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CABINET

Date: Thursday, 10 September 2026
Time: 2.00pm,
Location: Council Chamber
Contact: Lisa Jerome (01438) 242203
committees@stevenage.gov.uk

Members: Councillors: Richard Henry (Chair), Myla Arceno, Rob Broom, Coleen DeFreitas, Tom Plater, Loraine Rossati and Nazmin Chowdhury

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AGENDA

PART 1

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillor

2. MINUTES - CABINET 15 JULY 2026

To approve as a correct record the Minutes of the meeting held on 15 July 2026.

Page Nos. 5 - 12

3. MINUTES OF THE OVERVIEW AND SCRUTINY AND SELECT COMMITTEES

To note the following minutes of the Overview and Scrutiny and Select Committees:

- Community Select Committee – 7 July 2026 and 23 July 2026;
- Environment and Economy – 14 July 2026; and
- Overview and Scrutiny Committee – 21 July 2026.

Page Nos. 13 - 32

4. GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY UPDATE (2026/27 - 2030/31)

To update Members on the General Fund Medium Term Financial Strategy (MTFS) and on the Fair Funding Agreement 2027/28-2028/29.

Page Nos. 33 - 76

5. HRA MEDIUM TERM FINANCIAL STRATEGY REVIEW

To update Members on the Housing Revenue Account (HRA) Medium Term Financial Strategy (MTFS).

Page Nos. 77 - 102

6. 1ST QUARTER REVENUE AND CAPITAL MONITORING REPORT 2026/27 – GENERAL FUND AND HRA

To update Members on the projected General Fund (GF), Housing Revenue Account (HRA) and Capital 2026/27 net expenditure and seek approval to amend the General Fund, HRA and Capital budgets as part of the quarterly revenue monitoring review.

Page Nos. 103 - 138

7. ANNUAL TREASURY MANAGEMENT REVIEW 2025/26 AND PRUDENTIAL INDICATORS

To note the annual Treasury Management Report for 2025/26 and to approve the actual 2025/26 prudential and treasury indicators in the report.

Page Nos. 139 - 158

8. CORPORATE PERFORMANCE QUARTER 1 2026/27

To receive a report highlighting the Council's performance across key priorities and projects for Quarter One 2026/27, following the approval of the new 2026/27 Corporate Performance Suite.

Page Nos. 159 - 202

9. HOUSING ANNUAL REPORT, ANNUAL COMPLAINTS SELF-ASSESSMENT AND SERVICE IMPROVEMENT REPORT 2025/26

To consider and review the Housing Complaints and Service Improvement Report 2024/25, and the annual self-assessment against the Housing Ombudsman's Complaint Handing Code.

Page Nos. 203 - 280

10. GSK RELOCATION UPDATE: IMPACT, RESPONSE AND OPTIONS

To consider the Council's initial response to the announcement of the relocation of GSK, including engagement with GSK, Government, Hertfordshire partners, businesses and other stakeholders.

Page Nos. 281 - 296

11. URGENT PART 1 BUSINESS

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

12. EXCLUSION OF PUBLIC AND PRESS

To consider the following motions –

1. That under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as described in paragraphs1 – 7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access to Information) (Variation) Order 2006.

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

13. PART II MINUTES - CABINET 15 JULY 2026

To approve as a correct record the Part II Minutes of the meeting held on 15 July 2026.

Page Nos 297 – 300

14. WHOLLY OWNED COMPANIES UPDATE REPORT

To update Members on the Council's subsidiary companies and those the Council has an interest in.

Page Nos 301 – 328

15. COUNCIL TAX AND HOUSING RENT AND RECHARGEABLE DEBT WRITE OFFS GREATER THAN £10,000

To consider a report writing off Council Tax debt deemed irrecoverable which is properly due to the Council and is more than £10,000.

Page Nos 329 – 336

16. URGENT PART II BUSINESS

To consider any Part 2 business accepted by the Chair as urgent.

NOTE: Links to Part 1 Background Documents are shown on the last page of the individual report, where this is not the case they may be viewed by using the following link to agendas for Executive meetings and then opening the agenda for Thursday, 10 September 2026 – http://www.stevenage.gov.uk/have-your-say/council-meetings/161153/

Agenda Published 2 September 2026

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STEVENAGE BOROUGH COUNCIL

CABINET
MINUTES

Date: Wednesday, 15 July 2026
Time: 2.00pm
Place: Council Chamber

Present:	Councillors: Richard Henry (Chair), Myla Arceno, Rob Broom, Coleen De Freitas and Loraine Rossati	
Start / End Time:	Start Time: 2.00pm End Time: 3.20pm	

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

Apologies for absence were received from Councillors Nazmin Chowdhury and Tom Plater.

There were no declarations of interest.

2 **MINUTES - CABINET 10 JUNE 2026**

It was **RESOLVED** that the Minutes of the meeting of the Cabinet held on 10 June 2026 be approved as a correct record for signature by the Chair.

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

Cabinet received a summary of the issues covered at the most recent meetings of the Overview and Scrutiny and Select Committees including:

- Overview and Scrutiny Committee – including the Civil Penalties Policy, Renters Rights Act and the implications of Local Government Reorganisation;
- Environment and Economy Select Committee – The committee confirmed that the principal review for the year would focus on fly tipping, alongside updates on cycling, skills and employment, the cost of living agenda, food bank usage, and transport affordability.

Members welcomed the focus being placed on tackling fly-tipping, recognising it as a significant issue affecting communities both locally and nationally. It was noted that many councils were exploring enhanced enforcement measures and opportunities to work with local communities to reduce incidents of fly-tipping, and support was expressed for the Council's ongoing efforts in this area.

It was **RESOLVED** that the Minutes of the Overview and Scrutiny Committee and the Environment and Economy Select Committee meetings be noted.

4 **ST NICHOLAS PRIDE IN PLACE FUNDING: BOARD ESTABLISHMENT AND**

PLAN DEVELOPMENT

Cabinet received a report seeking approval of the initial steps required to establish a resident-led Pride in Place Programme for St Nicholas, following the award of £20 million Government funding. Members were advised that the programme aimed to deliver long-term improvements over the next 10 years, focusing on priorities identified by residents, including the physical environment, community facilities, health and wellbeing, community safety, skills, employment and life chances.

Members were advised that a St Nicholas Pride in Place Neighbourhood Board would be established by the end of August 2026 which would oversee development of a 10-year neighbourhood plan and a four-year investment programme for submission to Government in February 2027. The Council would initially act as the accountable body, providing governance, financial oversight and programme support, while enabling residents and local partners to lead the development of the vision and priorities. It was also noted that a chair for the Neighbourhood Board had been recommended for appointment and, subject to the completion of the necessary checks, details would be made public in due course.

Following a number of questions, the Leader advised that work was underway to establish a “Friends of St Nicholas” initiative to encourage wider community participation in the Pride in Place programme. Members were pleased to note that a programme of engagement events was being developed for August, supported in part through Local Community Budget funding. Once the appointment of the Neighbourhood Board Chair had been confirmed, arrangements would be made to involve relevant stakeholders, including the Chair, local Members, the MP and officers, in supporting these events and the ongoing development of the programme.

Members welcomed the positive developments for St Nicholas and expressed support for the work of the newly established board. They emphasised the importance of a coordinated approach, noting that once the Board had identified its priorities, the Council should actively work alongside its partner organisations and agencies to support the delivery of local ambitions.

The Portfolio Holder for Housing then highlighted the Council’s housing interests within St Nicholas and referred to a range of housing improvement projects which would take place over the coming years. She confirmed that the Housing service would support the Board and contribute to the success of its objectives.

It was **RESOLVED**:

1. That the award of Pride in Place funding to the St Nicholas area and the role of Stevenage Borough Council as the initial accountable body for the programme be noted.

2. That the proposed approach to establishing the St Nicholas Pride in Place Neighbourhood Board to support the initial stages of the programme be approved.

3. That delegated authority be given to the Strategic Director (JB), having consulted

with the Leader of the Council and the Portfolio Holder for Stronger Communities & Equalities, to develop the St Nicholas Pride in Place Plan for submission to government by February 2027.

4. That a further report be brought forward ahead of the February 2027 submission deadline, setting out the St Nicholas Pride in Place Plan.

5 **OUTTURN Q4 MONITORING REPORT FOR GENERAL FUND, HOUSING REVENUE ACCOUNT, CAPITAL AND GROUP COMPANIES**

Cabinet received a report on the Council's financial performance for 2025/26, covering the General Fund, Housing Revenue Account (HRA), Capital Programme and subsidiary companies.

Members were advised that the Council ended the year in a stronger financial position than forecast, with General Fund balances increasing to £7.57 million, supported by higher investment income and stronger service income, which helped offset various budget pressures. Part of the underspend related to funding being carried forward for projects to be completed in 2026/27.

It was noted that the HRA also reported an improved outturn position, delivering a £1.54 million surplus, although much of this related to one-off factors and funding being carried forward to complete housing repairs, maintenance and improvement works.

Members were pleased to note that, despite improvements to General Fund funding, the HRA continued to face significant medium- and long-term financial pressures arising from increasing regulatory requirements. A further recommendation was proposed to allocate £200,000 of the General Fund underspend towards public realm improvements as part of the town's 80th anniversary celebrations which the Cabinet approved.

It was **RESOLVED**:

General Fund

1. That it be noted that all the financial data is subject to the 2025/26 Statement of Accounts audit.

2. That the 2025/26 actual General Fund (GF) net expenditure of £10.078 Million be noted.

3. That the 2025/26 actual core resources (government grants, business rates and council tax) of £11.144 Million be noted (paragraph 4.4.1).

4. That carry forward/spend requests into 2026/27 totalling £309,150 be approved for the General Fund (paragraph 4.3).

5. That the 2025/26 transfer to reserves of £3.169 Million be approved for the

General Fund (paragraph 4.7.1).

6. That the transfer from General Fund reserves to allocated reserves in 2025/26 of £2.92 Million as detailed in paragraph 4.7.1 be noted.

7. That the 2026/27 transfer from reserves of £1.015 Million as set out in paragraphs 4.6.1 and 4.6.5 be approved.

8. That the changes to the 2026/27 budget of £117,030 as set out in the table in paragraph 4.6 be approved.

Housing Revenue Account

9. That the 2025/26 in year HRA surplus of £1,543,209 be noted, subject to the audit of the Statement of Accounts.

10. That carry forward requests of £783,140 (paragraph 4.11) be approved.

11. That the 2026/27 revised HRA budget of £942,260 deficit be approved as set out in paragraph 4.12.3.

Capital Programme

12. That the General Fund capital budget re-phasing of £4.4 Million from 2025/26 to future years be approved.

13. That the Housing Revenue Account capital budget re-phasing of £2 Million from 2025/26 to future years be approved.

14. That the new growth item detailed on paragraph 4.17.2 be approved.

15. That the virements totalling £177K detailed on paragraph 4.17.3 be approved.
16. That the changes in Capital Financing in paragraph 4.18 be approved for 2025/26 and 2026/27.

Council's Subsidiary Companies

17. That the 2025/26 outturn position for the Council's subsidiary companies as set out in paragraph 4.20 be noted.

6 CORPORATE PERFORMANCE QUARTER 4 2025/26, ANNUAL REPORT 2025/26 AND CORPORATE PERFORMANCE SUITE 2026/27

Cabinet received a report reviewing the Council's performance during 2025/26 and setting priorities for the year ahead. The report brought together the Quarter 4 performance position, the Annual Report for 2025/26, and the 2026/27 Corporate Performance Suite, providing an overview of progress against the Council's Corporate Plan and the *Making Stevenage Even Better* programme.

Members were pleased to note that overall, the report highlighted another year of strong performance despite significant national financial and organisational challenges.

While many performance measures were achieving their targets, it was noted that three indicators remained below the desired level. Particular attention was drawn to the continued challenge of reducing the turnaround time for general needs void properties, which remained a key priority for both residents and the Council.

The Chief Executive then gave a short presentation including details of a number of significant projects which had been delivered during 2025/26 as part of its wider regeneration and investment programme. Key achievements included the opening of the new Indoor Market at Park Place and the ongoing fit-out of the Construction Skills Campus, which was due to open in the coming weeks. Progress was also highlighted on the new Sports and Leisure Centre, with construction now underway and supporting infrastructure works having commenced.

Members were also pleased to note that the Council had also secured over £1 million in external funding to expand the STEM Futures programme in partnership with Mission 44, North Hertfordshire College and other partners, helping to provide local young people with greater opportunities to access careers in science, technology, engineering, arts and mathematics (STEAM).

The Chief Executive reported that significant progress had been made on a number of major regeneration and housing projects during the year including the Oval neighbourhood regeneration scheme and that the Council had delivered 627 new homes towards its target of 1,000 homes, with a further nearly 300 homes currently under construction.

Members were informed of the success of the Council's recent community and events programme, and noted that approximately 61,000 people from both Stevenage and beyond had attended civic and community events during the year. They welcomed the positive impact these activities had made on the town and its communities.

The ongoing contribution of key support services, including Survivors Against Domestic Abuse (SADA), No More and Housing First, which continued to provide vital assistance to residents during times of greatest need were recognised.

In relation to environmental services, Members welcomed the introduction of the new kerbside food waste collection service, a significant achievement which would help to improve recycling rates and contribute to addressing the challenges associated with waste production.

Progress made in supporting environmental sustainability and tackling climate change was also highlighted securing more than £1.5 million to improve the energy efficiency of local homes, promoting renewable energy initiatives, and facilitating the installation of 134 solar panel systems across the town. In addition, the successful relaunch of the Stevenage Cycle Hire Scheme, providing access to 145 bicycles across the town and supporting sustainable travel options for residents and visitors was noted.

The Housing Portfolio Holder expressed confidence that the measures being implemented, including the strengthening of the in-house Repairs Team and the development of supply chain and specialist contractor arrangements, would deliver further improvements in performance. She advised that this would support the Council's ability to bring homes back into use more quickly and increase the availability of accommodation for residents on the housing register.

It was **RESOLVED**:

1. That the service performance against 52 corporate performance measures and delivery of key milestones in Quarter Four 2025/26 through the Making Stevenage Even Better Programme (Appendix D) be noted.

2. That the improvement actions being taken to improve void turnaround times and deliver value for money for tenants be noted (section 4.4.2).

3. That the strategic risk updates (section 4.9) be noted.

4. That the draft Annual Report 2025/26 (Appendix A) be agreed, subject to any changes discussed at the Cabinet meeting and with final sign off delegated to the Chief Executive, after consultation with the Leader of the Council.

5. That the proposed Corporate Performance Suite 2026/27 (Appendix B) and MSEB Priorities 2026/27 (Appendix C) be agreed.

7 DRAFT TENANCY STRATEGY 2026 - 2031

Cabinet received a report advising members that the proposed Tenancy Strategy set out the Council's expectations of all social landlords operating within Stevenage. The strategy established a framework of principles to guide how tenancies were allocated, managed and supported across the borough. It would apply to all registered providers, including the Council, housing associations and other registered social landlords, with the aim of promoting a consistent approach to tenancy management and tenant support.

Members were advised that the strategy was intended not only to support the allocation of social housing but also to help tenants sustain their tenancies. A key focus was on providing early intervention, support and mediation to reduce the risk of tenancy failure and homelessness.

The Housing Portfolio Holder advised that the Council's Housing and Homelessness Teams worked closely with housing associations and other registered providers to identify and support tenants at an early stage, helping to prevent housing difficulties from escalating into homelessness. She also advised that the Community Select Committee had considered the strategy and provided constructive feedback, particularly in relation to strengthening the sections on tenant and resident involvement. An additional section would also be included to encourage registered providers to recognise and support the Armed Forces Covenant.

Members welcomed the increased engagement with residents and tenants, highlighting the importance of maintaining meaningful involvement in shaping services. They expressed support for the Council's continued commitment to delivering high-quality services, listening to resident feedback, and driving ongoing service improvements to better meet the needs of tenants.

It was **RESOLVED**:

1. That the duty placed on Stevenage Borough Council to fulfil its duties under the Localism Act 2011 to publish a Tenancy Strategy be noted.

2. That the content and the adoption of the Tenancy Strategy 2026-2031, as seen in Appendix A be approved.

3. That the Strategic Director (RP), be given delegated authority to make minor updates and changes to the Strategy arising from new legislation, after consultation with the relevant Portfolio Holder.

8 **URGENT PART 1 BUSINESS**

The Leader informed Members that the Government's decision on Local Government Reorganisation (LGR), was expected before Parliament entered its summer recess. He advised that once received, the decision would be communicated promptly to Members, staff, residents and stakeholders.

The decision, would determine the geographical areas for future unitary councils and mark the next stage of the LGR process. Further details, including council names, electoral arrangements and transitional governance arrangements, would then be confirmed through a Structural Changes Order expected to be laid before Parliament in 2026/27.

In the meantime, the Leader confirmed that Members and officers remained committed to maintaining high-quality services for residents while continuing to support the LGR programme and securing the best possible future for Stevenage and its communities.

9 **EXCLUSION OF PUBLIC AND PRESS**

It was **RESOLVED:**

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

2. That the reasons for the following reports being in Part II were accepted, and

that the exemption from disclosure of the information contained therein outweighs the public interest in disclosure.

10 **PART II MINUTES - 10 JUNE 2026**

It was **RESOLVED** that the Part II Minutes of the meeting of the Cabinet held on 10 June 2026 be approved as a correct record for signature by the Chair.

11 **SPORTS AND LEISURE CENTRE**

The Cabinet considered a Part II report in respect of the Sports and Leisure Centre.

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

12 **CONTRACT AWARD - MATERIALS SUPPLIER FOR THE REPAIRS AND VOIDS SERVICE**

The Cabinet considered a Part II report in respect of the Contract Award for the Material Supplier for the Repairs and Voids Service.

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

13 **URGENT PART II BUSINESS**

There was no urgent Part II Business.

CHAIR

STEVENAGE BOROUGH COUNCIL

COMMUNITY SELECT COMMITTEE
MINUTES

Date: Tuesday, 7 July 2026
Time: 6.00pm
Place: Council Chamber

Present:	Councillors: Jim Brown (Chair), Rob Henry (Vice-Chair), Julie Ashley-Wren, Lynda Guy, Dermot Kehoe, Peter Clark, Matthew Hurst CC, Jaysica Marvell, Liam Morrell Phillips, Nigel Williams and Jade Woods
Start / End Time:	Start Time: 18:00 End Time: 19:20

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillor Jackie Hollywell

Councillor Peter Clark was present as a substitute for Councillor Jackie Hollywell.

2 MINUTES OF THE PREVIOUS MEETING - WEDNESDAY 25 MARCH 2026

It was **RESOLVED** that the Minutes of the Community Select Meeting on 25 March 2026 be approved as correct records and signed by the Chair.

3 TERMS OF REFERENCE

It was **RESOLVED** that the Terms of Reference be noted.

4 COMMUNITY SELECT COMMITTEE WORK PROGRAMME FOR 2026-27

The Committee received and considered the Community Select Committee Work Programme. Members noted the inclusion of forthcoming pre-decision scrutiny items on the Tenancy Strategy and Housing Strategy, providing an opportunity to comment on and help shape policy before Cabinet consideration. The Committee also considered the proposed scope for the review of support for young people and noted the programme of future meetings, including updates on the Housing Allocations Policy, damp and mould following the implementation of Awaab's Law, preparations for Local Government Reorganisation (LGR), the annual Crime and Disorder Committee meeting, and a focused session on public health.

At this juncture the Chair clarified that the duty on crime and disorder to cooperate was a shared responsibility across partner organisations, including councils, health services, the police, fire and probation services, with each organisation contributing its respective role to achieve coordinated and effective outcomes.

It was also noted that the Action Tracker would be presented at the next meeting to enable Members to monitor the progress of previous scrutiny reviews and recommendations.

During discussion, Members acknowledged the importance of reviewing previous scrutiny topics to ensure recommendations continued to deliver outcomes. The Committee recognised the close relationship between housing, public health and community wellbeing, and the value of maintaining engagement with health partners. Members also noted the balance between reactive scrutiny of Cabinet decisions and proactive policy development through committee-led reviews. It was acknowledged that the work programme may need to remain flexible to accommodate possible LGR developments during the municipal year.

It was **RESOLVED** that the Community Select Committee Work Programme, as presented, be approved, subject to amendments as required during the year to reflect emerging priorities.

5 **PRE-SCRUTINY POLICY DEVELOPMENT ITEM ON THE TENANCY STRATEGY**

The Director of Housing & Neighbourhoods presented the proposed Tenancy Strategy, which had been brought forward for consideration prior to its submission to Cabinet.

Members were advised that the strategy was a statutory requirement under the Localism Act 2011 and replaced the Council's previous strategy, last reviewed in 2013. The updated strategy reflected legislative changes, including the Renters' Rights Act and the Social Housing (Regulation) Act, and set out the Council's expectations of registered providers in relation to tenancy types, rent setting, tenancy sustainment, partnership working and the effective use of social housing stock.

Officers explained how the strategy complemented the Council's wider housing policies, including the Allocations Policy and Homelessness and Rough Sleeping Strategy, with an emphasis on preventing tenancy failure, supporting vulnerable tenants, encouraging downsizing where appropriate, promoting mutual exchange and strengthening collaboration with registered providers.

Members noted the significant demand for social housing, with over 1,500 households on the housing register, and acknowledged that demand continued to exceed supply despite the Council's ongoing housebuilding programme.

During discussion, Members raised questions regarding public consultation, succession of tenancies, tenant engagement, void property management, older persons' housing, downsizing incentives, registered providers' responsibilities, housing standards and future housing supply.

Officers confirmed that consultation with registered providers had been undertaken in accordance with statutory requirements and that public consultation had attracted limited responses, although the feedback broadly supported the strategy and highlighted the need for additional affordable housing and enhanced tenancy support.

Members suggested strengthening references to tenant engagement within the strategy and sought reassurance regarding support for tenants, improvements to the management of void properties and measures to encourage downsizing. Officers confirmed that tenancy audits, revised downsizing incentives and continued partnership working with registered providers formed part of the Council's approach. The Committee also discussed the challenges of balancing investment in existing housing stock with the need to deliver new affordable homes and recognised the continuing pressures on the social housing system.

It was **RESOLVED** That the Committee noted the proposed Tenancy Strategy, requested that consideration be given to strengthen tenant engagement and the feedback provided by Members during the discussion be included at Cabinet in July.

6 DRAFT SCOPING DOCUMENT FOR REVIEW OF SUPPORT FOR YOUNG PEOPLE

The Committee considered the draft scoping document for the proposed review into support for young people and discussed the need to refine its scope and key lines of enquiry.

Members agreed that a clear definition of "young people" was required to ensure the review remained focused, with discussion centring on an age range broadly between 14 and 25 years to include secondary education, further and higher education, training, employment and young people not in education, employment or training (NEET).

Members also suggested examining services previously provided by the Council that were no longer available, like the play bus and play centres, assessing their impact, and considering the effectiveness of current engagement mechanisms such as the Youth Council.

Additional areas identified for inclusion included support for looked after children and care leavers, particularly the transition into adulthood, and the involvement of Hertfordshire County Council and other relevant agencies to provide evidence on transition arrangements and responsibilities.

Members further agreed that the review should adopt a partnership approach by engaging schools, health services and other key organisations. It was noted that previous scrutiny work on skills had been comprehensive and should not be duplicated. Instead, Members proposed a stronger emphasis on young people's mental health, access to services including CAMHS, support for families, neurodiversity, and the impact these issues had on education and wellbeing.

Members also highlighted the importance of considering educational inequalities, including the underachievement of some demographic groups, to ensure the review reflected equality and inclusion objectives. The Chair concluded that the discussion had provided a strong foundation from which officers could refine the scope and develop more detailed lines of enquiry.

It was **RESOLVED** That the draft scoping document be amended to reflect Members' comments, including a clearer definition of the target age range, revised lines of enquiry, and additional evidence sources.

7 **URGENT PART 1 BUSINESS**

There was no Urgent Part I Business.

8 **EXCLUSION OF PUBLIC AND PRESS**

It was **RESOLVED**:

1. That under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as described in paragraphs1 – 7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access toInformation) (Variation) Order 2006.

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

9 **URGENT PART II BUSINESS**

There was no Urgent Part II Business.

CHAIR

STEVENAGE BOROUGH COUNCIL

COMMUNITY SELECT COMMITTEE
MINUTES

Date: Thursday, 23 July 2026
Time: 6.00pm
Place: Council Chamber

Present:	Councillors: Jim Brown (Chair), Rob Henry (Vice-Chair), Julie Ashley-Wren, Lynda Guy, Dermot Kehoe, Jackie Hollywell, Matthew Hurst CC, Jaysica Marvell, Liam Morrell Phillips, Nigel Williams and Jade Woods
Start / End Time:	Start Time: 6.00pm End Time: 7.15pm

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

There were no apologies for absense or declarations of interest.

2 **MINUTES OF THE PREVIOUS MEETING**

It was **RESOLVED** that the Minutes of the Community Select Meeting on 07 July 2026 be approved as correct records and signed by the Chair.

3 **OFFICER PRESENTATION ON THE SUPPORT FOR YOUNG PEOPLE SCRUTINY REVIEW**

The Committee received an introductory presentation to commence the review of Support for Young People, which outlined the respective responsibilities of Stevenage Borough Council and Hertfordshire County Council. Members noted that, whilst the County Council held the statutory responsibilities for children's social care and education services, the Borough Council fulfilled significant safeguarding duties and provided a range of services supporting young people and families, including homelessness support, community safety, family intervention, care leaver assistance and multi-agency safeguarding partnerships. The Committee was informed of the Council's safeguarding activity, including child protection referrals, information sharing and preventative work undertaken with partner organisations.

The Committee noted the wide range of initiatives delivered by the Council to improve opportunities for young people, including the Mission 44 STEM Futures programme, work experience placements, Youth Advisory Board, Youth Action Group, community STEM events and partnerships with local employers, education providers and voluntary organisations. Members welcomed the emphasis on increasing youth participation in decision-making and improving access to employment, skills development and affordable activities.

Members highlighted the importance of broadening opportunities beyond STEM, supporting home-educated children, young carers and vulnerable young people, strengthening work experience provision, promoting entrepreneurship and ensuring that good news stories and successful outcomes were more widely publicised.

During discussion, Members identified a number of areas for further scrutiny, including mental health services, safeguarding arrangements, child exploitation, support for young carers, careers guidance, educational outcomes and partnership working with Hertfordshire County Council, schools and other agencies.

The Committee discussed the proposed approach to progressing the review, including the preparation of a set of key questions and a corresponding column identifying the organisation or individual responsible.
It was suggested that relevant studies and evidence should also be collated to support the review. The importance of the Committee's community leadership and challenge role was emphasised, including acting as a critical friend to relevant organisations. Members supported the proposed approach, noting the value of previous scrutiny review experience.

Members requested that future evidence sessions include representatives from relevant organisations to provide information on service delivery and performance, together with supporting data to demonstrate the impact of existing programmes.

It was **RESOLVED** that key lines of enquiry would be developed over the summer, alongside a list of organisations and witnesses to be invited to support the review.

4 **COMMUNITY SELECT COMMITTEE ACTION TRACKER 2026**

The Committee reviewed the Action Tracker and looked at progress against previous scrutiny reviews. It was agreed that the Equalities, Diversity and Inclusion review should receive a light-touch progress update later in the year, rather than waiting the usual three-year review period, due to the upcoming Local Government Reorganisation. Members also agreed that updates should be scheduled on Housing Repairs and Housing Voids, recognising that both remained significant areas of focus. It was noted that these reports would provide progress against the original recommendations rather than repeat the full reviews. The Committee further agreed to seek a written update on the New Towns Heritage Centre project where appropriate, to minimise pressure on the work programme.

The Committee also reviewed several older scrutiny reviews and agreed that future updates should be aligned where possible within the Committees work programme. Members noted that a review of the sports and leisure contract with Everyone Active could be considered at an appropriate milestone, while housing allocations would be revisited alongside the forthcoming Housing Strategy work. Resident engagement was also identified as an area requiring a future update.

In addition, Members noted the suggestion from the Environment and Economy Select Committee that the Committee may wish to consider the longer-term social impacts of COVID-19, including effects on school attendance, social isolation and community wellbeing, with further scoping work to be undertaken before any future review was considered.

It was **RESOLVED** that the items on the action tracker be brought back to the Committee at future meetings where applicable.

5 **URGENT PART 1 BUSINESS**

There was no Urgent Part I Business.

6 **EXCLUSION OF PUBLIC AND PRESS**

It was **RESOLVED**:

1. That under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as described in paragraphs1 – 7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access toInformation) (Variation) Order 2006.

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

7 **URGENT PART II BUSINESS**

There was no Urgent Part II Business.

CHAIR

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STEVENAGE BOROUGH COUNCIL

ENVIRONMENT & ECONOMY SELECT COMMITTEE MINUTES

Date: Tuesday, 14 July 2026
Time: 6.00pm
Place: Council Chamber

Present:	Councillors: Leanne Brady (Chair) , Peter Wilkins (Vice-Chair) , Jim Brown, Claire Parris, Jade Woods, Doug Bainbridge CC, Jan Bainbridge CC, John Blackwood, Jaysica Marvell, Graham Spencer and Nigel Williams
Start / End Time:	Start Time: 6.00pm End Time: 7.30pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

There were no apologies for absence or declarations of interest.

2 MINUTES OF THE PREVIOUS MEETING - TUESDAY 16 JUNE 2026

The Minutes of the meeting held on 16 June 2026 were agreed by the Committee.

3 FLY-TIPPING REVIEW - OFFICER PRESENTATION

The Committee received a presentation on the fly-tipping review, which provided an overview of the Council's current approach to fly-tipping, performance data, enforcement activity and proposed improvements.

Members were advised that approximately 2,800 incidents of fly-tipping were reported annually, with the Council adopting a zero-tolerance, intelligence-led approach. It was noted that there was a focus on prevention, education, enforcement and the prompt removal of waste.

A question was raised whether there were seasonal trends in fly-tipping incidents. Officers advised that reports remained relatively consistent throughout the year, with slight increases during the summer months and around the Christmas period.

The Committee discussed the collection and analysis of fly-tipping data. Members questioned whether information could be broken down by ward or specific locations to better identify local issues. Officers explained that this was not currently possible using the existing reporting system but advised that the Council's new digital system would enable more detailed hotspot analysis in the future.

Discussions took place regarding waste types, locations and the cost of fly-tipping. Officers explained that household waste, including furniture and mattresses, remained the most common form of fly-tipping, while the majority of incidents occurred on Council owned land.

Members were advised that disposal costs largely fell to Hertfordshire County Council, with the Borough Council primarily incurring staffing and operational costs. Officers also clarified the Council's responsibilities in relation to highways, Council land and privately owned land.

Members raised questions regarding previous recycling initiatives, including electrical recycling facilities and skips being supplied at various neighbourhood centres, with the example of one at the Oval provided. It was suggested that the reintroduction of these schemes could assist in reducing fly-tipping. In response, officers agreed to review the reasons for the previous withdrawal of the facilities.

The Committee considered comparative fly-tipping data across Hertfordshire, and Members noted that Stevenage recorded significantly higher numbers than many neighbouring authorities. Officers explained that this was largely due to more comprehensive reporting arrangements, with Stevenage recording incidents from Council housing estates, flat blocks and bring bank sites that were not consistently reported by all authorities. Members welcomed the Council's robust approach to recording incidents despite the higher reported figures.

Officers advised that the comparative enforcement data across Hertfordshire would be shared with Members, where available, to provide additional context regarding Stevenage's performance.

Members received information on enforcement activity between April 2025 and April 2026. Officers advised that 129 perpetrators had been identified through investigations, resulting in voluntary clearance of waste in many cases, two tenancy enforcement actions and thirteen Fixed Penalty Notices of which eleven had been paid.

Members questioned the number of formal enforcement actions compared with the overall number of reported incidents. Officers explained that enforcement action could only be pursued where sufficient evidence existed. A member noted that they had received a letter from the Council regarding fly tipping next to their household bin which they thought it had been issued as they had left their bins out a day early. Members discussed these incidents of fly-tipping and reiterated the importance of education in achieving compliance before formal action became necessary in these cases.

The Committee also discussed repeat offenders and cross-border fly-tipping. Officers confirmed that educational advice was provided where appropriate and advised that the majority of identified perpetrators were Stevenage residents, although cross-border enforcement remained possible where evidence, such as vehicle registration details, was available. Members requested further information regarding repeat offenders, which officers agreed to provide following the meeting.

The Committee welcomed the introduction of the Council's new digital reporting system, which enabled the identification of fly-tipping hotspots across the town. Officers highlighted areas including Canterbury Way and Broadwater Crescent as having higher levels of reported incidents and advised that the improved data would support targeted enforcement and education campaigns.

Members also received an overview of the Council's reporting and investigation process. Officers explained how reports were assessed, evidence gathered, CCTV reviewed, witness statements obtained, and enforcement action progressed where the evidential threshold was met.

Members noted that there had been recent negative reporting of the number of fixed penalty notices issued in Stevenage and it was suggested that officer should consider countering this with a good news story focusing on the successful interventions that officers have with the public through education and making them clean up their own fly-tipping.

Members asked about the availability of CCTV footage, the use of anonymous witness statements, the threshold for criminal prosecution, and whether the Council could recover the costs of clearing fly-tipped waste from offenders. Officers advised that CCTV partnerships were generally effective, anonymous reports could be used where appropriate, larger-scale or more serious incidents could be referred for criminal prosecution, and proposals to recover clearance costs from repeat offenders were currently being considered as part of the review.

Members sought clarification on the preferred method for reporting fly-tipping. Officers confirmed that the Council's online Report It service was the preferred reporting route, as it enabled reports to be processed more efficiently. Members requested that officers shared this information with Members.

The Chair stated that they were grateful for the explanation regarding the disparity between the number of reported incidents of fly-tipping in Stevenage and the relatively low number of fixed penalty notices issued due to the level of work that is undertaken with known fly-tippers which don't appear in the figures. However, now that the team was fully staffed, it was hoped that the gap between over 2000 reported incidents of fly-tipping and 129 enforcement cases would be narrowed, and the Committee would be focused on achieving this.

The Committee noted the presentation and welcomed the ongoing review, the improved use of data to identify hotspot locations and the continued development of enforcement and preventative measures to reduce fly-tipping across the Borough.

It was noted that:

- Officers agreed to review the reasons for the previous withdrawal of electrical recycling facilities and skips supplied to various neighbourhoods.
- Officers to consider using good news stories focusing on the successful interventions of fly-tipping.
- Officers advised that enforcement data across Hertfordshire would be shared with Members.
- Members requested further information regarding repeat offenders, which officers agreed to provide following the meeting.
- Officers would share information on the Report It system to members as the

way to report fly-tipping.
- Officers to monitor and increase fly-tipping enforcement and reduce the disparity between reported incidents and enforcement action.

4 **ENVIRONMENT & ECONOMY SELECT COMMITTEE ACTION TRACKER 2026**

The Committee reviewed the Action Tracker and considered proposed updates to the Select Committee's future work programme.

Members agreed that an update on the Waste and Recycling in Flat Blocks review would be beneficial during the following year. It was noted that the date of the Executive response would be added to the Action Tracker.

The Committee also agreed that a review of the Skills Agenda should be scheduled following the opening of the new college campus to consider its impact on skills provision and the local economy.

Members agreed to defer further scrutiny of bus services until after the relevant item had been considered by Council, with a view to revisiting the matter in 2027 if required.

During discussion, Members suggested that the Climate Emergency Action Tracker should provide greater clarity regarding the purpose of the HART programme and reiterated the importance of focusing on reducing overall waste generation, alongside increasing recycling rates.

Members also questioned the rationale for linking the provision of electric vehicle (EV) charging infrastructure with cycle routes within the action tracker and sought clarification on the purpose of the proposed action, and consideration be given to whether the reference should be deleted if it was no longer necessary.

Members noted that the Committee would continue to receive its regular Climate Emergency updates twice yearly, with a greater emphasis on local delivery and outcomes. It was also agreed that the previous COVID-19 review on the Action Tracker would be replaced with a review of the impact of the cost of living crisis.

Members further highlighted the ongoing social and economic impacts of the COVID-19 pandemic and noted that these issues would be considered through the Skills Agenda review and, where appropriate, referred to the Community Select Committee.

The Committee noted the updates of the action tracker.

5 **URGENT PART 1 BUSINESS**

There was no Urgent Part I Business.

6 **EXCLUSION OF PUBLIC AND PRESS**

It was **RESOLVED**:

1. That under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as described in paragraphs1 – 7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access toInformation) (Variation) Order 2006.

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

7 URGENT PART II BUSINESS

There was no Urgent Part II Business.

CHAIR

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STEVENAGE BOROUGH COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE
MINUTES

Date: Tuesday, 21 July 2026
Time: 6.00pm
Place: Council Chamber - Daneshill House, Danestrete

Present:	Councillors: Ellie Plater (Chair), Matthew Hurst CC (Vice-Chair), Jim Brown, Philip Bibby, Jeff Bullock, Leanne Brady, Peter Clark, Claire Parris, Jackie Hollywell, Ricki Rands, Jade Woods and Tom Wren
Start / End Time:	Start Time: 6.00pm End Time: 6.35pm

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

Apologies for absence were received from Councillor Andy McGuinness.
Councillor Parris declared an interest in Agenda item 3 as they are a St Nicholas ward Councillor.

Councillor Hurst declared an interest in Agenda item 3 as they are the Stevenage Borough Council representative on the St Nicholas Community Association.

2 **MINUTES OF THE PREVIOUS MEETING**

The Minutes of the Overview and Scrutiny Committee Meeting held on 15 June 2026 were agreed as a correct record and signed by the Chair.

3 **PART I DECISION OF THE CABINET - ST NICHOLAS PRIDE IN PLACE FUNDING: BOARD ESTABLISHMENT AND PLAN DEVELOPMENT**

The Committee received an update on the Government Pride in Place funding for the St Nicholas project. A report had been considered by Cabinet the previous week and all recommendations had been approved.
In response to a question regarding the governance arrangements, Members were advised that the recruitment process for an independent Chair of the Board had been completed, although the appointment remained subject to pre-appointment clearances before it could be announced. It was further reported that approximately 15 applications had been received for Board membership. The Board would comprise 51% local residents, together with the Member of Parliament and up to two ward councillors.

It was **RESOLVED** that the Committee noted the decisions of Cabinet.

4 **PART I DECISION OF THE CABINET - OUTTURN Q4 MONITORING REPORT FOR GENERAL FUND, HOUSING REVENUE ACCOUNT, CAPITAL AND GROUP COMPANIES**

The Committee received an update on the Council’s 2025/26 Final outturn report, which had been considered by Cabinet. It was noted that the report covered the final outturn position for the General Fund, the Housing Revenue Account (HRA), and the Council’s subsidiary companies. Members were advised that Cabinet had approved all 17 recommendations contained within the report.
The Committee also noted that Cabinet had approved the allocation of £200,000 from the General Fund underspend to fund public realm improvements in support of the town’s 80th anniversary celebrations.

It was **RESOLVED** that the Committee noted the decisions of Cabinet.

5 PART I DECISION OF THE CABINET - CORPORATE PERFORMANCE QUARTER 4 2025/26, ANNUAL REPORT 2025/26 AND CORPORATE PERFORMANCE SUITE 2026/27

The Committee received a report presenting the Council's 2025/26 performance, the Annual Report for 2025/26, and the Corporate Performance Suite for 2026/27. It was noted that the Annual Report reflected the Council's strategic priorities for the current year and that Cabinet had approved the report and the Corporate Performance Suite. The Officer highlighted key achievements and progress against the Corporate Plan, including the successful securing of approximately £1 million of external funding to expand the STEM Futures programme in partnership with Mission 44, North Hertfordshire College and other partners. Cabinet had concluded that the Council had delivered a strong overall performance during 2025/26 despite a challenging operating environment.

Members discussed the continued challenges relating to voids turnaround times. Officers acknowledged that this remained a longstanding issue and advised that a comprehensive voids improvement plan was in place, with early signs of improvement. It was explained that performance was being closely monitored by the Strategic Leadership Team and would be reported through the Quarter 1 performance report.

Officers also outlined that poor property condition on hand back, increased regulatory responsibilities and the need to maintain quality standards had all contributed to delays. Members were advised that rechargeable repairs were applied where appropriate and that tenancy audits and pre-void inspections were being strengthened to improve property standards before tenancies ended.

The Committee also discussed improvements to the Council's repairs service. Officers advised that new specialist contractors had been appointed, contract management arrangements had been strengthened, management capacity within the service had increased, and improvements had been made to the way repairs were assessed and allocated through the Customer Service Centre.

It was noted that tenant satisfaction with the repairs service was showing a positive trend and that a repairs improvement plan was being implemented alongside preparations for the introduction of further requirements under Awaab's Law. Officers emphasised that there was no single solution to improving the service, but that a range of measures were being introduced across the entire customer journey, with particular focus on the initial point of contact and end-to-end service delivery.

It was **RESOLVED** that the Committee noted the decisions of Cabinet.

6 **PART I DECISION OF THE CABINET - DRAFT TENANCY STRATEGY 2026 - 2031**

The Cabinet considered a report presenting the draft Tenancy Strategy, as recommended by the Portfolio Holder for Housing and Housing Development. It was noted that comments from the Community Select Committee had been considered during the development of the strategy, and the three recommendations contained within the report were approved.

Members were also advised that a resident-friendly version of the Tenancy Strategy would be produced and published to improve accessibility for residents.

A Member thanked the Cabinet for recognising the importance of tenant engagement within the strategy. It was acknowledged that, although timescale constraints had prevented its inclusion in the main document, assurances had been provided that tenant engagement would be incorporated into the final approach.

It was **RESOLVED** that the Committee noted the decisions of Cabinet.

7 **OVERVIEW AND SCRUTINY COMMITTEE ACTION TRACKER**

The Committee received a report outlining previous Overview and Scrutiny reviews and provided Members with the opportunity to identify any completed scrutiny work that they wished to revisit or receive an update on.

Members suggested that completed scrutiny reviews should include a review date, with a default period of three years, to ensure that significant pieces of work were automatically brought back to the Committee for reconsideration where appropriate.

In response to a query regarding the Workforce Survey review, officers confirmed that the work had been completed and that the wording in the report required updating. Officers advised that a further update from Human Resources could be arranged if Members wished.

An update was also requested on the implementation of the Member enquiries system. Officers advised that the system was scheduled to go live at the beginning of September following a beta testing phase involving a small number of councillors. It was agreed that a future update on the operation of the Member enquiries system could be brought back to the Committee, together with consideration of introducing a standard three-year review cycle for completed scrutiny reviews.

It was **RESOLVED** that the Committee noted the decisions of Cabinet.

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

There was no Urgent Part I Decisions authorised by the Chair of the Overview and Scrutiny Committee.

9 **URGENT PART I BUSINESS**

There was no Urgent Part I Business.

10 **EXCLUSION OF PRESS AND PUBLIC**

It was **RESOLVED**:

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

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

11 **PART II MINUTES OF THE PREVIOUS MEETING**

It was **RESOLVED** that the Part II minutes of the Overview and Scrutiny Committee meeting held on 15 June 2026 be agreed as a correct record and signed by the Chair.

12 **PART II DECISION OF THE CABINET - SPORTS AND LEISURE CENTRE**

The Committee received an update regarding the revised budget and revised funding strategy for the Stevenage Sports and Leisure Hub.

The Committee asked a number of questions which officers responded to.

It was **RESOLVED** that the Committee noted the decisions of Cabinet.

13 **PART II DECISION OF THE CABINET - CONTRACT AWARD - MATERIALS SUPPLIER FOR THE REPAIRS AND VOIDS SERVICE**

The Committee received an update regarding the decision of the Cabinet to seek approval to reprocure a materials supplier the Repairs and Voids Service.

It was **RESOLVED** that the Committee noted the decisions of Cabinet.

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

There were no Urgent Part II Decisions authorised by the Chair of the Overview and Scrutiny Committee.

15 **URGENT PART II BUSINESS**

There was no Urgent Part II Business.

CHAIR

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Part I – Release to Press

Meeting:	**CABINET**	**Agenda Item:**	
Portfolio Area:	RESOURCES & PERFORMANCE		
Date:	**10 SEPTEMBER 2026**		

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY UPDATE (2026/27 – 2030/31)

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

1. PURPOSE

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

1.2. To update Members on Fair Funding 2027/28-2028/29 for Stevenage Borough Council.

1.3. To advise Members concerning the current and future position of the Council's General Fund budget over the next five years, noting this covers changes as a result of Local Government Reform (LGR).

1.4. To update Members regarding the revised inflation projections and pressures for the General Fund MTFS.

1.5. To update the 'Balancing the Budget' Future Town Future Council (FTFC) financial targets for the period 2027/28 – 2029/30.

2. RECOMMENDATIONS

2.1 That Members re-approve the MTFS principles, as outlined in paragraph 3.6.

2.2 That, for modelling purposes, Council tax increases be set at the threshold assumed by the Government in the Fair Funding three-year settlement in order to support the resilience of the Council's finances as set out in paragraph 4.7.6.

2.3 That the updated inflation assumptions used in the MTFS as set out in section 4.1 of the report be approved.

2.4 That the budget pressures and reductions as set out in section 4.2 of the report are approved.

2.5 That Members approve the revised use of Business Rates reserve (NNDR reserve) to fund the set aside and minimum revenue provision (MRP) for the Local Enterprise Partnership (LEP now Herts Futures) loans as set out in paragraph 4.3.7.

2.6 That the approach to the 'Balancing the Budget' options as set out in section 4.10 be approved.

2.7 That the Balancing the Budget options identified of £76,880 are noted.

2.8 That the Balancing the Budget target of £1.2MIlion, be approved for the period 2027/28-2030/31, as set out in section 4.10 of the report, (subject to decisions made after 2027/28 by the new Unitary Authority).

2.9 That the additional allowance for Local Government Reorganisation is approved as set out in paragraph 4.12.1 of £500K in 2026/27.

2.10 That Members approve the inclusion of £200K in 2026/27 and 2027/28 to help fund works arising from the stock condition survey on the Council's assets as set out in paragraph 4.12.2.

2.11 That Members approve the additional funding to be set aside in an earmarked reserve for the Council's Queensway LLP of a further £40K per year, (paragraph 4.12.3).

2.12 That Members note the 2026/27 General Fund budget and MTFS reflect the latest financial position for the Swingate JV.

2.13 That the General Fund growth allowance of £75K is noted and is approved for the use of the Council's MSEB priorities.

2.14 That Members approve the Council tax support scheme as set out in section 4.8 for 2027/28.

2.15 That a minimum level of balances for the General Fund of £3.92million be approved for 2026/27 as set out in paragraph 4.13.7.

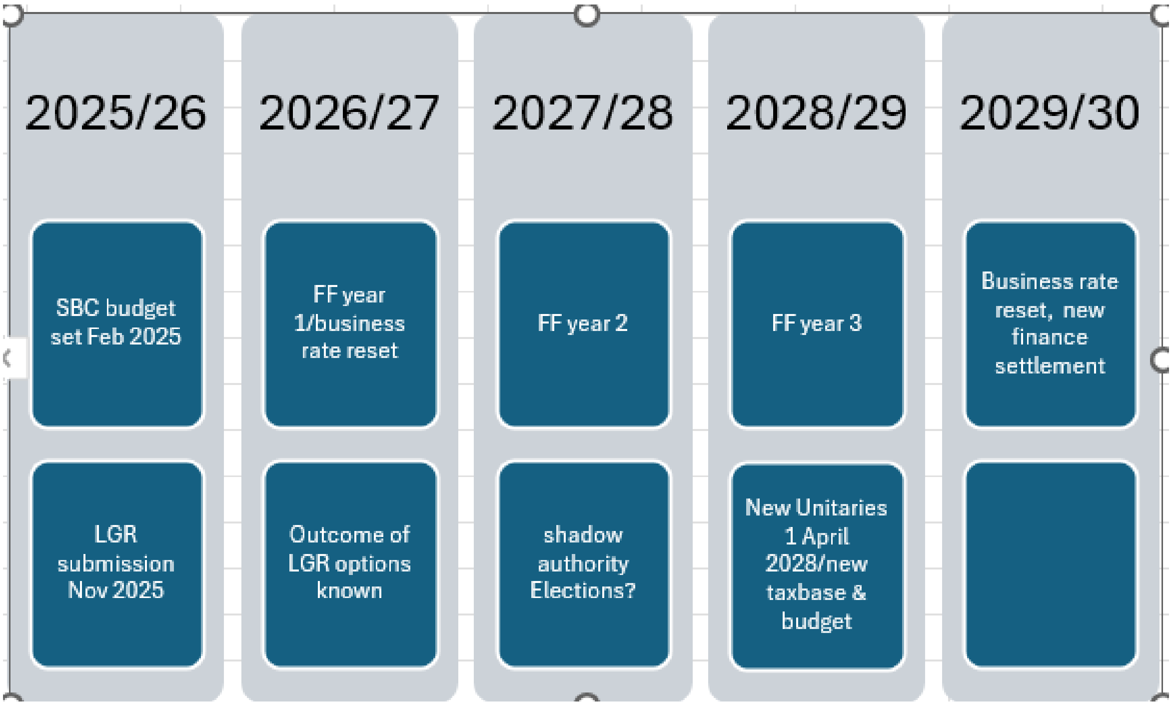
2.16 The MTFS is regularly reviewed and revised to reflect any material financial pressures, so forecasts are updated and re-presented to the Cabinet for approval.

2.17 That the Trade Unions and staff be consulted on the key messages contained within the MTFS and more specifically when drawing up any proposals where there is a risk of redundancy.

3. BACKGROUND

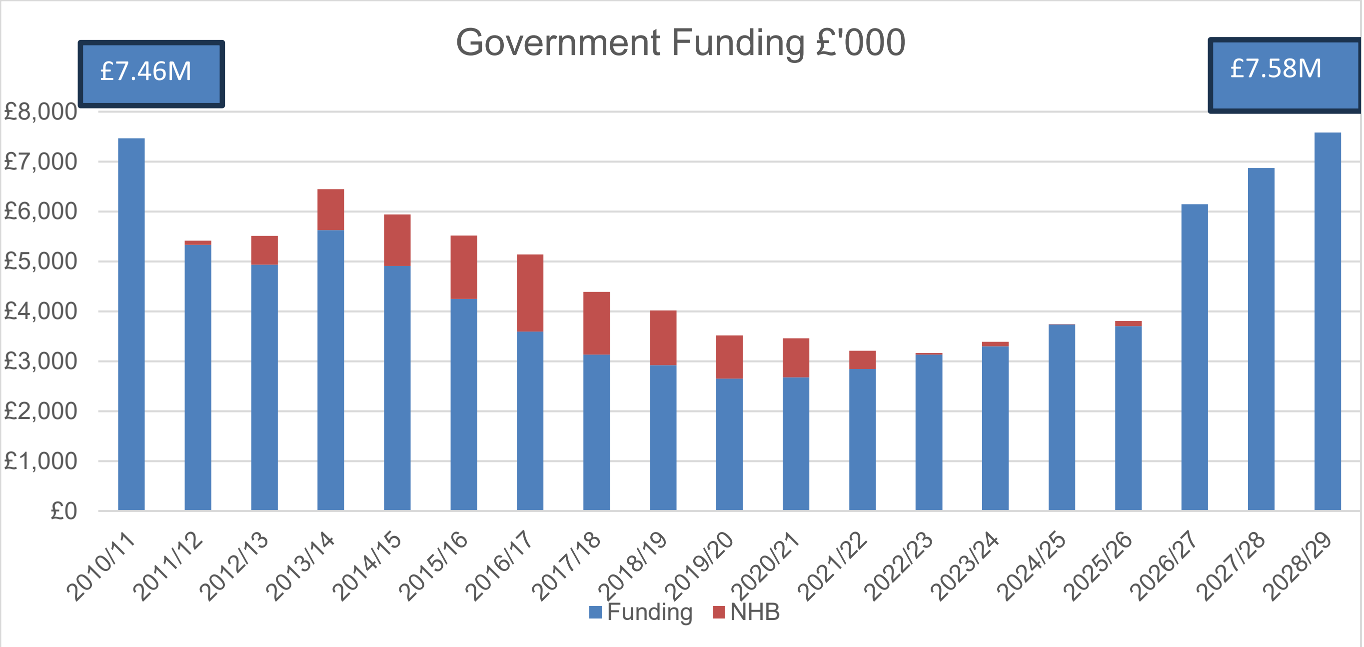
3.1 The MTFS is presented at least annually to the Cabinet and more often if financial risks are heightened. This report will update Members on a projection for the General Fund for the period 2026/27-2030/31, with particular emphasis on the current and next year's budgets. The MTFS has been written under the backdrop of fundamental change for two tier local government areas with the Government's Local Government Reform (LGR) Agenda, which will see four new unitary Councils formed for Hertfordshire on 1 April

2028. While the MTFS period exceeds the existing District Council's existence it sets out pressure and savings for the new Central unitary to be cognisant of.



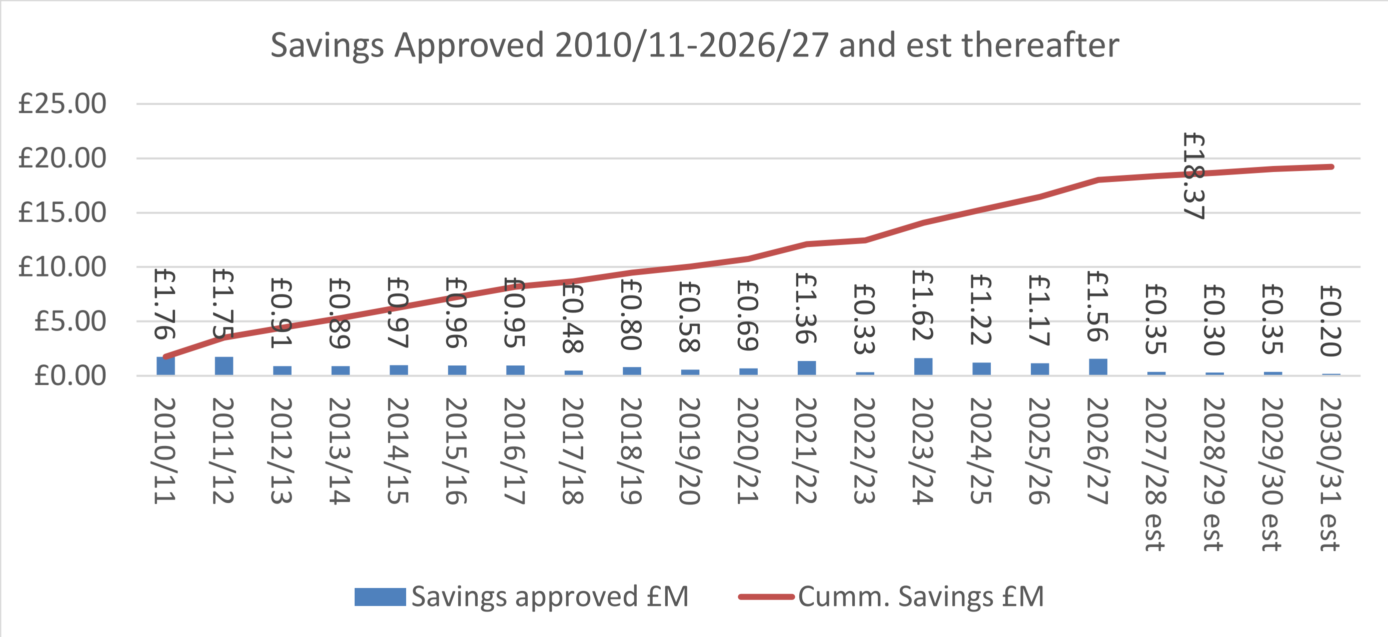
3.2 The changes set out in para. 3.1 present challenges in the construction of the MTFS, in that Stevenage Borough Council administration will change from 2028/29 into a larger unitary Council, with shadow authority elections to the new unitary Council taking place in May 2027. From April 2028, this means combining upper and lower tier functions into a single unitary Council in central Hertfordshire, covering a larger geographical area. It is important to demonstrate the financial resilience of Stevenage Borough Council as it enters into the new unitary. The MTFS gives the shadow authority and subsequent unitary Council an indication of projected baseline costs and income that will form part of the new unitary Council budgets. There is also a fiduciary duty on the current Council to ensure its finances are sufficient.

3.3 The local government sector has faced financial challenges over a number of years. Stevenage Borough Council faced during a decade of local authority funding cuts between 2010/11 and 2019/20. The 2025/26 funding settlement improved funding for Stevenage Borough Council, though 2025/26 funding remain levels well below historic levels pre 2010/11.



Grant loss has been reversed (although not in real terms) with the introduction of Fair Funding in 2026/27-2028/29, although this does not account for the value of 2020/11 funding in 2028/29 prices. It marks a significant reversal and improvement in funding for the Council. The result of this financial improvement has been a lower level of annual savings required (see section 4.11), which can be partly met from annual fees and charges increases. This has created the opportunity to fund some one-off 2026/27 growth and implement additional capital schemes - beyond simply meeting the highest priority need - which will enable the delivery of projects such as Ridlins athletics track renewal and reinvestment into Stevenage Arts and Leisure centre, planned over 2026/27 and 2027/28 by using a revenue contribution to capital.

3.4 Despite the significant historical financial pressures the Council has faced since 2010/11, Stevenage has had a track record of identifying and delivering permanent savings to reduce the overall financial footprint of the Council and to date has delivered £18Million of savings through its priority, 'Balancing the Budget'. The chart below shows savings made and the lower level of future savings required.



3.5 Clearly beyond 2028/29 there could be different funding challenges for the new Unitaries as they face the pressure of adult social care and children's services. However, the four Hertfordshire Unitary model bid submission identified a number of funding levers that could be used to meet those resourcing issues.

3.6 The current approved MTFS principles are set out below.

No	MTFS principles
1	To ensure the financial resilience of the General Fund that any net funding gap is reduced by 2028/29.
2	To consider as part of the budget setting process, and throughout the year as necessary, what support can be given to the community, tenants, leaseholders and businesses in times of particular hardship.
3	To use the Council's reserves in a cost-efficient and planned manner to deliver the Council's priorities.
4	To maximise the Council's income by promptly raising all monies due and minimising the levels of arrears and debt write-offs.
5	To identify alternative means of resourcing the Capital Strategy to minimise the impact of borrowing (GF only).
6	In setting General Fund balances, a % for overruns (currently 1.5%), specific known risks, loss of savings & risks associated with new ventures and the cost of borrowing for the capital programme is included.
7	To identify variations to the approved budget via quarterly monitoring and only incur additional on-going spending when matched by increased income or identified savings.
8	To propose Council tax increases in line with the Government 's annual thresholds for modelling purposes to ensure that the General Fund core resources are sufficient to meet the cost of running the Council's services.
9	To ensure that resources are aligned with the Council's Strategic Plan and MSEB priorities and growth limited to the Council's top priorities

No	MTFS principles
10	The Council does not depend upon short term sources of funding such as business rate gains and in any one year only allows a proportion of the gains to be retained in the General Fund based on the MTFS projections.

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 General Fund pressures -Inflation

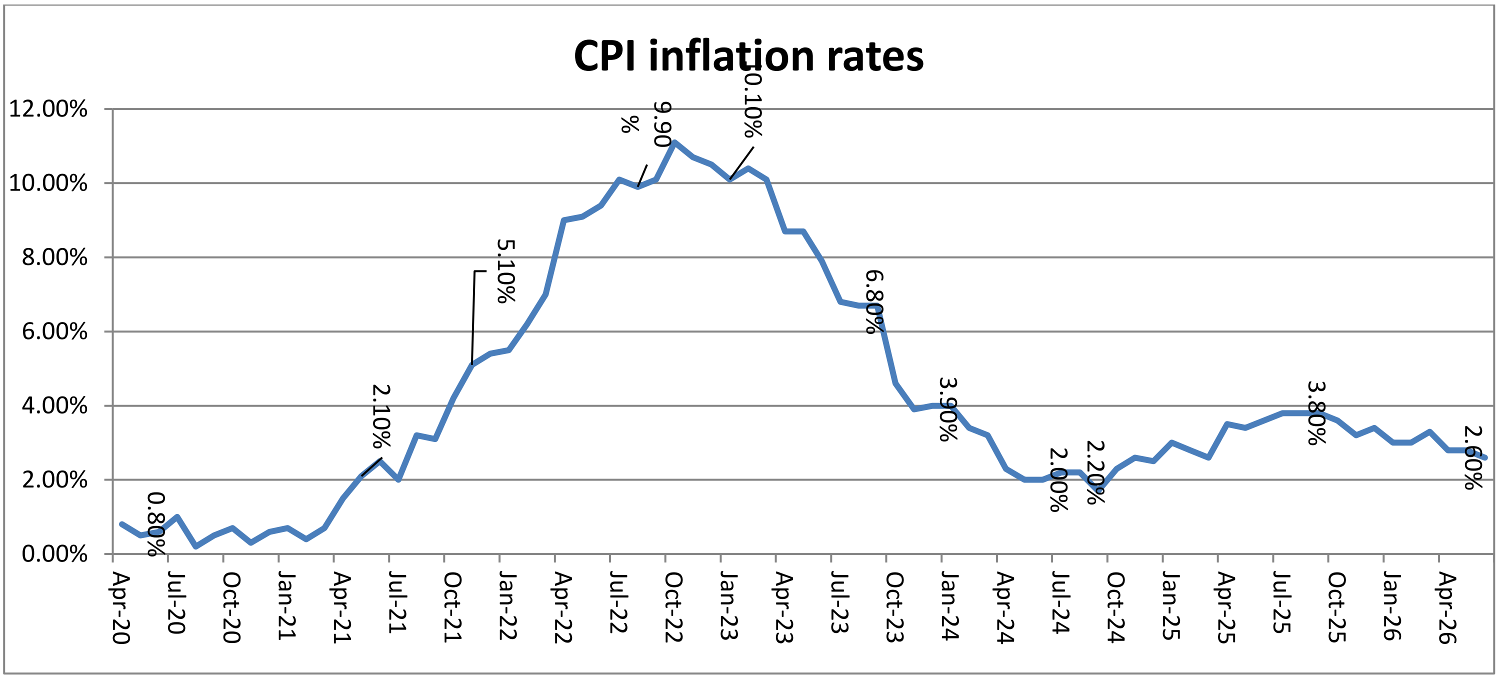
4.1.1 The inflation included within the MTFS is modelled using estimates for salary and direct pay inflators. This takes into account current levels of inflation and predictions over a five-year period, with pay being the biggest inflation element for the Council. Pay awards have gradually reduced over the last few years from an average in excess of 5% to 3.3% in the current year.

4.1.2 Looking ahead the Bank England (BoE) forecasts the base rate held at 3.75%, based on Inflation falling faster than expected (2.6% for June), but the conflict in the Middle East continuing to mean high and volatile energy prices. This means the BoE near-term CPI inflation projection rises to 3.2% in October and November 2026 before easing a little with direct effects of higher energy prices are projected to rise over coming months before fading somewhat in 2026 Quarter four. The Bank of England's target for inflation (CPI) remains at 2%.

4.1.3 The indices used in the 2026 MTFS update have due regard to current levels of inflation, Bank of England forecasts and the 2027/28 onwards inflation assumptions are summarised in the table below. For note the July Consumer Price Index (CPI) was 2.9% and has risen compared to June and may rise higher due the pressures set out in para. 4.1.2.

	2027/28	2028/29	2029/30	2030/31
Inflation-Applied to:				
Salaries - % increase	3.00%	2.50%	2.50%	2.50%
CPI indices increase	2.50%	2.25%	2.00%	2.00%
CPI September NNDR increase	3.00%	2.50%	2.00%	2.00%
Investment interest	3.50%	3.25%	2.50%	2.00%
Fuel Increases	5.00%	5.00%	5.00%	5.00%
Gas & Electric Increases :				
Gas (unit charge only)	10.00%	6.00%	6.00%	6.00%
Electricity (unit charge only)	10.00%	6.00%	6.00%	6.00%

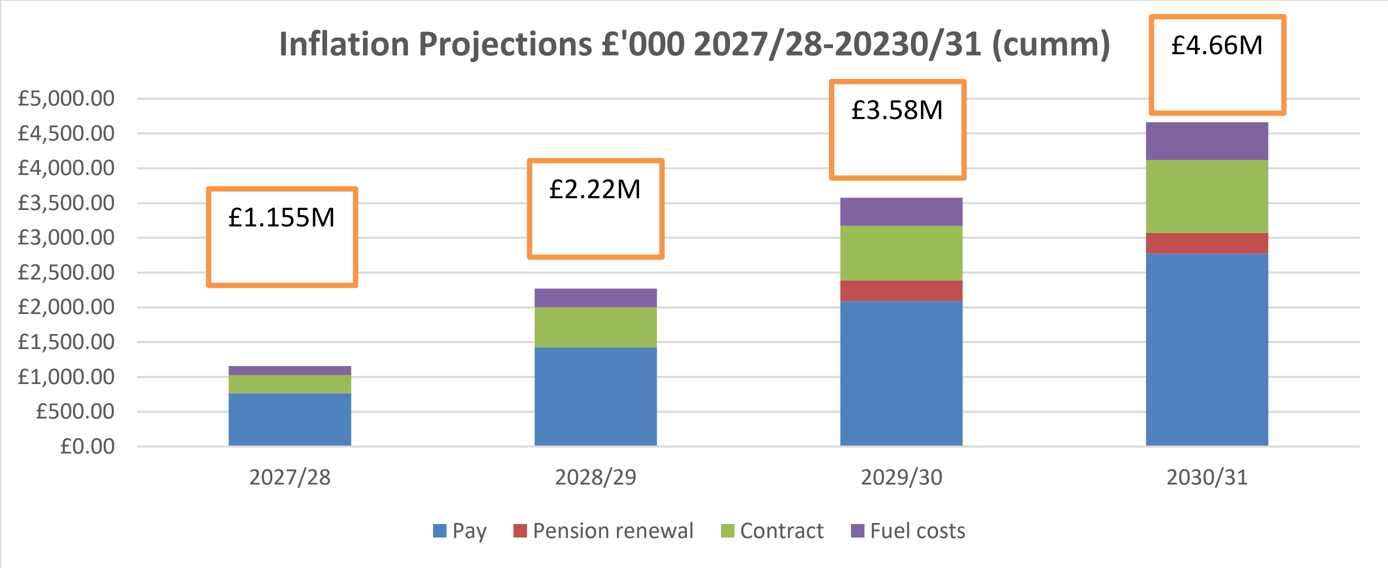
4.1.4 CPI is the tracked measure for inflation used by the government and also used for increases to business rates and Council housing rents, (September CPI). The historic CPI trend is shown below and the volatility with the impact of the cost-of-living crisis and higher utility costs and is still well above the Bank of England 2% target.



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

Rationale for inflation assumption	
Salaries - % increase	The employer offer has fallen from 5.67% in 2023/24, to 3.3% in 2026/27 (slightly above the budgeted 3.2% amount) the projection is 3% 2026/27 and 2.5% thereafter. This outside the control of the Council and subject to collective bargaining and whether pay offers will continue above CPI to reflect years of below inflation increases. The impact of the living wage increases impacts on the existing pay grades which is a further reason why a 2.5% increase has been assumed for 2028/29 onwards
Utility increases	Overall utility costs have decreased from a high of 2023/24, and lower increases are projected for 2026/27 onwards. The level of increase going forward in the MTFS are based on historic average increases (excluding the spike in 2023/24) and may fluctuate between individual years.
Consumer Price Index (CPI) indices increase	The July CPI was 2.9% but the BoE expecting an increase due to higher energy and food costs by October/ November and the MTFS has modelled inflation higher for 2026/27 reducing to the Bank of England target 2% during the MTFS.

4.1.6 The amount of inflation projected for 2027/28 to 2030/31 is summarised in the chart below and totals £4.66Million, this includes an amount of £300K for the triennial pension review in 2029/30 of £300K. Historically pension contributions have increased each review until 2026/27 which saw a sizeable reduction. However, there is uncertainty related to the impact of LGR on the pension fund. Pay inflation is the most significant inflation factor and this may reduce in the medium term if pay awards fall below 2.5% beyond 2027/28.



4.2 Other General Fund Pressures

4.2.1 In addition to meeting the inflation funding gap, the MTFS makes assumptions about other General Fund pressures, and these are summarised in the table below.

	2026/27	2027/28	2028/29	2029/30	Rationale
Budget reductions:	£'000	£'000	£'000	£'000	
ICT staff costs not charged to capital works	£55	£55	£55	£55	Staff costs were historically attributable to capital schemes however the work required is more revenue based going forward
Indoor market increased costs	£31	£31	£31	£31	The Market budgets were estimated prior to taking occupation of the building and actual cost are higher. The new markets officer will be looking at ways to reduce costs on the site while maximising footfall
Commercial asset repairs	£50	£50	£50	£50	Income has increased over the last few years due to more active management, however with that has been the need to complete repairs on a more fully let commercial stock
Recycling Deposit Return Scheme	£8	£15	£15	£15	While the changes will support national recycling and waste reduction objectives, they are expected to increase costs and reduce recycling income, creating a financial pressure on the service

	2026/27	2027/28	2028/29	2029/30	Rationale
Projected increase refuse & recycling rounds as a result of new development	£0	£0	£0	£130	Growth in housing, public spaces and community infrastructure is likely to require additional resource to maintain service standards. This is an estimate and will need to be assessed by the new Unitary Council
ICT software pressure costs	£0	£29	£29	£29	identified increase in software pressures across a number of services
Charge for Housing Development time on General Fund disposals	£20	£20	£20	£20	The Housing Development team is responsible for some of the General Fund disposals such as Bragbury end and garage sites and this represents the charge for that service and a saving to the HRA where the team are funded from
Increase cost of fireworks above budget	£18	£18	£18	£18	The fireworks budget is £10k, however this did not include the supporting infrastructure such as security, road closure arrangements, first aid and sound systems. In addition, the cost of the supplies and contractors have increased over time, and consequently there is additional growth of £18k required to alleviate the overspend pressure
Local plan	£0	£275	£350	£200	This is the estimated cost of the new local plan which is now required over a more condensed 30-month period. There may be opportunities to share costs with Councils in the Central unitary area
Increased cost of Elections (reported budget setting)	£0	£50	£50	£50	This was previously reported but for 2026/27 an underspend was reported.
Estimated Audit Build back costs	£100	£100	£0	£0	The Council's Auditors will be setting out the build back programme to ensure a clean opinion on the Statement of Accounts by 2027/28. The work requires reconciling back to the last clean opinion set of accounts which is 2021/22 so this is likely to entail significantly more costs
Compensation ceases for compounding of Swingate car park	£55	£200	£200	£200	Swingate JV compensated the Council for the use of the car park as a compound, this is due to end in December 2026

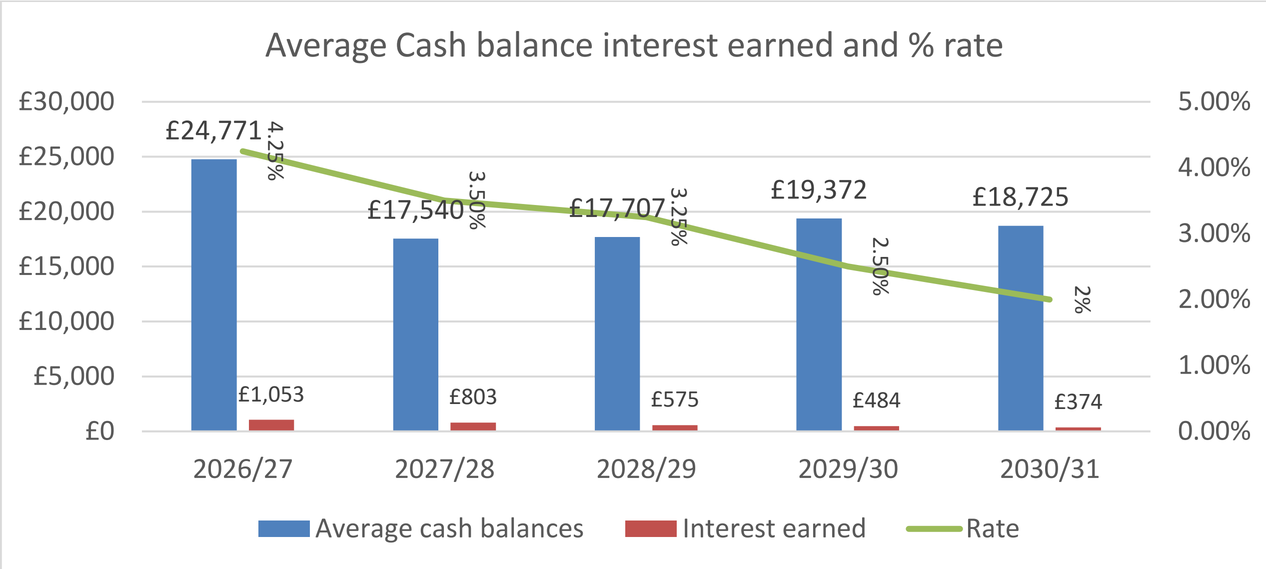
	2026/27	2027/28	2028/29	2029/30	Rationale
increased cost of Shared Legal service	£66	£66	£66	£66	costs are recharged on an hourly basis and the increase represents increased use of the service
Queensway LLP reserve	£40	£40	£40	£40	The CFO recommends setting aside more monies to support the Queensway asset, more information can be found in the company's report on the September 2026 Cabinet agenda
Other small adjustments	£3	£11	£11	£11	
Total	**£446**	**£961**	**£936**	**£916**	
Budget reductions:	£'000	£'000	£'000	£'000	
Leisure Management Fee for new facility impact	£0	(£632)	(£605)	(£1,099)	This is based on the tender submission for the leisure contract which averages the impact of the new leisure facility which means the Council sees a 'financial benefit' in advance of the facilities completion
Increase in investment income (over the previous MTFS)	(£711)	(£746)	£20	£61	This is the latest estimate based on projected investment balances and interest rates being higher for the current and next year
Net Position	**(£265)**	**(£417)**	**£351**	**(£121)**	

4.2.2 The changes need to be taken together with inflation projections (para 4.1.6) and other financial pressures/growth identified in the report and as set out in section 4.12. The MTFS does includes a limited growth allowance of £75K per year. Currently there are options in excess of this total which are being reviewed and will be put forward for Member consideration in the November Balancing the budget report. The growth allowance beyond 2027/28 has been increased to £100K in the MTFS.

4.3 Investment interest projections and borrowing costs

4.3.1 investment income projections are based on an estimate of the amount of cash reserves the Council will hold in any one year, (both revenue and capital) and provisions such as business rate appeals, less any internal borrowing (using the Council's cash), rather than taking external borrowing via Public Works Loan Board (PWLB). General Fund cash balances have remained higher than anticipated for 2026/27 and 2027/28 partly due to capital grant income received in advance of use, compounded by higher borrowing rates (Public Loan Works Board (PWLB) linked to government gilts), leading to inter authority lending at competitive rates as Councils seek to avoid locking in higher fixed borrowing rates say at 6% compared to inter-authority short term rates at an average of 4.25% for 2026/27.

4.3.2 The Council has also used internal borrowing to fund capital expenditure rather than take external loans particularly when PWLB rates are high and the cost of lost investment interest is lower. This impact is more of challenge for the Housing Revenue Account (HRA) as the fund has a higher loans portfolio and investment need. The current projections for investment interest are summarised below.



4.3.3 The Council has not borrowed for General Fund prudential borrowing as there have been available cash balances and investment interest rates have been lower than PWLB.

4.3.4 If the General Fund needs to externally borrow as cash balances reduce below that required for day to day running of the Council, then this will increase expenditure in the General Fund for example, based on an average rate of lost investment income at 4.25% versus a borrowing rate currently of 6.05% would be an extra £20,000 per million externally borrowed.

4.3.5 The General Fund includes/considered future prudential borrowing for:

- The General Fund share of the Oval neighbourhood regeneration scheme £5.5Milion for the period 2027/28-2028/29 at 5%
- There is no budget included for borrowing for the new Leisure Hub (see also July 2026 Council report), however the facility to borrow £6Million remains in place in principle should the anticipated land value assumed not materialise fully. This would require an increase in the savings target should this be required, with eh contract gain already assumed in the MTFS (see the table in para. 4.2.1).

4.3.6 There is provision for the cost of repaying borrowing or Minimum Revenue Provision (MRP), which is based on the cost of the asset investment divided by its life. The amount of MRP provided for is shown in the table below. The Local Enterprise Partnership (LEP now Herts Futures) loans includes a voluntary MRP repayment in 2029/30 of £5.33Million as this coincides with the requirement to repay the remaining loans back to Herts Futures in 2029/30, however the new unitary council could choose to pay the annual MRP of £131,400 rather than make a VMRP of £5.33Million, if cash balances allow.

Borrowing Analysis	2026/27	2027/28	2028/29	2029/30	2030/31	Funded from
Historic Borrowing 2011/12-2013/24	£130,703	£115,949	£110,386	£68,802	£68,802	General Fund balances
Regeneration	£193,703	£193,703	£193,703	£193,703	£193,703	Town Centre reserve

Borrowing Analysis	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**Funded from**
Garages	£161,299	£173,088	£186,548	£232,868	£232,868	Additional rental income in General Fund
Commercial Property	£35,119	£35,119	£35,119	£35,119	£35,119	Additional rental income in General Fund
Railway MSCP	£41,000	£41,000	£41,000	£41,000	£41,000	Additional fee income in General Fund
Leisure works	£118,733	£118,733	£118,733	£118,733	£118,733	Leisure Management contract tender price
Marshgate loans	£12,220	£12,220	£12,220	£12,220	£12,220	Company income in General Fund
Oval regeneration	£0	£0	£0	£137,500	£137,500	The General Fund and partly additional projected commercial income
LEP Loans MRP	£847,975	£131,400	£131,400	£5,459,225	£0	Funded from the NNDR reserve and set aside approved in 2025/26 MTFS report relates to purchase of SG1 sites
Total	**£1,540,752**	**£821,212**	**£829,109**	**£6,299,170**	**£839,945**	

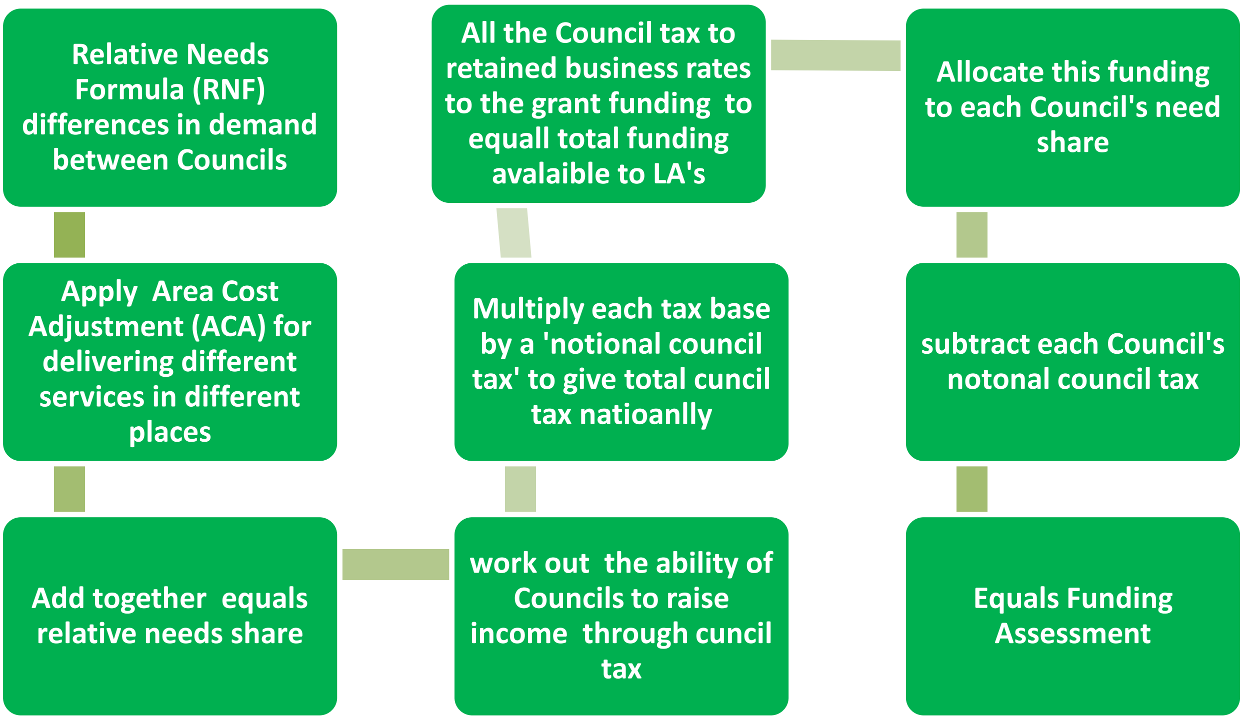
4.3.7 A LEP loans repayment set aside reserve was included in the 2026/27 Budget setting report together with the use of NNDR reserve to fund the remaining unfunded amount. This has now been revised to show the actual MRP payment required and then final voluntary MRP repayment in 2029/30. The impact of the change is to use more of the NNDR reserve in 2026/27 (£348K) and less in 2029/30.

LEP Loan provision revised £'000	***2026/27***	***2027/28***	***2028/29***	***2029/30***	***Total***
MRP	*£848*	*£131*	*£131*	*£0*	*£1,111*
Trf. money to LEP loan reserve	*£0*	*£869*	*£1,169*	*£0*	*£2,037*
General Fund provision				*£1,300*	*£1,300*
NNDR reserve				*£2,122*	*£2,122*
Total Loans to be repaid 2029/30	***£848***	***£1,000***	***£1,300***	***£3,422***	***£6,570***
Funded from General Fund/MRP	*(£500)*	*(£131)*	*(£131)*	*(£1,300)*	*(£2,063)*
Funded from LEP reserve				*(£2,037)*	*(£2,037)*
Use of NNDR reserve	*(£348)*			*(£2,122)*	*(£2,470)*
Total	***(£848)***	***(£131)***	***(£131)***	***(£5,459)***	***(£6,570)***

4.4 Fair Funding Reform introduced 2026/27 for the period 2026/27-2028/29

4.4.1 Fair Funding was implemented by the government in 2026/27, and local government resources were set out for a three-year period enabling Councils to better financially plan ahead, instead of the annual financial settlement announced in December of the preceding year. The final year of Fair Funding spending period covers the first year of the new Hertfordshire unitaries. The government has indicated that for the final year it will not recalculate Fair Funding into the new unitary boundaries, but that this will be completed as part of the Hertfordshire LGR work for 2028/29.

4.4.2 The Fair Funding aim was to reallocate resources to Councils in England, accounting 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 based on current business rate income take. The formula for calculating Council's resources is summarised below.



4.4.3 There were mechanisms put in place to dampen any large swings in lower funding, the proposed changes are 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, there was no ceiling on the amount of increased gain Council's received, which Stevenage has benefited from (see also para.4.5.1).

4.4.4 There were changes between the provisional and final settlement for the treatment of 2025/25 Business Rates Pooling Gains Calculation. The Government provided a one-off Adjustment Support Grant in 2026/27 of £116 million nationally to authorities who would otherwise see their CSP reduce in 2026/27, compared to indicative allocations set out at the provisional settlement. This was because the Government had changed how business rates pooling rates gains were accounted in the baseline. This did not impact Stevenage's funding settlement, but it did apply to some other Hertfordshire Councils, and the funding is not provided in future years currently.

4.4.5 Alongside changes to government funding allocations there were changes to grant funding pots. In 2025/26, over 300 grants were awarded to local government from across Whitehall. But moving forward the aim is that Local authorities will receive bigger, combined grants that replace several smaller ones, helping Councils to focus more on delivering services than on managing payments. The combined grants which relate to Stevenage were:

1. Homelessness, Rough Sleeping and Domestic Abuse funding received by SBC
2. Crisis and Resilience, - including Discretionary Housing Payments received by SBC,

A number of other grants which were previously identified in the 2025/26 funding settlement were 'rolled' into revenue support funding which included grants such as the National Insurance compensation grant and some temporary accommodation funding. The government also confirmed the final settlement included funding for the new weekly food waste service.

4.4.6 The Fair Funding final settlement 2026/27 for England are summarised below.

England Core Spending Power	2025-26 £M	2026-27 £M	2027-28 £M	2028-29 £M
Fair Funding Allocation	£0.00	£33,928.80	£34,401.00	£34,895.82
of which: Baseline Funding Level	£0.00	£16,240.24	£16,612.76	£16,947.90
of which: Revenue Support Grant	£0.00	£15,048.73	£17,788.24	£17,947.92
of which: Local Authority Better Care Grant	£0.00	£2,639.82	£0.00	£0.00
Legacy Funding Assessment	£32,442.87	£0.00	£0.00	£0.00
of which: Legacy Business Rates	£18,770.47	£0.00	£0.00	£0.00
of which: Legacy Grant	£11,032.57	£0.00	£0.00	£0.00
of which: Local Authority Better Care Grant	£2,639.82	£0.00	£0.00	£0.00
Council tax requirement	£38,656.60	£41,212.26	£44,019.62	£47,010.85
Homelessness, Rough Sleeping and Domestic Abuse	£725.14	£885.01	£905.79	£927.32
Families First Partnership	£523.13	£853.13	£853.13	£729.13
Total Transitional Protections	£0.00	£134.48	£272.18	£447.76
of which: 95% income protection	£0.00	£86.36	£172.33	£293.90
of which: 100% income protection	£0.00	£39.58	£89.43	£140.18
of which: Fire and Rescue real-terms floor	£0.00	£8.54	£10.42	£13.68
Grants rolled in to Revenue Support Grant	£543.15	£0.00	£0.00	£0.00
Total Recovery Grant Allocation	£600.00	£864.45	£863.75	£874.80
of which: Recovery Grant	£600.00	£600.00	£600.00	£600.00
of which: Recovery Grant Guarantee	£0.00	£149.45	£113.75	£99.80
of which: Recovery Grant Uplift	£0.00	£115.00	£150.00	£175.00
Adjustment Support Grant	£0.00	£116.06	£0.00	£0.00
Mayoral Capacity Fund	£33.50	£45.11	£45.15	£48.34
Core Spending Power	**£73,524.38**	**£78,039.31**	**£81,360.63**	**£84,934.03**
Core Spending Power year-on-year change (£ millions)		£4,514.92	£3,321.32	£3,573.40
Core Spending Power year-on-year change (%)		6.14%	4.26%	4.39%
Core Spending Power change since 2025 (%)		6.14%	10.66%	15.52%

4.4.7 Fair Funding core spending required for Councils also includes Council tax income with an assumption of a 3% core council tax referendum principle and a 2% adult social care precept. Actual council tax income approved may vary to the governments projections as a result of movement in the council tax base due to new properties, discounts and premiums.

4.5 Fair Funding and Stevenage Borough Council

4.5.1 A summary of government funding for Stevenage Borough Council is included in the table below, the actual projected core funding (see also para. 4.9.2) may change as result of:

- The September CPI increase for business rates (assumed to be 3%)
- Changes in the 2027/28 council taxbase increasing/decreasing council tax income from that estimated by the government
- Lower projected Business Rates than the baseline estimate, for 2027/28 and 2028/29, as the first 5% and 7.5% is funded by the Council for future years respectively, (see section 4.6)

Stevenage Core Spending Power	2025-26 £M	2026-27 £M	2027-28 £M	2028-29 £M
Baseline Funding	£0.00	£3.61	£3.69	£3.77
Revenue Support Grant	£0.00	£2.85	£3.49	£4.13
Legacy Funding Assessment	£5.08	£0.00	£0.00	£0.00
of which: Legacy Business Rates (includes 2025/26 est. gains)	£4.63	£0.00	£0.00	£0.00
of which: Legacy Grant Funding	£0.45	£0.00	£0.00	£0.00
Council tax requirement assuming 3% increase	£7.04	£7.31	£7.58	£7.87
Homelessness, Rough Sleeping and Domestic Abuse	£0.87	£1.09	£1.13	£1.16
Grants rolled in to Revenue Support Grant	£0.60	£0.00	£0.00	£0.00
Recovery Grant	£0.28	£0.28	£0.28	£0.28
Core Spending Power	**£13.86**	**£15.14**	**£16.18**	**£17.21**
Core Spending Power year-on-year change (£M)		£1.28	£1.03	£1.03
Core Spending Power year-on-year change %		9.2%	6.8%	6.4%

4.5.2 Stevenage's Core Spending Power has risen higher than the average for England shown in para 4.4.6. Beyond 2028/29 a 2% increase has been assumed in the MTFS, however this goes beyond the Fair Funding period and into the new unitaries for Hertfordshire (1 April 2028).

4.6 Business Rates

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

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

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

Step three- Calculate the amount of section 31 grant due to the Collection Fund based on mandatory reliefs such as retail reliefs, small business rate relief, empty property reliefs. Discretionary reliefs do not attract Section 31 grant e.g. Charity top up relief of 20% beyond the mandatory 80%.

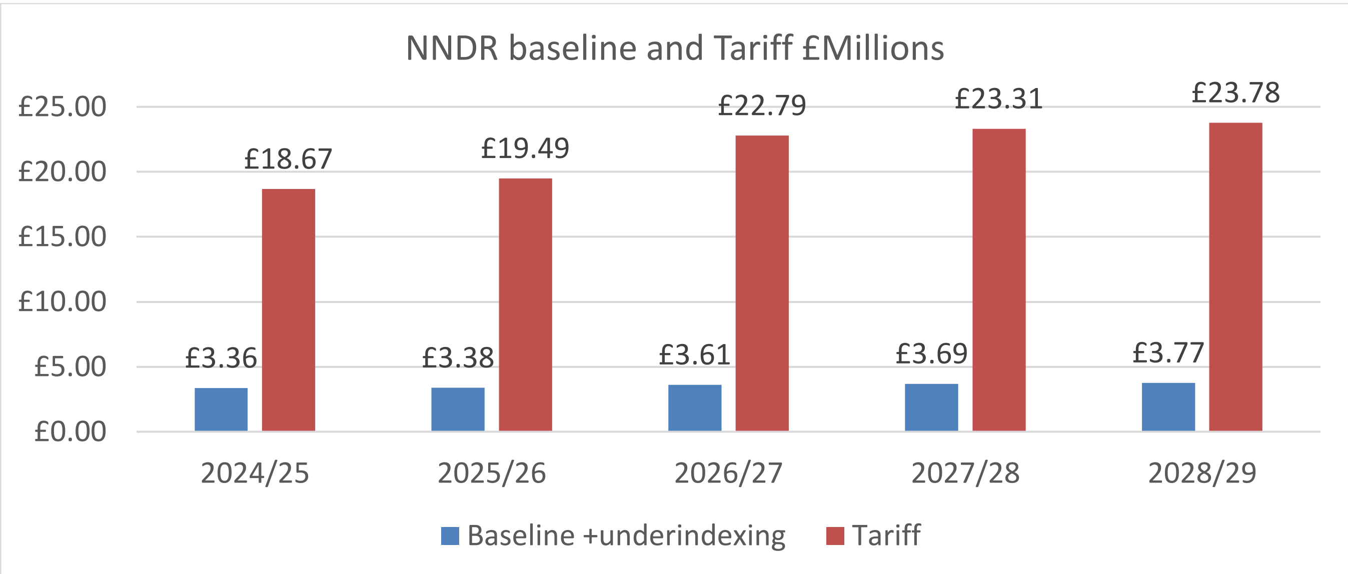
Step four -The government applies a tariff which then reduces the collected 40% share of business rates and reliefs (based on the last revaluation on rates), so that it is closer to the baseline need (as identified in step one).

Step five - If there are still gains after step four, a further levy is applied at 45% (pre 2026/27 was 50%) so effectively any gains above baseline need are split with the government.

Or In the event that there are in fact losses (i.e. less business rate income was received than the baseline) SBC must fund the first 5% in 2026/27 and 7.5% beyond that year (approximately £184K 5% (2026/27) and £284K 7.5% (2027/28)). The rest of the losses are funded by the government via the 'safety net'.

Step six - The levy, safety net and section 31 grants are paid based on the amount due in year, all other payments are paid based on estimate with gains and losses due/paid in future years. However, from 2026/27 S31 grants under or over claimed will put through the Collection Fund and not the General Fund as previous.

4.6.2 As part Fair Funding there was a full reset of Business Rates in 2026/27 this saw the level of tariff increase significantly in 2026/27 for SBC (£3.3Million, 16.96%) intended to 'eliminate historic NNDR gains', while the amount the Council should retain 'the baseline' increased by only 6.8%.



4.6.3 The Reset of Business Rates retained by Councils in 2026 happened alongside significant changes to the business rates tax system, which saw the number of multipliers increase from two to five. The intention was that the large rateable multiplier (RV) over £500K would fund reductions to Retail Hospitality and Leisure businesses (RHL) multipliers. Subsequent to these changes the government made a further announcement and reduced eligible pubs in England with a further 15% business rates relief for the

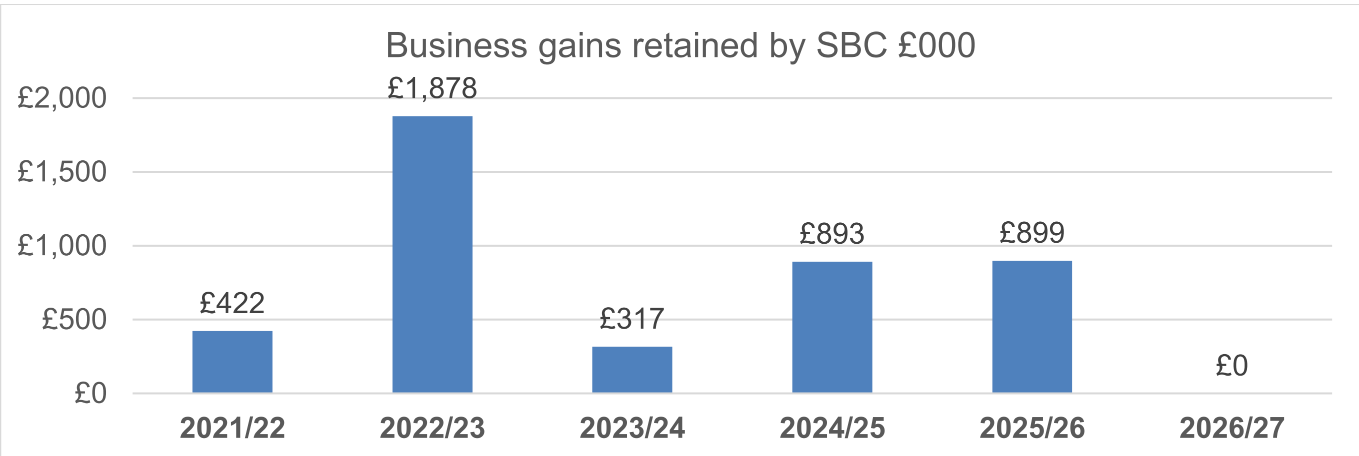
2026/27 tax year, applied on top of transitional reliefs. Bills are subsequently frozen in real terms for 2027/28 and 2028/29, alongside an additional 20% cut planned for qualifying pubs and live music venues from 2027/28.

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

4.6.4 The resetting Business Rates Baselines in 2026/27 has the potential (due to the complexity, new multipliers and government assumptions about gains) to expose authorities to a higher risk of falling below their Baseline Funding Level, particularly in the first year following a reset before any growth accumulates again To that end the government introduced changes to the safety net which is summarised below.

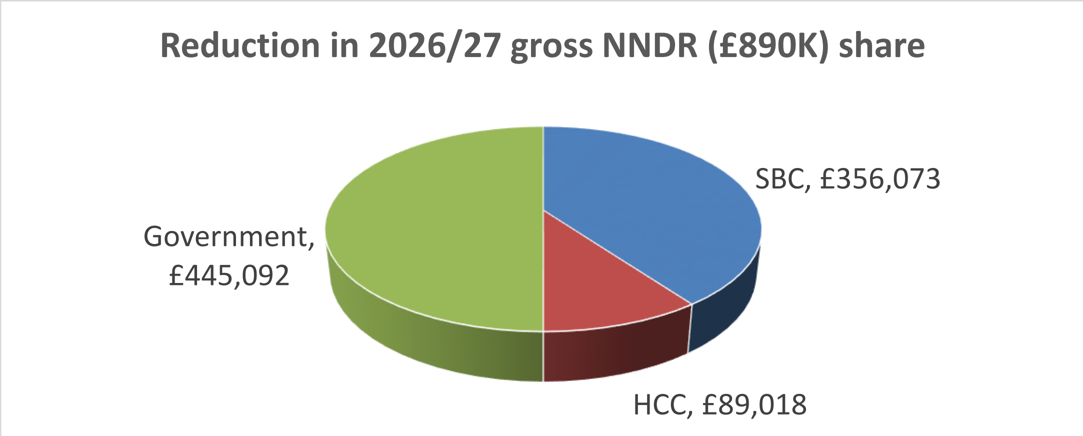
Funding NNDR losses	2026/27	2027/28	2028/29
Safety net payment	100%	95%	92.50%
Council funded losses	0%	5%	7.50%
Total	**100%**	**100%**	**100%**
General Fund share	£0	£184,606	£282,495

4.6.5 Whilst Stevenage has benefited historically from business rate gains, when the estimate was completed for 2026/27 (NNDR 1 government return) no gains were projected and the retained business rates for Stevenage are at the baseline level (see para. 4.6.2).

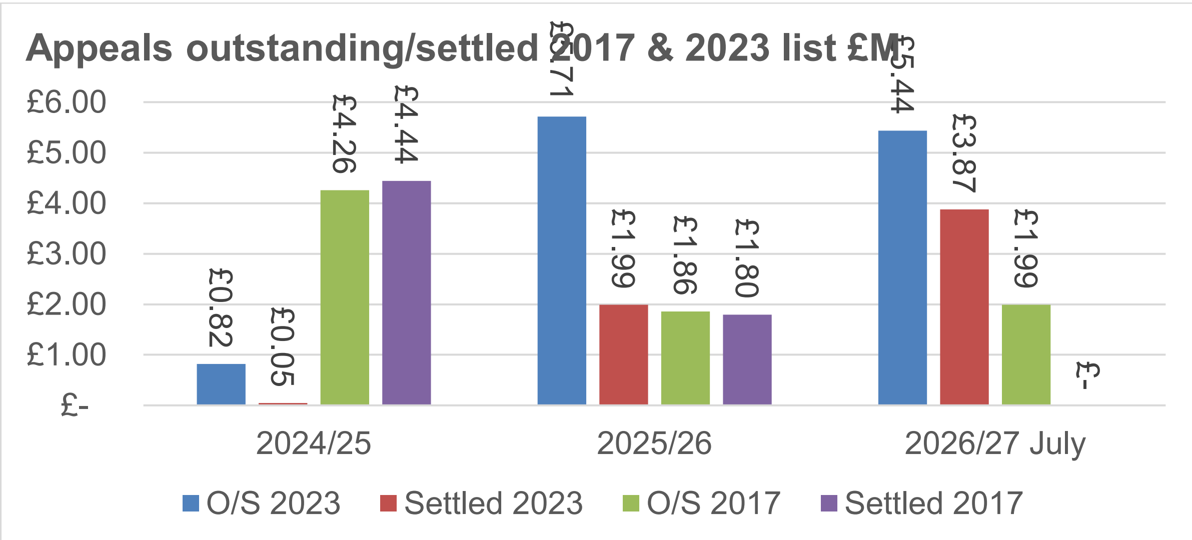


Note: 2022/23 was the release of the appeals provision following the 2023/24 revaluation.

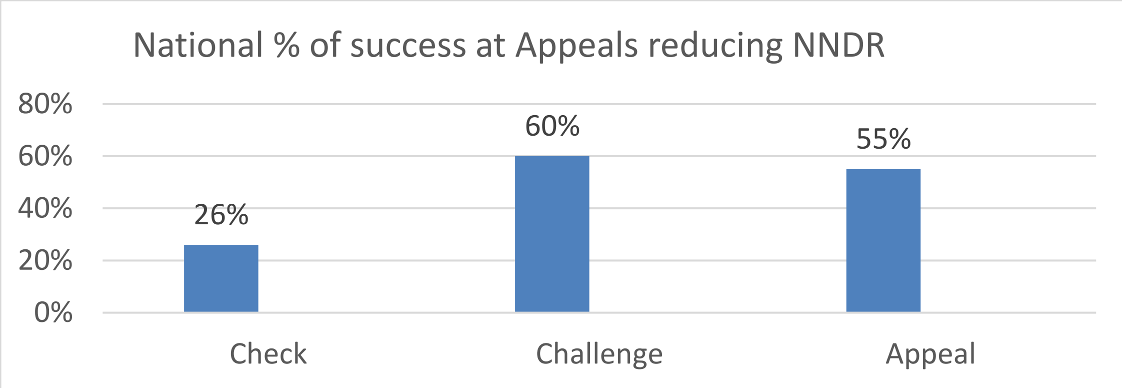
4.6.6 Looking at the in-year yield at the beginning of August 2026 it is £890K below the 2026/27 NNDR 1 original estimate due to hereditaments being removed/reduced (before the impact of appeal outcomes). This has been impacted also by developments such as the Forum with the loss temporary until new development takes place. If the £890K loss was realised for 2026/27, the reduction would be shared as shown in the chart below. However as stated in para. 4.6.4 the safety net is set at 100% for 2026/27 and the government would fund any shortfall in retained income.



4.6.7 The other cost that can significantly impact how much NNDR is retained is the amount set aside for appeals. Business rate appeals can take many years to be settled and it's a three-stage process, Check, challenge and then Appeal (to the independent valuation tribunal if Check and Challenge fail). There are currently £7.4Million rating appeals outstanding with £1.9Million relating to the 2017 rating list. Businesses have six months from the date of the unsuccessful Check/Challenge to put in a further appeal. If all the outstanding appeals were successful requiring an increase in the assumed in year appeals provision meaning SBC retained NNDR could be as low as £1.4Million business rates versus the £3.6Million baseline assumed.



4.6.8 The chart below shows percentage of claims nationally that result in a reduction to business rates. An assessment is currently being made of the likely SBC level of appeal provision required for 2026/27, however already stated the safety net is set at 100% for Councils in 2026/27, meaning no loss of income in year below the baseline amount, (the amount the government assumed SBC would keep).



4.7 Council Tax

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

4.7.2 The tax base is calculated based on an estimate of the gross dwellings in Stevenage, reduced by the amount of discounts, (single person discount, council tax support and other exemptions). The increase in new properties fluctuates significantly based on economic development. The taxbase for 2026/27 (approved at the December 2025 Cabinet meeting) totalled 28,884.5 equivalent “Band D” properties after making allowances for a 98.0% collection rate. The Taxbase as at 1 August 2026 is 29,090.15 which is 205.65 Band D equivalents higher, with still a further nine months for changes to the tax base, meaning the approved taxbase will be exceeded. The increase can happen because properties come into the taxbase earlier than anticipated and/or an increase in say single person discounts and uptake in the council tax support scheme (CTS) doesn’t happen as projected. The Table below identifies that there are more properties in the taxbase than expected and at a higher banding, it has been assumed that a lot of the new flatted developments would have lower tax banding than the actual together with a lower the projected take up of single person discount.

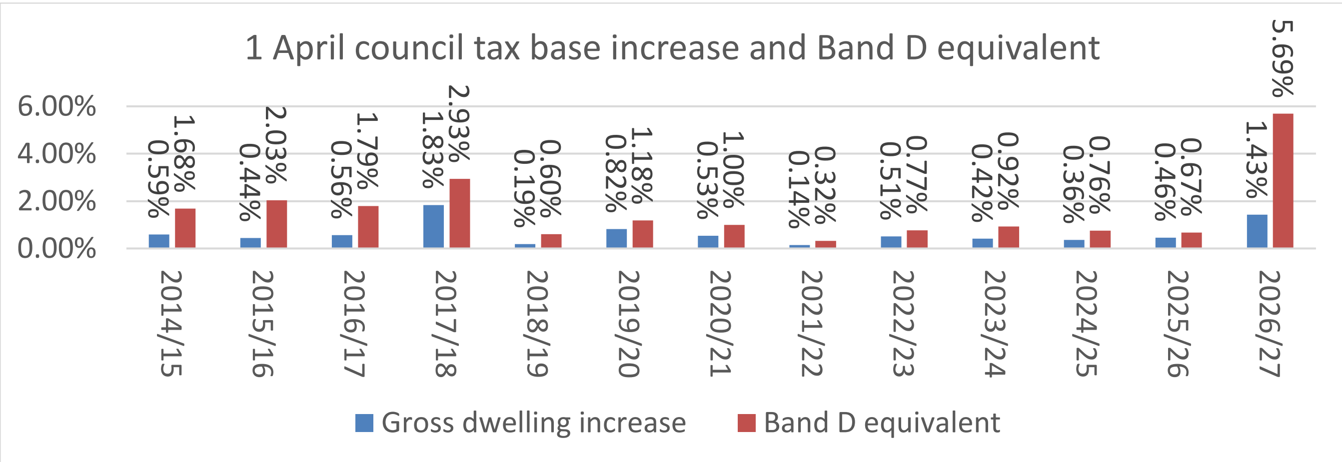
Council Bands (as at 1/8/2026)	A	B	C	D	E	F	G	H	Total
Properties increase/(decrease)	-3.00	-264.68	170.89	61.58	78.50	38.00	29.00	2.00	112.29
Discounts increase/(decrease)	-11.48	-11.76	110.27	-57.58	0.51	-12.84	-5.17	-1.96	9.99
Total increase/(decrease)	**-14.48**	**-276.44**	**281.16**	**4.01**	**79.01**	**25.16**	**23.83**	**0.04**	**122.29**
Band D equivalent	**-9.57**	**-120.10**	**100.73**	**62.09**	**80.25**	**47.43**	**45.06**	**4.00**	**209.89**

4.7.3 It is estimated that the taxbase as at 31 March 2027 will be at circa 29,483.8 which is 599.3 increase on the 2026/27 approved taxbase or an increase of 2.07% for 2027/28 and has been included in the MTFS update. The impact of higher banded dwellings in the taxbase means 122.29 properties, equates to an increase in 209.89 Band D equivalents.

4.7.4 The percentage increase in the taxbase does fluctuate from year to year the MTFS has assumed an average increase of 0.75% per annum, (the average between 2021/22 and 2025/26 was 0.69% annual increase), however there has been a recent spike in housing delivery which has driven the increase in the calculated taxbase for 2026/27 and 2027/28. This is also borne out by planning data submitted on net housing completions with 2025/26 being the highest year at 937 completions.

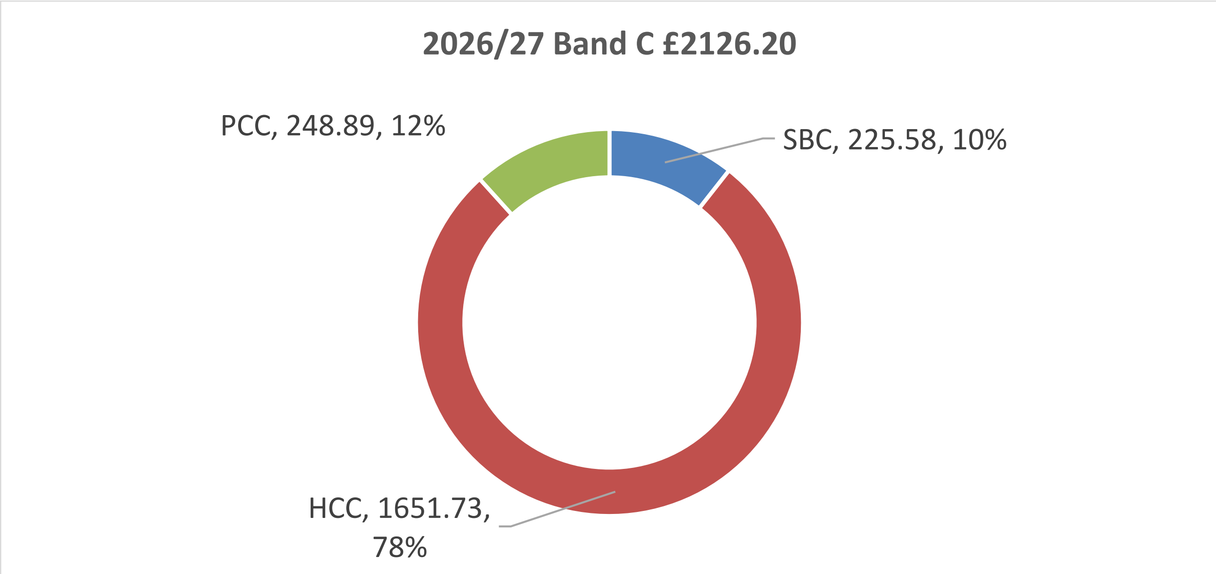
Cumulative Net Housing Completions - 2011/12 – 2025/26		
Year	**Actual**	**Cumulative**
2011/12	190	190
2012/13	85	275
2013/14	172	447
2014/15	146	593
2015/16	153	746
2016/17	690	1,436
2017/18	71	1,507
2018/19	285	1,792
2019/20	321	2,113
2020/21	143	2,256
2021/22	69	2,325
2022/23	156	2,481
2023/24	163	2,644
2024/25	636	3,280
2025/26	**937**	4,217

4.7.5 Beyond 2027/28 the increase has been modelled at 0.75% until further analysis of planned housing delivery has been assessed.



4.7.6 The MTFS includes a 2.99% increase in council tax for 2027/28 onwards, in line with the government Fair Funding assumptions (see also section 4.5), noting however the MTFS period covers the commencement of the new Central Unitary and the ability to charge the 2% social care precept in addition. Members will be aware that up to that point SBC retains a relatively small part of the overall council tax raised in a year. To illustrate this, taking a Band C property (which makes up 56% of total properties in Stevenage as at 1

August 2026), SBC keeps £225.58 or only 10% of the total council tax bill as shown below. This share has decreased year on year as the County and Police annual allowed percentage increase has been much higher. To illustrate this the County increase was 4.99% (including 2% for social care) and the PCC increase was £15 or 5.66%.



4.8 Council Tax Support Scheme

4.8.1 In November 2025 Members approved the retention of the existing CTS scheme for next year (uprated to reflect benefit changes for 2026/27) at 8.5% liability for working age claimants on maximum benefit and for elderly claimants a zero liability for those on full benefit (as the latter are protected in legislation).

4.8.2 With the increase in housing benefit claimants transitioning to universal credit and having their claims reassessed on a four weekly basis this means multiple changes for CTS claimants for small changes in assessed income, creating increased billing and issues with collection and uncertainty for UC claimants. Members however did agree 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. If a scheme was implemented in 2027/28 it would be superseded by the CTS scheme for the Central unitary which will need to be in place for 2028/29. On that basis the CFO recommends that the existing CTS scheme is retained for 2027/28.

4.8.3 For note North Herts District Council operate a banded scheme and Welwyn Hatfield District Council have the default scheme which operated under council tax benefit which is a zero liability for working and elderly claimants. Any new scheme will need to be affordable and have consideration of winners and losers across the CTS caseload in the Central unitary.

4.9 Finance Settlement and assumptions in the MTFS

4.9.1 The funding assumptions in the MTFS have been updated using the three-year fair funding increase as set out in section 4.5 together with adjustments for business rates losses, increases assumed for business rates (September CPI) and increases in the council tax base. Beyond the three-year period a 2% uplift on Baseline funding and

Revenue Support grant has been assumed, however this is indicative only with the new Central unitary vesting day 1 April 2028 and potentially Fair Funding 3.0 from 2029/30.

4.9.2 The Chancellor has announced the Autumn budget date of 28 October 2026, and it is not known at the current time whether this will impact on Council finances. The provisional funding settlement is anticipated in late November/December before parliament rises and is anticipated to be in line with the fair funding announced last year for the three financial years.

Stevenage Core Spending Power	**2026-27 £M**	**2027-28 £M**	**2028-29 £M**	**2028-29 £M**	**2028-29 £M**
Baseline Funding (2% increase beyond 2028/29)	£3.61	£3.69	£3.77	£3.89	£3.96
Business Rate losses projected above safety net	£0.00	(£0.18)	(£0.28)	(£0.29)	(£0.30)
Revenue Support Grant	£2.85	£3.49	£4.13	£4.21	£4.30
Recovery grant	£0.28	£0.28	£0.28	£0.28	£0.28
Council tax requirement	£7.33	£7.71	£8.00	£8.30	£8.61
Total Finance Settlement in core resources	**£14.07**	**£14.99**	**£15.89**	**£16.39**	**£16.86**
Council tax historic surplus returns re 2025/26 (para 4.9.3)	£0.23	£0.06	£0.00	£0.00	£0.00
NNDR 2024/25 and 2025/26 deficit returns to the collection fund (para 4.9.3)	(£0.72)	(£0.09)	£0.00	£0.00	£0.00
Total Core Resources	**£13.59**	**£14.97**	**£15.89**	**£16.39**	**£16.86**
Grants assumed in Net cost of services	**2026-27 £M**	**2027-28 £M**	**2028-29 £M**	**2028-29 £M**	**2028-29 £M**
Homelessness, Rough Sleeping and Domestic Abuse	£1.09	£1.13	£1.16	£1.19	£1.21
Crisis Resilience Fund	£0.16	£0.16	£0.00	£0.33	£0.00
Total Settlement Grants in Net cost of services	**£1.26**	**£1.29**	**£1.16**	**£1.51**	**£1.21**

4.9.3 The MTFS includes funding from ‘**Extended Producer Pays’** funding initiative via the Department for Environment and Rural Affairs (DEFRA) monies have been received for 2025/26 and 2026/27 and the MTFS assumes amounts beyond that will remain at the current year’s level. The Council’s policy is to use this for new recycling initiatives or purchase of freighters and not to support General Fund base expenditure. However, going forward one permanent post will be funded from the grant to support and progress projects and sufficient funding will be kept in the reserve to allow that post to continue should the award reduce. Members approved the use of the 2026/27 EPR funding in the General Fund budget report to February Council.

4.9.4 Included in MTFS core resources are prior years gains and losses for council tax and business rates going to/from the Collection Fund. When the budget for the year is set an estimate is made of business rates (NNDR1), this is revised as part of the following years return and again at the outturn for the year (NNDR3). The business rate adjustments are ‘matched’ by a transfer to/from the NNDR reserve as no historic gains are spent until realised. Similarly for council tax an assessment of any surpluses and deficits for all preceptors are calculated as part of the budget setting process.

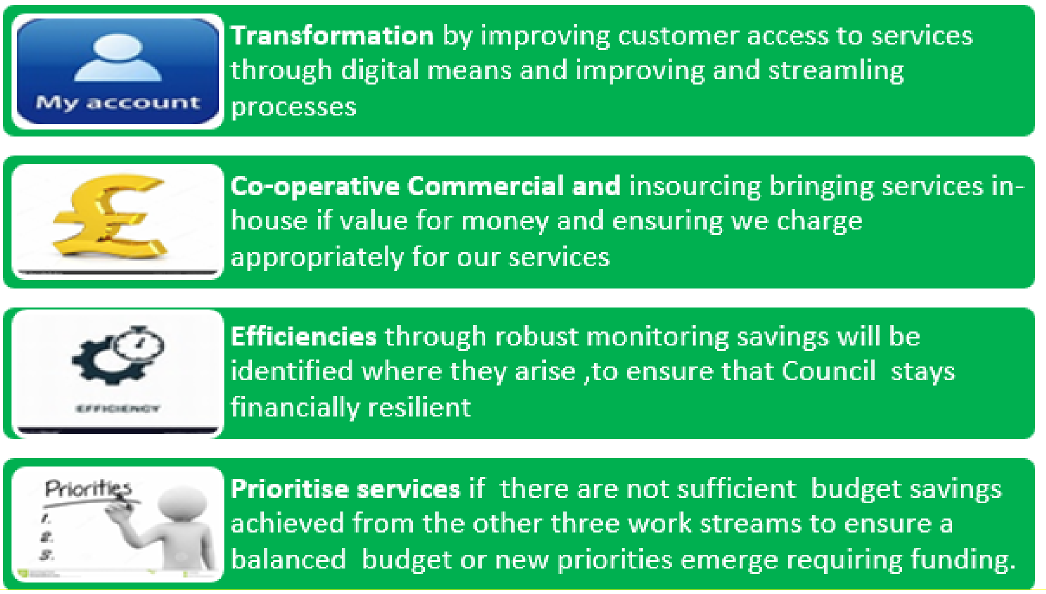
Collection Fund Core Resource movements	2026/27	2027/28	Total	Note Surplus achieved after loss returns
2024/25 Business rate losses	(£183,637)		(£183,637)	£892,534
2025/26 Business rate losses	(£536,717)	(£85,653)	(£622,370)	£899,266
2024/25 Council Tax surplus	£234,991		£234,991	-
2025/26 Council Tax surplus		£13,912	£13,912	-
2026/27 Council Tax surplus		£47,110	£47,110	-
Total	(£485,363)	(£24,631)	(£509,994)	£1,791,800

4.9.4 Council tax surplus and deficits tend to be much smaller as they are not complicated by NNDR appeals and large revaluation movements.

4.10 Balancing the Budget

4.10.1 Balancing the Budget is one of the Council's key Making Stevenage Even Better (MSEB) priorities to ensure that the Council remains financially resilient whilst striving to deliver against its service and high-level ambitions across both the General Fund and the HRA. Appendix B to this report sets out how the Council is spending money this year on both Council and resident priorities.

4.10.2 Balancing the budget consists of four main streams and work on potential budget options is carried out all year round.



4.10.2 **Business Change and digital** –Customers are at the heart of the Council's services, so the aim of the programme is to ensure that they will be served in a straightforward way, with resolution at the first point of contact and, where deemed possible, through the provision of easy to access online services that are so good, people choose to use them and can also lever in savings.

4.10.3 With the advent of LGR the programme has been refocused to focus on getting the Council ‘match fit’ for LGR through improving customer journeys through digital interventions but without the need for significant staff restructuring.

4.10.4 **Commercialisation & Insourcing** -The Council approved the latest Co-operative Commercial and Insourcing Strategy at the October 2023 Executive. This strategy set out a number of work streams which are overseen by an Executive working group.

4.10.5 A further update on the work arising from the Co-operative Commercial and Insourcing Strategy will be included in the 2027/28 October Fees and Charges report to the Cabinet.

4.10.6 **Efficiency savings** are reported and removed from the General Fund as part of the formal quarterly monitoring process and are included in the 1st Quarter monitoring report if identified. In addition, a star chamber process to identify savings has been carried out over the summer and a number of savings and growth have been identified and are being assessed for recommendation to Members. A summary of the efficiency savings identified to date are shown in the table below and included in the MTFS totalling £76,880, with a further £273,120 to find to meet the 2027/28 Balancing the Budget target.

General Fund Efficiency Savings £'000	Qrt 1 report	2026/27	2027/28	Total
Align Third party tipping income budget to current levels (reported quarter 1 monitoring)	Y	£42,820	£9,460	£52,280
Renegotiation of Citizens Advice contract	Y	£20,080	£0	£20,080
Increase in Procurement income from shared service (GF share)	Y	£4,600	£0	£4,600
Projected increase in commercial lease renewals	Y		£13,000	£13,000
To be identified from fees and Charges and Star Chamber options			£260,040	£260,040
Total		**£67,500**	**£282,500**	**£350,000**

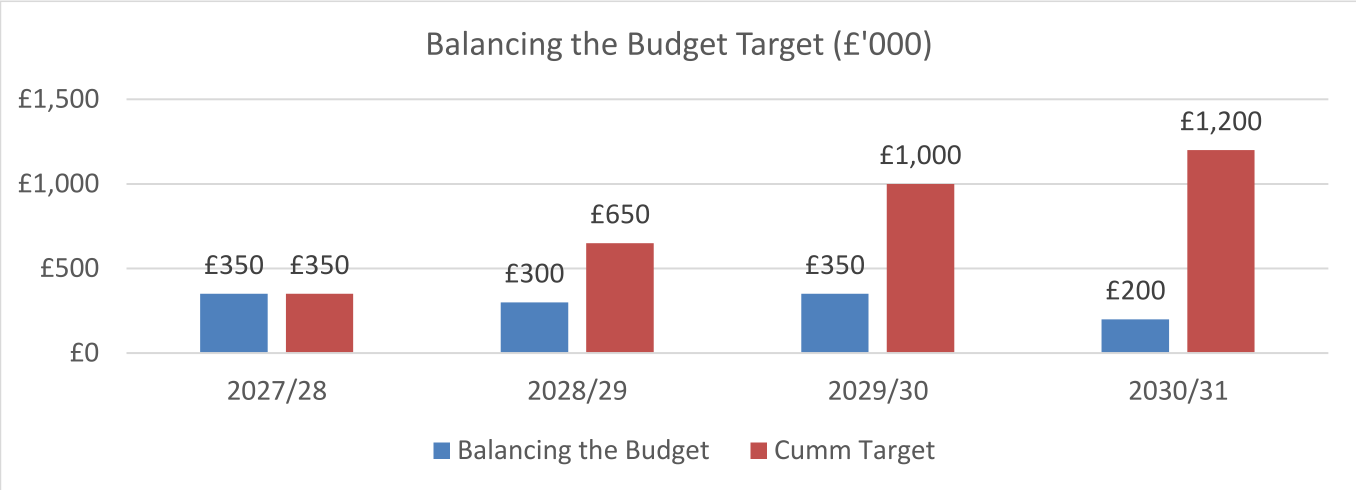
4.10.7 The CFO is confident the target left to find will be identified for the General Fund through the fees and charges proposed and star chamber options. This is alongside a number of growth bids being reviewed for Member approval, which exceed the annual growth allowance and may require a higher level of savings approved or rationalisation of growth options.

4.10.8 There are other financial risks as set out in this report including:

- If inflationary pressures exceed that included in the MTFS (see section 4.1 and 4.2) which may be exacerbated by global conflicts.
- The impact of higher transition LGR costs combined with ability to attract and retain staff in the interim period.
- The General Fund recharges circa £9Million in recharges to the HRA and the HRA requires significant levels of savings per year circa £2Million and may need the General Fund to reduce support costs.
- Savings set out above may change between now and budget setting

4.11 Balancing the Budget Target

4.11.1 The General Fund MTFS has had to set an annual Balancing the Budget savings target due to the gap between funding and expenditure as set out in section three of this report. The target as stated earlier is much lower going forward than in recent years (see also para 3.4) due to the positive impact of Fair Funding. The current targets are shown below.



4.11.2 In setting the savings target, consideration needs to be given as to whether the target sum is achievable in any given year (less of an issue currently), versus setting an amount which delivers no draw on balances. This should be done whilst at the same time, ensuring the Council is still able to deliver on its priorities and that a budget can be set with a prudent level of balances and ensuring Stevenage's finances support the financial resilience of the new Unitary.

4.11.3 Set out in section 4.10 fees and charges are still to be approved (October 2026 Cabinet report) and there are a number of other efficiency and income options are being assessed, together growth bids will be included in the November Balancing the budget report.

4.12 Other Budget Considerations

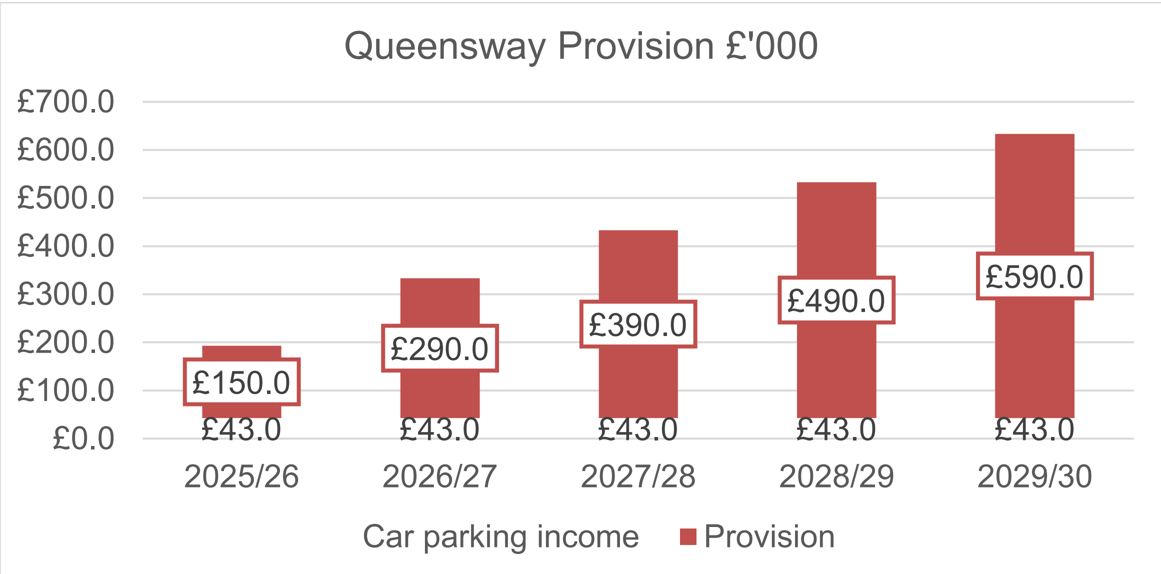
4.12.1 The General Fund currently includes an amount for **LGR funding** which will contribute to the central Hertfordshire programme board estimated to be £500K for 2026/27 and £650K for 2027/28. There is an agreed split of 50:50 between County and Districts and this would give a total identified programme cost of £23Million. This is less than the initial modelling identified in the November 2025 four unitary submission and does not account for any additional support individual Councils may need to backfill those working on LGR etc. Therefore, the CFO recommends the following provisions are made in the General Fund to ensure there is sufficient capacity to deliver the activities required.

General Fund £'000	2026/27	2027/28
Approved/MTFS	£500	£500
Additional	£500	£550
Total	**£1,000**	**£1,050**

4.12.2 A Stock condition survey has been commissioned by the new Head of Property Services to understand the condition of the Councils non housing assets and was trailed in the Capital Strategy, with the previous survey being a number of years ago. It is likely that works will be required, (due October 2026) as a result the CFO recommends £200K of Revenue Contribution to Capital (RCCO) for 2026/27 and 2027/28 is included in the General Fund.

Revenue used for Capital £'000	2026/27	2027/28	2028/29	2029/30	2030/31
RCCO in GF and MTFS	£1,200	£1,200	£1,200	£1,200	£1,200
Stock condition survey costs	£200	£200			
Total	**£1,400**	**£1,400**	**£1,200**	**£1,200**	**£1,200**

4.12.3 The General Fund has set aside monies to support its retail and residential income strip in Queensway North which was acquired for regeneration purposes and to reinvigorate the high street. The challenges for high streets is well documented, and the CFO recommends that an additional £40K over the MTFS per annum is set aside to invest in the asset. More information can be found in the Council's companies report on this Cabinet's meeting agenda. Should the monies be no longer needed they can be returned to General Fund balances. The chart below summarises the annual set aside in the reserve.



4.13 General Fund Balances and Reserves in the MTFS

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

4.13.2 The Council's General Fund balances projected for 2027/28 show a deficit of £202K but reserves are above minimum levels and for 2028/29 this is reversed. The level balances are summarised in the table below and include the recommended budget items:

1. Inclusion of additional LGR provision as set out in para. 4.12.1
2. Inclusion of additional capital funding as a result of the stock condition survey as set out in para 4.12.2
3. Inclusion of a further £40K per year for the Queensway LLP para. 4.12.3
4. BTB savings of £1.2Million between 2027/28-2030/31.

General Fund £'000	2026/27	2027/28	2028/29	2029/30	2030/31
Opening Balance	£7,572	£7,591	£7,390	£7,482	£7,064
Use of balances	£19	(£202)	£92	(£418)	£402
Closing balance	£7,591	£7,390	£7,482	£7,064	£7,466

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

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

4.13.5 Reserves can be held for three main purposes:

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

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

4.13.7 In terms of determining the level of general balances, the CFO has based her advice on consideration of the factors included in the table below which projects a £3.92Million (2026/27 £3.65Million) minimum level. This assessment is indicative at the current time and will be further reviewed as part of the budget setting process and is significantly lower than the projected level of balances in the MTFS.

4.13.8 The level of reserves is above the minimum level which may give rise to include in the 2027/28 budget some one-off spend such as included in the 2026/27 General Fund budget report. This will need to be assessed based on the requirement to maintain balances to support the new unitary and the level of savings and any growth identified, which will be included in the November BTB Cabinet report.

General Fund balances Minimum Level Assessment	2027/28 £Million
Amount to cover a 1.5% overrun in gross expenditure	£1.06

General Fund balances Minimum Level Assessment	2027/28 £Million
Amount to cover a 1.5% overrun in gross income	£0.86
Amount to cover pay award above the budgeted amount	£0.20
Amount to cover higher prices with higher than forecast inflation	£0.50
Amount to cover fee and charges losses through price fluctuation	£0.30
Amount to cover risk of higher LGR transition costs	£1.00
Total Estimated General Fund Reserves	**£3.92**

4.14 Allocated Reserves

4.14.1 The Council's Allocated revenue reserve projections are summarised in the table below. The reserves have been categorised as being allocated for a specific use or available to support the General Fund. A review of continued need of the reserves will be undertaken before the 2027/28 Budget process and reported back to Members.

Reserves £'000	Closing 2025/26	(Use)/trf	Closing 2026/27	Closing 2027/28
NHB reserve	£10	£0	£10	£10
Business Change & Digital Reserve	£988	(£99)	£889	£889
Homeless reserve	£593	(£96)	£497	£497
Planning Delivery	£343	£0	£343	£343
Queensway monies	£408	£333	£741	£1,174
Event island	£30	£0	£30	£30
Town square reserve	£1,798	(£27)	£1,771	£1,586
Regeneration Reserve	£253	£0	£253	£253
Insurance reserve	£62	£0	£62	£62
ICT reserve	£327	(£50)	£277	£277
Asylum seekers reserve	£1,416	(£518)	£898	£898
Commercial Property repair reserve	£50	£0	£50	£50
Domestic abuse reserve	£196	£0	£196	£196
Extended Producer Pays grant	£1,153	(£699)	£454	£454
Elections Reserve	£50	(£50)	£0	£0
LEP Loan Reserve	£0	£0	£0	£869
Apprentice Reserve	£300	£150	£450	£600
Pride in Place	£150	(£150)	£0	£0
Housing strategies	£49	(£49)	£0	£0
Commuted Sums	£134	(£20)	£113	£93
UKSPF	£13	(£13)	£0	£0
Total Allocated for use	**£8,323**	**(£1,289)**	**£7,034**	**£8,280**

Reserves £'000	Closing 2025/26	(Use)/trf	Closing 2026/27	Closing 2027/28
Gains (NNDR)	£4,404	(£793)	£3,611	£3,690
Income equalisation Reserve	**£558**	**£0**	**£558**	**£558**
Total Available to support the GF	**£4,962**	**(£793)**	**£4,169**	**£3,844**
Total allocated reserves	**£13,285**	**(£2,083)**	**£11,202**	**£12,124**
Capital Reserve	£665	(£415)	£250	£250
Total Reserves	**£13,950**	**(£2,498)**	**£11,452**	**£12,374**

4.14.2 There are balances of £3.690Million estimated at the end of 2027/28 in the NNDR business rates gains reserve, but this includes some 'unrealised' gains and future approved commitments which are summarised below.

Use of NNDR reserve	2025/26 and prior	2026/27	2027/28	2028/29	2029/30	Total
includes :						
Swingate interest accrued & return	(£587)	(£530)	(£465)	£0	£0	**(£1,581)**
LEP MRP/Loan repayment	£0	£348	£0	£0	£2,122	**£2,470**
Losses to be repaid:	£0	£0	£0	£0	£0	**£0**
2024/25	£0	£184	£86	£0	£0	**£269**
2025/26	£0	£537	£0	£0	£0	**£537**
Apprentice	£0	£255	£301	£0	£0	**£555**
Total	**(£587)**	**£793**	**(£79)**	**£0**	**£2,122**	**£2,250**
Opening balance		**(£4,404)**	**(£3,611)**	**(£3,690)**	**(£3,690)**	
In year adjustments		**£793**	**(£79)**	**£0**	**£2,122**	
Total		**(£3,611)**	**(£3,690)**	**(£3,690)**	**(£1,568)**	

4.14.3 The table above identifies there is circa £1.57Million remaining in the reserve in 2029/30 assuming the Swingate LLP interest earned and return on the Equity share invested are realised. Therefore, until the interest is realised there is no further available balances in the reserve that can be utilised. The interest and return earned on the Swingate joint venture reflects the position set out in the Companies report to this Cabinet.

4.14.4 The Council also has an income equalisation reserve with a total of £558K as at 31 March 2027, this reserve can be used if fees and charge are impacted and the General Fund requires cash balances to be returned.

4.14.5 The remaining earmarked reserves are held for a number of specific reasons such as the holding costs of the regeneration sites in Town Square and to support the Council's Queensway LLP asset holding to maintain its financial resilience. The CFO will review the earmarked reserves between the MTFS and budget to determine whether all the balances are still required.

4.15 CFO commentary

4.15.1 There is no doubt that the 2026/27 funding settlement and annual savings achieved have enabled a more sustainable financial position with the ability to invest in assets such as the theatre and Ridlins with the RCCO annual investment of circa £1.2Million and additional investment in one revenue growth, together with much lower future savings required.

4.15.2 Looking forward the MTFS projects that 2027/28 general balances will be well above minimum levels -positively impacted by the changes to government funding and the level of balancing the budget savings identified to date. However, the General Fund and Council faces a level of risk from:

- LGR means a shadow authority will be in place for 2027/28, and there will be a level of one off and transition cost that need to be funded. The Council's finances should remain financially resilient to absorb these up-front costs as part of the new unitary.
- The increase in funding from 2026/27 has not been the same for the County Council and from 2028/29 the Central unitary will 'inherit' a proportion of those pressures.
- There is a potential on-going risk to income streams from higher cost of living levels. The Council holds an income equalisation reserve to neutralise this impact in medium term.
- The 2026/27 are now concluded but above CPI and future pay negotiations may remain so. A 2.5% pay award has been modelled beyond 2027/28.
- The Stock condition survey results may show a higher level of works required than available.
- Investment balances may reduce quicker than included in the MTFS reducing available resources.

4.15.3 Growth should be limited to that which is necessary to deliver the Council's top priorities based on the ability to deliver the existing Corporate Plan commitments to ensure there is sufficient monies to maintain the resilience of the new unitary authority Stevenage becomes part of. There may be some opportunity to use balances to support capital bids which have been severely curtailed due to a lack of funding and a report will be presented to a later Cabinet meeting.

4.16 Approach to Consultation

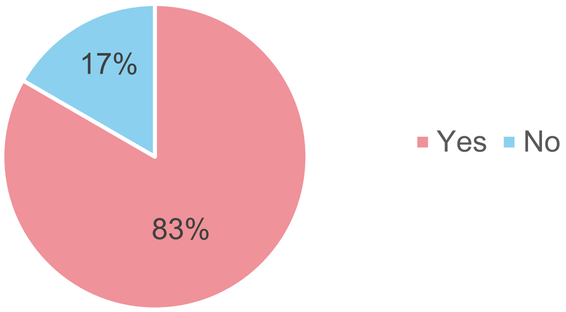
4.16.1 The Council consulted on the 2025/26 budget via an on-line form on the SBC's website the responses were a small sample of 30 so not statistically sound. The growth for apprentices was supported and the graffiti growth was only narrowly not supported.

2025/26 Budget Feedback	Yes	No
Stevenage Resident	87%	13%
Stevenage business owner	3%	97%
Agree to increase council tax by 3%	63%	37%
Pay more council tax for more services	43%	57%
Support Apprentice growth	70%	30%
Support graffiti growth	47%	53%
Support savings delivered through more digital and on-line	67%	33%
savings delivered from more commercial income	40%	60%

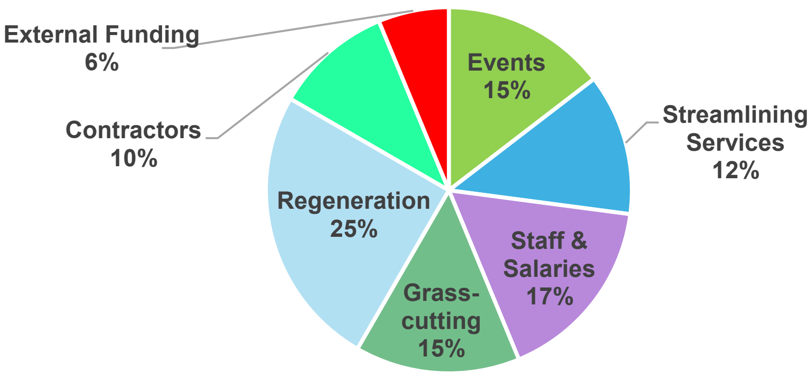
2025/26 Budget Feedback	Yes	No
Only cutting services if no other options available	67%	33%

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

- 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:



4.16.3 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 business change 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.*

Resident Survey (2025)

4.16.4 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/modenising 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%
Increase our element of Council Tax (for example from 51p per day to 55p per day)	5	5	7%

4.16.2 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%			
	Summary: Agree	**44%**	**52%**	**46%**	**46%**	**46%**
	Summary: Disagree	**12%**	**26%**	**24%**	**24%**	**21%**

4.17 Decision Making Process

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

Date	Meeting	Report
Oct-26	Cabinet	2027/28 Fees and Charges
	Overview and Scrutiny	2027/28 Fees and Charges
Nov-26	Cabinet	Balancing the Budget Report with the savings proposals for the General Fund and HRA
	Overview and Scrutiny	Balancing the Budget Report with the savings proposals for the General Fund and HRA
Dec-26	Cabinet	Draft 2027/28 HRA budget and rent setting report
	Overview and Scrutiny	Draft 2027/28 HRA budget and rent setting report
Jan-27	Cabinet	Final 2027/28 HRA budget and rent setting report Draft 2027/28 General Fund budget, Council Tax and Council Tax Support
	Overview and Scrutiny	Draft 2027/28 General Fund budget, Council Tax and Council Tax Support
	Council	Final 2027/28 HRA budget and rent setting report

Date	Meeting	Report
Feb-27	Cabinet	Final 2027/28 General Fund budget, Council Tax and Council Tax Support
	Overview and Scrutiny	Final 2027/28 General Fund budget, Council Tax and Council Tax Support
	Council	Final 2027/28 General Fund budget, Council Tax and Council Tax Support

4.17.2 Following the approval of the proposed options for 2027/28, the Council will have an obligation to begin consultation with staff and partners.

5. IMPLICATIONS

5.1. Financial Implications

5.1.1 The CFO view is set out within this report.

5.2. Legal Implications

5.2.1 The objective of this report is to outline a MTFS and forecast for the next five years. There are no legal implications at this stage of the planning cycle, however, Members are reminded of their duty to set a balanced budget and that the MTFS period goes beyond the current elected Members responsibility.

5.2.2 Balancing the Budget savings options considered will have due regard to any consultation carried out, if consultation is required.

5.3. Risk Implications

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

Risk Area	Risk Mitigation	Likelihood	Impact
Anticipated savings options not achieved (Negative Risk) –agreed options do not deliver expected level of savings either on a one-off basis or On-going.	Regular monitoring and reporting takes place, but the size of the net budget reductions increases the risk into the future. Non achievement of options would require other options to be brought forward. General Fund reserves should be held to ensure that decisions to reduce net costs are taken in a considered manner. This may become more of a risk as options around commercialisation are explored.	Medium	Medium

Risk Area	Risk Mitigation	Likelihood	Impact
Council Tax Support (CTS) (Negative Risk) – increased demand is under- estimated.	An increase in demand would impact on future years as the deficit in the collection fund would need to be repaid by the General Fund. However, the modelling in the MTFS leaves the higher level of CTS caseload	Medium	Medium
Council Tax collection rates remain lower and the taxbase is reduced	The trend has been towards lower collection rates and this could mean the amount included in the taxbase will need to increase for bad debt. The CFO is tracking trends across other Herts Councils and looking at measures to reduce arrears	High	Medium
Localisation of Business Rates (Potential Negative) – A major employer leaves the town and impacts the business rate yield due to the Council	Negative: The MTFS includes an assumption that a safety net payment will be made during the MTFS period. There are no assumed gains in the MTFS period.	Medium	Low
Loss of Business Rates due to Companies going into administration	As above.	Medium	Low
The NDR Check Challenge Appeal process impacts on the Council's baseline assessment and increases the level of successful appeals and reduces the yield (Negative risk)	Officers will be monitoring changes to the NDR system and will be talking to the Valuation office. However, since the system has been introduced. There are still appeals outstanding on the 2017 list and the revaluation for 2023 has seen an increase in business rates which inevitably will lead to an increase in appeals for the new list.	Medium	Low
Recession risk due to high inflation	General balances are risk assessed to ensure overall levels are maintained that meet an in-year short fall in income and higher costs. In addition, the Council has an income equalisation reserve to mitigate against fluctuating income levels.	Medium	High
All MTFS risks not adequately identified (Negative or Positive Risk) – Financial risks and their timing are not	Council's risk management framework ensures operational and strategic risks are identified as part of the annual service and MTFS planning process.	Low	High

Risk Area	Risk Mitigation	Likelihood	Impact
accurately judged leading to either a pressure or benefit to the MTFS.			
Impact of future years capital programme (Negative) There could be increased pressure from the capital programme on the General Fund.	There is a robust challenge process for capital bids. Officers will be required to confirm that resources are in place to deliver any approved spend Additional revenue resources to fund capital have been identified in the MTFS .A stock condition survey has been commissioned in 2026/27 which should highlight any additional need.	Medium	High
The Council's regeneration of SG1 increases the financial resources the Council must find.	The Council has already approved the use of ring fenced NDR gains for this purpose and the MTFS recommends this continues. The Council has identified NDR reserves to support the holding costs associated with the Swingate site in conjunction with Mace.	High	High
Fees and Charges target may not be reached (negative risk)	Non achievement of the target may require other options to be brought forward, for future years. But the Council has an income equalisation reserve to meet in year losses and an assumption is also contained within the minimum level of balances to meet an in-year loss.	High	High
Homeless Bed and Breakfast costs increase	A budget of £80K budget is included within the General Fund for this.	Medium	Medium
Increased support for Companies	Surpluses assumed for Company activity may be lower than anticipated or support required higher than modelled leading to lower net returns	Medium	High
LGR increased costs	The Council has provided for some additional spend to fund the impact of the amount required by the Hertfordshire central office and to provide additional resources at a local level	High	High

5.4. Equalities and Diversity Implications

5.4.1 The Council has committed itself to providing high quality services that are relevant to the needs and responsive to the views of all sections of the local community, irrespective of their race, gender, disability, culture, religion, age, sexual orientation or marital status. The General Equality Duty (Section 149 of the Equality Act 2010) requires the Council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations in the exercise of its functions. The Equality Duty and the impact of decisions on people with protected characteristics must be considered by decision makers before making relevant decisions, including budget savings.

5.4.2 The process used to develop the Council's budget has been designed to ensure appropriate measures are in place to ensure the impact of decisions on the community is considered as part of the decision-making process. It is officers' view that undertaking an Equalities Impact Assessment (EqIAs) on the strategy is not appropriate at this stage. EqIAs will be done on individual savings proposals (when relevant) at an early stage in the budget savings process to aid decision makers in their consideration of the Equality Duty. This work is being planned into the budget setting process.

5.5. Policy Implications

5.5.1 The approval of the revised budget framework includes a link for the Council's service planning requirements to ensure service priorities are identified. In addition, the budget framework represents a development of a policy led budgeting approach across Council services and the overall Financial Strategy.

5.6 **Staffing and Accommodation Implications**

5.6.1 There are no staffing implications in this report.

5.7 Climate Change Implications

5.7.1 The Budget and Policy setting process has prioritised growth for climate change as part of the 2022/23, 2023/24 and 2024/25 budget setting process. However, there will be a need to provide more resource than is currently included in the budget to meet the 2030 deadline. The 2027/28 process should have due regard for climate change implications based on the Council's approved Climate Change Strategy.

5.8 LGR 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:

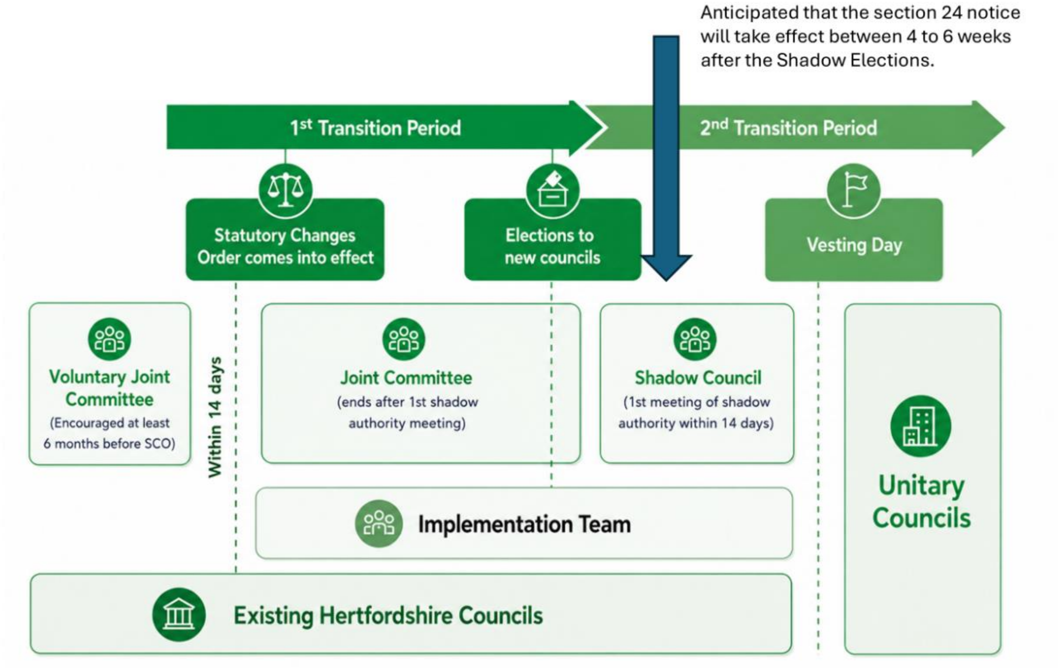
- Dispose of land for more than £100,000 (note: disposals include granting or disposing of any interest in land; entering into a contract to dispose of land or grant or dispose of any such interest; and granting an option to acquire any land or any such interest)
- Enter into contracts that exceed the 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. The timeline from District to unitary is summarised below.



BACKGROUND DOCUMENTS

BD1 – 2025 September MTFS Strategy

APPENDICES

Appendix A MTFS

Appendix B summary spending initiatives on Council and resident priorities.

GENERAL FUND Medium Term Financial Strategy Appendix A							
Spend/Income Type	On-going	2026/27	2027/28	2028/29	2029/30	2030/31	Commentary
Carry Forward Budgets:							
4th Quarter 2025/26 to 2026/27	N	£309,150					
Inflation:							
Pay	Y	£936,457	£810,279	£698,624	£694,617	£719,129	
Superannuation reduction	Y	(£1,327,540)	£0	£0	£300,000	£0	
Contract & fuel	Y	£614,039	£452,498	£558,673	£487,788	£492,722	
Business rate valuation changes	Y	(£147,920)	£0	£0	£0	£0	
Recharge from the HRA	Y	£130,130	£26,764	£24,690	£22,440	£22,889	
Recharges to the HRA	Y	(£251,070)	(£158,817)	(£167,146)	(£199,101)	(£146,980)	
Total	Y	**(£45,905)**	**£1,130,724**	**£1,114,840**	**£1,305,744**	**£1,087,760**	
Grant Funding :							
Reduction in Housing Benefit grant	Y	£10,000	£10,000	£10,000	£10,000	£10,000	
Domestic Abuse Grant		(£37,663)	(£37,663)	(£37,663)	(£37,663)	(£37,663)	
Homeless Prevention		(£1,057,303)	(£1,088,177)	(£1,125,762)	(£1,148,277)	(£1,171,243)	assumed at 2% beyond 2028/29
Crisis Resilience Grant		(£163,433)	(£163,433)	£0	£0	£0	This is for Discretionary Housing Payments
Renters Rights grant		(£60,000)	(£60,000)	(£60,000)	£0	£0	
Grant Funded Spend		£1,318,399	£1,349,273	£1,223,425	£1,185,940	£1,208,906	
EPR Funding		(£1,226,580)	(£1,226,580)	(£1,226,580)	(£1,226,580)	(£1,226,580)	EPR spend under RCCO
Revenue & Future EPR spend		£41,580	£1,226,580	£1,226,580	£1,226,580	£1,226,580	This may be capital and revenue related
NI Grant now in core resources	Y	£200,820					Funding included in CSP
Total		**(£974,180)**	**£10,000**	**£10,000**	**£10,000**	**£10,000**	
Government Regulations:							
New food Waste Service	Y	£554,790					Funding included in CSP
Councillor Pension changes	Y	£18,000					
Increase in HMRC mileage rates	Y	£6,000					
Shortfall in Renters Rights resourcing	Y	£12,780					June Cabinet report
Local plan	N		£275,000	£350,000	£200,000	£0	
External Audit Costs	N	£100,000	£100,000				Build Back costs for Audit backlog
Deposit Return Scheme implementation	Y	£7,500	£7,500				
Flexible Plastics collection	Y	£0				£24,000	
Voter registration	N	£0		£27,000			
		£0					
Total		**£699,070**	**£382,500**	**£377,000**	**£200,000**	**£24,000**	
Other Pressures:							
Elections Budget	Y		£50,000				
BTC contract renewal	Y	£39,825					Reported June Cabinet
Shared legal Service	Y	£66,000					
Leisure management fee		(£632,199)	£27,371	(£494,108)	£0		
Parking Income	Y	£54,800	£145,200				
ICT Capitalisation of salaries	Y	£55,000					
Commercial Property repairs	Y		£50,000				
Indoor Market costs	Y		£31,160				
Increase in refuse & recycling costs	Y				£130,310		as a result of increased properties
ICT software pressures	Y		£29,000				
New Members enquiry system	Y	£7,000					
Fire Works increased cost	Y	£18,000					
Alderman special Council & reception	N	£10,000					
Residents survey	N			£35,000			Every 3 years
Recharge from HRA for GF land disposal costs	Y	£20,330					The Housing Development Team sell land on behalf of GF recharge from HRA
Total		**(£361,244)**	**£332,731**	**(£459,108)**	**£130,310**	**£0**	
LGR costs:							
In Budget LGR	N	£500,000	£500,000				
In budget HRA share	N	(£49,500)	£0				
Additional LGR costs	N	£500,000	£550,000				
HRA share	N	-£49,500	-£103,950				
Total		**£901,000**	**£946,050**	**£0**	**£0**	**£0**	

GENERAL FUND Medium Term Financial Strategy Appendix A							
Spend/Income Type	On-going	2026/27	2027/28	2028/29	2029/30	2030/31	Commentary
Member Initiatives:							
Allocation of Underspend from 2025/26	N	£200,000					Schemes included in Qrt 1 report approved July 2026 Cabinet meeting
Total		**£200,000**	**£0**	**£0**	**£0**	**£0**	
Capital ,Borrowing costs and MRP:							
MRP (excluding WOC)		£680,557	£677,592	£685,489	£690,225	£690,225	
Oval	Y				£137,500	£137,500	
LEP loans		£847,975	£131,400	£131,400	£5,459,225	£0	see report for further details
Revenue Contribution to Capital (RCCO)		£381,751	£20,000	£20,000	£20,000	£0	contribution from Everyone Active
EPR grant RCCO		£1,185,000					
EPR grant slippage from 2025/26		£674,805					
Additonal RCCO included for Capital Strategy		£1,200,000	£1,200,000	£1,200,000	£1,200,000	£1,200,000	
Slippage from 2025/26		£340,029					Includes
One of spend for electric bin vehicle		£70,000					
RCCO to fund play area works		£70,000					reported Qrt 1 monitoring report
Stock Condition works		£200,000	£200,000				
Total		**£5,650,118**	**£2,228,992**	**£2,036,889**	**£7,506,950**	**£2,027,725**	
Investment Interest:							
Investment interest in Budget		(£341,970)	(£802,848)	(£575,474)	(£484,289)	(£374,490)	2027/28 onwards revised forecast
Increase reported Qrt 1		(£710,780)					
Total		**(£1,052,750)**	**(£802,848)**	**(£575,474)**	**(£484,289)**	**(£374,490)**	
Marshgate:							
MRP Marshgate	Y	£12,220					
Original Interest	Y	(£55,550)					
Interest from Marshgate on loans	N	(£839,270)					reported Qrt 1 monitoring report and cmpanies report to September Cabinet
Notional interest on original assumed loan		£49,320					
Total		**(£833,280)**	**£0**	**£0**	**£0**	**£0**	
Swingate:							
Cost of internal borrowing on Equity share	N	£429,098	£20,822				Updated for latest projections
Interest on Equity share accrued	N	(£958,605)	(£82,683)				Tranfer to NNDR reserve until realised
Surplus returned to SBC	N		(£403,284)				Updated for latest projections
Total		**(£529,507)**	**(£465,145)**	**£0**	**£0**	**£0**	
Savings:							
Impact of pre-2026/27 savings	Y	(£56,050)	£0	£0	£0	£0	
2026/27 Savings	Y	(£1,309,785)	(£346,563)	(£134,258)	£0	£0	
2027/28 Identified Savings	Y	(£67,500)	(£22,460)				
Savings Target remaining	Y		(£260,040)	(£300,000)	(£350,000)	(£200,000)	
Total		**(£1,433,335)**	**(£629,063)**	**(£434,258)**	**(£350,000)**	**(£200,000)**	
Growth:							
One of Growth funded from Reserves 2026/27	N	£524,000					
2026/27 Growth	Y	£95,140					
50th Anniversary growth	Y	£50,000					
Growth Allowance	Y	**£0**	£75,000	£100,000	£100,000	£100,000	
		£669,140	**£75,000**	**£100,000**	**£100,000**	**£100,000**	
Use of Reserves and Spend:							
Spend funded from reserve movements	N	£888,835	£291,982	£114,148	£306,457	£313,913	Includes draw down of grant related reserves
Draw down of reserves:							
Trf to NNDR reserve for Swingate	N	£529,507	£465,145	£0	£0	£0	
Trf from NNDR reserve for LEP loans	N	(£347,975)	£0	£0	(£2,122,025)	£0	

GENERAL FUND Medium Term Financial Strategy Appendix A							
Spend/Income Type	On-going	2026/27	2027/28	2028/29	2029/30	2030/31	Commentary
Trf from NNDR reserve for NNDR deficits		(£720,354)	(£85,653)	£0	£0	£0	
Trf to QLLP reserve	Y	£183,000	£183,000	£183,000	£183,000	£183,000	Reserve movement is an additional £183K per year
TRf to/from LEP loan reserve	N	£0	£868,600	£1,168,600	(£2,037,200)	£0	
Trf to Town Square Reserve		(£130,250)	(£185,012)	(£185,012)	(£185,012)	(£185,012)	net surpluses on the Regeneration assets are transferred to the reserve to support holding costs and investment
Apprentice Scheme reserve movements	N	(£104,507)	(£150,673)	(£157,839)	(£165,148)	(£126,603)	
Other Reserve movements	N	(£2,036,958)	£0	£0	£0	£0	
Total Reserve spend and Use of Reserves		**(£1,738,702)**	**£1,387,388**	**£1,122,897**	**(£4,019,928)**	**£185,297**	
Base Budget		**£13,051,801**	**£10,972,886**	**£12,653,576**	**£13,988,484**	**£14,483,159**	
Total General Fund Spennd		**£13,568,282**	**£15,167,802**	**£15,801,712**	**£16,806,216**	**£16,454,805**	
Core Resources:							
Government Grant Funding		(£3,133,305)	(£3,777,421)	(£4,413,819)	(£4,496,419)	(£4,580,671)	
NNDR Baseline funding		(£3,609,322)	(£3,692,113)	(£3,766,596)	(£3,886,752)	(£3,964,487)	
NNDR losses funded by SBC		£0	£184,606	£282,495	£291,506	£297,337	Losses are now projected and this the calculated amount before the safety net
Trf to Collection Fund NNDR		£720,354	£85,653	£0	£0	£0	
Trf from Collection Fund Ctax		(£234,991)	(£61,022)	£0	£0	£0	
Council Tax		(£7,330,308)	(£7,705,913)	(£7,995,843)	(£8,296,680)	(£8,608,837)	
Total		**(£13,587,571)**	**(£14,966,211)**	**(£15,893,763)**	**(£16,388,345)**	**(£16,856,659)**	
Use of General Fund Reserves		**(£19,289)**	**£201,591**	**(£92,051)**	**£417,871**	**(£401,854)**	
Original Budget		£13,587,330					
3rd Quarter 2025/26 March 2026		(£4,500)					
Officer Key Decision April 2026		(£24,538)					
Renters Rights report June 2026		£12,780					
BTC Report June Cabinet		£39,830					
4th Quarter 2025/26 July 2026		£317,030					
1st Quarter Monitoring September 2026 Cabinet		(£1,070,480)					
MTFS recommendation		£710,830					
total		**£13,568,282**					

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Appendix B – 2026/27 General Fund Revenue and Capital Projects on MSEB and Resident Priorities

1. Clean Streets & Public Realm

£225k

Local neighbourhood and public realm improvements

Residents told us

97% say clean streets, cycleways & pavements are important

32% put them in their top-three priorities

2. Climate Change Community Fund

£97.5k

Ward-based climate projects

Residents told us

74% say action on net zero is important

3. Town Improvements

New for 2026

£200k

Visible improvements across the town

Residents told us

87% say town centre and leisure park regeneration is important

17% put it in their top-three priorities

4. Environmental Projects

New for 2026

£321k

Hedges, shrub beds and environmental works

Residents told us

97% say clean streets, cycleways & pavements are important; **32%** put them in their top-three priorities

98% say parks & green spaces are important; **27%** put them in their top-three priorities

5. Capital Investment

£628k

Parks, sport, play and neighbourhood facilities

Residents' top-three priorities

28%	27%	22%	17%
Children & young people	Parks & green spaces	Local facilities	Sport & leisure

6. Cost of Living Support

£1.133m

Supporting residents with rising living costs

Residents told us

88% say support with the cost of living is important

33% put cost of living support in their top-three priorities

91% say services helping people in need are important

7. CIL Phase Two

£550k

Proposed community infrastructure investment

Residents' top-three priorities

32%	28%	27%	22%	17%
Clean streets, cycleways & pavements	Children & young people	Parks & green spaces	Local shops & neighbourhood facilities	Sport & leisure facilities

CIL investment supports the things that matter most to our communities.
It helps improve places, support services, and create opportunities for everyone.

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Part I – Release to Press

Stevenage BOROUGH COUNCIL

Agenda item

Meeting	CABINET
Portfolio Area	Housing and Housing Development / Resources and Performance
Date	10th SEPTEMBER 2026

HOUSING REVENUE ACCOUNT – MEDIUM TERM FINANCIAL STRATEGY – 2027/28

KEY DECISION

Authors	Keith Reynoldson; Atif Iqbal
Contributor	Clare Fletcher
Lead Officers	Clare Fletcher
Contact Officer	Keith Reynoldson; Atif Iqbal

1. PURPOSE

1.1. To update Members on the Housing Revenue Account (HRA) Medium Term Financial Strategy (MTFS).

1.2. To show the impact on the MTFS of the latest capital expenditure and funding position for the HRA, including its impact on the revenue account, and over the MTFS time period.

1.3. To advise Members of the current and medium-term position of the Council's HRA budget over the next five years, noting that this covers organisational changes, as a result of Local Government Reorganisation (LGR).

1.4. To update Members regarding the revised inflation projections and pressures for the HRA MTFS.

1.5. To update the HRA Business Plan savings targets for the period 2027/28 – 2029/30.

2. RECOMMENDATIONS

2.1 That Cabinet note the revised MTFS forecast for the period 2026/27-2029/30 and the projected 2027/28 position.

2.2 That the inflationary assumptions in section 4.2 are approved for MTFS forecasting purposes.

2.3 That Cabinet approve the pressures set out in section 4.3.

2.4 That Cabinet approve the savings set out in section 4.4, identified as part of the MTFS review.

2.5 That Cabinet approve the additional LGR costs of £50K in 2026/27.

2.6 That Cabinet agree in principle to the rent convergence programme set out in section 4.5. This follows the Government commencing rent convergence from April 2027 with a £1 cap, moving to a £2 cap from April 2028.

2.7 That the minimum level of balances, set out in section 4.8, is approved.

2.8 The MTFS is regularly reviewed and revised to reflect any material financial pressures, so forecasts are updated and re-presented to the Cabinet for approval.

2.9 That the Trade Unions and staff be consulted on the key messages contained within the MTFS and more specifically when drawing up any proposals where there is a risk of redundancy.

3. BACKGROUND

3.1. The Council has a statutory duty to hold all the costs and incomes associated with its housing stock within a ring-fenced account, separate from its General Fund services. Due to the long-term nature of owning and managing rental housing, it is best practice to have a thirty-year business plan that covers projected management and maintenance costs and capital investment in existing and new properties for the HRA. The Council revised its Business Plan last year and this year has carried out a medium-term review of these projections, in advance of setting the annual budget for 2027/28. The current operating environment for the HRA and the main points from the Business Plan are summarised below.

3.2. The HRA continues to operate within an increasingly challenging legislative, regulatory and financial environment. Social landlords face growing expectations arising from the strengthened consumer regulatory regime, the current and future implementation of Awaab's Law and reforms to the Housing Health and Safety Rating System (HHSRS), all of which place greater emphasis on the quality, safety and condition of tenants' homes. These changes require a proactive approach to asset management, repairs, compliance and resident engagement and will continue to influence both revenue and capital investment decisions throughout the life of the HRA Business Plan.

3.3. Alongside these regulatory changes, the Council faces significant long-term investment requirements across its housing stock. Particular focus is being given to building safety and the future investment needs of the Council's five high-rise residential blocks. Specialist consultancy work, updated surveys and wider asset performance reviews have identified that the cost of delivering essential building safety works and wider refurbishment programmes is likely to be significantly higher than previously forecast. The Council will therefore need to carefully consider future investment options and priorities to ensure compliance with evolving building safety legislation whilst maintaining the long-term sustainability of the HRA.

3.4. The HRA must also continue to support the transition to a more sustainable, resilient and energy-efficient housing stock whilst maintaining its commitment to delivering new council homes. The Council's housing development programme remains a key strategic priority, helping to address local housing need, replace homes lost through Right to Buy and strengthen the long-term financial sustainability of the HRA. Future investment programmes will seek to improve the energy performance of existing homes through building fabric improvements, low-carbon technologies and wider estate investment, whilst continuing to deliver high-quality new homes that meet modern standards and resident expectations.

3.5. At the same time, the HRA faces ongoing financial pressures arising from inflation, rising service demands and substantial future capital investment requirements. In response, the Council will need to identify further opportunities to increase income, deliver efficiencies, make revenue savings where appropriate and ensure that resources remain focused on statutory obligations, tenant safety, housing growth and the protection of its housing assets. Sustaining a financially resilient HRA whilst continuing to invest in existing homes, new housing supply and essential services will remain a key priority over the medium term.

3.6. Despite these challenges, the Council has seen significant progress. This includes improving the quality, safety and performance of the housing stock, with the Major Refurbishment Contract (MRC) programme due to be completed during the current financial year, marking a major milestone in the modernisation of council homes. The Council continues to maintain high levels of Decent Homes compliance (99% as at the end of Q1 2026/26) and a strong compliance position across its landlord health and safety responsibilities, supported by robust governance, asset management and assurance arrangements.

3.7. Following the Regulator of Social Housing's C2 judgement, the Council has implemented an improvement programme designed to strengthen service performance, tenant engagement, compliance assurance, data quality and governance arrangements, with the ambition of achieving a C1 regulatory grading in the future. These improvements are helping to embed a culture of continuous improvement across housing services and ensure that residents continue to receive safe, high-quality and responsive services.

3.8. The Council has also maintained a successful and ambitious housing development programme, delivering 627 new council homes to date, with a further 289 homes currently under construction and approximately 250 additional homes progressing through design and development. Together, these achievements provide a strong foundation from which to respond to future regulatory requirements, meet housing need, deliver essential investment programmes and maintain high-quality services for tenants and leaseholders.

3.9. The table below summarises the main commitments made in last year's Business Plan revision.

Borrowing and RCCO	Housing Development	Housing Asset Management	Housing Service Delivery
New Borrowing for Capital Investment £171m (30Yrs) Refinanced debt to enable revenue operations £175m (30Yrs) Revenue contribution to capital £2.2m in (years 1-5) RTB changes mean lower investment need and repayment of Debt within 30yrs	Invest £457m in new stock (30Yrs) Deliver 1,470 units (30Yrs) 320 in next 5yrs Deliver new homes to 5 star promise Secure grant funding for schemes where possible - £25m included in the plan	£744m stock investment funding (30Yrs) £148m in next 5 yrs £699m repairs, void and cyclical maintenance (30Yrs). Efficiency target of £699K (5%) for 27/28 All properties to EPC-C by 2030	£775m in non-maintenance revenue funding (30yrs) Savings £566k 26/27 then £1m 27/28 £1m 28/29 £500K 29/30 £400K until 36/37 Total saving of £3.5m per annum by year 5. Growth of £700k pa to enable service improvement / efficiency

3.10. The Business Plan financial model showed that the HRA was sustainable over the medium to long term and there was capacity within the account to continue to add new housing stock. However, current revenue pressures mean that high levels of revenue savings are required in the first five years of the plan in order to maintain a balanced account. Key points from the model are included in the table below.

Key Points
Significant capital investment and revenue growth included in the medium term of £240Million to 2030/31.
Increased borrowing to support capital spend of £40Million to 2035/36
Higher level of refinancing of existing debt to allow for projected revenue costs
Large savings needed to balance plan, especially in the medium term of £5.8Million per annum by 20235/36
Net 1,107 new stock over the plan
Increased rent income from rent flexibility and assumed rent convergence formula of CPI+1% + £1
Projected reduction in RTB sales of 353 compared to 1,120 in last plan
Lower property sales mean higher rental income and allows for re-payment of the debt over the life of the plan

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1. The following sections detail the changes that have been made to the MTFS, since the last HRA Business Plan projections, and the MTFS is summarised in Appendix A.

4.2. HRA Pressures - Inflation

4.2.1. Both the HRA and General Fund Medium Term Financial Strategies include the same assumptions for inflation. Pay inflation and maintenance costs form the largest inflationary pressure for revenue budgets in the HRA. The Consumer Prices Index (CPI) in September of each year is also key for HRA income as this determines the level of rent increase for the following year.

4.2.2. Looking at the Bank England (BoE) forecasts the base rate held at 3.75%, based on Inflation falling faster than expected (2.6% for June), but the conflict in the Middle East continuing to mean high and volatile energy prices. This means the BoE near-term CPI inflation projection rises to 3.2% in October and November 2026 before easing a little with direct effects of higher energy prices are projected to rise over coming months before fading somewhat in 2026 Quarter four. The Bank of England’s target for inflation (CPI) remains at 2%.

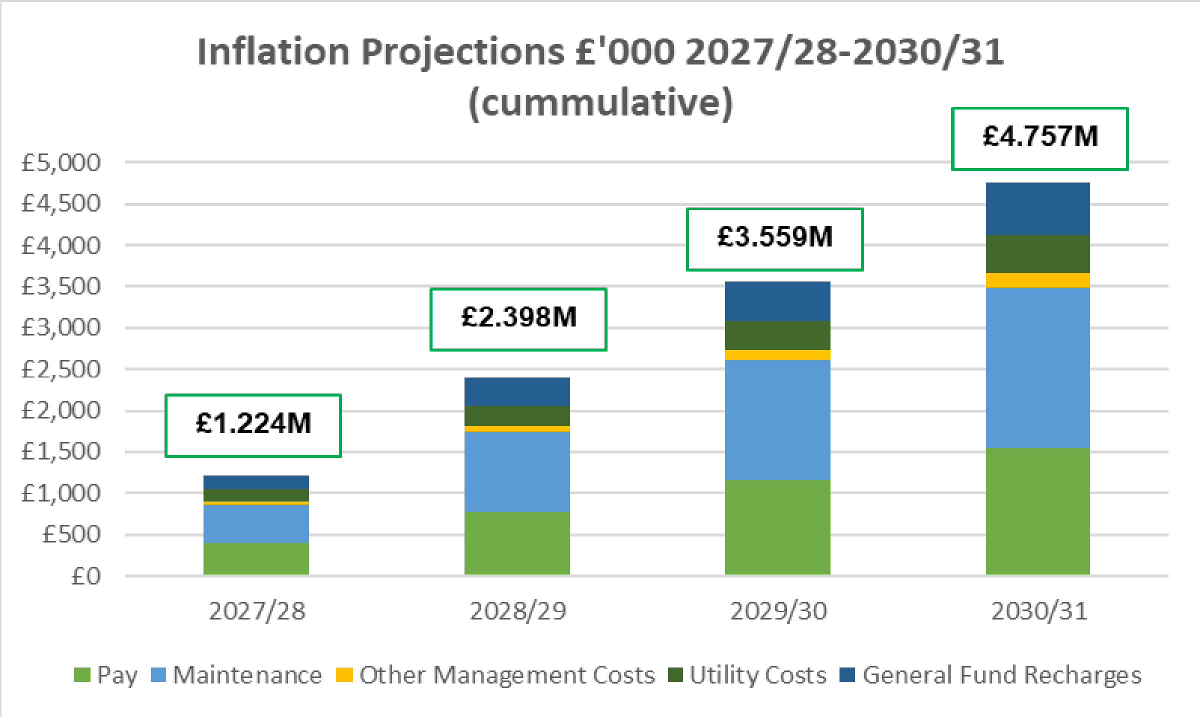
4.2.3. The indices used in the 2026 MTFS update have due regard to current levels of inflation, Bank of England forecasts and the 2027/28 onwards inflation assumptions are summarised in the table below. For note the July Consumer Price Index (CPI) was 2.9% but likely to rise due the pressures set out in para. 4.2.2.

	2027/28	2028/29	2029/30	2030/31
Inflation-Applied to:				
Salaries - % increase	3.00%	2.50%	2.50%	2.50%
CPI indices increases	2.50%	2.25%	2.00%	2.00%
CPI September Rent increase	3.00%	2.50%	2.00%	2.00%
Investment interest	3.50%	3.25%	2.50%	2.00%
Fuel Increases	5.00%	5.00%	5.00%	5.00%
Gas & Electric Increases :				
Gas (unit charge only)	10.00%	6.00%	6.00%	6.00%
Electricity (unit charge only)	10.00%	6.00%	6.00%	6.00%

4.2.4. The current economic climate is still difficult to predict over the medium term, but the HRA MTFS rationale and alternative scenarios are set out below.

Rationale for inflation assumption	
Salaries - % increase	The employer offer has fallen from 5.67% in 2023/24, to 3.3% in 2026/27 (slightly above the budgeted 3.2% amount) the projection is 3% 2026/27 and 2.5% thereafter. This is outside the control of the Council and subject to collective bargaining and whether pay offers will continue above CPI to reflect years of below inflation increases.
Utility increases	Overall utility costs have decreased from the high of 2023/24 and lower increases are projected for 2026/27 onwards. The level of increase going forward in the MTFS are based on historic average increases (excluding the spike in 2023/24) and may fluctuate between individual years.
Consumer Price Index (CPI) indices increases	The July CPI was 2.9% but the BoE expecting an increase due to higher energy and food costs by October/ November and the MTFS has modelled inflation higher for 2026/27 reducing to the Bank of England target 2% during the MTFS.

4.2.5. After applying the relevant inflationary indices to the current budget for the HRA there is a cumulative additional £4.8Million in the medium-term forecast. The two largest areas of inflation are pay costs at £1.5Million and maintenance budgets at £1.9Million. However, the graph below includes the other main inflationary pressures and the full projection for the HRA.



4.3. Other HRA Pressures

4.3.1. The following table identifies HRA pressures that have been identified and included in the HRA MTFS.

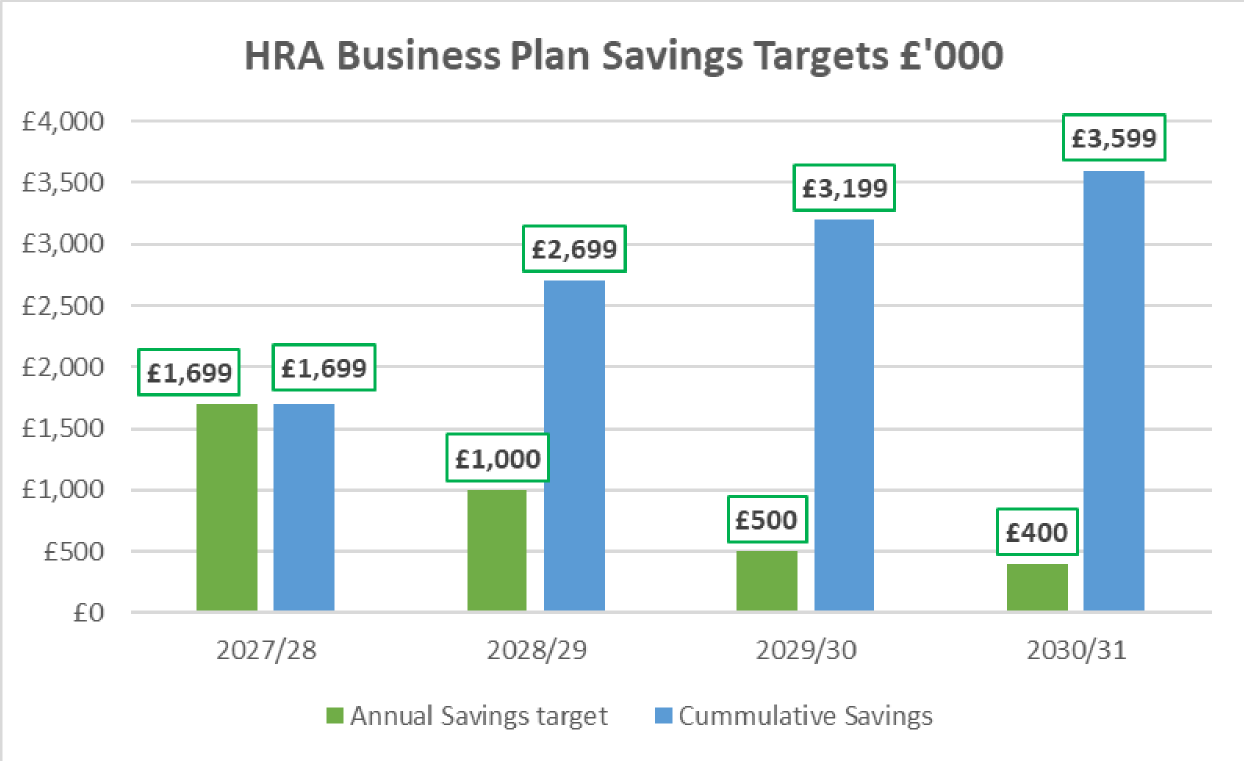
	2026/27	2027/28	2028/29	2029/30	2030/31	Rationale
Budget Pressures:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	
Quarter 1 General Fund Pressures	£31	£47	£47	£47	£47	As part of Q1 monitoring ongoing growth of £46K has been identified as chargeable to the HRA, with the largest item being a £34K increase in legal service costs.
Temporary Accommodation Equipment and Maintenance	£25	£25	£25	£25	£25	Due to a higher number of properties being used to meet temporary accommodation needs there has been a budget increase for equipment provision and maintenance.
Water Rates Commission	£0	£100	£200	£300	£400	So that vulnerable clients receive maximum support from the water supplier they will be encouraged to have a separate meter rather than be on the council's agency agreement. This will reduce

	2026/27	2027/28	2028/29	2029/30	2030/31	Rationale
Budget Pressures:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	
						the commission currently credited to the HRA but allow tenants to access potentially lower water charges.
New development associated costs for Building Safety and Maintenance	£0	£20	£127	£127	£127	Growth has been included relating to specialist costs anticipated on new development projects when the buildings enter service.
Awaabs Law Compliance	£0	£200	£200	£200	£200	A further £200K pa has been included from next year to meet the expected costs of meeting the legal requirements of damp and mould case management.
ICT staff costs not charged to capital works	£0	£44	£44	£44	£44	Staff costs were historically attributable to capital schemes however the work required is more revenue based going forward
ICT software pressure costs	£2	£40	£64	£64	£64	Identified increase in software pressures across a number of services
LGR costs	£50	£104	£0	£0	£0	Initial estimate of the HRA's share of LGR costs. This is likely to evolve as more details of the coming changes are known.
Total	**£107**	**£579**	**£707**	**£807**	**£907**	

4.3.2. These costs are in addition to the inflation identified in section 4.2, giving the total budget increases within the MTFS. However, they are offset by the following savings identified in section 4.4.

4.4. HRA Savings

4.4.1. The last HRA Business Plan, presented to the Cabinet in November 2025, contained a balanced projection for the ring-fenced account. However, it identified that there was considerable pressure on the fund in the first years of the plan and that significant revenue savings would need to be made in order to balance the budget. The savings targets included in the Business Plan are shown in the graph below.



4.4.2. This graph shows that current revenue spend will need to fall by £3.6Million per annum over the next four years, in order to stay in line with the Business Plan projections. Since the plan was approved last year, work has been ongoing in order to identify areas where efficiencies can be made, or income increased. Pre-budget meetings with Service Directors have identified potential savings of £1.5Million that are being reviewed and could contribute to the savings gap for 2027/28. However, some items are included in the MTFS, where they are linked to operational, or policy, changes that have already occurred and these are detailed in the table below.

	2026/27	2027/28	2028/29	2029/30	2030/31	Rationale
Budget Savings:	£'000	£'000	£'000	£'000	£'000	
Disrepair Claim Work	(£150)	(£150)	(£150)	(£150)	(£150)	Disrepair claims have been increasing, and the budget had grown to accommodate this. However, targeted management and better processes have reduced this cost, and the annual budget has been reduced by £150K.

	2026/27	2027/28	2028/29	2029/30	2030/31	Rationale
Budget Savings:	£'000	£'000	£'000	£'000	£'000	
Decent Homes 2	(£279)	(£779)	(£779)	(£779)	(£779)	The Business Plan included growth, to meet the cost of the updated Decent Homes standard, of £279K rising to £779K in 2027/28. However, now the standard has been published, these additional sums are not required.
Advice Service Contract	(£10)	(£10)	(£10)	(£10)	(£10)	Changes to the customer support contract that the Council has with Citizens Advice will save £10K pa.
Charge for Housing Development time on General Fund disposals	(£20)	(£20)	(£20)	(£20)	(£20)	The Housing Development team is responsible for some of the General Fund disposals such as Bragbury End and garage sites, and this represents the charge for that service and a saving to the HRA where the team are funded from.
Total	**(£459)**	**(£959)**	**(£959)**	**(£959)**	**(£959)**	

4.4.3. The remaining savings required for 2027/28 will be included in the Balancing the Budget report to the November Cabinet and December Draft HRA Budget and Rent Setting Report.

4.5. Rent Income

4.5.1. Rental income is the cornerstone of the HRA's financial position, funding the vast majority of services and investment delivered through the ring-fenced account. As the HRA's principal source of income, its financial sustainability is heavily dependent on rental revenue. However, social housing rents are subject to Government regulation, which can limit the Council's ability to align income levels with local cost pressures, service demands and investment requirements. This has historically created challenges in balancing available resources with operational and strategic priorities.

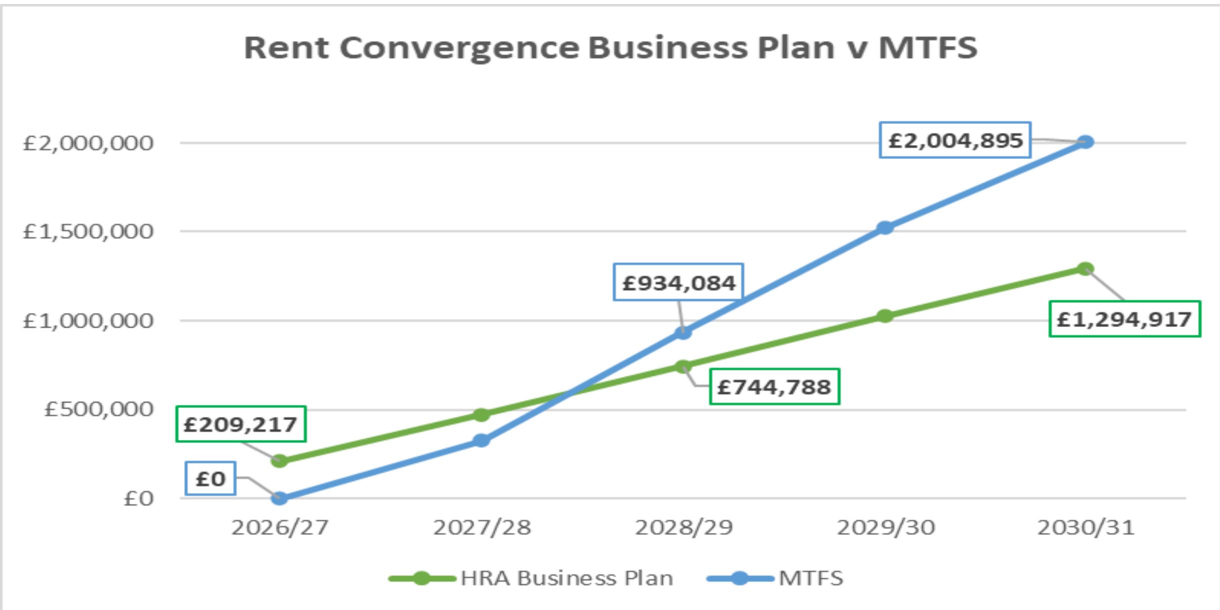
4.5.2. Social housing rent, which covers the majority of the Council’s housing stock, is calculated in line with a national formula, which is based on a combination of property values and average local earnings (from 1999) and then inflated each year. This formula approach covers both Councils and Housing Associations, and it was initially intended that all social housing rent would converge with the formula over a 10 year period. However, this period was extended several times and then the rent convergence policy was abandoned.

4.5.3. As a result of national rent policy, most Stevenage Borough Council rents remain below the national rent formula level. This position was further reinforced by the Government's 1% annual rent reductions between 2016/17 and 2019/20. Consequently, Council rents are significantly lower than both market rents and, in many cases, the rents charged by other social housing providers. As reported in the 2026/27 HRA Budget Report, average private sector rents for a three-bedroom property were £343 per week, compared with £144 per week for a Council home, meaning private rents were approximately 139% higher.

4.5.4. It has become increasingly difficult, for Councils nationally, to meet the financial cost for new regulatory requirements and make improvements to social housing that the Government requires. Recognising the difficulties facing HRAs the Government launched consultation on whether to resume the rent convergence process and indicated this could be in place for April 2026. A key question in the consultation was whether an affordability cap of £1 or £2 per week should be used in the formula.

4.5.5. In the 2026/27 Budget report, Members approved in principle the £1 a week rent convergence and the HRA Business Plan projections included rent convergence from April 2026 with a £1 per week cap. However, the Government announcement was not made until January 2026 and stated rent convergence would start a year later from April 2027, with a £1 per week cap on increases for the first year, rising to a £2 per week cap from April 2028.

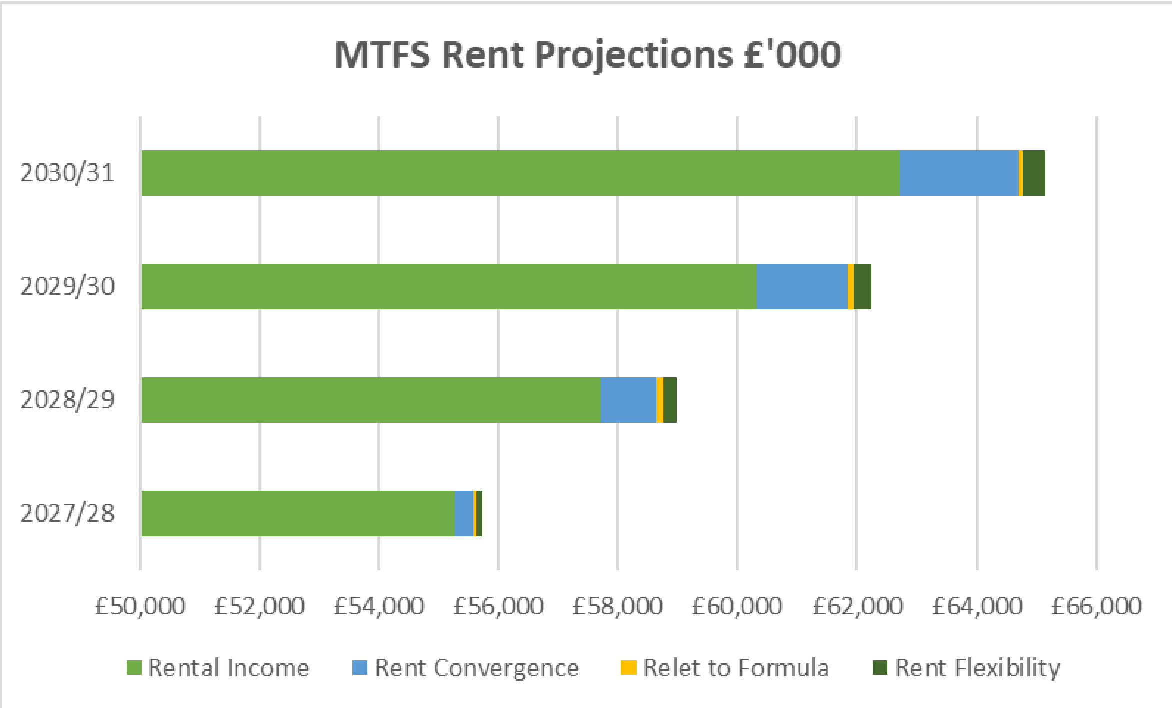
4.5.6. The revised rent convergence policy has been incorporated in the MTFS (subject to approval), and the graph below shows the Business Plan position versus the government approved policy announced in January 2026.



4.5.7. Modelling indicates that, due to the delayed implementation of the Government's revised rent convergence arrangements, the full benefit of the higher affordability cap will not be realised until 2028/29. Thereafter, the changes are forecast to generate additional annual income compared to the 2025/26 HRA Business Plan, rising to approximately £700K per annum by 2030/31. This additional income will play a critical role in maintaining the long-term sustainability of the HRA, supporting investment in existing homes, delivering regulatory compliance requirements, and helping to address ongoing financial pressures. Accordingly, this report includes an in-principle recommendation for Members to implement rent convergence within the limits set by Government. Members should also note that, where applicable, properties are currently re-let at the formula rent when they become vacant.

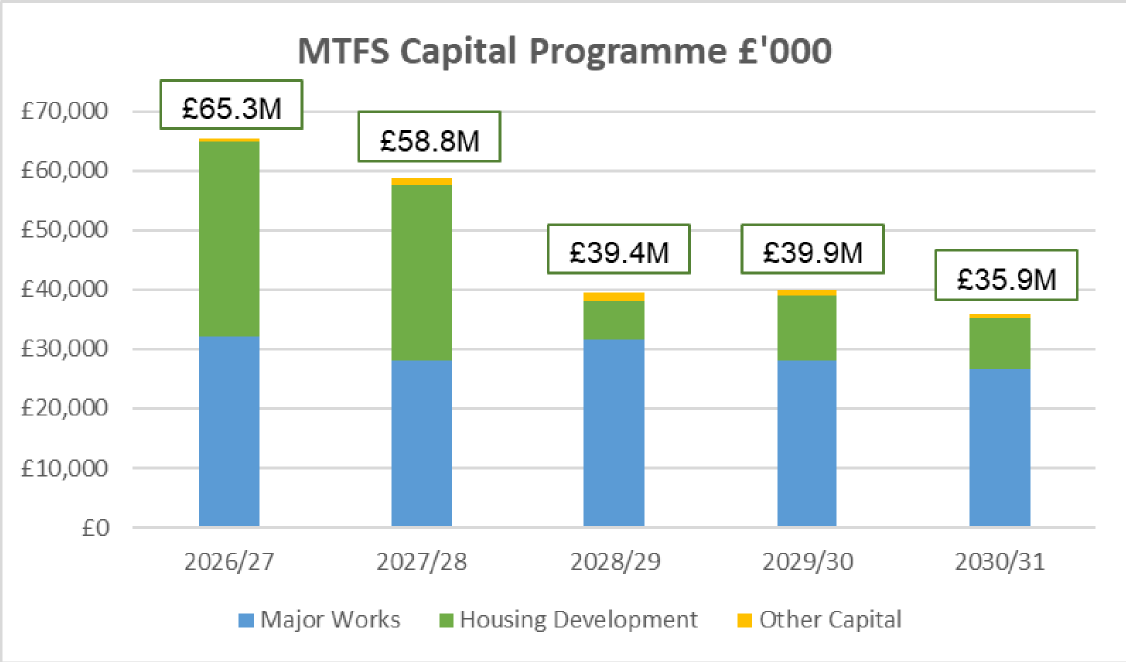
4.5.8 The MTFS rent projections have been updated to reflect the latest assumptions on housing stock growth, including revised property numbers and the anticipated timing of new development completions. The forecasts have also been adjusted to reflect the significant reduction in Right to Buy (RTB) sales following recent changes to the national scheme, including lower discount levels. The current assumption is for 20 RTB sales in 2026/27, reducing to eight sales per annum thereafter.

4.5.9 Over the MTFS period, 383 new Council homes are currently forecast to be completed, with the associated rental income reflected within the projections. The forecast also assumes the continuation of the current rent policy, whereby properties are re-let at formula rent when they become vacant, together with the application of rent flexibility of up to 5% for general needs properties and up to 10% for supported housing. The projected rental income position over the medium term is set out in the graph below.



4.6. Capital Programme

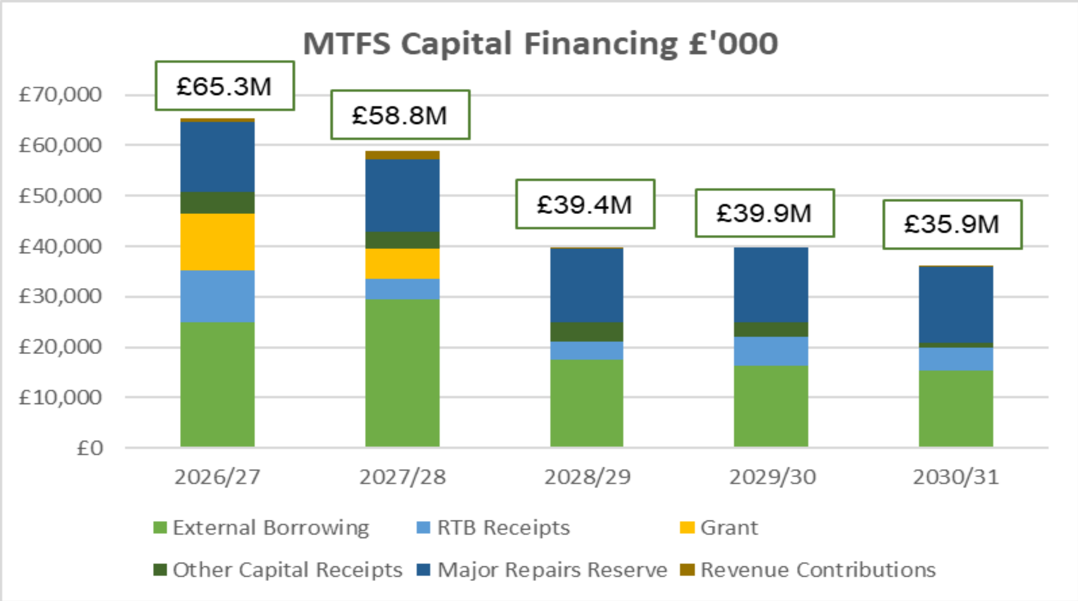
4.6.1 The capital programme has been updated to reflect the revised position reported through the Quarter 1 Budget Monitoring Report and has been incorporated into the MTFS. The programme has also been reprofiled to reflect the latest assumptions regarding project delivery timescales and the timing of expenditure over the medium term. The graph below illustrates the forecast annual capital investment by activity area across the MTFS period.



4.6.2 The total capital programme over the next five years is £239 million, of which £146 million is allocated to investment in the Council's existing housing stock. The programme reflects the latest position reported through Quarter 1 budget monitoring, with expenditure reprofiled to align with updated delivery timescales and revised cost estimates where more recent information is available.

4.6.3 In reviewing the programme, regard has been given to both the significant savings required within the HRA and the potential investment needed to address regulatory requirements relating to the Council's tower blocks over the next two to three years. These issues will be considered separately by Cabinet in October. While no assumptions have yet been included within the MTFS for this future work, the capital programme has been reshaped to create greater flexibility and headroom, with approximately £10 million of expenditure reprofiled to later years within the 30-year HRA Business Plan.

4.6.4 The financing of capital spend has also been reviewed and the latest position is shown in the graph below.



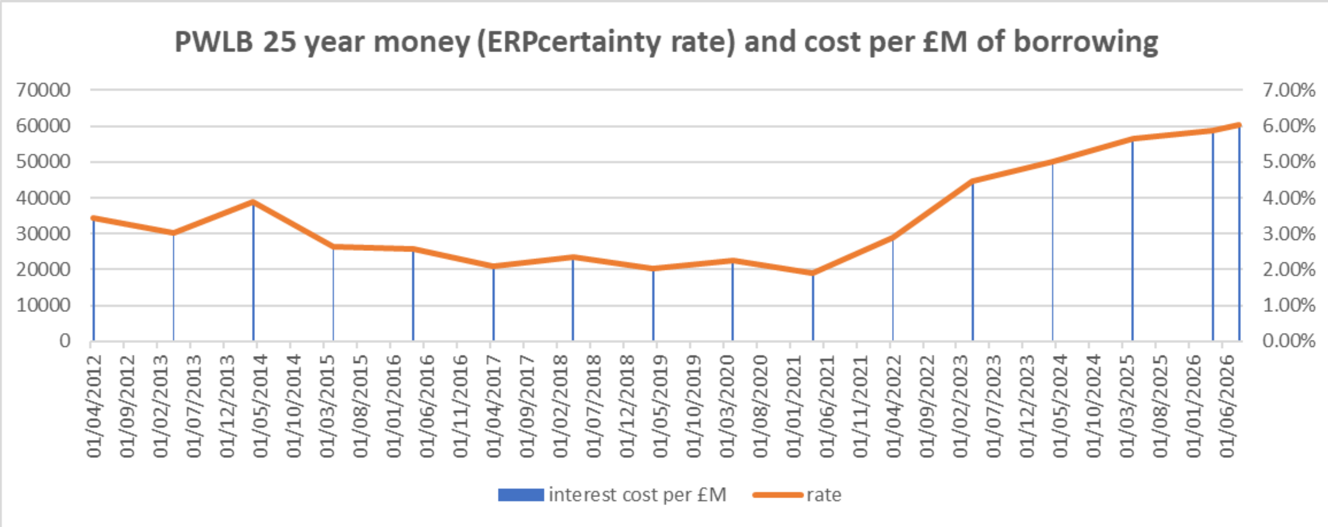
4.6.5. The principle change to the financing of the capital programme since the previous HRA Business Plan relates to the revised borrowing requirement arising from the updated capital investment profile. The only other significant change is an increase in depreciation charges, which has resulted in an additional contribution of approximately £300,000 to the Major Repairs Reserve. The impact of the updated MTFS on borrowing levels and associated interest costs is considered in more detail in Section 4.7.

4.7. External Borrowing and Interest

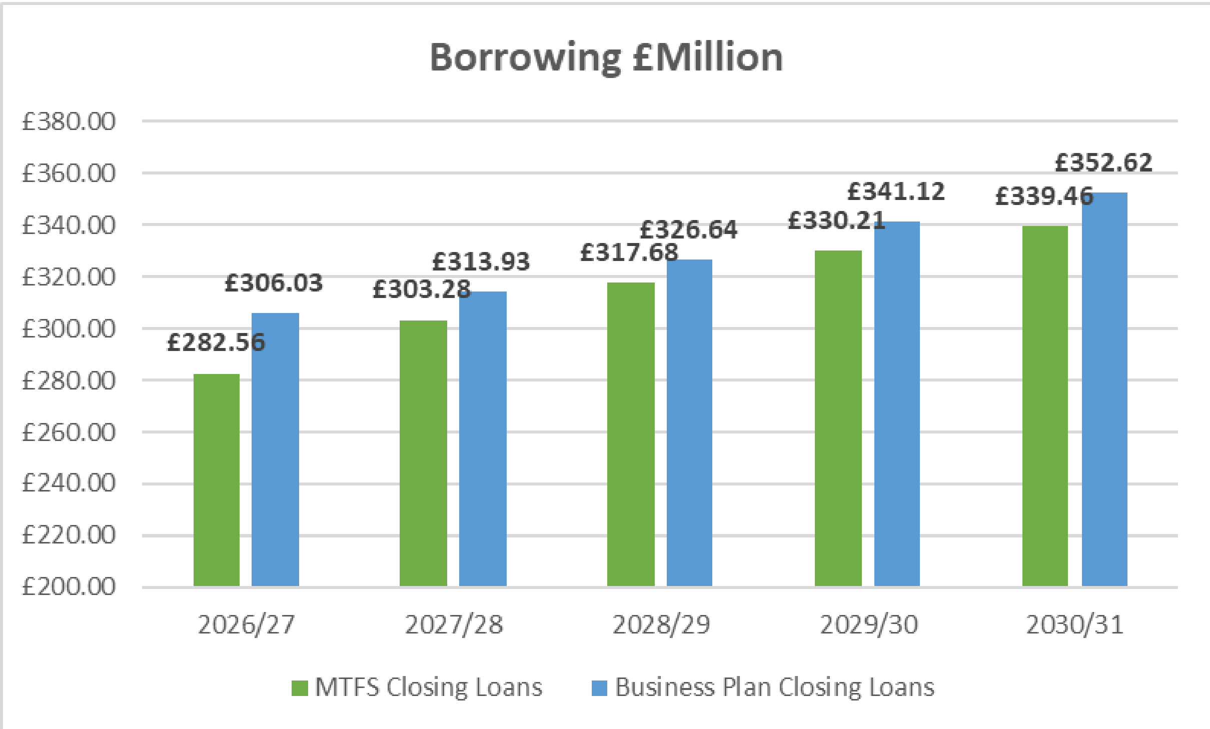
4.7.1. The HRA holds significantly higher levels of Public Works Loans Board (PWLB) debt compared to the General Fund and this is mainly due to the self-financing agreement between Local Authorities and the Government in 2012. At this time Stevenage Borough Council's HRA took on £200Million of debt in order to buy the Council out of the old subsidy system and avoid making annual payments to the Government. In recent years, the Council has also borrowed to invest in existing stock and to deliver new and replacement homes under the RTB receipts retention scheme. This means that interest payments within the HRA are significant, and the timing and interest rates of new loans are critical in balancing the account.

4.7.2. As well as borrowing externally from the PWLB, the Council also has the option to borrow internally, by offsetting capital expenditure against reserves and cash balances. This allows for more flexibility in the timing of taking loan finance and ensures that resources are used in the most cost-effective manner. Currently, PWLB rates are higher than the projections used in the Business Plan last year and the HRA still has over £7Million of internal borrowing.

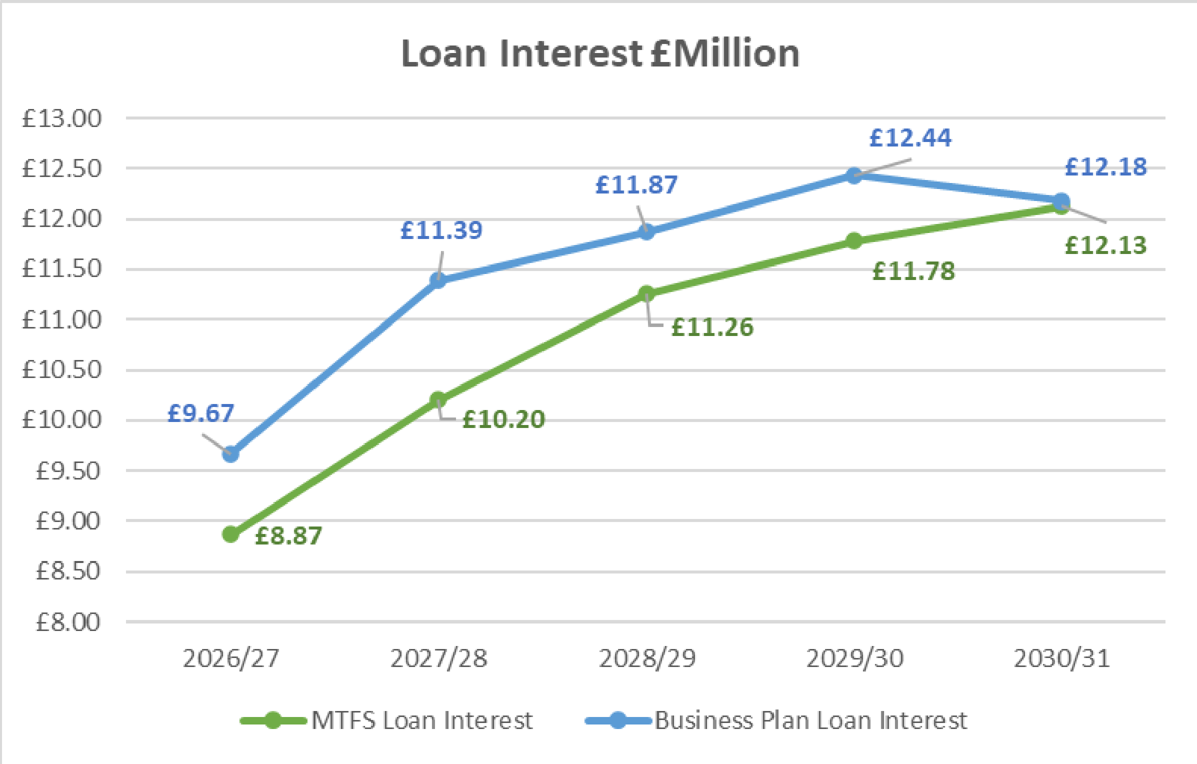
4.7.3. The plan assumed a short-term rate of 4.8% falling to 3.80% by 2029/30, but the current rates are 5.01% for a five-year loan and 6.07% for a 25-year loan. This means that for every million borrowed there would be £22,700 more interest, or £567K over a 25-year period. The graph below shows historic interest levels for a 25-year PWLB loan and the cost per million pounds of borrowing. It should be noted that the HRA has been given a preferential borrowing rate from the Government that is 0.60% lower than the normal interest charge. However, this is currently only guaranteed until March 2027.



4.7.4. As interest rates are currently high, the financing strategy is to borrow over the short term at a lower rate and re-finance the debt when the rates return to nearer the long-term average. The graph below shows the projected closing loan position over the MTFS compared to the HRA Business Plan.



4.7.5. In total, the closing loan position will be lower than the Business Plan forecast by £13.1Million and this is due to timing on planned schemes and the headroom created in the major works programme for potential high rise works. The impact on annual interest payments can be seen below.



4.7.6. The graph shows that, with the changes to the capital programme, interest payments are forecast to be below the Business Plan projections until 2030/31. Overall, this is a £3.3Million reduction in interest costs across the MTFS. However, this does not include the cost of high-rise remediation works that will need to be accommodated in future projections once final options are agreed. Whilst this position looks healthy, underlying interest rates are still high and total borrowing is £13Million less than in the Business Plan. Because of the amount of borrowing required in the HRA over the medium term and as the Council is seeking to refinance £63Million of debt in the next five years, interest rates will be critical to spending plans and will need to be monitored very closely.

4.8. Balances and Reserves

4.8.1. There are two core reserves in the HRA. One holds the general balances for the ring-fenced account, and the other is the Major Repairs Reserve that is formed from HRA depreciation charges and is used to fund capital works on existing properties or for debt repayments.

4.8.2. As the HRA is ring fenced from the General Fund, it has to retain sufficient reserves in order to absorb the impact of any unexpected events, or emergencies and smooth any unexpected cash flows. The minimum level of balances is calculated annually and approved as part of the budget setting process. Currently, due to the high level of financial risk in the HRA, minimum balances have been set at a relatively high level of £10Million.

HRA Balances*	2026/27	2027/28	2028/29	2029/30	2030/31
Opening (HRA) balance	**(£12,469,057)**	**(£12,537,523)**	**(£11,840,086)**	**(£10,941,176)**	**(£11,038,087)**
In Year (Surplus)/Deficit	(£68,466)	£697,437	£898,911	(£96,912)	£748,668
MTFS Closing HRA Balance	**(£12,537,523)**	**(£11,840,086)**	**(£10,941,176)**	**(£11,038,087)**	**(£10,289,419)**
Closing HRA Bal.– Bus. Plan	(£10,161,677)	(£10,104,482)	(£10,003,599)	(£10,225,462)	(£10,122,682)
Variance	(£2,375,846)	(£1,735,604)	(£937,577)	(£812,625)	(£166,737)
HRA Bus. Plan in Yr Def/(Surplus)	£178,993	£57,194	£100,884	(£221,863)	£102,780
Variance to BP	(£247,459)	£640,242	£798,027	£124,952	£645,888
*Based on achieving full savings					

4.8.3. The table above shows that current MTFS forecasts are above the minimum balance requirement and the Business Plan projection from last year. However, balances are expected to fall and, by 2030/31, are in line with the Business Plan and just above the minimum balances required. It should also be noted that this is also dependent upon the HRA meeting the savings targets set out in 4.4 that require a significant reduction in the net budget over the MTFS.

4.8.4. The Major Repairs Reserve is forecast to be fully utilised in each year of the MTFS on capital repairs to the existing housing stock and the annual fund is shown in the table below.

Major Repairs Reserve	2026/27	2027/28	2028/29	2029/30	2030/31
Opening Balance	£0	£0	£0	£0	£0
Depreciation	(£13,894,231)	(£14,241,587)	(£14,553,431)	(£14,836,863)	(£15,120,295)
Use in Year	£13,894,231	£14,241,587	£14,553,431	£14,836,863	£15,120,295
Closing Balance	£0	£0	£0	£0	£0

4.8.5. To achieve a sustainable financial position, despite the level of current forecast reserves, substantial savings are needed to balance the fund in the short to medium term. It is critical that these targets are met to enable the investment plans in existing and new stock that were identified in the thirty-year Business Plan and achieve a balanced position for the HRA.

4.9. Chief Finance Officer (CFO) Commentary

4.9.1. The HRA remains financially challenging but sustainable over the medium term and continues to provide resources to maintain existing homes, invest in compliance and safety requirements, and deliver new council housing, with the caveat of the costing of the high rise works. The updated MTFS reflects the latest assumptions for inflation, rent policy, borrowing requirements, capital investment and housing growth. The introduction of rent convergence from April 2027 and reduced Right to Buy sales are expected to improve rental income over the medium term and support the long-term financial resilience of the HRA.

4.9.2. Although the overall position in this report remains balanced, the HRA continues to face significant financial pressures from inflation, increased regulatory requirements, building safety obligations and future investment needs across the housing stock. The approved HRA Business Plan requires recurring revenue savings of £3.6 Million per annum to be delivered over the next four years and, although progress has been made in identifying savings, further work will be required through future budget-setting processes to achieve these targets.

4.9.3. The current MTFS reflects a lower borrowing requirement than assumed in the approved Business Plan as a result of changes to the timing of capital expenditure and the reprofiling of investment programmes. However, borrowing costs remain a key risk to the HRA as PWLB interest rates continue to be higher than the assumptions used within the Business Plan. In addition, significant investment will be required to address high-rise building safety works, alongside the ongoing costs associated with Awaab's Law, wider regulatory compliance requirements and Local Government Reorganisation. These risks will continue to be monitored and reflected in future updates to the HRA Business Plan and MTFS.

4.9.4. The challenge for the HRA is to be able to identify sufficient savings, borrow at an affordable rate, while being able to fund tenant safety, regulatory compliance, asset sustainability and housing delivery priorities, ensuring that the HRA remains able to meet both its current obligations and future investment requirements.

4.10. Local Government Reorganisation (LGR)

4.10.1. The MTFS has been prepared against the backdrop of local government reorganisation in Hertfordshire. In July 2026, Government announced its preferred model of four unitary councils, with Stevenage Borough Council (SBC) expected to merge with North Hertfordshire District Council and Welwyn Hatfield Borough Council (WHBC), alongside the transfer of relevant Hertfordshire County Council functions, to create a new Central Hertfordshire authority. Subject to the legislative process, the new council is expected to come into being on 1 April 2028. The specific financial management and control provisions that apply during the transition period are detailed in Section 5.8.

4.10.2. Of the Councils that will be merged under these proposals, both SBC and WHBC have an HRA with a combined housing stock of 17,000 homes. These two ringfenced accounts may be merged when the new Unitary Authority Council is formed.

4.10.3. This provides an opportunity to bring together housing management, asset management and development expertise within a single HRA, creating a larger and more resilient housing service. There may also be opportunities to achieve efficiencies, strengthen capacity and support future investment in existing homes and new housing delivery.

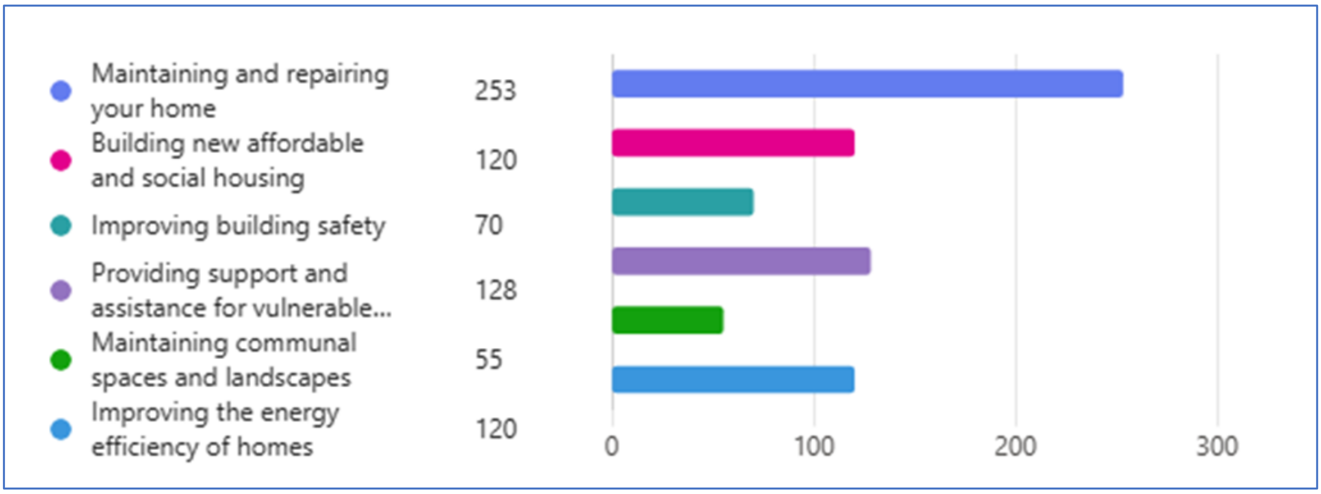
4.10.4. The MTFS includes an allowance for transitional costs associated with LGR; however, the full financial implications are still being developed. Clearly this MTFS forecast covers a period that extends beyond the commencement of the new authority. However, it is important that the HRA remains financially resilient during the transition period so that it is well placed to support the new authority and continue to invest in homes, maintain regulatory compliance and deliver high-quality landlord services. Also, due to the complexity of forming the new organisation, the investment and spending plans, outlined in this MTFS and last year’s Business Plan, are likely to stay in place until the longer term integration of the two HRA accounts can be assessed.

4.11. Approach to Consultation

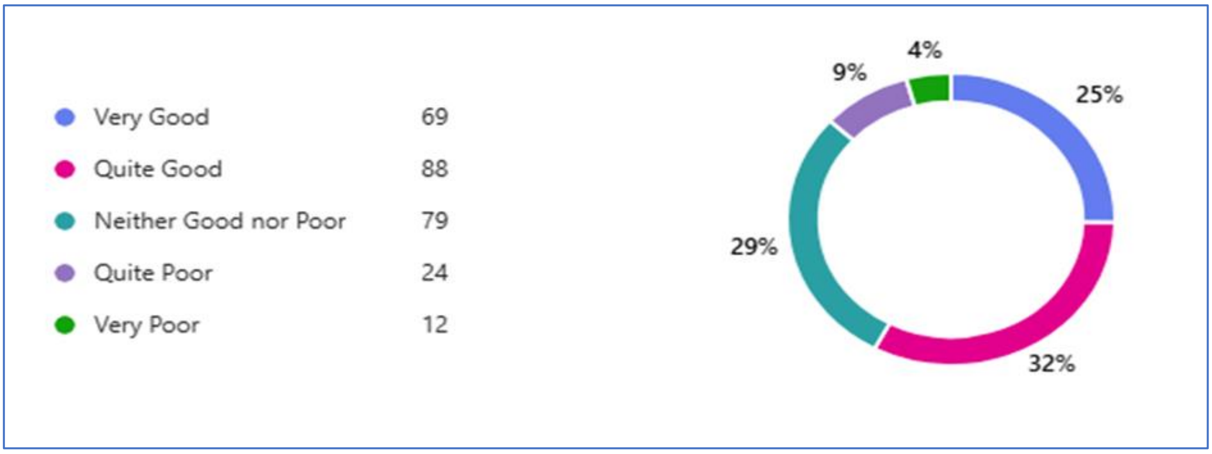
4.11.1. For 2026/27 a webpage was created with information to explain what the HRA is, and the purpose of the future planned spend and investment for our residents. The information covered the longer term targets for the HRA that were included in the HRA Business Plan and an explanation of the 2026/27 budget proposal, including the planned rent increases for the year.

4.11.2. In addition to the information provided on the consultation webpage, tenants were invited to complete a survey on their priorities for future HRA spending. Over 5,000 emails were issued to residents setting out the key information and inviting feedback. A total of 270 completed responses were received, representing a response rate of approximately 5%.

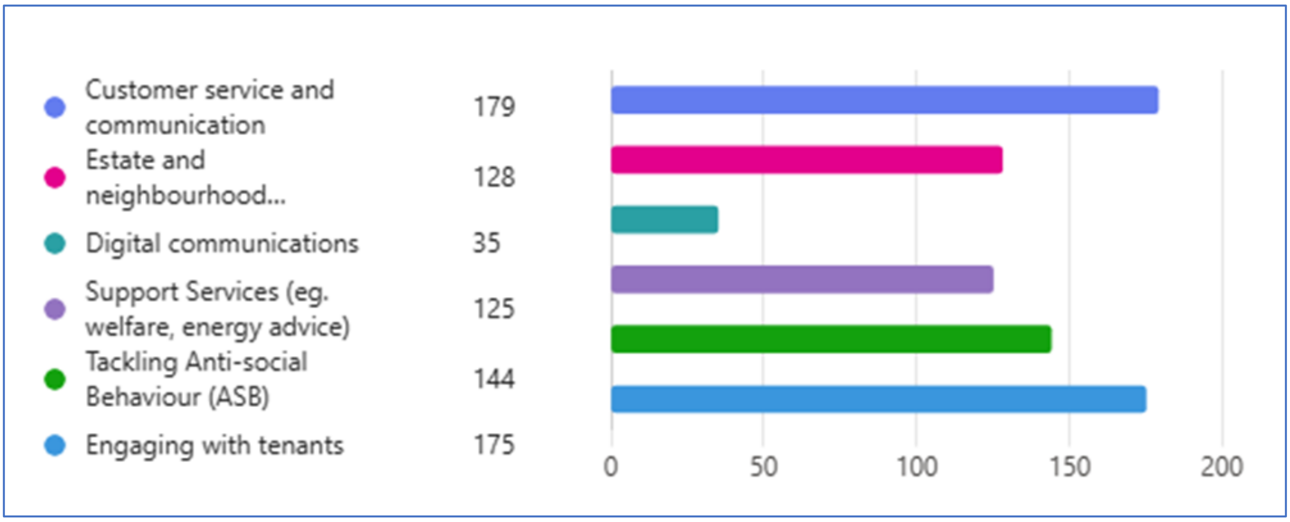
4.11.3. **Question 1** - Which of the following areas do you think are most important to you? (Choose your top3)



Question 2 - Do you think that the rent you pay represents good 'Value for money?



Question 3 - Which types of service should receive additional focus as part of the Council's housing service?



4.11.4. In summary, following the 270 responses the 3 top priorities for our residents were:

- **253** Maintaining and repairing your home
- **128** Providing support and assistance for vulnerable tenant to live independently

2 priorities scored the same, with 120 votes each

- **120** Building new affordable and social housing
- **120** Improving the energy efficiency of homes

The lowest priorities for our residents were;

- **70** Improving building safety
- **55** Maintaining communal spaces and landscapes

4.11.5. These survey results are used to inform decision making for both officers and Members and this exercise will be repeated for the coming budget cycle.

4.12. Decision Making Process

4.12.1. It is planned that the following approval process will be followed for the 2027/28 budget setting process:

Date	Meeting	Report
Sep-26	Cabinet	HRA MTFS Review
	Overview and Scrutiny	HRA MTFS Review
Oct-26	Cabinet	2027/28 Fees and Charges (GF & HRA)
	Overview and Scrutiny	2027/28 Fees and Charges (GF & HRA)

Date	Meeting	Report
Nov-26	Cabinet	Balancing the Budget Report with the savings proposals for the General Fund and HRA
	Overview and Scrutiny	Balancing the Budget Report with the savings proposals for the General Fund and HRA
Dec-26	Cabinet	Draft 2027/28 HRA budget and rent setting report
	Overview and Scrutiny	Draft 2027/28 HRA budget and rent setting report
Jan-27	Cabinet	Final 2027/28 HRA budget and rent setting report
	Overview and Scrutiny	Final 2027/28 HRA budget and rent setting report
	Council	Final 2027/28 HRA budget and rent setting report

5. IMPLICATIONS

5.1. Financial Implications

5.1.1. The CFO view is set out within this report.

5.2. Legal Implications

5.2.1. The objective of this report is to outline a MTFS and forecast for the next five years. There are no legal implications at this stage of the planning cycle, however, Members are reminded of their duty to set a balanced budget and that the MTFS period goes beyond the current elected Members responsibility.

5.3. Risk Implications

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

Risk Area	Risk Mitigation	Likelihood	Impact
Anticipated savings options not achieved (Negative Risk) – agreed options do not deliver expected level of savings either on a one-off basis or On-going.	Regular monitoring and reporting takes place, but the size of the net budget reductions increases the risk into the future. Non achievement of options would require other options to be brought forward. The high level of minimum balances within the HRA will allow the Council to seek other savings options in a timely manner.	Medium	High

Risk Area	Risk Mitigation	Likelihood	Impact
September CPI different to anticipated (Negative and Positive Risk) – leading to either higher, or lower, rent income.	The use of balances to absorb the deficit and allow for further savings options to offset the lost income.	Medium	High
Inflation different to anticipated (Negative and Positive Risk) – this is very significant on repairs costs and capital expenditure and could limit the Council's ability fund all planned expenditure.	For revenue expenditure, the use of balances would allow the Council to review budgets and re-balance the HRA and for capital projects a review of schemes and the timing of investment could be used to offset any higher costs.	High	Medium
Change in demand led repairs. (Negative and Positive Risk)	High levels of preventative investment in place and strong tenancy management to stop problems escalating.	Medium	Low
Increase in rent arrears (Negative Risk) – tenants facing problems paying rent and service charges – linked to the current cost of living problems.	Strong arrears management and offering support and advice at the earliest stage possible.	Medium	Medium
Legislative or regulatory changes leading to higher costs (Negative Risk) – recent changes to legislation and regulation have led to increased costs within the HRA. Further changes, or the implementation of current rules could lead to increased costs.	Strong internal management systems up to Member level involvement through the Executive Housing Working Group. Effective systems in place to ensure compliance. Use of HRA balances to cushion shocks, while the account is re-balanced.	Medium	Medium
Interest rates do not fall from the current high position (Negative Risk) – due to the high levels of borrowing planned in	Change borrowing strategy to minimise costs, including the use of internal borrowing. Borrow short term and re-finance at projected lower interest rates. Adjust	Medium	High

Risk Area	Risk Mitigation	Likelihood	Impact
the HRA it is very sensitive to interest rate fluctuations.	spending plans to ensure interest payments are affordable.		
Additional costs for moving the Housing System (NEC) to the Cloud. (Negative Risk) – a project is currently under way to move the housing system to a cloud based service, but there are difficult technical integrations to make for this to be completed that may require further funds.	Any additional costs can be absorbed in balances. Alternative funding sources from reserves will be used where appropriate. Current budgets for service improvement can be utilised to cover some costs.	High	Medium
LGR increased costs	The Council has provided for some additional spend to fund the impact of the amount required by the Hertfordshire central office and to provide additional resources at a local level	High	High

5.4. Equalities and Diversity Implications

5.4.1. The Council has committed itself to providing high quality services that are relevant to the needs and responsive to the views of all sections of the local community, irrespective of their race, gender, disability, culture, religion, age, sexual orientation or marital status. The General Equality Duty (Section 149 of the Equality Act 2010) requires the Council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations in the exercise of its functions. The Equality Duty and the impact of decisions on people with protected characteristics must be considered by decision makers before making relevant decisions, including budget savings.

5.4.2. The process used to develop the Council's budget has been designed to ensure appropriate measures are in place to ensure the impact of decisions on the community is considered as part of the decision making process. It is officers' view that undertaking an Equalities Impact Assessment (EqIAs) on the strategy is not appropriate at this stage. EqIAs will be done on individual savings proposals (when relevant) at an early stage in the budget savings process to aid decision makers in their consideration of the Equality Duty. This work is being planned into the budget setting process.

5.5. Policy Implications

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

5.6. Staffing and Accommodation Implications

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

5.7. Climate Change Implications

5.7.1. The current projections include capital works to decarbonise the housing stock and increase energy efficiency within Council Dwellings. However, the last HRA Business Plan recognised that there was currently not financial capacity within the ring fenced account to achieve a net zero position and a wider sector led discussion with the Government will be needed, in order to address this funding gap.

5.8. LGR 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.

6. BACKGROUND DOCUMENTS

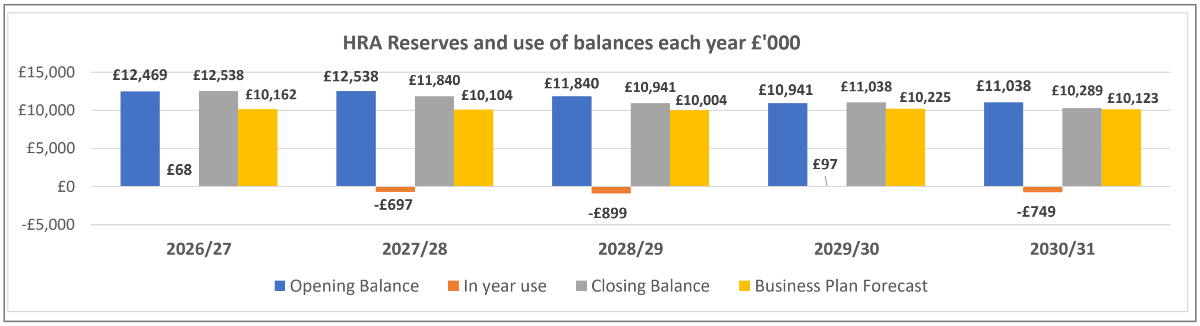
BD1 – HRA Business Plan – November 2025 Cabinet

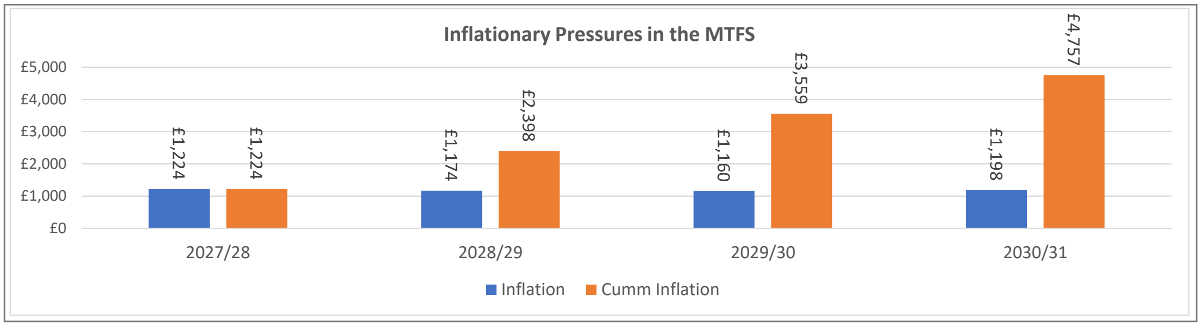
BD2 – HRA Budget and Rent Setting 2026/27 – January 2026 Council

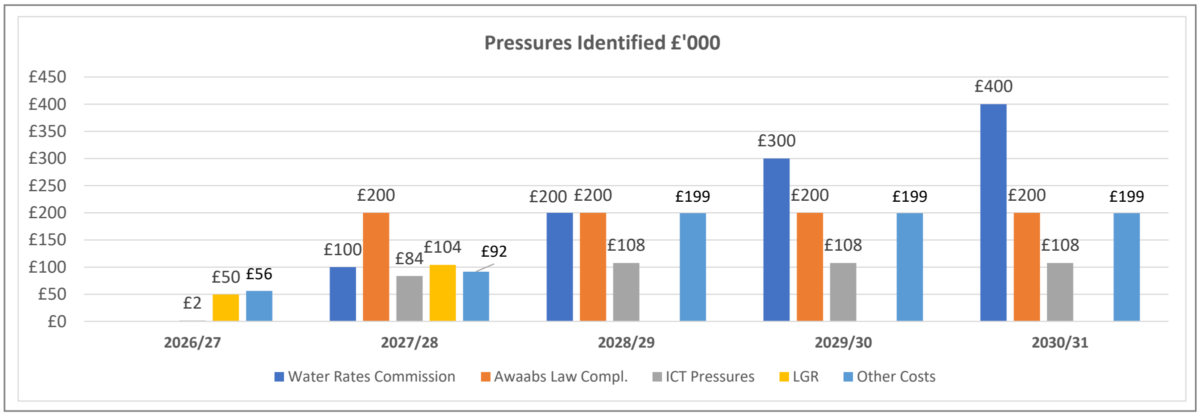
7. APPENDICES

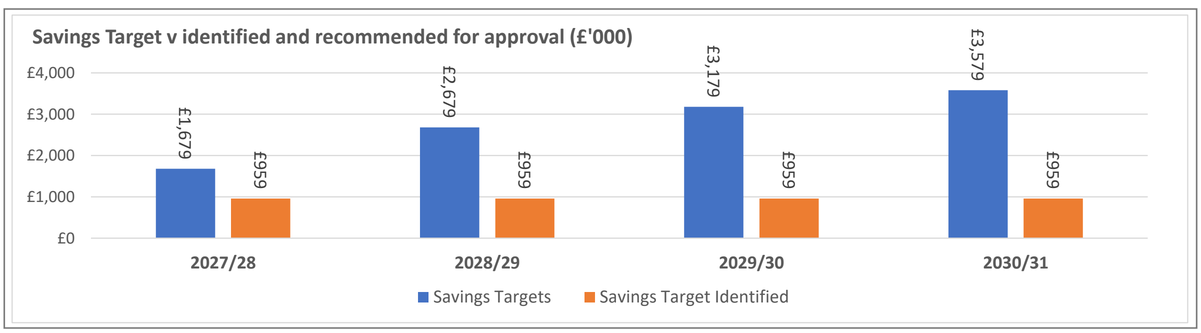
Appendix A – HRA MTFS Dashboard

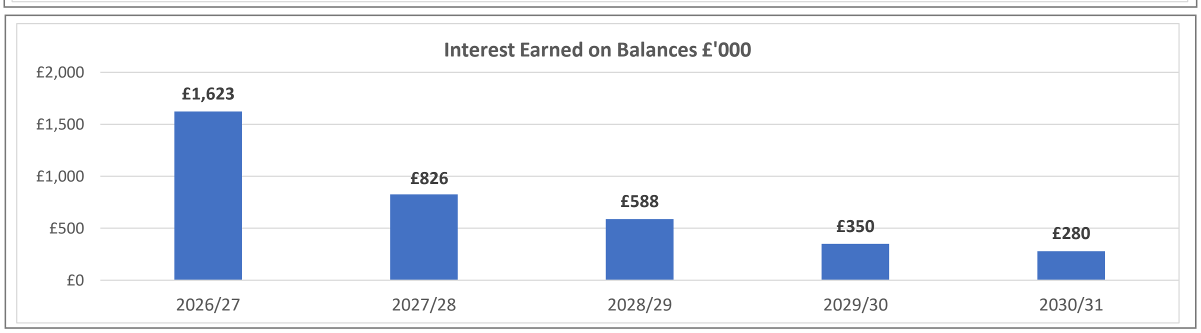
APPENDIX A - HRA MTFS Dashboard











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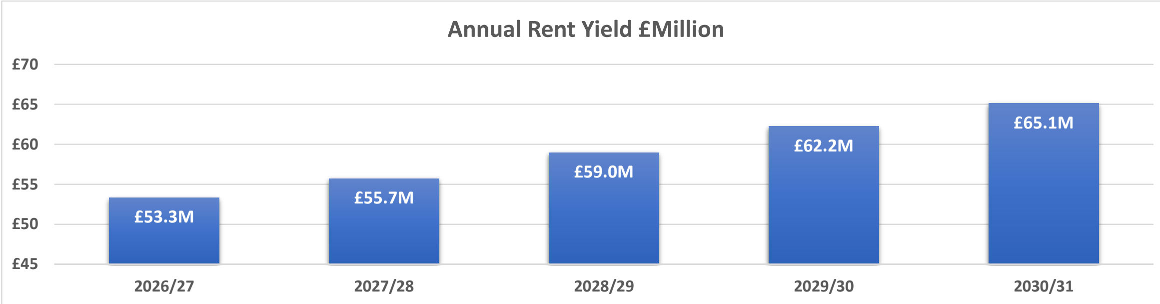
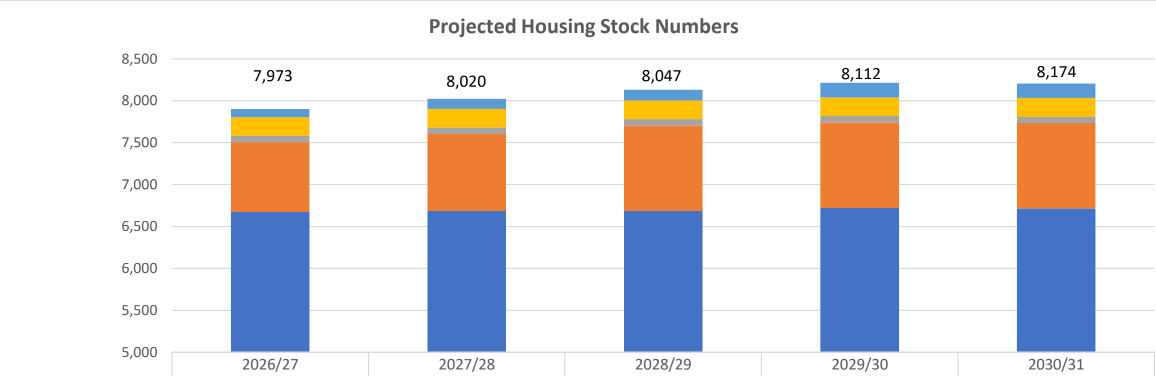
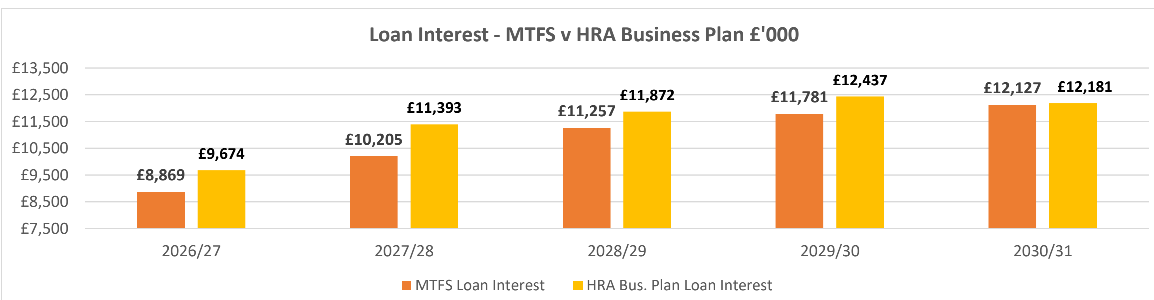
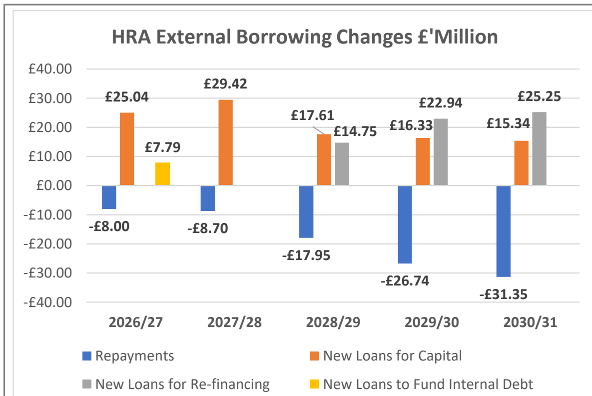
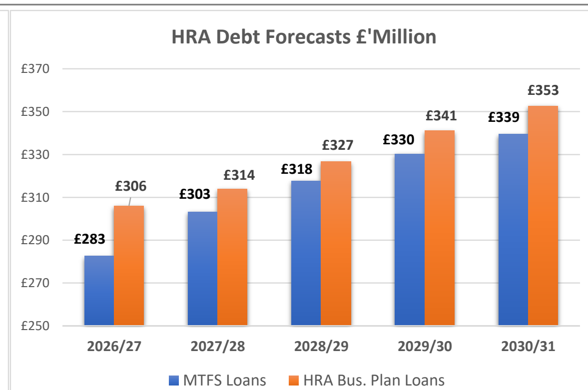




	2026/27	2027/28	2028/29	2029/30	2030/31
Affordable Rents	97	120	130	175	175
Temporary Accom.	223	223	223	223	223
Shared Ownership	75	75	75	75	75
Sheltered	832	923	1,019	1,019	1,019
General Needs	6,672	6,684	6,686	6,723	6,715







Meeting: **CABINET** **Agenda Item:**

Portfolio Area: Resources and Performance

Date: **10 September 2026**

1ST QUARTER REVENUE AND CAPITAL MONITORING REPORT 2026/27 – GENERAL FUND AND HRA

KEY DECISION

Author – Veronika Mendy/Keith Reynoldson/Rhona Bellis
Contributor – Atif Iqbal, Finance Team and Budget Managers
Lead Officers – Atif Iqbal
Contact Officer – Atif Iqbal

1. PURPOSE

1.1 To update Members on the projected General Fund (GF), Housing Revenue Account (HRA) and Capital 2026/27 net expenditure and seek approval to amend the General Fund, HRA and Capital budgets as part of the quarterly revenue monitoring review.

1.2 To update Members on the reserves and balances available to support revenue expenditure and seek approval for revisions to the allocated reserves.

2. RECOMMENDATIONS

General Fund

2.1 That the 2026/27 first quarter projected net decrease in General Fund expenditure of £1,070,480 be approved.

2.2 That Members note the proposed movement on reserves as detailed in paragraph 4.3.1.

2.3 That Members note the introduction of the Building Safety Levy and to approve the allocation of Stevenage Borough Council's grant funding to Hertfordshire Building Control Ltd to meet the costs of establishing and administering the Building Safety Levy on behalf of the Council as detailed in paragraph 4.1.4a.

2.4 To delegate authority to the Section 151 Officer, after consultation with the Portfolio Holder for Resources and Performance to finalise and enter into the necessary funding arrangements with Hertfordshire Building Control Ltd as detailed in paragraph 4.1.4 a.

2.5 To approve the public realm schemes funded from the 2025/26 underspend and as set out in paragraph 4.1.4 b.

Housing Revenue Account

2.6 That the 2026/27 first quarter net decrease in HRA expenditure of £1,123,900 be approved.

Capital Programme

2.6 That the General Fund capital budget re-phasing of £3.4 Million from 2026/27 to future years be approved.

2.7 That the Housing Revenue Account capital budget re-phasing of £20.1 Million from 2026/27 to future years be approved.

2.8 That the Housing Revenue Account capital budget reduction of £11 Million over the period 2026/27 to 2030/31 be approved, including £5.5 Million from 2026/27 to 2028/29.

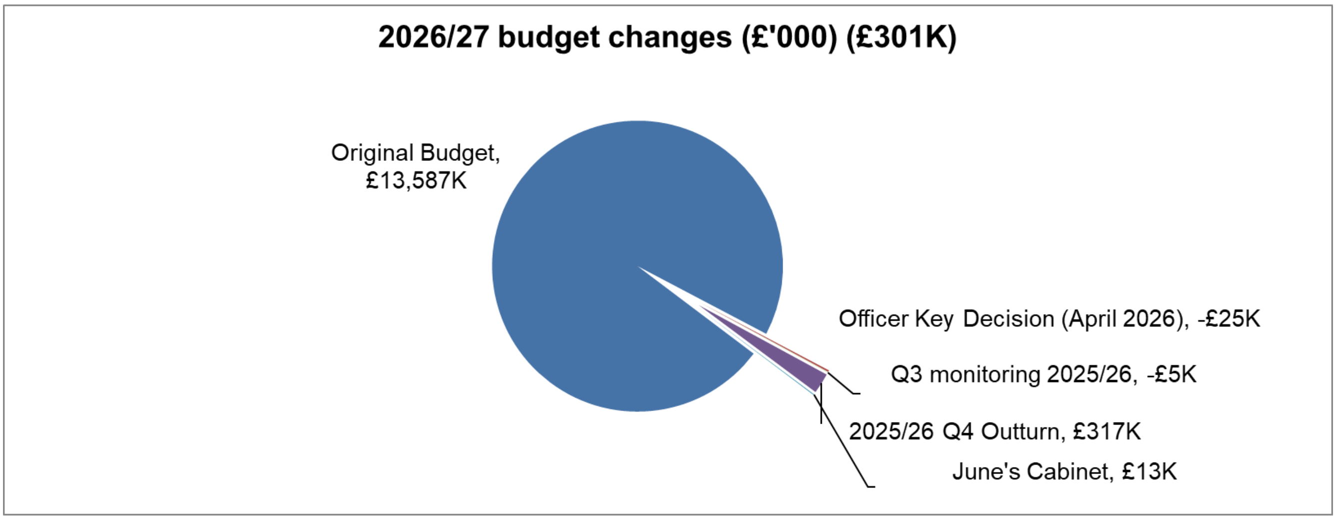
2.9 That £699K of new growth, funded by £149K grant (paragraph 4.11a) and £550K community infrastructure levy (CIL) (paragraph 4.11b) be approved and as set out in Appendix D.

2.10 That General Fund virement of £142K in paragraph 4.12 be approved.

2.11 That the proposed changes to the funding of the General Fund and HRA capital budgets in section 4.13 be approved.

3. BACKGROUND - GENERAL FUND

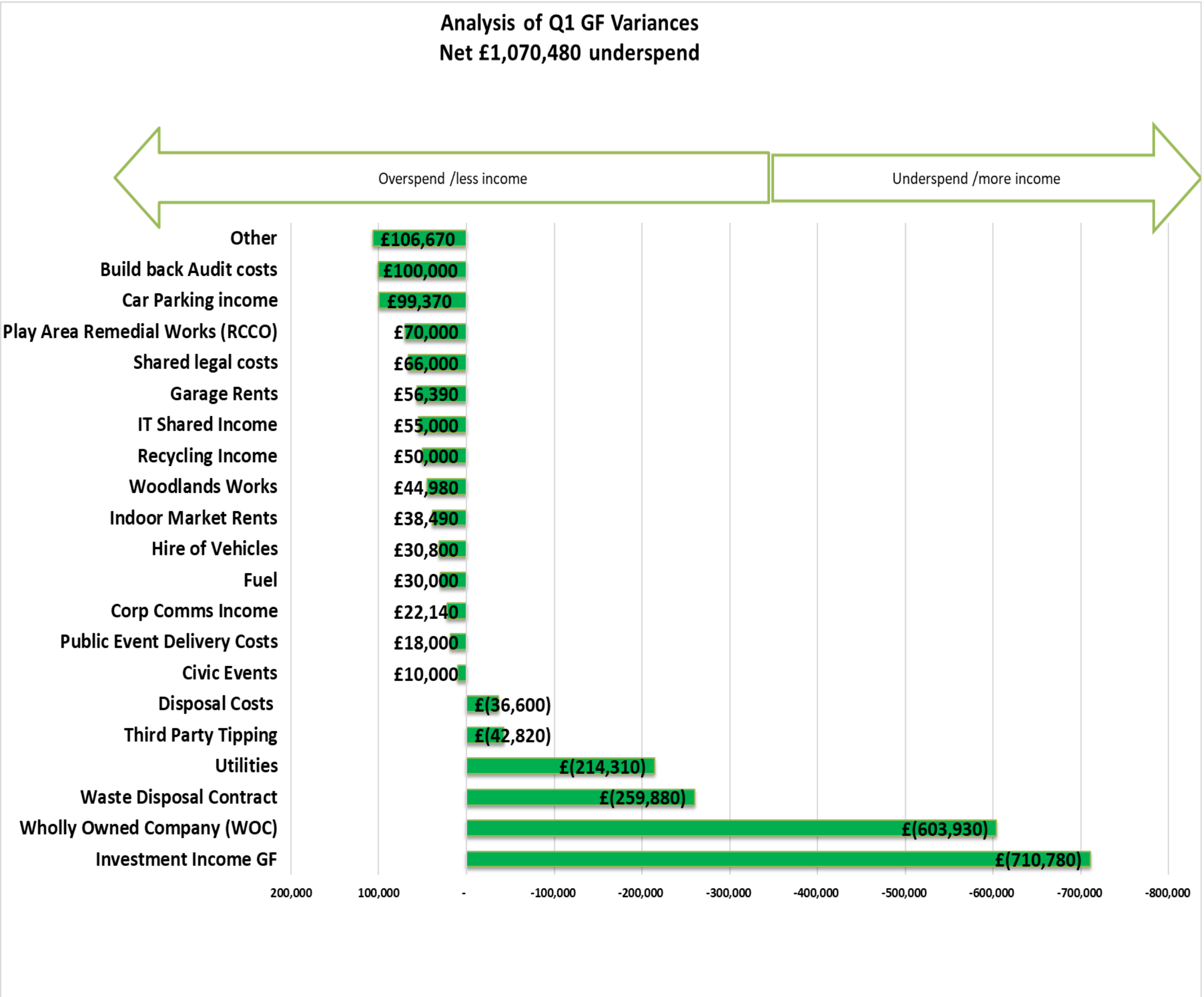
3.1. Since the General Fund net budget of £13,587,330 was approved at February 2026 Council, Members have since approved further net budget changes of £300,770 as detailed in the chart below:



4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 General Fund – Budget Review

4.1.1 Following the first quarter review of the General Fund budgets officers are projecting a decrease in the forecast budget spend for the year of £1,070,480, largely relating to investment income.



4.1.2 The reasons for the overspend or less income are detailed below:

a. **Other Variances £107K (Increased Expenditure)** – the reported variance reflects the net impact of a number of smaller expenditure pressures and offsetting savings across the services. Key areas include operational and contract-related costs, software licences and subscriptions, partially mitigated by savings on business rates, service expenditure and additional income generation. The position does not arise from any single significant issue, and a number of the underlying budget movements have already been incorporated into future financial planning, with remaining recurring items being reviewed through the 2027/28 budget process.

b. **Build Back Audit Costs £100K (Increased Expenditure) –** the final external costs for 2026/27 are not yet known, with a number of elements of the fee still to be confirmed. Based on the 2025/26 audit costs and the information received from the external auditors to date, it is recommended that the budget is increased to provide for anticipated additional costs. The build back (as a result of the national issues in the public sector audit market) requires balances to be proven back to the last set of unqualified accounts 2021/22.

c. **Car Parking income £99K (Reduced Income) –** the forecast adverse variance is primarily due to a £65K loss of income from the temporary reduction in parking capacity at Corey's Mill and a £55K reduction in rental income at Swingate following the compound's vacation in January 2027. This is partially offset by additional permit income of £21K, resulting in a net adverse variance of £99K as shown in table below:

Car Parking Income	Original Budget £'000	Q1 Forecast £'000	Variance £'000
On Street Parking - Corey's Mill	(412)	(347)	65
On Street Parking - Parking Permits	(29)	(50)	(21)
Swingate Rental Income	(200)	(145)	55
Total	**(642)**	**(542)**	**99**

d. **Play Areas Remedial Works RCCO £70K (Increased Expenditure)** - a £70K RCCO (Revenue Contribution to Capital Outlay) is requested to fund urgent safety surfacing renewal works at play areas following inspection findings. This will enable the reopening of affected areas, mitigate health and safety risks, and support continued public access pending future capital investment.

e. **Shared Legal Costs £66K (Increased Expenditure) –** increased demand for legal services across the shared legal partnership, together with higher fee rates and the need for specialist support in some cases, has resulted in a forecast pressure of £100K across the Council. Of this, £66K relates to the General Fund and £34K to the HRA.

f. **Garage Rents £56K (Reduced Income) –** garages rental income was overachieved by £30K in 2025/26. However, based on early indications at Q1, an in-year income shortfall of £56K is currently forecast. This position remains subject to change and will depend on garage void levels, and the completion of repair and maintenance works to garages that are currently unavailable for letting. An updated forecast will be provided as part of the Q2 budget monitoring report.

g. **IT Shared Income £55K (Reduced Income) –** a review of the recharge arrangements with East Hertfordshire Council has identified that the original budget assumption did not fully reflect the agreed Shared ICT Service cost apportionment. Therefore, the income recoverable from East Hertfordshire Council is lower than originally budgeted, resulting in a forecast income pressure of £55K.

h. **Recycling Income £50K (Reduced Income) –** income generated from the sale of recyclable materials continues to be affected by fluctuations in market prices. Whilst prices vary across different material streams, current market values for many recyclates remain below those achieved in previous years, resulting in lower than anticipated income. It has been assumed that pressure will be continuing in future years.

i. **Woodlands Works £45K (Increased Expenditure)** – a £45K budget pressure has been identified to undertake urgent woodland safety works following recent surveys. This will mitigate public safety risks, address known hazards and support the continued safe management of the Council's woodland assets while longer-term funding bids are developed as part of the 2027/28 financial year budget setting process.

j. **Indoor Market Rents £38K (Reduced Income) –** the current void rate is approximately 20%. The occupancy is expected to improve during the remainder of the year, reducing the void rate to around 5% by the year end, broadly in line with the original budget assumptions. In addition, from 1 December 2026, electricity charges will be recharged based on actual consumption rather than the current fixed tariff structure. The new Market's Manager started on 17 August.

k. **Hire of Vehicles £31K (Increased Expenditure) –** the pressure reflects the temporary hire of a replacement sweeper vehicle following breakdowns within the existing fleet. The forecast assumes the vehicle will remain on hire for a period of six months to ensure continuity of service while procurement options for a longer-term replacement vehicle, including warranty and maintenance arrangements, are progressed.

l. **Fuel £30K (Increased Expenditure) –** the prices continue to be influenced by geopolitical and wider market conditions, resulting in higher costs than assumed within the approved budget. The current forecast assumes that prices will gradually reduce during the latter part of the financial year. This position is being monitored closely, and further variances will be reported in future monitoring reports if required.

m. **Corporate Comms Income £22K (Reduced Income) –** the budget included an assumption that advertising income would be generated from the Council's Chronicle publication. However, despite efforts to secure advertisers, demand from local businesses has remained below expectations and no advertising income is currently forecast for the financial year. Although assumption at this stage is that pressure is ongoing, the commercial team is actively pursuing alternative income opportunities to mitigate the impact of this shortfall.

n. **Public Event Delivery Costs £18K (Increased Expenditure) –** historically, Stevenage Leisure Limited (SLL) delivered the fireworks on behalf of the Council, the Council subsequently brought delivery of the display in-house. The budget allocated for the fireworks display was £10K, however this did not include the costs of supporting infrastructure such as security, road closure arrangements, first aid and sound systems. In addition, the cost of the supplies and contractors have increased over time, resulting in a budget pressure of £18K.

o. **Civic Events £10K (Increased Expenditure) –** this is the cost of the Alderman civic awards approved by Council for this year.

4.1.3 The reasons for the underspend or increased income are detailed below:

a. **Residual Waste Disposal Costs £37K (Reduced Expenditure) –** from 2026/27, the contractual disposal charge reduced from £137 per tonne to £125 per tonne, lowering the cost of disposing of residual waste and generating a favourable variance against the budget.

b. **Third Party Tipping £43K (Increased Income) –** the demand from private contractors to dispose of waste at the Council's facility has remained higher than originally anticipated, generating additional income during the year. Given the continued level of demand, this additional income will be recognised as an ongoing saving and has been incorporated into the Council's Balancing the Budget savings proposals.

c. **Utilities £214K (Reduced Expenditure) –** the 2026/27 utility budgets were based on energy prices included in the March 2026 Government Commercial Agency (GCA) report, which estimated unit costs of £0.26/kWh for electricity and £0.04/kWh for gas. Energy prices were subsequently fixed in April 2026 at average unit rates of £0.24/kWh for electricity and £0.03/kWh for gas. Based on current usage assumptions, the reduction in unit prices is expected to generate a net saving of £144K against the budget. In addition, a further saving of £70K is forecast for utilities within the Everyone Active leisure contract, reflecting secured contract prices that are lower than those assumed when the budget was set. This results in a total forecast reduction of £214K.

d. **Waste Disposal Contract £260K (Reduced Expenditure) –** The Council is forecasting £1.224Million of income from the waste disposal arrangement during 2026/27. This is partly offset from £964K of associated expenditure, resulting in forecast net surplus of £260K. The Expenditure includes £902K of waste disposal costs, £42K for additional staffing at the Cavendish Depot to manage increased waste volumes whilst maintain health and safety requirements, and £20K for operational improvements at the Cavendish Depot, including the renewal of line markings within the transfer station and freighter shed including enhanced directional and safety signage. On-going net income is subject to contractual negotiations.

Disposal Waste Contract Income expected	-£1,224,000
Direct Disposal Costs	£902,080
Additional Staffing	£42,040
Improvement works at Cavendish Depot	£20,000
Variance (surplus)	**-£259,880**

e. **Wholly Owned Company (WOC) £604K (Increased Income) –** the forecast reflects additional interest income of £839K generated from loans and investments associated with the Council's wholly owned company Marshgate Ltd with the existing loan currently projected to be returned by 31 March 2026. The additional income is partly offset MRP costs relating to the timing of loan repayments and their associated accounting treatment. Further information on the company's financial position is provided in the company update report on this meeting agenda.

f. **Investment income GF £711K (Increased Income)** – this favourable variance reflects a combination of higher investment returns and increased cash balances. Investment rates have remained above budget assumptions, averaging around 4.25% compared with the budgeted rate of 3.5% and contributing approximately £200K of the additional income. The remaining variance arises primarily from cash balances being higher than anticipated due to government grant funding being received in advance of expenditure, slippage in the capital programme and higher carry-forward balances. More information can be found in the General Fund Medium Term Financial Strategy on this meeting agenda.

4.1.4 Other items impacting 2026/27 Budgets:

a. **Building Safety Levy, Section 31 grant £112K** - the Government's Building Safety Levy (BSL) will come into operation on 1 October 2026 and will be collected by local authorities as part of the building control process. The Ministry of Housing, Communities and Local Government (MHCLG) has provided additional burdens funding to support local authorities with the initial implementation and administration of the levy prior to it becoming self-funding through levy income. Stevenage Borough Council has received grant funding of £111,800 (£60,500 for capital and £51,300 for revenue). As Building Control services are delivered through Hertfordshire Building Control (HBC), and given the specialist systems, processes and qualified personnel required to administer the levy, it is recommended that HBC undertake the administration of the BSL on behalf of the shareholder authorities. This will provide a consistent approach across all eight Hertfordshire partner authorities, avoid duplication of resources and ensure the necessary expertise is in place to meet statutory requirements. Ongoing administration costs are expected to be recovered through the levy administration fee once the scheme becomes operational.

b. **Public Realm Funding £200K –** As part of the 2025/26 Quarter four monitoring report, £200K was allocated to support public realm improvements. All the schemes have now been identified as per table below and recommended for approval.

Initiatives	Cost	Details
Underpass Old Town poppy mural	£17,200	Improvements to the Old Town underpass, including installation of a poppy-themed mural to enhance the appearance of the area.
War Memorial	£15,000	Essential conservation works to the War Memorial, including specialist cleaning, repairs and restoration of the lighting system.
Public Art	£20,394	Conservation and restoration of three public art installations: Three Geese by David Noble, Symonds Green works by Simon Axford-Jones, and Urban Elephant by Andrew Burton. Works will include condition assessments, conservation and repairs to protect these assets and support their long-term maintenance.
Town centre cleaning & Environmental Improvements	£43,000	Allocation for town centre cleansing and environmental improvements, including a one-off deep clean and pigeon deterrent measures to reduce roosting and associated cleansing requirements.
Spruce up of planting and realm of Event Island	£25,000	Town centre enhancements, including landscaping and planting improvements at Event Island.
Spruce up of planting and realm of Market Square	£10,000	Allocation for planting and public realm enhancements within Market Square.
Enhancement of Event Island Wall	£5,500	Refurbishment of the Event Island wall feature to improve its appearance and condition.
Improvements within Littlewoods Square	£10,310	Environmental improvements to enhance the appearance and usability of Littlewoods Square.
Improvements in Towns Square	£24,700	Public realm enhancements within Town Square to improve the quality of the environment for residents and visitors.
Maps / Signage - Cemeteries	£10,000	New maps and signage will be designed in a modular grid format, allowing individual sections to be updated as required rather than replacing entire maps as the cemetery develops. This approach will also support the transition to local government reorganisation (LGR) by enabling branding to be updated efficiently to reflect the future unitary authority.
Bandley Hill & Donkey Park	£18,896	Environmental and security improvements at Donkey Park, including refurbishment of wooden donkeys, grass reinstatement works and enhanced site access controls.
Total	**£200,000**	

The cumulative changes made to the General Fund net budget, remain within the £400,000 increase variation limit delegated to the Cabinet as shown in the table below.

Cabinet Delegation - General Fund	£'000
Original Net General Fund Budget	**13,587**
Previously approved Budget Changes	**301**
Revised GF Budget agreed	**13,888**
Quarterly monitoring Q1 projection	**(1,070)**
Updated GF Budget	**12,818**
Increase Variation Limit Delegated	**400**
Variations to date	**(770)**
Within Cabinet Delegated Limit	**1,170**

4.2 **Collection Fund**

4.2.1 The Council is responsible for the collection of both Council Tax and Business Rates, also known as National Non-Domestic Rates (NNDR), which are administered through the Collection Fund. Income from these sources is monitored throughout the year and compared against the anticipated levels set during the budget-setting process.

4.2.2 Although the income credited to the Council's General Fund revenue account is determined through the annual Council Tax precept (approved each February) and the NNDR1 government return (which sets the Council's share of business rates income), any difference between actual and budgeted income is held within the Collection Fund. These variances are then carried forward as either a surplus or deficit and subsequently released to, or recovered from, the General Fund in future financial years.

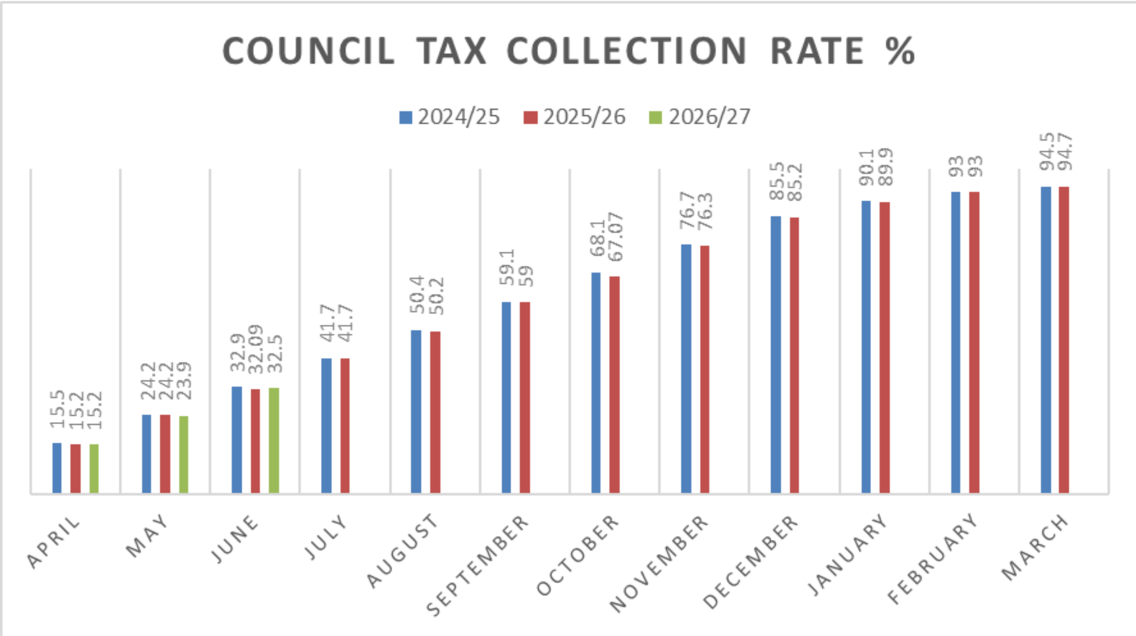
4.2.3 **Council Tax**

4.2.4 Council Tax income is collected on behalf of all precepting bodies (Stevenage Borough Council, Hertfordshire County Council, and the Hertfordshire Police Authority) and distributed in accordance with the approved precepts.

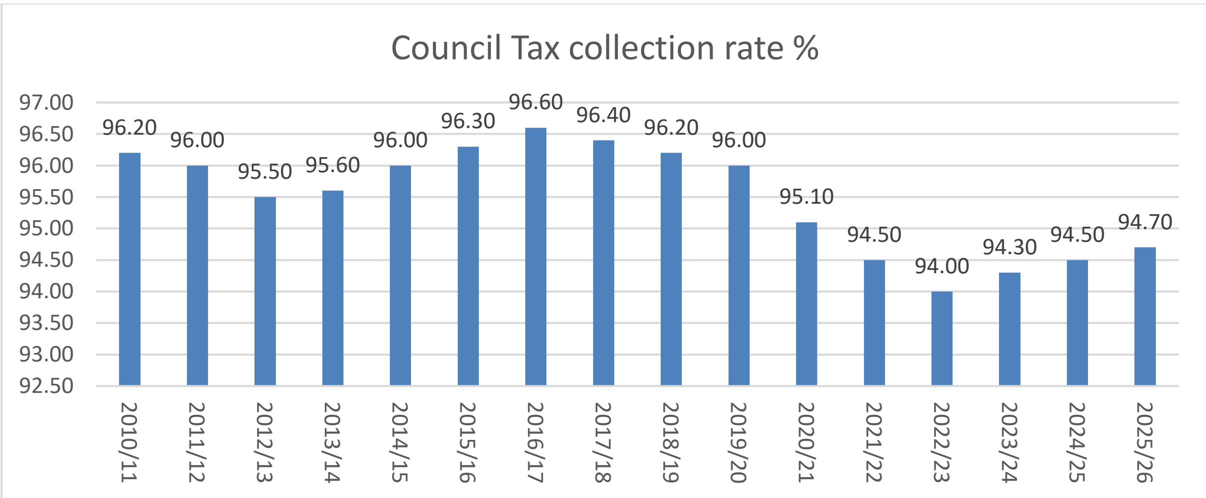
4.2.5 For 2026/27, the total Council Tax liability raised for collection (after allowing for discounts, exemptions, and reductions) amounts to £69.3 Million, of which £7.35 Million (10.61%) represents the Council's share.

4.2.6 Collection performance is monitored throughout the year by comparing the proportion of Council Tax collected at the same point in precious years. This provides an early indication of whether collection rates remain in line with expectations and helps identify any emerging trends.

4.2.7 The graph below compares the cumulative Council Tax collection rate with the same point in the previous two financial years:



4.2.8 As at the end of June 2026, 32.5% of the annual Council Tax liability had been collected, compared with 32.09% at the same point in 2025/26 and 32.9% in 2024/25. This indicates that Stevenage's collection performance remains broadly in line with last few years, however the collection rate has deteriorated from 96%+. The Shared Revenues and Benefit team are currently implementing initiatives to improve collection rates.

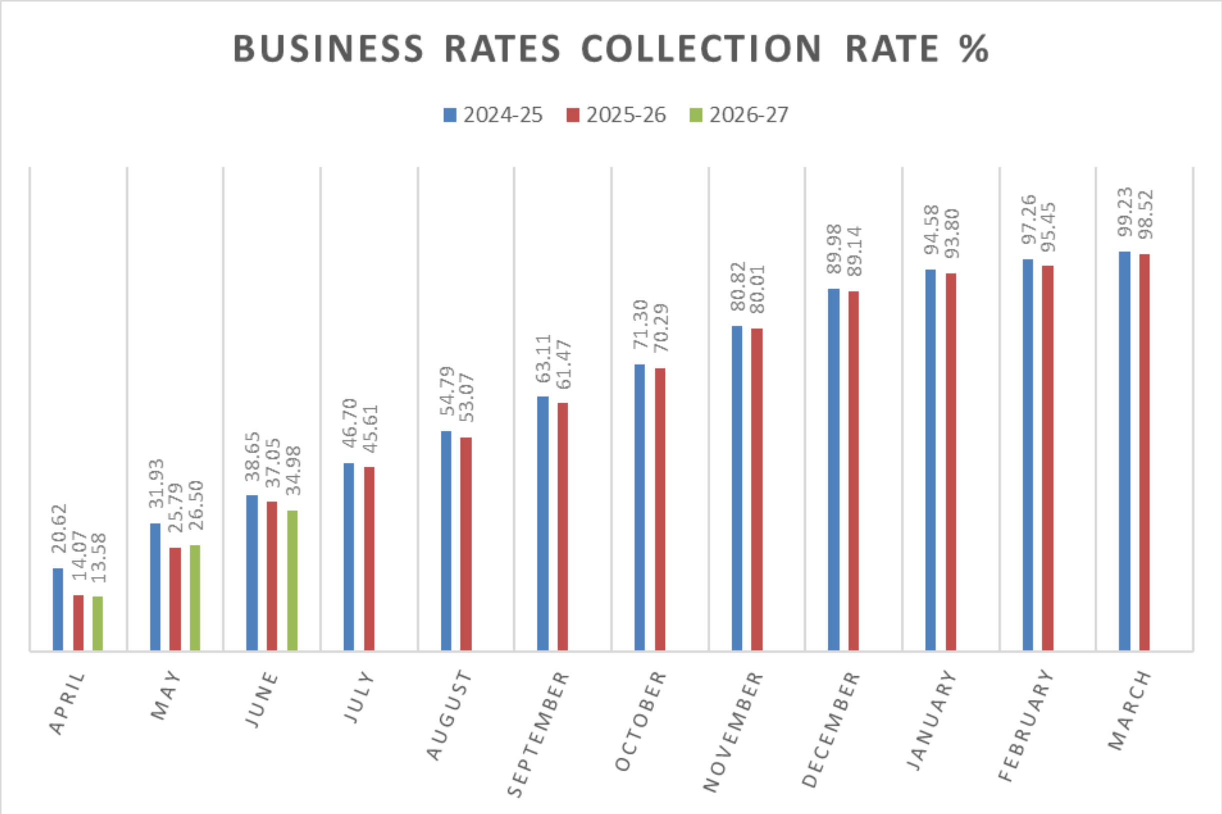


4.2.9 The current and forecast position of the Collection Fund including the impact of changes in the Council Tax base is set out in the Medium Term Financial Strategy report being considered on this Cabinet agenda.

4.2.10 **Business Rates**

4.2.11 From 2026/27, the Government introduced changes to the Business Rates Retention Scheme, including a national reset and new funding baselines for local authorities. The current and forecast position of the Collection Fund for Business Rates including details of changes implemented from this financial year are set out in the Medium Term Financial Strategy report being considered on this Cabinet agenda.

4.2.12 The following table illustrates the business rates collection rate achieved to the end of June 2026, compared with the same period in previous years:



4.2.13 Analysis shows that the collection rate for June 2026 stands at 34.98%, compared with the Quarter 1 target of 36%. Although this is lower than the collection rates achieved at the same point in previous years (37.05% in 2025/26 and 38.65% in 2024/25), Stevenage continues to perform strongly relative to its peers, achieving the highest Quarter 1 collection rate amongst Hertfordshire authorities.

4.2.14 Stevenage has a strong track record of business rates collection, achieving year-end collection rates of 98.52% in 2025/26 and 99.23% in 2024/25. These collection rates were the highest reported amongst Hertfordshire authorities in both years and provide confidence that the collection rate assumed within the current forecast remains achievable.

4.3 Review of General Fund Balances

4.3.1 **Allocated Reserves** - these balances are 'ring fenced' and have been set aside for specific purposes. The estimated total value of (revenue) allocated reserves as at 31 March 2027 is £11,629,173 (31 March 2026, £13,950,263). There are further adjustments as a result of MTFS report being reported on this Cabinet agenda, which will then be reflected in the budget once approved. During Q1 the following movement between reserves have been recommended and are not included in the under/overspends in the report.

Reserves	Q1 To Be Approved
ICT Reserve	50,000
Business Change	98,830
Town Square Reserve	(8,400)
UKSPF Reserve	13,392
Total	**153,822**

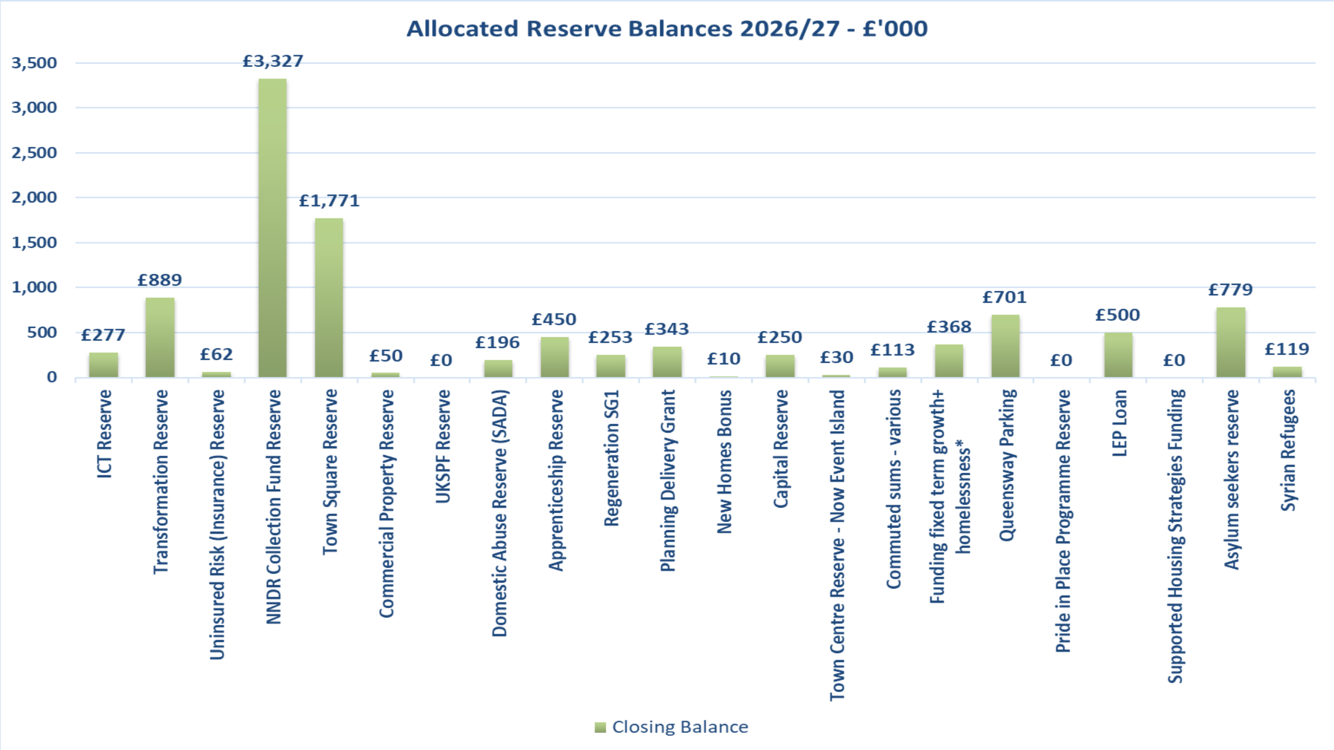
*() represents movement to reserves

a. **ICT Reserve** – a £50K drawdown is proposed to fund additional ICT costs. There relate primarily to increased annual software licence fees following the migration of system to cloud based platform, together with the costs associated with the new audio-visual equipment installed in the Committee rooms.

b. **Business Change** – a £99K drawdown is proposed to fund a number of one-off costs associated with business change and digital improvements. These include costs relating to the Contact Centre Telephony business case, Payment Card Industry (PCI) compliance consultancy costs, implementation of the Member's Enquiry system, customer services agency backfill, and funding for the Energy and Utilities manager post.

c. **Town Square Reserve –** the forecast transfer to reserves for the year is based on the latest activity profile for 2026/27.

d. **UK Shared Prosperity Fund (UKSPF) Reserve** – to fund the expenditure in relation to UKSPF project.



4.3.2 General Fund Balance – Following the Q1 review the General Fund balance as at the 31 March 2027 is now forecast to be £8.342 Million.

General Fund Balances	Working Budget £'000
Original Net General Fund Budget	**13,587**
Approved budget changes	301
Net Working budget approved to Date	**13,888**
1st Quarter Review	(1,070)
Total Net Expenditure post Q1 review	**12,818**
Less core resources at Budget Setting Report	(13,587)
Transfer (to)/from General Fund balances	**(770)**
General Fund balance 31/3/26	**(7,572)**
Transfer (to)/from General Fund balances	**(770)**
Projected General Fund balance 31/3/27	**(8,342)**
Allocated Revenue Reserves (Paragraph 4.3.1)	(11,629)
Total General Fund Revenue balances (estimated 31/3/27)	**(19,971)**

4.4 **Review of Savings** – As part of the 2026/27 budget setting, the Council agreed savings of £1.281 Million. The table below represents the RAG rated delivery of those schemes.

Target		RAG		% of Target
-	1,281,064	Delivering	1,230,114	-96%
		Partially Achieving	-	0%
		Not Achieving	50,950	-4%
-	1,281,064		1,281,064	

4.4.1 Based on the first quarter expenditure position, the Council is on track to deliver the majority of its planned savings which equates to 96%. However, some savings schemes are not expected to meet its savings target:

a. **Fees and charges savings of £48K** have all been implemented, however some areas are seeing income below the working budget as at Q1. This is likely to be a timing issue with most of the variance relating to planning applications income, which could recover later in the year. There is also a pressure on Indoor Market income as detailed in paragraph 4.1.2 j.

b. **Introduction of Fast Track applications £3K –** the service was introduced from 1 April 2026; however, take-up has been lower than anticipated and the income target is currently not being achieved. This may be partly due to increases in statutory application fees, making applicants less willing to incur additional costs for a fast-track service. Forthcoming changes to the national scheme of delegation may also be influencing demand, with applicants potentially delaying applications until the new arrangements take effect.

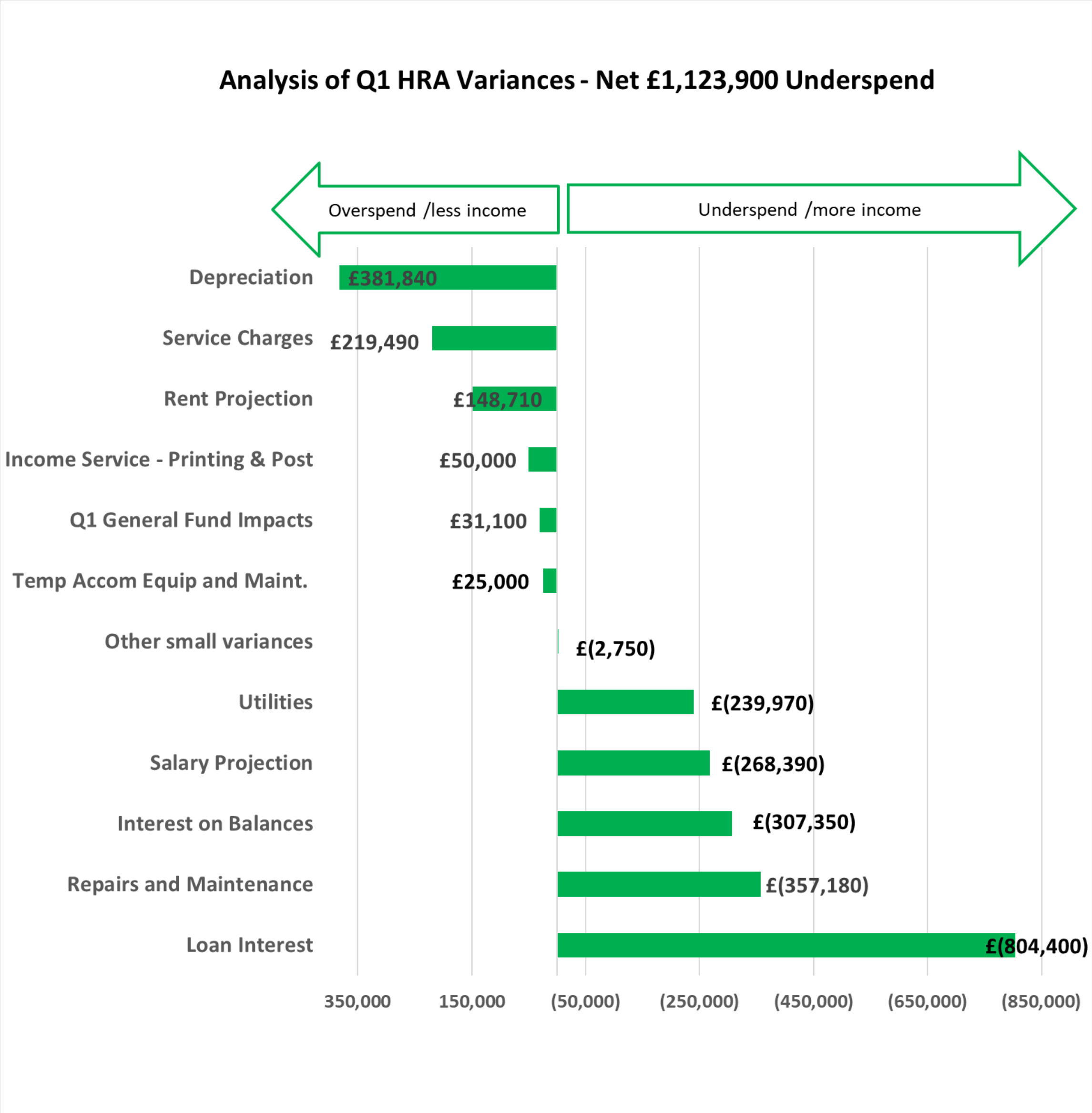
4.5 Housing Revenue Account

4.5.1 For 2026/27 the Housing Revenue Account (HRA) net budget deficit of £243K was approved at Council in January 2026, since then Members have further approved budget carry forwards of £783K from the Quarter four report to Cabinet in July, as shown in the table below.

HRA Working Budget	£'000
Original Budget 2026/27	**243**
25/26 Q4 Carry Forwards	783
Total Working Budget	**1,026**

4.6 Housing Revenue Account - Budget Review

4.6.1 Following the first quarter review of revenue budgets officers have identified and projected the following budget movements.



4.6.2 **Depreciation £382K (Increased Expenditure).** Following the latest housing stock valuation, the depreciation charge to the HRA has increased from £13.5Million to £13.9Million. As depreciation is used to finance the housing capital programme, the increased charge will reduce the need for borrowing and help to mitigate future interest costs within the HRA.

4.6.3 **Service Charges £219K (Reduced Income)**. Service charge income is forecast to be £219K below the original budget of £3.7Million. The variance is primarily driven by property void levels and reduced costs for services recharged to tenants and leaseholders. The lower utility costs reported in para 4.6.8 below have also resulted in a corresponding reduction in service charge income and therefore offset part of the associated expenditure savings.

4.6.4 **Rent Projection £148K (Reduced Income).** The rent forecast at Q1 is a small reduction of £148K on an annual budget of £53.1Million. This forecast is based on the latest void property percentage loss, current anticipated Right to Buy sales and expected new property additions. This variance represents a 0.3% change to the original forecast.

4.6.5 **Income Service Printing and Postage Costs £50K (Increased Expenditure)**. Printing and postage costs are forecast to be £50K above budget due to continued demand for statutory and customer communications. The pressure reflects both recurring activities, such as rent statements and annual rent increase notifications, and other correspondence issued throughout the year. The forecast is consistent with expenditure levels experienced in recent years and will be included as a pressure in future budget reviews.

4.6.6 **Q1 General Fund impacts £31K (Increased Expenditure).** There is a £31K pressure to the HRA from Q1 changes to the General Fund budgets. The largest variance relates to a cost pressure from the legal services costs of £34K (based on use) and this has been offset by a small net saving on other recharged costs.

4.6.7 **Temporary Accommodation Equipment and Maintenance £25K (Increased Expenditure)**. The number of temporary accommodation properties has increased significantly over recent years, resulting in higher costs for furniture, mattresses and minor property repairs. In addition, the higher turnover of occupants in temporary accommodation creates greater demand for replacement items and maintenance than is typically experienced within the Council's general housing stock. The forecast pressure of £25K reflects recent spending trends and the ongoing growth of the service and is partly supported by increased rental income from temporary accommodation, which has risen from £636K in 2021/22 to £871K in 2025/26.

4.6.8 **Utility Costs £240K (Reduced Expenditure).** Latest forecasts indicate a reduction in utility costs of £240K for 2026/27. Electricity expenditure is forecast to be £87K below the £860K budget, while gas expenditure is projected to be £153K below the £623K budget. The reduction reflects current contracted energy prices and forecast consumption levels and will continue to be monitored throughout the year (as set out in para 4.1.3 c. As a proportion of these costs is recovered through service charges, there will be a corresponding reduction in service charge income reflecting the lower costs incurred.

4.6.9 **Salary Projection £268K (Reduced Expenditure).** Employee costs are forecast to be £268K below the original budget of £12.7Million. This reflects current staffing vacancies and the expected timing of recruitment to vacant posts. The forecast also assumes achievement of the £352K vacancy allowance incorporated within the approved budget.

4.6.10 **Interest on Balances 307K (Increased Income).** Following the latest forecast of HRA balances for the year and considering the current interest rates, the estimated interest on balances has been increased from £1.3Million to £1.6Million for the year.

4.6.11 **Loan Interest £804K (Reduced Expenditure).** The revised HRA capital programme, detailed in paragraph 4.7, has reduced the level of borrowing required in 2026/27 compared with the original budget assumptions. This has resulted in a forecast reduction in interest costs of £804K during the year. Borrowing requirements and market conditions will continue to be monitored to ensure the HRA achieves the most favourable financing position, with any material changes reported through future budget monitoring reports.

4.6.12 **Repairs and Maintenance £357K (Reduced Expenditure).** Overall, the latest forecast for repairs and maintenance shows a reduction of £357K to the original budget and this has been broken down over the following areas.

a. **Disrepair Works £150K (Reduced Expenditure).** There has been increased pressure on disrepair costs in the last few years, with an outturn of £285K in 2025/26. In response to this pressure there have been operational changes and improvements to reduce disrepair claims and control costs for each repair. These improvements and current activity levels have led to a £150K reduction in forecast costs for this year and it is anticipated that this will be an ongoing saving for the HRA.

b. **Decent Homes 2 £279K (Reduced Expenditure).** The last HRA Business Plan included provision in the revenue account for the updated Decent Homes standard. This budget was based on assumptions of what works would be required in the final new standard, in particular some high cost elements like floor coverings. The Government have now issued their new guidance and after assessing the actual requirements of the standard, this provisional budget is no longer needed and gives an annual saving to the HRA of £279K.

c. **Responsive Repairs and Building Maintenance Trading Account £72K (Increased Expenditure).** Current levels of responsive repairs activity indicate expenditure on repairs be approximately £270K lower than the £3.5Million budget. However, the associated reduction in income to the Building Maintenance Trading Account offsets this saving, resulting in an additional net cost of £72K. This reflects a one-off budget adjustment required to align the trading account following revisions to salary estimates made after the 2026/27 HRA budget was approved. As responsive repairs is a demand-led service, the position will continue to be monitored throughout the year.

4.7 Housing Revenue Account Balances

4.7.1 Following the first quarter review, the HRA balance is now forecast to be £12.6Million and is above minimum required balances.

Housing Revenue Account Outturn Position	£'000
Working Budget – Q1 Report	**1,026**
1st Quarter Net Projected Underspend	(1,124)
Projected net Surplus post 1st Quarter review	**(98)**
HRA balance brought forward 01/04/26	**(12,469)**
Surplus in year	(98)
Projected HRA balance 31/03/2027	**(12,567)**
Increase Variation Delegated Limit	**500**
Variations to date	(1,124)
Future Variations within Cabinet Delegated Limit	**1,624**

4.8 **Capital Monitoring**

4.8.1 The 2026/27 approved budget for each fund is:

- General Fund £56 Million
- Housing Revenue Account £86 Million

These budgets reflect the Capital Strategy (Q4) approved by Cabinet on 15 July 2026 and includes capital budgets approved by Cabinet and/or Council since that date.

4.8.2 The table below sets out the current projected position for the Capital programme 2026/27 and the proposed changes including rephasing of capital budgets at Q1 into future years.

	2026/27				2027/28		2028/29	
£000	Actual Spend Q1	Q4 Capital Strategy	Q1 Revised Strategy	Variance Q4 v Q1	Movement	Revised Strategy	Movement	Revised Strategy
Total GF Schemes	4,071	55,618	52,250	(3,368)	2,737	33,655	997	10,256
Total HRA Schemes	7,478	85,493	65,329	(20,154)	13,012	58,811	1,458	39,419
Total Capital Programme	**11,549**	**141,111**	**117,579**	**(23,522)**	**15,749**	**92,466**	**2,455**	**49,675**
Re-phase detail:								
Environment & Leisure				162	(125)			
Housing Development				(5,313)	5,462			
Regeneration				1,887	(2,779)		900	
Planning & Regulation				(104)	179		97	
Total GF Movement including Re-phasing				**(3,368)**	**2,737**		**997**	
Housing Investment				(4,405)	(2,737)		1,458	
New Build (Housing Development)				(15,749)	15,749		-	
Total HRA Re-phasing				**(20,154)**	**13,012**		**1,458**	

Re-phasing

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

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

4.9 **General Fund – re-phasing from 2026/27 to/from 2027/28 £3.5 Million - the main items are explained below:**

a. Environment & Leisure £125K, Ridlins track (£100k) and repurposing Stevenage Arts and Leisure Centre (£25k). The delivery of both projects is due mainly in 2027/28. Preliminary works are required in 2026/27 and as a result initial works budgets have been re-phased from 2027/28 into the current year.

b. Land, Development & Neighbourhood Regeneration £5.3 Million -

    i. £2.5 Million of Kenilworth Phase 2 has been re-phased into 2027/28. This is to align the delivery budget as start works have been delayed following delays arising from highways and utility diversion works required ahead of construction.

    ii. Of the total £2.5Million Wholly Owned Housing Development Company loan investment budget remaining (originally £15 Million), £1.8Million has been re-phased into 2027/28 to be available for future schemes .

c. Regeneration - Stevenage Sports & Leisure Hub - the revised expenditure profile reflects the contractor's delivery programme. The expenditure profile will continue to be reviewed throughout project delivery. Forecasts are informed by monthly valuations and assessments undertaken by the project's cost consultants against actual contractor progress on site. As a result, spend profiles may continue to fluctuate over the life of the project as works are measured, certified and reforecast. At Q1 the budget has been re-phased where £1.8 Million brought forward from budgets in 2027/28 to 2026/27 and £900K re-phased into 2028/29.

4.10 **HRA – re-phasing £20 Million - the main items are explained below:**

a. Housing Development - £15.7Million – Brent Court - continued delays in receiving gateway 2 approval for the works at the site. This is a national issue whereby schemes considered HRB's are experiencing delays in receiving the necessary statutory approvals to enable works on site.
b. Housing investment £4.4Million re-phasing and reduction across 2026/27 to 2028/29 – this has been reprofiled in light of significant financial challenges the HRA faces both from significant savings and the need to fund building high rise safety works that are due to come to the Committee in a later meeting. Mor information can be found in the HRA MTFS report.

4.11 **New Grant / Contribution funded Growth Items £699K**

a. The Council has received £149K of Brown field land release fund to fund the demolition of garages ahead of disposal. This demolition budget has been added to the programme in 2026/27.

b. Following Cabinet's approval in January 2026 of £225K of Neighbourhood CIL funding and £30K of Biodiversity Net Gain (BNG) contributions to support projects aligned with the Council's Climate Action Plan, Green Space Strategy, Woodlands Strategy and Biodiversity Action Plan, officers have worked to identify a second phase of investment opportunities.

   It is proposed that a further £550K of Neighbourhood CIL funding be allocated to a Phase 2 programme of projects focused on health, wellbeing and leisure infrastructure. This programme supports the Council's corporate priority of creating thriving communities by enhancing leisure and recreation opportunities and working with partners to tackle health inequalities across the borough.

   In considering the allocation of these funds, projects have been assessed against the key criteria of CIL compliance, strategic fit with Council priorities, and deliverability, ensuring that available funding is directed towards schemes capable of delivering measurable benefits for local communities.

   Officers will continue to work closely with Members and partner organisations to ensure that funding is targeted towards projects that maximise community benefit and deliver against the Council's strategic objectives. A full breakdown of recommended projects are included as **Appendix D.**

4.12 **Virements**

Members are asked to approve the following virement:

From KC171: £142K - Burwell Road Shops roof – only £125K of the original budget (£267K) is required for this project. Approval is requested to re-focus £142K as below:

a) KR174 £74K – to enable required works to other commercial property
b) KR554 £58K for Bedwell Neighbourhood Centre Canopy works
c) KR183 £10K – Homestart, 4-5 Bedwell Park, quoted received for these works exceed the original budget by £10K.

4.13 **Capital Financing**

4.13.1 The table below sets out the change in the Capital Financing position since Q4, because of changes to the expenditure phasing discussed above.

£000	2026/27			2027/28		2028/29	
	Q4 Capital Strategy	Q1 Revised Strategy	Variance Q4 v Q1	Movement	Revised Strategy	Movement	Revised Strategy
Total Capital Financing	**141,101**	**117,579**	**(23,522)**	**15,749**	**92,466**	**2,455**	**49,675**
Changes detail:							
Capital Receipts			559	3,312		2,023	
Grants and Contributions			289	(538)		(35)	
Short Term Borrowing			(4,566)	43		67	
Revenue contributions			350	(80)		(1,058)	
Total GF Financing changes			**(3,368)**	**2,737**		**997**	
Capital Receipts			6,924	(2,194)		(1,653)	
Grants and Contributions			(6,015)	4,057		-	
Borrowing			(21,327)	11,255		3,111	
Major Repairs Reserve			264	(106)		-	
Total HRA Financing changes			**(20,154)**	**13,012**		1,458	
Total Capital Financing			**(23,522)**	**15,749**		**2,455**	

4.14 Capital Receipts Forecast

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

Capital Receipts £000	Previous Forecast	Revised Forecast/Actual	Variance
Capital Receipts (GF)			
Year 2026/27 Forecast	7,047	21,972	14,925
Year 2027/28 Forecast	42,128	36,832	(5,296)
Year 2028/29 Forecast	3,594	-	(3,594)
Year 2029/30 Forecast	199	1,150	951
Year 2030/31 Forecast	-	1,150	1,150
Total Capital Receipts (GF)	**52,968**	**61,105**	**8,137**
2026/27 HRA Right to Buy Forecast	-	4,779	4,779
2026/27 Other Capital Receipts Forecast	500	500	-
Total Capital Receipts (HRA)	**500**	**5,279**	**4,779**

4.14.2 Until sold, the value of land sales can fluctuate from the forecast by value as well as timing.

5 IMPLICATIONS

5.1 Financial Implications

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

5.2 Legal Implications

5.2.1 The purpose of this report is to present the forecast General Fund net expenditure, Housing Revenue Account (HRA) position and Capital Programme for 2026/27, together with the projected impact on General Fund and HRA balances. Whilst there are no direct legal implications arising from the recommendations at this stage, Members are reminded of their statutory duty to set and maintain a balanced budget.

5.3 Equalities and Diversity Implications

5.3.1 This report summarises the external and internal factors affecting approved budgets and recommends in-year budget adjustments where necessary. Any budget changes identified for future years that may have an adverse impact on groups protected under the Equality Act 2010 will be considered through the Council's budget-setting process, including the completion of Equality Impact Assessments (EqIAs) where appropriate. None of the budget changes reported are expected to result in changes to existing equalities and diversity policies.

5.4 Risk Implications

5.4.1 A risk-based assessment of reserves and balances is undertaken as part of the General Fund budget-setting process and is reported to Council accordingly. Current projections indicate that both General Fund and Housing Revenue Account (HRA) balances will remain above the approved minimum levels, providing an appropriate level of financial resilience against identified risks.

5.5 Policy Implications

5.5.1 The budget framework reflects the Council's policy-led approach to financial planning and resource allocation across all services. It supports the delivery of corporate priorities and forms an integral part of the Council's Medium Term Financial Strategy (MTFS), ensuring that resources are aligned with agreed policy objectives and strategic outcomes.

5.6 Climate Change Implications

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

6. BACKGROUND PAPERS

BD1 – Housing Revenue Account Budget and Rent Setting 2026/27 (Council 21 January 2026)

BD2 – General Fund and Council Tax Setting 2026/27 and Capital Strategy 2025/26 to 2029/30 (Council 25 February 2026)

BD3 – Outturn Q4 Monitoring Report for General Fund, Housing Revenue Account, Capital and Group Companies 2025/26 (Cabinet 15 July 2026)

Appendices

A General Fund Capital Strategy Q1 (2026/27)

B HRA Capital Strategy Q1 (2026/27)

C Prudential Indicators Q1 2026/27

D CIL Phase 2 Projects

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Appendix A

GENERAL FUND CAPITAL STRATEGY

Cost Centre	Scheme	2026/27				2027/28			2028/29			2029/30
		Actual Costs £	Q4 Capital Strategy £	Q1 Capital Strategy £	Variance £	Q4 Capital Strategy £	Q1 Capital Strategy £	Variance £	Q4 Capital Strategy £	Q1 Capital Strategy £	Variance £	Q1 Capital Strategy £
	General Fund - Schemes											
	Environment & Leisure	442,498	7,709,836	7,871,836	162,000	3,070,000	2,945,000	(125,000)	1,823,000	1,823,000	0	2,316,000
	Land, Development & Neighbourhood Regeneration	399,424	18,838,366	13,525,279	(5,313,087)	2,750,000	8,211,788	5,461,788	2,750,000	2,750,000	0	0
	Estates	424,456	2,447,913	2,447,913	0	0	1	1	0	0	0	0
	Technology	3,351	126,380	126,380	(0)	78,960	78,960	0	78,960	78,960	0	0
	Regeneration	2,732,640	25,032,576	26,919,558	1,886,982	24,713,593	21,934,457	(2,779,136)	4,561,707	5,461,651	899,944	0
	Planning & Regulation	68,915	1,033,533	929,986	(103,547)	55,000	234,354	179,354	45,000	142,500	97,500	97,500
	Deferred Works Reserve	0	429,073	429,073	0	250,000	250,000	0	0	0	0	0
	Total Schemes	**4,071,283**	**55,617,677**	**52,250,024**	**(3,367,653)**	**30,917,553**	**33,654,560**	**2,737,007**	**9,258,667**	**10,256,111**	**997,444**	**2,413,500**
	General Fund -Resources		34%									
BG902	Capital Receipts		7,239,126	6,274,875	(964,251)	1,797,960	1,772,960	(25,000)	2,127,412	991,960	(1,135,452)	0
	SG1 Receipts		347,500	0	(347,500)	0	0	0	0	0	0	0
BG905	Ringfenced receipts		2,175,484	4,046,171	1,870,687	17,595,922	20,933,269	3,337,347	1,524,867	4,683,819	3,158,952	0
BG904	Towns Fund		17,645,125	18,023,281	378,156	580,000	0	(580,000)			0	0
BG904	Other Grants and other contributions		8,798,465	8,744,347	(54,118)	23,000	104,854	81,854	28,000	28,000	0	5,000
BG862	S106		149,408	319,116	169,708	0	0	0	0	0	0	0
BG904	Contractors Deposits		49,666	49,666	0	0	0	0	0	0	0	0
BG936	Priorities – Strategic CIL		4,824,422	4,608,216	(216,206)	1,137,671	990,068	(147,603)	909,429	777,832	(131,597)	0
BG937	Local – Neighbourhood CIL		327,500	338,620	11,120	0	108,620	108,620	0	97,500	97,500	97,500
BG903	Capital Reserve (Housing Receipts)		0	0	0	0	0	0	0	0	0	0
-	RCCO		1,916,503	2,016,503	100,000	1,318,000	1,238,000	(80,000)	1,312,000	254,000	(1,058,000)	78,000
VAR	Revenue Reserves				0	0	0	0	0	0	0	41,000
BG916	Capital Reserve (Revenue Savings)		75,281	325,281	250,000	0	0	0	0	0	0	0
	EPR		1,859,805	1,859,805	0			0			0	
-	Prudential Borrowing Approved		3,039,677	1,289,427	(1,750,250)	8,465,000	8,506,788	41,788	3,356,960	3,423,000	66,040	2,192,000
-	Short Term borrowing and funded from private sale		7,169,716	4,354,717	(2,814,999)	0	0	0	0	0	0	
-	Funding Gap		0	0	0	0	0	0	0	0	0	0
	Total Resources (General Fund)		**55,617,677**	**52,250,024**	**(3,367,653)**	**30,917,553**	**33,654,559**	**2,737,006**	**9,258,667**	**10,256,111**	**997,443**	**2,413,500**

GENERAL FUND CAPITAL STRATEGY

Cost Centre	Scheme	2026/27				2027/28			2028/29			2029/30
		Actual Costs £	Q4 Capital Strategy £	Q1 Capital Strategy £	Variance £	Q4 Capital Strategy £	Q1 Capital Strategy £	Variance £	Q4 Capital Strategy £	Q1 Capital Strategy £	Variance £	Q1 Capital Strategy £
	Parks & Open Spaces											
KC052	Shephalbury Park (floodlighting)	0	59,740	59,740	0			0				
KC075	Fairlands Valley Pk-improvemen	0	20,000	20,000	0			0				
KC210	Riddlins Track Works	0		100,000	100,000	500,000	400,000	(100,000)	0	0	0	0
KC218	Hertford Road Play Area (S106 Funded)	0	25,000	25,000	0	0	0	0		0	0	0
KC232	SALC and the Swim Centre Urgent and H&S Works includes roof	0	14,939	14,939	0	0	0	0	0	0	0	0
KC237	Fire stopping works at SALC	0	296,644	296,644	0	0	0	0	0	0	0	0
KC238	Lift replacement at SALC	19,778	0	0	0	0	0	0	0	0	0	0
KC243	Leisure Roof works	4,115										
KC245	Toilets at TVP	0	52,738	52,738	0	0	0	0	0	0	0	0
KC246	Aqua Park - Rubber crumb surface replacement	6,475	35,000	35,000	0	0	0	0	0	0	0	0
KC253	Sailing Centre	0	2,152	2,152	0	0	0	0	0	0	0	0
KC256	Valley School Playzone (s106)	0	94,408	94,408	0	0	0	0		0	0	0
KC258	Repurpose SALC	3,450		25,000	25,000	1,000,000	975,000	(25,000)				
KC260	Carpet replacement -Theatre	0	100,000	100,000	0			0				
KC903	Golf course works	27,326	50,706	50,706	0	0	0	0	0	0	0	0
KE118	Lighting Desk SALC - Equipmt & Tools / Sound system	38,938	291,000	328,000	37,000	0	0	0	145,000	145,000	0	0
KE329	PLAY AREAS FIXED PLAY	1,143										
KE494	Green Space Access Infrastructure	4,438	69,517	69,517	0	50,000	50,000	0		0	0	0
KE911	Play Area Improvement Programme	5,745	160,922	160,922	0	0	0	0		0	0	0
KG041	Padel Courts	0	10,000	10,000	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
KE917	Ridlins Athletics Facility (boilers)	2,760	0	0	0	0	0	0	0	0	0	0
KE097	Replacement Bins (EPR) - Houshold and Public	0	260,000	260,000	0	0	0	0		0	0	0
KE542	Flat block waste management infrastructure	1,270	13,238	13,238	0	0	0	0		0	0	0
KE543	Shrub bed programme	855	152,016	152,016	0	50,000	50,000	0	50,000	50,000	0	0
KE603	Operational Vehicles	83,995	2,536,704	2,536,704	0	230,000	230,000	0	393,000	393,000	0	
KE606	Operational Plant	0	18,705	18,705	0	314,000	314,000	0	292,000	292,000	0	0
KE925	Repair closed church wall St Nicholas church	0	37,107	37,107	0	0	0	0		0	0	0
KE934	Receptacles for new rounds etc	0	160,000	160,000	0			0			0	
KE935	Westin Road ABS Pump	0	5,500	5,500	0			0			0	
KE942	Replace Water Bowers - TRK 16 and TRK25	0	15,000	15,000	0			0			0	
KE951	Domestic Recycling Collection Vehicles (x3)	134,000	111,096	111,096	0			0			0	
KE952	Flat block recycling (EPR & grant funded)	(833)	1,134,805	1,134,805	0	0	0	0		0	0	0
KE954	Improve the vehicle/pedestrian movements at Cavendi	0	20,000	20,000	0			0		0	0	0
KG002	Garages (GIP) 10 year plan (£250k/annum)	74,033	1,473,676	1,473,676	0	266,000	266,000	0	274,000	274,000	0	282,000
KG040	Garages asbestos roof capital works	0	0	0	0	620,000	620,000	0	639,000	639,000	0	2,034,000
KE609	Fuel pumps at Cavendish Road fuel station. manhole cc	30,964	47,000	47,000	0	0	0	0		0	0	0
KR182	EV Cavendish	0	300,000	300,000	0	0	0	0		0	0	0
KC240	Replacement Camera programme	4,046	76,902	76,902	0	40,000	40,000		30,000	30,000	0	0
KE604	CCTV Upgrade	0	53,322	53,322	0	0	0	0	0	0	0	0
	Total Environment & Leisure	**442,498**	**7,709,836**	**7,871,836**	**162,000**	**3,070,000**	**2,945,000**	**(125,000)**	**1,823,000**	**1,823,000**	**0**	**2,316,000**

GENERAL FUND CAPITAL STRATEGY

Cost Centre	Scheme	2026/27				2027/28			2028/29			2029/30
		Actual Costs £	Q4 Capital Strategy £	Q1 Capital Strategy £	Variance £	Q4 Capital Strategy £	Q1 Capital Strategy £	Variance £	Q4 Capital Strategy £	Q1 Capital Strategy £	Variance £	Q1 Capital Strategy £
	Land, Development & Neighbourhood Regeneration											
Various	**Housing Development Schemes (Joint GF/HRA)**	**399,424**	**16,388,116**	**12,825,279**	**(3,562,837)**	**2,750,000**	**6,461,538**	**3,711,538**	**2,750,000**	**2,750,000**	**0**	**0**
KG038	Marshgate Wholly Owned Housing Development Company (WOC)	0	2,450,250	700,000	(1,750,250)	0	1,750,250	1,750,250		0	0	0
	Total Land, Development & Neighbourhood Regener	**399,424**	**18,838,366**	**13,525,279**	**(5,313,087)**	**2,750,000**	**8,211,788**	**5,461,788**	**2,750,000**	**2,750,000**	**0**	**0**
	Estates											
KE527	Depots: Planned Preventative Works (reroof) -	0	13,015	13,015	0	0	0	0		0	0	0
KE529	Community Centres Urgent and H&S Works	0	0	0	0	0	0	0		0	0	0
KE536	Multi Storey Car Park - Installation of emergency	2,347	130,006	130,006	0	0	0	0		0	0	0
KE927	Thermal Image Cameras	0	0	0	0	0	0	0		0	0	0
KE928	Health and Safety Works – Cavendish Depot	55,560	651,046	651,046	0	0	0	0		0	0	0
KR150	Vacant Premises	0	0	0	0					0	0	0
KR151	Daneshill: Urgent and H&S Works	0	64,070	64,070	0	0	0	0		0	0	0
KR152	BTC 2019/20 Backlog H&S Works	0			0	0	0	0		0	0	0
KR153	BTC Urgent and H&S Works	0			0	0	0	0		0	0	0
KR154	BTC Planned Works (combined)	96,580	340,247	340,247	0	0	0	0		0	0	0
KR155	EPC Surveys	0	45,550	33,510	(12,040)	0	0	0		0	0	0
KR156	EPC remedials	0	209,710	209,710	0	0	0	0		0	0	0
KR179	Daneshill House boilers	0	53,443	53,443	0	0	0	0		0	0	0
KR180	Fry Road Nursery	0	80,000	80,000	0	0	0	0		0	0	0
KR181	All buildings across corporate estate	0	15,000	15,000	0	0	0	0		0	0	0
KR171	Burwell Road shops - Reroofing,	0	267,167	125,000	(142,167)	0	0	0		0	0	0
KR173	Commercial - shop units roof works	0	0	0	0	0	0	0		0	0	0
KR174	Commercial properties - General refurbishment	15,886	0	74,045	74,045	0	0	0		0	0	0
KE554	Bedwell N/hood Ctre Canopy Rep	0		58,122	58,122	1	1	0		0	0	0
KR176	King George V Pavilion - Works to existing Fascia board	0	0	0	0	0	0	0		0	0	0
KC153	Shephalbury Depot Nursery site	0	100,000	100,000	0							
KR183	Homestart, 4-5 Bedwell Park. Replacement flat roof.	0	55,000	65,000	10,000							
KR918	Stock Condition survey	0	150,000	162,040	12,040							
KR916	Commercial Properties Refurbishment (MRC	254,083	273,657	273,657	0	0	0	0		0	0	0
	Total Estates	**424,456**	**2,447,913**	**2,447,913**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**
	Technology											
	Total IT General	**3,351**	**114,167**	**114,167**	**(0)**	**78,960**	**78,960**	**0**	**78,960**	**78,960**	**0**	**0**
	Connected to Our Customer (CTOC)							0			0	
KS274	New CRM Technology	0	12,213	12,213	0	0	0	0	0	0	0	0
	Total Technology	**3,351**	**126,380**	**126,380**	**(0)**	**78,960**	**78,960**	**0**	**78,960**	**78,960**	**0**	**0**

GENERAL FUND CAPITAL STRATEGY

Cost Centre	Scheme	2026/27				2027/28			2028/29			2029/30
		Actual Costs £	Q4 Capital Strategy £	Q1 Capital Strategy £	Variance £	Q4 Capital Strategy £	Q1 Capital Strategy £	Variance £	Q4 Capital Strategy £	Q1 Capital Strategy £	Variance £	Q1 Capital Strategy £
	Regeneration											
KE506	Public Sector Hub	0	1,558,149	1,558,149	0	0	0	0	0	0	0	0
KE947	SG1 Joint Venture	7,540	0	0	0	0	0	0	0	0	0	0
KE541	Railway MSCP	(40,980)	0	0	0	0	0	0	0	0	0	0
KE566	Stevenage Sports & Leisure Club (not TF Funded element)	1,386,221	5,789,256	7,096,238	1,306,982	24,133,593	21,934,457	(2,199,136)	4,561,707	5,461,651	899,944	0
KE251	Parkplace - works ahead of Indoor Market relocation	14,343	40,046	40,046	0	0	0	0		0	0	0
Various	**Towns Fund**	**1,173,406**	**17,645,125**	**18,225,125**	**580,000**	**580,000**	**0**	**(580,000)**	**0**	**0**	**0**	**0**
	Total Regeneration	**2,732,640**	**25,032,576** 0	**26,919,558**	**1,886,982**	**24,713,593**	**21,934,457**	**(2,779,136)**	**4,561,707**	**5,461,651**	**899,944**	**0**
	Planning & Regulation		0				(2,199,136)					
KC244	Community Climate Change Fund	3,380	97,500	108,620	11,120	0	97,500	97,500	0	97,500	97,500	97,500
KC262	Phase 1 CIL (CIL, BNG)	0	225,000	225,000	0			0			0	
KC263	Pride in place	0	117,604	35,750	(81,854)		81,854	81,854				
KC916	Street Scene UKSPF	4,677	39,839	7,026	(32,813)	0	0	0	0	0	0	0
KC917	St Georges MSCP	0	0	0	0	0	0	0		0	0	0
KE558	MSCP resurface worn stairwell floor	0	0	0	0	0	0	0		0	0	0
KR172	MSCP fire door replacement	0	0	0	0	0	0	0		0	0	0
KE119	Phase 4 ENPR - Forum (Off Street Car Parks)	0	0	0	0	0	0	0		0	0	0
KE120	Park Place Remedials	0	49,666	49,666	0	0	0	0		0	0	0
KE201	Hard standings	697	26,500	26,500	0	20,000	20,000	0	20,000	20,000	0	0
KE217	Parking Restrictions	6,354	25,000	25,000	0	25,000	25,000	0	25,000	25,000	0	0
KE531	Workplace Travel Plan	12,810	0	0	0	0	0	0	0	0	0	0
KC918	MSCP Lift Reinstatement	2,880	79,500	79,500	0	0	0	0		0	0	0
KC919	Car Parks Resurfacing	0	87,724	87,724	0	0	0	0		0	0	0
KC920	Car Parks - Lighting Phased Replacement (2 years)	4,990	30,200	30,200	0	0	0	0		0	0	0
KC918	MSCP Painting (westgate and st george's)		40,000	40,000	0	0	0	0		0	0	0
KC918	MSCP Fire Alarm Upgrade (st george's)		25,000	25,000	0	0	0	0			0	0
KC922	Replacing parking machines	0	80,000	80,000	0	10,000	10,000	0			0	
KE468	Town Square Improvements	0	30,000	30,000	0							
KC923	Christmas Decorations Phased Replacement	33,127	80,000	80,000	0							
	Total Planning & Regulation	**68,915**	**1,033,533**	**929,986**	**(103,547)**	**55,000**	**234,354**	**179,354**	**45,000**	**142,500**	**97,500**	**97,500**
	Balance to review		0									
KR911	**Deferred Works Reserve**	0	**429,073**	429,073	**0**	**250,000**	**250,000**	**0**	**0**	**0**	**0**	**0**

APPENDIX B - HOUSING REVENUE ACCOUNT CAPITAL STRATEGY

		2026/27	2026/27	2026/27	2026/27	2027/2028	2028/2029	2029/2030	2030/2031
Cost Centre	Scheme	Actuals to date £	Q4 Capital Strategy £	Q1 Capital Strategy £	Variance £	Q1 Capital Strategy £	Q1 Capital Strategy £	Q1 Capital Strategy £	Q1 Capital Strategy £
	SUMMARY								
	Capital Programme Excl New Build (Housing Inv)	891,480	36,490,717	32,085,210	(4,405,507)	28,075,000	31,632,000	27,946,420	26,733,840
	New Build (Housing Development)	6,443,989	48,547,188	32,798,578	(15,748,610)	29,545,415	6,500,000	11,000,000	8,400,000
	Other Capital Schemes	142,248	455,130	445,129		1,190,148	1,287,400	922,084	784,000
	TOTAL HRA CAPITAL PROGRAMME	**7,477,717**	**85,493,035**	**65,328,917**	**(20,154,117)**	**58,810,563**	**39,419,400**	**39,868,504**	**35,917,840**
	HRA USE OF RESOURCES								
BH930	MRR (Self Financing Depreciation)	13,219,302	13,630,231	13,894,231	264,000	13,938,329	14,792,893	15,221,343	15,662,969
BH902	Other Capital Receipts	570,688	500,000	500,000		-	-	-	-
BH906	Section 20 Contribution (leaseholders income)	1,416,154	4,995,488	4,995,488		1,173,177	3,714,158	2,900,800	942,462
BH901	(RTB) new Build provision	6,927,118	9,366,523	16,290,650	6,924,127	1,710,019	1,534,695	1,596,706	1,660,656
BH903	RTB - Debt Provision Receipts	4,548,039	285,100	285,100		285,077	293,600	302,400	311,500
	Borrowing Prudential	2,781,198	36,183,211	14,855,630	(21,327,581)	27,859,148	19,083,827	19,847,255	17,339,870
	Direct Revenue Financing (was RCCO)		598,784	598,784		4,438,658	227	-	384
BH905	Grant	971,020	19,923,698	13,909,034	(6,014,664)	9,406,155	-	-	-
	TOTAL HRA RESOURCES FOR CAPITAL	**30,433,519**	**85,483,035**	**65,328,917**	**(20,154,118)**	**58,810,563**	**39,419,401**	**39,868,504**	**35,917,840**
				0		(0)	1	0	0
BH930	Major Repair Reserve Bought Forward								
	Depreciation (increasing MRR)	(13,219,302)	(13,630,231)	(13,894,231)		(13,938,329)	(14,792,893)	(15,221,343)	(15,662,969)
	MRR Used (decreasing MRR)	13,219,302	13,630,231	13,894,231		13,938,329	14,792,893	15,221,343	15,662,969
	Major Repair Reserve Carried Forward								
	Total RTB Receipts Bought Forward	(6,974,610)	(13,499,453)	(12,436,229)		(638,945)	(403,491)	(403,520)	(403,559)
BH901 &	Total RTB Receipts Received	(12,388,737)	(3,854,421)	(4,778,466)		(1,759,642)	(1,828,324)	(1,899,145)	(1,972,167)
BH903	Total RTB Receipts Used HRA	6,927,118	9,366,523	16,575,750		1,995,096	1,828,295	1,899,106	1,972,156
	Total RTB Receipts Carried Forward	**(12,436,229)**	**(7,987,351)**	**(638,945)**		**(403,491)**	**(403,520)**	**(403,559)**	**(403,570)**

APPENDIX B - HOUSING REVENUE ACCOUNT CAPITAL STRATEGY

		2026/27	2026/27	2026/27	2026/27	2027/2028	2028/2029	2029/2030	2030/2031
Cost Centre	Scheme	Actuals to date £	Q4 Capital Strategy £	Q1 Capital Strategy £	Variance £	Q1 Capital Strategy £	Q1 Capital Strategy £	Q1 Capital Strategy £	Q1 Capital Strategy £
	CAPITAL PROGRAMME EXCL. NEW BUILD								
	Planned Investment including Decent Homes								
Various	**Decent Homes - Internal/External Works**	**1,280,970**	**21,456,778**	**20,668,800**	**(787,978)**	**19,158,260**	**19,251,770**	**21,081,770**	**19,869,190**
KH141	Decent Homes Electrical	230,350	52,870	464,600	411,730	350,000	300,000	300,000	300,000
KH283	Housing Improvements		118,670		(118,670)				
KH298	Roofing		558,540	558,540		600,000	650,000	120,000	120,000
KH299	Insulation Measures	41,315	31,334	57,760	26,426	58,260	63,120	63,120	63,120
KH308	Decent Homes Internal/External Works Contractor 1	93,261	511,294		(511,294)				
New Code	Decent Homes - Extractor Fans			264,600	264,600	150,000	160,000	80,000	80,000
New Code	Decent Home External Works			423,300	423,300	600,000	860,000	2,500,000	2,500,000
KH310	Decent Homes Internal/External Works Voids		1,273,545	600,000	(673,545)	600,000	600,000	600,000	600,000
KH401	DH 1-Off Heating (Sureserve)	290,369	5,775,482	3,075,000	(2,700,482)	2,500,000	2,209,325	2,209,325	2,209,325
KH402	DH 1-off Heating (TSG)	218,389	974,672	3,075,000	2,100,328	2,500,000	2,209,325	2,209,325	2,209,325
KH403	DH Window/Door Replace (Etec)	58,898	7,150,000	3,575,000	(3,575,000)	3,600,000	3,600,000	4,000,000	4,000,000
KH404	DH Window/Door Replce (ChasB)	59,117	235,458	3,575,000	3,339,542	3,600,000	3,600,000	4,000,000	4,000,000
KH406	DH Kitchen & Bathroom (Pilon)	(45,632)	4,730,845	2,500,000	(2,230,845)	2,300,000	2,500,000	2,500,000	1,893,710
KH407	DH Kitchen&Bathrm (United Liv)	334,905	44,068	2,500,000	2,455,932	2,300,000	2,500,000	2,500,000	1,893,710
KH299	Insulation Measures								
Various	**Decent Homes - Flat Blocks**	**(849,727)**	**6,816,061**	**2,889,831**	**(3,926,230)**	**2,577,080**	**5,960,070**	**1,010,000**	**1,010,000**
KH311	MRC Flat Blocks - Wates	(321,459)	186,962		(186,962)				
KH312	MRC Flat Blocks - Mulalley	(642,999)	1,609,914	1,058,300	(551,614)	Spend reprofiled t			
KH300	MRC Miscellaneous BUILDINGS	5,636							
KH313	MRC Flat Blocks - Misc	4,348	699,202	670,700	(28,502)	421,490	324,490	910,000	910,000
KH205	Communal Heating		297,540	97,540	(200,000)	116,520	126,250	100,000	100,000
KH321	High Rises - Improvement Works	104,748	4,022,443	1,063,291	(2,959,152)	2,039,070	5,509,330		
KH332	New Schemes to be created								
	Health & Safety								

APPENDIX B - HOUSING REVENUE ACCOUNT CAPITAL STRATEGY

		2026/27	2026/27	2026/27	2026/27	2027/2028	2028/2029	2029/2030	2030/2031
Cost Centre	**Scheme**	**Actuals to date** £	**Q4 Capital Strategy** £	**Q1 Capital Strategy** £	**Variance** £	**Q1 Capital Strategy** £	**Q1 Capital Strategy** £	**Q1 Capital Strategy** £	**Q1 Capital Strategy** £
KH085	Fire Safety	(17,046)							
KH112	Asbestos Management	72,363	269,216	367,100	97,884	346,890	378,740	378,740	378,740
KH114	Subsidence	26,615	199,414	195,800	(3,614)	185,000	185,000	185,000	185,000
KH144	Contingent Major Repairs	70,140	625,509	688,850	63,341	582,590	631,240	631,240	631,240
KH327	Building safety	10,330	2,476,258	2,667,000	190,742	1,165,180	1,165,180	599,670	599,670
	Estate & Communal Area								
KH223	Asset Review - Challenging Assets	86,836	799,233		(799,233)				
Various	**Other HRA Schemes**	**210,999**	**3,848,250**	**4,607,829**	**759,579**	**4,060,000**	**4,060,000**	**4,060,000**	**4,060,000**
KH318	Stock condition Surveys	9,166	140,080	169,300	29,220	180,000	180,000	180,000	180,000
KH319	Decarbonisation (Equans)	11,832	2,448,073	3,136,829	688,756	2,650,000	2,650,000	2,650,000	2,650,000
KH094	Disabled Adaptations	190,001	1,233,194	1,270,000	36,806	1,200,000	1,200,000	1,200,000	1,200,000
KH016	Capital Equipment		26,903	31,700	4,797	30,000	30,000	30,000	30,000
	TOTAL CAPITAL PROGRAMME EXCL. NEW BUILD	**891,480**	**36,490,719**	**32,085,210**	**(4,405,509)**	**28,075,000**	**31,632,000**	**27,946,420**	**26,733,840**

APPENDIX B - HOUSING REVENUE ACCOUNT CAPITAL STRATEGY

		2026/27	2026/27	2026/27	2026/27	2027/2028	2028/2029	2029/2030	2030/2031
Cost Centre	Scheme	Actuals to date £	Q4 Capital Strategy £	Q1 Capital Strategy £	Variance £	Q1 Capital Strategy £	Q1 Capital Strategy £	Q1 Capital Strategy £	Q1 Capital Strategy £
	<u>CAPITAL PROGRAMME NEW BUILD</u>								
KH233	Open Market Acquisitions (Social Rent) grant funded	(5,802)							
KH244	Twin Foxes								
KH245	March Hare in Burwell Road (Ineligible 141)	208,596	1,203,168	1,203,168					
KH247	Kenilworth Close (105 units) (Ineligible 141)	(317,721)							
	Kenilworth Close 1 for 1 Expenditure (61.8%)								
KH303	Dunn Close (27 units, 21 main block SA)	(73,100)	128,674	128,674					
KH280	Symonds Green								
KH282	North Road								
KH333	Brent Court Social Rent (Ineligible 141)	(80,410)	26,445,838	9,000,000	(17,445,838)	21,735,607			
	Schemes Under Development	**6,712,425**	**20,769,505**	**22,466,736**	**1,697,231**	**7,809,808**	**8,400,000**	**8,400,000**	**8,400,000**
	TOTAL CAPITAL PROGRAMME NEW BUILD	**6,443,989**	**48,547,185**	**32,798,578**	**(15,748,607)**	**29,545,415**	**6,500,000**	**11,000,000**	**8,400,000**
	<u>OTHER CAPITAL SCHEMES</u>								
	<u>IT General (IT)</u>								
	Total General IT	**142,248**	**439,266**	**439,266**		**1,190,148**	**1,287,400**	**922,084**	**784,000**
	<u>Connected To Our Customers (CTOC)</u>								
KH288	New CRM Technology (Digital Platform)		5,863	5,863					
	Total CTOC		**5,863**	**5,863**					
	TOTAL OTHER CAPITAL SCHEMES	**142,248**	**445,129**	**445,129**		**1,190,148**	**1,287,400**	**922,084**	**784,000**

APPENDIX C: Prudential and Treasury Indicators for 2026-27 as of 30th June 2026

Treasury Indicators £000	HRA 2026/27 Budget	HRA 2026/27 Q1 Forecast	GF 2026/27 Budget	GF 2026/27 Q1 Forecast	Total 2026/27 Budget	Total 2026/27 Q1 Forecast
Authorised limit for external debt	323,634		78,747		402,381	
Operational boundary for external debt	312,634		71,747		384,382	
Gross external debt (excludes finance leases)	290,475	274,726	8,325	8,325	298,800	293,051
Investments					30,000	41,000
Net borrowing					268,800	252,051

Debt Maturity Structure (FY) £000	31.3.26 Actual	31.6.26 Actual
Within 1 Year	8,000	8,000
Over 1 not over 2 years	10,456	10,456
Over 2 not over 5 years	43,200	43,200
Over 5 not over 10 years	91,463	91,463
Over 10 not over 20 years	101,368	101,368
Over 20 not over 30 years	5,000	5,000
Total PWLB Debt	**259,487**	**259,487**
LEP Loan:		
Over 1 not over 4 years	**6,570**	**6,570**
Total LEP Loan	**6,570**	**6,570**
Total Debt	**266,057**	**266,057**

Prudential Indicators £000	2026/27 Budget per TMS	2026/27 Q1 Forecast
Capital expenditure	122,185	118,101
Capital Financing Requirement (CFR)	377,382	355,430
Annual change in CFR	23,571	12,320
In year borrowing requirement	45,110	21,599

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Project Location	Project Description	CIL Allocation
Various	6 secure cycle facilities	£40,000
Hampson Park	Playzone Project - Installation of Multi Use Games Area .	£72,500
St Nicholas Park	Playzone Project - Installation of Multi Use Games Area.	£72,500
Fairlands Valley Park	Cycleway improvements across the South Field between Valley Way and Wildwood Lane.	£100,000
Fairlands Valley Park	Revitalising the Fairlands Trim Trail	£50,000
Town Centre	Provision of trampoline and improvements to other play equipment in the Town Centre	£45,000
Peartree Park	Installation of youth shelter and benches around the skatepark – Peartree Park	£20,000
The Hyde	Path at Hyde Neighbourhood centre	£4,000
Donkey Park and Broadhall Way	2 Micro Woods	£30,000
Location to be confirmed following the conditions survey	Estate renewables project – to be confirmed following completion of the Estates conditions survey.	£116,000
Total		**£550,000**

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Part I – Release to Press

Meeting:	CABINET / AUDIT COMMITTEE / COUNCIL	Agenda Item:	
Portfolio Area:	Resources and Performance		
Date:	10 September 2026 / 16 September 2026 / 21 October 2026		

Annual Treasury Management Review 2025/26 and Prudential Indicators

NON-KEY DECISION

Author – Rhona Bellis
Contributor – Atif Iqbal
Lead Officer – Clare Fletcher
Contact Officer – Clare Fletcher/Atif Iqbal

1 PURPOSE

1.1 Note the annual Treasury Management Report for 2025/26.

1.2 Approve the actual 2025/26 prudential and treasury indicators in this report.

2 RECOMMENDATIONS

2.1 **Cabinet**

That, subject to any comments made by the Audit Committee to the Council, the 2025/26 Annual Treasury Management Review be recommended to Council for approval.

2.2 **Audit Committee**

That, subject to any comments by the Cabinet to the Council, the 2025/26 Annual Treasury Management Review be recommended to Council for approval.

2.3 **Council**

That, subject to any comments from the Audit Committee and the Cabinet, the 2025/26 Annual Treasury Management Review be approved.

3 BACKGROUND

3.1 Regulatory Requirement

3.1.1 The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2025/26. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

3.1.2 During 2025/26 the minimum reporting requirements were that the Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 26 February 2025)
- a mid-year treasury update report (Council 17 December 2025)
- an annual review following the end of the year describing the activity compared to the strategy (this report).

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

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

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

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

3.1.5 This report summarises:

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

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

3.1.7 Member training on treasury management issues was undertaken during the year on 22 January 2026 in order to support members' scrutiny role.

3.2 Executive Summary

3.2.1 During 2025/26, the Council complied with its legislative and regulatory requirements as outlined in paragraph 3.1.1 above. These requirements include:

a. 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 minimal risk appetite, providing adequate liquidity initially before considering investment return.

b. 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, the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

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

Table 1

Prudential and treasury indicators £000	31/03/2025 Actual	2025/26 Original Budget	31/03/2026 Actual
Capital expenditure			
GF	13,347	51,821	22,334
HRA	31,074	51,399	30,707
Total	**44,421**	**103,220**	**53,041**
Capital Financing Requirement			
GF	62,119	70,561	69,266
HRA	272,356	286,179	273,845
Total	**334,475**	**356,740**	**343,111**
Gross borrowing[1]	**254,057**	**306,686**	**266,057**
Investments			

[1] Excludes Finance Leases

Prudential and treasury indicators £000	31/03/2025 Actual	2025/26 Original Budget	31/03/2026 Actual
Under 1 year	46,132	30,000	51,865
Net borrowing	**227,057**	**276,686**	**214,192**

3.2.3 There was rephasing of planned capital expenditure from 2025/26 into future years resulting in an overall reduction in the use of borrowing to finance capital expenditure. Not all capital expenditure is funded from borrowing so the reduction in the capital financing requirement (the Councils need to borrow) does not match the reduction in capital expenditure. Details of the slippage are in the quarterly monitoring update reports to Cabinet – see background papers.

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

3.2.5 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the year the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2025/26.

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

4 THE COUNCIL'S CAPITAL EXPENDITURE AND FINANCING

4.1.1 Capital expenditure[2] can be financed either from capital resources the Council has on its balance sheet (e.g. capital receipts and capital grants) or by making a revenue contribution to capital. If sufficient capital resources are not available to fund the expenditure the Council would need to borrow to meet the funding gap. This borrowing may be taken externally in new loans or internally from cash balances held by the Council. The need to borrow is measured and reported through the Prudential Indicators.

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

[2] Council expenditure can be classified as capital when it is used to purchase assets with a life of more than one year, exceeds £10,000 in value and meets the guidelines laid out in CIPFA accounting practices.

Table 2

Capital Expenditure and Financing £000	2024/25 Actual	2025/26 Original Budget	2025/26 Actual
General Fund			
Capital Expenditure:	13,347	51,821	22,334
Financed excluding borrowing	(9,156)	(45,393)	(14,634)
Unfinanced capital expenditure (borrowing)	**4,191**	**6,428**	**7,700**
HRA			
Capital Expenditure:	31,074	51,399	30,707
Financed excluding borrowing	(31,074)	(37,576)	(27,926)
Unfinanced capital expenditure (borrowing)	**-**	**13,823**	**2,781**

4.2 THE COUNCIL'S OVERALL BORROWING NEED

4.2.1 The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR). It represents the amount of debt it needs to/has taken out to fund the capital programme (and includes both internal and external borrowing). The CFR is then reduced as debt repayments are made, and Minimum Revenue Provisions are made. A separate CFR is calculated for the General Fund and Housing Revenue Account and any transfers of assets (such as land or buildings) between the two accounts will impact on each fund's CFR. The CFR will go up on the fund "receiving" the assets and go down (by the same amount) on the fund "giving" the asset. There were no transfers of assets in 2025/26.

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

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

4.2.4 The total CFR can also be reduced by:

a. the application of additional capital financing resources, (such as unapplied capital receipts); or

b. charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

4.2.5 The Council's 2025/26 Minimum Revenue Provision Policy (MRP), as required by MHCLG Guidance, was approved as part of the Treasury Management Strategy Report for 2025/26 on 26 February 2025.

The MRP charged to the General Fund in 2025/26 was £815K of which:

- £144K is funded from investment property
- £41K is funded by the new multi storey car park (Railway North)
- £157K is funded by the Garage Improvements Programme
- £131K is a net cost to the General Fund
- £119K charged for improvements to leisure facilities
- £223K housing development (wholly owned company)

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

Table 3

CFR £000	31/03/2025 Actual	2025/26 Q3 Budget	31/03/2026 Actual
General Fund			
Opening balance	58,643	62,119	62,119
Add: unfinanced capital expenditure (as above)	4,191	8,390	7,700
Increase in finance lease obligations	1,121	-	-
Less:			
Unfinanced capital expenditure from prior years now financed	(11)	(44)	(44)
Repayment of external borrowing	(1,000)	500	500
MRP / VRP	(454)	(591)	(815)

CFR £000	31/03/2025 Actual	2025/26 Q3 Budget	31/03/2026 Actual
Finance lease repayments	(361)	(194)	(194)
Closing balance	**62,119**	**70,180**	**69,266**
Movement CFR 2024/25 to 2025/26			**7,147**
Closing balance excluding finance lease	**44,762**	**52,273**	**52,273**
CFR (£000): HRA			
Opening balance	272,384	272,356	272,356
Add: Unfinanced capital expenditure (as above)	-	6,459	2,781
Less:			
Repayment of external borrowing		(500)	(500)
Unfinanced capital expenditure from prior years now financed		(750)	(750)
Finance lease repayments	(28)	(42)	(42)
Closing balance	**272,356**	**277,523**	**273,845**
Movement CFR 2024/25 to 2025/26			**1,489**
Closing balance excluding finance lease[3]	**271,051**	**276,260**	**272,582**

4.2.7 The movement in the GF CFR between 31 March 2025 and 31 March 2026 is £7 Million, mainly made up of:

a. £7.5 Million relating to borrowing used to finance additional lending to Swingate LLP as part of the joint venture with Mace.
b. Reduction in overall borrowing as a result of the application of MRP £814K.

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

4.3 Limits to Borrowing Activity

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2024/25) plus the estimates of any additional capital financing requirement for the current (2025/26) and next two financial years. This essentially means that

[3] HRA leases 10 residential properties from Marshgate Ltd a wholly owned subsidiary of the Council.

the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2025/26. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

Table 4

Limits to Borrowing £000	**31/03/2025 Actual**	**2025/26 Budget**	**31/03/2026 Actual**
Gross borrowing position	254,057	287,516	266,057
Finance Leases	18,540	19,170	18,256
CFR	(334,475)	(356,740)	(343,111)
(Under) / over funding of CFR – Internal Borrowing	**(61,878)**	**(50,054)**	**(58,798)**

4.4 The **authorised limit** - the authorised limit is the "affordable borrowing limit" required by Section 3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2025/26 the Council has maintained gross borrowing within its authorised limit.

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

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

Table 5

Authorised limits	**Operational Boundary £'000**	**Authorised Limit £'000**	**Actual External Debt 31/03/2026 £'000**	**Financing costs % of net revenue stream**	
				GF	**HRA**
Borrowing	356,740	374,740	284,313		
Less Investments			(51,865)		
Total 2025/26	356,740	374,740	232,448	(2)%	12%

4.6.1 The ratio of financing costs to net revenue stream is equal to General Fund interest costs divided by the General Fund net revenue income from Council tax, Revenue Support Grant and retained business rates. For the HRA the net revenue stream is the income shown in the Council's accounts – rents, service charges and other income.

4.6.2 The ratio of financing costs to net revenue stream reflects the relatively high level of debt as a result of the HRA self-financing deal with the government in 2012 (HRA 2024/25 13%).

4.6.3 The General Fund comparative rates for 2024/25 are (9)%. The movement to (2%) reflects the increased cost of funding through MRP unfunded capital expenditure. Capital receipts expected to be received in 2026/27 and 2027/28 are expected to significantly reduce this funding requirement.

4.6.4 Fluctuations in average external debt during the year include additional PWLB borrowing of £12 Million and repayment of PWLB debt of £0.5 Million. The balance at the end of the year is materially lower than both the operational and authorised limits. The difference between average and maximum debt balances are minimal.

4.7 TREASURY MANAGEMENT ACTIVITIES

TREASURY POSITION AS AT 31 MARCH 2026

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

4.7.2 At the end of 2025/26 the Council's treasury position (excluding finance leases), was as follows:

Table 6

Treasury Position (Excludes Finance Leases)	31/03/2025 Principal £000	Rate / Return 2025/26 %	Average Life 2025/26 (Yrs.)	31/03/2026 Principal £000	Rate / Return 2025/26 %	Average Life 2025/26 (Yrs.)
PWLB Borrowing	247,987	3.60	11	259,487	3.28	10
Other Borrowing (LEP)	6,570	-	5	6,570	-	4
Total External Debt	**254,557**	**-**	**-**	**266,057**	**-**	**-**
Capital Financing Requirement	(315,813)	-	-	(317,240)	-	-
Over/(Under) borrowing	**(61,256)**	**-**	**-**	**(51,183)**	**-**	**-**
Total Treasury Investments	44,196	4.95	<1	51,865	4.35	<1
Net Debt	**(17,060)**			**682**		

The maturity structure of the external debt portfolio was as follows:

Table 7

Debt Maturity Structure £000	31.3.25 Actual	2025/26 Authorised Limit	31.3.26 Actual
Within 1 Year	500		8,000
Over 1 not over 2 years	8,000		10,456
Over 2 not over 5 years	30,656		43,200
Over 5 not over 10 years	84,400		91,463
Over 10 not over 20 years	106,431		101,368
Over 20 not over 30 years	18,000		5,000
Total PWLB Debt	**247,987**		**259,487**
LEP Loan:			
Over 1 not over 4 years	6,570		6,570
Total LEP Loan	**6,570**		**6,570**
Total Debt	**254,557**	**374,740**	**266,057**

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

The Councils Investment portfolio (Treasury and non-treasury investments) is as follows:

Table 8

Treasury investments (all managed in house)	31.3.25 Actual £000	31.3.25 Actual %	31.3.26 Actual £000	31.3.26 Actual %
Banks and Building Societies	17,000	38%	5,000	10%
Local authorities	10,000	23%	37,570	72%
Money Market Funds	17,196	39%	9,295	18%
Total treasury investments	**44,196**	**100%**	**51,865**	**100%**
Non-Treasury investments				
Subsidiaries (para 4.8.4)	14,077	97%	23,316	98%
Subsidiary Equity (Marshgate)	418	3%	418	2%
Municipal Bond	10	-	-	-
Total Non-Treasury Investments	**14,505**	**100%**	**23,734**	**100%**
Treasury investments	44,196	75%	51,865	67%
Non-Treasury investments	14,505	25%	23.734	33%
Total of all Investments	**58,701**	**100%**	**75,599**	**100%**

The increased balance of investments with Local authorities (LA's) in the year reflects higher PWLB rates encouraging Local Authorities to look elsewhere for short term funding. The rates offered by Local Authorities during the year have exceeded the rates offered by Bank and Building societies.

The maturity structure of the investment portfolio is as follows:

Table 9

Investment Maturity Structure £000	31.3.25 Actual	31.3.26 Actual
Within 1 Year	56,316	64,862
Longer than 1 year	2,385	10,737
Total Investments	**58,701**	**75,599**

4.7.4 The non-treasury loans to the subsidiaries are made up of:

a. Marshgate LTD (WOC), for the purchase and development of housing within the Borough in 2021/22 and 2022/23 £12,972K – repayable 2026/27

b. Swingate Developments LLP - £10,262K – repayable 2027/28

c. Hertfordshire Building Control Ltd - £82K – repayable over next 4 years

4.7.5 The equity investment in Marshgate Ltd reflects the equity element of member agreed funding that was formalised in 2024/25.

4.7.6 The increase in the treasury investment balances of £8 Million between 31 March 2025 and 31 March 2026 reflects lower than expected capital expenditure in 2025/26 and the replenishment of HRA internal borrowing by £12 Million additional borrowing from PWLB.

4.8 TREASURY MANAGEMENT STRATEGY 2025/26

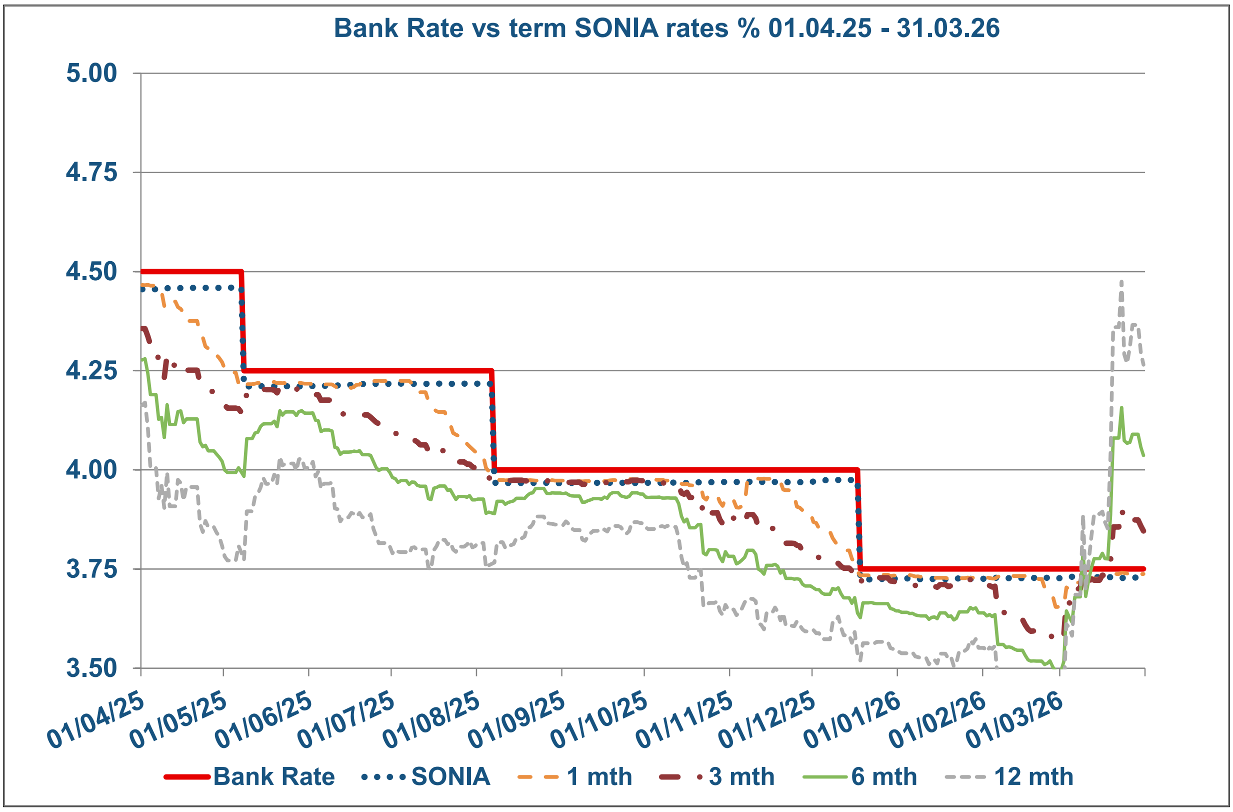
4.8.1 The Treasury Management Strategy was approved by Council on 26 February 2025.

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

4.9 Investment strategy and control of interest rate risk

4.9.1 Investment returns remained robust throughout the course of 2025/26 with the Bank Rate reducing steadily through the course of the financial year from 4.5% to 3.75% as at 31 March 2026. Concerns over the impact of the Middle East conflict on inflation led to further rate reductions anticipated in 2025, not materialising by the end of the year.

4.9.2 Investment Benchmarking Data – Sterling Overnight Index Averages (Term) 2025/26



4.10 **Borrowing strategy and control of interest rate risk**

4.10.1 During 2025/26, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as although near-term investment rates were equal to, and sometimes higher than, long-term borrowing costs, the latter are expected to fall back through 2026 and 2027 in the light of economic growth concerns and the eventual dampening of inflation. The Council has sought to minimise the taking on of long-term borrowing at elevated levels (>5%) and has focused on a policy of internal borrowing, supplemented by short-dated borrowing (<5 years) as appropriate.

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

4.10.3 The Council has taken some limited borrowing in 2025/26 (£12 Million) to ensure the Council's cashflow position is resilient and to ensure that if interest rates increase, large amounts of borrowing required are not all taken at higher rates.

4.10.4 At the start of April 2026, the market expected Bank Rate to increase over the coming months to 4% or 4.25%, from 3.75%. A significant fall in inflation will be required to underpin any material movement lower in the near future. The latest forecast updated on 25th March 2026 is below:

MUFG Corporate Markets Interest Rate View 25.03.26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.75	3.75	3.75	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	4.00	3.90	3.80	3.80	3.70	3.50	3.50	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	4.20	4.10	4.00	3.90	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.50
12 month ave earnings	4.60	4.50	4.40	4.20	4.20	4.00	4.00	3.80	3.80	3.80	3.80	3.80
5 yr PWLB	5.00	5.00	4.90	4.80	4.60	4.40	4.20	4.20	4.10	4.10	4.10	4.10
10 yr PWLB	5.50	5.50	5.40	5.30	5.10	4.90	4.70	4.70	4.60	4.60	4.60	4.60
25 yr PWLB	6.00	6.00	5.90	5.80	5.60	5.40	5.20	5.20	5.20	5.20	5.10	5.10
50 yr PWLB	5.80	5.80	5.70	5.50	5.40	5.20	5.00	5.00	5.00	5.00	4.90	4.90

4.10.5 The PWLB certainty rate is gilts plus 80bps. Gilt yields have been volatile through 2025/26. The low point for long-term rates of 25 and 50 years' duration was reached early in April 2025 whilst the low points for short and medium dated rates were reached in early 2026, prior to the outbreak of the Middle East conflict.

4.10.6 At the close of 31 March 2026, the 1-year PWLB Certainty rate was 5.04% whilst the 5, 10, 25 and 50 year rates were 5.28%, 5.72%, 6.29% and 6.08% respectively. For the Council, external borrowing in 2025/26 related to the HRA account where the certainty rate included an additional 0.4% discount.

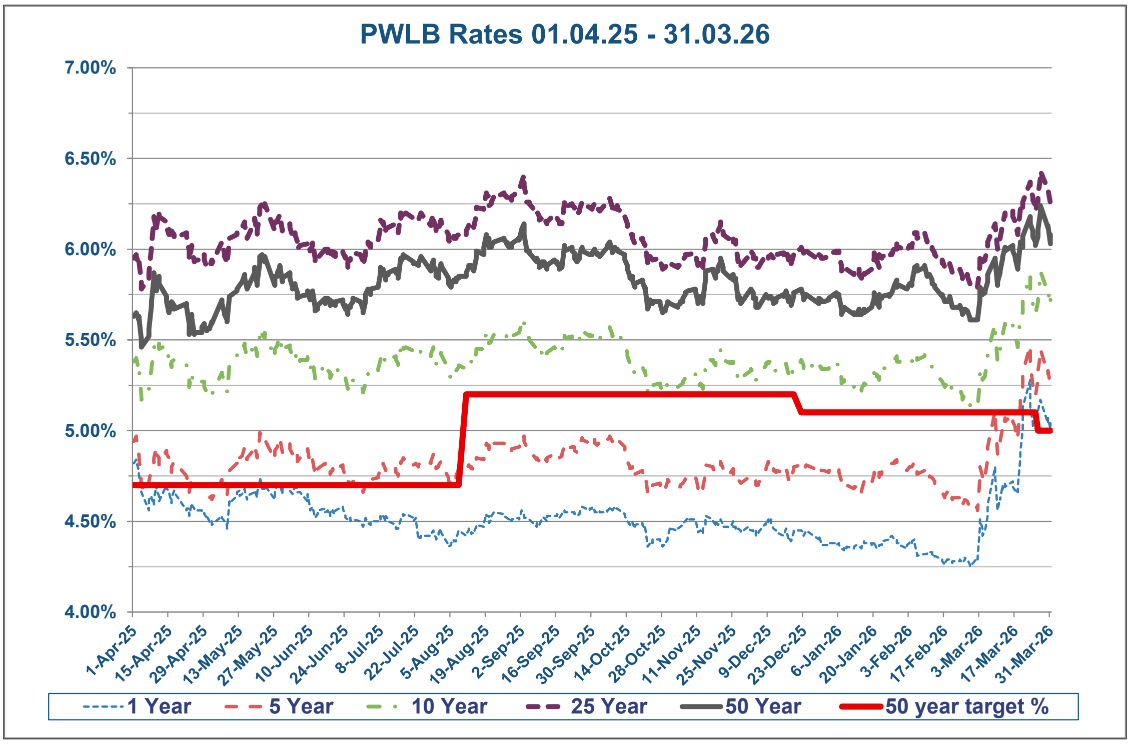
4.10.7 It is expected that rates will remain elevated into 2026/27 as Base rate is expected to remain at 3.75% for the year. Medium to long-dated borrowing rates are expected to remain "expensive".

4.10.8 As a general rule, short-dated gilt yields will reflect expected movements in Bank Rate, whilst medium to long-dated yields are driven primarily by the inflation outlook.

4.10.9 The Chart below shows the volatility of the PWLB borrowing rates from 1 April 2025 to 31 March 2026.

PWLB RATES 2025/26

Chart 1



4.11 BORROWING OUTTURN

4.11.1 One new loan was taken out in the year. This was to refinance HRA internal borrowing, details being:

£12 Million loan taken from 26 January 2026 to 24 January 2031 at an annual interest rate of 4.31%

4.11.2 Interest paid on PWLB borrowing during the year was £ 8.5 Million – Housing Revenue Account (HRA) and £40K - General Fund (GF). This was against an original budget of £8.5 Million.

4.12 INVESTMENT OUTTURN

4.12.1 Investment Policy – the Council's investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council on 26 February 2025. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).

4.12.2 The investment activity during the year conformed to the approved strategy, and the Authority had no liquidity difficulties.

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

4.13 **Treasury Investment performance year to date as of 31 March 2026**

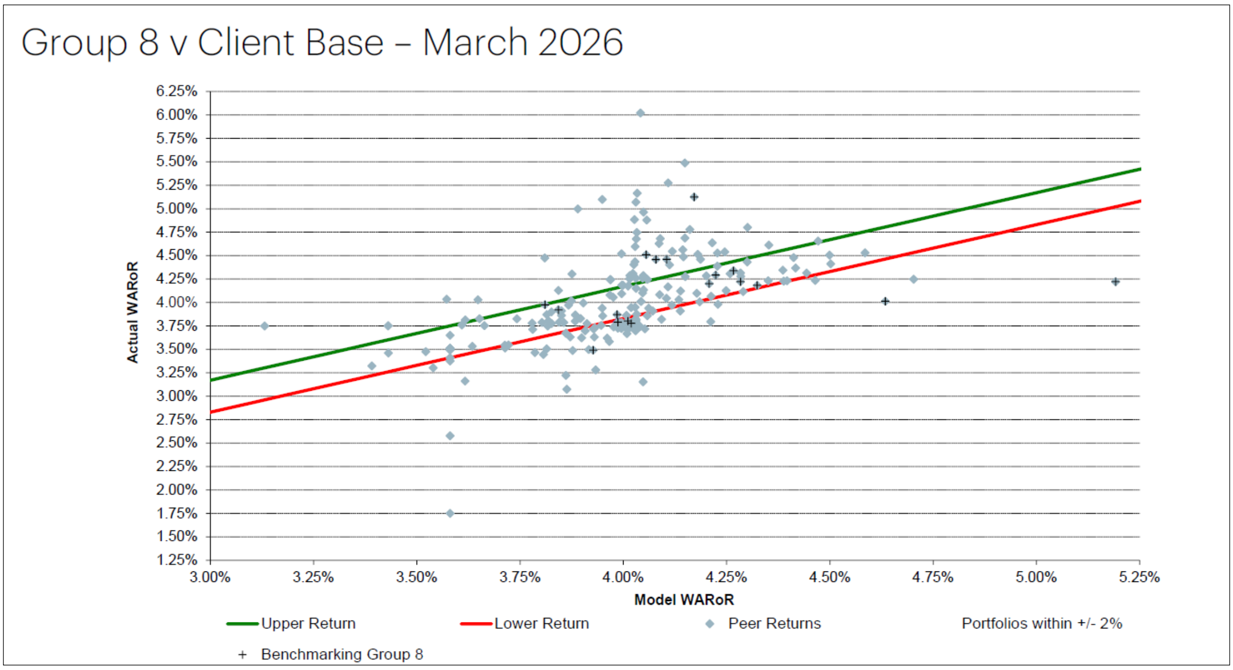
4.13.1 The Council's current treasury investment portfolio consists of "conventional" cash investments: deposits with banks and building societies, Money Market Funds and loans to other Local Authorities. No investments have been made with any of the other approved instruments within the Specified and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

4.13.2 Average level of funding available for investment purposes during the year was £60 Million, earning an average interest rate of 4.35%. Interest earned to 31 March 2026 was £2.6 Million on treasury investments (GF £1.1 Million, HRA £1.5 Million), against the working budget of £2.56 Million (GF £1.04 Million, HRA £1.52 Million).

4.13.3 The Council's treasury advisors (MUFG), provide regular benchmarking analysis of the performance of the Council's investments against a group of 20 other local authorities. The March 2026 report shows performance of the portfolio held at 31 March 2026 exceeding the upper return range against model returns. This performance is consistent across the year. The WARoR[4] for Stevenage was 4.46% against the model WARoR 3.93% to 4.28%.

[4] WARoR = Weighted average rate of return on investments

Chart 2

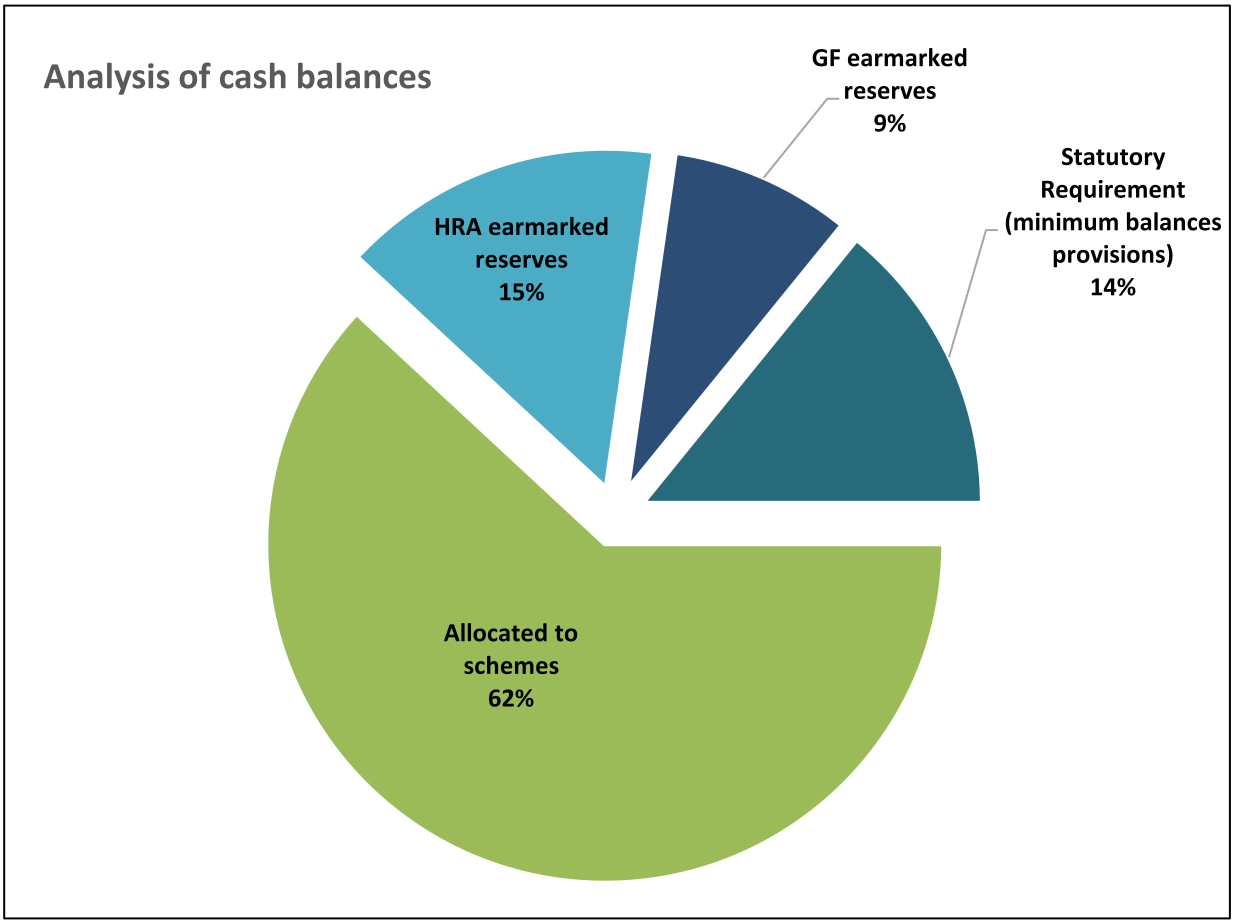


4.13.4 The Council's balances are made up of cash reserves e.g. HRA and General Fund balances, restricted use receipts e.g. right to buy one for one receipts and balances held for provisions such as business rate appeals.

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

4.13.6 The following chart shows the planned use of cash balances as at 31 March 2026.

Chart 3



4.13.7 The restrictive use of a proportion of the cash balances set out above, plus the planned use of resources in line with the Council's capital and revenue strategies mean that the investment balance of £52 Million as at 31 March 26 is not available to fund new expenditure.

5 IMPLICATIONS

5.1 Financial Implications

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

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

5.2 **Legal Implications**

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

5.2.2 There have been no changes to PWLB borrowing arrangements since the last Treasury report. Officers will ensure that any changes to the Prudential and Treasury Management codes from 2026/27 are reflected in treasury operations and reporting requirements**.**

5.3 **Risk Implications**

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

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

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

5.3.4 There is a risk to the HRA BP's ability to fund the approved 30-year spending plans if interest rates continue at the current high level, although currently it is anticipated that rates will reduce. This will be included in the HRA MTFS forecast in 2026/27.

5.4 **Equalities and Diversity Implications**

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

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

5.5 **Climate Change Implications**

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

BACKGROUND PAPERS

- BD1 Treasury Management Strategy including Prudential Code Indicators 2025/26 (Council 26 February 2025)
- BD2 2025/26 Mid-Year Treasury Management Review and Prudential Indicators (Council 17 December 2025)
- BD3 First Quarter Revenue and Capital Monitoring Report 2025/26 (Cabinet 17 September 2025)
- BD4 Second Quarter Revenue and Capital Monitoring Report 2025/26 (Cabinet 12 November 2025)
- BD5 Final Capital Strategy 2025/26-2029/30 (Council 11 February 2026)
- BD6 Third Quarter Revenue and Capital Monitoring Report 2025/26 (Cabinet 11 March 2026)
- BD7 Fourth Quarter Revenue and Capital Monitoring Report 2025/26 (Cabinet 15 July 2026)

APPENDICES

- Appendix A - Investment Portfolio

Investment Portfolio 31 March 2026 **Appendix A**

Type of Investment / Deposit	Counterparty	Issue Date	Maturity Date	£000	Rate %
Money Market Fund	Aberdeen GBP Liquidity Class L1			7700	3.8
Money Market Fund	CCLA PSDF Desposit Class4			500	3.7
Money Market Fund	Morgan Stanley GBP Liquidity Institutional ZNAG			500	3.7
Money Market Fund	JPM GBP Liquidity LVNAV			500	3.8
Fixed Term Deposit	Landesbank Hessen Thuringen Girozentrale-Frankfurt	14/08/2025	13/08/2026	2000	4.1
Fixed Term Deposit	Cambridgeshire County Council	30/10/2025	29/05/2026	5000	4.4
Fixed Term Deposit	Broxbourne Borough Council-Waltham Cross	16/12/2025	16/09/2026	4570	4.7
Fixed Term Deposit	Suffolk County Council	18/12/2025	18/06/2026	5000	4.5
Fixed Term Deposit	Basildon Borough council	05/01/2026	06/07/2026	5000	4.5
Fixed Term Deposit	Folkestone & Hythe District Council	03/02/2026	03/08/2026	3000	4.5
Fixed Term Deposit	Harlow Council	23/01/2026	22/05/2026	5000	4.7
Fixed Term Deposit	Harlow Council	12/03/2026	12/06/2026	5000	5.4
Fixed Term Deposit	Lancashire County Council	24/03/2026	23/03/2027	5000	4.5
Fixed Term Deposit	Landesbank	27/03/2026	25/03/2027	3000	4.6
Fixed Term Deposit	HSBC	31/03/2026	01/04/2026	95	3.6
	Total			51865	

Part I – Release to Press

Agenda item: ##

Meeting	Cabinet
Portfolio Area	All
Date	10 September 2026

CORPORATE PERFORMANCE QUARTER ONE 2026/27

KEY DECISION

Author	Charlotte Bott
Contributor	Strategic Leadership Team
Lead Officers	Tom Pike Richard Protheroe Daryl Jedowski
Contact Officer	Richard Protheroe

1 PURPOSE

1.1 To highlight the Council's performance across key priorities and projects for Quarter One 2026/27, following the approval of the new 2026/27 Corporate Performance Suite.

1.2 The report is supported by two appendices that collectively underpin the Council's performance framework:

Appendix A **Quarter One 2026/27 Performance Compendium**

- Summarises actual performance data at the start of the 2026/27 financial year. This includes performance against key indicators and delivery milestones.

Appendix B **Quarter One 2026/27 Ombudsman Determinations**

- Summarises the findings from the Housing Ombudsman and highlighting any upheld complains or learning points for the Council.

1.3 For Member's information, a presentation will be provided at the Cabinet meeting which will cover updates in relation to delivery against Making Stevenage Even Better Priorities and the key themes emerging from the Quarter One performance data.

2 RECOMMENDATIONS

2.1 That the service performance against 43 corporate performance measures and delivery of 67 key project milestones in Quarter One 2026/27 through the Making Stevenage Even Better Programme (Appendix A) be noted.

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

3 BACKGROUND

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

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

The plan also includes three cross-cutting themes:

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

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

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

Fig 1.

3.4 Each year, the Council agrees it's key outcomes and priorities for the town and the Council during the coming 12 months. These are framed within the Making Stevenage Even Better (MSEB) Corporate Plan, with delivery driven through service areas and the MSEB programme.

3.5 The Senior Leadership Team and Service Managers have been consulted to determine the appropriate content and to identify the key achievements.

3.6 The Corporate Performance Suite for 2026/27 contains 43 measures which are aligned with the five MSEB strategic priorities. The performance measures are complemented by other statutory and local measures which are managed internally, with performance overseen by the Strategic Leadership Team.

3.7 There are ten baseline measures within the Corporate Performance Suite, these reflect areas such as the increased regulation and focus on housing compliance; recent introduction of the new food waste collection; Everyone Active overall footfall; and customer service satisfaction. Baseline measures provide a starting point from which to assess and compare performance in the future. The remaining measures are relevant to the Council's focus on what matters to residents and progress made against the MSEB objectives.

4 REASONS FOR RECOMMENDED ACTIONS AND OTHER OPTIONS

4.1 QUARTER ONE CORPORATE PERFORMANCE

4.1.1 As outlined in section three, the Corporate Performance Suite has been aligned with the five MSEB priorities set out in Figure 1. Progress against performance measures is presented alongside key projects. By taking this mixed-method approach, the Council is able to present a holistic overview of its performance activity. This helps demonstrate to residents that the Council is on track to deliver key projects, programmes and service improvements associated with MSEB, as well as highlighting performance against key service delivery targets.

4.1.2 Key highlights from the MSEB programmes are summarised in section 4.2. For further information on the aims and objectives of the MSEB programme in 2026/27, please refer to MSEB Priorities & Projects 2026/27, which was presented to the Cabinet in July 2026.

4.1.3 The total number of measures by Red, Amber & Green (RAG) rating is shown in Figure 3 below. The full set of current corporate performance measures results and MSEB projects are attached at Appendix A.

<table>
<tr><th>MSEB Programme</th><th>Baseline measure for 2026-27</th><th>Meeting or exceeding target</th><th>Amber Status (Within a manageable tolerance)</th><th>Red Status (Urgent improvement action required)</th><th>Projects Reported Qtr. 1</th></tr>
<tr><td>More Social Affordable & Good Quality Homes (19 measures)</td><td>4</td><td>24</td><td>0</td><td>1</td><td>16</td></tr>
<tr><td>Transforming Our Town (3 measures)</td><td>0</td><td>3</td><td>0</td><td>0</td><td>17</td></tr>
<tr><td rowspan="2">Thriving Neighbourhoods (7 measures)</td><td>3</td><td>3*</td><td>0</td><td>1</td><td>12</td></tr>
<tr><td colspan="5">*The data for ‘NI191: Residual household waste per household (kgs)’ and ‘NI192: Percentage of household waste sent for reuse, recycling and composting’ comes from an external source and is only available a quarter in arrears, therefore they will be reported this way.</td></tr>
<tr><td>Tackling Climate Change (1 measure)</td><td>0</td><td>0</td><td>1</td><td>0</td><td>7</td></tr>
<tr><td>Balancing the Budget (10 measures)</td><td>1</td><td>6</td><td>3</td><td>0</td><td>5</td></tr>
<tr><td>Cross Cutting (1 measure)</td><td>0</td><td>1</td><td>0</td><td>0</td><td>7</td></tr>
<tr><td>Local Government Reorganisation (0 measures)</td><td>0</td><td>0</td><td>0</td><td>0</td><td>3</td></tr>
<tr><td>TOTAL (43)</td><td>10</td><td>37</td><td>4</td><td>2</td><td>67</td></tr>
</table>

Fig 3.

4.1.4 There were several strong areas of performance this quarter which are highlighted below:

- The number of homelessness preventions has remained steady at 31 this quarter, demonstrating continued delivery of positive prevention outcomes despite ongoing pressures and increasing case complexity.
- 99% of homes have been maintained as decent against the national minimum Decent Homes Standard.
- 100% of major planning applications were determined in thirteen weeks for the fifth continuous quarter.
- 99.11% of repairs & inspections completed first time, highlighting continued consistency from 99.47% in quarter four; 99.41% in quarter three and 94.82% in quarter two 2025/26.
- Satisfaction with the Customer Service Centre (CSC) remains high at 95.4%; this has been on an upward trend since the start of the 2025/26 financial year.

4.2 MSEB PERFORMANCE HIGHLIGHTS

4.2.1 Alongside performance, the Council also captures quarterly updates on the milestones associated with the strategic priorities set out in the MSEB Corporate Plan and subsequent service planning and priority setting activities.

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

4.2.3 All programmes have made progress on the projects agreed at Cabinet in July 2026, with Quarter One highlights including:

4.2.3.1 More Social, Affordable & Good Quality Homes	
Burwell Phase Two	The building is now at roof height and roof trusses are being installed across the site. The expectation is that the building will become wind and water tight within the next 3 months.
Garage Site Sales	Planning permission has been granted for seven units at the Broadview Garage site, and a programme for up to 40 homes is being developed. Contract documents are currently being drafted for a principal contractor for the site, with the aim to get approval in September 2026.
The Oval	Works are underway across the site, and the expectation is that Roland Court will reach the topping out stage in August 2026.
Key Enablers for Journey to C1	Feedback from the Regulator of Social Housing has been very positive, with recognition that good progress is being made across all areas of the Provider Improvement Plan. The regulator also acknowledged that embedding effective resident engagement is a longer-term endeavour and will take time to become fully established. The migration to the NEC Housing system remains on track for Quarter 3, with regular review meetings in place to monitor progress and manage delivery. Work on the Competency and Conduct programme is progressing well, with a framework now established and a service-wide training matrix currently being developed. In addition, the first cohort of staff for the CIH Level 5 qualification has been identified, and procurement of the training provision is underway.
Targeted Investment in Homes	The Council is nearing completion on all of the phase seven blocks under the Major Refurbishment Programme. Works to all of the remaining blocks are underway.

4.2.3.2 Transforming Our Town	
Adult Cohorts Pilot Project	The Council has worked with North Herts College to develop a Workforce Transition and Employability pilot, due to begin in the new academic year. The programme will support adults experiencing organisational change, including redundancy, to strengthen their employability, confidence and readiness for new opportunities. Two cohorts will be delivered through short, focused learning sessions, with individual coaching available where needed.
Pioneering Young STEM Futures Phase Two	Four Pioneering Young STEM Futures projects have been delivered during the quarter: Access to All, Primary Science Quality Mark, Science Academy Challenge and Zero Gravity Mentoring. Through practical STEM activities, careers experiences, mentoring and support for primary science teaching, the projects have reached more than 250 secondary students, 1,000 primary pupils and 45 teachers. The Youth Advisory Board has also been established with 12 members aged 13 to 18, who have begun gathering young people's views at community events ahead of their first formal meeting in August 2026.

Forster Country Park	The handover of Phase One of the Country Park has been delayed until a number of outstanding issues are resolved. Officers remain in discussions with the developer to ensure the site meets the required standards before transfer to the Council.
Sports and Leisure Centre	The new Sports & Leisure Centre development continues to progress at pace. Works associated with the new entrance and exit on Fairlands Way have now been completed, representing an important milestone in preparing the site for the main phase of construction. The new pedestrian crossing on St George's Way, delivered as part of the Towns Fund Cycling and Pedestrian Connectivity programme in partnership with Hertfordshire County Council, is now complete and operational. The crossing provides a safer and more direct route for pedestrians, creating an accessible link between the town centre, the existing Swimming Centre and the future Sports & Leisure Centre. Enabling works have continued across the site, with the construction compound fully established and preparatory activities progressing in line with the programme. These works are helping to ensure the site is ready for the commencement of major construction activity. Following a period of detailed negotiations, the main construction contract has now been signed. This represents a significant milestone for the project and provides a firm foundation for the delivery of a modern, high-quality Sports & Leisure Centre that will serve residents and communities for many years to come
Station Gateway	Under the Development Agreement, Muse and ECF have appointed their external consultant team during the quarter and have commenced early-stage design work for the first phase of the wider masterplan. This marks an important step forward in translating the vision for the area into deliverable proposals and establishing the foundations for future investment and development. In addition, the ECF Board has approved funding to develop a Strategic Outline Business Case.

4.2.3.3 Thriving Neighbourhoods	
Pride in Place	Neighbourhood research, baseline analysis and asset mapping are underway to support the St Nicholas Pride in Place programme. In July, Cabinet approved the programme approach and timetable. An independent Chair has now been appointed, with the Neighbourhood Board and programme geography due to be confirmed by the end of August. Preparations are also underway for a representative resident survey and wider community engagement to inform the resident-led Pride in Place Plan, due for submission to Government in February 2027.
Renters' Rights Act	Supporting Policies were approved by Cabinet in June 2026 and Council in July 2026 and are now being implemented. Staff have all received training on the new Act, although more is planned in Q3. An Environmental Health Officer joined in May 2026 to assist with the implementation of the Act, and plans are in place to bring in additional resource in late 2026/early 2027 when the landlord database is introduced.
County Lines	The Council has recently partnered with Evolve Productions to support the creation of *Blurred Lines*, a powerful short film exploring the hidden reality of county lines and child criminal exploitation in the UK.
Ridlins 2027/28 Preparations	The feasibility study has been completed and is informing the specification for the planned works. Soft market testing has identified nine interested accredited contractors, with procurement expected to begin in autumn 2026. Works are currently planned to start in early 2027 and complete by mid-summer, subject to weather conditions. Local athletics clubs have been informed of the temporary

	closure required during construction and are making alternative arrangements for this period.
Stevenage 80th Celebrations	The Stevenage 80 programme remains on track following its launch at Stevenage Day on 14 June 2026. The year-long programme marks 80 years since Stevenage was designated the UK's first New Town, bringing together civic events, community-led activities and new initiatives to celebrate the town's heritage and communities. A wide range of events and activities will provide opportunities for residents, businesses, schools and local organisations to get involved, culminating in the Mayor's Stevenage Birthday Show on 11 November 2026.

4.2.3.4 Tackling Climate Change	
Reviewing Fleet Options	An electrification strategy is currently being developed to inform future fleet replacement and investment decisions, supporting the Council's wider sustainability and carbon reduction objectives. Alongside this work, opportunities to secure external funding from the UK Government are being actively explored to support the delivery of electric vehicle infrastructure and minimise the financial impact on the Council.
Simpler Recycling (including Flat Block Recycling)	Structural works to flat blocks to provide enhanced recycling facilities have now been completed. Improvements to recycling provision at flats above commercial units are continuing, with a tender for purpose-built bin stores due to be launched next month. The Council will also undertake a review of all flat blocks to ensure signage is clear and bin allocations remain appropriate, helping to improve recycling participation and service efficiency.

4.2.3.5 Balancing the Budget	
Business Change & Digital – Financial Returns	Alongside ongoing benefits tracking, work continues to identify and implement service improvements that modernise processes while delivering financial savings. Following successful changes to the Garages service, early scoping is underway to digitise Housing Management letters and reduce postage costs. Preparatory work has also commenced to clear the Archive Store, supporting more efficient use of council assets and resources.
General Fund 2026/27	All proposals approved through the 2026/27 budget-setting process have been incorporated into service budgets, with delivery of savings monitored through quarterly budget reporting. Work is progressing on the development of a balanced General Fund budget for 2027/28, including the development of savings proposals, reviews of Fees and Charges and a comprehensive assessment of key budget assumptions, including inflation, emerging pressures and other financial planning factors. This work will inform the Council's 2027/28 budget proposals as they are developed through the remainder of the financial year.
HRA Savings 2026/27	The approved 2026/27 Housing Revenue Account (HRA) savings programme is being delivered, with budget monitoring in place to track achievement of planned savings and financial performance. Work is also underway to develop a balanced HRA budget for 2027/28 and the medium term, with a comprehensive savings plan being prepared to identify and deliver the substantial level of savings required. This includes reviewing expenditure, efficiencies, service delivery models and key financial assumptions to ensure the long-term sustainability of the HRA and support a balanced financial position over the medium-term planning period.

4.3 PERFORMANCE MEASURES – AREAS FOR IMPROVEMENT

4.3.1 As aforementioned, there are two measures that are red this quarter. The table below outlines the actual performance and the target that was set for the performance measures. The paragraphs that follow set out areas for improvement in Quarter One.

MEASURE NAME	BUSINESS UNIT	Actual - Quarter 1 2024/25 YTD	Actual - Quarter 2 2025/26 YTD	Actual - Quarter 3 2025/26 YTD	Actual – Quarter 4 2025/26 YTD	Actual - Quarter 1 2026/27 YTD	Target - Quarter 1 2026/27 YTD	Target - Quarter 2 2026/27 YTD
More Social, Affordable and Good Quality Homes								
% of standard damp & mould investigations completed within 10 working days of tenant report (AWAABs)	Building Safety and Housing Property Services			92.42%	86.00%	76.00%	100.00%	100.00%
Thriving Neighbourhoods								
% of Graffiti Clearances completed	Environment & Leisure	100.00%	66.00%	100.00%	74.00%	53.00%	80.00%	80.00%

Fig.4

Awaab's Law

4.3.2 In quarter one, the percentage of standard damp & mould investigations completed within 10 working days of tenant report was highlighted as a key area for improvement.

4.3.3 A total of 112 of 147 reported cases were met, equating to 76%. This means that 76% of investigations were completed inside of the 10 working day period. However, it should be noted that on several occasions some appointments were arranged outside of the 10 day target with mutual arrangement from the tenant that the investigation is resolved according to their availability and not objective level of urgency. Some cases did also require extended efforts to secure access and ensure appointments were kept as scheduled, even once agreed.

Graffiti Clearance

4.3.4 Eight of the 15 reported graffiti incidents were cleared during Quarter 1.

4.3.5 Performance has continued to be impacted by vacancies and seasonal leave, with agency staff being used where necessary to maintain service delivery. Quarter 1 figures currently include only jobs submitted through the Report It system; however, technical issues affecting internal job recording have now been resolved. As a result, Quarter 2 data will provide a more complete picture of graffiti removal activity and is expected to show higher levels of completed work.

4.4 OMBUDSMAN COMPLAINT HANDLING

4.4.1 As set out within the Council's Complaints Policy, residents are able to contact either the Housing Ombudsman Service, mainly for issues which relate to the Council as a landlord; or the Local Government and Social Care Ombudsman (LGSCO), for other service areas.

4.4.2 Both Ombudsmen services will independently consider cases where they have been approached by residents and will then come to a determination concerning the matters which have been raised.

4.4.3 In line with the Housing Ombudsman's Complaint Handling Code, the Council is required to report the outcomes of Ombudsman cases to the Cabinet.

4.4.4 Appendix B provides details of the two Ombudsman determinations received during Quarter 1, comprising one case from the Housing Ombudsman Service and one from the Local Government and Social Care Ombudsman. In both cases, all required actions and recommendations have been completed

4.5 VOIDS IMPROVEMENTS PLAN

4.5.1 In quarter one, 15 General Needs Standard void properties were relet against the new 45-day target, achieving an average turnaround of 38 days. Of these, eight were completed by the in-house team in an average of 11.5 days, exceeding the 12-day contractor-stage target, with the remaining seven completed by interim contractors.

4.5.2 Although the 2026/2027 quarter one volumes for the General Needs Standard void properties are lower than the 43 voids relet in quarter one 2025/26, progress has been made against the Void Improvement Plan with weekly cross-service meetings continuing to proactively address potential delays and ensure improvements are sustained.

4.5.3 Asbestos turnaround times have also reduced, while surveying properties during notice periods and securing early key returns has enabled void works to commence from day one of termination.

4.5.4 The In-House Voids Pilot has now reached the four-month stage of its six-month pilot period. A formal review will be undertaken to assess the pilot's overall performance and inform recommendations on the future operating model closer to the end of the pilot. Performance to date has been encouraging, with both void turnaround times and quality of completed works demonstrating positive outcomes. The remaining focus of the pilot is to determine whether these operational benefits can be delivered on a sustainable and cost-effective basis when compared with external contractors. The final evaluation will consider both service performance and value for money to support an evidence-based decision on the future delivery model.

4.6 TENANT SATISFACTION MEASURES

4.6.1 Tenant Satisfaction Measures (TSMs) were introduced in 2023/24 as a regulatory requirement for all Registered Social Landlords in England.

4.6.2 The Council completed the first phase of Tenant Satisfaction Measure (TSM) surveys for 2026/27, with 250 responses collected via telephone interviews. While the results represent an early-year position and are not yet fully representative of the wider tenant population, they provide a useful indicator of current resident perceptions and emerging trends.

4.6.3 Encouragingly, the positive trajectory seen over recent reporting periods has been maintained. Overall tenant satisfaction has increased to 70.0%, up from 68.1% in 2025/26. This improvement is supported by stronger performance across several key measures, including satisfaction with the repairs service, the condition of tenants' homes and perceptions of the local neighbourhood.

4.6.4 A small number of measures showed a decline compared with the previous year, including satisfaction with communal area maintenance, complaint handling and perceptions of home safety. Although these changes are relatively modest and some degree of fluctuation is expected across survey periods, performance will continue to be monitored closely throughout the year, with reviews and service improvements already underway in a number of these areas.

4.6.5 Benchmarking against peer organisations indicates that performance remains broadly in line with the sector median. Analysis of the results highlights several areas where there is opportunity to strengthen performance further, particularly around complaint handling, demonstrating that tenant feedback is listened to and acted upon, and improving communication with residents. These themes are closely linked to tenant trust and confidence and will continue to be prioritised through ongoing service improvement activity.

4.6.6 As additional survey responses are gathered throughout the year, performance will continue to be monitored to identify emerging trends, validate these early findings and ensure improvement actions remain targeted on the issues that matter most to tenants.

4.6.7 There are two types of TSMs, the first are satisfaction measures that are described above and listed in detail below, then the second are management measures that are monitored as part of the Council's quarterly performance suite.

Ref	Question	Q1 2026/27	Previous Year - 2025/26	Difference (+/-)
TP01	Overall satisfaction	70.0%	68.1%	**+1.9%**
TP02	Repairs service overall	73.8%	72.4%	**+1.4%**
TP03	Speed of repairs	68.4%	67.2%	**+1.2%**
TP04	Home is well-maintained	74.4%	68.1%	**+6.3%**
TP05	Home is safe	77.7%	78.2%	**-0.5%**
TP06	Listens to views and acts	57.8%	57.7%	**+0.1%**
TP07	Keeps tenants informed	68.1%	66.6%	**+1.5%**
TP08	Treats tenants fairly and with respect	77.1%	76.9%	**+0.2%**
TP09	Complaint handling	33.3%	34.5%	**-1.2%**
TP10	Communal areas are clean and well-maintained	64.1%	66.2%	**-2.1%**

Ref	Question	Q1 2026/27	Previous Year - 2025/26	Difference (+/-)
TP11	Contribution to neighbourhood	70.8%	67.6%	**+3.2%**
TP12	ASB handling	61.9%	61.8%	**+0.1%**

Fig. 5

4.7 STRATEGIC RISK

4.7.1 The strategic risks were considered by Corporate Risk Group on 12 August 2026 and are due to be considered by the Audit Committee at its meeting on 16 September 2026.

4.7.2 The Audit Committee receives a detailed Strategic Risk Report each quarter. The report to the Audit Committee considers the actions which have been identified to mitigate each of the identified risks and the progress of those actions. Changes to the way risk is managed at the Council are also highlighted and considered by the Audit Committee. Where the Committee raises specific concerns about the risks or the process for managing them, these are highlighted to the Cabinet within this quarterly report.

4.8 HIGHLIGHTED RISKS

4.8.1 A number of changes to the Strategic Risk Register are proposed this quarter as part of a move towards a more thematic and consolidated register. These include merging the three existing housing property risks into a single Building Safety and Housing Property risk; merging the Information Governance and Cyber Security risks; and removing the Commercialisation and Business and Commercial Development risks following de-escalation.

4.8.2 The Digital Switchover risk score is proposed to reduce from 15 to 10, reflecting good progress and the absence of concerns raised by IT. The risk will remain rated High due to its potential impact.

4.8.3 The lithium-ion battery fire risk is also proposed to move from the Strategic Risk Register to operational risk registers from next quarter, with ongoing consideration through the Health and Safety risk process.

5 IMPLICATIONS

5.1 FINANCIAL IMPLICATIONS

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

5.2 LEGAL IMPLICATIONS

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

5.3 EQUALITIES AND DIVERSITY IMPLICATIONS

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

5.4 RISK IMPLICATIONS

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

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

5.5 CLIMATE CHANGE IMPLICATIONS

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

5.6 OTHER CORPORATE IMPLICATIONS

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

6 BACKGROUND DOCUMENTS

- MSEB Plan on a Page 2024/25
- Local Outcomes Framework

7 APPENDICES

- Appendix A: Quarter One 2026-27 Performance Compendium
- Appendix B: Quarter One 2026-27 Housing Ombudsman Determinations

Corporate Performance Report 2026/27

Quarter 1 (April, May, June)

Key to Performance Status Symbols

Red - Focus of Improvement

Amber - Initial Improvement Activity Identified

Green - Achieving Target

Pink - Baseline Measure

Key to Milestone Status Symbols

- Severe delays
- Some delays
- On track
- Completed

MORE SOCIAL, AFFORDABLE & GOOD QUALITY HOMES 2026/27 PERFORMANCE								
	Actual - Quarter 1 2025/26 YTD	Actual - Quarter 2 2025/26 YTD	Actual - Quarter 3 2025/26 YTD	Actual - Quarter 4 2025/26 YTD	Actual - Quarter 1 2026/27 YTD	Target - Quarter 1 2026/27 YTD	Target - Quarter 2 2026/27 (YTD)	Comments
% of standard damp & mould investigations completed within 10 working days of tenant report (AWAABs)			92.42%	86.00%	76.00%	100.00%	100.00%	30/06/2026 147 CASES TOTAL / 112 MET = 76% This means that 76% of investigations were completed inside of the 10 working day period. However, it should be noted that on several occasions some appointments were arranged outside of the 10 day target with mutual arrangement from the tenant that the investigation is resolved according to their availability and not objective level of urgency. Some cases did also require extended efforts to secure access and ensure appointments were kept as scheduled, even once agreed.
Average re-let time (calendar days) -GN Standard	54.00	84.00	63.00	57.00	38.00	40.00	40.00	30/06/2026 In quarter one, 15 General Needs Standard void properties were relet against the new 45-day target, achieving an average turnaround of 38 days. Of these, eight were completed by the in-house team in an average of 11.5 days, exceeding the 12-day contractor-stage target, with the remaining seven completed by the interim contractors. Although the 2026/2027 quarter one volumes for the General Needs Standard void properties are lower than the 43 voids relet in quarter one 2025/26, progress has been made against the Void Improvement Plan with weekly cross-service meetings continuing to proactively address potential delays and ensure improvements are sustained. Asbestos turnaround times have also reduced, while surveying properties during notice periods and securing early key returns has enabled void works to commence from day one of termination.

	Actual - Quarter 1 2025/26 YTD	Actual - Quarter 2 2025/26 YTD	Actual - Quarter 3 2025/26 YTD	Actual - Quarter 4 2025/26 YTD	Actual - Quarter 1 2026/27 YTD	Target - Quarter 1 2026/27 YTD	Target - Quarter 2 2026/27 (YTD)	Comments
Homelessness Preventions	47.00	101.00	155.00	186.00	31.00	30.00	60.00	30/06/2026 The number of homelessness preventions has remained steady at 31 this quarter, demonstrating continued delivery of positive prevention outcomes despite ongoing pressures and increasing case complexity. The service remains focused on engaging with households at an earlier stage to maximise available prevention options and reduce the need for crisis interventions. Work is underway to better understand and record the reasons households may not approach the service sooner, with the aim of identifying barriers to early engagement and informing future service improvements. Improved understanding of customer behaviour will support the development of targeted interventions and help strengthen prevention activity moving forward.
New emergency hazards reported per 1,000 properties					0.13			30/06/2026 This is a new KPI introduced in line with Housemark benchmarking. It is directly related to KPI 3 (147 cases) and KPI 4 (1 case), measured as a proportion of the Council's housing stock. There was one emergency case during Quarter 1 that required action within Awaab's Law timescales. Although the issue met the criteria for a Category 1 hazard, access to the property could not be secured until five days later at the tenant's request. As a result, the repair could not be completed within the 24-hour target timescale and the KPI was not achieved
New significant damp and mould hazards reported per 1,000 properties					18.69			
Number of affordable homes delivered (gross) by the Council (since 2014)	501.00	529.00	531.00	533.00	548.00	531.00	532.00	
Percentage of homes maintained as decent against national minimum DH standard	96.42%	97.74%	98.82%	98.86%	99.00%	98.50%	98.50%	
Percentage repairs & inspections completed first time	84.86%	94.82%	99.41%	99.47%	99.11%	90.00%	90.00%	
RSH BS01: Percentage of dwellings with a valid gas certificate	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
RSH BS02: Percentage of dwellings with a valid Fire Risk Assessment	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
RSH BS03: Percentage of properties that require an annual asbestos inspection / survey	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
RSH BS04: Percentage of sites with valid legionella inspections certificate	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
RSH BS05: Percentage of domestic passenger lifts with an in date LOLER inspection	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
RSH CH01 (part 2): Number of stage two complaints made by tenants	34	69	95	106	18			
RSH CH01 (part1): Number of stage one complaints made by tenants	134	290	450	605	107			

	Actual - Quarter 1 2025/26 YTD	Actual - Quarter 2 2025/26 YTD	Actual - Quarter 3 2025/26 YTD	Actual - Quarter 4 2025/26 YTD	Actual - Quarter 1 2026/27 YTD	Target - Quarter 1 2026/27 YTD	Target - Quarter 2 2026/27 (YTD)	Comments
RSH CH02 (part1): % of stage 1 complaints made by tenants and responded to within CH Timescale	125%	142%	134%	133%	100%	100%	100%	30/06/2026 Please note this measure has changed from numerical to percentage for the 2026/27 year. 102 stage 1 complaints were closed during the quarter - all within target time This is complaints from tenants but also leaseholders and other residents where their complaint relates to Housing services
RSH CH02 (part2): % of stage 2 complaints made by tenants and responded to within CH Timescale	28%	23%	17%	6%	100%	100%	100%	30/06/2026 Please note that this measure has changed from a numerical count to a percentage-based indicator for 2026/27, in line with revised performance reporting arrangements. During Quarter 1, eight Stage 2 complaints were responded to, with all responses issued within the target timescale. The measure includes complaints relating to Housing Services from tenants, leaseholders and other residents.
RSH Rep1: Proportion of emergency responsive repairs completed within target timescale	98.30%	99.10%	98.50%	99.20%	99.00%	100.00%	100.00%	30/06/2026 Emergency service delivery remains robust and is meeting customer expectations for critical repairs.
RSH Rep2: Proportion of non-emergency responsive repairs completed within target timescale	95.60%	94.60%	94.55%	96.90%	93.10%	95.00%	95.00%	30/06/2026 Routine Repairs bring down the overall percentage but the combined figures show a clear month-on-month improvement: Targeted management of fencing, glazing and roofing workstreams will be targeted to deliver the greatest improvement in routine completion performance during Quarter Two

MORE SOCIAL, AFFORDABLE & GOOD QUALITY HOMES 2026/27 MILESTONES

		Milestones	Performance	Comments
Building New & Sustainable Homes	Bragbury End	• Conclude the marketing process for the site. • Finalise the sale of the land, enabling development proposals to progress.		30 Jun 2026 The marketing exercise concluded and Cabinet approved the disposal of the land to the preferred bidder. Contract work is underway with the ambition to conclude in September 2026.
	Brent Court - Independent Living	• Begin main construction works on site. • Reach the topping out stage, with the building's main structure completed to its full height.		30 Jun 2026 The Gateway Two process is still ongoing limiting progress on site. Demolition is underway, however there is likely to be a period when works on site will pause before construction works begin following a Gateway Two approval.
	Burwell Phase Two	• Reach the wind and watertight stage, with the homes enclosed so internal works can progress.		30 Jun 2026 The building is at roof height and roof trusses are being installed across the site. The expectation is that the building will become wind and water tight within the next three months.
	Cartref	• Begin main construction works on site. • Reach the topping out stage for the affordable homes block, with its main structure completed to its full height.		30 Jun 2026 Ground clearance works have begun on site and Keepmoat have begun works for their site setup also.
	Courtlands	• Commence and complete sales of the homes at Courtlands to generate a capital receipt and enable Marshgate Ltd to repay its loan to the Council. * * The delivery programme has been affected by delays to power connectivity. Regular reports will be brought to Cabinet on Marshgate Ltd's performance and sales progress.		30 Jun 2026 UKPN works on site were delayed further as a result of faulty equipment which was required for the diversion. This has now been remedied and a new date is anticipated shortly. Work continues on site to progress the homes unimpacted by the cable diversion, and the show home is open and facilitating visits.

	Milestones	Performance	Comments
Ellis Avenue	• Reach the topping out stage, with the building's main structure completed to its full height. • Reach the wind and watertight stage, with the homes enclosed so internal works can progress.		30 Jun 2026 Concrete pours for the entirety of the foundations have taken place, and the brick and blockwork for the site is underway.
Garage Sites Sales	* Planning Permission for first sites * Funding Application * Generate Initial Receipt		30 Jun 2026 Planning permission has been granted for seven units a the Broadview Garage site, and a programme for up to 40 homes is being developed. Contract documents are currently being formulated for a principal contractor for the site, with the aim to get approval in September 2026.
Kenilworth Phase Two	• Complete the legal process required to alter existing highway arrangements. • Reach the wind and watertight stage for the first phase, with the homes enclosed so internal works can progress. • Open a show home so prospective residents can view the completed standard of accommodation.		30 Jun 2026 Foundation works are underway across the site, with brick and block work due to take place immediately after.
Neighbourhood Developments	• Seek planning permission for a pipeline of new housing schemes that will support investment in Stevenage's neighbourhoods and neighbourhood centres.		30 Jun 2026 Detailed designs are now being worked up for both sites with public consultation to follow once design and layout more advanced.
Shephall View	• Secure grant funding to support delivery of new homes. • Complete the legal agreements needed to progress the scheme. • Complete the development and hand over the new homes for occupation.		30 Jun 2026 Grant funding of £1.8m was secured, and the properties are now completed and occupied.

		Milestones	Performance	Comments
	The Oval	• Reach the topping out stage for the new Community Centre, with the building's main structure completed to its full height. • Reach the topping out stage at Roland Court, with the building's main structure completed to its full height.		30 Jun 2026 Works are underway across the site, and the expectation is that Roland Court will top out in August 2026.
Maintaining Good Quality Homes	Key Enablers for Journey to C1	• Deliver the priority actions within the Housing Improvement Plan, building on the Council's previous inspection score and supporting progress towards a C1 consumer grade from the Regulator of Social Housing. • Move the NEC housing management system to cloud hosting. • Prepare for the new Regulator of Social Housing Competency and Conduct Standard.		30 Jun 2026 Meeting with the Regulator for Social Housing continue on a quarterly basis. Feedback from the Regulator is very positive and they comment that good progress is being made across all areas of the Provider Improvement Plan and they recognise that Resident Engagement will take time to embed. The NEC Housing system is due to migrate in October 26 and regular meetings are taking place to review progress. The Competency & Conduct work is underway with a framework in place and a team wide training matrix currently being progressed. The first cohort for CIH Level 5 qualifications has been identified and courses are currently being procured.
	Optimising Repairs and Voids Services	• Complete and evaluate the repairs and voids pilot and agree the next steps for the future service model.		30 Jun 2026 The In-House Voids Pilot has now reached the four-month stage of its six-month pilot period. A formal review will be undertaken to assess the pilot's overall performance and inform recommendations on the future operating model closer to the end of the pilot. Performance to date has been encouraging, with both void turnaround times and quality of completed works demonstrating positive outcomes. The remaining focus of the pilot is to determine whether these operational benefits can be delivered on a sustainable and cost-effective basis when compared with external contractors. The final evaluation will consider both service performance and value for money to support an evidence-based decision on the future delivery model.

	Milestones	Performance	Comments
Targeted Investment in Homes	• Review the existing Housing Asset Management Strategy and seek approval for an updated strategy. • Complete the Asset Programme Review, setting out future investment priorities for Council homes. • Complete further review of the Independent Living Schemes to inform future investment decisions. • Deliver the final year of the Major Refurbishment Contract programme. • Present options and recommendations for high-rise refurbishment to Cabinet.		30 Jun 2026 **High-Rise Refurbishment** Options for the future refurbishment of the Council's high-rise blocks are being developed for Cabinet consideration in October 2026. Subject to cabinet approval, mobilisation will follow, with procurement and the building safety approval process progressing thereafter. The programme will remain dependent on Building Safety Regulator timescales. **Housing Asset Review** The Council is reviewing housing assets where performance concerns have been identified, assessing condition, investment requirements, management costs and demand to inform future investment decisions across the portfolio. **Major Refurbishment Contract** All Phase Seven blocks are nearing completion, with works continuing at Purcell Court, Minehead Way and shop sites at Bedwell, Popple, Rockingham and Canterbury. The remaining works are scheduled for completion through late autumn and winter.
Tenancy Management and Resident Support	• Deliver the Resident Engagement Strategy and Framework, including embedding the new scrutiny panel. • Implement the agreed Fair Access improvements, making it easier for residents to access housing services. • Draft a new tenancy agreement. • Develop a Landlord Housing Strategy.		30 Jun 2026 Recruitment has commenced for a Resident Engagement Co-ordinator to broaden engagement opportunities and help to deliver more proactive outreach into communities and across neighbourhoods during spring and summer 2026. A full report of the years activities, progress and outcomes is being prepared for Executive Housing Working Group and will also be fed back to the Regulator of Social Housing via the Provider Improvement Plan.
Warm and Safe Homes	• Deliver the Building Safety Action Plan. • Prepare for and implement the next phase of Awaab's Law requirements.		30 Jun 2026 Building Safety Action plan continues to be delivered and is being updated with new actions as they are required.

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TRANSFORMING OUR TOWN 2026/27 PERFORMANCE								
	Actual - Quarter 1 2025/26 YTD	Actual - Quarter 2 2025/26 YTD	Actual - Quarter 3 2025/26 YTD	Actual - Quarter 4 2025/26 YTD	Actual - Quarter 1 2026/27 YTD	Target Quarter 1 2026/27 YTD	Target Quarter 2 2026/27 YTD	Comments
Percentage of major planning applications determined in 13 weeks	100.0%	100.0%	100.0%	100.0%	100.0%	60.0%	60.0%	
Percentage of minor planning applications determined in eight weeks	100.0%	92.9%	95.7%	93.5%	92.3%	70.0%	70.0%	
Percentage of other planning applications determined in eight weeks	100.0%	91.7%	79.6%	81.5%	94.5%	60.0%	60.0%	

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TRANSFORMING OUR TOWN 2026/27 MILESTONES				
MSEB Sub Priority	Project	Milestones	Performance	Comments
Enterprise & Skills	Adult Cohorts Pilot Project	• Agree the pilot scope, delivery model and outline proposal. • Confirm target cohorts, referral routes, success measures and the approach to evaluation. • Launch the pilot, monitoring resident participation, progression and case studies. • Review pilot outcomes and recommend next steps for 2027/28.		30 Jun 2026 The Council has worked with North Herts College to develop a Workforce Transition and Employability pilot, due to begin in the new academic year. The programme will support adults experiencing organisational change, including redundancy, to strengthen their employability, confidence and readiness for new opportunities. Two cohorts will be delivered through short, focused learning sessions, with individual coaching available where needed.
	Business Technology Centre Contract Renewal	• Following completion of the procurement process, confirm the operator for the next Business Technology Centre contract period. • Mobilise the renewed contract arrangements, ensuring continuity of support for businesses based at the Centre.		30 Jun 2026 The new contract for the provision of property management services at the Business Technology Centre (BTC) and Chells Industrial Units (CIU) was signed on 2 July 2026 and will run until 30 June 2031. The Contract Details Notice has been published, with a redacted version of the contract to be made available once the necessary amendments have been completed. The mobilisation phase is now underway, with contract commencement meetings planned to support a smooth transition to the new arrangements. A press release has also been issued to raise awareness of the contract and highlight the support available through the BTC, reinforcing the Council's commitment to helping residents start and grow businesses through access to advice, guidance, incubation programmes and business support services. The next phase of work will focus on developing and implementing a commercialisation plan with the supplier, aimed at activating underused space, enhancing the offer available at the BTC and supporting increased business growth and occupancy levels.
	Impact Reporting & Communications	• Build on the existing communications approach, using resident and partner stories alongside clear measures of reach and impact. • Publish the first combined Enterprise & Skills impact report, showcasing case studies and performance data.		30 Jun 2026 Work is progressing on a new Skills & Opportunities webpage to make it easier for residents to access information on local employment, training and skills opportunities. Development is also underway on a STEM-focused social media campaign featuring local people and businesses to showcase the wide range of career pathways available in Stevenage. The impact of this work will be captured through an Enterprise & Skills Impact Report, bringing together performance data and case studies to demonstrate the outcomes and benefits being delivered for residents and businesses.

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MSEB Sub Priority	Project	Milestones	Performance	Comments
	Pathways & Signposting	• Complete a review of skills, employment and business-support pathways. • Publish refreshed resident-facing information and signposting across Council and partner channels.		30 Jun 2026 A review of local skills, employment and business support pathways is underway. The Council is working with local education providers and partner organisations to map existing provision and identify gaps. This will inform clearer and more accessible signposting, helping residents understand the opportunities and progression pathways available to them.
	Pioneering Young STEM Futures Phase Two	• Deliver Pioneering Young STEM Futures Phase Two activity across the academic year, monitoring participation, reach and progression. • Establish and support the Youth Advisory Board, including oversight of the Youth Innovation Fund. • Complete an interim evaluation and year-end impact update for Phase Two.		30 Jun 2026 Four Pioneering Young STEM Futures projects have been delivered during the quarter: Access to All, Primary Science Quality Mark, Science Academy Challenge and Zero Gravity Mentoring. Through practical STEM activities, careers experiences, mentoring and support for primary science teaching, the projects have reached more than 250 secondary students, 1,000 primary pupils and 45 teachers. The Youth Advisory Board has also been established with 12 members aged 13 to 18, who have begun gathering young people's views at community events ahead of their first formal meeting in August 2026.
	Stevenage Works	• Secure social value benefits, including jobs, training and local opportunities, through key contracts and projects across Housing Investment, Housing Development and Regeneration. • Extend Stevenage Works into health and social care pathways, helping residents access employment, training and progression opportunities in the sector. • Publish the annual Stevenage Works impact report and deliver the Community Chest Fund.		30 Jun 2026 Regular meetings continue between Stevenage Works and contractors operating across the town to monitor delivery against social value commitments and provide support and signposting where required. Stevenage Works is also working with a growing number of Council services, including Planning, Housing Asset Management, Regeneration, Housing Development, Repairs and Facilities, to maximise the social value secured through contracts. The 2025 Stevenage Works Impact Report has been published on the Council's website, demonstrating the benefits delivered for residents and businesses. Monitoring of Community Chest Fund recipients is ongoing to ensure funding is spent appropriately, with evidence gathered through receipts and project updates. Planning is also underway for the 2026 fund, with applications due to open in September, panel assessments taking place in November and successful projects being announced shortly afterwards. An awards event is scheduled for 8 January 2027 at the Council Offices. The latest Stevenage Works Health and Social Care Sector-based Work Academy Programme (SWAP) was delivered in June 2026, continuing to provide residents with training and employment opportunities aligned to local workforce needs. The next cohort is scheduled to take place in September 2026.

MSEB Sub Priority	Project	Milestones	Performance	Comments
Regeneration	Talent Development	• Support and evaluate the first apprenticeship cohort, while exploring the opportunity to establish a second cohort. • Provide work experience placements for local people. • Evaluate the first leadership programme cohort and establish a second cohort, including Level 3 and Level 5 development opportunities.		30 Jun 2026 A second cohort was launched following positive feedback from the first. Twelve employees enrolled across the Level 3 and Level 5 programmes, meeting the target.
	UK Shared Prosperity Fund	* Deliver the 2025/26 extension of UKSPF. Establish plans for 2026/27 UKSPF replacement.		30 Jun 2026 The Council has spent its full UK Shared Prosperity Fund allocation, delivering all agreed activity and meeting or exceeding programme targets. Remaining activity focuses on physical improvements to neighbourhood facilities and public spaces, alongside match funding for the Council's STEM skills partnership with Mission 44. Delivery through Hertfordshire Futures has concluded, with the final reporting window for UKSPF outputs and outcomes closing in November 2026.
	Deliver Local Plan Review and Partial Update 2026 and development of new Local Plan beyond 2031	• Complete partial update of the Council's Local Plan. • Produce a visioning document exploring how Stevenage can continue to contribute as an economic and growth hub within future local government arrangements.		30 Jun 2026 The Partial Review of the Local Plan has now been adopted. Officers are undertaking scoping work on the new Local Plan and will be taking a report to Cabinet in the Autumn with the next steps.
	Forster Country Park	• Complete the phase one handover of Forster Country Park in line with the legal agreement and approved design specification. • Confirm arrangements for the park's long-term maintenance and management. • Deliver a communications and marketing plan to support the opening of the new country park.		30 Jun 2026 The handover of Phase One of the Country Park has been delayed until a number of outstanding issues are resolved, including landscaping and planting defects, footpath and drainage works, site maintenance concerns, and finalisation of legal agreements and transfer documentation. Officers remain in discussions with the developer to ensure the site meets the required standards before transfer to the Council.

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MSEB Sub Priority	Project	Milestones	Performance	Comments
	Indoor Market Growth	• Agree and implement an action plan to improve occupancy, income performance and operational arrangements at the relocated Indoor Market.		30 Jun 2026 Work continues to support Indoor Market growth through improved trader engagement; promotion of vacant units and activity aimed at increasing footfall. The operating model is also being reviewed to support a more sustainable and commercially focused market.
	Maximising lettings in town centre	• Deliver a targeted lettings programme for vacant units in the Plaza, supporting continued activity ahead of SG1 regeneration. • Deliver a targeted lettings programme for vacant units in Town Square, supporting continued activity ahead of SG1 regeneration.		30 Jun 2026 The Council has installed its own “To Let” boards, including QR codes, across vacant town centre commercial units to support direct marketing. Specialist agents will continue to be used where required. Current activity is focused on short-term lettings to preserve flexibility for regeneration plans and Local Government Reorganisation.
	Planning and Infrastructure Bill	• Prepare the planning service for anticipated changes arising from the Planning and Infrastructure Bill.		30 Jun 2026 The Planning and Infrastructure Act received Royal Assent in December 2025. Secondary legislation due from October 2026 will introduce a national framework for planning decisions, require changes to the Council's Constitution, cap planning committees at 13 members, and introduce mandatory training. The Act also increases planning cost recovery through fee reforms, introduces consultee surcharges, and requires Strategic Development Strategies, with Hertfordshire County Council currently leading work on the county-wide strategy ahead of local government reorganisation in 2028.
	SITEC 2nd Phase	• Complete construction of the new Town Centre Construction Campus in the former Indoor Market. • Complete feasibility and design work for Phase 2b, supporting further skills capacity, then seek cabinet approval to proceed.		30 Jun 2026 Partnership work continues with North Hertfordshire College on the delivery on the new Town Centre Campus in the former Indoor Market. The construction programme remains on track for student intake in September 2026 which will see up to 500 new learners in the heart of the town centre. The Council are working with partners regarding feasibility and design for the delivery of Phase 2b, including developing massing studies, floor plans and the intended curriculum. It is envisioned the project will be taken to Cabinet in November 2026.

MSEB Sub Priority	Project	Milestones	Performance	Comments
	Sports and Leisure Centre	• Progress construction of the new facility in line with the approved delivery programme. • Complete the new facility by 2028. • Complete demolition of the existing swimming pool to enable the next phase of development.		30 Jun 2026 The new Sports & Leisure Centre development is progressing with the works related to what will become the new entrance and exit on Fairlands way completed. - The new pedestrian crossing (Towns Fund - Cycling & Pedestrian Connectivity milestone) is complete and in use on St George's Way, work carried out in partnership with Hertfordshire County Council. The crossing provides a safer, more direct route creating an accessible link from the Town Centre to the existing Swimming Centre and future facility. - Enabling works packages have continued with the site fully established. - Following negotiations, the main construction contract has now been signed.
	Station Gateway	• Progress external infrastructure funding opportunities. • Establish a strategic delivery programme for the scheme. • Undertake community consultation on the emerging proposals.		30 Jun 2026 Under the Development Agreement, Muse & ECF have procured their external consultant team this quarter and embarked on early design for the first phase of the overall masterplan. ECF board have approved spend to develop a Strategic Outline Business Case, required to leverage external funding. In parallel community engagement plans are being worked up, anticipated for Q3 and Q4.
	Towns Fund	• Gunnelswood Road Infrastructure o Work with the private developer to introduce new infrastructure at a key roundabout to support the GSK development. • Cycling & Pedestrian Connectivity o Deliver a new ground-level pedestrian and cycle crossing linking the town centre with the new leisure facility. o Deliver the Stevenage Arts Trail, including community engagement, artwork production and installation. • Diversification of Retail o Complete works to create a new entrance to the Westgate retail area.		30 Jun 2026 **Gunnels Wood Road Infrastructure** Enabling infrastructure works focused on the roundabout at the entrance to the GSK site are progressing, supporting Reef Origin's development of the Elevate Quarter and funded through the Towns Fund. Works to upgrade utilities and power are due to complete by the end of 2026. **Cycling & Pedestrian Connectivity** Installation of more than 300 Heart Trails wayfinding and interpretation signs is underway following the launch in March 2025. Four new sculptures are also being developed for installation over the summer. **Diversification of Retail** The project comprises two workstreams. Activating Spaces is now complete, including Event Island, Frequency Coffee and the relocation of the Indoor Market. The second workstream, Improving Connectivity, is focused on the south-west entrance to the Westgate Centre, where site hoarding is in place and enabling works are underway.

THRIVING NEIGHBOURHOODS 2026/27 PERFORMANCE

	Actual - Quarter 1 2025/26 YTD	Actual - Quarter 2 2025/26 YTD	Actual - Quarter 3 2025/26 YTD	Actual - Quarter 4 2025/26 YTD	Actual - Quarter 1 2026/27 YTD	Target - Quarter 1 2026/27 YTD	Target Quarter 2 2026/27 YTD	Comments
RSH NM01(part2) ASB cases that involve hate incidents opened/on behalf of the provider (SBC tenants	1	4	5	5	0			30/06/2026 The Council have had no reports of Hate Crime this quarter. Total shown is due to this being a cumulative measure.
Number of Accepted Housing Applications					211.00			30/06/2026 Please be advised that this is a new measure for 2026/27. 30/06/2026 211 housing applications were accepted during Quarter One, of which 37 were from existing council tenants. This reflects continued demand for access to the Housing Register from both new applicants and existing tenants seeking to transfer. The service has maintained timely processing of applications to ensure eligible households can access the register and bid for suitable accommodation. Transfer applicants continue to represent an important proportion of demand, supporting effective use of the existing housing stock by enabling households changing housing needs to be met.
RSH NM01(part1): ASB cases opened by or on behalf of the provider during the year (SBC tenants)	44	74	103	157	51			30/06/2026 The team received 61 Cases of ASB this quarter with 51 cases involving an SBC Tenant. ASB reports included various categories including Drug Use/Dealing. Last quarter the team were successful in obtaining a full Closure Order alongside Police Partners for an address in Stevenage, this has had a positive impact on the neighbours as reports have significantly decreased and residents have expressed their gratitude for the enforcement taken. The Council have applied to court for Possession of this property. The Council have also been successful in application for an injunction against a tenant who was causing nuisance towards their neighbours.
% of Graffiti Clearances completed	100.00%	66.00%	100.00%	74.00%	53.00%	80.00%	80.00%	30/06/2026 Resourcing in June has led to a drop in complete graffiti removal, with eight of the 15 reports being cleared. Performance continues to be affected by ongoing vacancies and the holiday period, with agency staff being used to support service delivery where necessary. Further, reported figures for Q1 currently reflect only jobs submitted through the Report It system, however internal technical issues have now been resolved and additional graffiti removal work can now be recorded for Q2. This should provide a more accurate picture of activity, and may result in an increase in recorded completions. As reporting becomes more comprehensive, the Council will review whether current performance targets remain appropriate.
Food waste Collection Participation					608.00			30/06/2026 The food waste service is gradually picking up and tonnages are improving month on month. Recent surveying of 3,000 properties indicates a participation rate of 52%
Percentage of household waste sent for reuse, recycling and composting	40.00%	38.10%	36.20%	35.40%		40.00%	40.00%	30/06/2026 This measure is reported in arrears from an external source. The figure for Q1 will not be available until the end of Q2.
Percentage of residential bins collected	99.70%	99.72%	99.74%	99.69%	99.38%	99.00%	99.00%	30/06/2026 There has been an increase in missed bins due to the introduction of the new weekly food waste collections. This can be attributed to the teams learning the new routes plus residents getting used to a weekly service, which is different to the previous fortnightly collections.

	Actual - Quarter 1 2025/26 YTD	Actual - Quarter 2 2025/26 YTD	Actual - Quarter 3 2025/26 YTD	Actual - Quarter 4 2025/26 YTD	Actual - Quarter 1 2026/27 YTD	Target - Quarter 1 2026/27 YTD	Target Quarter 2 2026/27 YTD	Comments
Residual household waste per household (kgs)	120.18	119.40	119.83	122.13		130.00	245.00	30/06/2026 This measure is reported in arrears from an external source. The figure for Q1 will not be available until the end of Q2.
Everyone Active Overall Footfall					164,748.00			30/06/2026 Total footfall in Q1 was 164,748, which was 10,206 lower than the same period last year. The largest reduction was at the Leisure Centre, where gym usage fell by around 6,000, reflecting lower membership levels following increased local competition, while changes to the events programme and attendance levels also contributed to the reduction. Pool usage was down by 1,194, with reduced car parking availability during construction of the new Leisure and Community Hub considered a contributing factor. In contrast, golf usage increased by 3,714, supported by the dry weather, while participation in community classes more than doubled, increasing by 315.

THRIVING NEIGHBOURHOODS 2026/27 MILESTONES				
MSEB Sub Priority	Project	Milestones	Performance	Comments
Clean Neighbourhoods & Green Spaces	CCIN Policy Lab	• Deliver the second year of a two-year Cooperative Councils Innovation Network Policy Lab, co-led by Stevenage Borough Council and the London Borough of Brent with five other member councils, to strengthen community leadership and innovate local service delivery through cooperative, place-based approaches.		30 Jun 2026 Support Staffordshire and NHSCVS have now been commissioned to deliver the six online training sessions form September through to November 2026. The content is being agreed. A succession planning toolkit has been produced and is being sent out for consultation to community groups and organisations before trialling.
	CIL Review and Spending Protocol	• Adopt the Community Infrastructure Levy charging schedule. • Allocate Community Infrastructure Levy funding to strategic and neighbourhood projects that benefit Stevenage.		30 Jun 2026 Revised CIL Charging Schedule adopted 22 July 2026. Allocation of Neighbourhood CIL to relevant projects is underway. In Capital Strategy seeking approval.
	Play Equipment Replacement	• Complete the planned programme of improvements to priority play spaces across the town.		30 Jun 2026 Cook Road: Works for the new swing unit are scheduled to start on 17 August. Ridlin's Toddler Play Area: Tender deadline 7 August. Bids are being submitted by four suppliers. Chells Park Roundabout: The specification for a replacement unit has been sent to suppliers for comparative quotes. Spencer Way: Following adoption, work has begun on preparing the tender and consultation. The aim is to begin procurement by the end of August, with installation around Christmas/New Year.

MSEB Sub Priority	Project	Milestones	Performance	Comments
	Pride in Place	• Establish the St Nicholas Neighbourhood Board and supporting governance arrangements. • Build the St Nicholas evidence base, confirm the programme geography and review the local pipeline of projects and activity. • Deliver early community engagement and use capacity funding to support board development, plan preparation and early community-backed priorities. • Prepare and submit the St Nicholas Pride in Place Plan, including the first four-year investment plan.		30 Jun 2026 Neighbourhood research, baseline analysis and asset mapping are underway to support the St Nicholas Pride in Place programme. In July, Cabinet approved the programme approach and timetable. An independent Chair has now been appointed, with the Neighbourhood Board and programme geography due to be confirmed by the end of August. Preparations are also underway for a representative resident survey and wider community engagement to inform the resident-led Pride in Place Plan, due for submission to Government in February 2027.
	Renters' Rights Act	• Prepare for the implementation of new requirements arising from the Renters' Rights Act. • Provide training for relevant staff and ensure the necessary capacity is in place to deliver the new requirements.		30 Jun 2026 Policy approved by Cabinet in June 2026 so well on target. Final approval needed at Council in July 2026, followed by implementation. Staff have all received training on the new Act, although more is planned in Q3. An Environmental Health Officer joined in May 2026 to assist with the implementation of the Act, and plans are in place to bring in additional resource in late 2026/early 2027 when the landlord database is introduced.
Community Safety TN	County Lines	• Deliver a targeted prevention and awareness programme with police, schools and other partners on county lines, exploitation and grooming.		30 Jun 2026 The Council has recently partnered with Evolve Productions to support the creation of *Blurred Lines*, a powerful short film exploring the hidden reality of county lines and child criminal exploitation in the UK. The film highlights the particular vulnerabilities of girls to criminal exploitation and how they can often be overlooked as victims. The film has been showcased to a range of partners, including local schools and the Police, to raise awareness of county lines, improve understanding of child criminal exploitation, and encourage the early identification and support of those at risk.

MSEB Sub Priority	Project	Milestones	Performance	Comments
	Prevention of Homelessness	• Expand the Community Drop In to reach more residents who need advice, support and signposting.		30 Jun 2026 The Homelessness Hub is currently being run from a town centre location three times per week and is also being used to support the enactment of Severe Weather Emergency Protocols to provide water, sun cream and a place of shelter during periods of extreme heat. The Community Advice and Support Team are also arranging pop up events in the town centre to expand reach. So far two events have taken place.
	SoSafe Action Plan	• Deliver the priority actions within the SoSafe partnership plan, supported by quarterly progress reviews with partner organisations.		30 Jun 2026 The Joint Action Group (JAG) has successfully developed a draft SoSafe Action Plan, setting out key actions to deliver the partnership's strategic priorities. The plan will be presented to the SoSafe Partnership on 19 July 2026.
Culture & Leisure TN	New opportunities SALC	• Work with partners to define the scope, specification, costs and business case for potential new opportunities at Stevenage Arts & Leisure Centre. • Explore opportunities for wider public-service use, including with health partners. • Progress development of the scheme in line with the approved Capital Strategy, with the aim of opening in June 2028.		30 Jun 2026 Updated 3D building plans have been commissioned and are due to be completed by the end of August 2026, replacing outdated plans and supporting detailed design work with Everyone Active for Member consideration. The Council is also engaging with other organisations to explore opportunities to make better use of available space within the centre.
	PlayZone Programme	• Create an inclusive and accessible all-weather 3G football pitch at King George V Playing Fields.		30 Jun 2026 The Council have a pre start contract meeting in early August with a construction start date in early September 2026. The Council has also expressed an interest for three more PlayZones in Stevenage.
	Ridlins 2027/28 Preparations	• Complete a feasibility study and engage users to inform future investment in facilities at Ridlins.		30 Jun 2026 The feasibility study has been completed and is informing the specification for the planned works. Soft market testing has identified nine interested accredited contractors, with procurement expected to begin in autumn 2026. Works are currently planned to start in early 2027 and complete by mid-summer, subject to weather conditions. Local athletics clubs have been informed of the temporary closure required during construction and are making alternative arrangements for this period.

MSEB Sub Priority	Project	Milestones	Performance	Comments
	Stevenage 80th Celebrations	• Develop and deliver a programme of activities marking Stevenage's 80th anniversary.		30 Jun 2026 The Stevenage 80 programme remains on track following its public launch at Stevenage Day on 14 June 2026. The year-long programme marks 80 years since Stevenage was designated the UK's first New Town, bringing together civic events, community-led activities and new initiatives to celebrate the town's heritage and communities. A wide range of events and activities will provide opportunities for residents, businesses, schools and local organisations to get involved, culminating in the Mayor's Stevenage Birthday Show on 11 November 2026.

TACKLING CLIMATE CHANGE 2026/27 PERFORMANCE

	Actual - Quarter 1 2025/26 YTD	Actual - Quarter 2 2025/26 YTD	Actual - Quarter 3 2025/25 YTD	Actual - Quarter 4 2025/26 YTD	Actual - Quarter 1 2026/27 YTD	Target - Quarter 1 2026/27 YTD	Target Quarter 2 2026/27 YTD	Comments
CC1: Percentage of homes that have an Energy Performance Certificate (EPC) rating of Band C or above	67.82%	67.82%	66.48%	67.22%	68.52%	70.00%	70.00%	30/06/2026 The delivery of the Warm Homes: Social Housing Fund Wave Three programme commenced later than originally anticipated due to extended assessment and survey periods, mobilisation and site set-up delays, as well as changes within the contractor's team. This moved the anticipated mid-June start to early August. The additional preparation has however enabled properties to be grouped into coordinated work batches, supporting continuity of delivery. The contractor team is now settled, with strong collaboration established and a more positive outlook for delivery going forward.

TACKLING CLIMATE CHANGE 2026/27 MILESTONES

MSEB Sub Priority	Project	Milestones	Performance	Comments
Tackling Climate Change	Biodiversity Net Gain (BNG)	• Allocate the Council's remaining funding from its existing Biodiversity Net Gain pot to priority nature-recovery and environmental improvement projects. • Bring proposals for the use of West of Stevenage Biodiversity Net Gain funding to Cabinet for approval, as required.		30 Jun 2026 BNG fund being utilised to maintain Ecology Officer role to administer nature recovery and environmental improvement projects. West of Stevenage BNG funding to be progressed in the coming months.
	Climate Change Community Fund	• Launch and operate the revised Climate Change Community Fund, supporting community-led climate projects across Stevenage.		30 Jun 2026 The Climate Change team continues to provide assistance to all approved projects up to April 2026. For FY2026/27, a handover proposal to the Community Development team is being progressed to improve take up and delivery; consequently, the Climate Change team will remain as the technical adviser on sustainability-related matters as required.
	Reviewing Fleet Options	• Develop a strategy setting out how and when the Council fleet will transition to lower-emission and / or electric vehicles through to 2028.		30 Jun 2026 An electrification strategy is under development, and UK Government funding options explored to support the procurement team regarding EV charging infrastructure.

MSEB Sub Priority	Project	Milestones	Performance	Comments
	Simpler Recycling (including Flat Block Recycling)	• Review kerbside collections in response to new national recycling requirements and implement the necessary changes. • Improve recycling facilities in flat blocks and deliver targeted resident communications to increase participation.		30 Jun 2026 Structural works to the flat blocks to provide recycling facilities now complete. Flats above commercial units is on going, with a tender for purpose built bin stores to go live in the next month. The Council will also be commencing a review of all flat blocks to ensure signage and bin allocation is correct.
	Sustainable energy projects	• Prioritise Council sites for further investigation of energy-generation opportunities. • Complete initial feasibility assessments for priority sites. • Complete a community energy assessment and strategy.		30 Jun 2026 Initial scoping of energy generation opportunities is being reviewed. To address this, the next phases, including the site prioritisation framework and pre-feasibility assessments, will be designed within the context of the Buildings Energy Decarbonisation working group to ensure strategic alignment across the estate.
	Tree Planting	• Create new micro-woodlands. • Plant trees in areas with low tree cover, helping to increase Stevenage's tree canopy.		30 Jun 2026 Locations for this winter's planting are currently being established.
	Warm Homes Programme	• Deliver the Warm Homes Local Grant by identifying and supporting eligible households to improve energy efficiency and reduce energy costs.		30 Jun 2026 Following the promotional activities and feedback sessions with our delivery partner, the National Energy Foundation, progress remains slower than anticipated, with three homes batched for the WHLG during this quarter. Targeted interventions are being reviewed to accelerate retrofit allocations across the remainder of this three-year programme.

BALANCING THE BUDGET 2026/27 PERFORMANCE

	Actual - Quarter 1 2025/26 YTD	Actual - Quarter 2 2025/26 YTD	Actual - Quarter 3 2025/26 YTD	Actual - Quarter 4 2025/26 YTD	Actual - Quarter 1 2026/27 YTD	Target - Quarter 1 2026/27 YTD	Target Quarter 2 2026/27 YTD	Comments
% of Corporate Building Overall Completed Remedials	85.85%	88.35%	89.61%	88.39%	89.85%	93.00%	94.00%	30/06/2026 Please note that the Corporate remedial statistics are accurate as of 30/06/26. The overall compliance position is 90.98%, with 501 remedial actions currently outstanding. Of these, 342 are in date and 159 are overdue. Gas remains the highest performing area at 98.18%, followed by Legionella at 94.44% and Electrical at 92.49%. Fire is currently the lowest performing area at 84.11% and continues to hold the highest number of outstanding and overdue actions. There are currently 22 high-risk actions outstanding, of which 13 are overdue and nine remain in date. The Council continues to focus on reducing overdue and higher-risk remedial actions, particularly within Fire, while maintaining progress across all other compliance areas.
% of council service customer complaints responded to within deadline	85.00%	86.00%	93.30%	87.60%	90.80%	80.00%	80.00%	30/06/2026 Performance has continued to be strong throughout Quarter one. This has been supported by the robust processes in place within the Corporate Complaints Team to monitor cases and proactively manage those approaching their deadlines. During Q2, the focus will be on further strengthening case management, particularly around the use of extensions where complaints become more complex than initially anticipated. This will help ensure the Council continue to provide high-quality responses while maintaining strong performance against targets. The team also updated the Complaints Policy in Q1 to clarify wording and incorporate feedback from the Housing Ombudsman.
Corporate Statutory Compliance Assurance Level					90.98%	90.00%	90.00%	30/06/2026 At the end of Q1, the corporate statutory compliance assurance level was 90.98%, meeting the proposed 90% target.
Customer satisfaction with CSC customer service	93.00%	92.10%	92.60%	94.60%	95.40%	80.00%	80.00%	
Dig3 - Customer satisfaction with digital services					4.36			30/06/2026 This new measure is captured through a star rating between one and five, that is completed by customers at the end of a digital process. This quarter's result is in line with expectations and shows generally strong satisfaction with the Council's online self-service. Text feedback is also captured and is reviewed by the Digital Team regularly to improve services.
Percentage of council tax collected	32.09%	59.00%	85.20%	94.70%	32.50%	33.00%	60.00%	
Percentage of non-domestic rates due for the financial year received by the authority	37.05%	61.47%	89.14%	98.52%	35.00%	36.00%	60.00%	

	Actual - Quarter 1 2025/26 YTD	Actual - Quarter 2 2025/26 YTD	Actual - Quarter 3 2025/26 YTD	Actual - Quarter 4 2025/26 YTD	Actual - Quarter 1 2026/27 YTD	Target - Quarter 1 2026/27 YTD	Target Quarter 2 2026/27 YTD	Comments
Percentage of outstanding statutory compliance remedial actions within agreed timescales					68.26%	75.00%	75.00%	30/06/2026 Of the 501 remedial actions remaining outstanding, 342 were within their agreed completion timescales, giving a result of 68.26% against the proposed 75% target. Work will continue to prioritise high-risk and overdue actions.
Reduction in High-Risk Statutory Compliance Exposure					52.17%	10.00%	10.00%	30/06/2026 Outstanding high-risk compliance actions reduced from 46 to 22, representing a 52.17% reduction against the earliest available Q1 position.
Rent collection rate	93.28%	95.47%	97.14%	97.59%	87.88%	88.50%	95.00%	

BALANCING THE BUDGET 2026/27 MILESTONES

MSEB Sub Priority	Project	Milestones	Performance	Comments
Balancing the Budget	Business Change & Digital - Financial Returns	• Changes that deliver financial returns (increased income/commercial opportunities/tangible savings/cost avoidance) Examples: Housing Management Letters, PCI-DSS Compliance, Archive Store		30 Jun 2026 In addition to the ongoing financial benefits tracking, work is progressing to shape changes which both improve & modernise services and are expected to deliver financial benefits. Following the successful changes in Garages, early scoping work is underway on Housing Management Letters to deliver reduced postage costs. In addition work is starting to prepare the Archive Store for clearance.
	Corporate Estate Energy Performance Improvement	• Complete an energy-performance review of the corporate and commercial estate and agree a prioritised programme of energy-efficiency improvements.		30 Jun 2026 Approximately 60 surveys have been completed and the associated EPCs registered. Initial delays with uploading the information to Monday.com have been resolved, and delivery is now increasing.
	Corporate Landlord: Non-Housing	• Complete required statutory compliance inspections across corporate buildings and address priority actions. • Complete a year-end compliance assurance review and agree a prioritised 2027/28 compliance investment programme.		30 Jun 2026 Progress continues towards establishing a Corporate Landlord model for the Council's non-housing estate. Policies and procedures are being developed to clarify responsibilities, strengthen compliance oversight, and create a consistent approach to managing buildings, maintenance, and associated budgets across the Council.
	General Fund 2026/27	• Deliver the approved General Fund budget for 2026/27. • Review fees and charges, supporting service areas to develop proposals for approval. • Develop proposals to support a balanced General Fund budget for 2027/28.		30 Jun 2026 All proposals approved through the 2026/27 budget-setting process have been incorporated into service budgets, with delivery of savings monitored through quarterly budget reporting. Work is progressing on the development of a balanced General Fund budget for 2027/28, including the development of savings proposals, reviews of Fees and Charges and a comprehensive assessment of key budget assumptions, including inflation, emerging pressures and other financial planning factors. This work will inform the Council's 2027/28 budget proposals as they are developed through the remainder of the financial year.

MSEB Sub Priority	Project	Milestones	Performance	Comments
	HRA Savings 2026/27	• Deliver the approved Housing Revenue Account savings programme for 2026/27. • Develop proposals to support a balanced Housing Revenue Account budget for 2027/28.		30 Jun 2026 The approved 2026/27 Housing Revenue Account (HRA) savings programme is being delivered, with budget monitoring in place to track achievement of planned savings and financial performance. Work is also underway to develop a balanced HRA budget for 2027/28 and the medium term, with a comprehensive savings plan being prepared to identify and deliver the substantial level of savings required. This includes reviewing expenditure, efficiencies, service delivery models and key financial assumptions to ensure the long-term sustainability of the HRA and support a balanced financial position over the medium-term planning period.

CROSS CUTTING 2026/27

	Actual - Quarter 1 2025/26 YTD	Actual - Quarter 2 2025/26 YTD	Actual - Quarter 3 2025/25 YTD	Actual - Quarter 4 2025/26 YTD	Actual - Quarter 1 2026/27 YTD	Target - Quarter 1 2026/27 YTD	Target - Quarter 2 2026/27 YTD	Comments
EH1: Percentage of due food hygiene inspections completed during the quarter	85.00%	80.50%	84.00%	83.50%	81.00%	80.00%	80.00%	30/06/2026 81% of due food hygiene inspections completed in Q1 against a target of 80%. This was calculated from 42/52 inspections being completed.

CROSS CUTTING 2026/27 MILESTONES

MSEB Sub Priority	Project	Milestones	Performance	Comments
Equality, Diversity & Inclusion	Armed Forces Covenant	• Deliver the first year of the Armed Forces Covenant support programme, including building relationships with veterans and partners, establishing referral pathways and progressing the development of a local support hub.		30 Jun 2026 Following the successful submission of the expression of interest for the Valour Hub project, the second part of the application is underway. There have now been two successful forum meetings for the Stevenage Armed Forces Covenant community forum.
	Stevenage Equalities Commission Legacy Group	• Support development of the Stevenage Equalities Commission Legacy Group, including its formalisation as a multi-stakeholder cooperative.		30 Jun 2026 Operation Black Vote continue to deliver the citizenship programme with both attendance at Stevenage Day in June and a further online community meeting. the report is expected shortly.
Health & Wellbeing	Age & Dementia Friendly Communities	• Create and begin delivery of an Age-Friendly and Dementia-Friendly Action Plan.		30 Jun 2026 Work continues to strengthen Stevenage as an Age Friendly and Dementia Friendly community. A new localities lead has been appointed, with key initiatives being planned, including a Community Toilet Scheme and walking audits to help identify opportunities to improve accessibility for older residents. Dementia awareness training is being rolled out for taxi drivers, while the Hertfordshire Dementia Accreditation scheme continues to be promoted across council services, community venues and local organisations. Planning is also progressing for activities linked to International Day for Older People.

MSEB Sub Priority	Project	Milestones	Performance	Comments
	Healthy Stevenage Strategy Revision	• Refresh the Healthy Stevenage Strategy in partnership with Hertfordshire County Council, Public Health and other partners.		30 Jun 2026 The Healthy Stevenage Strategy has continued to progress, since the previous update the consultation on the Healthy Stevenage Strategy has now been completed, with 84 responses received from residents and engagement with more than 40 key stakeholders representing 17 organisations. Feedback is being evaluated to identify key themes and inform final adjustments before the strategy progresses through the formal approval process.
Technology & Innovation	Business Change & Digital - Service Improvements	• Deliver the agreed digital service-improvement projects, including a website chatbot, improved repairs processes, electronic signing, Microsoft 365, microfiche digitisation, and improved handling of Member and MP enquiries.		30 Jun 2026 Following the conclusion of the Customer Services and Repairs Collaboration Project, improvement work continues within Repairs, focused on better triaging customer needs at first contact and improving appointment scheduling. Wider change activity is supporting more modern ways of working for staff and Members, including Microsoft 365 training, Member Enquiries and digitisation of historic records. Customer-facing improvements also continue, with new and improved online processes for parking, events and payments, alongside work to streamline back-office processes. Pre-market engagement has also taken place to improve the Council's translation services.
	Cyber Accreditation Programme (CAF)	• Complete the Cyber Assessment Framework baseline assessment. • Deliver the improvements needed to meet the Framework's requirements. • Work towards achieving Cyber Assessment Framework accreditation.		30 Jun 2026 The Council have made strong progress across the four key pillars, with one pillar now close to completion. Final checks and remaining actions are underway to ensure this area is fully delivered.

MSEB Sub Priority	Project	Milestones	Performance	Comments
	Digital Strategy	• Deliver the agreed 2026/27 Digital Strategy implementation plan, focused on self-service, automation, website improvements and responsible use of artificial intelligence.		30 Jun 2026 Delivery of the Digital Strategy continues against the four key priorities: Priority One: Develop Digital Solutions –The Electronic Signing proof of concept has successfully been completed in Housing and work is underway to scope the potential for corporate rollout where appropriate. Priority Two: Improve the Website and Intranet – A dedicated Website Improvement Plan is in development, focusing on improving content quality, visual engagement and the homepage. Implementation will commence in Quarter Two 26-27. Priority Three: Adopt Artificial Intelligence Responsibly – The website chatbot pilot is being rescoped with new dedicated support from the supplier to ensure optimal performance. Priority Four: Drive the Use of Digital Services – A council-wide Digital Skills Survey has been completed and analysed to establish a baseline of digital confidence amongst staff and Members. This will help to inform the awareness, training and adoption of Microsoft 365 tools and of other key business systems.

LOCAL GOVERNMENT REORGANISATION

MSEB Sub Priority	Project	Milestones	Performance	Comments
Local Government Reorganisation	Designing and delivering the programme to take Stevenage through LGR	• Deliver the Council’s Local Government Reorganisation readiness programme, ensuring the Council is prepared for a Government decision and the transition arrangements that follow.		30 Jun 2026 LGR preparation continues across the Council. A range of officers are involved in workstreams to support the programme across Hertfordshire and locally. During Q1 focus has been on preparation for the LGR decision and immediate next steps following the decision. LGR is a standing item for discussion on each Officer Leadership Team meeting and Cabinet are updated on an ongoing basis. A change champions network has been set up to aid internal LGR communication.
	Local Government Reorganisation - Preparation for Shadow Elections	• Following a Government decision, prepare for shadow authority elections to the new unitary councils, in line with the statutory arrangements then in place.		30 Jun 2026 Preparation for the Shadow Council elections continue through collaboration with county and district councils. This has included the development of scope documents, stakeholder coordination, and reporting to strategic leads. A considerations document has also been produced, and options for administering the Shadow elections are being developed for review by the Returning Officer once appointed. Further, work is ongoing to support electoral arrangements for the new Unitary Councils, with recommendations being developed for consideration by the relevant governance groups.
	Local Government Reorganisation - Preparation for Section 24 Notice	- Ongoing review of all contracts in place across the Council to ensure procurements are completed in a structured manner accounting for novation to the new Unitary Authorities and section 24 requirements - Prepare for Section 24 Directions following the Structural Change Order, including the internal processes and governance arrangements needed to support implementation.		30 Jun 2026 Preparation for the Section 24 Notice continues across the Council. This has included reviewing the central contracts register, planned land disposals and the capital forward plan. Contracts due for procurement in 2027/28 and 2028/29 have been reviewed to minimise activity in the lead-up to the new unitary authorities. Drawing on learning from councils that have previously been through local government reorganisation, the Council’s Section 151 Officer has requested exemptions for contracts relating to high-rise safety, decent homes and wider building safety requirements, helping to ensure critical safety-related works are not inadvertently delayed by the Section 24 process.

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APPENDIX B

The table below sets out details of decisions issued within Q1 2026-27 by both the Housing Ombudsman and the Local Government and Social Care Ombudsman, which relate to the Council's Housing Services.

In all cases orders or actions have been completed. No further action is required in respect of any of these cases and this item is for information only.

Ref	Stage 2 Decision Date	Ombudsman Decision Date	Issue	Determination/Outcome	Order/Action	Ombudsman
1	No complaint – Insurance claim	13 April 2026	Suitability of accommodation (Homelessness Relief Duty)	1. No fault found	None	Local Government & Social Care Ombudsman
2	23/10/25	19 May 2026	1. Repairs 2. Damp and Mould 3. Complaint Handling	1. Maladministration x 2 2. Maladministration 3. No maladministration	• Apologise • Pay compensation of £1175 • Carry out works	Housing Ombudsman Service

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KEY DECISION

Part I – Release to Press

Agenda item: 5

Meeting	Cabinet
Portfolio Area	Housing
Date	10th September 2026

Housing Annual Complaints Self-Assessment and Service Improvement Report 2025/26

Authors	Kate Ford & Matt Gough
Lead Officers	Kerry Clifford Richard Protheroe | 2938

1 PURPOSE

1.1 To present two documents for consideration and review:-

- Housing Complaints and Service Improvement Report 2025/26, and
- Annual Self-Assessment against the Housing Ombudsman's Complaint Handling Code

These documents form part of the annual reporting and review that is required of the Council as a Registered Social Landlord (RSH).

1.2 To demonstrate compliance with the Complaint Handling Code, the Council must produce and publish the *Housing Complaints and Service Improvement Report* and to undertake an annual *Self-Assessment.* These are required to be published on the Council's website and submitted to the Housing Ombudsman by 30th September 2026.

1.3 The Housing Complaints and Service Improvement Report 2025/26 and the Annual Self-Assessment against the Housing Ombudsman's Complaint Handling Code provide transparency on complaint volumes, key themes and outcomes. They demonstrate how learning from complaints has informed service improvements, set out the actions planned for 2026/27 to drive further improvement, and provide assurance that the Council's complaints handling arrangements comply with the Housing Ombudsman's Complaint Handling Code.

2 RECOMMENDATIONS

2.1 To note and approve the Housing Complaints and Service Improvement Report 2025/26 (Appendix A) and the Self-Assessment against the Housing Ombudsman's Complaint Handling Code (Appendix B).

2.2 To note the Ombudsman determinations captured within the Complaints and Service Improvement Report 2024/25 (Appendix A).

2.3 That delegated authority be granted to the Strategic Director (RP), after consultation with the Housing Portfolio Holder, to finalise and submit the Housing Complaints and Service Improvement Report 2025/26 and the Self-Assessment, in accordance with the Council's obligations under the Regulator of Social Housing's Transparency, Influence and Accountability Standard and the Housing Ombudsman's Complaint Handling Code, taking into account any comments made by the Cabinet.

3 BACKGROUND

3.1 The Social Housing (Regulation) Act 2023 strengthened the regulatory framework for social housing and established complaints handling as a key component of landlord accountability. The Act provides the Housing Ombudsman with statutory powers to issue and monitor compliance with the Complaint Handling Code, placing clear expectations on registered providers to ensure complaints are handled fairly, effectively and consistently.

3.2 As a registered provider of social housing, the Council is required by the Housing Ombudsman to publish annually:

a) an Annual Complaints and Service Improvement Report; and

b) a Self-Assessment demonstrating compliance with the Housing Ombudsman Complaint Handling Code.

3.3 These requirements support transparency, regulatory assurance and resident accountability, ensuring landlords can demonstrate how complaints are used to drive service improvement and improve outcomes for tenants and leaseholders.

3.4 The Complaint Handling Code establishes clear expectations in relation to accessibility, fairness, learning, accountability, governance and timeliness. It reinforces the principle that an effective complaints process should not only provide appropriate redress when things go wrong but also enable landlords to identify systemic issues, learn from resident feedback and continuously improve services.

3.5 The Self-Assessment process has become an important element of the Council's wider governance and assurance framework. It supports a culture of openness, transparency and continuous improvement by ensuring complaints are viewed not simply as service failures but as a valuable source of insight into resident experience. This approach aligns with the Consumer Standards and the Council's ongoing commitment to strengthening tenant engagement, service quality and regulatory compliance.

3.7 During 2025/26, the Council continued to strengthen its approach to complaint handling and service improvement, using resident feedback, Ombudsman learning and regulatory requirements to drive change across housing services. A number of improvements were delivered during the year, including:

- A comprehensive review and update of the Complaints Policy to incorporate Housing Ombudsman recommendations and ensure full alignment with the Complaint Handling Code.
- Further development of the complaints management system, improving case oversight, workflow management, reporting and performance monitoring.
- Significant improvements in complaint response times, with performance consistently exceeding Housing Ombudsman expectations.
- Continued delivery of the Repairs Improvement Programme, focusing on service reliability, communication and overall resident experience, leading to an increase in tenant satisfaction.
- Adoption of an Access to Homes Policy to strengthen arrangements for gaining access to properties where works are required, reducing delays and supporting better outcomes for residents.
- Introduction of quality assurance reviews of complaint investigations and responses to improve consistency, robustness and learning.
- Enhancement of complaint satisfaction monitoring through the appointment of an independent provider, strengthening the Council's understanding of resident experience and perception.
- Strengthened governance and reporting arrangements, ensuring complaint performance, Ombudsman learning and service improvement actions are subject to regular scrutiny and oversight.

3.8 Collectively, these improvements have contributed to stronger complaint handling performance, increased compliance with regulatory expectations and greater organisational learning. They also support the Council's wider commitment to improving housing services and delivering better outcomes for tenants and leaseholders as part of its ongoing housing improvement journey.

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

Compliance with the Housing Ombudsman’s Complaint Handling Code

4.1 The Annual Housing Complaints and Service Improvement Report (Appendix A) provides a comprehensive overview of complaint handling performance during 2025/26. It sets out complaint volumes and trends, performance against Housing Ombudsman response times, key areas of resident dissatisfaction, learning arising from complaints and Ombudsman determinations, and the improvements implemented as a direct result of resident feedback.

4.2 Alongside the Annual Report, the Self-Assessment (Appendix B) provides a detailed evaluation of the Council's compliance with the Complaint Handling Code. It enables the Council to test its arrangements against regulatory requirements, identify opportunities for further improvement and provide assurance to tenants, leaseholders, elected Members, the Housing Ombudsman and the Regulator of Social Housing that complaints are being managed in accordance with statutory expectations and recognised good practice.

4.3 The annual Self-Assessment has concluded that the Council is compliant with the requirements of the Housing Ombudsman's Complaint Handling Code.

4.2 During 2025/26, the Housing Ombudsman completed a review of the Council's Complaints Policy and identified 12 recommendations. These recommendations primarily related to policy wording, clarification of complaint handling arrangements and strengthening alignment with the latest requirements of the Complaint Handling Code. In response, the Council undertook a comprehensive review of its Complaints Policy, procedures and associated guidance, incorporating all recommendations and further strengthening its complaints governance framework.

4.2 The Self-Assessment confirms that appropriate arrangements are in place across all key areas of complaint handling, including accessibility, reasonable adjustments, investigation standards, learning from complaints, complaint remedies, governance, oversight and the role of the Member Responsible for Complaints.

4.3 The assessment also demonstrates the Council's commitment to maintaining high standards of complaint handling and to continually reviewing and improving its approach in response to Ombudsman guidance, resident feedback and emerging best practice.

Ombudsman Learning

4.4 The Housing Ombudsman determined 16 cases during the year, resulting in 32 individual findings. The Council complied fully with all remedies and recommendations arising from these determinations, including the provision of apologies, financial redress, repairs, property inspections and service improvements. All cases were reported to the Cabinet during 2025/26, through Quarterly Corporate Performance Reports.

4.5 The Council anticipates a reduction in remedies compared with the previous year, reflecting the positive impact of improved complaint handling arrangements, strengthened governance and the wider programme of housing service improvement currently being delivered.

4.6 Learning arising from Housing Ombudsman and Local Government and Social Care Ombudsman determinations continues to be embedded across housing services. This learning has informed improvements to decision-making, record keeping, complaint investigations, homelessness case management, communication standards and resident engagement practices.

4.7 Importantly, the Council's approach is focused not only on responding to individual Ombudsman determinations but on identifying broader themes and opportunities for organisational learning, helping to prevent recurrence and support better resident outcomes.

Complaint Handling Performance

4.8 During 2025/26, the Council received 597 Stage One complaints, representing a reduction of 13% compared with 2024/25. This reduction suggests that service improvements implemented across a number of housing functions may be beginning to have a positive impact on overall complaint volumes.

4.9 During the same period, Stage Two complaints increased to 137 cases, representing approximately 23% of Stage One complaints, compared with 12% in the previous year. While this increase warrants ongoing monitoring, it should not be interpreted as evidence of declining service performance. Initial analysis indicates that the introduction of the Council's new complaints management system has significantly simplified the escalation process for residents. Previously, residents were required to submit a separate written request to escalate a complaint; the new system now enables escalation through a simple online process, reducing barriers to access and supporting compliance with the Complaint Handling Code's accessibility requirements.

4.10 The Council will continue to monitor escalation rates throughout 2026/27 to gain a fuller understanding of the underlying causes and identify any opportunities to further strengthen early complaint resolution.

4.11 Performance against Housing Ombudsman response times improved significantly during the year:

- Stage One responses within timescale increased to 98.2%.
- Stage Two responses within timescale increased to 94.2%.

Performance exceeded sector benchmarks at Stage One and was close to the sector median at Stage Two.

4.12 These improvements reflect the significant focus placed on complaint management, oversight and performance monitoring during the year. More recent management information shows that performance has continued to strengthen, with compliance routinely achieving 100%, demonstrating a sustained improvement in the Council's ability to respond to complaints promptly and effectively.

Main Themes Arising from Complaints

4.13 Analysis of complaint data highlights a number of recurring themes which provide valuable insight into resident experience and areas where services require ongoing improvement. Service delays remained the single largest cause of complaint, accounting for approximately 41% of all cases. Repairs also continued to generate around half of all complaints and the highest proportion of upheld complaints, reflecting both the scale of the repairs service and the importance residents place on timely resolution of issues affecting their homes.

4.14 In addition to delays, complaints frequently identified concerns relating to communication, including a lack of progress updates, unclear expectations regarding timescales and residents having to make repeated contact to obtain information. These themes are consistent with feedback received through

Tenant Satisfaction Measures, transactional satisfaction surveys and wider resident engagement activity.

4.15 The analysis demonstrates that tenant dissatisfaction is often driven less by the service issue itself and more by the quality of communication and overall customer experience during the resolution process. Residents are generally more accepting of unavoidable delays where they are kept informed and have confidence that appropriate action is being taken. Conversely, a lack of communication, ownership or regular updates can significantly undermine resident confidence and increase the likelihood of complaints being escalated.

4.16 The Council is therefore using complaint intelligence alongside wider performance, tenancy satisfaction and resident involvement data to better understand the root causes of dissatisfaction and target improvement activity. The findings from complaint analysis have directly informed service improvement initiatives and will continue to shape priorities for 2026/27, particularly in relation to repairs, communication, complaint resolution and the overall resident experience.

Improvement Priorities for 2026/27

4.17 Whilst good progress has been made during 2025/26, the Council recognises that effective complaint handling requires ongoing review and continuous improvement. The themes arising from complaints, resident feedback and Ombudsman learning have informed the following priorities for 2026/27:

- Review the causes of increased Stage Two escalations and strengthen the effectiveness of Stage One complaint resolution.
- Continue to build complaint handling capacity, management oversight and quality assurance arrangements.
- Further embed learning from complaints across housing services to improve service delivery and prevent recurring issues.
- Continue delivery of the Repairs Improvement Programme, with a particular focus on reducing delays, improving communication and maintaining first-time fix performance.
- Improve customer communication and expectation management across all housing services.
- Strengthen support and accessibility for vulnerable residents throughout the complaints process.
- Enhance monitoring of remedies, compensation payments and Ombudsman actions to ensure timely completion and organisational learning.
- Increase resident understanding of the distinction between service requests and formal complaints, helping residents access the most appropriate route to resolution.
- Continue to utilise complaint intelligence, resident feedback, Tenant Satisfaction Measures and Ombudsman learning to inform service redesign and drive continuous improvement.

4.18 These priorities align closely with the Council's wider Housing Improvement Plan, consumer standards compliance activities and ambition to deliver high-quality, resident-focused services. By strengthening complaint handling, learning from resident feedback and addressing the root causes of dissatisfaction, the Council will continue to improve service performance, enhance accountability and build resident trust and confidence in housing services. Furthermore, this work will support the Council's ongoing regulatory improvement journey and its ambition to achieve the highest standards of landlord service delivery.

Overall Assessment

4.19 The Annual Complaints and Service Improvement Report and accompanying Self-Assessment demonstrate that the Council remains compliant with the Housing Ombudsman Complaint Handling Code and has made significant progress in strengthening its complaint handling arrangements during 2025/26.

4.20 Improvements have been achieved in response times, governance, oversight and organisational learning. Complaints continue to be used as a critical source of resident insight, helping to inform service redesign, improve accountability and shape priorities for improvement. Whilst repairs, service delays and customer communication remain the most significant drivers of dissatisfaction, clear plans are in place to address these areas and further improve the resident experience.

4.21 The Executive Housing Working Group recognises that effective complaint handling is an essential component of the consumer regulatory regime and a fundamental measure of trust between residents and their landlord. As the Council continues its wider housing improvement journey, including progression towards achieving a C1 consumer grading, complaint intelligence will remain central to understanding resident experience, identifying areas of risk and driving continuous improvement.

4.22 The Council will therefore continue to use the annual self-assessment process as both a compliance tool and a catalyst for service excellence and targeted resident involvement, ensuring housing services remain resident-focused, accountable, transparent and responsive to the needs of tenants and leaseholders.

5 FINANCIAL IMPLICATIONS

5.1 There are no direct financial implications arising from the recommendations contained in these reports.

5.2 Officers responsible for the delivery of the improvement activity set out within the reports will need to ensure it is included in the Housing Revenue Account budget.

6 LEGAL IMPLICATIONS

6.1 Publication of these reports ensures compliance with:

- the Regulator of Social Housing’s Consumer Standards
- the Housing Ombudsman’s Complaint Handling Code.

6.2 Officers responsible for the delivery of the improvement activity set out within the reports will need to identify and consider any resulting legal implications.

7 EQUALITIES AND DIVERSITY IMPLICATIONS

7.1 There are no direct equality, diversity and inclusion implications arising from this report.

7.2 Monitoring and reporting on housing and complaints performance ensures that services are fair, accessible and responsive to all residents

7.3 Where required, Equality Impact Assessments will be completed as appropriate prior to the delivery of any improvement activity set out in this report, to ensure they do not inadvertently disadvantage any group and instead support a more inclusive housing service.

7.4 Effective complaints handling supports fairness and accessibility for all residents, including those with protected characteristics.

8 RISK IMPLICATIONS

8.1 Failure to publish these reports would result in non-compliance with regulatory reporting requirements

8.2 Failure to publish and submit an annual Housing Complaints and Service Improvement Report (Appendix A) and Complaint Handling Code self-assessment (Appendix B) by 30th September 2026, would place the council at risk of non-compliance with the Housing Ombudsman's Complaint Handling Code.

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

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

9 CLIMATE CHANGE IMPLICATIONS

9.1 The council declared a climate change emergency in June 2019 with a resolution to work towards a target of achieving net zero emissions by 2030.

9.2 There are no direct climate change implications arising from this report.

9.3 Officers responsible for delivering the improvement activity captured within the report will need to identify and address any climate change considerations in the implementation of activities.

10 OTHER CORPORATE IMPLICATIONS

10.1 Implementing the priorities and improvement activity outlined in this report may impact on the development of future policy or procedure, which will be monitored through the formal policy/procedure sign-off process via Executive Housing Working Group.

11 BACKGROUND DOCUMENTS

- Stevenage Borough Council's Complaints Policy 2026
- Housing Ombudsman Complaint Handling Code

12 APPENDICES

- Appendix A: Housing Complaints and Service Improvement Report 2025/26
- Appendix B: Stevenage Borough Council Self-Assessment Form – 2026

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Appendix A: Self-assessment form

This self-assessment form should be completed by the complaints officer and it must be reviewed and approved by the landlord's governing body at least annually.

Once approved, landlords must publish the self-assessment as part of the annual complaints performance and service improvement report on their website. The governing body's response to the report must be published alongside this.

Landlords are required to complete the self-assessment in full and support all statements with evidence, with additional commentary as necessary.

We recognise that there may be a small number of circumstances where landlords are unable to meet the requirements, for example, if they do not have a website. In these circumstances, we expect landlords to deliver the intentions of the Code in an alternative way, for example by publishing information in a public area so that it is easily accessible.

Stevenage Borough Council Self-Assessment – 2025/26

This self-assessment against the Housing Ombudsman's Complaint Handling Code (2024) has been completed for 2025/26 by our Senior Strategic Complaints Manager, Business Improvement Manager and Special Projects Lead (Housing). It forms a key part of our annual submission to the Housing Ombudsman Service (HOS) and reflects our continued commitment to delivering a fair, accessible, and resident-focused complaints process.

Earlier this year, the HOS undertook a formal review of the Council's complaint handling policy as part of its monitoring of compliance with the Complaint Handling Code. The review identified 12 recommendations to support alignment with the Code and good practice across the sector. The Council has carefully considered this feedback, and its complaints policy has been fully reviewed to ensure that all recommendations are reflected and addressed. A structured programme of work is in place to support the implementation and embedding of these changes in practice. This self-assessment forms part of our response to that review and demonstrates the progress made to date, including how policy requirements are being applied effectively in practice.

Building on last year's assessment, it provides assurance to our residents, Councillors, the Housing Ombudsman Service and the Regulator of Social Housing that we take complaints seriously, use them to drive service improvement, and are embedding a positive complaints culture across the organisation.

The self-assessment has been reviewed at senior level to ensure transparency and accountability. This assessment, alongside our Annual Service Improvement Report, will be published on the Council’s website, together with the Council’s formal response.

Section 1: Definition of a complaint

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
1.2	A complaint must be defined as: *'an expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the landlord, its own staff, or those acting on its behalf, affecting a resident or group of residents.'*	Yes	Section 6.1 of Complaints Policy (2026)	The definition set out in point 4.1 of our Complaints Policy (2026) mirrors that of the Complaints Handling Code.
1.3	A resident does not have to use the word 'complaint' for it to be treated as such. Whenever a resident expresses dissatisfaction landlords must give them the choice to make complaint. A complaint that is submitted via a third party or representative must be handled in line with the landlord's complaints policy.	Yes	Section 6.2 of Complaints Policy (2026) and Appendix A – Making and Escalating a Complaint.	We operate in line with our policy which states 'a resident does not have to use the word *'complaint' for it to be treated as such'* and that *a complaint can be made 'through a third party, like a relative, support worker or advocate'.*
1.4	Landlords must recognise the difference between a service request and a complaint. This must be set out in their complaints policy. A service request is a request from a resident to the landlord requiring action to be taken to put something	Yes	Section 6.6 of Complaints Policy (2026)	Our policy explains the difference between complaints and service requests and defines a service request as *'a contact from a resident that brings a matter to the council's attention for the first time,*

	right. Service requests are not complaints, but must be recorded, monitored and reviewed regularly.			*and requests a service offered by the council'.* These are recorded and monitoring using our customer contact system.
1.5	A complaint must be raised when the resident expresses dissatisfaction with the response to their service request, even if the handling of the service request remains ongoing. Landlords must not stop their efforts to address the service request if the resident complains.	Yes	Section 6.7 of Complaints Policy (2026)	We operate in line with our policy which states *'The raising of a complaint will not stop the councils' efforts to address the service request.'*
1.6	An expression of dissatisfaction with services made through a survey is not defined as a complaint, though wherever possible, the person completing the survey should be made aware of how they can pursue a complaint if they wish to. Where landlords ask for wider feedback about their services, they also must provide details of how residents can complain.	Yes	Introductory script (page one) of our Tenant Perceptive Survey template. SBC's Housing Transactional Survey guidance	The survey script states '*if you have a specific concern about the Council's housing services, please note this survey does not serve as a formal complaint. To make a complaint about the Council's housing services, please telephone 01438 242242, make a complaint using your My Stevenage online account, or use the online form accessed at https://www.stevenage.gov.uk/have-your-say/compliments-and-complaints*. Transactional survey guidance included the requirement to include

				the following comment when conducting a survey: *‘if dissatisfied or very dissatisfied selected, following message to appear: in line with the Complaint Handling Code 2024, an expression of dissatisfaction with services made through a survey is not defined as a complaint. If you would like to make a complaint you can do so through our website at www.stevenage.gov.uk.’*

Section 2: Exclusions

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
2.1	Landlords must accept a complaint unless there is a valid reason not to do so. If landlords decide not to accept a complaint they must be able to evidence their reasoning. Each complaint must be considered on its own merits	Yes	Section 6.1 – 6.8 of Complaints Policy (2026)	If we do not accept a complaint, a detailed explanation will be provided to the residents and we highlight their right to take this decision to the Ombudsmen.
2.2	A complaints policy must set out the circumstances in which a matter will not be considered as a complaint or escalated, and these circumstances must be fair and reasonable to residents. Acceptable exclusions include: • The issue giving rise to the complaint occurred over twelve months ago. • Legal proceedings have started. This is defined as details of the claim, such as the Claim Form and Particulars of Claim, having been filed at court.	Yes	Section 6.3, 6.6 & 6.8 of Complaints Policy (2026)	*Following Recommendation 1 from the Housing Ombudsman Service, we reviewed and amended our policy to clarify our approach to handling complaints relating to insurance claims.*

	• Matters that have previously been considered under the complaints policy.			
2.3	Landlords must accept complaints referred to them within 12 months of the issue occurring or the resident becoming aware of the issue, unless they are excluded on other grounds. Landlords must consider whether to apply discretion to accept complaints made outside this time limit where there are good reasons to do so.	Yes	Section 6.3 of Complaints Policy (2026) and Appendix A – Making and Escalating a Complaint.	*Following Recommendation 2 from the Housing Ombudsman Service we have amended Appendix A – Making and Escalating a Complaint, to clarify that a complaint should be made 'within 12 months of when the issue happened, or within 12 months of when you first became aware of it' as cited in section 6.3.*
2.4	If a landlord decides not to accept a complaint, an explanation must be provided to the resident setting out the reasons why the matter is not suitable for the complaints process and the right to take that decision to the Ombudsman. If the Ombudsman does not agree that the exclusion has been fairly applied, the Ombudsman may tell the landlord to take on the complaint.	Yes	Section 6.4 of Complaints Policy (2026)	If a complaint is not accepted as per the exclusions set out in s. 6.8, a detailed written explanation will be provided along with highlighting their right to take the decision to the Ombudsmen.
2.5	Landlords must not take a blanket approach to excluding complaints; they must consider the individual circumstances of each complaint.	Yes	Section 6.3 - 6.8 Complaints Policy (2026)	All complaints are triaged by our Strategic Complaints Team ensuring consistency.

				We do not apply blanket exclusions and each complaint is considered on its individual circumstances.

Section 3: Accessibility and Awareness

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
3.1	Landlords must make it easy for residents to complain by providing different channels through which they can make a complaint. Landlords must consider their duties under the Equality Act 2010 and anticipate the needs and reasonable adjustments of residents who may need to access the complaints process.	Yes	Section 4, 6.17 AND Appendix A Complaints Policy (2026) Equality, Diversity and Inclusion Policy Reasonable Adjustments Policy	We provide a range of accessible channels through which a complaint can be made: • Via our website • Through an Online My Stevenage account • By telephone • In writing • In person • Through a third party (e.g. an elected member, advocate service, or family member) Residents who do not have access to telephone or online services can visit our offices to use a council computer or book an appointment with an advisor. We have several policies that set out our approach to

				ensuring equal access to services. Our Complaints Policy was subject to an Equality Impact Assessment, carried out during its development and considered at the approval stage.
3.2	Residents must be able to raise their complaints in any way and with any member of staff. All staff must be aware of the complaints process and be able to pass details of the complaint to the appropriate person within the landlord.	Yes	Section 6.10 Complaints Policy (2026)	Council officers are aware of a customer's right to raise a complaint directly through them, and updated guidance has been issued to support the process for logging complaints within the new system, ensuring all complaints are consistently recorded. Complaint volumes received via officers and service teams are monitored to identify trends and target training where required. This insight is regularly shared and reinforced with service leads through our Complaints Clinics, supporting continuous improvement in complaint handling practice.

3.3	High volumes of complaints must not be seen as a negative, as they can be indicative of a well-publicised and accessible complaints process. Low complaint volumes are potentially a sign that residents are unable to complain.	Yes	Section 1.2 Complaints Policy (2026) Annual Complaints Performance and Service Improvements Report	As a Council, we recognise that complaints provide a valuable opportunity to improve services and to put things right for our residents. We convene monthly Complaints Clinics which focus on learning from complaints, identifying service improvements, and bringing together service leads to agree approaches to complex cases and share best practice. While we do not view high or low complaint volumes in isolation as a measure of success, we actively analyse complaint data, including benchmarking against peer organisations, to better understand our performance. Our most recent benchmarking indicates higher complaint volumes compared to national median averages published by Housemark. We are committed to understanding

				this position, including exploring whether lower volumes reported elsewhere reflect differences in accessibility or reporting practices, and to ensuring that our own volumes are indicative of a well-publicised and accessible complaints process.
3.4	Landlords must make their complaint policy available in a clear and accessible format for all residents. This will detail the two stage process, what will happen at each stage, and the timeframes for responding. The policy must also be published on the landlord's website.	Yes	Our Complaints Policy is published on our website.	Our website includes a dedicated Compliments and Complaints section, with our policy written in plain English. It sets out our two-stage process, including what customers can expect and the relevant timescales. Following *Recommendation 3* from the Housing Ombudsman Service, we have strengthened our policy to confirm that requests for alternative formats will be considered. While this was already referenced on the covering page, it has now also been included in section 6.17 (Reasonable Adjustments)

				to improve visibility and clarity.
3.5	The policy must explain how the landlord will publicise details of the complaints policy, including information about the Ombudsman and this Code.	Yes	Section 6.18.1 & 6.18.4 Complaints Policy (2026)	Our policy confirms that the Council's website publicises our complaints policy and process, alongside information on the role of Ombudsmen in housing complaints, the Housing Ombudsman Service's Complaint Handling Code, and our annual self-assessment.
3.6	Landlords must give residents the opportunity to have a representative deal with their complaint on their behalf, and to be represented or accompanied at any meeting with the landlord.	Yes	Section 6.5 Complaints Policy (2026) and Appendix A – Making and Escalating a Complaint	All complainants have the right to be represented or accompanied by a person of their choice at any meeting with the Council. This is captured in our Complaints Policy and further highlighted in the summary information available on the website.
3.7	Landlords must provide residents with information on their right to access the Ombudsman service and how the	Yes	Section 3.6 & 6.15 Complaints Policy (2026) and Appendix A –	Information about the Ombudsman is also publicised on our website

	individual can engage with the Ombudsman about their complaint.		Making and Escalating a Complaint	within the summary content on our Compliments and Complaints page. Our Customer Service Centre and Complaints Team are trained to support residents in identifying the appropriate Ombudsman service for their complaint. This information is also clearly provided in correspondence at each stage of the complaints process.

Section 4: Complaint Handling Staff

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
4.1	Landlords must have a person or team assigned to take responsibility for complaint handling, including liaison with the Ombudsman and ensuring complaints are reported to the governing body (or equivalent). This Code will refer to that person or team as the 'complaints officer'. This role may be in addition to other duties.	Yes	Strategic Complaints Team structure Relevant job descriptions	The Council maintains a dedicated Strategic Complaints Team responsible for the management and oversight of housing complaints. Strategic Complaints Managers independently investigate complaints, coordinate responses, liaise with service areas and act as the primary point of contact for customers and the Housing Ombudsman Service. The Senior Strategic Complaints Manager additionally oversees complaint performance reporting and ensures complaints are reported through the Council's governance arrangements including the Member Responsible for Complaints

				(MRC), Cabinet and senior leadership teams.
4.2	The complaints officer must have access to staff at all levels to facilitate the prompt resolution of complaints. They must also have the authority and autonomy to act to resolve disputes promptly and fairly.	Yes	Strategic Complaints Team structure Relevant job descriptions Governance arrangements	Strategic Complaints Managers have direct access to officers and managers across all levels of the organisation, including Heads of Service, Directors, Strategic Directors and the Member Responsible for Complaints. Monthly Housing Complaints Clinics provide an established route for escalation of complex cases, review of service failings and agreement of corrective actions. This ensures complaint handlers have the authority, visibility and support required to resolve complaints fairly and promptly.
4.3	Landlords are expected to prioritise complaint handling and a culture of learning from complaints. All relevant staff must be suitably trained in the importance of complaint handling. It is important that complaints are seen as a	Yes	Complaints Policy (2026) Complaints Clinics Staff guidance and training materials	The Council is committed to maintaining a positive complaint handling culture and views complaints as a valuable source of learning and service improvement.

	core service and must be resourced to handle complaints effectively			Dedicated complaint handling resources are in place within Housing to ensure compliance with the Complaint Handling Code. Training, guidance and regular engagement sessions are provided to service areas, with learning from complaints routinely shared through Housing Complaints Clinics and management forums. The Housing Ombudsman Service's recent policy review further strengthened our approach, and a programme of implementation activity has been undertaken to ensure policy updates are embedded into operational practice.

Section 5: The Complaint Handling Process

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation

5.1	Landlords must have a single policy in place for dealing with complaints covered by this Code. Residents must not be treated differently if they complain.	Yes	Complaints Policy (2026)	The Council operates a single corporate Complaints Policy covering housing complaints aligned with the requirements of this code. All residents are treated consistently regardless of if and how a complaint is made.
5.2	The early and local resolution of issues between landlords and residents is key to effective complaint handling. It is not appropriate to have extra named stages (such as 'stage 0' or 'informal complaint') as this causes unnecessary confusion.	Yes	Section 6.12 Complaints Policy (2026)	Our policy provides a clear two-stage complaints process and does not include any informal complaint stage or additional escalation stages. Where issues can be resolved quickly, officers seek to do so at the earliest opportunity, however, expressions of dissatisfaction meeting the complaint definition are formally recorded and managed in accordance with the policy.
5.3	A process with more than two stages is not acceptable under any circumstances as this will make the complaint process unduly long and delay access to the Ombudsman.	Yes	Section 6.12 & 6.13 Complaints Policy (2026)	The Council operates a two-stage complaints process only. Stage 2 represents the Council's final complaint response before referral to

				the Housing Ombudsman Service.
5.4	Where a landlord's complaint response is handled by a third party (e.g. a contractor or independent adjudicator) at any stage, it must form part of the two stage complaints process set out in this Code. Residents must not be expected to go through two complaints processes.	Yes	Contract management arrangement	Where complaints relate to contractors or third-party providers acting on behalf of the Council, the complaint remains the responsibility of the Council and forms part of our two-stage complaints process. Residents are not required to pursue separate complaint procedures.
5.5	Landlords are responsible for ensuring that any third parties handle complaints in line with the Code.	Yes	Contract management arrangement	The Council remains accountable for complaints relating to services delivered on its behalf. Strategic Complaints Managers oversee complaint handling and ensure all complaint responses are Code compliant regardless of whether service delivery is undertaken directly or through contractors.
5.6	When a complaint is logged at Stage 1 or escalated to Stage 2, landlords must set out their understanding of the	Yes	Section 6.12.1 and 6.13.1 Complaints Policy (2026)	*Following Recommendation 4 from the Housing Ombudsman Service, we*

	complaint and the outcomes the resident is seeking. The Code will refer to this as “the complaint definition”. If any aspect of the complaint is unclear, the resident must be asked for clarification.		Complaint acknowledgement templates	*have updated our policy to improve clarity around what customers can expect to see included in their written complaint acknowledgement and strengthen requirements around complaint definitions.* Acknowledgement correspondence at both Stage 1 and Stage 2 continues to set out the Council's understanding of the complaint and the outcomes sought by the resident. Where any aspect is unclear, clarification is sought before the investigation proceeds.
5.7	When a complaint is acknowledged at either stage, landlords must be clear which aspects of the complaint they are, and are not, responsible for and clarify any areas where this is not clear.	Yes	Section 6.12.1 and 6.13.1 Complaints Policy (2026) Complaint acknowledgement templates	*Following Recommendation 4 from the Housing Ombudsman Service, we have updated our policy to clarify that our acknowledgements* confirm which aspects of the complaint the council is responsible for investigating

				and provide signposting for those that fall outside of its responsibility.
5.8	At each stage of the complaints process, complaint handlers must: a. deal with complaints on their merits, act independently, and have an open mind; b. give the resident a fair chance to set out their position; c. take measures to address any actual or perceived conflict of interest; and d. consider all relevant information and evidence carefully.	Yes	Complaints Procedure Staff guidance and training materials Strategic Complaints Team arrangements	Complaints are investigated on their merits by appropriately trained Strategic Complaints Managers who act independently and consider all relevant information and evidence before reaching a decision.
5.9	Where a response to a complaint will fall outside the timescales set out in this Code, the landlord must agree with the resident suitable intervals for keeping them informed about their complaint.	Yes	Section 6.12.4 and 6.13.4 Complaints Policy (2026)	Following Recommendation 5 from the Housing Ombudsman Service, our policy now clarifies that where complaints exceed the standard timescales and any permitted extensions, suitable intervals for updates will be agreed with residents and maintained throughout the investigation.
5.10	Landlords must make reasonable adjustments for residents where appropriate under the Equality Act	Yes	Section 6.17 Complaints Policy (2026)	Reasonable adjustments are recorded and kept under review. Information

	2010. Landlords must keep a record of any reasonable adjustments agreed, as well as a record of any disabilities a resident has disclosed. Any agreed reasonable adjustments must be kept under active review.		Reasonable Adjustments Policy	regarding disabilities, vulnerabilities and agreed support arrangements is maintained appropriately to ensure residents receive accessible services.
5.11	Landlords must not refuse to escalate a complaint through all stages of the complaints procedure unless it has valid reasons to do so. Landlords must clearly set out these reasons, and they must comply with the provisions set out in section 2 of this Code.	Yes	Section 6.6 to 6.8, 6.12.6, 6.13.5 and 6.15 Complaints Policy (2026)	Complaints are only refused escalation where a valid exclusion applies. Decisions are explained in writing and residents are advised of their right to approach the Housing Ombudsman Service.
5.12	A full record must be kept of the complaint, and the outcomes at each stage. This must include the original complaint and the date received, all correspondence with the resident, correspondence with other parties, and any relevant supporting documentation such as reports or surveys.	Yes	GovMetric Case Tracker system	All housing complaints are managed through the GovMetric Case Tracker system, which records complaint details, correspondence, supporting evidence, responses and agreed actions. The system provides a full audit trail and supports performance monitoring.
5.13	Landlords must have processes in place to ensure a complaint can be remedied at any of its complaints process. Landlords must ensure	Yes	Section 6.12.6, 6.13.5 and 6.16 Complaints Policy (2026)	Remedies may be offered at any stage of the complaints process without requiring escalation. This can include

	appropriate remedies can be provided at any stage of the complaints process without the need for escalation.			apologies, service improvements, corrective actions, compensation and other appropriate measures.
5.14	Landlords must have policies and procedures in place for managing unacceptable behaviour from residents and/or their representatives. Landlords must be able to evidence reasons for putting any restrictions in place and must keep restrictions under regular review.	Yes	Section 6.19 Complaints Policy (2026) Unacceptable Behaviour Policy (2022)	The Council has an established policy for managing unacceptable behaviour. Any restrictions are fully documented, justified and reviewed regularly.
5.15	Any restrictions placed on contact due to unacceptable behaviour must be proportionate and demonstrate regard for the provisions of the Equality Act 2010.	Yes	Unacceptable Behaviour Policy (2022)	Our Unacceptable Behaviour Policy was subject to an Equality Impact Assessment, carried out during its development and considered at the approval stage. Any restrictions are proportionate, evidence-based and take account of Equality Act duties and individual circumstances.

Section 6: Complaints Stages

Stage 1

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
6.1	Landlords must have processes in place to consider which complaints can be responded to as early as possible, and which require further investigation. Landlords must consider factors such as the complexity of the complaint and whether the resident is vulnerable or at risk. Most stage 1 complaints can be resolved promptly, and an explanation, apology or resolution provided to the resident.	Yes	Complaint Handling Procedure	All complaints are triaged upon receipt to determine the most appropriate handling approach. At the point of triage, complaint complexity, customer vulnerability and potential risk are considered. Where a resident has disclosed a vulnerability, or where the complaint relates to a health and safety matter, the complaint is flagged to the relevant Strategic Complaints Manager to ensure appropriate prioritisation and oversight. This approach helps ensure that straightforward complaints can be resolved promptly, whilst more complex or higher-risk cases receive the additional investigation, oversight and

				support required without unnecessary delay.
6.2	Complaints must be acknowledged, defined and logged at stage 1 of the complaints procedure **within five working days of the complaint being received**.	Yes	Section 6.12 Complaints Policy (2026)	Following Recommendation 6 from the Housing Ombudsman Service, our policy now explicitly confirms that complaints will be acknowledged, defined and logged within five working days of the complaint being received.
6.3	Landlords must issue a full response to stage 1 complaints **within 10 working days** of the complaint being acknowledged.	Yes	Section 6.12 Complaints Policy (2026)	A full written response is issued within the following 10 working days of a complaint being acknowledged.
6.4	Landlords must decide whether an extension to this timescale is needed when considering the complexity of the complaint and then inform the resident of the expected timescale for response. Any extension must be no more than 10 working days without good reason, and the reason(s) must be clearly explained to the resident.	Yes	Section 6.12.4 Complaints Policy (2026) Complaint Handling Procedure	Explicitly stated in our policy and reinforced in our procedure, to ensure extensions are not implemented unless absolutely necessary.
6.5	When an organisation informs a resident about an extension to these timescales, they must be provided with the contact details of the Ombudsman.	Yes	Section 6.12.4 Complaints Policy (2026)	Explicitly stated in our policy.

6.6	A complaint response must be provided to the resident when the answer to the complaint is known, not when the outstanding actions required to address the issue are completed. Outstanding actions must still be tracked and actioned promptly with appropriate updates provided to the resident.	Yes	Section 6.12.6 Complaints Policy (2026)	Following Recommendations 7 and 8 from the Housing Ombudsman Service, our Complaints Policy now makes clear that responses are issued once the outcome of the investigation is known, rather than waiting for all agreed actions to be completed. The Council maintains a Complaints Action Tracker which records actions, ownership and deadlines, and residents receive updates regarding outstanding actions until completion.
6.7	Landlords must address all points raised in the complaint definition and provide clear reasons for any decisions, referencing the relevant policy, law and good practice where appropriate.	Yes	Section 6.12.6 Complaints Policy (2026) Complaint Handling Procedure Staff guidance and training materials	The structure and content of our complaint responses are set out within the Complaints Policy. Our complaint handling procedure and supporting staff guidance further promote best practice, ensuring decisions are clearly explained and supported by appropriate evidence, with reference to relevant policies, legislation

				and good practice where appropriate.
6.8	Where residents raise additional complaints during the investigation, these must be incorporated into the stage 1 response if they are related and the stage 1 response has not been issued. Where the stage 1 response has been issued, the new issues are unrelated to the issues already being investigated or it would unreasonably delay the response, the new issues must be logged as a new complaint.	Yes	Section 6.14 Complaints Policy (2026)	Captured within our policy and our position mirrors the expectations of the code.
6.9	Landlords must confirm the following in writing to the resident at the completion of stage 1 in clear, plain language: a. the complaint stage; b. the complaint definition; c. the decision on the complaint; d. the reasons for any decisions made; e. the details of any remedy offered to put things right; f. details of any outstanding actions; and g. details of how to escalate the matter to stage 2 if the individual is not satisfied with the response.	Yes	Section 6.12.6 Complaints Policy (2026)	Our policy confirms that complaint responses will be provided in writing and include all elements set out in a. – g. of the Code. We are committed to communicating in clear, plain English and regularly review our templates, guidance and correspondence against best practice to improve accessibility. We recognise that literacy levels within our Borough are varied and therefore seek to present information, decisions and next steps in a

				straightforward and easy-to-understand format.

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
6.10	If all or part of the complaint is not resolved to the resident's satisfaction at stage 1, it must be progressed to stage 2 of the landlord's procedure. Stage 2 is the landlord's final response.	Yes	Section 6.13 Complaints Policy (2026)	Captured within our policy with confirmation that Stage 2 is the final response stage.
6.11	Requests for stage 2 must be acknowledged, defined and logged at stage 2 of the complaints procedure within five working days of the escalation request being received.	Yes	Section 6.13 & 6.13.1 Complaints Policy (2026)	Following Recommendation 9 from the Housing Ombudsman Service, our policy now explicitly confirms that requests for Stage 2 review will be acknowledged, defined and logged within five working days. Acknowledgement correspondence includes our understanding of the complaint, the issues under review and the target response date.
6.12	Residents must not be required to explain their reasons for requesting a stage 2 consideration. Landlords are expected to make reasonable efforts to understand why a resident remains	Yes	Section 6.13.1 Complaints Policy (2026)	Residents are not required to provide justification when requesting escalation. Our policy states that, where any aspect of the escalation is unclear, the Council will

	unhappy as part of its stage 2 response.			contact the resident to seek clarification.
6.13	The person considering the complaint at stage 2 must not be the same person that considered the complaint at stage 1.	Yes	Section 6.13.2 Complaints Policy (2026)	Our policy confirms that at Stage 2, the complaint will not be considered by the same officer who considered the Stage 1 complaint.
6.14	Landlords must issue a final response to the stage 2 **<u>within 20 working days</u>** of the complaint being acknowledged.	Yes	Section 6.13 Complaints Policy (2026)	A full written response is issued within the following 20 working days of the complaint being acknowledged.
6.15	Landlords must decide whether an extension to this timescale is needed when considering the complexity of the complaint and then inform the resident of the expected timescale for response. Any extension must be no more than 20 working days without good reason, and the reason(s) must be clearly explained to the resident.	Yes	Section 6.13.3 & 6.13.4 Complaints Policy (2026) Complaint Handling Procedure	Following Recommendation 10 from the Housing Ombudsman Service, references to Stage 2 extensions in our policy have been clarified to ensure consistency with the working day requirements set out within the Complaint Handling Code. These working day requirements are reinforced in our procedure.
6.16	When an organisation informs a resident about an extension to these timescales, they must be provided with the contact details of the Ombudsman.	Yes	Section 6.13.3 Complaints Policy (2026)	Explicitly stated in our policy.

6.17	A complaint response must be provided to the resident when the answer to the complaint is known, not when the outstanding actions required to address the issue are completed. Outstanding actions must still be tracked and actioned promptly with appropriate updates provided to the resident.	Yes	Section 6.13.5 Complaints Policy (2026)	Following Recommendations 11 and 12 from the Housing Ombudsman Service, our Complaints Policy now makes clear that Stage 2 responses are issued once the outcome of the investigation is known, rather than waiting for all follow-up actions to be completed. Outstanding actions are monitored through the Complaints Action Tracker and residents are updated until completion.
6.18	Landlords must address all points raised in the complaint definition and provide clear reasons for any decisions, referencing the relevant policy, law and good practice where appropriate.	Yes	Section 6.13.5 Complaints Policy (2026) Complaint Handling Procedure Staff guidance and training materials	The structure and content of our complaint responses are set out within the Complaints Policy. Supporting procedures, guidance and training materials reinforce the requirement to address all elements of the complaint definition, provide a clear rationale for decisions, and reference relevant policy, legislation and good practice where appropriate.

6.19	Landlords must confirm the following in writing to the resident at the completion of stage 2 in clear, plain language: a. the complaint stage; b. the complaint definition; c. the decision on the complaint; d. the reasons for any decisions made; e. the details of any remedy offered to put things right; f. details of any outstanding actions; and g. details of how to escalate the matter to the Ombudsman Service if the individual remains dissatisfied.	Yes	Section 6.13.5 Complaints Policy (2026)	Our policy confirms that our response to a Stage 2 complaint will be in writing and include elements a.- g. of the code.
6.20	Stage 2 is the landlord's final response and must involve all suitable staff members needed to issue such a response.	Yes	Section 6.13 Complaints Policy (2026)	Our policy confirms that Stage 2 is our final response and that these reviews are conducted by a senior manager.

Section 7: Putting things right

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
7.1	Where something has gone wrong a landlord must acknowledge this and set out the actions it has already taken, or intends to take, to put things right. These can include:	Yes	Section 6.16 Complaints Policy (2026)	The 'Remedy and Compensation' section of our policy lists the actions the council may take to put things right when something

	• Apologising; • Acknowledging where things have gone wrong; • Providing an explanation, assistance or reasons; • Taking action if there has been delay; • Reconsidering or changing a decision; • Amending a record or adding a correction or addendum; • Providing a financial remedy; • Changing policies, procedures or practices.			has gone wrong. This list of remedies mirrors the code.
7.2	Any remedy offered must reflect the impact on the resident as a result of any fault identified.	Yes	Section 6.16.1 Complaints Policy (2026) Complaint Handling Procedure Staff guidance and training materials	We will work with the complainant to identify a suitable remedy, taking account of the impact experienced and relevant Ombudsman guidance.
7.3	The remedy offer must clearly set out what will happen and by when, in agreement with the resident where appropriate. Any remedy proposed must be followed through to completion.	Yes	Section 6.16.1 Complaints Policy (2026) Complaint Handling Procedure	Any remedy offered sets out the actions to be taken, ownership and timescales for completion. Progress is monitored through our Complaints Action Tracker to ensure agreed actions are delivered.

7.4	Landlords must take account of the guidance issued by the Ombudsman when deciding on appropriate remedies.	Yes	Section 6.16.1 Complaints Policy (2026)	When determining remedies, the Council considers the Housing Ombudsman's Remedies Guidance together with the circumstances and impact experienced by the resident. Learning from Ombudsman determinations is routinely reviewed through Complaints Clinics and incorporated into local practice.

Section 8: Self-assessment, reporting and compliance

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
8.1	Landlords must produce an annual complaints performance and service improvement report for scrutiny and challenge, which must include: a. the annual self-assessment against this Code to ensure their complaint handling policy remains in line with its requirements. b. a qualitative and quantitative analysis of the landlord's complaint handling performance. This must also include a summary of the types of complaints the landlord has refused to accept; c. any findings of non-compliance with this Code by the Ombudsman; d. the service improvements made as a result of the learning from complaints; e. any annual report about the landlord's performance from the Ombudsman; and f. any other relevant reports or publications produced by the Ombudsman in relation to the work of the landlord.	Yes	Section 6.18 Complaints Policy (2026) Our annual complaints performance and service improvement report is published on our website, together with other key complaints information.	Each year, we publish an annual report that captures all of the elements listed in section 8.1 of the Complaint Handling Code.

8.2	The annual complaints performance and service improvement report must be reported to the landlord's governing body (or equivalent) and published on the on the section of its website relating to complaints. The governing body's response to the report must be published alongside this.	Yes	Section 6.18 Complaints Policy (2026) Our annual complaints performance and service improvement report is published on our website, together with other key complaints information, including the governing body's response to the report.	Our annual complaints performance and service improvement report will be presented to the Council's Executive, Overview & Scrutiny Committee and at our Cooperative Neighbourhood Resident's Meetings for scrutiny and challenge.
8.3	Landlords must also carry out a self-assessment following a significant restructure, merger and/or change in procedures.	Yes	Self-assessment against the Complaint Handling Code reviewed as necessary and published on our website.	Self-assessments reviewed in-line with significant organisational, legislation and policy change.
8.4	Landlords may be asked to review and update the self-assessment following an Ombudsman investigation.	Yes	Evidence provided to the Ombudsman as necessary following investigation outcomes.	We will review and update the self-assessment to comply with any recommendations or orders from the Ombudsman. This self-assessment reflects the outcome of the Housing Ombudsman Service's 2026 policy review and demonstrates how the Council has responded to and implemented each of the recommendations identified.

8.5	If a landlord is unable to comply with the Code due to exceptional circumstances, such as a cyber incident, they must inform the Ombudsman, provide information to residents who may be affected, and publish this on their website Landlords must provide a timescale for returning to compliance with the Code.	Yes	Business continuity plans available at the request of the Ombudsman.	The Council's Business Continuity arrangements for Housing and Customer Services include notifying the Housing Ombudsman and residents as necessary Updates will be published, along with expected timelines for returning to normal operations.

Section 9: Scrutiny & oversight: continuous learning and improvement

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
9.1	Landlords must look beyond the circumstances of the individual complaint and consider whether service improvements can be made as a result of any learning from the complaint.	Yes	Section 6.18 Complaints Policy (2026)	Learning arising from complaints, Ombudsman determinations and the Housing Ombudsman Service's policy review is monitored through our Housing Complaints Clinics and embedded through service improvement actions.
9.2	A positive complaint handling culture is integral to the effectiveness with which landlords resolve disputes. Landlords must use complaints as a source of intelligence to identify issues and introduce positive changes in service delivery.	Yes	Section 1.2 and 6.18 Complaints Policy (2026)	As a council we recognise that complaints provide us with an opportunity to improve and this is captured in our policy. We take a positive approach to learning from complaints and regularly hold focussed case review meetings to identify issues and use the Housing Complaints Clinic to convert learning into strategic and operational change.

9.3	Accountability and transparency are also integral to a positive complaint handling culture. Landlords must report back on wider learning and improvements from complaints to stakeholders, such as residents' panels, staff and relevant committees.	Yes	Section 1.2 and 6.18 Complaints Policy (2026)	We have strengthened our governance structure by enhancing oversight through regular reporting, monitoring and senior scrutiny, ensuring greater accountability and learning at all levels of the organisation. Our annual report, which is shared with residents, captures our achievements and commitments, which are feedback led.
9.4	Landlords must appoint a suitably senior lead person as accountable for their complaint handling. This person must assess any themes or trends to identify potential systemic issues, serious risks, or policies and procedures that require revision.	Yes	Section 6.18 Complaints Policy (2026)	Strategic accountability for complaints sits with the Strategic Director responsible for Housing. Complaint performance, trends, lessons learned and potential systemic issues are regularly reviewed and reported through established governance arrangements.
9.5	In addition to this a member of the governing body (or equivalent) must be appointed to have lead responsibility for complaints to support a positive complaint handling culture. This person is referred to as the Member	Yes	Section 6.18.3 Complaints Policy (2026)	Stevenage Borough Council has appointed the Cabinet Member for Housing as the Member Responsible for Complaints (MRC), in

	Responsible for Complaints (‘the MRC’).			accordance with the Complaint Handling Code.
9.6	The MRC will be responsible for ensuring the governing body receives regular information on complaints that provides insight on the landlord’s complaint handling performance. This person must have access to suitable information and staff to perform this role and report on their findings.	Yes	Section 2 and 6.18.3 Complaints Policy (2026)	Complaint handling performance is included in the Council’s Corporate Performance Framework, which is captured in the quarterly report presented to Cabinet. This report is considered by the Council’s Strategic Leadership Team which includes the Chief Executive and Monitoring Officer, as well as the Cabinet, including the Leaders of the Council and the MRC.
9.7	As a minimum, the MRC and the governing body (or equivalent) must receive: a. regular updates on the volume, categories and outcomes of complaints, alongside complaint handling performance; b. regular reviews of issues and trends arising from complaint handling; c. regular updates on the outcomes of the Ombudsman’s investigations and progress made in complying with	Yes		In addition to quarterly performance reporting to Cabinet, the Member Responsible for Complaints receives updates through Housing Complaints Clinics, annual reporting arrangements and oversight of Housing Ombudsman determinations, including progress against any recommendations, orders or improvement actions.

	orders related to severe maladministration findings; and d. annual complaints performance and service improvement report.			
9.8	Landlords must have a standard objective in relation to complaint handling for all relevant employees or third parties that reflects the need to: a. have a collaborative and co-operative approach towards resolving complaints, working with colleagues across teams and departments; b. take collective responsibility for any shortfalls identified through complaints, rather than blaming others; and c. act within the professional standards for engaging with complaints as set by any relevant professional body.	Yes	Annual staff objective setting Strategic Complaints Management team resource Established governance structure	Our Strategic Complaints Managers lead by example and provide support across all housing service areas, helping to ensure a consistent and proactive approach to complaint handling. Expectations relating to collaborative working, accountability and customer focus are embedded through annual objective setting and reinforced through our governance arrangements and Housing Complaints Clinics. We recognise that the issues raised through complaints are often cross-cutting in nature and require teams to work together to identify solutions, learn from outcomes and deliver service improvements for residents.

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Annual Complaint Handling and Service Improvement Report 2025/26

1. Cabinet Member's Introduction

Over the past year, we have continued to strengthen the way we handle complaints, building on the progress recognised by the Regulator of Social Housing during its 2024 inspection. Our aim is straightforward: every resident should feel listened to, treated with respect and confident that their concerns will be considered fairly and responded to as quickly as possible.

This year, we received fewer Stage One complaints than last year. While that is encouraging, complaint numbers on their own do not tell us whether a service is performing well. Across the housing sector, some of the best-performing landlords receive large numbers of complaints because residents have confidence in the process and know they will be heard. Equally, fewer complaints do not automatically mean a better service. What matters is understanding why people complain, responding well when they do and using what we learn, to improve.

One area where we have made real progress is in responding more promptly. Many more residents are now receiving a response to their complaint within the Housing Ombudsman's expected timescales. That reflects the work that has gone into improving our systems, strengthening oversight and supporting staff to resolve issues more effectively.

We have, however, also seen more complaints progress to Stage Two. Last year, we introduced a new complaints system that is easier for residents to use, and it is possible that making the process simpler has contributed to more people asking for a review. Equally, we are considering whether there is more we can do to resolve concerns successfully at the first stage. We are examining this trend carefully so that we fully understand what is driving it and can take any action needed.

One of the clearest messages from this year's complaints is that communication matters. Delays remain the biggest cause of dissatisfaction, but the report also shows that residents are often frustrated when they are not kept informed or do not know what will happen next. Sometimes, putting things right is about improving the service itself; sometimes it is about keeping people updated honestly and consistently throughout the process.

This report explains what residents have told us over the past year, what we have learned from their experiences and, most importantly, what we are doing differently as a result. Complaints are not simply a measure of performance—they are one of the most valuable ways we can understand where services need to improve. We remain committed to listening, learning and making those improvements.

Finally, I would like to thank every resident who has taken the time to tell us about their experience. Whether positive or negative, your feedback helps us improve the services we provide and better meet the needs of Stevenage people.

Councillor Loraine Rossati

2. Purpose of this report

This report provides an overview of how the Council Housing Service as a social landlord has managed complaints during the period April 2025 to March 2026, and the improvements made to services as a result of complaint findings. It supports transparency, accountability and the continuous development of our housing services in line with regulatory expectations and resident feedback. We value customer insight and view complaints as an essential part of understanding where services need to improve.

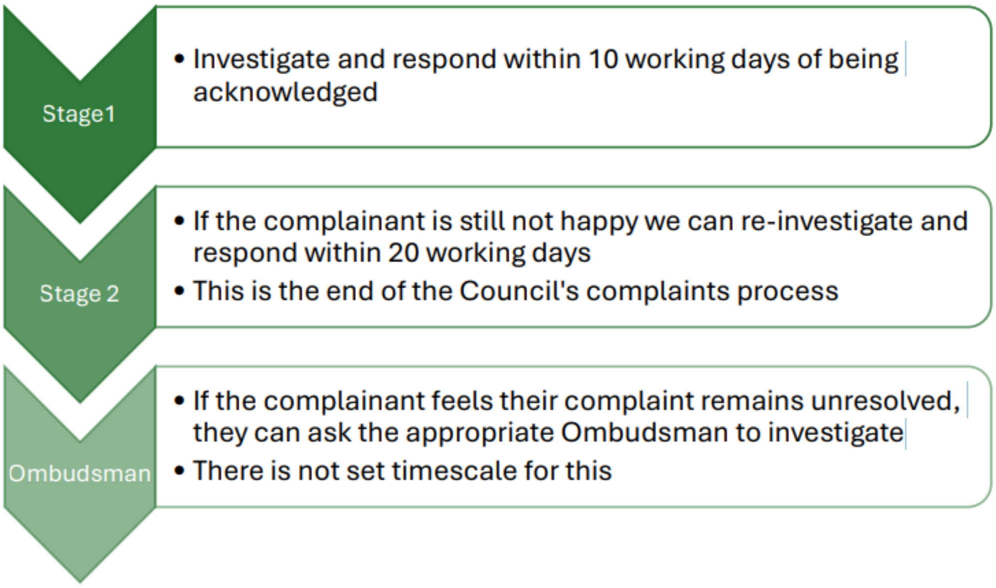
The Housing Ombudsman Service oversees complaints about social housing organisations and regulates dispute resolution for social landlords. It requires us to publish an annual Complaint Handling and Service Improvement Report and to complete an Annual Self-Assessment against its Complaint Handling Code. The findings from this Self-Assessment continue to inform our Complaints Policy and shape our approach to complaint handling, ensuring we remain aligned with sector expectations and resident needs.

This report and its supporting documents will be submitted to the Housing Ombudsman and made available to our tenants as required, alongside any annual reports issued by the Ombudsman relating to our performance as a landlord.

We remain committed to providing excellent customer service and welcome this opportunity to update our tenants, leaseholders and residents on how we have complied with the Complaint Handling Code, and to set out the actions we are taking to improve services based on the complaints we receive.

3. How the Council considers complaints

We operate a two-stage investigation process, with the option for residents to refer their complaint to the Ombudsman if they remain dissatisfied. Our Complaints Policy sets out how we consider, investigate and respond to complaints.



Two Ombudsmen oversee different aspects of our housing-related complaints:

- **Housing Ombudsman Service (HOS) –** covering complaints about our landlord functions, such as repairs, maintenance, estate services, and rent or service charges.
- **Local Government and Social Care Ombudsman (LGSCO)** – covering complaints about our non-landlord housing functions, including homelessness decisions, housing allocations and waiting lists.

The Housing Ombudsman's *Complaint Handling Code*, developed jointly with the LGSCO to ensure consistency across housing and related services, became statutory on 1 April 2024. We have reviewed and updated our Complaints Policy to ensure full alignment with the Code and recognised best practice.

4. Complaint Volumes and Trends

4.1. Total Complaints Received

As shown in Fig 1 and 2 below, we received a total of 597 Stage One complaints in 2025/26, representing a 13% reduction compared with the previous year's total of 688. Of these, 137 complaints were escalated to Stage Two, equating to just under 23% of all Stage One complaints.

During 2025/26, we received 75.85 Stage One complaints and 17.41 Stage Two complaints per 1,000 homes. Housemark benchmarking indicates that these rates are above the national median figures of 54.0 and 10.6 respectively, and the most recent published data for other Hertfordshire Council landlords had levels of between 43 and 101, and 8 to 18 respectively.

Sector research suggests that complaint volumes should not necessarily be associated with poor performance, and the Housing Ombudsman's Complaint Handling Code makes clear that a high volume of complaints should not be viewed negatively in isolation. Complaint volumes have continued to increase across the sector during the year, which has been attributed in part to growing resident awareness of, and confidence in, complaints procedures as a means of seeking redress.

Whilst not considered a significant concern at this stage, the increase in complaints escalating to Stage Two from 12% in 2024/25 to 23% in 2025/26 warrants further investigation to ensure there are no underlying issues in Stage One complaint handling. The increase provides some assurance that residents are aware of their right to request a review and can access the escalation process without unnecessary barriers. However, further analysis will be undertaken during 2026/27 to fully understand the drivers behind this increase. This review will consider to what extent escalations are primarily the result of residents exercising their right to an independent review, and what improvements are required in the quality and effectiveness of our Stage One complaint responses. Findings will be used to identify learning opportunities and support our aim of maintaining an appropriate level of escalations in the year ahead.

Fig 1 - Complaint Volumes 2025/26

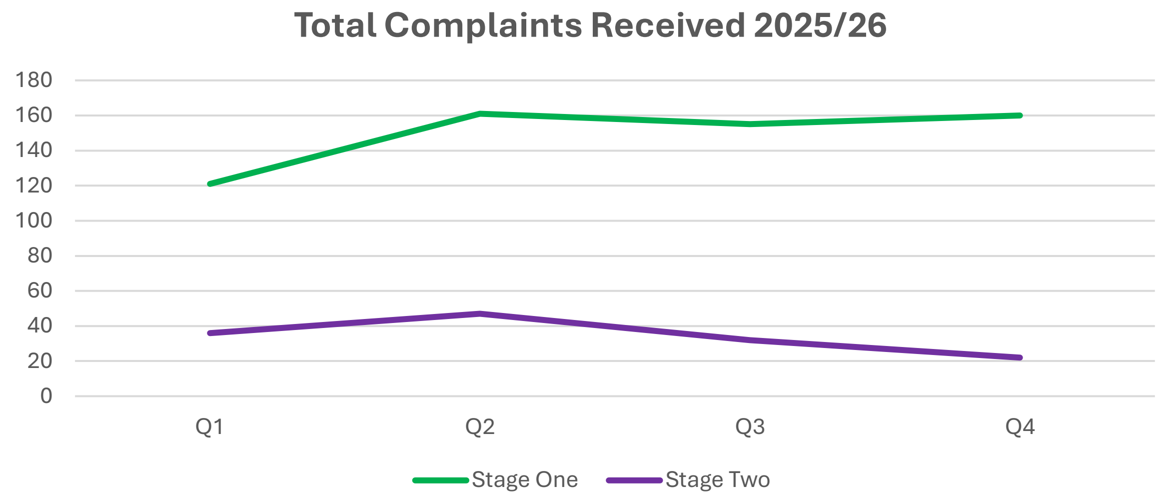
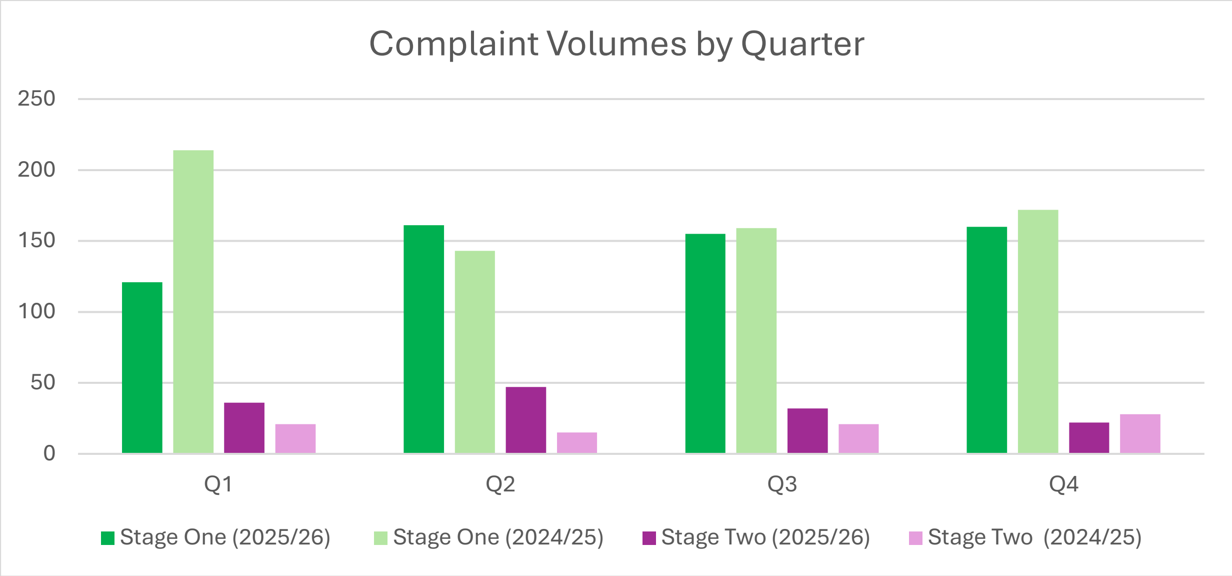


Fig 2 - Complaint Volumes 2025/26 vs 2024/25

Whilst Stage Two complaint volumes increased this year, they remained relatively steady across all four quarters, reflecting the stable pattern seen in previous years. Notably, Stage One complaint volumes were far more consistent than in the past. This improvement aligns with the work we have undertaken to strengthen our Repairs Service, including bringing in new contractors and introducing revised Contractor Standards. These changes were designed to improve the quality and timeliness of repairs, and it is encouraging to see this greater preparedness for seasonal demand now reflected in our complaint trends for the first time.



4.2 Timeliness and Performance

Fig 3 – Proportion of Complaints Responded to Within Timescale

Stage	2025/26	2024/25	Change
Stage 1	**98.16%**	94.62%	**+3.54%**
Stage 2	**94.16%**	81.18 %	**+12.98%**

As shown in Fig 3, performance against the timescales set out in the Complaint Handling Code has continued to improve across both stages when compared with the previous year.

For Stage One complaints, 98.16% were responded to within the required timescales in 2025/26, an increase of 3.54 percentage points from 94.62% in 2024/25. This reflects sustained high performance and demonstrates that early-stage complaint handling processes are operating consistently and effectively. This performance also compares favourably with the latest Housemark benchmarking median of 94.3% and against other Hertfordshire landlords all achieving levels for Stage One of below 86%, and 77% for Stage Two responses.

Stage Two performance has also shown marked improvement. In 2025/26, 94.16% of Stage Two complaints were responded to within timescale, compared with 81.18% in 2024/25—an increase of 12.98 percentage points. This represents significant progress in an area that has historically been more operationally challenging. Whilst slightly below the Housemark median of 95.9%, with Hertfordshire levels all being below 77% the improvement achieved during the year has significantly narrowed the gap to sector performance.

This improvement reflects a more structured and disciplined approach to complaint handling, supported by strengthened governance and increased accountability. In particular, Complaints Clinics, which brings senior management together to review and drive improvements, has continued to play an important role in reinforcing expectations, sharing learning and maintaining oversight.

What is the Housing Complaints Clinic?

The Housing Complaints Clinic is a monthly governance forum that reviews housing complaints performance and drives service improvement. It brings together the Cabinet Member for Housing and Complaints, senior managers, service leads and representatives from the Strategic Complaints Management team to review complaint volumes, response time compliance, Ombudsman decisions, emerging themes and lessons learned. This mix of political, strategic and operational oversight provides constructive challenge and accountability, helping to ensure that complaints insights are translated into tangible service improvements and monitored through to completion.

Whilst Stage One performance has remained consistently strong, improvements at Stage Two have been driven by clearer ownership and a revised approach at senior level. As Stage Two investigations are undertaken by Heads of Service, it was recognised that sufficient time needed to be allocated to carry out thorough investigations and provide comprehensive responses to residents. Review of performance throughout the year identified that the time required to undertake robust investigations and prepare detailed responses had, on occasion, been underestimated. This learning was reinforced through the Housing Complaints Clinic and embedded within service areas, contributing to improved performance and a higher proportion of Stage Two responses being issued within timescale.

As a result, Heads of Service have adopted a more considered approach, dedicating appropriate time to Stage Two investigations. This has contributed to a steady improvement in timeliness across the year, rising from 86% of complaints responded to within timescale in Q1 to full compliance in Q4. This reflects the positive impact of strengthened oversight and a greater focus on undertaking thorough investigations and preparing comprehensive responses.

Overall, performance in 2025/26 demonstrates a more consistent and responsive approach to complaint handling. Stage One continues to perform at a very high level and above sector benchmarks, while targeted interventions at Stage Two are delivering measurable improvements and bringing performance closer to the sector median despite the complexity of these cases.

Fig 4 – Stage One Complaints responded to within Complaints Handling Code timescales (2025/26)

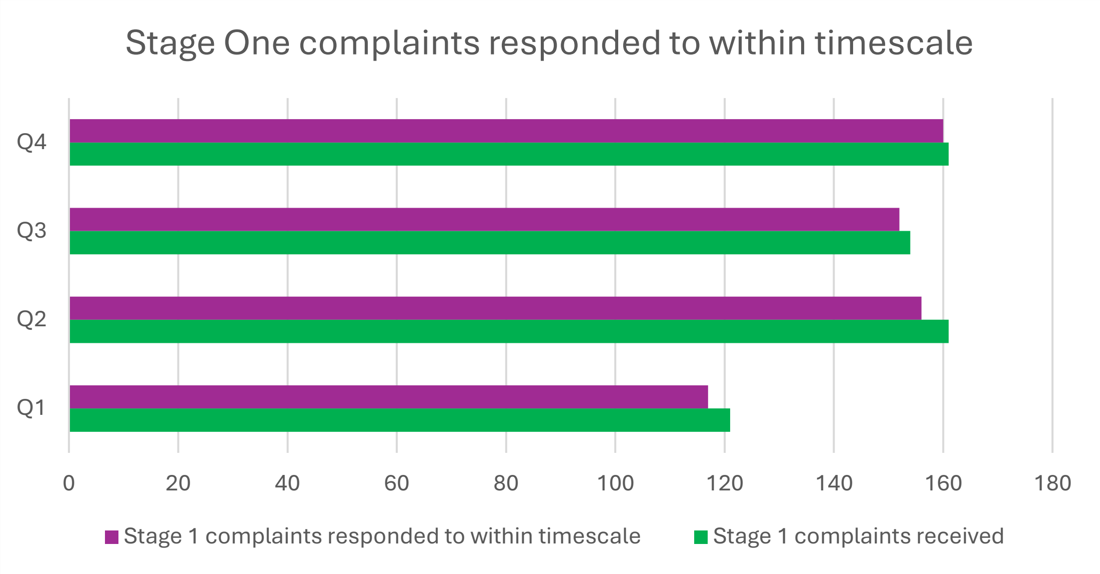
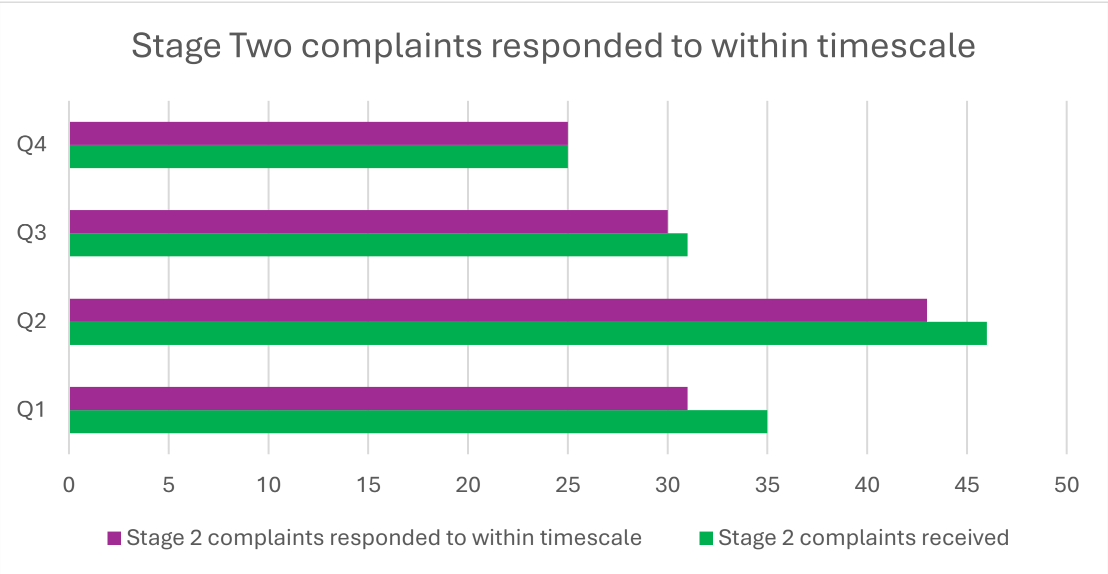


Fig 5 – Stage Two Complaints responded to within Complaints Handling Code timescales (2025/26)



4.3 Complaints by Service Area

As shown in Fig 6 and 7, complaints relating to Repairs continue to account for the largest proportion of cases at both Stage One and Stage Two, representing around half of all complaints received. To provide context, over 25,000 repairs are raised by service users each financial year. Although repairs generate the largest volume of complaints, only 1.7% of repairs raised during the year resulted in a complaint.

Housing Management and Asset Management make up the next largest shares, with broadly similar proportions across both stages, while Building Safety consistently represents the smallest volume of complaints.

Despite variation in complaint volumes, performance in responding within target timescales remains strong across most service areas. At Stage One, timeliness ranges from 97% to 99%, while Stage Two performance ranges from 88% to 100%. Although all service areas have maintained generally high levels of compliance, Repairs recorded the lowest Stage Two timeliness performance at 88%, reflecting the operational complexity and higher volume of complaints managed by the service.

The prominence of repairs-related complaints is consistent with national trends. The Housing Ombudsman continues to identify repairs and property condition as the most common source of complaints across the social housing sector, particularly amongst local authority landlords and medium-sized housing providers. Given the scale of repair activity undertaken each year, it is unsurprising that Repairs generates the highest volume of complaints. Nonetheless, the persistence of complaint volumes and the increase in Stage Two escalations indicate that further improvement is required.

Analysis of complaints data, learning from complaint investigations, and qualitative feedback gathered through the Tenant Perception Survey and Complaint Satisfaction Survey highlights recurring themes relating to delayed repair completion, multiple visits to resolve the same issue, poor communication, and residents needing to chase for updates. Whilst communication is often cited as the presenting issue, complaint investigations frequently identify that the root cause is a repair not being resolved at the first opportunity. Where additional visits are required, residents are more likely to experience uncertainty around appointments, seek updates on progress, and make repeated contact with services or the call centre. Achieving good first-time fix rates therefore remains a key priority, as resolving repairs correctly at the earliest opportunity has the potential to reduce customer effort, minimise avoidable contact, improve satisfaction levels, and reduce the likelihood of complaints escalating through the complaints process.

The Repairs Improvement Programme has been designed to address these underlying causes by strengthening record keeping, improving communication with residents, making better use of customer vulnerability information, and reducing avoidable delays within the repairs process. Alongside these improvements, there is a focus on improved scheduling, and ensuring operatives have the information, skills and materials required to resolve issues during the initial visit wherever possible. Over time, these improvements are expected to enhance the customer experience, reduce complaint volumes, and decrease the number of complaints requiring escalation to Stage Two.

It is also important to recognise the wider operating environment in which the Repairs Service is currently working. The introduction of Awaab's Law and the increased focus on responding to damp and mould cases within prescribed timescales have placed significant additional demands on housing providers across the sector. While this is a positive and necessary development for residents, it has inevitably increased pressure on repairs resources and service capacity. This contextual factor is particularly relevant when considering complaint-handling performance, as Repairs manages approximately half of all complaints received by the organisation whilst also responding to a substantially higher volume of service requests than any other department.

Whilst improvements to the underlying service remain the primary priority, it is equally important that complaint-handling arrangements within Repairs remain appropriately resourced to manage current demand. The Stage Two response rate of 88% should therefore be viewed in the context of both the significantly higher volume of complaints managed by the service and the evolving legislative and regulatory requirements being placed upon it. Continued management oversight, resource planning and service improvement activity will be required to maintain performance, improve the customer experience and reduce the demand that drives complaints in the first place. As service improvements begin to take effect, particularly through increased first-time fix rates and reduced repeat visits, we would expect both complaint volumes and escalation rates to reduce, creating further opportunities to improve complaint-handling performance.

Fig 7 – Stage One Complaints by service area and response timeliness (%) (2025/26)

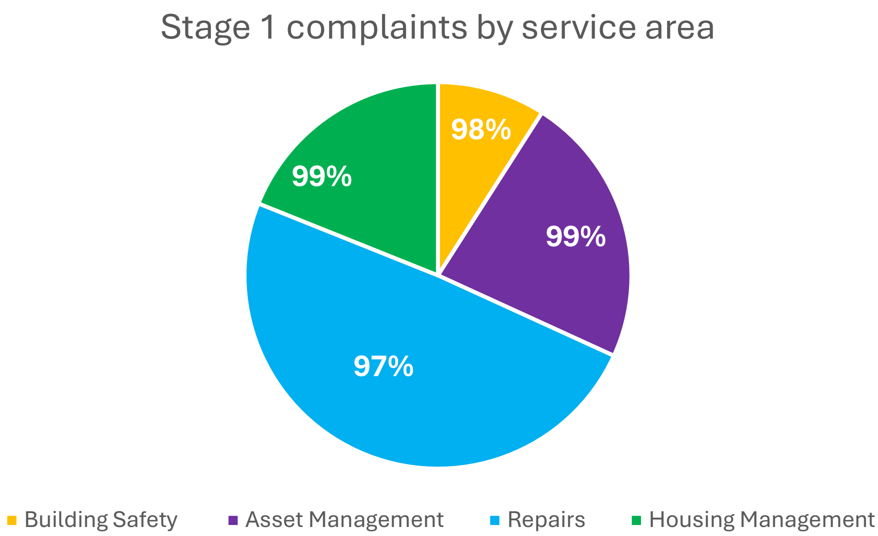
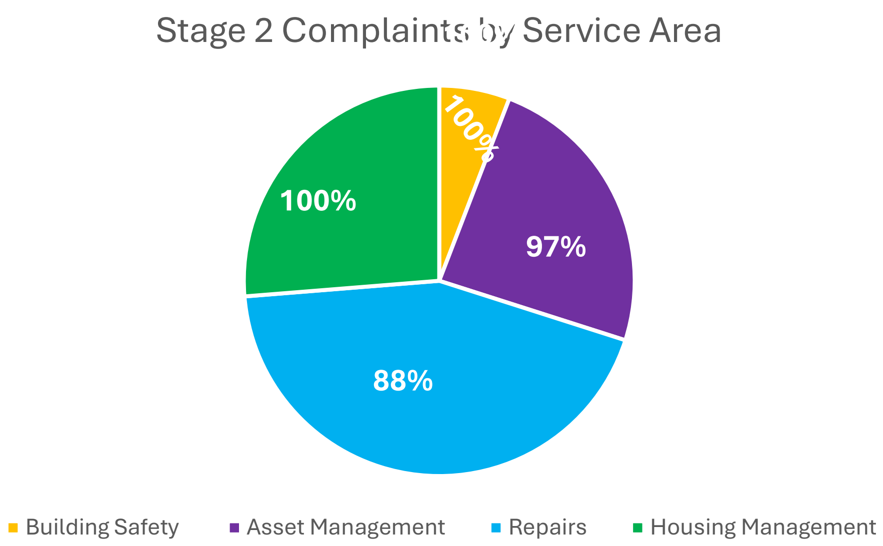


Fig 8 – Stage Two Complaints by service area and response timeliness (%) (2025/26)



4.4 Complaint Outcomes

As shown in Figures 9, 10 and 11, the majority of complaints at both Stage One and Stage Two were either upheld or partially upheld, demonstrating the Council's commitment to recognising where service standards have not been met and taking action to address identified shortcomings. In 2025/26, 76.0% of Stage One complaints and 69.4% of Stage Two complaints were upheld or partially upheld. Compared with the previous year, the proportion of Stage One complaints upheld or partially upheld increased modestly from 70.4% to 76.0%, whilst the overall proportion of Stage Two complaints upheld or partially upheld reduced slightly from 71.8% to 69.4%. Despite this small decrease at Stage Two, the figures continue to demonstrate a positive complaints culture in which concerns are investigated thoroughly, service failures are acknowledged where identified, and appropriate action is taken to resolve issues and improve services. Whilst a high uphold rate can indicate areas where services have fallen short of expectations, it also reflects the Council's willingness to listen to residents and use complaint investigations as a source of learning and improvement.

The proportion of complaints fully upheld increased at both stages of the complaints process, rising from 55.7% to 60.8% at Stage One and from 31.8% to 38.8% at Stage Two. Conversely, partially upheld outcomes reduced, particularly at Stage Two where they fell from 40.0% to 30.6%. This suggests that complaint investigations are increasingly reaching clearer conclusions regarding whether service standards have or have not been met, providing greater transparency and certainty for residents.

Fig 9 – Stage One Complaint Outcomes 2025/26 vs 2024/25

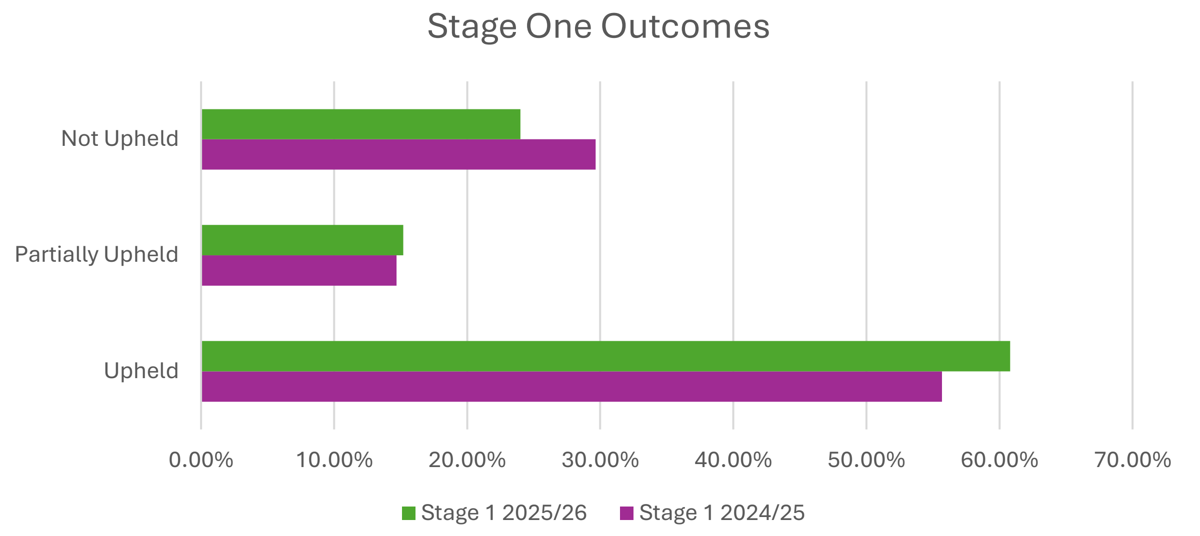
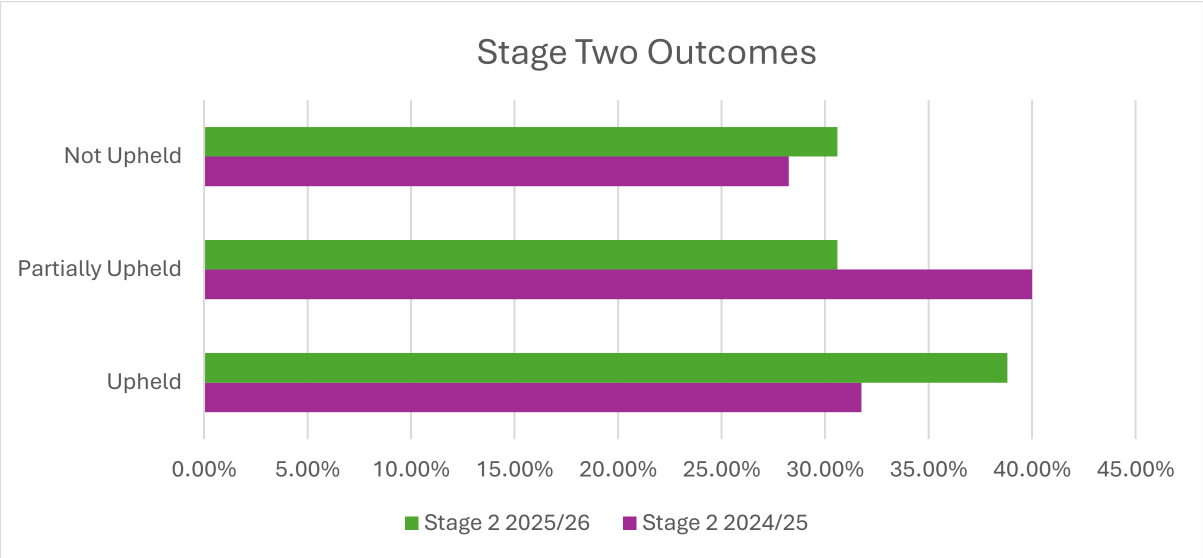


Fig 10 – Stage Two Complaint Outcomes 2025/26 vs 2024/25



Repairs continued to account for the highest proportion of upheld complaints, with almost 80% of Stage One complaints and 59% of Stage Two complaints being upheld. This reflects the ongoing challenges associated with delivering a responsive repairs service and reinforces the need to maintain momentum in service improvement activity, contractor management and performance monitoring. Whilst this remains a key area of focus, complaint outcomes are being used to identify recurring issues and drive targeted improvements in service delivery.

Building Safety also recorded relatively high levels of upheld complaints across both stages of the process, highlighting the importance of continuing to strengthen communication, case management and customer engagement within this service area.

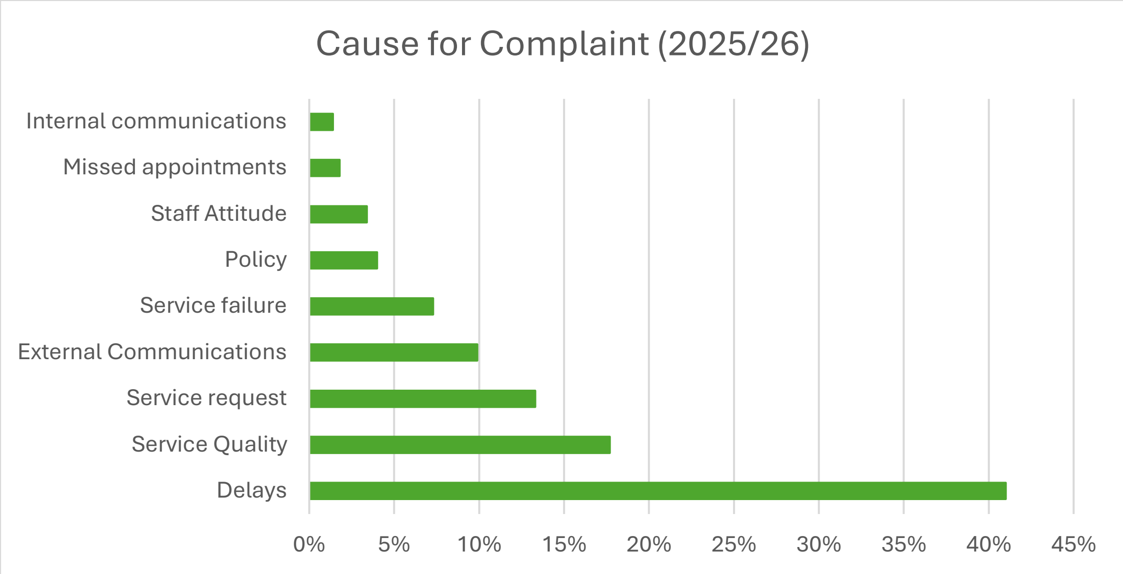
In contrast, Housing Management recorded the highest proportion of complaints that were not upheld at Stage One, suggesting that in a number of cases service standards had been met, although resident expectations may not always have aligned with service outcomes. This reinforces the importance of clear communication, expectation management and ensuring residents understand the scope of the Council's powers and responsibilities when responding to concerns.

Learning from upheld and partially upheld complaints continues to inform service improvement activity across the organisation. Complaint investigations have highlighted opportunities to improve communication, strengthen expectation management, enhance record keeping and ensure services are delivered consistently against agreed standards. The Council remains committed to using complaint outcomes as a source of insight, recognising that upheld complaints provide valuable opportunities to learn, improve services and prevent similar issues from recurring in the future.

Fig 10 – Complaint Outcomes by Service Area 2025/26

Stage One			
	Complaints Upheld (%)	Complaints Partially Upheld (%)	Complaints Not Upheld (%)
Asset Management	47.76	18.66	33.58
Repairs	79.86	10.24	9.90
Housing Management	30.77	27.89	41.35
Building Safety	51.92	23.08	25.00
Stage Two			
Asset Management	31.25	15.63	53.13
Repairs	59.38	25.00	15.63
Housing Management	2.86	60.00	37.14
Building Safety	57.14	14.29	28.57

Fig 12 – Root cause of complaints 2025/26



As shown in Fig 12, delays were the most frequently reported cause of complaints during 2025/26, accounting for approximately 41% of all cases. This represents a notable increase compared with the previous year and indicates that the timeliness of service delivery remains the greatest source of customer dissatisfaction.

Delays can arise from a range of factors, including contractor performance, supply chain pressures, demand for services and the complexity of individual cases. The prominence of this category highlights the importance of improving end-to-end process efficiency, and ensuring customers are provided with clear information about repair timescales from the outset. This allows expectations to be managed effectively and supports timely communication where circumstances mean agreed timescales cannot be met.

Further qualitative and quantitative analysis of customer feedback suggests that complaints relating to delays are not always the result of excessive service times. Rather, they often reflect residents' perception of delay, arising where expectations have not been clearly set, updates have not been provided at key stages, or customers have been left uncertain about timescales and next steps. This indicates that, alongside improving service efficiency, there is a continuing need to strengthen communication throughout the customer journey. Ensuring residents receive clear information from the outset, understand expected timescales and are kept informed of progress can help reduce dissatisfaction and improve the overall customer experience, even where service delivery times remain unchanged.

Service quality remained the second most common cause of complaint at approximately 18%, followed by service requests at 13%. While these themes continue to feature prominently within complaint investigations, the reduction in complaints relating to service requests and service quality compared with the previous year suggests that targeted improvements in service delivery and case handling may be having a positive impact. Nevertheless, the continued volume of complaints in these areas demonstrates the need to maintain a focus on service standards, quality assurance, responsiveness and customer engagement, alongside ongoing analysis of complaints trends to identify and address recurring issues within specific services, contractors or providers.

Complaints relating to service failure, policy, staff attitude, missed appointments and internal communication remained comparatively low, each accounting for less than 10% of total complaints, indicating that customer interactions and internal coordination are generally performing effectively. These areas will continue to be monitored to ensure performance remains stable and to identify any emerging trends at an early stage.

5. Ombudsman Cases

During 2024-25, the Ombudsman investigating made determinations on 20 of our cases, split between the Housing Ombudsman Service (16) and the Local Government and Social Care Ombudsman (4).

5.1 Housing Ombudsman Service

The most recent year for which a Housing Ombudsman Landlord Performance Report is available is 2024-2025.

The Housing Ombudsman report relating to the year 2025-26 is not due to be published until later this year. Once published, it will reflect the 16 HOS determinations captured below.

Of the 16 determined cases of 2025/26, the Housing Ombudsmen Service made 32 findings. The number of findings exceeds the number of cases because individual investigations may consider several complaint issues, with separate findings reached for each issue. Consequently, a single case may contain a combination of findings, including both maladministration and no maladministration, across different aspects of the complaint.

No Maladministration	10
Mediation	1
Redress	4
Service Failure	6
Maladministration	11

The Council has taken the following action to comply with the recommendations set out by the Housing Ombudsmen Service:

- ✓ Issued apologies;
- ✓ Financial redress;
- ✓ Carried out repairs;
- ✓ Home surveys and inspections; and

✓ Reviewed complaint handling procedures.

We anticipate a maladministration rate of 53% for 2025/26, representing a reduction from the previous year and indicating positive progress in addressing the root causes of complaints.

Maladministration findings continue to provide valuable learning opportunities by highlighting areas where services can be improved and issues resolved more effectively at an earlier stage. In response to Ombudsman determinations, the Council continues to review individual cases to identify missed opportunities for early resolution and to implement targeted service improvements where recurring themes are identified.

While any finding of maladministration is taken seriously, the reduction suggests that actions taken to strengthen service delivery, decision-making and complaint handling processes are having a positive impact.

As part of the Council's Corporate Performance Framework, all Housing Ombudsman determinations are reported to Cabinet and published on the Council's website. These reports include details of findings, outcomes and actions taken, ensuring transparency, accountability and ongoing oversight of service improvement activity.

5.2 Local Government and Social Care Ombudsman

The Local Government and Social Care Ombudsman (LGSCO) has published its Annual Review of complaint handling performance for the year ending 31 March 2026. The review can be accessed here: *Stevenage Borough Council - Local Government and Social Care Ombudsman.*

Of the 30 complaints considered by the LGSCO during the year, four were investigated, of which three were upheld (75%). There are a range of reasons that the LGSCO would not have investigated a case which included: -

- There being an alternative route for appeal for resolution
- The Council had not had a reasonable opportunity to investigate first
- The case fell outside of the remit of the Ombudsman
- The Ombudsman considers that an investigation would be unlikely to achieve a worthwhile or alternative outcome.

Stevenage Borough Council achieved a 100% compliance rate with all recommendations made by the Ombudsman, with 67% of recommendations implemented within the agreed timescales.

As a result of Ombudsman findings, the Council has taken the following actions:

✓ Issuing apologies;

- ✓ Financial redress;
- ✓ Reinforced guidance to housing staff on recording decision-making, ensuring there is clear evidence of how the suitability of interim accommodation is assessed and how any refusals by applicants are considered;
- ✓ Reviewed arrangements for sourcing larger accommodation to identify opportunities to increase the availability of suitable properties for larger households;
- ✓ Engaged directly with an affected household to ensure housing options were clearly explained, enabling informed decision-making and supporting agreed plans to secure suitable accommodation;
- ✓ Reconsidered a homelessness review request to ensure decisions were reviewed appropriately and in line with statutory requirements; and
- ✓ Undertook a fresh consideration of a homelessness review request, ensuring the decision was communicated through a clear written response that fully explained the evidence considered, the reasons for the decision and how the conclusion had been reached.

Again, in all cases details of determinations are reported as part of the Corporate Performance Framework to Cabinet and published on the Council's website.

6. Complaints not accepted

During 2025/26, 54 cases were assessed and not accepted as formal complaints under the Council's Complaints Policy. In line with the Housing Ombudsman's Complaint Handling Code, each case was reviewed to determine whether it met the definition of a complaint and whether the complaints process was the appropriate route for resolution. The majority of cases not accepted (43) were service requests, where residents were reporting a problem or requesting a service that had not previously been brought to the Council's attention and therefore had not yet been given the opportunity to be resolved through normal service delivery channels.
Other cases not accepted included:

- 5 cases where a statutory right of appeal or alternative legal process was available.
- 3 duplicate complaints where the issue was already being considered through an existing complaint.
- 3 cases where an alternative route was more appropriate for resolving the matter.
- 2 cases relating to matters that were not the responsibility of Stevenage Borough Council.
- 1 case that had previously been considered and determined through the complaints process.
- 2 cases that were withdrawn after actions had been taken to address the residents' concerns.

Where a complaint was not accepted, residents were provided with a clear explanation of the decision, signposted to the appropriate service or process, and advised of their right to challenge the decision, where applicable. Monitoring the reasons for non-acceptance provides valuable insight into customer demand and helps us identify opportunities to improve communication, service access, and the overall customer experience.

7. Tenant Satisfaction Measures - Tenant Perception Survey

The Tenant Satisfaction Measures (TSMs), introduced in 2023/24, are a regulatory requirement for all Registered Providers of Social Housing in England. Of the 22 TSMs, 12 are perception measures that assess tenants' views of the services they receive and are collected through a tenant perception survey. One of these measures, TP09, relates specifically to satisfaction with the landlord's approach to handling complaints.

In line with the Regulator of Social Housing's prescribed methodology, 987 residents were surveyed. While the minimum sample size required to achieve a 95% confidence level with a margin of error of +/-3% was a minimum of 558 completed surveys, the Council commissioned a larger survey to improve the reliability and representativeness of the results. A total of 987 completed surveys were achieved. These respondents were asked:

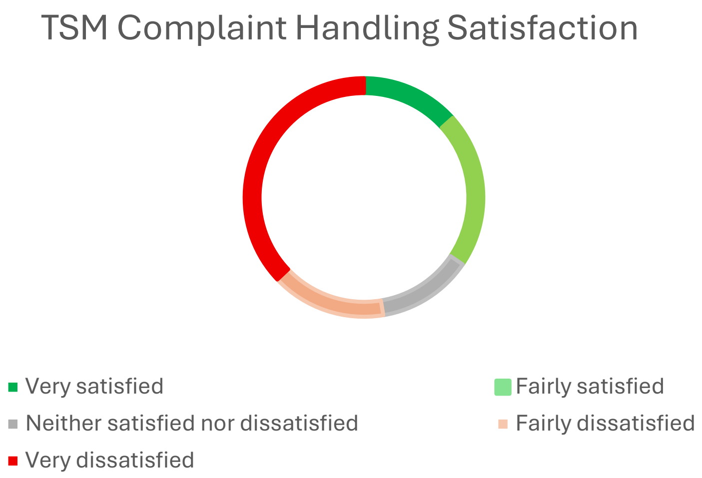
"Have you made a complaint to Stevenage Borough Council in the last 12 months?"

Of those surveyed, 233 residents (23.6%) reported that they had made a complaint, while 705 residents (71.4%) reported that they had not.

Residents who had made a complaint were then asked:
"How satisfied or dissatisfied are you with Stevenage Borough Council's approach to complaints handling?"

As shown in Figure 13, 34.5% of respondents who had made a complaint reported being satisfied with the Council's approach to complaint handling, compared with 52.6% who reported being dissatisfied. This indicates that among residents who said they had made a complaint, levels of dissatisfaction exceeded levels of satisfaction by 18.1 percentage points.

Fig 13 – TSM Results 2025/26 - Satisfaction with Landlords approach to complaint handling (TP09)



Whilst our ambition remains to achieve higher levels of satisfaction than dissatisfaction with complaint handling, we are encouraged to see a modest improvement this year. Satisfaction with the Council's approach to complaints handling increased from 34.1% in 2024/25 to 34.5% in 2025/26, while dissatisfaction reduced from 54.6% to 52.6%. Although dissatisfaction continues to outweigh satisfaction, this suggests that the actions taken to strengthen our approach are beginning to have a positive impact.

Complaint handling remains one of the most important drivers of overall tenant satisfaction. Residents who were very dissatisfied with the way their complaint was handled reported an overall satisfaction score of just 26.7%, compared to 77.4% amongst those who were very satisfied. More broadly, overall satisfaction amongst residents who had made a complaint was 43.8%, compared to 76.0% for those who had not.

These findings demonstrate the importance of handling complaints well. When complaints are managed effectively, with clear communication, regular updates and fair outcomes, they provide an opportunity to rebuild trust and improve residents' perceptions of the Council.

As in previous years, a number of respondents who said they had made a formal complaint within the last 12 months could not be readily identified within the complaints system. This suggests that some residents may have a different understanding of what constitutes a formal complaint. Feedback from across the social housing sector indicates that residents will often report having made a complaint when, in practice, they have submitted a service request. The wording of the TSM survey question does not enable this distinction to be explored further, which has been recognised by many providers as a limitation of the measure and an area where greater clarity would be beneficial. This highlights the need to continue improving residents' awareness and understanding of the complaints process, including the distinction between a service request and a formal complaint.

Improving complaint handling will remain a key priority during the coming year. We will continue to focus on clear ownership of complaints, timely responses, proactive communication and learning from complaints to improve services and increase resident confidence in the process.

Learning from complaints and customer feedback will continue to be reviewed through our Complaints Clinics and used to inform service improvement activity across housing services.

8. Transactional Satisfaction Survey Results

We carry out transactional satisfaction surveys with all complainants once their complaint has been closed. These surveys provide valuable insight into residents' experiences of our complaints process and help us identify opportunities for improvement.

Since July 2025, the surveys have been administered by an independent external provider. This approach helps ensure residents feel comfortable providing honest feedback and gives additional assurance regarding the independence and credibility of the results.

All complainants received the satisfaction survey via email. As the survey was introduced from Q2 onwards, it was not issued to complainants during Q1. During the period covered by the survey, 76 responses were received, comprising 57 Stage One complainants and 19 Stage Two complainants. This represents a response rate of **13.2%** of all complainants who were invited to participate.

While the feedback received provides valuable insight into residents' experiences, the response rate remains relatively low. As part of our continuous improvement approach, we will work with the external provider to identify opportunities to increase participation and ensure the survey results are representative of a broader range of complainants.

The survey results showed that:

- Just over 33% of respondents were satisfied with their overall complaints experience
- Nearly 43% agreed that their views had been taken into account
- Half of respondents felt that they had been treated with fairness and respect
- Just over 33% agreed with the outcome of their complaint
- Almost 63% of respondents found it easy to make a complaint

While the results indicate some positive aspects of the complaints process, particularly in relation to accessibility and the way residents are treated, they also highlight significant opportunities for improvement. Levels of overall satisfaction and agreement with complaint outcomes remain relatively low and are broadly consistent with findings from the Tenant Satisfaction Measures survey. The results reinforce the importance of continuing to improve communication, complaint handling and customer confidence in the complaints process.

8.1 Overall Customer Feedback

During the reporting period, customers shared a wide range of experiences of our complaints service. Communication emerged as one of the most significant factors influencing customer satisfaction, a theme that has also been identified through other customer feedback channels, including our Tenant Perception Survey.

However, customers also identified areas where their experience fell short of expectations, particularly in relation to communication, repairs and contractor performance, confidence that agreed actions would be delivered and the overall handling of their concerns.

While feedback highlighted examples of good practice, it also demonstrates that further improvement is required to increase satisfaction with the complaints process and build greater trust and confidence among residents.

8.2 Learning and Improvement

The feedback received is helping shape our improvement activity. Residents told us they wanted:

- Better communication and more frequent updates.
- Repairs to be completed more quickly.
- Greater confidence that agreed actions will be delivered.
- Improved support for residents with additional needs.
- Clear evidence that their feedback has been considered.

In response, we are:

- Strengthening communication throughout the complaints process.
- Improving oversight of repairs and contractor performance.
- Monitoring delivery of remedies and compensation to ensure agreed actions are completed.
- Reviewing how we support residents with additional needs through the complaints process and using recorded vulnerability information to assess whether customer feedback varies across different resident groups, helping us identify and address any unequal outcomes.
- Using customer feedback to inform service improvements, staff learning and future service design.

9. Governance

Over the past three years, the Council has continued to strengthen its housing complaints governance arrangements to ensure greater accountability, transparency and service improvement. We have made further enhancements for the year ahead, including to Member oversight, service-level accountability and the use of complaints data and feedback to drive learning and improvement.

Our governance structure now comprises the following:

9.1 Strategic Complaints Managers (SCMs)

We have a team of SCMs who oversee housing complaints and work closely with services to facilitate prompt and fair resolution. SCMs have access to staff at all levels of the organisation, enabling them to resolve disputes effectively, promote consistency and ensure learning is captured from complaints outcomes.

9.2 Housing Complaints Clinic

The Housing Complaints Clinic meets monthly and provides operational oversight of housing complaints performance. The group reviews complaint volumes, compliance with response times, Ombudsman decisions, emerging trends and lessons learned.

The Clinic supports a proactive approach to identifying service improvements and ensuring that agreed actions are implemented and monitored and reviewed. It also provides a forum for tracking progress against learning actions arising from complaints and Ombudsman determinations, helping to embed continuous improvement across housing services.

As part of our commitment to continuous improvement, the Housing Complaints Clinic is currently being reviewed with attendees to identify opportunities to strengthen its effectiveness, enhance oversight arrangements and further improve both service delivery and the complaints process.

9.3 Members' Complaints Clinic

In 2026/27, we introduced a quarterly Members' Complaints Clinic to strengthen elected Member oversight of complaint handling and service improvement.

The Clinic is attended by the Cabinet Member for Housing, who also fulfils the role of Member Responsible for Complaints (MRC), alongside senior officers and elected Members from across the Council. This dedicated forum supports the MRC in meeting their responsibilities under the Housing Ombudsman's Complaint Handling Code while increasing Member awareness of complaint performance, emerging trends, key learning and service improvement activity.

By bringing together elected Members, senior managers and complaints specialists, the Clinic provides constructive challenge and scrutiny, ensuring that performance issues, emerging risks and improvement opportunities are considered from a range of perspectives. Through increased oversight and accountability, the Clinic helps to ensure that learning from complaints is translated into tangible service improvements and positive outcomes for residents.

9.4 Service Manager Complaint Reviews

Dedicated service-level complaint review meetings are held between Strategic Complaints Managers (SCMs) and managers across Housing Services. These sessions focus on complaint performance within individual service areas, recurring themes, lessons learned, and opportunities to share and embed best practice.

This approach strengthens accountability and ownership of complaints at a service level, ensuring that learning is translated into tangible service improvements and helping to drive a culture of continuous improvement across Housing Services.

9.5 Executive Housing Working Group (EHWG)

The Executive Housing Working Group provides strategic oversight of the Council's Housing Management Services.

The Group is chaired by the Cabinet Member for Housing and includes attendance from the Leader and Co-Deputy Leaders of the Council, together with the Strategic Director, Assistant Directors and relevant Service Heads.

The Group meets monthly and receives regular updates on complaints performance, Housing Ombudsman determinations, the annual self-assessment against the Complaint Handling Code and progress against improvement actions.

9.6 Cabinet Meetings

Housing complaints performance metrics are included within the Corporate Performance Report submitted to Cabinet on a quarterly basis. Reports also include details of housing related Ombudsmen determinations and the actions taken in response to recommendations and learning identified through complaints. Reports are published on the Council’s website.

9.7 Impact

The continued improvement in our complaints performance is supported by these strengthened governance arrangements. The combination of strategic oversight, Member scrutiny, service-level accountability and regular performance monitoring helps ensure that learning from complaints is embedded across the organisation. This enables evidence and evidence based decision making, supports continuous service improvement and helps us deliver better outcomes for residents.

10. Assessment against the Complaints Handling Code

As part of our commitment to continuous improvement, we completed our annual self-assessment against the Housing Ombudsman's Complaint Handling Code and published the results alongside this report. During the year, the Housing Ombudsman Service also undertook a review of the Council's Complaints Policy, identifying a number of recommendations to strengthen alignment with the Code and further improve resident experience. The review made 12 recommendations, focused primarily on clarifying policy wording and ensuring that good complaint-handling practice is more explicitly reflected within the policy itself.

In response, we undertook a comprehensive refresh of our Complaints Policy, incorporating the Ombudsman's recommendations and reinforcing our commitment to fair, accessible and effective complaint handling. The updated policy provides greater clarity for residents and staff, strengthens arrangements for complaint acknowledgements and communication, and ensures our approach remains fully aligned with the expectations of the Complaint Handling Code.

The self-assessment and policy review have provided valuable assurance regarding our approach while also helping us identify opportunities for further improvement. Below, we highlight some of the key developments delivered during the year, alongside the areas that will remain a focus for improvement in the coming year.

11. 2025/26 Achievements

Last year, we have:

- Improved the transactional surveys process by outsourcing to an external supplier, adding credibility to the survey results
- Continued to refine the new complaint handling system, developing further its reporting capabilities, including records of complaints that are not accepted.
- Implemented a revised Complaints policy, incorporating the Housing Ombudsman's recommendations and providing greater clarity for residents and staff
- Significantly increased the proportion of complaints that were responded to within Complaint Handling Code timescales.

- Continued to Implement the Repairs Improvement Programme using complaint learning
- Strengthened governance further through the introduction of Members' Complaint Clinics
- Implemented an Access to Homes Policy to ensure a consistent and resident-focused approach across all housing services
- Implement a Compensation Policy and supplementary Compensation Framework, to ensure consistency across cases where compensation is offered, incorporating learning from compensation cases to date and Housing Ombudsman best practice.
- Commenced a programme of complaint case reviews, to be assured of the quality of our responses, adherence with the Complaint Handling Code and consistency across teams.

12. 2026/27 Commitments

In the year ahead, we will:

- Review Stage Two escalations to understand the causes of increased escalation rates and identify opportunities to improve the quality and effectiveness of Stage One complaint responses.
- Improve complaint handling within the Repairs service by ensuring sufficient resources are in place, strengthening oversight, and using complaint and escalation data to reduce repeat issues and improve response times.
- Continue to deliver the Repairs Improvement Programme, focusing on reducing delays, improving communication, improving quality control, and increasing first-time fix rates
- Improve customer communication and expectation management by providing clearer information about service standards, timescales, progress and next steps throughout the customer journey and complaints process
- Use complaint feedback, customer insight and Ombudsman learning to drive continuous service improvement, ensuring lessons learned are embedded across housing services. With Members being engaged, informed and driving the improvements.
- Strengthen monitoring of service standards and agreed actions, including complaint remedies and compensation, to ensure commitments are delivered and recurring issues are addressed.
- Review how we support residents with additional needs and vulnerabilities to ensure the complaints process remains fair, accessible and responsive.
- Increase awareness and understanding of the complaints process, helping residents understand the difference between a service request and a formal complaint and how to raise concerns when services fall short.
- Strengthen monitoring of complaint remedies, service improvements and Ombudsman recommendations, ensuring agreed actions are delivered within the required timescales and learning is embedded across housing services.

- Identify opportunities to increase participation in our transactional satisfaction survey and ensure the survey results are representative of a broader range of complainants.

13. Conclusion

During 2025/26 we continued to strengthen our approach to complaint handling, achieving significant improvements in response times, governance and policy compliance. Complaints remain an important source of resident feedback and organisational learning. Whilst challenges remain, particularly around repairs-related complaints and resident perceptions of complaint handling, the progress made during the year provides a strong foundation for further improvement. We remain committed to listening to residents, learning from complaints and using that learning to improve services and outcomes for our residents.

14. Response of the Executive Housing Working Group

Our Executive Housing Working Group (EHWG) was formed to provide strategic oversight of the Council's Housing Management Services.

This Group is chaired by the Cabinet Member for Housing (the Member Responsible for Complaints (MRC)), with attendance from the Leader and Co-Deputy Leaders of the Council, along with the Strategic Director, Directors and relevant Service Heads.

In accordance with the Housing Ombudsman's Complaint Handling Code, this report has been reviewed by the EHWG on 29th July 2026 and subsequently approved by Cabinet. The Council's response, including its observations on complaints performance, learning outcomes and proposed service improvement actions, is set out below.

DRAFT RESPONSE – For discussion with and refinement by the Strategic Director, Housing Directors and Portfolio Holder.

[The Council welcomes this report and the progress made during 2025/26 to strengthen complaint handling, governance and service improvement. Improved performance, enhanced Member oversight and a continued focus on learning from complaints demonstrate our commitment to openness, accountability and delivering better outcomes for residents.

We recognise that further improvements are needed, particularly in relation to customer satisfaction, communication and repairs. The Council remains committed to using resident feedback and Ombudsman learning to drive continuous improvement across housing services.]

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Part I – Release to Press

Stevenage BOROUGH COUNCIL

Agenda item: ##

Meeting Cabinet

Portfolio Area Economy, Skills & Young People

Date 10/09/26

FUTURE OF THE GSK SITE: IMPACT, RESPONSE AND OPTIONS

KEY DECISION

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Lead Officer **Julie Baird**, Strategic Director

Contact Officer **Daryl Jedowski**, Head of Corporate Policy & Performance

1 PURPOSE

1.1 GSK intends to relocate its Stevenage research and development operations to Cambridge by 2029, affecting approximately 1,800 roles in Stevenage. Initial analysis indicates the direct and locally retained economic impact could be around £80 million in lost Gross Value Added (GVA) each year, before wider supply-chain and employee-spending effects are included.

1.2 The announcement represents potentially, one of the most significant economic shocks to the area in a generation, given the importance of the life sciences sector to the local economy and to those who work in the facility and supply chain. This will require a proactive response from a range of partners, to help mitigate this impact and create opportunities and jobs into the future. The local economy is broad and diverse, which provides a good foundation to respond to this challenge. Stevenage's employee jobs base has grown by around a quarter since 2015, and the life science and innovation base has also diversified significantly in the last decade.

1.3 This report sets out the Council's intention to convene a partnership response with Government, Hertfordshire partners and businesses. The Council is forming a joint working group with Hertfordshire Futures (part of Hertfordshire County Council) and will work through a close partnership with Stevenage Development Board and many local organisations. The Council has started engagement with key stakeholders and called on Government's support to set up a Taskforce, to support the development of an implementation plan to help secure the best possible outcomes for the town and local community. The Council will also continue to work closely with our partner Councils, who will form the new Central Hertfordshire unitary Council in April 2028.

1.4 The Council wishes to build on GSKs commitment to engage with local stakeholders. The early phases of work will focus the Taskforce on deepening its insights on how to best respond to the impact of the move on:

- local people, supply chain and economy during the transition to 2029; and
- maximising the potential of the future use of the site to create good quality local jobs and opportunities.

1.5 Stevenage offers unique strengths such its global reputation for innovation in Cell and Gene therapy with growing local businesses like Autolus and other innovation in the life sciences at the Stevenage Bioscience Catalyst and the Cell and Gene Therapy Catapult, as well the potential for growth and innovation within the defence sector with MBDA and Airbus as important anchors.

1.6 GSK owns its site and will have its own commercial considerations when exploring future options. A commitment from government and partnership is critical to explore how Stevenage's economic strengths might shape the future of the site, and how the Council with government and other partners might best use its levers such as planning or other potential interventions to benefit the wider economy.

2 RECOMMENDATIONS

That Cabinet

2.1 Notes GSK's announcement to relocate its research and development operations from Stevenage to Cambridge by 2029 and the potential economic implications for Stevenage and the wider Hertfordshire economy.

2.2 Notes the action taken by the Council following the announcement, including engagement with GSK, Government, Hertfordshire partners, businesses and other stakeholders to understand the implications and maintain confidence in Stevenage's economy.

2.3 Grants delegated authority to the Strategic Director, having consulted with the Leader of the Council and the Portfolio Holder for Economy, Skills and Young People, to establish a partnership Taskforce, to oversee the response to GSK's announcement.

2.4 Endorses continued engagement with Government to highlight the national and regional significance of the economic impact and to explore the investment, infrastructure, policy and other interventions that could support the future of the site and the wider Stevenage economy.

2.5 Approves an allocation of up to £440,000 from the General Fund, comprising £350,000 in 2026/27 and £90,000 in 2027/28. This is to enable the Council to work with partners to respond swiftly and effectively given the importance of this issue. Specifically, to provide dedicated project capacity, specialist advice, evidence and market analysis and the development of the Implementation Plan, appropriate planning levers and seeking any further external funding opportunities.

2.6 Notes the work with other public sector partners including Hertfordshire Futures and government to support the task group and help prepare an implementation plan, and to consider options to seek external contributions from other partners as appropriate.

2.7 Agrees, owing to the scale and strategic significance of the potential economic impact arising from GSK's proposed withdrawal from Stevenage, that the associated risks be added to the Council's Strategic Risk Register.

2.8 Requests that a further report be brought to Cabinet by June 2027 to seek approval of an Implementation Plan and identify any further approvals or funding required.

3 BACKGROUND

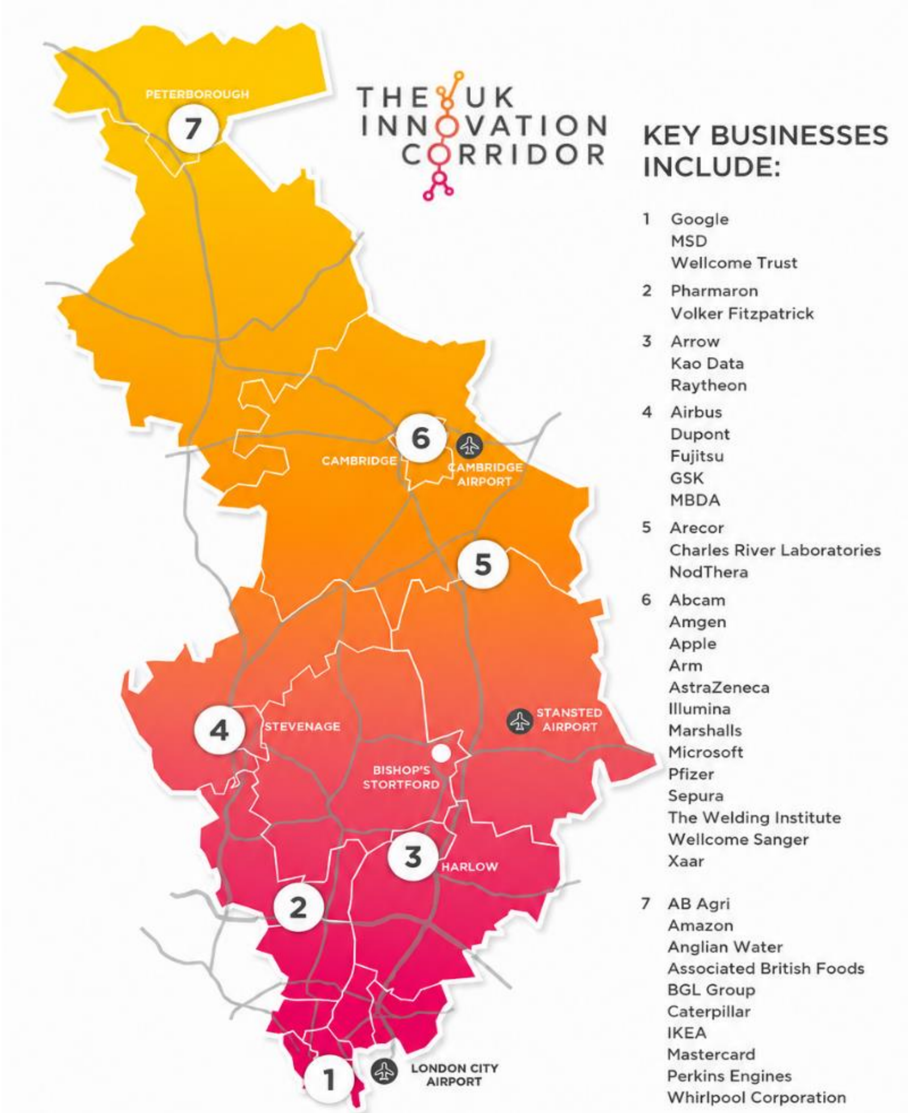
Stevenage Economy, Growth and STEM Strengths

3.1 Stevenage is a significant employment centre within Hertfordshire and has developed a strong, diverse economic base. The town is home to major employers across life sciences, defence, aerospace, space, engineering and technology, alongside a wider network of smaller businesses and supply chains.

3.2 Latest labour market data records approximately 54,000 employee jobs in Stevenage in 2024. Approximately 51% of these jobs are within industries associated with science, technology, engineering and related activity, demonstrating the importance of STEM-based businesses and organisations to the town's employment base.

3.3 Professional, Scientific and Technical Activities account for around 4,500 employee jobs across Stevenage, while Stevenage Bioscience Catalyst separately estimates that more than 4,000 people are employed across the life sciences campus. The figures are drawn from different sources and are not directly comparable.

3.4 Stevenage is located on the London-Cambridge axis of the UK Innovation Corridor and within the wider London-Oxford-Cambridge life sciences geography commonly described as the Golden Triangle, connecting the town to major concentrations of research, investment, life sciences and technology.



3.5 Stevenage also has nationally important strengths in defence, aerospace and space. Airbus Defence and Space and MBDA have maintained a major presence in the town for more than six decades.

3.6 The Government's Defence Industrial Strategy identifies defence as an engine for economic growth and supports stronger regional clusters of businesses, research and specialist capability. This provides a further opportunity for Stevenage and the wider Hertfordshire economy. The Hertfordshire Economic Strategy 2026-2036 highlights the importance of defence, life science, and technology in driving innovation and growth.

3.7 Stevenage's growth has also been supported by a substantial programme of public and private investment. Town Centre Regeneration has delivered new homes, commercial space, public realm and community infrastructure, alongside the £37.5 million Towns Fund programme and wider private sector investment.

3.8 The development of the Station Gateway regeneration proposals represents a major component of the next phase of the town's regeneration programme. A development agreement has been signed to progress a mixed-use scheme including at new homes, improved station facilities and significant commercial, public and community space, the potential for higher education space, strengthening connections with the town centre and Stevenage's key employment area on Gunnelswood Road, the GSK site and wider life science campus.

3.9 The Council has consistently sought to connect economic growth with opportunities for local residents. Stevenage Works brings together employers, the Council, education providers and employment partners to improve employment and skills pathways and a pipeline of future talent. North Hertfordshire College's Stevenage Innovation and Technology Centre has expanded technical education provision linked to local growth sectors, while the Pioneering Young STEM Futures programme with Mission44 is seeking to strengthen routes for young people into STEM careers.

Life Sciences and Innovation

3.10 More than 4,000 people are currently estimated to be employed across the Stevenage life sciences campus. The campus includes GSK, Stevenage Bioscience Catalyst, the Cell and Gene Therapy Catapult, LifeArc and Cytiva, alongside more than 45 therapeutics companies. Companies based at Stevenage Bioscience Catalyst have raised more than £4 billion since its establishment in 2012.

3.11 The campus figure does not capture the wider life sciences footprint across Stevenage, including:

Autolus Therapeutics: Autolus grew through the Stevenage life sciences cluster before establishing its Nucleus advanced manufacturing facility and European headquarters within Stevenage town centre. The £65 million investment supports around 350 - 400 jobs. Economic analysis estimates that every £1 generated through this activity creates approximately £3.20 of value in the local economy.

Sycamore House: Sycamore House provides flexible laboratory and office accommodation for life sciences businesses, including start-ups, scale-ups and larger companies.

3.12 Prior to GSK's announcement, economic modelling identified significant further growth potential for the Stevenage life sciences cluster, including the potential to create around 4,500 additional jobs and increase annual gross GVA to the UK economy to £417 million by 2040. GSK's decision changes the assumptions on which those projections were based, updated economic and market analysis will now be needed.

3.13 Despite GSK's proposed relocation, Stevenage will retain a substantial life sciences sector – and more broadly, sectors enabling new innovation and technology - supported by specialist infrastructure, established businesses and continued investment. Maintaining confidence in the cluster and the conditions for businesses to grow and invest will be central to the response.

3.14 The national policy context reinforces the importance of this work. The Government's Life Sciences Sector Plan identifies life sciences as a national growth priority, with a focus on world-class research and development, attracting investment and the growth of strong regional clusters. Government has also identified a role for Mayoral Strategic Authorities and other regional partners in developing investible propositions that can support future cluster growth. The Hertfordshire Economic Strategy 2026-2036 provides an important policy basis to underpin a partnership response.

GSK and the Adjoining Area

3.15 GSK's operations sit within a wider life sciences and innovation campus that has developed around the original research site. The wider campus includes:

Stevenage Bioscience Catalyst: Established in 2012, the Catalyst provides specialist laboratory and office space for a significant concentration of life sciences start-up and scale-up businesses. Its facilities are held under separate lease arrangements from GSK.

Cell and Gene Therapy Catapult: The Catapult operates specialist development and manufacturing facilities supporting the commercialisation and scale-up of cell and gene therapies. Its facilities are also held under separate lease arrangements from GSK.

Wider campus organisations: The campus includes more than 45 therapeutics companies, providing a substantial base of scientific, research and commercial activity independent of GSK.

Elevate Quarter: The adjoining Elevate Quarter retains planning permission for around 118,500 square metres of life sciences and R&D space alongside two data centres. The revised scheme, approved in March 2026, is expected to support around 4,400–4,500 jobs.

3.16 The existing GSK site is predominantly used for research and development and remains identified through the Local Plan for high-value employment uses. Article 4 Directions also remove certain permitted development rights for conversion to residential use, giving the Council greater planning levers in relation to proposals that would significantly change land use on the site.

3.17 GSK remains the landowner and decisions relating to its disposal and future ownership will be commercial matters for the company. The Council wishes to explore how it can best use its planning, economic development and convening roles in partnership with other stakeholders and government to help maximise future employment and economic value.

3.18 The combined campus area is one of Stevenage's most important employment locations, and its future will have a significant bearing on the town's ability to retain and grow STEM related employment beyond 2029.

Local Government Reorganisation and Devolution

3.19 The GSK announcement has been made at the same time as significant changes to local governance in Hertfordshire. Government has confirmed its preferred approach, with Stevenage expected to form part of a new Central Hertfordshire unitary authority alongside North Hertfordshire and Welwyn Hatfield from 1 April 2028. As GSK's transition extends through to 2029, the programme will span the current and successor arrangements.

3.20 The future of the GSK site and Stevenage's life-sciences cluster has significance for Stevenage, the future Central Hertfordshire authority, the wider Hertfordshire economy and beyond.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 GSK's announcement represents a major economic impact for Stevenage and Hertfordshire. The scale of the impact requires a response involving local, regional and national partners.

4.2 Initial high-level economic analysis has been undertaken (Table 1) to provide an early indication of the potential impact if the economic activity associated with GSK's Stevenage operation is not replaced with similar value employment on their site.

4.3 A robust response is also required to maintain confidence with the remaining life science businesses, wider investment in jobs to and skills, and innovation ecosystem in Stevenage.

4.4 This is at a time when significant government reform is taking place with an ambition for devolution, where the Government's policy intention is to devolve powers to Mayoral Strategic Authorities, with the potential to devolve funding that can help unlock growth, jobs and opportunity in the UK. Stevenage presents a unique opportunity which needs to partnership and government commitment to unlock. The GSK site alongside the adjacent Elevate quarter (owned by UBS), set in the context of wider Gunnelswood Road and with

Stevenage's plans for regeneration offers the potential to accelerate growth across a number of the Government's priority growth sectors including defence, technology as well as life sciences.

Table 1: Initial estimate of the economic impact of GSK's relocation

Impact	Initial Estimate
GVA associated directly with GSK's Stevenage employment	c.£70m per year
Additional GVA associated with wider supply-chain and employee spending impacts	c.£40m per year
Initial estimated local GVA impact	c.£110m per year
Indicative impact over ten years if activity is not replaced	c.£1.1bn

These figures are initial high-level estimates and should not be treated as a full economic impact assessment. They will be refined through the further economic analysis proposed as part of the response.

4.5 Following the announcement, the Council opened dialogue with GSK, businesses and strategic partners, and began work to understand the site, planning framework and potential market interest. This early work has focused on maintaining confidence and identifying where the Council and its partners can influence future outcomes.

4.6 Early discussions indicate a strong willingness among partners to work together. Stevenage Bioscience Catalyst and the Cell, Gene Therapy Catapult Airbus, MBDA and Autolus have emphasised the importance of maintaining confidence in Stevenage. Local public sector partners also wish to work together in partnership to respond to the challenge, with support also being offered by the MP for Stevenage.

4.7 The Council wishes to maintain its dialogue with GSK through to 2029, covering workforce and skills, the future ownership and use of the site and opportunities to support a positive long-term legacy, whilst respecting GSK's commercial position.

4.8 There are two key areas to focus on:

- local people, supply chain and economy during the transition to 2029; and
- maximising the potential of the future use of the site.

Learning From Elsewhere

4.9 Experience elsewhere can inform our approach, the following three are relevant because of their proximity, scale or the nature of the transition involved.

Vauxhall, Luton

Stellantis announced in November 2024 that it intended to close Vauxhall's long-established Luton manufacturing plant, directly affecting just under

1,200 employees and creating wider impacts through supply chains and spending. Luton Council established a locally led Taskforce with central Government support to coordinate the economic and social response. Its workstreams cover economic growth and regeneration, skills, and heritage and legacy, with a remit that includes securing support for employees, assessing supply-chain impacts, developing a proposition for the future of the site and preparing business cases to support Government funding decisions.

MSD and Pharmaron, Hoddesdon

MSD agreed in 2016 to sell its process-development and research facility at Hoddesdon to Pharmaron, with the acquisition completing in 2017. The agreement retained the site's specialist pharmaceutical research and development use, while MSD initially continued to occupy the main office buildings through a leaseback arrangement. Pharmaron has since developed the facility as part of its wider drug-discovery and manufacturing operations, supporting more than 200 people at the site.

Pfizer and Discovery Park, Sandwich:

Pfizer's decision in 2011 to substantially withdraw from its Sandwich research and development campus placed approximately 2,400 jobs at risk. Government asked local political and business leaders to establish a Taskforce to identify a new future for the site and support the wider East Kent economy. Working with Pfizer and private-sector partners, the Taskforce helped secure Enterprise Zone designation and a £35 million business investment, while supporting the attraction of new occupiers and investment. Within several years, more than 2,000 people were employed on the resulting Discovery Park site across more than 100 companies.

Risks and Mitigations

4.10 Based on our current insights we have evaluated potential risks and suggested mitigations (table 2) to shape our response; these will continue to be reviewed as we continue to build our insights.

Table 2: Key risks and proposed mitigations

Risk	Proposed mitigation
1. Further loss of life sciences, science and technology activity if GSK's relocation affects confidence or investment decisions by existing and prospective businesses.	• Maintain coordinated engagement with businesses and investors; promote the remaining cluster; develop a clear future proposition.
2. Slowdown in the global life sciences sector, with more selective investment and occupier demand.	• Undertake current market and sector analysis; engage directly with occupiers and investors; establish realistic demand and Stevenage's competitive strengths.

Risk	Proposed mitigation
3. Impact on planned life sciences investment, particularly the Forum within Town Centre Regeneration, if market conditions weaken confidence.	• Maintain close engagement with Forum partners; consider the Forum, GSK site, Elevate Quarter and wider cluster as a coherent proposition.
4. Prolonged uncertainty over the GSK site, resulting in delayed investment or lower levels of jobs and economic value.	• Structured engagement with GSK; develop site, infrastructure and market evidence; use available Council levers where appropriate.
5. Decisions affecting different parts of the campus being taken in isolation.	• Taskforce coordination and a shared understanding of infrastructure, dependencies and wider investment plans.

Levers available to the Council

4.11 Although decisions about GSK's business operations and the future of the privately owned site do not rest with the Council, SBC has a range of levers through which it can help influence future development. The Council's available levers span its planning and wider place-shaping functions, although the principal formal mechanisms likely to influence the site are planning-related.

4.12 Considering learning from elsewhere (Para 3.15) it is evident that responses which include levers from a number of partners, including government intervention help maximise outcomes achieved.

Table 3: Levers available to the Council

Lever	Potential application to the GSK site
Local Plan and Article 4 Directions	• The Local Plan can set planning policy for the site, including its future employment role and the uses considered appropriate. Where evidence identifies a risk from changes of use permitted without a planning application, the Council could consider an Article 4 Direction to bring specified changes under planning control.
Site-specific planning framework	• A planning brief or masterplan could establish expectations for the mix and location of uses, design, access, infrastructure and phasing. This would give GSK, future landowners, developers and investors clearer guidance while retaining flexibility over the site's eventual development.
Local Development Order	• An LDO could grant planning permission in advance for specified forms of development, reducing uncertainty and providing a faster route for suitable occupiers and investors. Its suitability and scope will be assessed through the Implementation Plan

Lever	Potential application to the GSK site
Development-management tools	• Pre-application engagement and a Planning Performance Agreement could provide a structured process and timetable for resolving planning, infrastructure and phasing matters. Planning conditions and Section 106 obligations could subsequently secure necessary infrastructure and mitigation linked to any future development.

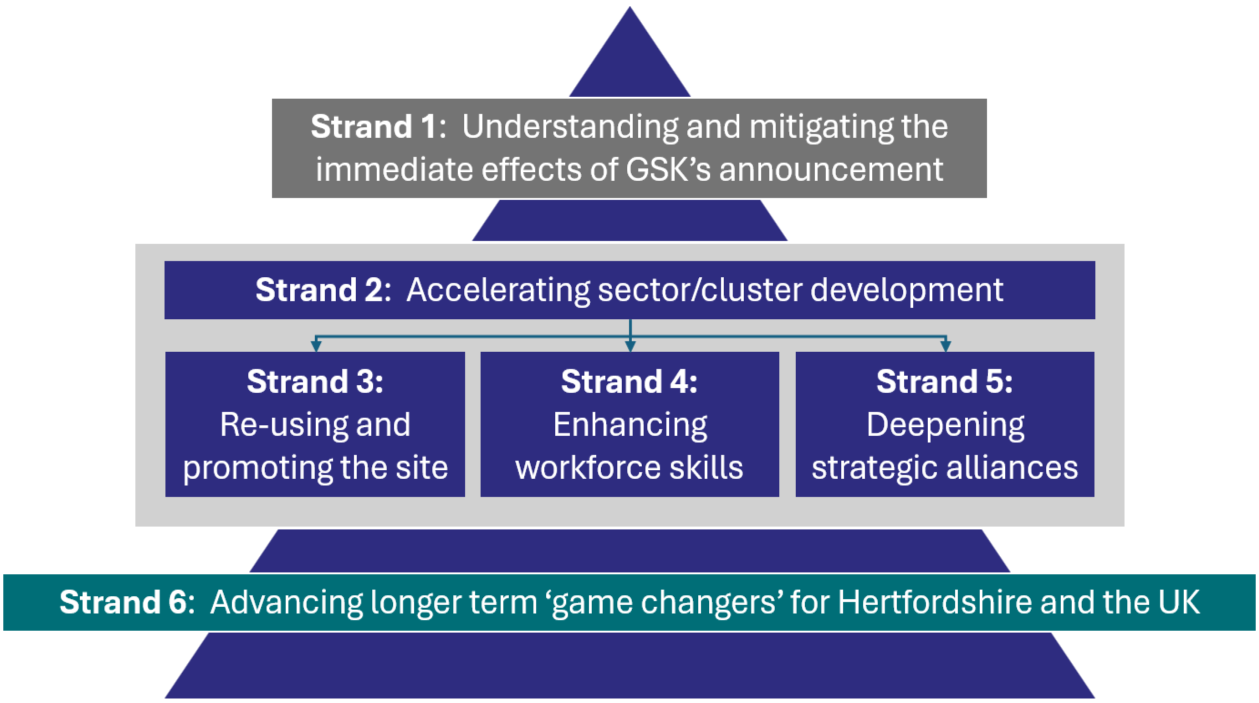
Proposed Approach

4.13 The Council has set up a working group with Hertfordshire Futures and will work closely with Stevenage Development Board, has started engagement with key stakeholders and called on Government's support to set up a Taskforce which will develop an implementation plan.

4.14 The Council wishes to build on GSKs commitment to engage and will focus the Taskforce on deepening its insights on how to best respond to the impact of the move on:

- local people, supply chain and economy during the transition to 2029; and
- maximising the potential of the future use of the site.

4.15 Supported by initial advice from SQW, have developed six connected strands to guide the Taskforce and preparation of the Implementation Plan. Together, they provide a framework for action and for identifying specific requests of Government and other partners.



Strand 1: Understanding and mitigating the immediate effects

4.16 This strand focuses on reducing the immediate employment and economic effects of GSK's announcement while maintaining confidence in Stevenage.

It includes more detailed assessment of employment, supply-chain and wider economic impacts, identifying those most exposed and establishing a baseline for monitoring the transition. As well as maintaining structured dialogue with GSK on its timetable, workforce and supply-chain support, site intentions, communications and potential legacy contributions.

Strand 2: Accelerating sector and cluster development

4.17 This focuses on protecting and growing Stevenage's life sciences cluster while using the town's wider strengths to increase resilience and attract investment. It recommends assessing how high-performance computing and digital infrastructure could support advanced manufacturing across life sciences, defence, aerospace and space, informing both the site and skills response. As well as testing the case for targeted finance and launchpad or accelerator provision that could help high-value businesses commercialise research, scale up and continue investing in Stevenage.

Strand 3: Reusing and promoting the GSK site

4.18 This focuses on developing a credible future proposition for the site that supports high-value employment and aligns with Stevenage's priorities and wider Hertfordshire ambitions. It recommends developing an evidence-based proposition covering the land, buildings, infrastructure, market demand, viable future uses and relationship with the wider campus and Elevate Quarter. As well as using the proposition to engage GSK, investors and Government and develop specific asks, including consideration of the Strategic Sites Accelerator, the future of Enterprise Zones or successor mechanisms, and support from relevant Government investment.

Strand 4: Enhancing workforce skills

4.19 This focuses on retaining technical expertise, responding to employer needs and developing Stevenage's local talent pipeline. It recommends mapping skills across GSK, the wider campus and relevant supply chains against emerging demand, identifying priority gaps and training requirements. As well as coordinating employment and skills support with GSK, employers, providers and DWP. Further develop the local STEM talent pathways by continuing or extending existing place-based interventions.

Strand 5: Deepening strategic alliances

4.20 This strand focuses on strengthening Stevenage's position within the UK Innovation Corridor and the wider Golden Triangle, to support investment and cluster growth. It recommends strengthen engagement with Government, investors and partners in Cambridge, London and the Oxford–Cambridge Growth Corridor around investment, commercialisation and skills. As well as using joint promotion, investor engagement and sector networks to raise Stevenage's profile and influence future investment and policy.

Strand 6: Advancing longer-term strategic opportunities

4.21 This focuses on the longer-term conditions required for Stevenage to remain a connected, attractive and competitive place. It recommends linking the future of the GSK site with the Station Gateway, Town Centre Regeneration, housing growth and Stevenage's wider infrastructure, skills and place offer. Through Local Government Reorganisation and devolution, assess wider opportunities across Central Hertfordshire and the future Hertfordshire Strategic Authority.

Taskforce, Approach & Next Steps

4.22 The role of Taskforce would be to coordinate a partnership response and develop collective proposals for investment and support with GSK, Government and other partners. It would not make decisions on behalf of participating organisations or have authority over the privately owned site. Retaining flexibility will allow its structure to reflect partner participation and emerging priorities. The final governance arrangements therefore be determined under the delegation set out in Recommendation 2.3.

4.23 Comparable taskforces demonstrate the value of a locally led, Government-supported structure. The taskforce established following Pfizer's announcement at Sandwich helped secure Enterprise Zone status, including simplified planning and projected business-rate savings of £21.4 million. The site has since developed as Discovery Park, with more than 160 companies and 3,500 jobs. The Vauxhall Taskforce in Luton uses focused groups to coordinate workforce support, regeneration and investment and develop a comprehensive economic response package for Government.

4.24 Core membership of the Task Force will include the Council, Hertfordshire Futures, Government and delivery partners, with wider expertise drawn in as required. It will facilitate ongoing engagement and commitment with GSK.

4.25 The Stevenage Development Board will be a key partner. It already brings together stakeholders from the public and private sectors to support the town's growth and regeneration. Its broad membership and independent chair make the Board are well placed to provide advice and support.

4.26 The principal output from the Task Force will be an Implementation Plan setting out priority actions, interventions, responsibilities, partner contributions, dependencies, timescales and intended outcomes.

4.27 Further economic evidence will be commissioned to inform the implementation plan with a series of engagement to deepen insight. The engagement will be with key stakeholders, industry specialists and GSK, building on those which have already been undertaken since the GSK announcement.

4.28 The implementation plan will focus on:

- local people, supply chain and economy during the transition to 2029; and

- maximising the potential of the future use of the site.

It will be presented to Cabinet by June 2027 with the proposed timeline set out below:

Other Options Considered

4.29 Continuing with business-as-usual arrangements without a dedicated Taskforce is not recommended. The scale of the potential economic impact, the number of organisations involved and the links between the GSK site, wider life sciences cluster, other STEM related sectors, skills, regeneration and Government policy require a coordinated response.

4.30 Waiting for GSK's disposal process or the market to determine the future of the site before taking further action is not recommended. Early engagement provides the strongest opportunity to understand the site, influence future propositions, maintain investor confidence and identify where intervention may be required.

4.31 Deferring the response until Local Government Reorganisation and devolution arrangements are in place is not recommended. The period to 2029 requires action under the current arrangements, with the programme subsequently capable of transferring into the new Central Hertfordshire authority and future Mayoral Strategic Authority structures.

5 IMPLICATIONS

Financial Implications

5.1 Stevenage Borough Council does not have an ownership or direct financial interest in the GSK site, but its future has implications for the town's economy, business rates base, investment proposition and wider regeneration. The Council also has an important role in coordinating the response with GSK, Government and other partners.

5.2 As set out in Recommendation 2.6, Cabinet is asked to approve up to £440,000 drawn from General Fund balances: £350,000 in 2026/27 and £90,000 in 2027/28. This is to enable the Council to respond swiftly in an informed way when preparing a response with partners. Partners have responded positively and offered support; we will work to confirm relevant contributions from public sector partners towards the funding budget of £440,000. Table 4 sets out the proposed use of this funding.

Table 4: Proposed funding requirements

Funding requirement	Use of funding	Cost
Dedicated project lead	• Salary and associated costs for a project lead over two years to lead delivery of the programme, coordinate the Taskforce, lead partner and Government engagement, oversee specialist work, prepare the Implementation Plan and maintain continuity through Local Government Reorganisation.	**£90,000** (2026/27) **£90,000** (2027/28)
Evidence and market insight	• Economic, market and site analysis to assess impacts, occupier demand, infrastructure requirements, viable uses and sector opportunities. This will inform the site proposition, Council levers, Government requests and Implementation Plan.	**£80,000**
Additional specialist advice	• Legal, economic or technical advice above and beyond the other costed elements, where specific expertise is required on commissioning, funding, commercial arrangements or delivery.	**£30,000**
Preparation of planning policy response	• Preparation of technical evidence and policy basis e.g. Local Development Order as required	**£150,000**
	Total	**£440,000**

5.3 Hertfordshire Futures has funded SQW's initial work to frame the transition opportunities and inform the emerging response. The evidence and market insights will build on, rather than duplicate, this work by providing the more detailed site, market and viability analysis required to develop the Implementation Plan.

5.4 The Council has sought support from Government and has encouraged GSK to consider future legacy commitments such as investment in local skills.

Legal Implications

5.5 The Council's response will draw on its economic development and place leadership functions alongside its statutory role as Local Planning Authority. An appropriate distinction will be maintained between partnership activity and the exercise of statutory planning functions, with any planning proposals considered through the appropriate process on their individual merits.

5.6 Legal advice will be sought as required on procurement and commissioning, commercial confidentiality and information sharing, funding arrangements, agreements with partners, governance and subsidy control.

Local Government Reorganisation (LGR) Implications

5.7 As the response will extend beyond the establishment of the new Central Hertfordshire authority on 1 April 2028, it will need to form part of transition planning. Evidence, governance arrangements, staffing, commissioned work, funding and commitments extending beyond vesting day will need to transfer effectively so that delivery is not disrupted.

5.8 The future of the GSK site and the wider Stevenage economy will also be relevant to the emerging Hertfordshire Strategic Authority. The programme should therefore be capable of aligning with future strategic economic, transport, infrastructure, skills and investment powers, while ensuring that Stevenage's immediate interests and the wider contribution it makes to Hertfordshire's economy remain clearly represented.

Risk Implications

5.9 The principal economic and delivery risks arising from GSK's decision are set out in Section 4. These include uncertainty over the future of the site, the risk that future uses do not deliver the level or type of employment and economic value sought, impacts on employees and local supply chains, changing conditions within the life sciences market and the potential effect on wider investment in Stevenage.

5.10 In line with Recommendation 2.6, owing to the scale and strategic significance of the potential economic impact, the associated risks will be added to the Council's Strategic Risk Register and monitored through the Council's existing corporate risk arrangements, including quarterly reporting to Audit Committee.

Equalities and Diversity Implications

5.11 GSK's proposed relocation may affect employees differently according to factors including disability, caring responsibilities, transport access, age and individual roles. The Council will work with GSK and employment and skills partners to help ensure appropriate opportunities and support are accessible to employees wishing to remain within the local economy.

5.12 The longer-term response should support inclusive growth by maximising the number and quality of employment opportunities available to Stevenage residents. Equalities implications will remain under review as the implementation plan and any specific Council interventions develop.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Agenda Item 14

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