

STEVENAGE BOROUGH COUNCIL

EXECUTIVE MINUTES

Date: Wednesday, 16 November 2022

Time: 2.00pm

Place: Council Chamber, Daneshill House, Danestrete, Stevenage

Present: Councillors: Baroness Taylor of Stevenage, OBE (Chair), Richard Henry (Vice-Chair), Sandra Barr, Lloyd Briscoe, Jackie Hollywell, Mrs Joan Lloyd, Simon Speller and Jeannette Thomas.

Start / End Start Time: 2.00pm

Time: End Time: 2.54pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

There were no apologies for absence.

There were no declarations of interest.

2 MINUTES - 12 OCTOBER 2022

It was **RESOLVED** that the Minutes of the meeting of the Executive held on 12 October 2022 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 Community Select Committee's review of Void properties, the Leader referred to the serious Coroner's case of a two-year old in Rochdale who had died from a severe respiratory condition as a result of the damp and mould in the social housing property in which he lived. As the Community Select Committee had carried out a review of damp and mould in SBC-owned properties in 2016, officers were asked to bring the Coroner's report, and in particular the associated recommendations concerning the Rochdale incident, to the attention of the Community Select Committee.

With regard to Minute 3(5) – Climate Change Annual Update: October 2022 of the Minutes of the meeting of the Overview & Scrutiny Committee held on 18 October 2022, the Leader and Portfolio Holder for Environment & Climate Change supported the Committee's request that each of the 13 wards in the Co-operative Neighbourhood areas should be allocated a sum of £7,500 per annum for physical climate change-related improvements in their areas.

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

4 SECOND QUARTER REVENUE MONITORING REPORT 2022/23 - GENERAL FUND AND HOUSING REVENUE ACCOUNT

The Executive considered a report in respect of Second Quarter Revenue Budget monitoring 2022/23 for the General Fund and Housing Revenue Account (HRA).

The Portfolio Holder for Resources, Transformation and ICT advised that there was a net underspend for the Quarter 2 General Fund of £199,920. The refuse Alternative Funding Model (AFM) income from Hertfordshire County Council (HCC) regarding recycling gains was projected to be £237,000. There was no budgetary provision for this during the Covid-19 pandemic as there was no income, and HCC had confirmed that they were ceasing the AFM from 2023/24 to make a saving. There was a further increase in the Council's forecast Interest on Balances of £215,000 following the increase in the bank rate (prior to the November 2022 increase of 0.75%).

The Portfolio Holder for Resources, Transformation and ICT stated that another significant pressure was the in-year staff salary increase (of £197,000), which includes £154,000 within Refuse and Recycling for agency staff due to vacancies and some long- and short-term sickness.

The Portfolio Holder for Resources, Transformation and ICT reported that the staff pay award for 2022/23 had now been accepted and would add circa £662,000 to the Council's staffing costs and General Fund budget. This had not been included in the Quarter 2 figures as the award was not confirmed until after the report was finalised.

The Portfolio Holder for Resources, Transformation and ICT explained that the Housing Revenue Account (HRA) was reporting a net underspend for Quarter 2 of £263,000. This was made up of a number of variances, including a reduction of £399,000 on loan interest payments and interest on balances due to the timing of when the Council would be looking to take external borrowing (which was being reviewed following the recent increases in the cost of borrowing from the Public Works Loan Board). This was being monitored on a daily basis and, if conditions improved, planned loans may still be taken during the year.

The Portfolio Holder for Resources, Transformation and ICT advised that a further pressure was an increase in Repairs and Voids costs of £130,000 due to the cost of materials continuing to increase in line with those seen nationally, and a reduction in income due the volume of repairs and the previously reported vacancy/capacity challenges within the team.

The Portfolio Holder for Resources, Transformation and ICT commented that, similar to the General Fund, the HRA would also be updated at Quarter 3 to reflect the recently approved pay award for 2022/23, which would add in the region of £352,000 to the HRA budgets.

The Assistant Director (Finance) added that the impact of the latest inflation figures,

which had risen to 11.1% (Consumer Price Index) and 14.2% (Retail Price Index) would add further pressures going forward.

The Portfolio Holder for Environment & Climate Change referred to the climate change implications set out at Paragraph 5.6 of the report, and stressed the point that in the long run climate change mitigation projects and initiatives would reduce energy usage and other budget costs.

In reply to a question from the Leader, the Strategic Director (RP) confirmed that the underspend in Street scene salaries was due to staff recruitment and retention challenges following a recent restructuring of the service.

It was **RESOLVED**:

General Fund

1. That the 2022/23 2nd Quarter projected net decrease in General Fund expenditure of £199,920 be approved.
2. That it be noted the cumulative changes made to the General Fund net budget remains within the £400,000 increase variation limit delegated to the Executive.

Housing Revenue Account

3. That the 2022/23 2nd Quarter projected net decrease in HRA expenditure of £263,300 be approved.
4. That it be noted 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.

5 2022/23 MID YEAR TREASURY MANAGEMENT REVIEW AND PRUDENTIAL INDICATORS

The Executive considered a report in respect of the 2022/23 Mid Year Treasury Management Review and Prudential Indicators.

The Portfolio Holder for Resources, Transformation and ICT advised that the Council's cash balances were projected to be £63Million by 31 March 2023, 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 the Executive on 12 October 2022 required external borrowing of £20.522Million in 2022/23.

The Portfolio Holder for Resources, Transformation and ICT stated that, as at 30 September 2022, total borrowing was £246.849Million. This could rise to

£267.371Million if all approved borrowing was taken as per the revised capital programme which the Executive approved at its meeting held on 12 October 2022.

The Portfolio Holder for Resources, Transformation and ICT reported that the Council's Minimum Revenue Provision (MRP) charged to the General Fund in 2022/23 was forecast to be £214,609.

The Portfolio Holder for Resources, Transformation and ICT commented that the average yield on investments was 1.04% for April to September 2022. The rate earned in 2021/22 was 0.35%, due to the ultra-low Bank of England Base Rate. The average yield is expected to rise to 2.01% for the full 2022/23 financial year, as current fixed term investments matured and were replaced with new investments at current higher rates. This equated to forecast 2022/23 interest earned of £935,000 against a budgeted amount of £330,000.

The Portfolio Holder for Resources, Transformation and ICT concluded by stating that there had been no breaches of the Treasury Management Strategy in 2022/23 to date.

The Assistant Director (Finance) advised that the report had been considered by the Audit Committee at its meeting held on 9 November 2022. No substantive comments had been made by the Committee.

In reply to a question from the Leader regarding local authority borrowing, the Strategic Director (CF) explained that of the £291M figure for SBC borrowing, 71% of that figure related to the financing deal that the Council entered into to buy back its housing stock from the Government. All four Hertfordshire District/Borough Councils with their own housing stocks had significant levels of borrowing. A further 19% of the SBC borrowing figure related to investment in the Council's housing stock, including the Housing Development programme for the provision of brand new Council homes. 90% of the overall borrowing debt related to the Housing Revenue Account, with 2% (£6 Million) for Regeneration projects.

It was **RESOLVED** that the 2022/23 Mid Year Treasury Management Review and Prudential Indicators be recommended to Council for approval.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

6 URGENT PART I BUSINESS

None.

7 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.

8 PART II MINUTES - EXECUTIVE - 12 OCTOBER 2022

It was **RESOLVED** that the Part II Minutes of the meeting of the Executive held on 12 October 2022 be approved as a correct record for signature by the Chair.

9 MAKING YOUR MONEY COUNT OPTIONS 2023/24

The Executive considered a Part II report in respect of the proposed Making Your Money Count options for 2023/24.

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.

10 URGENT PART II BUSINESS

None.

CHAIR