

STEVENAGE BOROUGH COUNCIL

EXECUTIVE MINUTES

Date: Wednesday, 11 September 2019

Time: 2.00pm

Place: Shimkent Room, Daneshill House, Danestrete

Present: Councillors: Sharon Taylor OBE CC (Chair), Mrs Joan Lloyd (Vice-Chair), Lloyd Briscoe, Rob Broom, John Gardner, Richard Henry, Jackie Hollywell and Jeannette Thomas.

Start / End Time: Start Time: 2.00pm
End Time: 4.14pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

There were no apologies for absence.

There were no declarations of interest.

The Chair (Councillor Sharon Taylor) announced that, though not a declarable interest, she had been involved as a Symonds Green Ward Member in the discussions relating to the West of Stevenage access issue (Item 11).

2 MINUTES - 10 JULY 2019

It was **RESOLVED** that the Minutes of the Executive meeting held on 10 July 2019 be approved as a correct record and signed by the Chair.

3 MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE AND SELECT COMMITTEES

In relation to the Minutes of the Environment & Economy Select Committee meeting held on 25 June 2019:

- officers were requested to prepare a briefing note in respect of the Climate Change Strategy in advance of an All Member Briefing session on the Strategy later in 2019; and
- Neighbourhood Centres Review – officers were asked to draw the Select Committee's attention to the fact that a number of the Neighbourhood Centres were to be subject to major regeneration plans.

In respect of the Minutes of the Overview & Scrutiny Committee meeting held on 15 July 2019, the Chair asked officers to circulate to all Members of the Council the letter of response to a resident from the Portfolio Holder for Housing, Health & Older People published in The Comet newspaper regarding the Kenilworth redevelopment scheme.

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

Environment & Economy Select Committee – 25 June 2019

Community Select Committee – 3 July 2019

Overview & Scrutiny Committee – 15 July 2019

Environment & Economy Select Committee – 29 July 2019

4 CORPORATE PERFORMANCE 2019/20 - QUARTER ONE

The Chief Executive presented the Corporate One (April – June 2019) Performance Monitoring Report 2019/20.

The Chief Executive was pleased to report that all 13 Future Town, Future Council performance indicators were at green status. Of the 42 Corporate indicators, 26 were at green status; 2 were amber; 2 were red; and 2 had no data.

In respect of the amber and red items, the Executive noted that officers were chasing up certification documents in order to improve the Health and Safety Compliance of Assets Indicator (5b). Use of agency staff as a percentage of workforce (Pe2) was 13.4% against a target of 12%, although recruitment processes were underway to reduce this percentage in Quarter 2. Indicator NI181 (time taken to process housing benefit new claims and change events) was at amber status as Universal Credit had increased the level of complexity involved in dealing with such claims – however, performance was improving throughout Quarter 2. The level of sickness absence (Pe4a) was at 9.49% against the target of 8% - steps were being taken to reduce the impact of sickness absence, although it was recognised that the figures contained long-term as well as short-term periods of sickness.

The Leader asked for her thanks to be conveyed to all officers involved in the preparation of the report, particularly the Future Town, Future Council section, which provided a thorough summary of the key priorities and performance issues.

The following was discussed:

- Officers agreed to provide all Executive Members with figures relating to the level of short term sickness absence;
- Officers were requested to instigate a project management system for co-ordination and feedback in respect of Member Ward Walkabouts. The Chief Executive advised that this would form part of the forthcoming All Member Briefing session on Ward Walkabouts;
- St. Nicholas Ward Environmental Improvements – officers were asked to provide a breakdown of these for submission to St. Nicholas Ward Members;
- The Leader asked Portfolio Holders to ensure that plain English was used throughout future reports when updates were provided on their respective Portfolio areas; and
- The Interim Strategic Director undertook to provide Executive Members with a more detailed breakdown of the statistics relating to the percentage of telephone calls answered by the Customer Service Centre within 20 seconds.

It was **RESOLVED:**

1. That the delivery of priorities which form the Future Town, Future Council Programme and performance of the Council across the key themes for quarter one 2019/20, together with the latest achievements, be noted.
2. That officers are requested to scope a potential new FTFC workstream called “Place of Choice”, with a view to feeding this into the wider annual review of FTFC programme projects and deliverables for 2020/21.
3. That actions to ensure the prompt certification of health and safety compliance of non-domestic/non-commercial council buildings in accordance with the compliance contract are noted and endorsed (Paragraphs 3.86 and 3.87 of the report).
4. That improved performance in the Customer Service Centre is noted and continuing plans to sustain and improve performance are endorsed (Paragraphs 3.101 to 3.107 of the report).
5. That the impact of the rise in long term sickness on average sickness absence levels is noted, and that ongoing implementation of improved practices to support sickness absence management is endorsed (Paragraphs 3.117 to 3.121 of the report).

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

5 MEDIUM TERM FINANCIAL STRATEGY UPDATE - GENERAL FUND 2019/20 - 2023/24

The Portfolio Holder for Resources introduced the report, advising that the Strategy had been reviewed, and inflation increase assumptions remained unchanged, which meant estimated inflationary pressures of £675,000 for 2020/21, with a large part of the inflation relating to projections of 2.25% for the next year’s staff pay award. There was an estimated £296,000 gap in funding and requiring savings options as a result of inflation versus fee increase. When other identified pressures were included, the gap increased to £696,000.

The Portfolio Holder for Resources stated that, to deliver the Financial Security targets, the MTFS included an assumption that £100,000 would be required in 2020/21. The MTFS also included some unavoidable pressures, including ICT, which for the MTFS five year period totalled £1.38Million. The MTFS included no further allowance for growth in 2020/21 due to the current financial position, and any new growth would need to be funded from additional savings.

The Portfolio Holder for Resources commented that, taking into account the financial challenges the Council faced, it was recommended that Members identified and prioritised services to determine where budget reductions could be made if the required Financial Security savings were not achieved. This was particularly important as balances reached minimum levels. The Leader’s Financial Security Group was working on identifying such priorities.

The Assistant Director (Finance & Estates) confirmed that the recently received one year Government Spending Assessment proposed a 2% cap on Council Tax rises for 2020/21 (a £58,000 reduction in income for SBC); there would be no benefit to be derived from NNDR pilots, as no new pilots would be approved for 2020/21; and only legacy New Homes Bonus payments would continue (a further loss of income to SBC of £50,000). A positive was that there would be a national fund of £54Million to help tackle homelessness, although there was no indication as to how this would be distributed.

The Leader provided an update on the work of the Local Government Association's (LGA) Resources Panel, of which she was a Member, in respect to the further delay of the audit of the Council's Statement of Accounts and the recently received Government Spending Review for 2020/21. In respect of the delayed audit of accounts, she had asked the LGA Leadership Team to take up the matter of the capacity of the audit industry to deliver timely audits with the Secretary of State. With regard to the Government Spending Review, she felt that there were insufficient positive elements relating to Borough District Council funding, due to the restrictions mentioned by the Assistant Director (Finance & Estates). In addition, she was disappointed that no further flexibility had been provided regarding the use of Right to Buy capital receipts.

The Leader asked the Assistant Director (Finance & Estates) to escalate work on the commercialisation agenda, particularly the potential for the Council to purchase commercial property outside of the Borough boundary.

It was **RESOLVED:**

1. That the Medium Term Financial Strategy (MTFS) principles, as outlined in Paragraph 4.1.7 of the report, be noted.
2. That, for modelling purposes, Council tax increases be set at the threshold of 2.99%, subject to any change in government rules to achieve a balanced budget (Section 4.7.12 of the report refers).
3. That the updated inflation assumptions used in the Medium Term Financial Strategy (Section 4.4 of the report refers) be approved.
4. That a General Fund Financial Security Target of £1.9million be approved for the period 2020/21- 2022/23 (Paragraph 4.6.15 of the report refers). This includes increases in fees and charges.
5. That the approach to Financial Security as set out in Section 4.6 of the be approved, and subject to approval of the Commercialisation Strategy at the November 2019 Executive meeting.
6. That an amount of £100,000 for 2020/21 be approved for inclusion in the budget setting process as a Transformation Fund, to help deliver the Financial Security Target (Paragraph 4.5.5 of the report refers).

7. That the unavoidable growth pressures as outlined in Paragraphs 4.5.2-4.5.4 of the report are approved, subject to the approval of the ICT Strategy at the October Executive meeting.
8. That General Fund growth is only approved for the Council's FTFC priorities and is funded from within the existing baseline budgets or by further savings in addition to the £1.9Million target identified (Paragraph 4.5.5 of the report refers).
9. That the Leader's Financial Security Group oversee the development of the 2020/21 – 2022/23 savings package.
10. That a minimum level of balances for the General Fund of £2.88million be approved for 2020/21 (Section 4.11 of the report refers).
11. That the MTFS is regularly updated for any material financial pressures so forecasts are updated, and is re-presented to the Executive for approval.
12. That public consultation be commissioned in line with the requirements of the Council's Consultation and Engagement Strategy.
13. That the Trade Unions and staff be consulted on the key messages contained within the Medium Term Financial Strategies and more specifically when drawing up any proposals where there is a risk of redundancy.

Reason for Decision: As contained in report.

Other options considered: As contained in report.

6 1ST QUARTER REVENUE MONITORING 2019/20 - GENERAL FUND AND HOUSING REVENUE ACCOUNT

The Portfolio Holder for Resources advised that the General Fund net increase to the working budget for the First Quarter of 2019/20 was £193,600. Service variances were shown in the table set out at Paragraph 3.2 of the report. The largest variances included decreases in income from car parking, Council Tax summons, garage rents and the verge maintenance agreement with Hertfordshire County Council. These had been partly offset by increases in income on planning applications and finance service level agreements. Increased costs had arisen from the impact of the IT strategy in 2019/20 (the IT Strategy would be presented to Executive in October 2019). The General Fund balance at the year-end was projected to be £3.8Million.

The Executive noted that the impact on the 2020/21 budget was a £47,200 ongoing pressure for the General Fund. The report also updated Members on allocated reserves, estimated to be £2.3Million by year end, of which £1.74Million related to regeneration projects funded over more than one year.

In terms of the Housing Revenue Account (HRA), the Portfolio Holder for Resources explained that the 2019/20 working budget (net deficit) had increased by £111,000. The biggest variances were from Council Tax on long term empty properties and the

HRA share of the IT Strategy, partly offset by increases from timing projections on rent. Any impact on future year HRA budgets would be reported through to the Executive in the HRA Business Plan. The HRA balance at the year-end was projected to be £11.6Million.

The Leader commented that the Quarter 1 reductions in car parking and garage rental income could well indicate a slight downturn in the town's economy. She added that action might need to be taken should the trend continue throughout Quarter 2. The Chief Executive undertook to circulate to Executive Members the latest Welfare Reform Dashboard monitor for Stevenage.

It was **RESOLVED**:

General Fund

1. That the 2019/20 1st Quarter projected net increase in General Fund expenditure of £193,570 be approved.
2. That it be noted that cumulative changes made to the General Fund net budget remains within the £400,000 increase variation limit delegated to the Executive.
3. That it be noted that the 2020/21 ongoing net pressure of £47,190 will be incorporated into the General Fund Medium Term Financial Strategy (MTFS).

Housing Revenue Account (HRA)

1. That the 2019/20 1st Quarter projected net increase in HRA net deficit of £111,330 be approved.
2. That it be noted that the cumulative increases made to the HRA net budget remains within the £250,000 increase variation limit delegated to the Executive.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

7 1ST QUARTER CAPITAL MONITORING 2019/20 - GENERAL FUND AND HOUSING REVENUE ACCOUNT

The Portfolio Holder for Resources advised that the 2019/20 General Fund Capital Programme was projected to be £2.9M lower than the working budget of £35.8M, or 8% of the budgeted amount, which related to the re-profiling of scheme delivery between 2019/20 and 2022/23, including:

- £1.7Million Garages programme into 2020/21, due to their inclusion in the scope of the Major Refurbishment Contract, in order to benefit from economies of scale and minimise disruption to residents;
- Bus Interchange - £1.5Million slipped into 2020/21, relating to expenditure on the design and ensuring that the remainder can be claimed from GD3 monies; and
- £1.1Million brought forward for Town Centre Regeneration due to the requirement to utilise LEP funding.

In relation to the Housing Revenue Account (HRA), the Portfolio Holder for Resources stated that the Capital Programme was projected to be £432,000 higher than the working budget of £33.3M. Forecast capital receipts had reduced by £678,000, mainly due to reviewing the timing and likelihood of garage site disposals. These receipts part-fund the garage improvement programme and it was recommended that this element of the programme was only progressed when these sales were achieved.

The Portfolio Holder for Resources explained that 9 Right to Buy (RTB) sales had been completed in the First Quarter, and a further 11 by 22 August 2019 (the total for the year to date was 20). The forecast total for the year remained at 35 sales. The current profile of new build homes and known grant payments to registered housing providers had identified a requirement to return RTB 1 for 1 receipts in the 3rd and 4th quarters of 2019/20. This had been estimated at £681,000 plus interest.

The Assistant Director (Finance & Estates) was requested to include in future monitoring reports a summary of the external grant funding received by the Council.

It was **RESOLVED**:

1. That the 2019/20 General Fund capital programme net decrease in expenditure of £2.9million be approved, as summarised in table one, Paragraph 4.1.1. of the report.
2. That the General Fund net increase of capital expenditure of £646k in 2020/21 into future years, also as summarised in table one, Para 4.1.1 of the report, be approved.
3. That the net increase of £432k in the capital expenditure for 2019/20 Housing Revenue Account, as summarised in table three, Paragraph 4.3.4 of the report, be noted.
4. That Members note the net decrease of £1.4m in the capital expenditure for 2020/21 Housing Revenue Account.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

8 ANNUAL TREASURY MANAGEMENT STRATEGY REVIEW OF 2018/19

The Portfolio Holder for Resources advised that the Council's Capital Financing Requirement (CFR) had increased in year (£64,000), as borrowing was required to funding part of the 2018/19 capital programme. Internal borrowing had been used and no new external borrowing was taken in 2018/19. As at the 31 March 2019, the Council had outstanding loans of £205.5Million.

The Portfolio Holder for Resources stated that cash balances held at the 31 March 2019 were £54.1Million and interest earned in 2018/19 was £585,000 or 0.88%. Investment balances included restricted use receipts of £10.0Million and collection

fund provisions of £9.6Million. In 2018/19, a Minimum Revenue Payment (MRP) of £661,090 (which was the local government equivalent of debt repayment) was charged to the General Fund. An MRP Policy review was currently being carried out to review the asset lives and asset types attracting a MRP charge. There were no breaches of the Treasury Management Strategy in 2018/19.

The Portfolio Holder for Resources reported that she had received positive feedback on the recent Treasury Management All Member Briefing.

The Assistant Director (Finance & Estates) advised that the Audit Committee had been informed that the use of property fund investment options would be reviewed over the coming months, and that the interest rates were at such favourable levels that it was an opportune time for borrowing.

It was **RESOLVED:**

1. That the 2018/19 Annual Treasury Management Review is recommended to Council for approval.
2. That the updated Minimum Revenue Provision (MRP) Policy is recommended to Council for approval.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

9 URGENT PART I BUSINESS

The Chair accepted items of urgent Part I business in respect of Brexit and possible General Election updates.

(1) Brexit Update

The Interim Strategic Director advised that he had been appointed as the SBC Lead Officer for Brexit and that a Brexit Officer Working Group had been established to prepare for the implications of a Brexit on 31 October 2019, in particular a worst case scenario of a no deal outcome.

The Interim Strategic Director stated that the Brexit impact assessment considered by the Executive in February 2019 had been looked at and updated by the Working Group. The Group had engaged with the Hertfordshire Resilience Forum, the countywide group responsible for co-ordinated Brexit preparations.

The Executive noted that the SBC Working Group was aiming to ensure that all Business Units were in readiness, although further Government guidance was expected regarding the expectations on local authorities. Of particular importance would be the business continuity and economic/community cohesion impacts of Brexit, and the establishment of clear communication links with the community and business sectors.

The Interim Strategic Director explained that the Resilience Forum would prepare a Brexit Plan for Hertfordshire, which would be subject to a Government test, although details of how this would take place were awaited. The aim would be to bring together local partners, such as health providers, the voluntary sector and businesses, and to pass any local intelligence about the impact of Brexit to the Government. The Government may be establishing Economic Task Forces, although the details relating to these were vague.

The Executive was informed that the SBC Working Group would administer the £50,000 budget for Brexit preparations, and would regularly monitor the SBC Brexit Risk Register. The work on Brexit centred around 9 key theme areas, each the responsibility of a named Assistant Director or Senior Manager, with actions to be developed for feeding into a single SBC Brexit Plan. Once prepared, he undertook to circulate this Plan to all Members of the Council.

The Interim Strategic Director was requested to:

- feed back to the Hertfordshire Resilience Forum Members' concerns regarding the shortage of medical supplies already being experienced by Stevenage residents and the potential for increased homelessness in the Borough should unemployment increase due to companies relocating or ceasing to operate;
- prepare a Briefing Note on the latest Brexit developments for circulation to all Members of the Council;
- organise a round table meeting for businesses operating out of the Business Technology Centre to glean the concerns and issues that those businesses were expecting to experience through Brexit; and
- ensure that the Leader was invited to all future meetings of the Brexit Officer Working Group.

(2) Possible General Election Update

The Chief Executive confirmed that plans were in place to respond swiftly should a General Election be called in the coming months. Print suppliers were on standby regarding poll cards/postal vote packs etc. Key staff availability had been checked and liaison commenced with North Hertfordshire District Council. Stevenage Leisure Limited was aware of the need for the Main Hall to be used for the Count. An assessment had been made of the Forward Plan items which could be deferred should an Election be called.

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 involve the likely disclosure of exempt information as described in Paragraphs 1 to 7 of Schedule 12A of the Act, as amended by SI 2006 No. 88.

2. That, having considered the reasons for the following items 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 WEST OF STEVENAGE SITE - ACCESS

The Executive considered a Part II report in respect the status of negotiations for an option for developers to acquire an easement to enable access to the West of Stevenage housing site.

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

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

12 URGENT PART II BUSINESS

None.

CHAIR