

STEVENAGE BOROUGH COUNCIL

EXECUTIVE MINUTES

Date: Wednesday, 11 August 2021

Time: 1.00pm

Place: Council Chamber, Daneshill House, Danestrete, Stevenage

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.

Also Present: Councillor Phil Bibby CC (observer).

Start / End Start Time: 1.00pm
Time: End Time: 3.41pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillor Robin Parker CC (observer).

There were no declarations of interest.

2 MINUTES - 14 JULY 2021

It was **RESOLVED** that the Minutes of the meeting of the Executive held on 14 July 2021 be approved as a correct record for signature by the Chair.

3 MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE AND SELECT COMMITTEES

In respect of the Minutes of the meeting of the Community Select Committee held on 15 July 2021, it was noted that henceforth formal minutes/notes should be taken of Portfolio Holder Advisory Group meetings; and that consideration be given to the introduction of an Action Tracker for Executive decisions (similar to the one operated by the Select Committee).

In relation to the Minutes of the meeting of the Overview & Scrutiny Committee held on 22 July 2021, and with regard to Agency Staffing, the Portfolio Holder for Resources undertook to provide Members with a Briefing Note explaining why some of the services areas where agency staff were employed (such as office cleaning) were not considered appropriate for the direct employment of staff.

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

Community Select Committee – 15 July 2021
Overview & Scrutiny Committee – 22 July 2021

4 COVID-19 UPDATE

The Executive considered a short presentation from the Corporate Policy & Research Officer providing an update on the latest epidemiology statistics relating to the Covid-19 pandemic.

The following matters were raised during the presentation:

- In view of the lower Covid vaccination rates in Bedwell Ward, Officers were asked to feed back to the Local Resilience Forum the request that consideration be given to the establishment of a pop-in Vaccination Centre in that Ward, possibly in the Bedwell Community Centre;
- Officers undertook to request the HCC Public Health Team for data regarding the numbers in Hertfordshire of those double-vaccinated who had subsequently contracted Covid-19;
- It was noted that evidence had shown that the small peak in Covid infections had been attributable to the European Football Championships;
- It was confirmed that the HCC Communications Team was working on a media campaign to re-assure pregnant women experiencing vaccine hesitancy, and that a Covid model was being developed by the HCC School Cell for the return to school in September; and
- Officers were asked to enquire with HCC Public Health colleagues if there was likely to be any correlation between the current high level of Covid infections in Cambridge and any potential rise in infections in Stevenage.

In relation to Covid recovery in the town and across the county, the Leader referred to the £400M investment in the GlaxoSmithKline/Bioscience Catalyst/Catapult campus for STEM Cell and Gene Therapy, which was expected to create 500 new jobs; the recent opening of the £35M Airbus facility in Stevenage; and the recent news of a site in Broxbourne being developed for the creation of Sunset Studios. The Portfolio Holder for Economy, Enterprise & Transport added that the Stevenage Economic Task Force was continuing to meet, and that the Council's Business Relationships Manager was providing regular advice and assistance to local businesses. He was pleased to report that the East Coast Mainline train service would soon be stopping more regularly at Stevenage Station, and announced that Stevenage had been identified in a recent survey as the second best place in the UK (outside of London) to launch a business.

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

5 TRANSFORMATION

The Executive considered a report in respect of the proposed development of a Transformation Programme aimed at improving customer satisfaction, increasing workforce productivity and organisational resilience, while achieving the savings required by the Medium Term Financial Strategy. This programme was a significant element of the new "Making Your Money Count" FTFC Programme.

The Portfolio Holder for Resources, supported by the Portfolio Holder for Neighbourhoods & Co-operative Council, advised that the report outlined a proposed

transformation approach as part of the Making Your Money Count element of the 2021/22 FTFC programme. The Executive was being requested to approve the approach, together with the key principles which would drive the design of the programme, the detail of which would be presented to the Executive later in the year.

Members noted that the programme would sit alongside commercial and insourcing initiatives and the Council's broader savings options. Officers were proposing this approach of transforming processes, technology and teams in order to make sure that the Council could deliver on its Future Town Future Council objectives and protect services from future cuts.

Members further noted that the report outlined how the Council must deliver a balanced budget and highlighted that, by addressing inefficiency in processes, getting customer service right first time and delivering online services which residents wish to use, the Council would also be able to improve the customer experience. An initial assessment had indicated potential savings of £2M from transformation, with an expectation that these would be delivered largely from 2023/24. Further work would be required to design the detailed programme and a transformation budget had been set aside to ensure that the Council had the resources to deliver, although additional investment may also be needed and a business case would come forward as required.

The Leader stated that the Transformation agenda had been considered at an informal Executive meeting, and she offered the opportunity for Opposition Groups to be similarly briefed by officers on the proposed approach outlined in the report if they wished to be.

The Leader was supportive of the move towards paperless Committee meetings, and advised that there would be some training for early adopters in late August, followed thereafter by a roll out to other Members.

In response to a Member's question, the Chief Executive confirmed that a balance had to be struck between efforts to increase staff productivity and improve customers' experience of the Council's services. He stated that there could not be a "one size fits all" approach to increased productivity/efficiency as the requirements would vary in each service area to reflect the activities undertaken. However, he expected that the principles of the transformation process, as set out in the report, would apply across all Council services.

It was **RESOLVED:**

1. That the Transformation Approach (set out in Sections 4.1 to 4.6 of the report) to improve customer experience, deliver increased productivity and ensure sustainability, be agreed.
2. That it be noted that the Transformation Approach and underlying delivery programme is to be based on the Foundation Principles set out in sections 4.11 to 4.14 of the report, and that these Foundation Principles be approved.

3. That a detailed business case and implementation plan be prepared for a first phase of transformation, and that it be noted that this will be brought forward for consideration and formal approval later in 2021/22.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

6 4TH QUARTER REVENUE MONITORING REPORT 2020/21 - GENERAL FUND AND HOUSING REVENUE ACCOUNT

The Executive considered a report in respect of the 4th Quarter Revenue Monitoring for 2020/21 with regard to the General Fund and Housing Revenue Account.

The Portfolio Holder for Resources advised that the Council's General Fund budget for 2020/21 assumed that a drawdown from balances of £2.252Million would be required to cover the budgeted expenditure. However, the actual spend meant that a lower drawdown of £529,000 was required, which represented a reduction in the draw on balances compared to the budget of £1.724Million. £1.162Million of this reduction related to spend budgeted for 2020/21 which had not been incurred, and carry forwards of this value were requested for 2021/22, as detailed in the report.

The Portfolio Holder for Resources stated that across 2021/22 - 2023/24, and due to the impact of carry forwards (£1.162Million), change in use of reserves & the requirement for a revenue contribution to capital (£429K) and business rates losses (£1.164Million loss in 2020/21, partially negated by £865,000 funding from the Tax Income Guarantee Scheme, spread evenly across three years), there was an increase in the use of General Fund balances of £1.890Million. This meant that across 2020/21 – 2023/24 there was a net increase in the use of General Fund balances of £166,000.

The Portfolio Holder for Resources commented that there were other potential financial risks for 2021/22, including projected Bed and Breakfast costs of approx. £350,000 and projected further Parking losses of approx. £450,000. The Council would seek to mitigate the additional Bed and Breakfast cost increases by ensuring that Housing Benefit was claimed for those who were eligible. Also included within the 2021/22 finance settlement was £500,000 to fund additional Covid losses (and unidentified costs were included in the budget). Members had approved £214,000 for Housing First costs, with the remainder then available to mitigate some of the additional pressures set out above. The income guarantee scheme was extended for the period April-June 2021, and the current projections for the expected claim value was approx. £150,000 higher than budgeted and would also mitigate some of the parking pressure identified above.

The Portfolio Holder for Resources explained that there had been an adverse impact of Covid on the Council's finances during 2020/21, however determining the actual financial impact was difficult, as not all changes in spend/income would be totally Covid related. The Council had incurred £6.854Million of additional spend or income foregone predominately as a result of Covid during 2020/21, as well as suffering Business Rates losses of £1.164Million, which were spread across 2021/22 - 2023/24 in line with regulations. The Council received Government grant funding of

£5.269M, including £2.453M from the income guarantee scheme, £1.422M across tranches 2-4 of the Government support package and £886,000 Tax Income Guarantee support (TIG) to cover Business Rates losses. This meant that the net cost of Covid in 2020/21 was £2.478Million, which was in line with the level of mitigation measures included in the June 2020 Medium Term Financial Strategy report.

With regard to the Housing Revenue Account (HRA), the Portfolio Holder for Resources advised that the account recorded a surplus of £5.580Million at year end, which was £1.548Million higher than the budgeted surplus. Within this budgeted surplus was £377,000 of carry forward requests for planned expenditure during 2021/22, including £169,000 for Building Safety works and £120,000 to meet the cost of transitional posts following the Housing Business Unit Review. The HRA had balances of £25.400Million at the end of 2020/21, which were set aside predominately for future debt repayments.

In response to a question, the Strategic Director (CF) undertook to advise Members of a likely timescale for the Council's receipt of the Hertfordshire Business Rates Pooling Gain monies.

The Leader expressed disappointment that the external audit of the Council's Statement of Accounts for 2019/20 had not yet been completed by the statutory deadline. The Leader also highlighted the need for the Council to finalise its accounts for 2020/21 in order that the External Auditors could undertake their audit. The Strategic Director commented that the audit of the 2019/20 accounts should be completed in the next few weeks. In respect of the 2020/21 accounts, it was intended that these would be completed in late August/early September 2021. However, she confirmed that the external auditor had confirmed that they would not be carrying out the audit until November 2021. She added that this would be challenging resource-wise, as SBC Finance staff would be concentrating on 2022/23 Budget setting work at the same time.

It was **RESOLVED:**

General Fund

1. That, subject to the 2020/21 audit of the Statement of Accounts, the 2020/21 actual General Fund net expenditure of £10.152Million be noted.
2. That General Fund carry forward requests totalling £1.162Million (as set out in Paragraph 4.5.1 of the report) be approved.

Housing Revenue Account (HRA)

3. That, subject to the 2020/21 audit of the Statement of Accounts, the 2020/21 actual in-year HRA surplus of £5.580Million be noted.
4. That HRA carry forward requests totalling £378,000 (as set out in Paragraph 4.11.1 of the report) be approved.

Reason for Decision: As contained in report.
Other Options considered: As contained in report.

7 2020/21 CAPITAL EXPENDITURE OUTTURN

The Executive considered a report in respect of the 2020/21 Capital expenditure outturn.

The Portfolio Holder for Resources advised that the General Fund Capital programme recorded an underspend of £2.15Million on a working budget of £19.81Million. Despite Covid restrictions £17.66Million of works were still completed. The report showed the underspend by business area, with the majority of the slippage/underspend related to regeneration-related schemes, comprising 81% of the net underspend. This was largely due to the late release of GD3 monies including for the new bus station. The slippage relating to the underspend totalled £2.114Million, as detailed in Section 4.1 of the report.

The Portfolio Holder for Resources commented that Capital resources remaining at year end were £6.395Million, with £2.7Million relating to grants and contributions which were largely ring-fenced and over a £1Million relating to the Towns Fund.

The Executive was informed that the 2020/21 General Fund capital receipts received in year were £1.947Million, compared to budgeted receipts of £2.5Million, £553,000 lower than budgeted, with some sites now due to be realised in 2021/22. The remaining capital reserve/receipts at the end of 2021/22 was only £333,000, which was relatively modest compared to the size of the programme and potential for increased costs. There was also the deferred works reserve of £265,000 to absorb increases or unforeseen expenditure.

In relation to the Housing Revenue Account (HRA) 2020/21 Capital outturn, the Portfolio Holder for Resources reported that the HRA capital spend was £0.427Million lower than the working budget, which was only 1.57% underspend versus budget on a £27Million programme. There was a request to recommend slippage into 2021/22 of £342,000. There had been 25 Council houses sold in 2020/21 against an estimate of 35 and this gave a receipt to SBC of £3.317Million, of which the General Fund used £346,000. The Government share of the gross receipt was £864,000.

It was **RESOLVED:**

1. That, subject to the completion of the 2020/21 external audit of accounts, the 2020/21 General Fund capital expenditure outturn of £17.652Million (as summarised in Paragraph 4.1.1 of the report) be noted.
2. That, subject to the completion of the 2020/21 external audit of accounts, the 2020/21 Housing Revenue Account (HRA) capital expenditure outturn of £26.71Million (as summarised in Paragraph 4.4.1 of the report) be noted.
3. That the funding applied to the 2020/21 General Fund capital programme, as summarised in Paragraph 4.2.1 of the report, be approved.

4. That the funding applied to the 2020/21 HRA capital programme, as summarised in Paragraph 4.5.1 of the report, be approved.
5. That the 2021/22 General Fund capital programme increase of £2.114Million, as set out in Paragraph 4.3.1 of the report, be approved.
6. That the 2021/22 HRA capital programme increase of £1.288Million, as set out in Paragraph 4.6.1 of the report, be approved.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

8 URGENT PART I BUSINESS

Potential County Deal

The Leader referred to webinars she had attended recently with various Government Ministers at which they were inviting County Councils to consider the development of County Deals. This funding would provide counties and their respective Boroughs/Districts with the tools they needed to pilot new ideas, create jobs, drive growth and improve public services. The Government had given County Councils the option of either submitting an early Expression of Interest on Friday, 13 August 2021 or waiting until the Levelling Up White Paper was published later in 2021.

The Leader advised that the Hertfordshire County Council (HCC) Leader had contacted the 10 Hertfordshire Borough/District Council Leaders to seek their views concerning HCC's desire to submit an early Expression of Interest for a County Deal.

The Executive agreed with the Leader's suggestion that HCC's Expression of Interest be supported, but with the proviso that SBC would not be supportive of any proposal that promoted significant Local Government reform for Hertfordshire.

9 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 report being in Part II were accepted, and that the exemption from disclosure of the information contained therein outweighs the public interest in disclosure.

10 DISPOSAL OF PART OF MARSHGATE CAR PARK FOR THE DELIVERY OF A LIFE SCIENCES CENTRE

The Executive considered a Part II report in respect of the proposed disposal of part of Marshgate Car Park for the delivery of a Life Sciences Centre.

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

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

11 FAIRLANDS VALLEY FARMHOUSE

The Executive considered a Part II report with regard to the options available for the future development of Fairlands Valley Farmhouse.

It was **RESOLVED** that the recommendations set out 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