

STEVENAGE BOROUGH COUNCIL

EXECUTIVE MINUTES

Date: Wednesday, 18 November 2020

Time: 2.00pm

Place: Virtual (via Zoom)

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

Also Present: Councillors Robin Parker CC and Simon Speller (observers).

Start / End Start Time: 2.00pm

Time: End Time: 5.49pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors Mrs Joan Lloyd (Vice-Chair) and Phil Bibby CC (observer).

There were no declarations of interest.

The Leader took the opportunity to congratulate Lewis Hamilton on his record-equalling 7th Formula One World Championship success.

2 MINUTES - 6 OCTOBER 2020

It was **RESOLVED** that the Minutes of the meeting of the Executive held on 6 October 2020 be approved as a correct record for signature by the Chair.

3 MINUTES OF OVERVIEW & SCRUTINY COMMITTEE AND SELECT COMMITTEES

In relation to the Minutes of the Overview & Scrutiny Committee meeting held on 23 September 2020, and in the light of the Government announcement regarding the cessation of the production of petrol and diesel driven vehicles by 2030, the Leader advised that increased Government funding would be required for the creation of a sufficient number of additional of charging points for electric vehicles both nationally and throughout the Borough.

In respect of the Minutes of the meeting of the Community Select Committee held on 21 October 2020, the Portfolio Holder for Children, Young People, Leisure & Culture commented that a Portfolio Holder Advisory Group meeting would be arranged in the New Year to consider the Leisure Management Contract procurement process. It was intended that other sports, leisure and voluntary sector stakeholders would be invited to attend this Group. In addition, the Portfolio Holder would be obtaining feedback and views from community groups involved in sports and leisure activities.

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

Environment & Economy Select Committee – 22 September 2020

Overview & Scrutiny Committee – 23 September 2020

Overview & Scrutiny Committee – 13 October 2020

Community Select Committee – 21 October 2020

4 COVID-19 UPDATE

The Executive considered a verbal update/presentation led by the Strategic Director (RP) on the Covid-19 pandemic.

The presentation covered updates on the national position; epidemiology statistics; Hertfordshire position; self-isolation rules; mass vaccination; outbreak management and contact tracing; community and housing; business support; SBC business continuity and workforce; and communications.

The following issues were raised by Members during the presentation:

- The Strategic Director (RP) was requested to ascertain from the Local Resilience Forum whether or not there was a targeted Covid suppression plan for Stevenage, and to share the answer with Executive Members;
- The Strategic Director (RP) was asked if there was an answer to why the actual number of daily Covid-19 tests being administered nationally was significantly below the daily testing capacity;
- The Leader undertook to raise the matter of statistics regarding cases of long Covid amongst children at the next Local Outbreak Management Board meeting;
- It was noted that, on or around 1 December 2020, a site in Stevenage may be one of the first Covid mass vaccination centres;
- In relation to the issue of those without transport being unable to attend mass vaccination centres, the Commercial & Licensing Manager undertook to raise this matter with the county-wide Vaccination Cell;
- A number of mechanisms for Local Enterprise Partnership funding support for businesses were outlined, although these were reliant on the businesses contributing some funding themselves;
- In reply to the question as to whether a business had to occupy premises in order to qualify for support funding, the Strategic Director (CF) stated that this was the case for Local Restriction Grants, but that officers were looking at how businesses excluded from previous financial support packages could be included in SBC's discretionary support scheme; and
- The Communications Team was requested to arrange for a message to be conveyed to the public with regard to the possibility that, due to officer time being focussed on issues relating to the pandemic, responses to some complaints may not be dealt with as speedily as in the past.

It was **RESOLVED** that the Covid-19 update be noted.

5 BIODIVERSITY SUPPLEMENTARY PLANNING DOCUMENT (SPD): PUBLIC CONSULTATION

The Executive considered a report seeking the approval of the draft Biodiversity Supplementary Planning Document (SPD) for public consultation.

The Portfolio Holder for Environment and Regeneration advised that the purpose of the new Biodiversity SPD was to give more detail to the current Strategic Policy 12: Green Infrastructure and the Natural environment, in the Stevenage Borough Local Plan. The overarching aim of the new SPD was to ensure that development in Stevenage resulted in a net biodiversity gain. It would require developments to adopt the mitigation hierarchy and demonstrate that impacts to biodiversity had been avoided, where possible, and minimised before compensation was considered.

In response to Members' questions, officers replied as follows:

- Sites of Special Scientific Interest (SSSIs) – if a development had a direct impact on a SSSI then the Council could request a biodiversity financial contribution from the developer. If the required biodiversity improvements could not be provided on-site, then the financial contribution would be added to the biodiversity funding “bank” in order to provide improvements off-site (which could include the maintenance and enhancement of SSSIs); and
- Biodiversity SPD exemptions – the exemption relating to nationally significant infrastructure included projects such as HS2 or major motorway expansion schemes.

It was **RESOLVED:**

1. That the content of the draft Biodiversity Supplementary Planning Document (SPD) be noted.
2. That delegated powers be granted to the Assistant Director (Planning & Regulation), following consultation with the Portfolio Holder for Environment & Regeneration, to make minor amendments as are necessary in the final preparation of the draft SPD prior to its consultation.
3. That the draft Biodiversity SPD be published for consultation from 30 November 2020 to 25 January 2021.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

6 DEVELOPER CONTRIBUTIONS SUPPLEMENTARY PLANNING DOCUMENT (SPD): PUBLIC CONSULTATION

The Executive considered a report seeking the approval of the draft Developer Contributions Supplementary Planning Document (SPD) for public consultation.

The Portfolio Holder for Environment and Regeneration explained that the SPD followed the adoption of Community Infrastructure Levy (CIL) earlier in 2020 and

would be used by developers and case officers to identify when Section 106 legal agreements would be used in addition to the payment of a CIL charge. It would ensure there was a consistent approach used in all applications to maximise the provision of Affordable Housing and developer contributions in Stevenage.

The Portfolio Holder for Environment and Regeneration stated that the SPD covered Affordable Housing (including the requirement for Viability Assessment reviews); payments in-lieu of non-compliance with Local Plan policies; payments for site-specific mitigation which must be mitigated through the planning application rather than using the borough-wide CIL receipts; and monitoring fees. It also introduced a requirement for the provision of apprenticeships/jobs for local residents/students for major schemes and a subsequent in-lieu payment if targets were not met – this money would be controlled by the Council to put towards training opportunities or short term employment opportunities for local residents and/or local small businesses and would be linked to the Stevenage Works Partnership.

In reply to a Member's question regarding the balance between developer and community interests in the operation of the SPD, the Principal Planning Officer stated that the Council invariably collected developer contributions on behalf of other infrastructure providers (such as the County Council). It would therefore be imperative that these providers robustly evidenced/justified their requirements to developers in seeking financial contributions.

It was **RESOLVED**:

1. That the content of the draft Developer Contributions Supplementary Planning Document (SPD) be noted.
2. That delegated powers be granted to the Assistant Director (Planning & Regulation), following consultation with the Portfolio Holder for Environment & Regeneration, to make minor amendments as are necessary in the final preparation of the draft SPD prior to its consultation.
3. That the draft Developer Contributions SPD be published for consultation from 30 November 2020 to 25 January 2021.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

7 HERTFORDSHIRE GROWTH BOARD - PROPOSED FUTURE GOVERNANCE ARRANGEMENTS

The Executive considered a report seeking approval to proposed future governance arrangements for the Hertfordshire Growth Board, including the establishment of a Growth Board Joint Committee and Growth Board Scrutiny Committee as formal joint committees under the Local Government Act 1972 and Local Government Act 2000.

The Leader advised that the formation of a formal committee was required to ensure that the Council and the county more widely was able to secure central government

funding for strategic growth and infrastructure projects.

The Borough Solicitor took Members through the report in more detail, explaining how the governance framework for the new arrangements would work.

It was noted that the intention was for the new joint committee to hold its inaugural meeting in January 2021.

In response to a number of Members' questions, the Borough Solicitor replied as follows:

- The fact that the Growth Board Joint Committee would be a county-wide body considering large infrastructure projects may lessen the likelihood of schemes being called-in by the Government or being subject to holding directions, subject to the usual check and balances in planning processes; and
- No details had been provided as to the operation of the Advisory Sub-Groups mentioned in the report, although there was the possibility that these could include the existing North-East & Central and South-West Area Growth Corridor Boards.

The Executive supported an addition to Recommendation 2.2.4 in the report, requiring that the nomination of a Councillor and substitute to the Growth Board Scrutiny Committee should be delegated to the Leader, in consultation with the Chair of the Overview & Scrutiny Committee.

It was **RESOLVED**:

1. That the establishment of the Hertfordshire Growth Board Joint Committee as a Joint Committee (inaugural meeting being planned to take place in January 2021) be agreed.
2. That the Leader of the Council be nominated as the Council's representative on the Hertfordshire Growth Board Joint Committee with delegated authority to appoint a substitute representative as required.
3. That Council be recommended to agree to the establishment of the Hertfordshire Growth Board Joint Committee as a Joint Committee (inaugural meeting being planned to take place in January 2021).
4. That Council be recommended to adopt the Hertfordshire Growth Board Integrated Governance Framework into the Council's Constitution.
5. That Council be recommended to note that Leader of the Council is nominated as the Council's representative on the Hertfordshire Growth Board Joint Committee with delegated authority to appoint a substitute representative as required.
6. That the Council be recommended to delegate authority to the Leader of the Council, in consultation with the Chair of the Overview & Scrutiny Committee, to nominate a Councillor and a substitute as its representative on the

Hertfordshire Growth Board Scrutiny Committee (nominees must not be a Member of the Executive).

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

8 MID YEAR REVIEW OF 2020/21 TREASURY MANAGEMENT STRATEGY

The Executive considered a report with regard to the Mid Year Review of the 2020/21 Treasury Management Strategy.

In the absence of the Portfolio Holder for Resources, the Leader announced that she would be introducing this report, together with the next three items of business on the agenda.

The Leader advised that cash balances were projected to be £68.6Million by 31 March 2021, however all of these sums had been committed to be spent, were planned to be used/drawn down or were being held on behalf of others. Unless it was determined that allocated reserves were no longer needed in the future, there were currently no cash resources available for new projects. In addition, the capital programme approved by Executive on 16 September 2020 required external borrowing of £40.791Million in 2020/21.

The Leader stated that no updates had been identified to the Investment Criteria (Appendix C to the report) or to the Minimum Revenue Provision Policy (Appendix E) since the review undertaken a year ago. There had been one change to available investment options. Although the advice from the Council's treasury advisors had been that there should be no issues with the placing of investments domiciled within the EU after the Brexit transition period ended, the Amundi Money Market Fund based in Luxembourg closed in October 2020. An application was in progress to the UK-domiciled CCLA Public Sector Deposit Fund to retain an available pool of investment options.

The Executive was informed that, as at 30 September 2020, total borrowing was £209.098Million, and was forecast to rise to £249.758Million if all approved borrowing was taken as per the revised capital programme approved by Executive on 16 September 2020.

The Leader commented that the average yield on investments was 0.98%, no change to the rate earned in 2018/19. However, the average yield was expected to reduce to 0.69% by the end of the year, as current fixed term investments matured and were replaced with new investments at current lower market rates. There had been no breaches of the Treasury Management Strategy in 2020/21 to date.

The Strategic Director (CF) advised that the Audit Committee, at its meeting held on 17 November 2020, had considered the report. The Committee had asked questions regarding why the Amundi Money Market Fund had closed, and about the level of self-financing borrowing costs for the Housing Revenue Account. The £200M of borrowing referred to in the latter question took place in 2012 and had cost SBC in the region of £6.5M a year to finance.

It was **RESOLVED**:

1. That Council be recommended to approve the 2020/21 Treasury Management Mid Year review.
2. That Council be recommended to approve the latest Countries for investment list (Appendix D to the report).
3. That the updated authorised and operational borrowing limits be approved (as set out in Paragraph 4.4.7 of the report).
4. That comments from the Audit Committee and Executive be incorporated into the report to Council on 16 December 2020.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

9 HOUSING REVENUE ACCOUNT MEDIUM TERM FINANCIAL STRATEGY UPDATE (2020/21 -2024/25)

The Executive considered a report in respect of the Housing Revenue Account (HRA) Medium Term Financial Strategy update 2020/21 – 2024/25.

The Leader stated that the report updated Members on the next five years of the HRA Business Plan (BP), including inflation, rents for 2021/22, HRA BP growth, pressures and a comparison to the 2019 HRA BP revenue balances.

The Leader referred to Covid-19 in year pressures of £327,000, as set out in in Section 4.3 of the report, which included a number of posts required in Housing Management. There were also in-year non-Covid underspends of £693,000, of which £528,000 related to lower borrowing costs as a result of the Government reversing the 1% increase in borrowing for housing related borrowing.

Members noted that the estimated number of new housing in the HRA was now 54 homes lower by 2024/25, because the delivery of schemes had been re-profiled.

The Leader advised that the 2019 HRA BP update had assumed a CPI+1% rent increase of CPI 2.20%+1% (3.2%) from 2021/22 onwards, compared to the CPI of 0.5% for September 2020. This meant that the 2021/22 rental increase would be 1.5%, much lower than that assumed in the 2019 BP. If all things in the BP remained the same e.g. stock numbers, a 1.5% rent increase versus a 3.2% increase for 2021/22 reduced rental income in the BP by £20Million over the 30 year period. Average rents for 2021/22 were estimated at £100.76 compared to £102.41 in the HRA BP.

Members were informed that the combined impact of the change to property numbers and the level of annual rents, compared to the BP (partly due to re-profile of properties and lower CPI) meant that rental income was a total of £5.17Million lower by 2024/25.

It was noted that the Financial Security target for 2021/22 was £366,000, and the Chief Finance Officer was recommending that a £100,000 transformation target was included in the HRA for 2021/22.

The Leader stated that Borrowing Rates were estimated to be 2.17% lower for 2021/22 as a result of the 1% borrowing rate reduction and the lower base rate. Based on the current anticipated borrowing levels, interest on loans taken out over the next four years could be £1.7Million per year less than in the BP.

The Leader explained that HRA MTFs balances were projected to be £1.3Million lower than the HRA BP by 2024/25. This was as a result of the changes explained in the report, especially regarding the fall in anticipated rent levels, which had been mainly offset by lower borrowing costs. She pointed out that, in the table for HRA balances versus BP set out in Paragraph 4.12.4 of the report, the signs in the variance line were incorrect, in that the £1.294Million figure should not be in brackets as it was a deficit not a surplus.

Given the national economic fallout from the current crisis and the unknown potential impact from Brexit and the reduction in HRA balances in the medium term, the Leader advised that a full refresh of the HRA 30 year BP was recommended to ensure that the current investment strategy was sustainable and the account remained balanced. The minimum level of balances was estimated to be £2.985Million for 2021/22.

The Leader advised that she would be continuing to raise at national level the imbalance that there was no Covid-related Government financial support for Housing Revenue Accounts (ie. for those Councils with their own housing stock).

It was **RESOLVED**:

1. That the change in the Medium Term Financial Strategy principles, as outlined in Paragraph 4.1.5 of the report, be approved.
2. That, for modelling purposes, the HRA 2021/22 rents will increase by 1.5% (based on the formula of CPI+1%, with September 2020 CPI at 0.5%).
3. That the updated inflation assumptions used in the Medium Term Financial Strategy (as set out in Section 4.2 of the report) be approved.
4. That a HRA Financial Security Target of £878,000 be approved for the period 2021/22 – 2023/24 (as set out in Paragraph 4.9.8 of the report).
5. That the approach to Financial Security, as set out in Section 4.9 of the report, be approved.
6. That an amount of £100,000 for 2021/22 and 2022/23 be approved for inclusion in the budget setting process as a Transformation Fund, to help deliver the Financial Security Target (as referred to in Paragraph 4.9.10 of the report).

7. That the HRA Covid impacts and 2nd Quarter changes to the HRA, as outlined in Sections 4.3 and 4.4 of the report, be approved.
8. That the financial impact of Covid in 2020/21 and future years be noted.
9. That the Leader's Financial Security Group oversee the development of the 2021/22 – 2023/24 savings package.
10. That the Medium Term Financial Strategy be regularly updated to for any material financial pressures so forecasts are updated and be re-presented to the Executive for approval.
11. That public consultation be commissioned in line with the requirements of the Council's Consultation and Engagement Strategy.
12. 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.

10 SECOND QUARTER REVENUE MONITORING REPORT 2020/21 - GENERAL FUND

The Executive considered a report with regard to Second Quarter General Fund Revenue Monitoring 2020/21.

The Leader advised that the General Fund net decrease to the working budget for the Second Quarter 2020/21 was £30,000. The three most significant variances, as set out in the report, were a pressure of £174,000 from Housing Benefit overpayments; a pressure of £70,000 from the Council's external auditors (Ernst & Young) advising of a fee increase; and a business rates refund of £100,000 following the revaluation by the Valuation Office Agency of the Forum Car Park.

The Leader stated that gross Covid-19 losses were reported as £5.7Million, with £3.6Million of grants both received and projected. The gap in funding was £2.1Million. The highest loss was from Car Parking income at £2.5Million. Regular returns were being submitted to Government and the Income Guarantee Scheme had the first submission in September 2020, with two further submissions due in December 2020 and April 2021.

It was noted that the impact on the 2021/22 budget was a £25,000 ongoing pressure for the General Fund budget.

The Leader updated Members on Allocated Reserves, estimated to be £3.17Million by year end, of which £1.4Million related to NNDR and £1Million to regeneration projects funded over more than one year.

The Strategic Director (CF) drew attention to the fact that the losses outlined in the report related to Quarter 2 of 2020/21 (July to September 2020) and therefore did not include any amounts related to the current second Covid-19 lockdown.

It was **RESOLVED**:

1. That the 2020/21 2nd Quarter net decrease in General Fund expenditure of £30,000 be approved.
2. That the net Covid budget pressures of £2,132,360 be noted, and the amount ring-fenced in the General Fund to ensure resources are available for 2020/21 if no further funding is forthcoming from the Government (other than that set out in Paragraph 4.1.20 of the report).
3. 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, as set out in Paragraph 4.1.21 of the report.
4. That it be noted that the 2021/22 ongoing net pressure of £205,000 will be incorporated into the Budget setting process, and that further ongoing pressures identified as risks within the report will be determined and incorporated within the General Fund budget setting process.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

11 SECOND QUARTER GENERAL FUND CAPITAL MONITORING REPORT 2020/21

The Executive considered a report in respect of Second Quarter General Fund Capital Monitoring 2020/21.

The Leader advised that the key changes to capital expenditure budgets included:

- An increase to the Local Enterprise Partnership (LEP) financing for the Bus Interchange to replace the lower “contingency scenario” budget if funding had to be financed by borrowing;
- The building into the budget of £1.1M of LEP funding for a new Station North Multi-Story Car Park; LEP funding of £2.11M for Town Centre improvements; and MHCLG funding of £1M from the Towns Fund. It was noted that the latter two increases would exceed the Executive delegated limit, and hence the budget increase would be recommended to Council for approval;
- Along with the Towns Fund grant outlined above, an additional £120,000 was required for the North Block fit-out, to be financed from the Town Square Reserve;
- The Garages Programme delivery pipeline had been reviewed and a need had been identified to slip an additional £1.1M from 2021/22 to 2022/23;
- A report on the Public Sector Hub was expected to be submitted to the Executive in February or March 2022. As there was currently no approval to commence the development, only the £200,000 OPE grant was planned to be spent in 2020/21 on feasibility and design works, with the remaining £900,000 to

- be slipped to 2021/22;
- Budget reallocation had been requested to move £140,000 from the Stevenage Swim Centre to the Arts & Leisure Centre pipework;
- £125,000 of the Deferred Works budget for 2021/22 had been identified to fund Core ICT Equipment for remote workers. A further £7,000 was requested to fund an urgent requirement to replace an expansion joint in the Multi-Storey Car Park; and
- Net budget reductions totalling £26,000 had been identified across a number of Housing Investment schemes, the largest being a reduction of £60,000 from the replacement boiler at Bedwell Community Centre, as parts replacement was more optimal than system replacement due to estimated useful life of building; and an increase of £37,000 for unforeseen electrical works required for Daneshill House to ensure safety and compliance.

Members were informed of a net increase in capital expenditure of £5.5M in 2021/22, and £1.9M in 2022/23. The key changes were as follows:

- An adjustment of Capital Receipt forecasts to reflect a reduction of £900,000 in 2020/21 due to the re-phasing of the Public Sector Hub, and also for the £2.15M 'Kenilworth Malvern Close Executive House' receipt, which was 100% in 2021/22, but was now split 50/50 between 2021/22 and 2022/23;
- Locality Review Receipts would be funding the RCCO gap in financing, to reduce the pressure on Revenue, replacing the former New Homes Bonus contribution to the Capital Reserve; and
- The Section 106 contribution of £25,000 for the arboretum had now been allocated.

It was **RESOLVED**:

1. That Council be recommended to approve the budget increase to the 2020/21 General Fund Capital Programme arising from the additional funding of £7.4Million received from the Hertfordshire Local Enterprise Partnership (LEP) and the Ministry of Housing, Communities & Local Government (MHCLG), as identified in Paragraph 4.1.4 of the report, as these exceed the Executive's delegated limit, with the net increase in 2020/21 expenditure being £6.4Million, as summarised in Table One, Paragraph 4.1.1 of the report.
2. That the General Fund net increase (arising from slippage) of capital expenditure of £1.0Million in 2021/22, also as summarised in Table One, Paragraph 4.1.1 of the report, be approved.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

12 URGENT PART I BUSINESS

The Chair had accepted an urgent item of business in respect of an update regarding the SG1 planning application, upon which the Secretary of State for Housing, Communities & Local Government had placed a holding direction following a representation from the Stevenage MP.

The Strategic Director (TP) advised that the application had been granted permission by the Planning & Development Committee at its meeting held on 20 October 2020. That decision had been made following a recommendation from Planning Officers and with the benefit of the opinions of a considerable number of expert advisors. In terms of the policy context, the Stevenage Local Plan had a strong focus on Town Centre regeneration, which had been recognised at the Examination in Public, when the Planning Inspector stated “the policies and visions for the Town Centre were well thought out and had the potential to improve the town significantly in a number of ways”.

The Strategic Director (TP) informed Members that, since the imposition of the holding direction, SBC Planning Officers and Mace (the applicant) had responded to the MHCLG addressing the points made in the holding direction. He understood that holding directions on specific planning applications were, on average, concluded within 3 to 6 weeks. Planning Officers would continue to maintain the pressure on the MHCLG for a prompt decision.

13 EXCLUSION OF PRESS AND PUBLIC

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.

14 NEW STATION NORTH MULTI-STOREY CAR PARK

The Executive considered a Part II report in respect of proposals to progress the provision of a new Multi-Storey Car Park and sustainable transport facilities to be built on the existing surface car park to the north of Stevenage Station.

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.

15 URGENT PART II BUSINESS

None.

CHAIR