

STEVENAGE BOROUGH COUNCIL

EXECUTIVE MINUTES

Date: Tuesday, 19 September 2017

Time: 2.00 pm

Place: Shimkent Room - Daneshill House, Danestrete

Present: Councillors: (Chair), Sharon Taylor OBE CC, John Gardner, Richard Henry, Jackie Hollywell, Mrs Joan Lloyd, Ralph Raynor, Simon Speller and Jeannette Thomas

Start / End Time: Start Time: 2.00 pm
End Time: 5.00 pm

1. **APOLOGIES FOR ABSENCE AND DECLARATION OF INTERESTS**

None.

2. **MINUTES - 17 JULY 2017**

It was **RESOLVED** that the Minutes of the meeting of the Executive held on held on 17 July 2017 are approved as a correct record and signed by the Chair.

3. **MINUTES OF OVERVIEW & SCRUTINY COMMITTEE AND SELECT COMMITTEES**

Concerning the review being undertaken by the Community Services Select Committee on Housing Allocations, the Chair stated that there was to be presentation at Council on 11 October on the Homeless Reduction Act and she hoped that the review would be considering matters arising from this legislation.

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

A. Environment & Economy Select Committee – 3 July 2017

B. Community Services Select Committee – 13 July 2017

C. Overview & Scrutiny Committee – 26 July 2017

4. **BUSINESS RATES REVALUATION SUPPORT SCHEME 2017/18-2020/2021**

The Executive considered a report that provided an update on the Business Rates Revaluation Support Scheme 2017/18-2020/21 together with proposals for a local scheme for distributing funds.

In response to a Member's question the Executive was informed that there was thought to be up to 100 businesses that might be eligible for this support funding.

Members' were of the view that whilst this Government initiative had received many plaudits the actual assistance to businesses was not hugely significant.

It was **RESOLVED** that the proposed scheme for distribution of the Business Rates revaluation support funding is approved.

Reason for Decision: As contained in the report.

Other options considered: As contained in the report.

5. **HOUSING REVENUE ACCOUNT MEDIUM TERM FINANCIAL STRATEGY 2017/18 - 2021/2022**

The Executive considered a report that detailed the current and future position of the Council's Housing Revenue Account budget, together with proposals for financial security targets for the period 2018/19 – 2021/22.

It was noted that the report had to be based on a number of assumptions as there were many uncertainties in relation to funding and income which are outside of this Council's direct control including future Government rent policy.

It was **RESOLVED**

1. That the Medium Term Financial Strategy (MTFS) principles, as outlined in paragraph 4.1.5 to this report, are approved.
2. That, for modelling purposes rents, fees and charges increases are in line with inflation (subject to regulation), with any increase above inflation used to contribute towards the Financial Security target.
3. That for modelling purposes the updated inflation assumptions used in the Medium Term Financial Strategy (section 4.4 refers) are approved.
4. That a HRA Financial Security Target of £0.855million is approved for the period 2018/19- 2020/21, of which £774K has still to be implemented, (section 4.13 refers).
5. That new HRA growth approved for priority schemes is funded from within the existing baseline budgets or further savings in addition to the target identified, (paragraph 4.12.8 refers).
6. That the Capital Programme assumptions contained within the report are approved for the existing programme and new build properties.
7. That the current £26Million capital funding shortfall over the 30 year business plan, (paragraph 4.12.5 refers) is noted.
8. That £2Million of borrowing headroom is reserved within the overall borrowing headroom for the transfer of any General Fund land sites to the HRA to facilitate housing development, (paragraph 4.11.7 refers).

9. That £2.46Million of borrowing headroom is reserved for any impact of the revised S20 policy (paragraph 4.11.6 refers).
10. That the Leader's Financial Security Group oversees the development of the 2018/19 – 2020/21 savings package.
11. That a minimum level of balances for the HRA of £2.793million, is approved for 2018/19 (section 4.11 refers), with balances up to £20.398Million held for to fund the future years capital programme and debt repayments and minimum balance levels.
12. That if material changes to forecasts are required following further Government announcements the Assistant Director (Finance and Estates) be requested to revise the Medium Term Financial Strategy and re-present it to the Executive for approval.
13. That public consultation is in line with the requirements of the Council's Consultation and Engagement Strategy.
14. That the Trade Unions and staff be consulted on the key messages contained within the Medium Term Financial Strategies and more specifically when drawing up any proposals where there is a risk of redundancy.

Reason for Decision: As contained in the report.

Other options considered: As contained in the report.

6. **GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2017/2018 - 2021/2022**

The Executive considered a report that provided details of the current and future position of the Council's General Fund Budget and an update on the Financial Security targets for the period 2018/19 – 2021/22.

The Executive was of the view that no decision would be taken at this point regarding future New Homes Bonus spend. Funding for individual initiatives would be considered within the overall budget discussions and the decision taken by Council in February 2018 that would include New Homes Bonus proposals.

It was noted that the proposals for a Business Rate Retention pilot scheme required all authorities in the County to be involved. The Chief Executive indicated that he understood that to date this had been considered to be a positive initiative by the majority of authorities in Hertfordshire.

The Assistant Director (Finance & Estates) stated that the Government had advised that an increase of £5 would be allowed for Band D properties. The Chair indicated that there needed to be discussion at the LGA regarding Council Tax as, if pay rises were to be over the amount included in projected budgets, this increase could only be funded from Council Tax income or by cuts to jobs and services.

It was accepted that detailed consideration of individual fees and charges increases

was required.

It was **RESOLVED**:

1. That the Medium Term Financial Strategy (MTFS) principles, as outlined in paragraph 4.1.4 to this report, are approved.
2. That, for modelling purposes, Council tax increases are set at the threshold of 1.99%, subject to any change in government rules to achieve a balanced budget (section 4.6 refers).
3. That for modelling purposes, fees and charges increases are in line with inflation with any increase above inflation used to contribute towards the saving target.
4. That the updated inflation assumptions used in the Medium Term Financial Strategy (section 4.4.5 refers) are approved.
5. That a General Fund Financial Security Target of £1.46million is approved for the period 2018/19- 2020/21, of which £893K has not been implemented, (paragraph 4.10.8 refers).
6. That an amount of £150,000 per year for the period 2018/19-2020/21 is approved for inclusion in the budget setting process as a Transformation Fund, to help deliver the Future Town Future Council programme (paragraph 4.9.2 refers).
7. That all other General Fund growth approved for priority schemes is funded from within the existing baseline budgets or further savings in addition to the target identified, (section 4.9 refers).
8. That approval to enter the Business Rates Hertfordshire pilot for 2018/19 is delegated to the Assistant Director Finance and Estates following consultation with the Leader and the Resources Portfolio Holder, (paragraph 4.7.3 refers).
9. That the bid of £45,000 is approved to fund the towards a new ICT system and implementation, which will support the Union's to reach more savers and borrowers and help future proof the Union, (paragraph 4.8.2 refers)..
10. That the Leader's Financial Security Group oversee the development of the 2018/19 – 2020/21 savings package.
11. That a minimum level of balances for the General Fund of £2.952million be approved for 2018/19 (section 4.11 refers).
12. That if material changes to forecasts are required following further Government announcements the Assistant Director (Finance & Estates) be requested to revise the Medium Term Financial Strategy and re-present it to the Executive for approval.
13. That public consultation is commissioned in line with the requirements of the Council's Consultation and Engagement Strategy.

14. That the Trade Unions and staff are consulted on the key messages contained within the Medium Term Financial Strategies and more specifically when drawing up any proposals where there is a risk of redundancy.

Reason for Decision: As contained in the report.

Other options considered: As contained in the report.

7. **1ST QUARTER REVENUE MONITORING REPORT - GENERAL FUND AND HOUSING REVENUE ACCOUNT**

The Executive considered a report that provided an update on the General Fund and Housing Revenue Account projected 2017/18 net expenditure and that sought approval to these changes.

Members noted that with reference to variances, it was clear that where key performance indicators were not being met there could be related financial implications.

It was **RESOLVED:**

General Fund

1. That the 2017/18 1st quarter projected net decrease in General Fund expenditure of £55,060 is approved.
2. That it is noted that cumulative decreases made to the General Fund net budget remains within the £400,000 increase variation limit delegated to the Executive.
3. That the progress of the 2017/18 approved Financial Security options, growth bids, carry forward requests is noted.
4. That the 2018/19 ongoing net pressure of £28,070 that will be incorporated into the General Fund Medium Term Financial Strategy (MTFS) is approved.

Housing Revenue Account

5. That the 2017/18 1st quarter projected net decrease in HRA net surplus expenditure of £203,410 is approved.
6. That it is noted that the cumulative increases made to the HRA net budget remains within the £250,000 increase variation limit delegated to the Executive (excludes carry forwards).
7. That the progress of the 2017/18 approved financial security options, growth bids, and carry forward requests is noted.

Reason for Decision: As contained in the report.

Other Options Considered: As contained in the report.

8. **1ST QUARTER MONITORING CAPITAL PROGRAMME - GENERAL FUND AND HOUSING REVENUE ACCOUNT**

The Executive considered a report that provided an update on the Council's 2017/18 and 2018/19 capital programme and that sought approval for revisions.

Members questioned the slippage in the programme noting that the funds available could be spent elsewhere. The meeting was informed that regular 'clinics' were now being held by the Strategic Directors with relevant officers to ensure that future capital programmes are deliverable within the resources available.

The Executive was of the view that the investment into the various ICT projects was crucial to improve internal stability and resilience. It was considered that the Council's ICT needed to be robust, stable and future proof and achieving this was the key component to achieving the Future Town, Future Council Programme objectives. It was accepted that in a quickly changing environment this was always going to be challenging and was therefore to remain a key priority. Progress was to be closely monitored at a strategic level.

It was **RESOLVED**:

1. That the 2017/18 General Fund capital programme net decrease in expenditure of £1,611,870 is approved as summarised in paragraph 4.1.1.
2. That the virement from the deferred works Budget of £69,760 as summarised in paragraph 4.1.5. is approved.
3. That the 2017/18 Housing Revenue Account capital programme net decrease in expenditure of £1,507,250 is approved, as summarised in paragraph 4.3.1.
4. That the 2018/19 General Fund increase in capital expenditure of £1,480,370 is approved, as summarised in table one.
5. That the 2018/19 Housing Revenue Account increase in capital expenditure of £1,571,250 is approved, as summarised in table two.

Reason for Decision: As contained in the report.

Other options considered: As contained in the report.

9. **ANNUAL TREASURY MANAGEMENT REVIEW OF 2016/2017 INCLUDING PRUDENTIAL CODE**

The Executive considered a report for recommendation to Council on the operation of the 2016/17 Treasury Management and Investment Strategy.

It was **RESOLVED** that the 206/17 Annual Treasury Management Review be recommended to Council for approval.

Reason for Decision: As contained in the report.

Other options considered: As contained in the report.

10. **CORPORATE PERFORMANCE FOR QUARTER ONE 2017/18**

The Executive considered a report that highlighted the Council's performance across key priorities and themes for quarter one 2017/2018.

The Chief Executive introduced the report with gave a commentary on the progress of each of the 9 themes in the Future Town, Future Council Programme.

With reference to the Excellent Council Homes for Life Programme the Chief Executive explained that its scope had been refocussed on the transformational, cultural and structure changes within the service delivery unit.

Concerning the Co-operative and Neighbourhood Management Programme, Members were of the view that it was important to consult with key stake holders and local community leaders at the very beginning of the programmes in the relevant Wards. It was noted that it was this co-operative way of working, including users in the shaping of services and facilities, that has led to award winning projects such as the work undertaken on play spaces. The Chair stated that the Council should be promoting our achievements in this area, however, with resources limiting the programme to be phased in across the Town, the expectations of the communities in the two pilot wards had to be given due consideration.

ICT investment had been discussed at item 8 earlier in the agenda and the Executive emphasised that work on the Connected to our Customers strand was core to the whole Future Town, Future Council Programme.

The Executive then focussed on the Corporate Health performance. There were 30 Green key performance indicators, 4 Amber and 13 classified as Red. Officers explained how they were working to improve the services that had not met their targets.

Members were informed that general need voids performance had improved since April 2017 following changes made to working arrangements including the amalgamation of staff from Housing Management within the Repairs & Voids function. This had significantly reduced duplication and improved communications. Concerning sheltered voids that were hard to let, Members were of the view that these should be allocated to single homeless people on the register. It was also noted that some older tenants may have difficulty in downsizing given the amount of furniture and possessions acquired over the years, therefore officers should consider ways to support households in this position.

Performance in the Customer Services Centre had been affected in the main by staff turnover. 20% turnover had taken place with a number of staff moving on to other posts within the Council which means their skills and experience had been maintained within SBC. The Executive was informed that it took 6-8 weeks to train up a new advisor and it was suggested that officers were considering a rolling programme of recruitment of advisors slightly over the establishment level to help maintain staffing levels.

It was **RESOLVED** that the delivery of priorities that form the Future Town, Future Council Programme and performance of the Council across key themes during quarter one 2017/18 together with latest achievements are noted.

Reasons for Decision: As contained in the report.

Other options considered: As contained in the report.

11. **URGENT PART 1 BUSINESS**

None

12. **EXCLUSION OF PRESS AND PUBLIC**

It was **RESOLVED**:

1. That under Section 100(A) 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 it involves the likely disclosure of exempt information as described in paragraphs 1-7 of Part 1 of Schedule 12A of the Act, as amended by SI 2006 No. 88.
2. That having considered the reasons for the following items being in Part II it be determined that maintaining the exemption from disclosure of the information contained therein outweighs the public interest in disclosure.

13. **PART II MINUTES - EXECUTIVE - 17 JULY 2017**

It was **RESOLVED** that the Part II section of the Minutes of the meeting held on 17 July 2017 be approved as a correct record for signature by the Chair.

14. **COMMUNAL HEATING REFURBISHMENT CONTRACT PROCUREMENT**

The Executive considered a Part II report that sought approval to commence procurement of a Communal Heating Refurbishment Contract.

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

Reason for Decision: As contained in the report.

Other options considered: As contained in the report.

15. **URGENT PART II BUSINESS**

None

CHAIR