**

6.1.1 This report is of a financial nature and reviews the treasury management function for 2025/26 to date. Any consequential financial impacts identified in the Capital strategy and Revenue budget monitoring reports have been incorporated into this report.

6.1.2 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.

### **6.2 Legal Implications**

6.2.1 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.

6.2.2 There have been no changes to PWLB borrowing arrangements or changes to the Prudential and Treasury Management codes since the last Treasury report.

### **6.3 Risk Implications**

## **Part I**

### **Release to Press**

- 6.3.1 The current policy of minimising external borrowing only remains financially viable while cash balances are high and the differentials between investment income and borrowing rates remain. As these conditions change the Council may need to take borrowing at higher rates which would increase revenue costs.
- 6.3.2 The Council's Treasury Management Strategy is based on limits for counterparties to reduce risk of investing with only a small number of institutions.
- 6.3.3 The thresholds and time limits set for investments in the Strategy are based on the relative ratings of investment vehicles and counter parties. These are designed to consider the relative risk of investments and to preclude certain grades of investments and counterparties to prevent loss of income to the Council.
- 6.3.4 There is a risk to the HRA BP's ability to fund the approved 30-year spending plans if interest rates rise above planned rates - this will be included in future revisions to the BP.

#### **6.4 Equalities and Diversity Implications**

- 6.4.1 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.
- 6.4.2 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.

#### **6.5 Climate Change Implications**

- 6.5.1 The council's investment portfolio is invested in sterling investments and not directly in companies. These investments are short term and mainly used for working capital purposes. The council uses mainstream rating agencies to assess counterparty creditworthiness – they now incorporate ESG risks alongside more traditional financial risk metrics when assessing counterparty ratings. In this way the TM team aligns with the Council's ambition to attempt to be carbon neutral by 2030.

## **APPENDICES**

- Appendix A Treasury Management Strategy (TMS) 2026/27
- Appendix B Minimum Revenue Provision Policy 2026/27
- Appendix C Specified and Non-Specified Investment Criteria
- Appendix D Approved Countries for investment
- Appendix E Approved Sources of Long and Short-term Borrowing 2026/27

## Appendix A Treasury Management Strategy 2026/27

### 1. Treasury Management Policy Statement

- 1.1. The Council defines its treasury management activities as: “*The management of the Council’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks*”.
- 1.2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
- 1.3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
- 1.4. This Strategy has been prepared in accordance with the CIPFA Treasury Management Code 2021. The Code requires the Council to approve the Treasury Management Strategy annually and to produce a mid-year and annual report. In addition, Members in both Executive and Scrutiny functions receive monitoring reports and regular reviews. The aim of these reporting arrangements is to ensure that those with ultimate responsibility for the treasury management function appreciate fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities regarding delegation and reporting.
- 1.5. The Act requires the Council to set out its Treasury Management Strategy for borrowing and to prepare an Annual Investment Strategy to set out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments.

### 2. Annual Investment Strategy

#### 2.1. Investment Policy – Management of Risk

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

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

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

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

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

2.1.2. The guidance from the MHCLG and CIPFA place a high priority on the management of risk. This Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

- a. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- b. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.
- c. **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- d. This Council has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in Appendix C under the categories of ‘specified’ and ‘non-specified’ investments.
  - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
  - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

The Council has determined that it will limit the maximum total exposure to non-specified investments as detailed in Appendix C.

- e. **Lending limits and Transaction Limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in Appendix C and will consider investments longer than 365 days
- f. This Council has engaged **external consultants**, MUFG Corporate Markets Treasury Limited (MUFG – formerly Link Asset Services), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Council in the context of the expected level of cash balances and need for liquidity throughout the year.
- g. All investments will be denominated in **sterling**.

- h. The Council only invests in counterparties with a high credit quality in the UK or other countries meeting minimum AA- sovereign rating. The Council understands that changes have taken place to the ratings agencies and that their new methodologies mean that sovereign ratings are now of lesser importance in the assessment process. However, the Council continues to specify a minimum sovereign rating as the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution (see Appendix D).
- i. As a result of the change in accounting standards under IFRS 9, this Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. Subsequently, a further extension to the over-ride to **31.3.29** was agreed by Government but only for those pooled investments made before 1<sup>st</sup> April 2024.
- j. However, this Council will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

## 2.2. Creditworthiness policy

- 2.2.1. The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. Based on this this main principle, the Council will ensure that:
  - It maintains a policy covering the categories of financial instruments it will invest in, maximum investment duration, criteria for choosing counterparties with adequate security, and monitoring their security.
  - It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's Prudential indicators of the maximum principal sums invested more than 364 days.
- 2.2.2. The Director of Finance will maintain a counterparty list in compliance with the criteria in the Strategy for Specified and Non-Specified Investment and will revise the criteria and submit them to Council for approval as necessary.
- 2.2.3. In determining the credit quality, the Council uses the Fitch credit ratings, together with Moody and Standard & Poor's equivalent where rated. Not all counterparties are rated by all three agencies and the Council will use available ratings.
- 2.2.4. The Council also applies the creditworthiness service provided by MUFG Corporate Markets (MUFG). This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies.
- Credit Default Swap (CDS) spreads. A CDS is a contract used to insure the holder of a bond against default by the issuer. A CDS can act as an indicator of default risk and provide an early warning of likely changes in credit ratings.
- Sovereign ratings to select counterparties from only the most creditworthy countries.

MUFG modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments.

2.2.5. Credit ratings will be monitored whenever an investment is to be made, using the most recent information. The Council is alerted to changes to ratings of all three agencies through its use of the MUFG creditworthiness service.

- If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data daily via its Passport website, provided exclusively to it by MUFG Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

2.2.6. Sole reliance will not be placed on the use of this external service. In addition, the Council will also use market data including information on government support for banks and the credit ratings of that government support.

2.2.7. The Council receives updates from MUFG on future changes to Money Market Funds (MMF) that might affect the liquidity or risk of the fund. The Council is likely to change its approach to the use of MMF should liquidity or risk be adversely affected.

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

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

To date the borrowing rates available were lower than those offered for comparable loans available from the Public Works Loans Board (PWLB) at the time of issuance. The Council may make use of this alternative source of borrowing as and when appropriate.

## 2.3. Investment Strategy

2.3.1. **In-house funds.** Investments will be made with reference to the core balance and cash flow requirements, anticipated capital financing requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank of England base rate (Bank Rate) is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

## 3. Country limits

3.1. The Council has determined that it will only use approved counterparties from UK or selected countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). This is part of the criteria used to produce the Council's Counterparty List.

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

4.1. The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. The current strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels as current high inflation rates are expected to continue to reduce throughout 2025/26.

4.2. Against this background and the risks within the economic forecast, caution will be adopted with the 2025/26 treasury operations. The Assistant Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. When prudent to do so "internal borrowing" will be replaced with external borrowing in order to reduce interest rate risk.

4.3. Borrowing may be taken to facilitate investment in regeneration and/or economic improvements for the town. This may include investment in special purpose vehicles owned by the Council to facilitate regeneration aspirations. Any such investments will be presented to Members.

4.4. The Council will not borrow more than or in advance of its needs purely to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

4.5. In determining whether borrowing will be undertaken in advance of need the Council will:

- ensure that there is a clear MUF<sub>G</sub> between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need

- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered
  - evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
  - consider the merits and demerits of alternative forms of funding
  - consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.
- 4.6. Borrowing may be taken to facilitate investment in regeneration and/or economic improvements for the town. This may include investment in special purpose vehicles owned by the Council to facilitate regeneration aspirations. Any such investments will be presented to Members.

## **5. End of year investment report**

- 5.1. At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Outturn Report.

## **6. Policy on the use of external service providers**

- 6.1. In October 2023, the Council reappointed MUFG Asset Services (formerly Link) as its treasury management advisors on a three-year contract. The new contract commenced on 1 November 2023.
- 6.2. The Council recognises that responsibility for treasury management decisions always remains with the organisation and will ensure that undue reliance is not placed upon our external service providers.
- 6.3. It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

## **7. Scheme of Delegation and Role of Section 151 officer**

### **7.1. The Council has the role of:**

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual strategy.
- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers and agreeing terms of appointment

- 7.2. **The Audit Committee** has the role of reviewing the policy and procedures and making recommendations to Council.

### **7.3. The Section 151 Officer** has the role of:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports
- submitting budgets and budget variations

- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the Council
- ensure that the Council has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the Council does not undertake a level of investing which exposes the Council to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities
- provision to Members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by a Council
- ensuring that the Council has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following (covered in Annual Capital Strategy Report).

In addition, high value and/or urgent payments can be made by CHAPS by the Treasury Team, however as these can have a material impact on cash flows on the day, authorisation for this type of payment must be obtained from the S151 or deputy S151 Officer.

7.4. Reporting arrangement to the Council and the Audit Committee is as below:

Area of Responsibility	Council Committee	Frequency
Treasury Management Policy Statement (revised)	Council	Initial adoption in 2010

Area of Responsibility	Council Committee	Frequency
Treasury Management Strategy / Annual Investment Strategy / Prudential Indicators and Minimum Revenue Provision (MRP) policy	Council	Annually before the start of the year
Treasury Management Strategy / Annual Investment Strategy / Prudential Indicators and MRP policy – mid-year report	Council	Annually before the end of the year
Treasury Management Strategy / Annual Investment Strategy / Prudential Indicators and MRP policy – updates or revisions at other times	Council	As required.
Annual Treasury Outturn Report	Council	Annually by 30 <sup>th</sup> November
Scrutiny of Treasury Management Strategy	Audit Committee	Annually before the start of the year
Scrutiny of Treasury Management performance (mid year)	Audit Committee	Annually by 31 <sup>st</sup> December

## Appendix B

### Minimum Revenue Provision Policy Statement 2026/27

From 2013/14, the council has not had a fully funded capital programme, and although there has not been a need to borrow in full externally, due to the use of investment balances, it is necessary to make adequate provision for the repayment of debt in the form of Minimum Revenue Provision.

The **preferred method for existing underlying borrowing is Option 3 – the Asset Life Method** (out of 4 allowable options – the council can use a mixture of options), whereby the MRP will be spread over the useful life of the asset which range. Useful life is dependent on the type of asset and was reviewed in 2019/20. Following that review asset lives now ranges from 7 years (ICT equipment) to 50 years (Investment properties, regeneration sites and car parks for example).

In applying the new asset lives historic MRP had been overpaid and in accordance with current MHCLG MRP Guidance can be reclaimed in future years. The council has a policy to ring fence costs and income associated with regeneration assets and as such has shown these MRP changes separately, see table below. The overpayment of £1,057,660.39 resulted in no MRP needing to be charged to the accounts for the regeneration assets until 2025/26, when a partial charge will be applied, utilising the remainder of the overpayment balance.

voluntary MRP made		Use of overpayment	
	Regeneration		Regeneration
2012/13	£46,929.65	2020/21	£193,703.12
2013/14	£140,788.95	2021/22	£193,703.12
2014/15	£163,165.30	2022/23	£193,703.12
2015/16	£141,355.30	2023/24	£193,703.12
2016/17	£141,355.30	2024/25	£193,703.12
2017/18	£141,355.30	2025/26	£89,144.79
2018/19	£141,355.30		
2019/20	£141,355.30		
<b>cumulative total</b>	<b>£1,057,660.39</b>	<b>cumulative total</b>	<b>£1,057,660.39</b>

Capital expenditure financed by borrowing in 2025/26 will not be subject to an MRP charge until 2026/27, or in the financial year following the one which the asset first becomes available for use.

The Council will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

**Leases** - the adoption of International Financial Reporting Standard 16 has introduced a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is low value.

Regarding MRP in respect of assets acquired either under leases where a right-of-use asset is on the balance sheet or where on-balance sheet PFI contracts are in place, the prudent charge to revenue is measured as being equal to the element of the rent/charge that goes to write down the balance sheet liability.

**Investment property** - MRP is chargeable in respect of investment properties where acquisition results in an increase to the CFR.

## Capital Loans

Where the Council has issued capital loans that are categorised as **non-commercial**, and have not been subject to a recognised credit loss in the current or any previous financial year, the provision of MRP will not apply on the following basis:

- (a) the loan is treated as capital expenditure in accordance with regulation 25(1)(b),
- (b) the loan is not a commercial loan, and
- (c) the local council has not recognised, in accordance with proper practices(c), any expected or actual credit loss in respect of that loan.

For capital loans which are classed as **commercial** then the Authority will provide MRP over a maximum of the useful life of the assets purchased by the third party.

A commercial loan is defined in regulation 27(5) as a loan from the council to another entity for a purpose which, if the council were to undertake itself, would be primarily for financial return; or, where the loan is itself, capital expenditure undertaken primarily for financial return.

Capital receipts received from the non-commercial and commercial loan repayments in the financial year will be used to reduce the debt liability i.e. the capital receipts will be used in lieu of MRP to reduce the CFR.

For capital loans to third parties granted before 7 May 2024 - Where those loans have been subject to an actual or expected credit loss in the current or any previous financial year then MRP will be provided over the useful life of the assets purchased by the third party.

For capital loans to third parties granted on or after 7 May 2024 - Where those loans are subject to an expected or actual credit loss, then the MRP charge will be at least the amount of the recognised credit loss for the financial year, after adjusting for any previous MRP or capital receipts applied to the loan.

The Council has determined that MRP is not required for borrowing or credit arrangements used to finance capital expenditure on housing assets and accounted for within the Housing Revenue Account (HRA) as it has determined, through its duty to charge depreciation and hold a Major Repairs Reserve, that prudent provision has been made.

**Capital Receipts** - for capital expenditure on loans to third parties where the principal element of the loan has been repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.

Where no principal repayment is made in a given year, MRP will be charged using the Asset Life Method.

**Share Capital** - where a Council incurs expenditure that is capitalised on or after April 2008, which is financed by borrowing for the acquisition of share capital, Regulation 25(1)(d) Acquisition of share capital sets out the maximum period for an council to provide MRP of 20 years.

**MRP Overpayments** - under the MRP guidance, charges made in excess of the statutory MRP can be made and are known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

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

Table 1

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

Investment Counterparty	Investment Instrument	Minimum High Credit Quality Criteria	Investment Duration
Banks or Building Societies	Overnight Deposit	Fitch: Short Term F1 and Long Term A and Moody, Standard & Poor, equivalent where rated, the lowest rating used where different OR Part-nationalised or Nationalised UK banking institutions (subject to regular reviews of government share percentage).	Maximum duration as per Treasury Advisor's (MUFG's) colour coded Credit List, and less than one year
	Notice Account		
	Short Term Deposit		
Debt Management Office or UK Local Authority	Any deposit	No limit.	
Money Market Funds	Instant Access or with Notice	AAA rated	Instant Access or notice period up to one year

Table 2

**Non-Specified Investment** are sterling denominated with a maturity longer than one year but no longer than five years, and must meet the following criteria:

Investment Counterparty	Investment Instrument	Minimum High Credit Quality Criteria	Investment Duration
Banks or Building Societies	Any deposits with maturity up to a maximum of five years	Fitch: Short Term F1+ and Long Term AA- and Moody, Standard & Poor, equivalent where rated, the lowest rating used where different	Maximum duration suggested by Treasury Advisor's (MUFG's) colour coded Credit List, and not in excess of five years
Debt Management Office or UK Local Authority		No Limit.	

Table 3

## Treasury Limits

Investment Instrument	Cash balances less than £30Million	Cash balances higher than £30Million
	Limits	Limits
Variable Rate Investments (Excluding Enhanced Cash Funds)	Maximum holding £30M	Maximum holding 100%
Counterparty limits (to encompass all forms of investment)	Maximum £5M	Maximum £10M
Instant Access Or Overnight Deposit	Maximum holding 100%	
Fixed Rate less than 12 month maturity	Maximum holding 100%	
Fixed Rate more than 12 months to maturity (includes all types of Fixed Rate Investments i.e. Certificates of Deposits )	Maximum £5M	Maximum £10M
Money Market Funds - Traditional Instant Assess (Counterparty Limit per Fund)	Maximum £5M per MMF	Maximum £10M per MMF
	No limit on total cash held	
Enhanced Cash Funds	Maximum £3M	
Certificates of Deposits	Maximum £5M	
Property Funds	Maximum of £3M - No durational limit. Use would be subject to consultation and approval	

### Procedures of Applying the Criteria and Limits

<p>Before the Treasury Team makes an investment, the Team will follow the follow procedure to ensure full compliance with the Specified and Non-Specified Criteria and Treasury Limits:</p>
<p><b>1</b> Check that the Counterparty is on the Counterparty List (also known as Current Counterparty Report for Stevenage) produced by MUFG Corporate Markets (LAS), specifically meeting the Council's Specified and Non-specified Minimum High Credit Quality Criteria in the above Table 1 &amp; 2. If it is not on the list, the Treasury Team will not invest with them.</p>
<p><b>2</b> If the Counterparty is on the list, then the Treasury Team refers to the Credit List produced by LAS in colour coding, to determine the maximum investment duration suggested for the deposit, as per the column of Suggested Duration (CDS Adjusted with manual override).</p>
<p><b>3</b> Refer to the Treasury Limits in the above Table 3 to ensure the amount invested complies with the Treasury Limits.</p>

### Approved Countries for Investments

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 MUFG Corporate Markets creditworthiness service.

#### *Based on lowest available rating (as at 13.11.25)*

##### **AAA**

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

##### **AA+**

- Canada
- U.S.A.

##### **AA**

- Abu Dhabi (UAE)
- Finland

##### **AA-**

- U.K.

##### **A+**

- Belgium
- France

**The UK is exempt from the sovereign rating criteria as recommended by MUFG. The UK sovereign rating is currently AA-.**

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

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## Approved Sources of Long and Short-term Borrowing 2026/27

<b>On Balance Sheet</b>	<b>Fixed</b>	<b>Variable</b>
PWLB	●	●
UK Municipal Bond Agency	●	●
Local Authorities	●	●
Banks	●	●
Pension Funds	●	●
Insurance Companies	●	●
UK National Wealth Fund	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock Issues	●	●
Local Temporary	●	●
Local Bonds	●	
Local Authority Bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance Leases	●	●

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**Meeting:** COUNCIL  
**Portfolio Area:** Members' Services  
**Date:** 25 FEBRUARY 2026

## **MEMBERS' ALLOWANCES SCHEME 2026/27**

Author & Contact Officer – Luke Fattorusso Ext. 2714  
Lead Officer – Tom Pike Ext. 2288

### **1. PURPOSE**

1.1 To approve a Members' Allowances Scheme for 2026/27.

### **2. RECOMMENDATIONS**

2.1 That a Members' Allowances Scheme for 2026/27, as set out in Appendix A to this report, be agreed.

### **3. BACKGROUND**

3.1 Local Authorities are required to approve a Members' Allowances Scheme before the beginning of each financial year.

3.2 At its meeting on 26 February 2025, the Council adopted a Members' Allowances Scheme for the years 2025/26, 2026/27 and 2027/28, based on the recommendations of the Independent Remuneration Panel (IRP) that had undertaken a comprehensive review in Autumn 2024.

3.3 The recommendations were that the Basic Allowance, Special Responsibility Allowances, and all other Discretionary Allowances were frozen from 2024/25 for 2025/26, and that for 2026/27 and 2027/28 the Basic Allowance, Special Responsibility Allowances, and the Co-optees' Allowances increase in line with the Retail Price Index [RPI].

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

- 4.1 At its meeting on 26 February 2025, the Council approved a Members' Allowances Scheme for 2026/27 based on an increase in line with the Retail Price Index [RPI].
- 4.2 The rate of RPI published for December 2025 is 4.2% and has been reflected in the updated Members' Allowances Scheme for 2026/27 set out in Appendix A to the report.
- 4.3 Whilst not included in the scope of the December 2024 IRP report, the Scheme as set out in Appendix A includes Allowances for the Mayor and Deputy Mayor, which have been uplifted at the same RPI level as all other allowances, as recommended by the IRP. When the IRP is reconvened again in Autumn 2027 to review Members Allowances from 2028/2029 onwards, the Mayoral Allowances will be included in that review work undertaken by the IRP.

## **5. IMPLICATIONS**

### **5.1 Financial Implications**

- 5.1.1 The 2026/27 Members allowances in line with the IRP have been increased by RPI for 2026/27 and the RPI indicator used was the December published on the 21 January 2026.
- 5.1.2 The 2026/27 Members allowances budget has been increased to reflect that increase and totals £531,100 plus a further £49,600 for employer's national insurance contributions. The report also includes the Mayor and Deputy Mayor allowances for 2026/27 which have also been increased by the December RPI and total £18,530 before expenses relating to events.
- 5.1.3 Subject to approval of the recommendations in this report, the funding for the proposed Scheme is included in the Cabinet's February 2026 Council Tax and General Fund Budget report for 2026/27.

### **5.2 Legal Implications**

- 5.2.1 The Council sets a Members' Allowances Scheme in accordance with the Local Government Act 2000 and the Local Authorities (Members' Allowances) (England) Regulations 2003 ("Regulations"). The Regulations set out that a local authority shall make a Scheme in accordance with the Regulations which shall provide for the payment of an allowance in respect of each year to each member of an authority. In addition, the Regulations require that before making a Scheme the Council must have regard to the recommendations made by the Independent Remuneration Panel.

## **APPENDICES**

- Appendix A – Proposed Members' Allowances Scheme for 2026/2027

## **BACKGROUND DOCUMENTS**

- Local Authorities (Members' Allowances) (England) Regulations 2003
- Report of Independent Remuneration Panel: December 2024

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**STEVENAGE BOROUGH COUNCIL**

**MEMBERS' ALLOWANCES SCHEME**

**EFFECTIVE FROM 1 April 2026 to 31 March 2027**

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

1. This scheme may be cited as the Stevenage Borough Council Members' Allowances Scheme, and shall have effect for the year 1 April 2026 to 31 March 2027.

2. In this scheme,

“Councillor” means a Member of the Stevenage Borough Council who is a Councillor; “year” means the period ending on 31 March 2027.

3. Basic Allowance

A basic allowance shall be paid to each Councillor from 1 April 2026.

4. Special Responsibility Allowances

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

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

3) Members are only able to claim one SRA.

5. Renunciation

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

6. Part-year Entitlements

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

7. Payments

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

## 8. Suspension of Payments

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

### **Basic Allowances**

Basic Allowance	Paid to All Members	£9,189
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### **Special Responsibility Allowances**

(i)	Leader of the Council	£25,796
(ii)	Executive Members	£12,633
(iii)	Chair of Planning and Development Committee	£12,633
(iv)	Chair of Overview & Scrutiny Committee	£11,345
(v)	Chair of Licensing Committee	£5,160
(vi)	Chairs of Select Committees	£6,449
(vii)	Chair of Audit Committee	£5,160
(viii)	Leader of the Majority Opposition Party	£461.67 per Member
(ix)	Leader of the Minority Opposition Party(ies)	£461.67 per Member

### **Mayoral Allowances**

Mayor	£12,633
Deputy Mayor	£6,449

### **Payment to Specific Co-opted Members**

Independent Member - Audit Committee	£1,560
Independent person who must be consulted on alleged breaches of a code of conduct	£1,560

### **Carer's Allowance**

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

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

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

### **Travel, Subsistence and Other Allowances**

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

**Meeting** COUNCIL  
**Portfolio Area** Resources and Performance  
**Date** 25 February 2026



## PAY POLICY STATEMENT 2026/27

### 1 PURPOSE

- 1.1 To approve the pay policy statement for financial year 2026/27.

### 2 RECOMMENDATIONS

- 2.1 That the pay policy statement set out in accordance with the Localism Act 2011 and the Local Government Transparency Code 2015, as attached at Appendix 1 to the report, be approved.
- 2.2 That the pay policy statement be placed on the Council's website once approved.

### 3 BACKGROUND

- 3.1 The Localism Act requires local authorities to adopt annually a statutory pay policy statement which must then be published (including on the Council's website) 'to help local people understand how public money is being spent in their area and to hold the Town Hall to account'.
- 3.2 No remuneration may be made to officers which falls outside the pay policy statement although it will be possible for a meeting of the Council to amend the Statement at any time.
- 3.3 The pay policy statement must include its policies on the following matters:-
- the remuneration of its chief officers
  - the level and elements of remuneration for each chief officer,
  - the remuneration of chief officers on recruitment

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

envisaged that any such appointments will be made the Council has adopted a policy which relates to all Council officers, including chief officers and states that “Any employee who takes voluntary redundancy will not be permitted to return to the employment of Stevenage Borough Council, either as a permanent or fixed term employee, for a minimum period of 12 months following the date of their redundancy. There is no restriction on returning to employment following compulsory redundancy”.

- 3.12 There is no restriction on returning to the wider public sector, however, in line with the Redundancy Payment (Local Government) (Modification) Order 1999 (as amended) officers who are made redundant, receive an offer of employment from another public body before their employment terminates and then start work in the new job within 4 weeks of that termination will lose their entitlement to a redundancy payment.

#### **4. REASONS FOR RECOMMENDED COURSE OF ACTION**

- 4.1 In accordance with the Hutton Review the pay policy statement is required to include the pay multiples comparing the Chief Executive’s remuneration with the lowest paid employees and mean average earnings across the Council.
- 4.2 The pay of the Chief Executive (excluding payments for elections) is currently 6.13 times the pay of the lowest paid worker and this ratio is not expected to change significantly. The pay of the Chief Executive is currently 3.77 times the pay of mean average earnings. It should be noted at the time of writing no national pay award has been agreed for any staff group for 2026/27.
- 4.3 The proposed pay policy takes account of the supplementary statutory guidance issued under the Localism Act 2011, in February 2013 by the Secretary of State, on pay policy statements and remuneration above £100,000.
- 4.4 At the time of writing no national pay award for chief officers for financial year 2026/27 has been agreed. If any award is agreed at a national level this will be implemented for chief officers in line with the national guidance.

#### **5.0 IMPLICATIONS**

##### **Financial Implications**

- 5.1 The Council has set a budget which fully accounts for the provisions outlined in the pay policy statement. This ensures that all remuneration and related costs are managed within the approved financial framework, supporting responsible fiscal planning and transparency.

##### **Legal Implications**

- 5.2 This statement has been prepared to ensure full compliance with the legal framework as detailed within this report.

##### **Risk Implications**

5.3 None identified

**Equality and Diversity Implications**

5.4 The Council has a legal obligation to comply with the Equality Act 2010, and to ensure equal pay for work of equal value, for men and women. The Council implemented single status with effect from 1 July 2014 to ensure compliance.

5.5 The Council publishes its Gender Pay Gap Report on an annual basis. A copy of this report can be found on the Council's website at the following link –

<https://gender-pay-gap.service.gov.uk/employers/14491/reporting-year-2024>

**Safeguarding Children Implications**

5.6 None identified

**APPENDICES**

Appendix 1- Stevenage Borough Council Pay Policy Statement 2026/27.

## APPENDIX 1 – PAY POLICY STATEMENT FOR STEVENAGE BOROUGH COUNCIL

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

This policy shall apply from 1 April 2026 to 31 March 2027 subject to amendment by Council.

To date no Chief Officers' Pay Award has been agreed 2026/27 at a national level. Should an award be agreed this will be implemented in line with national guidance.

### Remuneration bands of senior officers are set out here:

Head of Paid Service/ Chief Executive	£149,640 - £170,280
Strategic Directors	£110,424 - £124,872
Monitoring Officer/ Borough Solicitor	Employed by Hertfordshire County Council as part of a shared legal service.
Section 151 Officer	The section 151 officer receives a supplement of up to £7,992 per annum in addition to their Strategic Director pay
Directors	£85,398 - £99,072

*Lowest Paid Employees with effect from 1 April 2025	£25,087
**Mean Average Basic Earnings	£40,764

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

\*\* At the time of writing no pay award for NJC staff has been agreed for financial year 2026/27 has been agreed

1. Any employee, up to and including those on grade 6, is eligible for an overtime payment at an enhanced rate of +0.33 of their basic pay hourly rate for any overtime hours worked Monday to Saturday and +1.00 for any overtime hours worked on a Sunday for any additional hours worked over 37 per week.

2. Employees at or below Grade 6 that are required to undertake non-standard working are entitled to non-standard working enhancements. In addition to their normal salary those employees at or below grade 6, who are required as part of their contracted hours to work on a Saturday, or for longer than 4 consecutive hours between 10pm and before 7am receive a shift enhancement of +0.33 of their basic salary for those hours, and employees at or below grade 6 who are required to work on a Sunday as part of their contracted hours receive a shift enhancement of +1.00 of their basic salary, this rate of enhancement also applies to any hours worked on a public holiday.
3. With effect from 1 January 2014 the Council commenced paying the Living Wage to all employees, excluding apprentices. SBC updates the Living Wage on 1 April each year. With effect from 1 April 2026 this will be £12.71 per hour which equates an annual salary of £24,521
4. The pay of the Chief Executive (excluding payments for elections) is currently 6.13 times the pay of the lowest paid worker and this ratio is not expected to change significantly. The pay of the Chief Executive is currently 3.77 times the pay of mean average earnings. It should be noted at the time of writing no national pay award has been agreed for any staff group for 2026/27.
5. Many of the Chief Officers, Deputy Chief Officers and other employees receive a payment for attending and performing certain duties at elections. These payments are set in line with guidance produced per election type.
6. Salary packages amounting to £150,000 or more for new appointments will be approved by Full Council.
7. Salary increments are paid annually by default for all employees of the Council up to the top of the pay grade.
8. The pay of Chief Officers and Deputy Chief Officers is based on job evaluations undertaken through the Inbucon scheme.
9. The terms and conditions of Chief Officers and Deputy Chief Officers are set in accordance with the JNC.
10. Chief Officers and Deputy Chief Officers including any new appointments at this level will be made in accordance with the pay scales set out above.
11. The council will ensure that any acting-up or honorarium payments are determined in accordance with the published pay scales and are applied in a fair and consistent manner across the council.

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

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**Meeting** Council  
**Portfolio Area**  
**Date** 25 February 2026



## **DECISIONS TAKEN BY THE EXECUTIVE UNDER THE SPECIAL URGENCY PROVISIONS OF THE LOCAL AUTHORITIES (EXECUTIVE ARRANGEMENTS) (ACCESS TO INFORMATION) (ENGLAND) REGULATIONS 2012**

**Author** Victoria Wilders Monitoring Officer  
Lisa Jerome Senior Democratic Services Officer

### **1. PURPOSE**

- 1.1. The purpose of this report is to advise the Council of decision(s) taken by the Cabinet in accordance with the Special Urgency provisions of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012.

### **2. RECOMMENDATIONS**

- 2.1. Council is recommended to note the report.

### **3. BACKGROUND**

- 3.1. The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012 and the Council's Standing Order 43.1 require me, as Executive Leader, to submit a report to the Council on decisions taken by the Cabinet in pursuance of the Special Urgency provisions set out in Regulation 19 of the Regulations and in the Council's Standing Order 37.
- 3.2. Set out below are details of the Cabinet's decision taken since December 2025 in pursuance of the Special Urgency provisions referred to above:

<b>Date of Meetings</b>	<b>Subject</b>	<b>Decision(s)</b>
14 January 2026	Local Government Reorganisation in Hertfordshire and Local Elections 2026	<ol style="list-style-type: none"> <li>1. That the letter from the Minister of State for Local Government and Homelessness on 18 December 2025, inviting councils in reorganisation areas where elections are planned for 2026 to give their views on potential postponement of local elections in their areas be noted.</li> <li>2. That a response be submitted with comments on the capacity to manage the transition to new unitary authorities by April 2028 and a request that the local elections scheduled for May 2026 be postponed by one year.</li> <li>3. That authority be delegated to the Leader of the Council to submit a response to the Minister's invitation by 15 January 2026.</li> </ol>

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

- 4.1 In accordance with the Overview and Scrutiny Procedure Rules (the Rules) under the Constitution, the call-in procedure did not apply where the decision being taken by Cabinet is urgent (as was proposed in this case). On 14 January 2026, the Chair of the Overview and Scrutiny Committee agreed to disapply the call in procedure in respect of the Local Government Reorganisation and Local Elections 2026 report on the basis that the decision proposed was reasonable and proportionate in all the circumstances and to it being treated as a matter of urgency.
- 4.2 Under the Rules, the decision to disapply must be reported to the next available meeting of the Council together with the reasons for the urgency. The reason for the urgency was that as the letter received from the Government had a response deadline of 15 January and this was the first opportunity for Cabinet to consider the matter. Further advice and FAQ's had also been published on 6 January to inform preparation of this report, along with legal advice on the decision making process.

## **5. IMPLICATIONS**

### **Financial Implications**

5.1. None

### **Legal Implications**

5.2 The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2012.

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