

STEVENAGE BOROUGH COUNCIL

EXECUTIVE MINUTES

Date: Wednesday, 8 February 2023

Time: 2.00pm

Place: Council Chamber, Daneshill House, Danestrete, Stevenage

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

Start / End Start Time: 2.00pm

Time: End Time: 2.25pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

There were no apologies for absence.

There were no declarations of interest.

2 MINUTES - 18 JANUARY 2023

It was **RESOLVED** that the Minutes of the meeting of the Executive held on 18 January 2023 be approved as a correct record for signature by the Chair.

3 MINUTES OF OVERVIEW & SCRUTINY COMMITTEE AND SELECT COMMITTEES

It was **RESOLVED** that the following Minutes of meetings of the Select Committees be noted –

Community Select Committee – 9 January 2023

4 GENERAL FUND AND COUNCIL TAX SETTING 2023/24

The Executive considered a report in respect of the Council's General Fund, Council Tax Support Scheme and proposals for the 2023/24 Council Tax for onward recommendation to Council.

The Portfolio Holder for Resources, Transformation and ICT referred to the difficulties of setting a budget in the current economic context after years of Government funding cuts, followed by the challenges presented by the Covid-19 pandemic and, more recently, the ongoing cost of living crisis. Since 2010/11 over £5.2 Million of Government grant had been lost from the Council's budget and over £6 Million worth of inflationary pressures had been incurred – the net position meant a funding gap of circa £11Million, which required budget savings to be made

The Portfolio Holder for Resources, Transformation and ICT advised that the total proposed net budget for 2023/24 was £12,463,000. This budget required the delivery of £1,341,000 Making Your Money Count options during the financial year, reflecting the scale of the challenge that faced Stevenage Borough Council and for many other local authorities.

The Portfolio Holder for Resources, Transformation and ICT commented that the budget now included the projections for business rates and Section 31 grants to be retained by the Council. Members were reminded that this equated to just over 7% of all business rates collected in the town. Business rates gains had been assumed within the allocated reserve until realised, which helped to provide financial resilience for the General Fund.

The Portfolio Holder for Resources, Transformation and ICT stated that the report also included the comments from the Overview and Scrutiny Committee. The report would be re-presented to that Committee again and then on to the 23 February 2023 Council meeting for approval of the Budget and Council Tax increase.

The Portfolio Holder for Resources, Transformation and ICT advised that Members were recommended to approve a 2.99% increase in Council Tax as part of the savings package to close the Budget gap for 2023/24.

The Strategic Director (CF) added that there had been no difference in the total figure between the Government's draft and final financial settlements for the Council for 2023/24, and noted a major impact on the budget had been the 100% increase in utilities costs (£1M to £2M). Revised projections indicated an extra £448,000 of Business Rates income for 2023/24, although these funds were recommended to be placed in an allocated reserve until realised, and there were likely to be a large number of Business Rates appeals as a result of the increase in rateable values in Stevenage for 2023/24.

It was **RESOLVED**:

1. That Council be recommended to approve the 2022/23 net expenditure on the General Fund of £11,368,750, as set out in Paragraph 4.12.1 of the report.
2. That Council be recommended to note the inclusion of the 2023/24 Fees and Charges of £325,840, including the 5% increase in market rents approved for inclusion at the December 2022 Executive (Appendix B to the report) in the draft 2023/24 budget.
3. That Council be recommended to approve the draft General Fund Budget for 2023/24 of £12,463,780, with a contribution from balances of £572,268 and a Band D Council Tax of £232.31 (assuming a 2.99% increase), and as summarised in Appendix H to the report.
4. That Council be recommended to note the updated position on the General Fund Medium Term Financial Strategy (MTFS), as summarised in Section 4.14 of the report.

5. That Council be recommended to approve the minimum level of General Fund reserves of £3,419,753, in line with the 2023/24 risk assessment of balances, as shown at Appendix C to the report.
6. That Council be recommended to approve for 2023/24 the contingency sum of £400,000 within which the Executive can approve supplementary estimates (reflecting the level of balances available above the minimum amount).
7. That Council be recommended to approve the 2023/24 Council Tax Support Scheme, as set out in Section 4.4 of the report.
8. That Council be recommended to approve the 2023/24 Making Your Money Count (MYMC) options, as set out in Section 4.9 and Appendix A to the report, totalling £1,341,999 and £32,502 (cost) for the General Fund and HRA respectively.
9. That Council be recommended to approve the Growth options included in Section 4.10 of the report for inclusion in the 2023/24 General Fund (£73,150) and HRA (£56,892) budgets.
10. That Council be recommended to note the pressures identified in Section 4.2 of the report.
11. That Council be recommended to note that for 2023/24 a £300,000 budget to pump prime Transformation has been included in the General Fund budget to support efforts to realise the savings targets, as set out in Section 4.7 of the report.
12. That Council be recommended to approve the use of the business rate gains only once they have been realised and that their use be ring fenced to maintain the financial resilience of the Council.
13. That Council be recommended to note the comments from Overview and Scrutiny, as set out in Section 4.18 of the report.
14. That Council be recommended to note the Equalities Impact Assessments appended to the report in Appendices D and E.
15. That Council be recommended to note that key partners and other stakeholders are consulted and their views considered as part of the 2023/24 budget setting process.
16. That the discretionary element of the funding for the Local Council Tax Top Up Scheme be awarded, as set in Paragraph 4.5.9 of the report, and any revisions to the scheme be delegated to the Strategic Director (S151 Officer), after consultation with the Portfolio Holder for Resources, Transformation and ICT.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

5 CAPITAL STRATEGY 2022/23 - 2027/28

The Executive considered a report in respect of the Capital Strategy 2022/23 – 2027/28 for onward recommendation to Council.

The Portfolio Holder for Resources, Transformation and ICT advised that, as was the case in relation to the General Fund, Capital funding also had funding challenges. As a result, spend continued to be focused on priority areas to keep, in the main, the Council's assets operational, and to continue the delivery of key programmes such as regeneration (which was part funded through the £37.5Million Towns Fund allocation from the Government) and the Housing Development programme.

The Portfolio Holder for Resources, Transformation and ICT stated that the report also noted that there was a risk around realising the £7Million capital receipts which were needed to support the 2023/24 Capital programme. That was set out in Paragraphs 4.3.2 and 4.6.4 of the report, along with the monitoring and controls in place to keep this under close review.

The Portfolio Holder for Resources, Transformation and ICT explained that the total estimated Capital Strategy over five years was £86.265Million. In terms of financing, over the five year period, the financing was expected to be drawn from: 20% borrowing; 55% capital grants; 24% useable capital receipts; and the remaining 1% relating to the General Fund reserve.

The Assistant Director (Finance) commented that the draft Capital Strategy report considered by the Executive on 18 January 2023 had contained a funding gap of £177,000. The final report provided a balanced Capital budget, although close attention would be required on the level of Capital receipts and further fluctuations to the Bank of England borrowing rate.

It was **RESOLVED**:

1. That Council be recommended to approve the Final General Fund Capital Growth Bids for 2023/24, as detailed in Appendix A to the report (and incorporated into Appendix C).
2. That Council be recommended to approve the revisions to the 2022/23 General Fund budget, as incorporated into Appendix C to the report.
3. That Council be recommended to approve the Final 2023/24 General Fund Capital Programme, together with the recommended resourcing, as detailed in Appendix C to the report.
4. That Council be recommended to approve that the Chief Financial Officer (CFO) brings a report forward during the 2023/24 financial year setting out the Council's key capital regeneration and community asset ambitions and key land and asset disposals, not currently in the capital strategy, to determine a funding strategy to meet these Corporate priorities.

5. That Council be recommended to note the Final Housing Revenue Account (HRA) budget requests for 2023/24, as detailed in Appendix B to the report (and incorporated into Appendix D), and as approved at the 18 January 2023 Executive meeting.
6. That Council be recommended to approve the Final 2023/24 HRA Capital Programme, as detailed in Appendix D to the report.
7. That Council be recommended to approve the updated forecast of resources 2023/24, as detailed in Appendix C (General Fund) and Appendix D (HRA) to the report.
8. That Council be recommended to note the risk mitigation strategy to ensure the 2023/24 capital programme is fully financed, as set out in Paragraph 4.3.2 and Paragraph 4.6.4 of the report, and that the Executive will be updated in the Capital Quarterly monitoring reports.
9. That Council be recommended to approve the 2023/24 de-minimis expenditure limit, as set out in Section 4.11 of the report.
10. That Council be recommended to approve the 2023/24 contingency allowances, as set out in Section 4.12 of the report.
11. That Council be recommended to approve the appropriation of Dunn Close garage block, valued at £540,000, from the General Fund to the HRA, as detailed in Paragraph 4.14.3 of the report.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

6 ANNUAL TREASURY MANAGEMENT STRATEGY INCLUDING PRUDENTIAL CODE INDICATORS 2023/24

The Executive considered a report in respect of the Annual Treasury Management Strategy, including Prudential Code Indicators for 2023/24, for onward recommendation to Council.

The Portfolio Holder for Resources, Transformation and ICT advised that there had been no breaches of the Treasury Management Strategy so far in 2022/23. She drew attention to the Council's investments set out in the report, and how they were managed.

The Portfolio Holder for Resources, Transformation and ICT commented that the Audit Committee had considered the Strategy at its meeting held on 7 February 2023 and had raised no comments on the report.

The Portfolio Holder for Resources, Transformation and ICT stated that, for the 2022/23 financial year up to 31 December 2022, returns on investments had averaged 1.57% and total interest earned was £830,000 contributing to the General Fund and Housing Revenue Account income.

The Assistant Director (Finance) advised that since the report was drafted the Bank of England Base Rate had been increased by 0.5% to 4%.

The Assistant Director (Finance) drew attention to Section 4.8 of the report, which outlined a new prudential indicator for 2023/34 regarding the Liability Benchmark. The benchmark would show if the Council would be in a position of under or over borrowing during a particular year, with the report indicating the Council would need to borrow in the Medium Term.

In response to a question from the Leader, the Assistant Director (Finance) confirmed that either increases or decreases in the Bank of England rates would impact on the Council's future borrowing.

It was **RESOLVED** that the 2023/24 Treasury Management Strategy be recommended to Council for approval.

Reason for Decision: As contained in report.

Other Options considered: As contained in report.

7 URGENT PART I BUSINESS

None.

8 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.

9 PART II MINUTES - EXECUTIVE - 18 JANUARY 2023

It was **RESOLVED** that the Part II Minutes of the Executive held on 18 January 2023 be approved as a correct record for signature by the Chair.

10 URGENT PART II BUSINESS

None.

CHAIR