
Meeting CABINET
Portfolio Area RESOURCES AND TRANSFORMATION
Date 17 January 2024



DRAFT GENERAL FUND AND COUNCIL TAX SETTING 2025/26

KEY DECISION

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1 PURPOSE

- 1.1 To consider the Council's draft 2025/26 General Fund Budget, Council Tax Support Scheme and draft proposals for the 2025/26 Council Tax.
- 1.2 To consider the projected 2024/25 General Fund Budget.

2 RECOMMENDATIONS

- 2.1 The 2024/25 revised net expenditure on the General Fund of **£12,248,970** is approved as set out in paragraph 4.8.1.
- 2.2 The draft General Fund Budget for 2025/26 of **£9,910,330** is proposed for consultation purposes, with a contribution from balances of **£77,949** and a Band D Council Tax of **£246.41**, (assuming a 2.99% Council Tax increase).
- 2.3 The updated position on the General Fund Medium Term Financial Strategy (MTFS) as summarised in section 4.10 be noted.

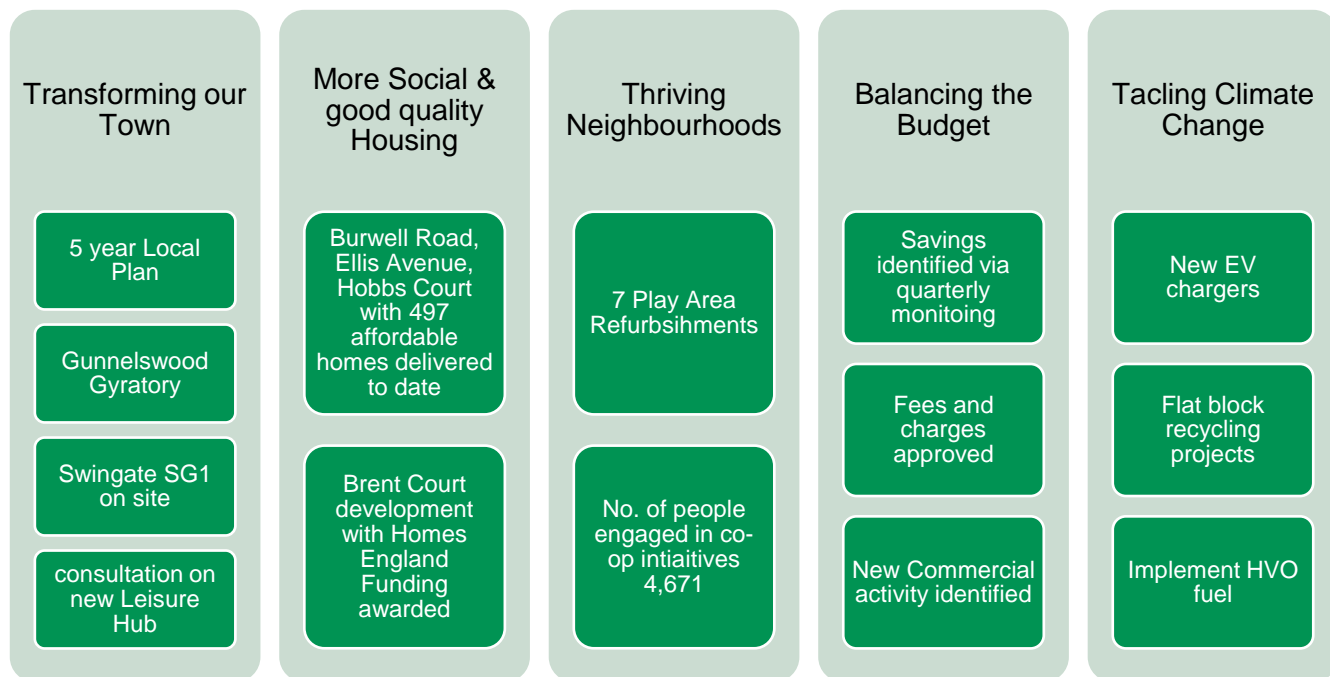
- 2.4 The minimum level of General Fund reserves of **£3,421,625**, which is in line with the 2025/26 risk assessment of balances, as shown at Appendix E to this report, is approved.
- 2.5 The contingency sum of **£500,000** within which the Cabinet can approve supplementary estimates, be approved for 2025/26, (reflecting the level of balances available above the minimum amount).
- 2.6 The 2025/26 Balancing the Budget options as set out in section 4.5 and Appendix A, totalling **£275,907** and **£29,651** for the General Fund and HRA respectively, be included into the Council's budget setting processes for consideration by the Overview & Scrutiny Committee.
- 2.7 Approval of the new food waste collection and legal fees and charges as set out in paragraph 4.5.6 (and Appendix B).
- 2.8 The use of Business Rate reserve to fund a Graduate and Apprentice scheme as set out in section 4.6 is approved for inclusion in the 2025/26 General Fund (**£202,760**).
- 2.9 That a first call on underspends of **£150,000** (in total from the General Fund and HRA) is approved to support the Graduate and Apprentice scheme as set out in section 4.6.
- 2.10 That the growth bid for graffiti removal of **£75,000** as set out in section 4.6 is approved.
- 2.11 That the pressures identified in sections 4.2 and 4.7 to this report are noted.
- 2.12 That the Section 25 Statement on Robustness of Estimates and Adequacy of Reserve as set out in Appendix F is approved.
- 2.13 That the decisions taken on recommendations 2.2 – 2.11 above be referred to the Overview and Scrutiny Committee for consideration in accordance with the Budget and Policy Framework rules in the Council's Constitution.
- 2.14 That Members note the Equalities Impact Assessment appended to this report for the new fees and charges (Appendix C & D).
- 2.15 Approval is granted for engagement to take place with key partners and other stakeholders in order for their views to be considered as part of the 2025/26 budget setting process.

3. BACKGROUND

- 3.1 This report sets out the 2025/26 draft General Fund Budget including Balancing the Budget (BTB) options, growth bids and pressures. The General Fund Budget forms part of the Council's Budget and Policy Framework. Under Article 4 of the Constitution, the Budget includes: the allocation of financial resources to different services and projects; proposed contingency funds; setting the council tax; the council tax support scheme; decisions relating to the control of the Council's borrowing requirement; the control of its capital expenditure; and the setting of virement limits.
- 3.2 The Council approved an ambitious new Making Stevenage Even Better Corporate Plan in February 2025. It is essential that the Council employs a

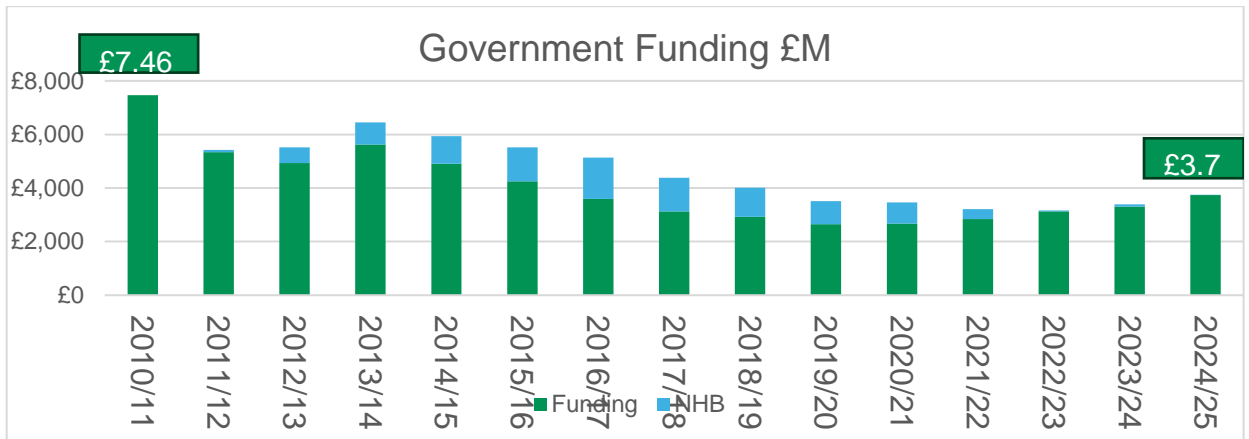
robust budget review and setting process in order to ensure that both front line service and Making Stevenage Even Better Corporate Plan priorities can be achieved. As such the budgets both revenue and capital provide the means through which delivery of core service and Corporate Plan objectives can be achieved.

3.3 A summary of some of the service and MSEB priority activities which have been delivered as a result of the budget setting activity for 2024/25 is set out below:

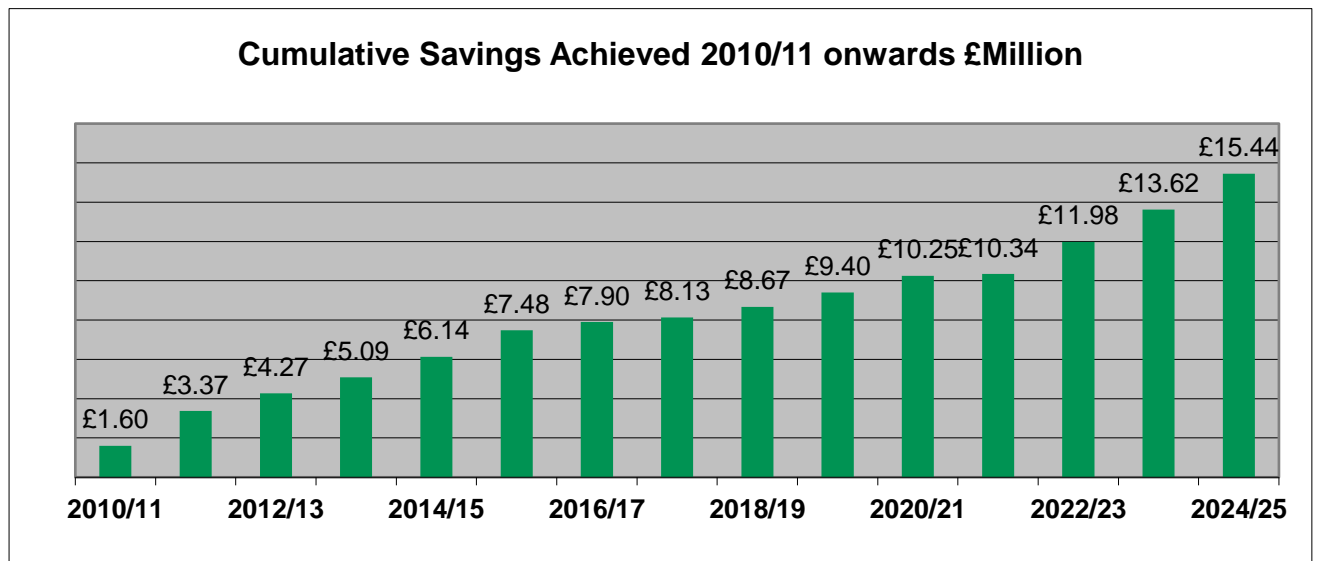


3.4 As set out in the November 2024 Cabinet Balancing the Budget report, the financial landscape for Councils is increasingly difficult due to historic funding cuts, inflationary pressures and increased demands on services. The LGA stated in their 2024 budget submission to the government, *‘we cannot shy away from the fact that councils are under severe financial strain. Inflation, wage pressures and growing demand and complexity of need mean that councils face a funding gap of £6.2 billion over the next two years. And this needs to be seen in the context of the estimated £24.5 billion in cuts and efficiencies in service spending that councils made between 2010/11 and 2022/23. If Councils’ net service spend had grown in line with inflation, wage growth, demographics and demand drivers since 2010/11 it would have been a full 42 per cent higher in 2022/23 than actual service spend in 2022/23. Councils have had to absorb these huge pressures through service cuts or efficiencies’*.

3.5 The need to find year on year savings since 2010/11 is illustrated within the chart below. In summary Government funding for SBC (adjusted for subsequent changes for council tax support etc) fell from £7.46Million in 2010/11 to £3.72Million in 2024/25. The impact of this significant reduction in funding was further compounded by a 10% growth of the population in this period and 14 years of unfunded inflationary pressures.



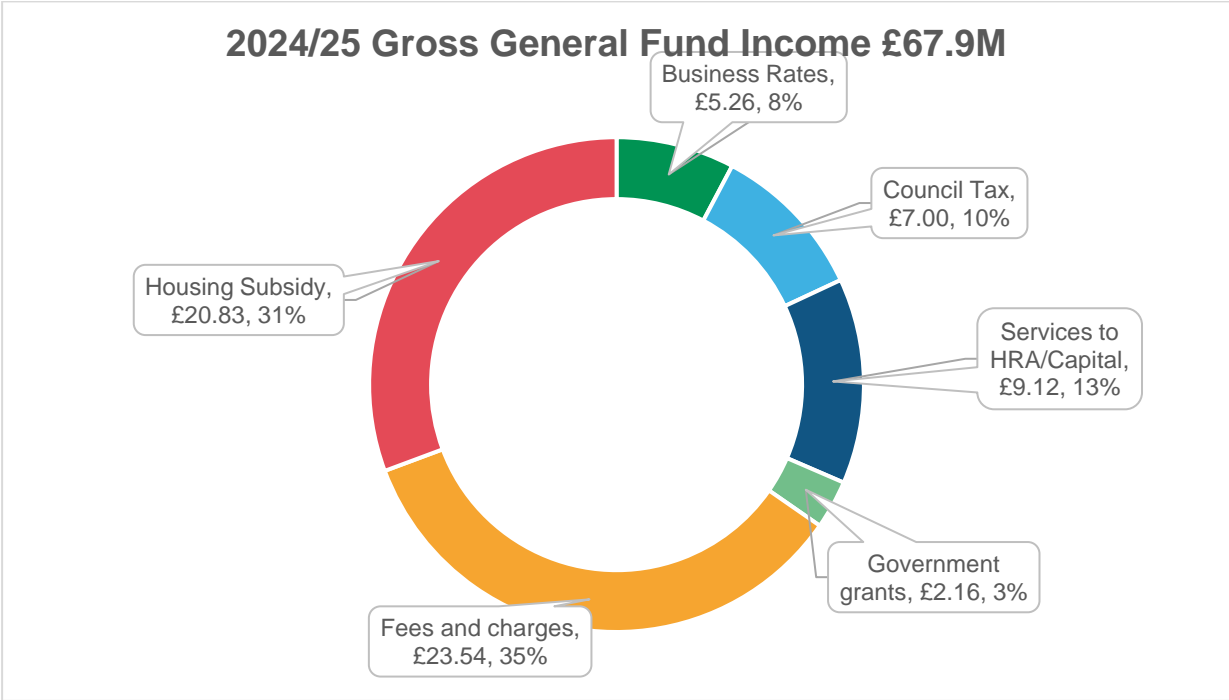
3.6 The Council has a major focus on addressing the resulting financial funding gap through its ‘Balancing the Budget’ priority and this report sets out the options identified through the efficiency, Transformation and Commercial / Insourcing elements of the budget setting programme. The Cabinet and Senior Leadership Team recognise the need to plan on the basis of a three year savings horizon to both balance the budget and ensure that there are options identified which can be delivered within the timescales required. Taking such an approach should minimise the need for service cuts. The cumulative savings identified to date since 2010/11 are circa £15Million as shown in the chart below.



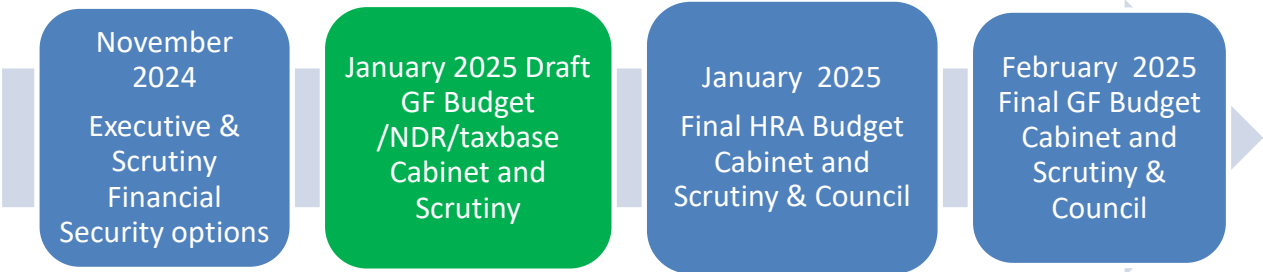
3.7 The ‘Balancing the Budget’ (BTB) funding gap identified in the September Medium Term Financial Strategy (MTFS) was £2.98Million for 2025/26-2027/28. This was updated in the November 2024 BTB report following the approval of commercial and budget monitoring savings leaving a residual £1.37Million for the period. In addition, further Transformation options are anticipated to come forward in 2025 which will further reduce the savings gap.

3.8 Since the November 2024 BTB report was approved the government has published the provisional Finance Settlement for Councils for 2025/26, this gives the detail funding per Council. The 2024 Autumn Budget headlined a 3.2% real increase in national public sector funding alongside compensation for the National Insurance changes. A summary of what the Finance Settlement means for the Council is set out in section 4.1 and General Fund resource projections have been updated accordingly in the draft budget.

3.9 The original 2024/25 SBC General Fund budget was £67.9Million but after taking into account fees and charges, government grants, services to the HRA/Capital and housing subsidy was a net budget of £12.78Million and is funded as set out below.



3.10 The Budget and Policy Framework Procedure Rules in the Constitution, prescribe the Budget setting process, which includes a consultation period. The timescale required to implement this process is outlined below.



4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 Stevenage Borough Finance Settlement 2025/26

4.1.1 On 18 December 2024, the Secretary of State for the Ministry for Housing and Communities Local Government (MHCLG) released a written statement to Parliament on the provisional local government finance settlement 2025/26. The settlement is for one year with a proposed move to multi-year settlements planned beyond 2025/26. The National Core Spending Power (CSP) figures for Councils shows an increase of 6.0% for 2025/26, however this includes

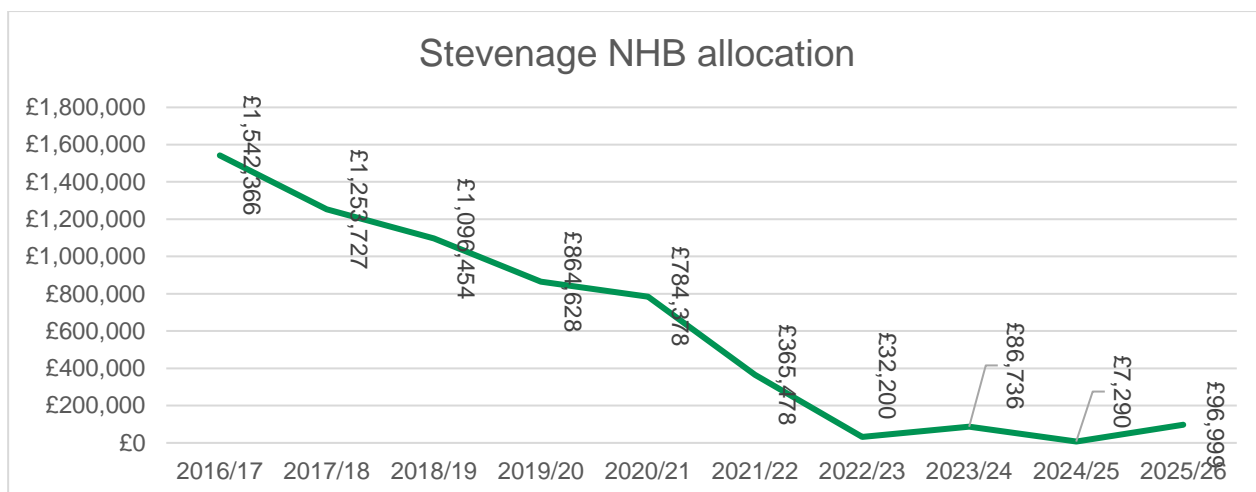
assumptions about increases in council tax, which accounts for 5.97% of that increase nationally.

	Final	Provisional		
Funding Settlement	2024-25 £Million	2025-26 £Million	Variance £Million	% change of total increase
Settlement Funding Assessment	£16,563	£16,841	£278	
Under-indexing the business rates multiplier	£2,581	£2,696	£115	
Council Tax Requirement exc. parish precepts	£36,154	£38,312	£2,158	5.97%
New Homes Bonus	£291	£290	(£1)	
Services Grant	£87	£0	(£87)	
Funding Guarantee	£269	£0	(£269)	
Rural Services Delivery Grant	£110	£0	(£110)	
Improved Better Care Fund	£2,140	£2,640	£500	
Social Care Grant	£5,044	£5,924	£880	
ASC Mkt Sustainability and Improvement Fund	£1,050	£1,050	£0	
Adult Social Care Discharge Fund (2025/26 now in better care grant)	£500	£0	(£500)	
Recovery grant	£0	£600	£600	
Children's Social Care Prevention Grant	£0	£250	£250	
Domestic Abuse Grant	£130	£160	£30	
Funding Floor		£121	£121	
Grants rolled in	£64	£0	(£64)	
Core Spending Power	£64,983	£68,884	£3,901	6.00%

NB () = less funding

- 4.1.2 The council tax referendum limit will be 3% or £5 on a Band D, whichever is the greater for local authorities, with social care authorities allowed to collect an additional 2% social care precept and the Police and Crime Commissioner (PCC) up to £14 on a Band D. For Stevenage £5 equates to a 2.09% increase versus 2.99% or £7.15 on a Band D property.
- 4.1.3 For 2025/26 the small business multiplier (SBRR) in England will be frozen for a fifth consecutive year at 49.9p, which applies to businesses with a rateable value of less than £51,000, while the standard multiplier (for all other businesses) will be uprated by September 2024 CPI (1.7%) to 55.5p. The under-indexing of the SBRR means the Council will collect less NNDR but the government has committed to funding these policy changes by giving Council's Section 31 grants to compensate for the reduction in income collected.

4.1.4 The Stevenage New Homes Bonus (NHB) allowance for 2025/26 is £96,999 (2024/25 £7,290). The government have indicated in the Finance Policy Statement that having a portion of the Settlement allocated on a payments-by-results basis negatively interacts with the remainder of the Settlement. The government will therefore be consulting on proposals for reforming the NHB beyond 2025-26 in due course. The potential change to the rules around NHB awards does not impact the Council significantly as Stevenage does not account for NHB in the base budget and has only received relatively small amounts in recent years.



4.1.5 Top Up/Tariff Adjustments (Negative Revenue Support Grant RSG) – As in previous years, the government has not included any negative RSG in this year's settlement. As part of previous funding deals Councils were due to have their funding reduced by negative RSG which essential cuts the amount of monies retained via business rates. This would have resulted in a cost of £27,146 to SBC in 2025/26 before any inflation indexing was added.

4.1.6 A summary of the 2025/26 settlement versus 2024/25 and the November MTFS assumptions is shown in the table below. The provisional settlement is **£61.7K higher** (before ringfenced grants) **than 2024/25** and **£348K higher than the MTFS** assumptions which is to be welcomed.

	Final 2024/25 Settlement	November MTFS Assumptions	Provisional Settlement	MTFS V Provisional Variance
Business Rates	(£2,812,960)	(£2,860,780)	(£2,851,146)	£9,635
Under indexing	(£509,446)	(£529,087)	(£527,879)	£1,208
Total Business Rates	(£3,322,406)	(£3,389,867)	(£3,379,025)	£10,842
Revenue Support Grant	(£108,811)	(£110,661)	(£149,048)	(£38,387)
New Homes Bonus (NHB)	(£7,290)	(£60,000)	(£96,999)	(£36,999)
Services Grant	(£17,960)	£0	£0	£0
3%/4%guarantee	(£390,740)	£0	£0	£0
Recovery grant	£0	£0	(£283,819)	(£283,819)
Total	(£3,847,207)	(£3,560,528)	(£3,908,891)	(£348,363)

	Final 2024/25 Settlement	November MTFS Assumptions	Provisional Settlement	MTFS V Provisional Variance
Increase from 2024/25 to 2025/26			(£61,684)	
Ring fenced Grants:				
Domestic Abuse	(£37,162)	(£37,162)	(£37,663)	(£501)
Homeless & Rough Sleeper	(£945,845)	(£945,845)	(£1,395,414)	(£449,569)
Ring Fenced Grants increase from 2024/25 to 2025/26			(£449,569)	
Total increase in real funding			(£511,253)	(£798,433)

- 4.1.7 The 2025/26 grant funding for homeless directly awarded to Stevenage is significantly higher and a further £228,000 of rough sleeper accommodation programme funding for Stevenage has been allocated to Homes England.
- 4.1.8 In addition to the Finance Settlement, Councils were advised on the 29 November 2024 about funding relating to Extended Producer Responsibility (EPR). The funding will come from the collection of producer fees which may change, but to provide certainty to authorities, the government is only guaranteeing the 2025/26 amount which for Stevenage is £1.078Million. The intention is the funding will enable Councils to drive the changes needed to deliver an efficient recycling service. Further notice of assessment will be provided once the draft Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations are in force.
- 4.1.9 The Government has also made announcements about simpler recycling or the four bin approach, which the Council will need to consider the impact of. The future years EPR funding is not guaranteed and will be subsumed into the Finance Settlement from 2026/27 onwards. The CFO recommends ring-fencing this money into a reserve and using it to fund recycling improvements or meet any associated increase in costs. Officers are currently looking at options including recycling for flat blocks and will bring recommendations forward for approval.
- 4.1.10 The Finance Settlement did not give individual settlement figures per Council for S31 monies (new burdens) in respect of the increase in Employers National Insurance from 13.8/% to 15% or the reduction in the threshold at which the tax becomes payable to £5,000. The actual amount will not be known until the final settlement, however a formula for allocation was identified in the provisional settlement, as summarised below.



- 4.1.11 The data is sourced from 2023/24 government returns (called the RO forms), however not all Councils have completed them and the guidance also states that some of the £515Million will be reserved for combined authorities and combined county authorities (CA/CCAs) in 2025/26, and that this funding will

be allocated to CA/CCAs as part of a separate process taking place outside of the local government finance settlement. Consequently, it is difficult to determine the actual level of compensation SBC should receive. However, based on the current financial data it would equate to £85K versus a cost of £426K for the General Fund and no compensation for the HRA directly employed staff (£287K). The Council will respond to the related consultation making this point.

4.1.12 The Local Government Association has stated that *'whilst it is good that the Government has provided details of how it will compensate councils for the costs they will face through increases in employer national insurance contributions (ENICs), the £515 million allocated to the sector still falls short of the £637 million we have estimated it will cost councils next year. We have also warned that indirect ENICs cost increases, through commissioned providers, will cost councils up to an extra £1.13 billion next year. While we are pleased that councils will receive extra social care funding, which will help towards these indirect costs, it is hugely concerning that ENICs costs have not been fully funded. As we have warned alongside more than 100 organisations'.* this week, this will exacerbate the already unsustainable pressures facing vital services.

4.1.13 In addition to the government monies set out above, Stevenage will also receive a UKSPF allocation for 2025/26 totalling **£327,146**, comprised of **£60,401** for capital and **£266,745** for revenue. A number of proposals are being worked up for Members consideration and will be included in the February Capital and Revenue reports for approval.

4.2 Pressures Projected in the General Fund 2025/26

4.2.1 The General Fund budget assumptions for 2025/26 now include growth pressures of £1.474Million as set out below which are included in section 4.7 of this report.

Pressures	2024/25 MTFS	2025/26 Draft Budget	+/-	Comments
Inflation	£1,102,380	£875,151	(£227,229)	Reduction in utility costs, salary inflation and lower software costs (see also para 4.7.1)
Inflation National Insurance increased rate and threshold	£0	£426,279	£426,279	para 4.1.10 refers
National insurance compensation projected for changes to the rate and threshold from April 2025	£0	(£85,330)	(£85,330)	para 4.1.11 refers
Council Tax Support - Cost of new scheme	£0	£33,250	£33,250	As approved by Cabinet in the November 2024 Council Tax support report

Pressures	2024/25 MTFS	2025/26 Draft Budget	+/-	Comments
Bat survey Fairlands Park	£0	£15,000	£15,000	Survey required prior to consideration of any lighting solutions at Fairlands Valley Park following Council petition
Reduction in Benefit Subsidy	£10,000	£10,000	£0	Reduction in subsidy due to the reducing caseload, formal notification not yet received
Car Park income	£200,000	£200,000	£0	Although income is improving year on year, it is still not achieving income levels pre-COVID.
Total Identified	£1,312,380	£1,474,350	£161,970	

4.3 Council Tax and Council Tax Support

- 4.3.1 The December 2024 Cabinet Council Tax base report showed a decrease in the tax base of 0.3% compared to 2024/25. This is because some of the anticipated growth in housing numbers did not materialise due to slower than anticipated scheme delivery and the taxbase now includes a reduction of 2% (2024/25 1.75%) for bad debt provision as a result of lower in year collection rates and higher arrears. The growth in the taxbase assumed by the government was higher when the Core Spending Power (CSP) was calculated for Stevenage. This meant the government assumed £52,395 more council tax income than Stevenage is projecting for 2025/26.
- 4.3.2 The November 2024 Cabinet BTB report assumed a 1.99% increase in council tax as the Autumn Statement was not specific about the thresholds to be set for 2025/26. The November Finance Policy statement published later in November clarified that the threshold for Districts would be 3% giving an additional £68,361 in council tax income and contributing to the savings shortfall of £201K identified in the November 2024 Cabinet report and the CFO recommends increasing council tax by 2.99%.
- 4.3.3 Members will recall that SBC retains the lowest share of the overall Council Tax raised each year. To illustrate this, taking a Band C property, (which is the biggest proportion of properties in Stevenage) the relative shares of council tax for a band C property are shown below.

Authority	2023/24	2024/25	Cost per week	Increase	Share
Hertfordshire County Council	£1,427.23	£1,498.45	£28.82	4.99%	77.47%
Stevenage Borough Council	£206.50	£212.68	£4.09	2.99%	11.00%
Police Crime Commissioner	£211.56	£223.11	£4.29	5.46%	11.53%
Total	£1,845.29	£1,934.24	£37.20	4.82%	100.00%

4.3.4 An estimate of the 2.99% increase in council tax for Stevenage Borough Council is summarised in the table below.

Council Tax increase modelled for Stevenage Precept 2025/26				
Council Tax band	2024/25	2.99% increase	Total cost per year	Total cost per week
A	£159.51	£4.77	£164.28	£3.16
B	£186.09	£5.56	£191.65	£3.69
C	£212.68	£6.36	£219.04	£4.21
D	£239.26	£7.15	£246.41	£4.74
E	£292.43	£8.74	£301.17	£5.79
F	£345.60	£10.33	£355.93	£6.84
G	£398.77	£11.92	£410.69	£7.90
H	£478.52	£14.31	£492.83	£9.48

Council Tax Support

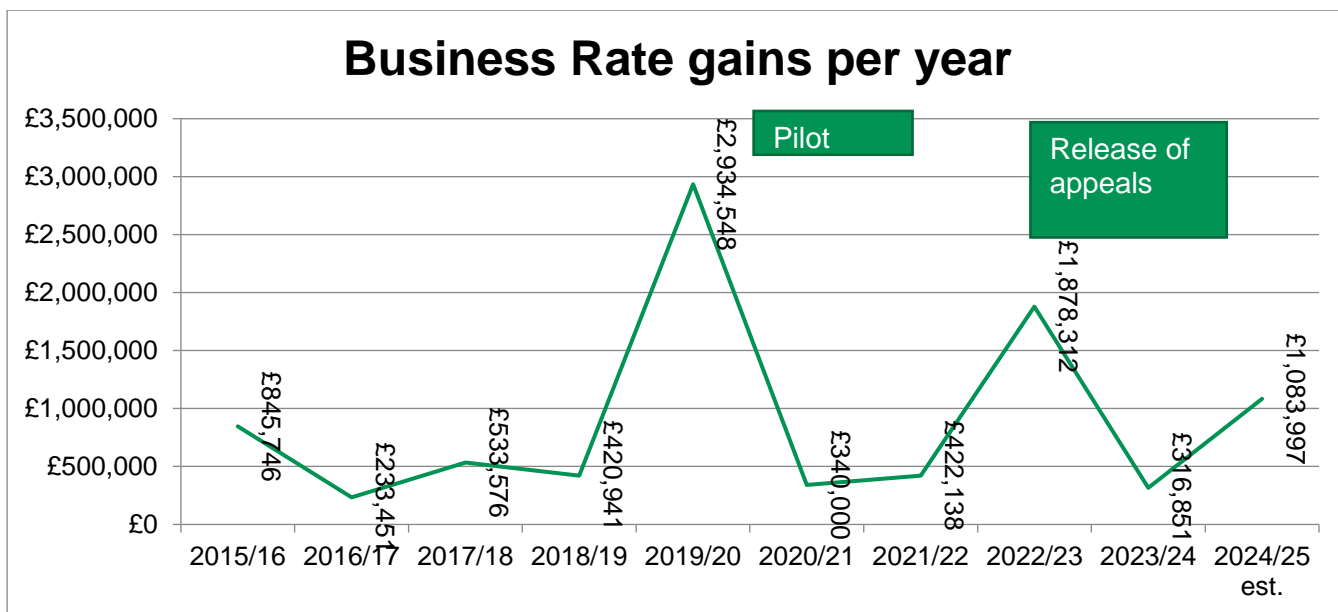
- 4.3.5 A local CTS scheme cannot be revised for at least one financial year. Billing Authorities (such as SBC) must consider whether to revise or replace their scheme with another on an annual basis.
- 4.3.6 Any revision to a scheme must be made by the Council by the 11 March, immediately preceding the financial year in which it is to take effect and will require consultation with those affected. Additionally, consideration should be given to providing transitional protection where the support is to be reduced or removed.
- 4.3.7 The Council must, in the following order, consult with major precepting authorities, (i.e. Hertfordshire County Council and Police and Crime Commissioner (PCC) for Hertfordshire), publish a draft scheme in such manner as it thinks fit, and consult such other persons as it considers are likely

to have an interest in the operation of the scheme. The CFO wrote to both precepting authorities regarding the proposal for 2025/26.

- 4.3.8 The current **working age** scheme requires those on maximum benefits only to pay 8.5% of their council tax bill for the year. This equated to £164.41 for a Band C council home in 2024/25 on the total bill (with an additional 25% discount for a single person) or £3.16 per week.
- 4.3.9 In November 2024 Members approved the retention of the existing scheme for next year (uprated to reflect benefit changes for 2025/26) and agreed that officers should look at a banded scheme for proposal to include engagement / consultation with residents.

4.4 Business Rates Income

- 4.4.1 The MTF5 and draft General Fund budget only includes the 2025/26 baseline funding for business rates, or the amount the government has assessed the Council needs under its funding formula, plus an assumption of £200K gains per year for the period 2025/26-2028/29.
- 4.4.2 Any NDR gains above the baseline have been used previously to fund time limited growth and regeneration objectives. The rules governing NDR accounting mean any estimated gains are taken in year and any difference between the actual and the estimate are taken from or, in the case of losses refunded to, the Collection Fund in future years.
- 4.4.3 The level of business rates that the Council keeps each year is determined once the NDR1 form issued by the government is completed. This calculates business rates collectable, level of reliefs to be given in 2025/26 and S31 grants due. The November BTB report recommended this be delegated to the CFO after consultation with the Resources & Transformation Portfolio Holder for the reasons set out in para 4.4.4 below.
- 4.4.4 In order to complete the NNDR1 to calculate the projected business rates for 2025/26, the year-end release needs to be applied which means that a first draft will not be completed until 13 January 2025 as such after the publication of the January 2025 draft budget report.
- 4.4.5 The 2024/25 business rates will be reviewed as part of the NNDR1 activity. Based on the current projections 2024/25 business rate income is in line with the current years estimate. Any difference if it materialises would be repaid or paid to the Collection Fund/General Fund in 2025/26.
- 4.4.6 Business rate gains fluctuate between financial years as shown below and as they cannot be guaranteed. Above the threshold of £200K they are used to help maintain the financial resilience of the General Fund, (i.e. in year shortfall on savings due to part year implementation), rather than to fund the running of day to day services.



Note: Pilot -75% of gains retained in Hertfordshire. Pool-A number of Hertfordshire Councils join and retain more gains through a lower levy

4.4.7 From 2026/27, the government want to fundamentally change the way Councils are funded and the intention is to direct funding to where it is most needed, based on an up-to-date assessment of need and local resources. The government will move gradually towards an updated system and will invite views on possible transitional arrangements to determine how local authorities reach their new funding allocations.

4.4.8 Part of the needs assessment will include a 'reset' for the business rates retention system, as was originally intended when the previous government established the system. There has been no reset of the system since its introduction in 2013/14. The government intends to use this reset to further allocate funding to where it is most needed. The reset will apply nationally. It should be noted that Stevenage Borough Council has gained under the current regime with as set out in para. 4.4.6 and a re-set will undoubtedly reduce the amount NNDR retained by the Council.

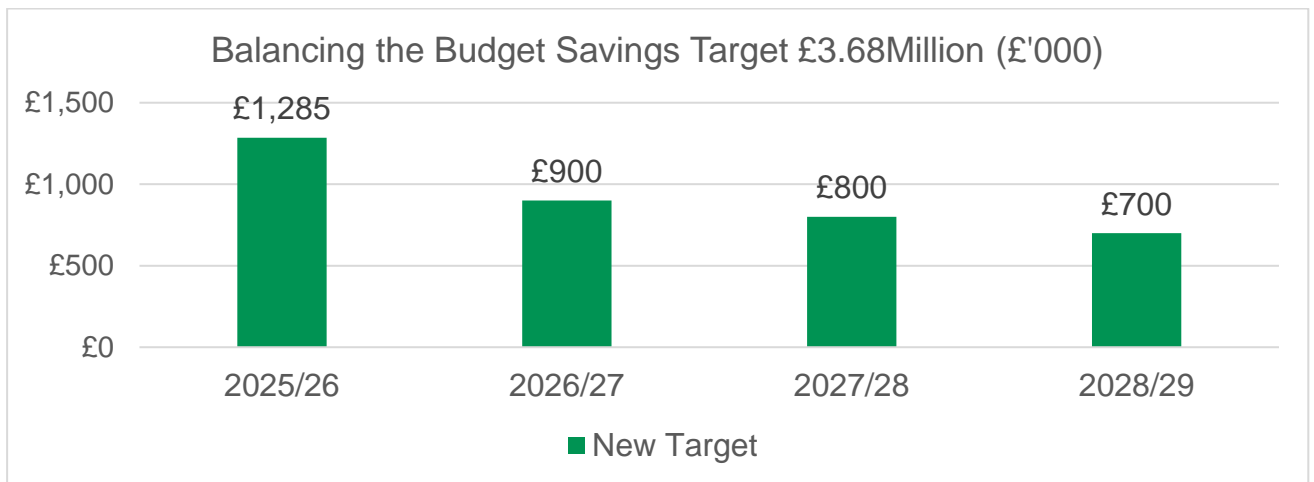
4.5 The Balancing the Budget Savings Target to Find

4.5.1 As set out in paragraph 3.7 there was a savings shortfall of £1.37Million for the period 2025/26-2027/28 once projected fees and charges increases (which for 2026/27 onwards are still to be approved) have been included. Because of the size of the annual funding financial challenge for Councils, SBC takes a three-year view to ensure that any annual savings target is achievable. This provides for sufficient time to bring options forward and to minimise reductions to services. A summary of the annual funding gap is shown below and the Council has in train a number of initiatives/options to meet that gap, (see also para.4.5.7).

Future Years Savings	2025/26	2026/27	2027/28	Total
Projected Fees and Charges modelled	£427,334	£267,497	£260,062	£954,893
Transformation	TBC	TBC	TBC	TBC

Future Years Savings	2025/26	2026/27	2027/28	Total
Other	£656,515			£656,515
Total	£1,083,849	£267,497	£260,062	£1,611,408
Target	£1,285,000	£900,000	£800,000	£2,985,000
Shortfall per year	£201,151	£632,503	£539,938	£1,373,592

4.5.2 The Balancing the Budget annual savings target is kept under constant review as changes to inflation, new service pressures and government funding may have an impact on the level of savings needed and the subsequent level of reserves to retain.



4.5.3 The risks to the General Fund are summarised below.

Expenditure and Income	Impacted by	Risk (to increase cost)
Inflation	Although price increases around utilities and fuel have fallen, there is still huge volatility in the market with the continual war in Ukraine.	medium
	The MTFS assumes a 3% pay award for 2025/26, however previous years deals have been higher and the need for the pay grades to have due regard to inflation and the minimum wage may drive much higher pay negotiation outcomes.	medium
	The MTFS assumes a CPI inflation of 2% during the MTFS and although September CPI fell to 1.7%, this has subsequently risen above the MTFS target	high
Demand for services	There may be an increase for support services such as homeless and advice and this puts further pressure on the Council's budgets	medium

Expenditure and Income	Impacted by	Risk (to increase cost)
Local Government Reform	There is a risk that the Council will incur costs associated with LGR following the submission for Hertfordshire in March 2025.	high
Fees and Charges	The impact of the current economic climate may impact the Council's fees and charges income which is required to support the funding of services.	medium
Core funding	The new Labour government has signalled changes to funding from 2026/27 which includes a reset of business rates which may result in a reduction in business rate gains to SBC. Currently the Council uses £200K of gains in the General Fund and uses the remainder to fund key priorities or to support the financial resilience of the General Fund. However, a multi-year settlement will help future financial planning.	high
	Grant funding for new burdens is announced annually such as that for homelessness and rough sleepers which makes recruitment and retention difficult on a permanent basis, however a multi-year settlement is expected for 2026/27	medium
	National Insurance compensation will not meet the increased for the General Fund and HRA which is estimated to be £724K per annum	High

4.5.4 As identified in paragraph 4.5.1 the Council's Officers and Cabinet Portfolio holder's have already recommended a number of savings options totalling £1.083Million as set out in the November Balancing the Budget report as summarised below.

Savings Identified	Approved	Approved GF	Approved HRA
Efficiency savings	1st Quarter Monitoring Sept 2024	£422,770	
Indoor Market changes	July 2024 Cabinet updated November 2024 (BTB)	£40,000	
Fees and Charges	October 2024 Fees and Charges report updated November 2024 (BTB)	£438,884	£2,478
Cease skip service (Appendix A)	November 2024 (BTB)	£50,000	£4,000
Star Chamber process (full year) (Appendix A)	November 2024 (BTB)	£34,045	£9,005
Shared Service savings (Appendix A)	November 2024 (BTB)	£89,150	
Reduction in growth allowance	November 2024 (BTB)	£9,000	

Savings Identified	Approved	Approved GF	Approved HRA
Total		£1,083,849	£15,483

4.5.5 Since November a number of other options have been identified to help fund the remaining gap of £201K (see also para. 4.5.1) and these are:

New Savings Options	Rationale	General Fund £	HRA £
increase Council Tax to 2.99%	A 1.99% increase had been assumed in the September MTFS however the settlement allows for up to 3%	£68,361	
ICT software savings (Appendix A)	A review identified under - utilised software	£16,290	11,710
Payroll Administration Savings (Appendix A)	A review of the third-party support provider budget has identified a further saving.	£8,060	4,940
Legal Admin charges (Appendix B)	A review of legal charges for works done by the in-house paralegal team has been done by the commercial team	£4,121	
Total new savings		£96,833	£16,650
removal of growth allowance (see section 4.6)		(£9,000)	
Savings previously identified		£1,083,849	£15,483
Total Savings Identified		£1,171,682	£32,133

4.5.6 Included in the revised savings options are fees and charges increases for legal admin charges and also proposals for new commercial food waste collections detailed in Appendix B. Legal charges have not been reviewed for a number of years and are anticipated to generate £4,141 additional income, with the food waste collection covering additional costs. An EQIA for both options are appended to this report at Appendix C and D.

4.5.7 The November Balancing the Budget report also identified that Transformation savings were currently being finalised. Subject to the associated proposals being recommended for Member approval by the Senior Leadership Team, they will be considered by Members in a separate report to the Cabinet in February 2025. The CFO recommends that only identified savings should be included in the 2025/26 General Fund budget. Therefore, the Transformation options relating to Community Advice and Support and Localities will contribute to the future savings gaps if recommended to and approved by Members. The 2025/26

savings target has not been achieved for 2025/26 by £113,318 However some compensating reductions have materialised related to inflationary and other pressures as set out in section 4.7.

4.6 Growth Options

- 4.6.1 There were no new growth bids proposed for 2025/26 with the majority of the assumed 2025/26 MTFs £75K growth allowance being utilised to meet the full year impact of the Hydrotreated Vegetable Oil (HVO) fuel for the Council's fleet. This supports the Council's key Making Stevenage Even Better Corporate Plan ambition to lower its greenhouses gas emissions until the opportunity arises for other affordable alternative power sources for the fleet to materialise. HVO will reduce the Fleets emissions by up to 90% or 795 tonnes per year. This was implemented on the 1 October 2024.
- 4.6.2 Since the November BTB report, two further growth options have been put forward for consideration.
- 4.6.3 The first option relates to addressing the recruitment and retention challenges the Council has experienced in recent years being cognisant of the additional associated costs which are incurred. Taking this into consideration, SLT recommends introducing a graduate and apprentice scheme for six placements in hard to recruit service areas. To ensure it is affordable for both the General Fund (and HRA), it is proposed that business rate gains already received of £757,940 are utilised for this purpose. In addition, the CFO recommends that a total of £150,000 year end underspends from the General Fund and HRA are identified and transferred to a ring-fenced reserve to ensure the ongoing delivery of the scheme. This will need to be monitored to ensure the anticipated underspends are achieved.

Graduate & Apprentice Programme	2024/25	2025/26	2026/27	2027/28	2028/29	Total
Total Annual Cost		£202,760	£254,507	£300,673	£307,839	£1,065,778
Funding Reserve						
Brought Forward	£0	(£150,000)	(£300,000)	(£450,000)	(£600,000)	
NNDR reserve		(£202,760)	(£254,507)	(£300,673)	£0	(£757,940)
Underspends	(£150,000)	(£150,000)	(£150,000)	(£150,000)	(£150,000)	(£750,000)
Used in year	£0	£202,760	£254,507	£300,673	£307,839	£1,065,778
Carried Forward	(£150,000)	(£300,000)	(£450,000)	(£600,000)	(£442,161)	

- 4.6.4 The impact on the NNDR reserve is shown in the chart below and reflects all balances budgeted and commitments on the fund and assumes no business rate gains beyond 2024/25. The table below shows there are sufficient balances to fund the scheme.

Business Rates Reserve £'000	2024/25	2025/26	2026/27	2027/28	2028/29
Opening Balance	(£2,711)	(£4,368)	(£2,796)	(£2,439)	(£3,881)
Changes to Business Rate Gains/losses	(£1,823)	£1,057	£0	£0	£0
Local Plan	£100	£0	£0	£0	£0

Business Rates Reserve £'000	2024/25	2025/26	2026/27	2027/28	2028/29
Swingate holding costs/surplus	£66	£313	£102	(£1,742)	£0
Graduate & Apprentice Programme	£0	£203	£255	£301	£0
Closing Balance	(£4,368)	(£2,796)	(£2,439)	(£3,881)	(£3,881)

4.6.5 A second growth bid has been developed related to the Council's ongoing efforts to address graffiti removal. In the current year an additional employee and a specialist contractor were funded from the UKSPF. However, the allocation for 2025/26 reduced to £327K from £656K. A key Making Stevenage Even Better Corporate Plan priority of the Council is to deliver thriving and clean neighbourhoods, ensuring residents can be proud of where they live. To support this desired ambition the Council has committed to continue to deliver improvements in graffiti reduction over the lifetime of the plan. As part of the graffiti removal programme in 2024/25, which was funded through UKSPF resources, the Council's Environmental Services team and support contractor removed over 1,000 incidences of graffiti between March and October. Despite these best efforts the Council is receiving on average 18 reports of new graffiti per month. To continue the graffiti removal programme, it is recommended that the Council funds a dedicated in-house cleansing operative during 2025/26 to undertake reported and ad hoc graffiti removal, predominantly from SBC owned assets and to appoint a specialist graffiti remover support contractor to undertake tasks which will supplement the Council's own function to include undertaking removal works during non-working hours at a cost of **£75,000** to the General Fund.

4.7 Changes to the 2025/26 General Fund budget versus the September MTFS

4.7.1 The General Fund budget is now projected to be £9,910,330 (with a draw on balances of £77,950), versus the September General Fund projection of £9,716,380 (and a draw on balances of £100,900). Although the General Fund net expenditure is higher the core resources have increased too (see also para.4.1.7). The changes to the September MTFS net budget and resources are set out below.

Changes to the 2025/26 Budget Versus MTFS			
September MTFS		£9,716,380	
Inflation:			
Lower pay inflation	(£46,420)		
Lower contractual inflation	(£9,065)		
Lower business rates	(£35,870)		
Lower utility and fuel inflation	(£67,960)		
Higher Shared service income	(£138,235)		higher recharges to ICT service due to increase head count and NI increases
Lower HRA recharges	£70,320	(£227,231)	

Changes to the 2025/26 Budget Versus MTFS			
Pressures:			
Increase in pressures		£389,199	Para. 4.2.1 refers
Growth Options:			
Increased growth		£277,760	Section 4.6 refers
Balancing the Budget Savings Options:			
Lower options identified and recommended for approval		£181,680	Section 4.5 refers (council tax saving shown in core resources)
Government Grant funding:			
New Homes Bonus	(£96,999)		Para 4.1.4 refers
Extended Producer responsibility	(£1,078,000)		
NI compensation	(£85,330)	(£1,260,329)	Para 4.1.11 refers
Use of Reserves:			
Transfer of NNDR reserve to fund apprentice programme	(£202,760)		Para. 4.6.2-4.6.3 refers
Transfer of EPR grant to ring-fenced reserve	£1,078,000	£875,240	Para. 4.1.8-4.1.9 refers
On-going impacts of 2024/25 Changes			
Other:		(£42,369)	Small budget variances including impact of 2024/25 changes on-going
Total Changes		£193,950	
Revised General Fund budget		£9,910,330	

4.7.2 As stated in para.4.7.1 although the General Fund net expenditure has increased core resources are also higher compared to the September MTFS as set out below.

	MTFS Assumptions	Draft Budget	MTFS V Provisional Variance
Business Rates	(£2,869,578)	(£2,851,146)	£18,433
Under indexing	(£529,087)	(£527,879)	£1,208
Total Business Rates	(£3,398,665)	(£3,379,025)	£19,640
Revenue Support Grant	(£110,282)	(£149,048)	(£38,766)
Recovery grant	£0	(£283,819)	(£283,819)
Business rate gains	(£200,000)	(£200,000)	£0
Total	(£3,708,948)	(£4,011,892)	(£302,944)
Council Tax	(£6,991,438)	(£7,040,510)	(£49,072)

	MTFS Assumptions	Draft Budget	MTFS V Provisional Variance
Transfers to Collection Fund NNDR	£1,056,964	£1,056,964	£0
Transfers to Collection Fund NNDR	£27,939	£163,058	£135,119
Total Collection Fund changes	(£5,906,535)	(£5,820,488)	£86,047
Total Funding	(£9,615,483)	(£9,832,380)	(£216,897)
Use of Balances	£100,897	£77,949	(£22,947)

4.8 2024/25 Budget changes

4.8.1 The 2024/25 General Fund budget is projected to decrease by £165,540. A summary of the changes is detailed below.

Changes to the 2024/25 Budget			
General Fund quarter 2 budget		£12,414,510	
Inflation:			
Lower pay inflation	(£115,770)		The pay award impact for 2024/25 is lower based on actual staff in post versus budgeted establishment
Lower Member allowances	(£14,770)	(£130,540)	Members allowances are lower than originally budgeted due to freezing of allowances for 2025/26
Slippage:			
Residents survey	(£35,000)	(£35,000)	Residents survey to be completed in 2025/26
Total Changes		(£165,540)	
Revised General Fund budget		£12,248,970	

4.8.2 There is also a minor change to core resources in year of £8,947 (favourable) relating to an adjustment to the levy and anticipated distribution of the levy surplus for 2024/25. The 2024/25 revised position is set out in section 4.9.

4.9 Level of Balances required for General Fund and projected balances

4.9.1 The September 2024 MTFS assumed that the minimum level of balances required would be £3.45Million. A full assessment has been carried out which is detailed in Appendix E and, accordingly, the minimum level of balances now totals £3,421,625. However, this will need to be kept under review based on the risks set out in this report.

4.9.2 The projected General Fund balances and council tax requirement are set out below. This table does not include assumptions regarding business rate gains

for 2025/26 or a revision to 2024/25 which will be included in the General Fund February 2025 Draft budget report.

General Fund Budget	2024/25 Estimate	2024/25 Projected	2025/26 Estimate
Net Expenditure	£12,788,410	£12,248,970	£9,910,330
Use of/ (Contribution) to Balances	£0	(£548,387)	£77,949
Budget Requirement	£12,788,410	£11,700,583	£9,988,279
Revenue Support Grant	(£108,811)	(£108,811)	(£149,048)
Service Grant	(£17,960)	(£17,960)	£0
4 % guarantee grant	(£390,740)	(£390,740)	£0
Recovery grant	£0	£0	(£283,819)
Total grant support	(£517,511)	(£517,511)	(£432,867)
Business Rates net of tariff and levy	(£1,906,463)	(£1,893,411)	(£1,052,979)
Distribution of levy surplus	£0	(£22,000)	£0
S31 grants NNDR	(£2,526,046)	(£2,526,046)	(£2,526,046)
Total in year business rates	(£4,432,510)	(£4,441,457)	(£3,579,025)
(Return) /Contribution to Collection Fund (NDR) re 2022/23 & 2023/24	(£838,057)	(£838,057)	£1,056,964
Collection Fund Surplus (ctax)	(£162,403)	(£162,403)	£163,058
Council Tax Requirement	(£6,837,929)	(£6,837,929)	(£7,040,510)
Council Tax Base	£28,579	£28,579	£28,572
Council Tax Band D	£239.26	£239.26	£246.41
Council Tax Band C	£212.68	£212.68	£219.04

4.9.3 There appears to be a significant variation between the 2024/25 net budget and the amount for 2025/26, however this is impacted by the level of business rates being transferred to or from the Collection Fund, depending whether there were losses or gains. When the impact is removed the difference between the 2024/25 and 2025/26 original budgets is only £2,353.

General Fund Budget	2024/25 Estimate	2024/25 Projected	2025/26 Estimate
Net Expenditure	£10,964,941	£9,994,871	£10,967,294
NNDR gains/(losses) to/(from) reserve	£1,823,469	£1,823,469	(£1,056,964)
Carry Forwards	£0	£430,630	£0
Total Net Expenditure	£12,788,410	£12,248,970	£9,910,330

4.10 Medium Term Financial Strategy General Fund Summary

4.10.1 The MTFs modelling has been updated to reflect the contents of this report and is summarised below, with 2026/27 onwards assuming a similar level of

government funding to 2025/26, which has improved the reserve balances position going forward. For note the savings targets remain unchanged.

General Fund balances £'000	2024/25	2025/26	2026/27	2027/28	2028/29
Opening Balance	(£5,303)	(£5,852)	(£5,774)	(£5,838)	(£5,817)
In Year	(£548)	£78	(£65)	£21	(£190)
Closing Balance	(£5,852)	(£5,774)	(£5,838)	(£5,817)	(£6,007)

4.10.2 The risks to setting a balanced budget going forward are that:

- The business rates re-set planned by the government for 2026/27 reduces retained NNDR for Stevenage. In mitigation the Council only assumes a £200K gain each year which is lower than the average gains secured over the last few years (see also para.4.4.6).
- There is a need to make on-going annual savings for the reasons set out in sections three and 4.5 to this report.
- Government Funding reduces from that received in 2025/26 in the provisional settlement and is not on-going at the same level (as now projected).
- The General Fund Capital Strategy has a future funding shortfall and the capital spend in recent years has been rationalised and may require contributions from the General Fund to support meeting the Council's investment objectives.
- Inflation increases which results in the need for higher BTB savings targets to be set.

4.10.3 In addition to the risk assessment of balances to support the General Fund's financial resilience, there are two further allocated reserves available which are summarised below. The CFO recommends they are retained at the projected levels in case they are needed to support the General Fund in year.

Reserves £'000	Closing 2023/24	Use/(to)	Closing 2024/25	Use	Closing 2025/26
Gains (NNDR)	(£2,711)	(£1,657)	(£4,368)	£1,573	(£2,796)
Income equalisation Reserve	(£758)	£0	(£758)	£200	(£558)
Total Available to support the GF	(£3,469)	(£1,657)	(£5,126)	£1,773	(£3,354)

4.10.4 The General Fund reserves allocated for specific purposes are summarised below.

Reserves £'000	Closing 2023/24	Use	Closing 2024/25	Use	Closing 2025/26	Use	Closing 2026/27
NHB reserve <i>note 1</i>	(£253)	£243	(£10)	£0	(£10)	£0	(£10)
Transformation Reserve <i>note 2</i>	(£690)	£375	(£315)	£0	(£315)	£0	(£315)
Homeless reserve <i>note 3</i>	(£390)	£150	(£240)	£0	(£240)	£0	(£240)
Planning Delivery <i>note 4</i>	(£287)	£110	(£177)	£0	(£177)	£0	(£177)
Queensway monies <i>note 5</i>	(£122)	(£93)	(£215)	(£143)	(£358)	(£193)	(£551)

Reserves £'000	Closing 2023/24	Use	Closing 2024/25	Use	Closing 2025/26	Use	Closing 2026/27
Regeneration Reserve <i>note 7</i>	(£225)	£0	(£225)	£100	(£125)	£0	(£125)
Town square reserve <i>note 6</i>	(£1,507)	(£183)	(£1,689)	(£125)	(£1,815)	£0	(£1,815)
Insurance reserve <i>note 8</i>	(£72)	£10	(£62)	£0	(£62)	£0	(£62)
ICT reserve <i>note 9</i>	(£190)	£127	(£63)	£0	(£63)	£0	(£63)
New Leisure <i>note 15</i>	(£340)	£340	£0	£0	£0	£0	£0
Stevenage works <i>note 11</i>	(£20)	£0	(£20)	£0	(£20)	£0	(£20)
Asylum seekers reserve	(£197)	£50	(£147)	£0	(£147)	£0	(£147)
Future Councils reserve <i>note 10</i>	(£459)	£375	(£84)	£0	(£84)	£0	(£84)
Commercial Property repair reserve <i>note 13</i>	(£41)	£0	(£41)	£0	(£41)	£0	(£41)
Ukraine reserve <i>note 12</i>	(£20)	£0	(£20)	TBA	(£20)	£0	(£20)
Syrian Refugees <i>note 12</i>	(£185)	£0	(£185)	TBA	(£185)	£0	(£185)
Afghan Refugees <i>note 12</i>	(£97)	£0	(£97)	TBA	(£97)	£0	(£97)
Domestic abuse reserve	(£196)	£0	(£196)	TBA	(£196)	£0	(£196)
Extended Producer Pays grant <i>note 14</i>	£0	£0	£0	(£1,078)	(£1,078)	TBA	TBA
Total Allocated for use	(£5,289)	£1,504	(£3,785)	(£1,246)	(£3,954)	(£193)	(£4,147)

4.10.4 There is a planned use of £1.5Million and a transfer to balances of £3.9Million in 2024/25 and 2025/26 respectively. The established reserves are as follows:

1. NHB reserve was created to hold NHB allocations so that the General Fund did not become reliant on the funding. This reserve has reduced from its peak of £1.6Million to £10K in 2024/25.
2. Transformation Reserve is used to hold the monies set out for the Council's Transformation programme including improving the Council's digital offer and streamlining processes to give better outcomes and improved service delivery for residents. The spend for 2025/26 is still to be concluded and an update will be included in the February 2024 Executive report.
3. These are ringfenced government Homeless grants which are used to support the Council's homeless function including additional staff resources. The 2025/26 allocation has been assumed to be spent in the 2026/26 budget.
4. Planning Delivery is required to support the surveys for the Local Plan and is used over and above the General Fund allocation in 2024/25 of £100K.
5. Queensway Car Park Monies - this is the income from the Queensway Limited Liability Partnership (LLP) for parking income and the allowance for future costs for the LLP as agreed in the September 2024 MTFS. This money has been ringfenced to support the fit out of future commercial tenancies on Queensway North.
6. Town Square Reserve - the monies are held to support the running costs of assets acquired for regeneration purposes.

7. The Regeneration reserve is used to fund one off additional costs incurred by the Regeneration Team to support the teams projects including professional and legal advice.
 8. The Insurance reserve is used to support adhoc preventative works to reduce potential future claims where no core budget is in place.
 9. The ICT reserve is ICT Reserve - this was used to absorb pressures in year.
 10. The Future Councils Reserve is used to ringfence the £750K grant funding received by the government, part of which is being spent in the current year for digital improvements and cyber security. The Council was one of only eight Councils to successfully bid for funding.
 11. Stevenage Works is the flagship job and training hub / partnership which comprises SBC, North Herts College and Job Centre Plus. The funding in the reserve has yet to be forecast and an update will be included in the February report.
 12. These are ringfenced Asylum grants which are used to support the Council's homeless function including the provision of additional staff resources. The funding in the reserve has yet to be forecast and an update will be included in the February 2025 report.
 13. The Commercial Property Reserve is a reactive pot which can be used to support works to the commercial estate if expenditure is above the in-year budget allocation.
 14. The Extended Producer Pays reserve see para. 4.1.9-4.1.10
- 4.10.5 There is one reserve where the monies are all spent by 31 March 2025 which is the Leisure reserve;
15. This Reserve was set up to support the retendering and delivery of the new leisure management contract and the remaining balance has been used to support capital improvements to the Council's leisure assets.

4.11 Chief Finance Officer's Commentary

- 4.11.1 The Chief Finance Officer is the Council's principal financial advisor and has statutory responsibilities in relation to the administration of the Council's financial affairs (Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988). This commentary is given in light of these statutory responsibilities, (see also Appendix F).
- 4.11.2 The Council has evolved its budget strategy to meet multiple challenges as set out in this report and the financial strategy to deal with this is the 'Balancing the Budget' priority of 'Stevenage Even Better' Corporate Plan.
- 4.11.3 Officers regularly update the MTFs to ensure that a clear financial position for the Council can be demonstrated over the next five years. This medium-term view of the budget gives a mechanism by which future 'budget gaps' can be identified allowing for a measured rather than reactive approach to reducing net expenditure. Work is ongoing throughout the year to seek to bridge the BTB funding gap.

4.11.4 The Council has taken significant steps over recent years to balance its budget and the current projections show that from 2026/27 currently there is a contribution to reserves/minor draw on balances ensuring inflationary pressures are matched by increases in fees and income or reductions in expenditure. However, this relies on a significant savings target being achieved (see section 4.5) and inflation reducing in the medium term and government funding in line with that projected in the MTFS.

4.11.5 Events such as COVID and the Cost of Living crises have increased financial risks to Councils which has seen spikes in inflation and lower fees and charges, some of which has become baselined within the budget. The Council has however taken a number of financial resilience measures which seek to increase the resilience of the Council's position including:

- A risk assessment of balances to ensure general reserves held take the increased risk from recessionary pressures into account.
- Establishment of the income equalisation reserve (£558K by 31 March 2025) which can be returned to the General Fund if fees and charges are lower than projected.
- The opportunity to reduce the use of reliance on Revenue Contributions to Capital (RCCO) by identifying sites for disposal and using capital receipts rather than revenue (September 2020 MTFS report). However, the Capital Strategy report to the October 2023 Executive set out a number of steps that needed to be taken and in the interim RCCO may need to be used to fund any capital resourcing gap.
- Identification of a sufficient level of on-going BTB options to ensure the General Fund is above or at the minimum level of balances.
- Use of any business rate gains only when realised above the £200K identified and ring fenced to maintain the financial resilience of the General Fund and thereafter Stevenage Even Better priorities. The projected balance as at 31 March 2025 projected to be £2.76Million
- Introduction of a transformation programme to deliver savings for both the General Fund and HRA.
- Implementation of a Commercial and Insourcing Strategy which looks for opportunities to increase the Council's net income from new commercial options, ensuring fees and charges are set based on the cost of services and any insourcing opportunities.
- Setting aside monies in the Queensway reserve to ensure there is sufficient monies available to Queensway LLP for future investment and support.

4.11.6 The current projections of balances and the measures the Council has taken to date as set in this report mean that the level of balances projected are sufficient to set the 2025/26 budget.

4.11.7 As a result of its planned and prudent budget setting activities, the Council is able to continue the delivery of its ambitious programmes to redevelop and regenerate the town centre and to provide more social, affordable, aspirational and good quality homes. Amongst other schemes 2024/25 has seen the

Council partner with Mace through an innovative 50:50 Joint Venture initiative to deliver the first SG1 site. Whilst both programmes offer great opportunities for the town and local residents they may also require more resources due to a number of reasons. There is a ring-fenced reserve for Regeneration and further estimates of resources have been included in the General Fund MTFS.

4.11.8 The priority use of the business rates reserve has also meant the Council can tackle issues such as recruitment and retention through the apprentice and graduate scheme set out in this report. This also allows the Council to afford the holding costs associated with the SG1 joint venture with Mace on the Swingate site.

4.11.9 Further commentary can be found in Appendix F to this report (Section 25 Statement including Robustness of Estimates and Adequacy of Reserves) which Members are asked to approve.

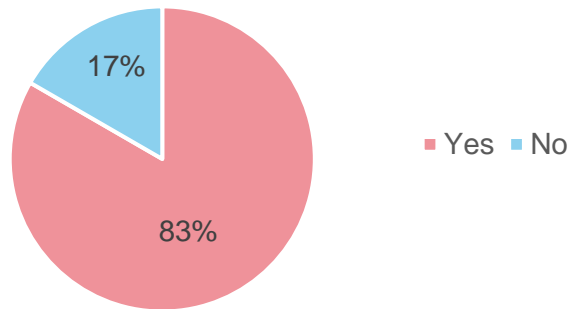
4.12 Contingency Sums

4.12.1 Cabinet Members will recall that a Contingency Sum needs to be determined by the Council as part of the Budget and Policy Framework in order to avoid the need for Council to consider all supplementary estimates during the course of the year. This contingency sum constitutes an upper cumulative limit during the financial year within which the Cabinet can approve supplementary estimates, rather than forming part of the Council's Budget Requirement for the year. A sum of £500,000 is proposed for 2025/26, this has increased from £400,000 in the current year as the amount has remained unchanged for a number of years, however, as always, due regard will need to be given to breaching minimum balances.

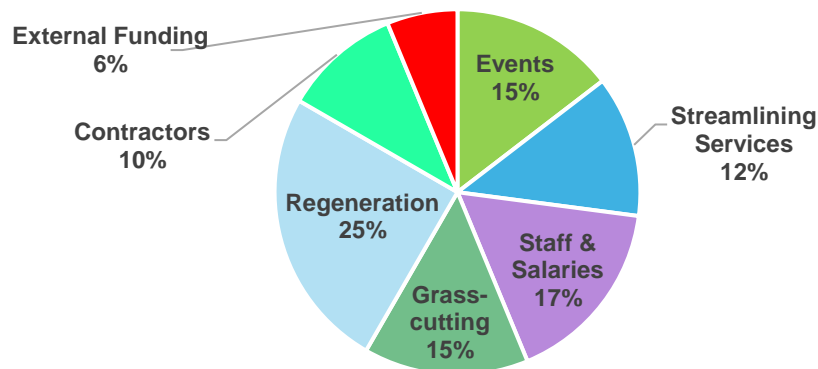
4.13 Consultation

4.13.1 Development of the The Councils 2024/25 Corporate Plan included a period of public and stakeholder engagement and consultation to include ascertaining if respondents:

- Agree that Balancing the Budget should be a priority so that the Council can remain financially resilient and continue to deliver key services as set out in the Corporate Plan?
- If no, is the alternative is to reduce services and provide less?
- If yes, what should the Council stop doing to generate £1.23Million savings?
- 83% of respondents to the consultation agreed that Balancing the Budget should be a priority:



4.13.2 All survey respondents were asked for financial savings suggestions. The responses can be categorised into seven themes:



- The Transforming Our Town programme will attract new businesses to the area which would increase business rate revenue and car parking income (25%). – *The Council has opened a new Multi Storey car park and is working with partners to bring new business into the town, also improving the business rates collected and retained by the Council.*
- Reduce Staff and Councillor salaries (17%). – *The Council's Member allowances are reviewed and agreed by an Independent Remuneration Panel and staff pay is governed by the collective pay agreements as agreed with the unions.*
- The Council should consider selective grass-cutting allowing green spaces to grow wilder (within safe reasons) and reduce maintenance costs for grass cutting etc. (15%) – *The Council has already implemented this as a measure with an associated cost reduction.*
- Streamlining services (12%) – *The Council has a transformation programme which is targeted at streamlining processes and reducing costs.*
- Reduce use of Contractors (10%) – *The Council has a Commercial and Insourcing Strategy which includes reviewing contracts to see if they can be brought back in-house where deemed viable to do so at the point of re-tendering.*
- Reducing or cancelling events such as the November Fireworks Display, or those held on the Event Island and the Stevenage Museum. (15%) – *the Council has been looking at how it manages and delivers future event activity with a view to driving out efficiencies where possible.*

- Seeking external funding to plug the financial gap (6%). *The Council has actively sought external funding and has received circa £80Million of revenue and capital funding over the last few years.*

Resident Survey (2021)

4.13.3 The 2021/22 Residents survey shows that resident's preferences with regards to achieving budget savings are firstly to reduce costs through the provision of more online services. This was ranked the highest (out of five options in 2021 and 2017) with 41%. This first rate ranking has increased from 2017 and supports the Transformation programme as a method to reduce costs and improve efficiency / productivity.

Please tell us your order of preference for each of the following options by ordering them 1 to 5	2021 rank	2017 rank	1st
Reduce time and money spent on paperwork by interacting with more residents and customers online	1	1	41%
Increase income from fees and chargeable services, to keep the council's element of Council Tax as low as possible	2	3	24%
Spend less by reducing or cutting the services that you tell us are not a priority	3	2	16%
Make money by selling more of our services to residents and customers	4	5	9%
Increase our element of Council Tax (for example from 51p per day to 55p per day)	5	4	10%

4.13.4 The 2021 residents' survey asked residents whether the council tax represented value for money. While strongly disagree has increased (from 7% to 15%), overall 52% up from 46% of residents agree it represents value for money as shown in the chart below.

	Responses	2021	2017	2015	2013	2011
To what extent do you agree or disagree that the Council Tax paid to Stevenage Borough Council provides good value for money?	Strongly agree	16%	10%	7%	6%	6%
	Tend to agree	36%	36%	39%	39%	40%
	Neither	18%	30%	30%	35%	33%
	Tend to disagree	10%	17%	18%	17%	16%
	Strongly disagree	15%	7%	6%	5%	5%
	Don't know (DNRO)	4%				
	Summary: Agree	52%	46%	46%	45%	46%
	Summary: Disagree	26%	24%	24%	22%	21%

4.13.5 The Council is commissioning a new Residents survey which is likely to be published for consultation in 2025/26.

4.13.6 Due to the level of savings required the CFO, in conjunction with the Leader, Portfolio Holder for Resources and Transformation and Comms colleagues intends to set out the issues in a media communication campaign so that

residents and businesses understand why the Council is facing budgetary challenges as well as how it is seeking to respond.

5 IMPLICATIONS

5.1 Financial Implications

- 5.1.1 The report deals with Council finances and as such all implications are contained in the main body of the report.
- 5.1.2 Savings options are required to follow the Budget and Policy Framework as set out in this report. Fees and charges require a report to the Cabinet and were included in the Commercial and Insourcing Strategy which was considered by the Cabinet in October 2024.

5.2 Legal Implications

- 5.2.1 The Council is required to set a balanced budget each year. The Local Government Finance Act 1992 requires the Council to estimate revenue expenditure and income for the forthcoming year from all sources, together with contributions from reserves, in order to determine a net budget requirement to be met by government grant and council tax.

5.3 Policy Implications

- 5.3.1 The report deals with Council policy and as such all implications are contained in the main body of the report.

5.4 Staffing and Accommodation Implications

- 5.4.1 The 2025/26 budget growth options include the graduate and apprentice scheme which is designed to have a positive impact on staff recruitment and retention in hard to recruit to areas through adopting a 'grow your own' approach.
- 5.4.2 The report does indicate that Transformation options will be coming forward and any future report will set out staffing implications and any required EQIA.

5.5 Equal Opportunities Implications

- 5.5.1 In carrying out or changing its functions (including those relating to the provision of services and the employment of staff) the Council must comply with the Equality Act 2010 and in particular section 149 which is the Public Sector Equality Duty. The Council has a statutory obligation to comply with the requirements of The Act, demonstrating that as part of the decision-making process, due regard has been given to the need to:

- Remove discrimination, harassment, victimisation and any other conduct that its unlawful under this Act
- Promote equal opportunities between people who share a protected characteristic and those who do not
- Encourage good relations between people who share a protected characteristic and those who do not.

5.5.2 These duties are non-delegable and must be considered by Council when setting the Budget in February 2025.

5.5.3 To inform the decisions about the Budget 2025/26 officers have begun Equality Impact Assessments (EqIAs) and an overarching EQIA for the budget will be produced to inform the decision taken by Council in February 2025. This is expected to have a positive impact as many of the savings are efficiency and do not involve service cuts together with the growth recommended.

5.6 Risk Implications

5.6.1 There are risk implications to setting a prudent General Fund budget if the Balancing the Budget options identified in Appendix A and within the report are not achieved and crucially if future options are not found to meet the targets outlined in the report.

5.6.2 There are a number of risks that have been identified and these are set out in the report.

5.7 Climate Change Implications

5.7.1 The Council declared a climate change emergency at the June 2019 Council meeting with a resolution to work towards a target of achieving net zero emissions by 2030. The Transformation programme and the digital on-line agenda will contribute to reducing the Councils carbon footprint. In 2023/24 the Council approved an additional officer post to support its efforts meet its climate change goals. Included in the 2024/25 options was a growth bid to convert the Council's fleet from diesel to use hydrogenated vegetable oil (HVO) in order to reduce the Councils carbon emissions, the full year impact is included in the 2025/26 General Fund budget. A further update concerning the Council's Climate Change activities was presented to the Cabinet in October 2025.

BACKGROUND DOCUMENTS

BD1 General Fund Medium Term Financial Strategy (2024/25-2028/29) September 2024 Cabinet

BD2 Balancing the Budget November 2024 Cabinet

BD3 Fees and Charges October 2024 Cabinet

APPENDICES

Appendix A General Fund and HRA Budget Options

Appendix B Fees and Charges – Legal fees and Food waste collection

Appendix C EQIA- Legal Fees

Appendix D EQIA -Food Waste Collection

Appendix E Risk Assessment of Balances

Appendix F Section 25 Statement including Robustness of Estimates and Adequacy of Reserves