

4 April 2018

## **STRATEGY AND RESOURCES COMMITTEE**

A meeting of the Strategy and Resources Committee will be held on **THURSDAY 12 APRIL 2018** in the Council Chamber, Ebley Mill, Ebley Wharf, Stroud at **7.00pm.**



David Hagg  
Chief Executive

**Please Note:** This meeting will be filmed for live or subsequent broadcast via the Council's internet site ([www.stroud.gov.uk](http://www.stroud.gov.uk)). By entering the Council Chamber you are consenting to being filmed. The whole of the meeting will be filmed except where there are confidential or exempt items, which may need to be considered in the absence of the press and public.

### **AGENDA**

- 1 **APOLOGIES**  
To receive apologies for absence
- 2 **DECLARATIONS OF INTEREST**  
To receive declarations of interest
- 3 **MINUTES**  
To approve the Minutes of the meeting held on 18 January 2018
- 4 **PUBLIC QUESTION TIME**  
The Chair of the Committee will answer any questions from members of the public, submitted in accordance with the Council's procedures  
**DEADLINE FOR RECEIPT OF QUESTIONS**  
**Noon on MONDAY 9 APRIL 2018**  
Questions must be submitted in writing to the Chief Executive, Democratic Services, Ebley Mill, Ebley Wharf, Stroud, and sent by post or by Email: [democratic.services@stroud.gov.uk](mailto:democratic.services@stroud.gov.uk).
- 5 **WORK PROGRAMME**  
To consider the work programme
- 6 **MEMBER REPORTS**
  - a) Performance Monitoring
  - b) Investment and Development Panel

- 7 CAPITAL PROJECT MONITORING**  
To receive updates on the following projects
- a) Littlecombe Business Units, Dursley
  - b) Brimscombe Port Development
  - c) Homes for Rent
  - d) ICT Investment Plan
- 8 FINANCIAL REPORTS**
- a) Housing Revenue Account Budget Monitoring Report 2017/18 (Month 10)
  - b) General Fund Revenue and Capital Budget Monitoring Report 2017/18 (28 Feb 2018).
- 9 COUNCIL TAX, HOUSING BENEFIT AND COUNCIL TAX SUPPORT PENALTY AND PROSECUTION POLICY**  
To adopt the policy which provides a reasoned framework to tackle fraud and error across Gloucestershire.
- 10 SUBSCRIPTION ROOMS, STROUD TASK AND FINISH GROUP: FINAL REPORT**  
To receive the Task and Finish Group's final report.
- 11 REDEVELOPMENT OF BRIMSCOMBE PORT, THRUPP**  
To seek approval to additional funding to support the redevelopment of the site.
- 12 PROPOSED RELOCATION OF RUSH SKATEPARK**  
To seek approval to offer RUSH Skatepark a ground lease at Stratford Park, Stroud.
- 13 SECTION 106 LITTLECOMBE, DURSLEY**  
To agree the allocation of funding for community facilities from the Littlecombe section 106 agreement.
- 14 CORPORATE DELIVERY PLAN: END OF YEAR REVIEW OF IMPLEMENTATION**  
The Chief Executive will provide an oral report on the above.
- 15 MERRYWALKS, STROUD**  
The Chief Executive will provide an oral report on Merrywalks, Stroud.
- 16 LEADERSHIP GLOUCESTERSHIRE UPDATE**  
The Chief Executive will provide an oral update on Leadership Gloucestershire business
- 17 MEMBER QUESTIONS**  
See Agenda Item 4 for deadline for submission

**Members of Strategy and Resources Committee**

Councillor Doina Cornell (Chair)	Councillor Simon Pickering
Councillor Steve Robinson (Vice-Chair)	Councillor Mattie Ross
Councillor Nigel Cooper	Councillor Tom Skinner
Councillor Stephen Davies	Councillor Ken Tucker
Councillor Nick Hurst	Councillor Martin Whiteside
Councillor Steve Lydon	Councillor Debbie Young
Councillor Keith Pearson	

## STRATEGY AND RESOURCES COMMITTEE

18 January 2018

7.00 pm – 9.55 pm  
 Council Chamber, Ebley Mill, Stroud

# 3

### Minutes

#### Membership:

Councillor Doina Cornell (Vice-Chair)	P	Councillor Steve Robinson	P
Councillor Nigel Cooper	P	Councillor Mattie Ross	P
Councillor Stephen Davies	A	Councillor Tom Skinner	P
Councillor Nick Hurst	P	Councillor Ken Tucker	P
Councillor Steve Lydon	P	Councillor Martin Whiteside	P
Councillor Keith Pearson	P	Councillor Debbie Young	A
Councillor Simon Pickering	P		

P = Present                      A = Absent

#### Officers Present:

Chief Executive	Accountancy Manager
Director of Tenant & Corporate Services	New Homes & Regeneration Manager
Director of Development Services	Head of Business Service Planning
HR Manager	Democratic Service Officer

#### Members also Present:

Councillors Rachel Curley, Norman Kay, John Marjoram and Nigel Studdert-Kennedy.

#### Announcement from Councillor Doina Cornell

Councillor Steve Lydon has stepped down from being Chair of Strategy and Resources Committee and Leader of the Council, on 25 January 2018 full Council will be asked to appoint a replacement. Councillor Lydon will remain as a member of the Committee.

#### SRC.047

#### APOLOGIES

Apologies for absence were received from Councillors Stephen Davis and Debbie Young.

#### SRC.048

#### DECLARATIONS OF INTEREST

There were none.

#### SRC.049

#### MINUTES

Councillor Cornell confirmed that paragraph 4.(iii) on page 7 of the minutes stated that “any additional consultation to be concluded by the end of February 2018”. The

consultation will now be taking place in March and Councillor Whiteside will provide more information in his update.

**RESOLVED**                    **To approve as a correct record the Minutes of the meeting held on 5 December 2017.**

**SRC.050**                    **PUBLIC QUESTION TIME**

There were none.

**SRC.051**                    **WORK PROGRAMME**

The work programme was noted.

**SRC.052**                    **MEMBER REPORTS**

a) Performance Monitoring

The report had been circulated to committee prior to the meeting.

b) Investment and Development Panel

- Brimscombe Port – The project is moving forward. Various bids had been submitted for funding and the outcomes would be known by the end of February.
- Merrywalks – Discussions had taken place with Dransfield Properties Ltd. They have applied to GFirst for a capital grant of £4m to redevelop the site. More will be known by late February.
- Homes for Rent - £8m was allocated, priority provision for the homeless and potential of buying properties in the future. Various avenues are being explored.
- May Lane, Dursley – This is a complicated site which is partly owned by the Council. Options are currently being explored.
- Tricorn House, Cainscross – Discussions for developing the site into small apartments have taken place.

Members will be updated on the progress of above projects.

c) Subscription Rooms Task and Finish Group (T&FG)

Councillor Whiteside confirmed that the T&FG had met 4 times since mid-December and was made up of the 4 party leaders (or their nominee if they were unable to attend). The notes and bid pack will be published on the Council's website. In early January the site was advertised for lease. The timetable for the process will be agreed and published on the website and continually updated.

Dates to be noted:-

- 1 February - prospective bidders can ask the T&FG questions.
- 5 March - closing date for bids.
- 7 March - bids will be published on the website.
- 12 March - consultation will take place with staff at the Subscription Rooms.
- 13 March - the T&FG will interview bidders.
- 14 March at 6.00-7.30 pm - members information evening.
- 17 March - public consultation in the George Rooms at the Subscription Rooms.
- 12 April – report will be presented to Committee.

The T&FG are currently working on a scoring matrix for the bids.

**SRC.053****CAPITAL PROJECT MONITORING**

- a) Littlecombe Business Units, Dursley  
Completion is due in April 2018.
- b) Brimscombe Port Development  
Work is ongoing on a solution to the engineering works for the canal, basin, road and bridge works and it is anticipated that a planning application will be submitted in April 2018 for the infrastructure across the whole site.
- c) Homes for Rent  
The Council's stock is currently being reviewed for possible development opportunities throughout the district. The option of possibly buying properties, making them fit for let and then placing them into the hands of a registered management company was being explored. Monies currently used for B&B could be redirected into such projects in the future. Accommodation was needed for the homeless and young vulnerable people.
- d) ICT Investment  
An update was provided and anticipated expenditure had been included into the financial reports.

**RESOLVED****To note the reports.****SRC.054****FINANCIAL REPORTS**

- a) Housing Revenue Account (HRA) Budget 2018/19 and Medium Term Financial Plan 2018/19-2021/22

Councillor Mattie Ross was pleased to announce that a deal had recently been agreed for 24 affordable houses to be built in Wotton-under-Edge using RTB monies. The Accountancy Manager confirmed that the only amendment to the report that had been agreed by Housing Committee was the figure in paragraph 5.2. There were no significant changes in the overall position of the HRA.

**RECOMMEND TO COUNCIL**

1. **The revised HRA budget for 2017/18 and original budget for 2018/19 are approved; and**
2. **The movement to and from balances and capital reserves as detailed in Appendices B and C are approved; and**
3. **That from 1 April 2018:**
  - i) **Social rents and affordable rents are decreased by 1% (equivalent to 81p at the average rent level), as calculated in accordance with legislation**
  - ii) **Garage rents are increased by 3%**
  - iii) **Landlord sheltered housing service charges are increased by 3%**
  - iv) **Other landlord service charges are increased by 3%; and**
4. **That the HRA Capital Programme for 2017/18 to 2021/22, as detailed in Appendix C, are included in the Council's Capital Programme.**

b) General Fund Revenue Estimates – Revised 2017/18 and Original 2018/19

The Accountancy Manager highlighted various aspects of the above report. Confirming that if there were any financial changes to the estimates these would be reported at future meetings. During debate several members confirmed that they could not support the recommendation.

**RECOMMEND TO COUNCIL** The estimates set out in the report be considered and approved for inclusion in the General Fund Revenue Budget 2018/19 and Medium Term Financial Plan report to Council elsewhere on this agenda.

c) The General Fund Budget 2018/19, Capital Programme and Medium Term Financial Plan

The Accountancy Manager outlined the above report. Members raised concern regarding increasing car parking charges and the impact this would have on the economy of local towns. Members wanted a better understanding of how the rate support grant was calibrated and it was suggested that all parties would work together on this very complex topic.

**RECOMMEND TO COUNCIL** (and subject to the Government's final settlement announcements):

1. To approve the service revenue estimates as set out in Appendix A;
2. To approve the ICT and Invest to Save contingency for 2018/19 and subsequent years as set out in paragraph 4.5 as part of a balanced budget;
3. To increase the council tax by 2.99% to £201.50 at Band D, an increase of less than 12p per week for the services provided by Stroud District Council;
4. To approve the updated Medium Term Financial Plan as set out in Appendix B;
5. To approve the Capital Programme, as set out in Appendix C and the Capital Financing Statement as shown in Appendix D;
6. To approve the changes to the reserves as set out in paragraph 5.16 of the report and Appendix E.

**SRC.055****TASK AND FINISH GROUP REVIEW OF PERFORMANCE MANAGEMENT**

Councillor Rachel Curley, Chaired the Task and Finish Group and outlined their report and recommendations. Committee were very supportive of the recommendations and recognised the importance of the scrutiny function carried out by the Performance Monitors. An update would be provided at a future meeting.

**RESOLVED**

1. To accept the recommendations of this report.
2. To ask all committees to table this report for discussion at forthcoming meetings.

**SRC.056**                    **THE FAIR PAY AND SENIOR PAY POLICY STATEMENT  
2018/19**

The HR Manager outlined the above report highlighting the main issues.

**RECOMMENDED**    **That the statement is approved.**  
**TO COUNCIL**

**SRC.057**                    **LEADERSHIP GLOUCESTERSHIRE UPDATE**

The Chief Executive gave an oral update on Leadership Gloucestershire and reminded members of the members' information evening on 23 January and the seminar at Cheltenham Racecourse on 1 February.

**SRC.058**                    **MEMBER QUESTIONS**

There were none.

The meeting closed at 9.55 pm.

Chair

**STROUD DISTRICT COUNCIL**  
**STRATEGY AND RESOURCES COMMITTEE**

**AGENDA  
ITEM NO**

**12 APRIL 2018**

**5**

**WORK PROGRAMME**

<b>Date of meeting</b>	<b>Matter to be considered</b>	<b>Reporting Member/Officer</b>
24.05.18	Work Programme to be discussed for the civic year	All the Committee
	Member reports on: Performance Monitoring Investment and Development Panel	Performance monitors Leader
	Capital Project Monitoring Littlecombe Business Units, Dursley Brimscombe Port Redevelopment Homes for Rent ICT Investment Plan	Head of Property Services Head of Property Services Chief Executive Head of Business Service Planning
	Stroudwater Connected (Phase 1B)	Canal Project Manager
	Delivering Homes for Rent	Chief Executive
12.07.18	Work Programme	All the committee
	Member reports on: a) Performance Monitoring b) Investment and Development Panel	Performance monitors Leader
	Capital Project Monitoring a) Littlecombe Business Units, Dursley b) Brimscombe Port Redevelopment c) Homes for Rent d) ICT Investment Plan	Head of Property Services Head of Property Services Chief Executive Head of Business Service Planning
	Subscription Rooms: update	Head of Property Services / Task and Finish Group
Remaining meetings: reports (other than standing items) to be programmed by the committee		
04.10.18		
17.01.19	Budget meeting	
07.03.19		
11.04.19		

**Information sheets sent to Members 2017/18**

<b>Date sent and ref no.</b>	<b>Topic</b>
30.05.17 - SR-2017/18-001	ICT Infrastructure Investment Plan 2017/18 to 2019/20
12.06.17 - SR-2017/18-002	Brimscombe Port Redevelopment
04.10.17 - SR-2017/18-003	Property Review Update
05.11.17 - SR-2017/18-004	The Voice of the Councillor



**STROUD DISTRICT COUNCIL**  
**STRATEGY AND RESOURCES**

**AGENDA  
ITEM NO**

**12 APRIL 2018**

**7**

<b>Report Title</b>	<b>CAPITAL PROJECT MONITORING</b>
<b>Purpose of Report</b>	To inform Committee of progress on capital projects within its remit. 1. Littlecombe Business Units 2. Brimscombe Port Development 3. Homes for Rent 4. ICT Investment
<b>Decision(s)</b>	<b>The Committee RESOLVES to note the report.</b>
<b>Consultation and Feedback</b>	Details are contained within the body of the report.
<b>Financial Implications</b>	<p>The report provides members with an update on certain capital projects. A revised capital programme was approved by Council at their meeting in January 2018 which has seen some changes to the budget profile of certain schemes (Homes for Rent, IT Modernisation).</p> <p>Whilst the Littlecombe Business Units project is progressing, it is worth highlight that there is a risk to the 2018/19 budget should units not be fully let during the year. The budget assumed rental income would be around £62k (50% of the full year amount). Delays in letting the units or more generous incentive periods may impact on the ability for this level of income to be achieved.</p> <p>David Stanley – Accountancy Manager (Section 151 Officer) Tel: 01453 754100 Email: <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a></p>
<b>Legal Implications</b>	<p>The report is provided for information only; legal implications will be considered when the particular projects require decisions of the committee. The committee (via its Performance Monitoring Champions and responsible Corporate Team members) may wish to review implications for the strategic risks (e.g. CCR14, CCR4) as part of this update. Any planning for investment in ICT will need to take account of and allow time for the relevant procurement procedures to be carried out.</p> <p>Mike Wallbank, Solicitor Tel: 01453 754362 Email: <a href="mailto:mike.wallbank@stroud.gov.uk">mike.wallbank@stroud.gov.uk</a></p>

<b>Report Authors</b>	<p>Alison Fisk – Head of Property Services Tel: 01453 754430 Email: <a href="mailto:alison.fisk@stroud.gov.uk">alison.fisk@stroud.gov.uk</a></p> <p>Pippa Stroud- Policy Implementation Manager Tel: 01453 754099 Email: <a href="mailto:pippa.stroud@stroud.gov.uk">pippa.stroud@stroud.gov.uk</a></p> <p>Mark Fisher – ICT Infrastructure and Information Security Manager Tel: 01453 754258 Email: <a href="mailto:mark.fisher@stroud.gov.uk">mark.fisher@stroud.gov.uk</a></p>
<b>Options</b>	This report is for information only
<b>Performance Management Follow Up</b>	Update reports are brought to Committee on a regular basis
<b>Background Papers/ Appendices</b>	None

## 1. Littlecombe Business Units – Dursley

- 1.1. Officers have agreed Heads of Terms with a prospective tenant of 2 of the medium sized units and continue to see strong interest in the units.
- 1.2. The units are constructed and snagging has been undertaken with the contractor. However, a delay caused by legal agreements with Western Power Distribution (WPD) over a new sub-station, means that practical completion is not expected to be achieved until June 2018. This is in spite of a considerable amount of work by the council to help resolve the legal issues involved.
- 1.3. This has resulted in the need to re-profile the budget into the next financial year, but should not lead to delays in lettings if WPD undertake the works in the timescale they have given us.
- 1.4. Details and photographs of the units can be found using the following link to our agent: <https://www.ashproperty.co.uk/Properties/Dursley - Phase II, Littlecombe Business Park, Lister Road.aspx>

## 2. Brimscombe Port Redevelopment

- 2.1. Please see separate report on this agenda and the general fund budget monitoring report.

### **3. Homes for Rent**

The capital project is based on;

#### **3.1 Purchase of a property(ies) for use as temporary accommodation for homeless families**

Consideration is being given to HRA properties being made available to the General Fund for this purpose. Discussions are also continuing to take place with Gloucester City Homes, a registered provider, about the purchase and conversion of a suitable property using Council resources. Gloucester City Homes would manage the property(ies).

#### **3.2 Support for Community Land Trusts and Rural Exception Sites**

This element of the Homes for Rent programme is unlikely to involve significant capital expenditure. The Council is using revenue resources received from DCLG to fund the Gloucestershire Rural Community Council to provide a Community Housing Enabler dedicated to Stroud District. The Community Housing Enabler is working with local communities, landowners and parish councils to bring forward schemes that will include affordable homes.

### **4. ICT Investment**

4.1. A strategic review of our ICT has been completed by SOCITM (the society of IT managers). Their review encompasses our current systems, infrastructure, service needs and the likely future use and demands on our ICT service by the wider council service areas, including associated risks. A draft report containing key recommendations has been produced for consideration by Corporate Team and a briefing session for members of Strategy and Resources is being arranged.

4.2. The review essentially describes a way forward for making improvements to the structure of the ICT service, the management of the service and how the ICT service should be managed by the organisation, where the business establishes a management framework for setting the priorities for the ICT service to ensure it is aligned with the wider business objectives.

4.3. We anticipated the capital programme moving forward would change significantly as a result of this report. A capital investment programme of £1.8 million over a five year period is a more realistic budgetary figure for the ICT service to meet the already identified need to develop a continuous ICT capital investment programme linked to projected ICT product life cycles,.

4.4. There is the need to invest in new systems, services and practices to enable and support business change and deliver improved services to customers. As the ICT strategy is developed these additional capital investment requirements will become clearer.

4.5. We should also note that in order to ensure the implementation of our revised ICT investment strategy that we draw upon the best sector based learning and experience. We have worked with the LGA on a project to share information supporting councils to lever the highest levels of productivity from their use of ICT. Through this we have been awarded funding from the LGA to support the employment of an ICT productivity expert, with previous experience in other Local Authorities, who can support us in planning and implementing the delivery of the right ICT infrastructure and systems, drawing on past lessons and the SOCITM review. These projects will be managed so that one leads straight into the other through quarter 4 of the financial year.

**STROUD DISTRICT COUNCIL**  
**STRATEGY AND RESOURCES COMMITTEE**

**AGENDA  
ITEM NO**

**12 APRIL 2018**

**8a**

<b>Report Title</b>	<b>Housing Revenue Account Budget Monitoring Report 2017/18 (Month 10)</b>
<b>Purpose of Report</b>	To present to the Committee a forecast of the outturn position against the revenue budget and Capital programme for the HRA for 2017/18.
<b>Decision(s)</b>	<b>The Committee RESOLVES</b> to note the outturn forecast for the HRA Revenue budgets and Capital programme.
<b>Consultation and Feedback</b>	Budget holders have been consulted about the budget issues in their service areas. The feedback has been incorporated in the report to explain differences between budgets and actual income and expenditure.
<b>Financial Implications and Risk Assessment</b>	<p>This report sets out the latest budget monitoring position on the Housing Revenue Account with forecasts of income and expenditure, as provided by budget holders, showing a significant revenue budget underspend and slippage planned capital expenditure. This has, in part, been reported to the committee in previous financial reports.</p> <p>It is proposed that the forecast £1.541m surplus on the HRA is returned to General Reserves, with the £2.699m of capital slippage transferred to the major repairs reserve.</p> <p>Given the level of revenue and capital variation, it is expected that the service undertakes a robust review of the 2018/19 budget (as it has largely been set at the same level), and takes this into account when reviewing the HRA 30 year financial plan</p> <p>David Stanley, Accountancy Manager  Tel: 01453 754100  Email: <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a></p>
<b>Legal Implications</b>	<p>The committee has responsibility on behalf of the Council to monitor and review the Council's income and expenditure during the financial year against the Council's budget.</p> <p>Craig Hallett, Solicitor &amp; Deputy Monitoring Officer  Tel: 01453 754364  Email: <a href="mailto:craig.hallett@stroud.gov.uk">craig.hallett@stroud.gov.uk</a>  (Ref: r26.3c27.3d29.3)</p>

<b>Report Author</b>	Lucy Clothier, Principal Accountant Tel: 01453 754343 Email: <a href="mailto:lucy.clothier@stroud.gov.uk">lucy.clothier@stroud.gov.uk</a>
<b>Options</b>	None
<b>Performance Management Follow Up</b>	Budgets will continue to be monitored on a regular basis by budget holders supported by Finance. The outturn position will be reported to Strategy and Resources Committee in May 2018 and Housing Committee in June 2018.

## Background

1. This report provides the third monitoring position statement for the financial year 2017/18. The purpose of this report is to notify members of any known significant variations to budgets for the current financial year, highlight any key issues, and to inform members of any action to be taken if required.
2. **Due to the volume of information contained in the report, it would be helpful where members have questions on matters of detail if they could be referred to the report author or the appropriate service manager before the meeting.**

## Housing Revenue Account Budget position

3. The original net Housing Revenue Account budget for 2017/18 is a transfer from reserves of £3.088m, as approved by Council at their meeting in January 2017. This has now been revised to a transfer from reserves of £3.578m taking into account the additional capital budget as approved by Strategy and Resources in June 2017 and revised budget in January 2018.
4. The monitoring position for the service at 31 January 2018 shows a projected net underspend of £1.541m (-6.7% of gross spend) against the latest budget, as summarised in Table 2. This is an increase of £0.392m from the £1.149m underspend reported in September 2017.
5. Table 3 shows the HRA Capital spend and projected outturn for 2017/18.
6. It is proposed that any surplus at the end of the year is returned to HRA general reserves. Based on the current forecasted underspend of £1.541m, this would increase HRA general reserves to £3.176m. The revised reserves position over the medium term, subject to any calls on reserves, would be as follows.

**Table 1 – Estimated HRA General Reserves**

	2017/18 £000s	2018/19 £000s	2019/20 £000s	2020/21 £000s	2021/22 £000s
Opening Balance	5,213	3,176	3,050	3,234	3,040
Budgeted Transfer To/(From) General Reserves	(3,578)	(126)	184	(194)	1,742
Forecasted 2017/18 Underspend	1,541				
<b>Closing Balance</b>	<b>3,176</b>	<b>3,050</b>	<b>3,234</b>	<b>3,040</b>	<b>4,782</b>

7. It should be noted that the majority of the surplus is made up of one year only underspends. Therefore further savings in future years can't be assumed and the long term position, as reported in the 2018/19 Budget Setting paper at the December Committee meeting, remains largely unchanged.

**Table 2 – HRA Revenue Summary**

	Para Refs	2017/18 Original Budget (£'000)	2017/18 Latest Budget (£'000)	Forecast Outturn (£'000)	Outturn Variance (£'000)
<b>Income</b>					
Dwelling Rents and Service Charges	8	(22,269)	(22,171)	(22,565)	(394)
Other Charges and Income		(661)	(661)	(664)	(3)
<b>Total Income</b>		<b>(22,930)</b>	<b>(22,832)</b>	<b>(23,229)</b>	<b>(397)</b>
<b>Expenditure</b>					
Supervision and Management	9	5,301	5,234	4,921	(313)
Repairs and Maintenance	10- 14	3,658	3,643	3,040	(603)
Sheltered Housing Service	15	1,441	1,523	1,346	(177)
Other Expenditure		552	552	558	6
Sheltered Housing Modernisation	16	425	406	314	(92)
Queens Court		0	0	43	43
Revenue Funding of Capital Programme (Depreciation and RCCO)		10,562	9,880	9,880	0
Provision for Bad Debts	17	100	100	50	(50)
<b>Total Expenditure</b>		<b>22,039</b>	<b>21,338</b>	<b>20,152</b>	<b>(1,186)</b>
<b>Other Costs and Income</b>					
Interest Payable/Receivable	18	3,476	3,476	3,426	(50)
Transfers to/(from) Earmarked Reserves	19	503	1,596	1,688	92
Transfers to/(from) General Reserves		(3,088)	(3,578)	(3,578)	0
<b>Total Other Costs and Income</b>		<b>891</b>	<b>1,494</b>	<b>1,536</b>	<b>42</b>
<b>Total Housing Revenue Account</b>		<b>0</b>	<b>0</b>	<b>(1,541)</b>	<b>(1,541)</b>

Further detail of this breakdown is as follows:

- 8. Dwelling Rents and Service Charges – (£394k) additional income**  
Income is expected to be £394k more than budget. This is largely due to void loss (excluding dwellings intended for redevelopment) being lower than the budgeted void rate of 2%.
- 9. Supervision and Management – (£313k) underspend**  
Salary underspends of £104k (due to vacant posts during the year) as well as an unused staffing contingency of £184k make up most of this underspend. Funding set aside for estate works and resident involvement have not been fully utilised due to needing time for the new Neighbourhood Management Officers to learn their roles and changes to tenant involvement, the future of which is being reported to this committee. The cost of insuring the dwellings and other assets in the HRA has risen, being £50k more than budget in 2017/18. This has been offset with the assumption that there will be no calls on the £50k contingency budget. This could change should something happen before the end of the financial year.
- 10. Repairs and Maintenance – (£603k) underspend**
11. Planned Maintenance – (£309k) underspend  
There was a delayed start for the new contractor on external decorating that will result in some of the programme slipping into next year. Some other planned areas, such as smoke detector servicing is now being undertaken by the In-house Gas Team, providing additional savings to the planned maintenance budget.
12. Gas In-house Provider – (£91k) underspend  
Savings relate in part to reduced salary costs while recruiting to vacant posts, as well as lower than budgeted overheads.
13. Voids – (£152k) underspend  
Void spend has been lower than budgeted throughout the year.
14. Responsive Maintenance – (£51k) underspend  
Due to the reactive nature of works, it is difficult to predict the works required during the year and a small underspend is expected.
- 15. Sheltered Housing Service – (£177k) underspend**  
Salary underspends and lower than budgeted in year costs (such as grounds maintenance) have led to an expected underspend of £177k. This budget will be reviewed as the Sheltered Modernisation Programme continues.
- 16. Sheltered Housing Modernisation – (£92k) slippage**  
A reduced number of decants have occurred during the year. The balance of £92k will remain in the Earmarked reserve in order to contribute towards funding the decanting of residents from Cambridge House and Glebelands which will begin in 2018/19.



**17. Provision for Bad Debt – (£50k) underspend**

It is currently expected that in line with last year, the additional provision needed for unpaid rents and charges will be lower than budget. This could change at the end of the year. It is also likely that this will increase significantly over the medium term due to the impact of Universal Credit.

**18. Interest Payable/Receivable – (£50k) underspend**

The budget includes an amount of £50k for payment of interest on Right To Buy (RTB) receipts to be repaid to Government. It is currently expected that this won't be necessary.

**19. Transfers to/from Earmarked Reserves – £92k reduced transfers from Earmarked Reserves**

The current forecast in Sheltered Housing Modernisation means that £92k of the budgeted transfer will not be needed in 2017/18. This amount will therefore remain in the reserve and will be allocated to the project in the future.

## HRA Capital Programme

20. The following table shows the full capital programme for 2017/18

**Table 3 – HRA Capital Summary**

Capital Summary	2017/18 Revised Budget (£'000)	Spend to date (£'000) (to end Jan 18)	2017/18 Projected Outturn (£'000)	2017/18 Outturn Variance (£'000)	Proposed Slippage (£'000)
Central Heating	690	593	776	86	0
Disabled Adaptations	308	25	60	(248)	0
Kitchens and Bathrooms	1,545	781	1,163	(382)	0
Major Voids	515	270	450	(65)	0
Asbestos/Radon and Compliance	453	91	105	(348)	0
Doors and Windows	515	267	499	(16)	0
Electrical Works	206	208	260	54	0
Damp Works/Insulation	124	2	2	(122)	0
Renewable Heating 1	0	(569)	(569)	(569)	0
Non-Traditional Properties	340	3	179	(161)	0
Door Entry	206	5	195	(11)	0
External Works	1,700	385	883	(817)	0
<b>Total - Major Works</b>	<b>6,602</b>	<b>2,061</b>	<b>4,003</b>	<b>(2,599)</b>	<b>0</b>
Woolaways - Minchinhampton	0	2	2	2	0
Woolaways-Leonard Stanley (New Build)	0	(87)	2	2	0
Woolaways-Top of Town (New Build)	0	5	5	5	0
The Corriett	0	(28)	(26)	(26)	0
Berkeley	0	3	3	3	0
Hillside, Coaley	0	(84)	(47)	(47)	0
Southbank, Woodchester	8	3	0	(8)	0
Chapel Street, Cam	535	509	535	0	0
Littlecombe	0	(28)	2	2	0
New Homes Contingency	17	0	0	(17)	48
Fountain Crescent	0	5	0	0	0
Woolaways-Top of Town Phase 2	0	(26)	4	4	0
Woolaways-Top of Town Phase 3	203	181	229	26	0
Ship Inn	19	10	20	1	0
Woolaways-Top of Town Phase 4	485	477	490	5	0
Miscellaneous Properties	700	566	700	0	0
<b>Total - New Build</b>	<b>1,967</b>	<b>1,508</b>	<b>1,919</b>	<b>(48)</b>	<b>48</b>
Sheltered Housing Modernisation	620	336	568	(52)	52
<b>Total Capital Expenditure</b>	<b>9,189</b>	<b>3,905</b>	<b>6,490</b>	<b>(2,699)</b>	<b>100</b>

**21. Major Works – (£2,599k) underspend/slippage**

This is a combination of reduced spend in areas such as Major Voids, Asbestos and Disabled Adaptations, as well as reprogramming of the kitchens and bathrooms contract and slippage in external works. A change in contractor has affected some non essential works, although critical works have continued using the existing provider.

**22. Central Heating - £86k overspend**

Spend on heating systems is slightly higher than budgeted due to the inclusion of two large communal boilers in sheltered schemes which have significant costs.

**23. Disabled Adaptations – (£248k) underspend**

Based on demand, total spend on disabled adaptations is expected to be £140k, however this has been offset by an overaccrual of £80k brought forward from last year.

**24. Kitchens and Bathrooms – (£382k) underspend**

Validation of works, and tenant refusal of works has meant that fewer kitchens and bathrooms are needed than originally estimated. There is therefore an underspend of £382k against budget. The level of budget needed going forward will be reviewed as further data is received on stock condition.

**25. Major Voids – (£65k) underspend**

Spend on major voids is in nature responsive and the numbers of major voids have varied greatly throughout the year. An underspend of £65k is currently expected.

**26. Compliance – (£348k) underspend**

This budget is allocated for a number of compliance issues such as asbestos removal. Asbestos removal is directly linked to major works as the removal happens in conjunction with the works. It is estimated to cost £163k less than budget in this year, as the level of major works is lower. Other parts of this budget include and remedial capital works linked to Fire Risk Assessments, which although no works have been required from this budget (although new fire doors have been fitted within the doors budget line), may be needed in future years as Fire Risk Assessments are routinely reviewed.

An allowance was also made for funding to make good homes where fires have been removed under compliance. For efficiency, some of this work has been undertaken through the Central Heating work stream.

**27. Doors and Windows – (£16k) underspend**

The replacement of doors and windows is largely on target for the year.

**28. Electrical Works – £54k overspend**

A number of communal areas have been rewired which has increased the cost of electrical works in year. This has been funded from underspends elsewhere in major works.

29. Insulation – (£122k) underspend

A programme of works is being formulated to ensure available grants utilised, and ensuring the most beneficial use of the available funding. This has unfortunately been delayed due to staffing changes.

30. Renewable Heating – (£569k) underspend

A large sum of £569k is being reported as an underspend in Renewable Heating. This sum is in dispute with the contractor that completed the works in 2014. With no response forthcoming from the contractor to resolve the situation, the accounting entry will not be carried forward into next year. Provision will be made for the sum (which would show in revenue), which will be called on should the claim be settled. This will lead to an underspend being shown on the capital renewable heating line, with the revenue cost of the provision being offset from reducing the RCCO needed to fund the capital programme. The bottom line of the HRA will therefore be unaffected.

31. Non Traditional Properties – (£161k) underspend

Refurbishment of 16 non traditional homes is expected by the end of the year, however this is lower than budgeted due to a change in contractor.

32. Door Entry – (£11k) underspend

The installation of door entry systems in communal blocks is currently expected to be mostly on target. This work is programmed to overlap with other works streams, some of which have been delayed and so there is potential that it may slip into early 2018/19.

33. External Works – (£817k) underspend

Due to issues with the contractor and reduced works possible over winter months it has not been possible to catch up with works following a late start on site. This has led to an expected £817k underspend in 2017/18.

34. Any slippage in contracts at this point in the year will lead to a revised programme over the medium term and so has not been included in the slippage figures. Remaining funding will remain in the Major Repairs Reserve and will be used to fund capital works over the coming years.

35. **New Build and Development – (£48k) slippage**

2017/18 has seen the completion of the final phases at Top of Town and the completion of the mixed tenure scheme at Chapel Street, Cam. Some final consultant fees a number of our completed schemes have also been due during the year.

The New Build and Development Programme has been reprofiled, as recommended by Housing Committee in December. It is expected that a small carry forward of £48k will be required at the end of the year. This is largely due to allowances made for additional amounts on new build sites which have not yet been agreed. They have therefore been taken out of the forecast for 2017/18.

**36. Sheltered Housing Modernisation– (£52k) slippage**

The Sheltered Housing Modernisation Project has been reprofiled, as recommended by Housing Committee in December. Delays in the procurement of a contractor for the works at Sherborne House, mean that slippage is likely in the region of £52k.

37. Further detail on the capital programme can be found in the Capital Project Monitoring report.

## STRATEGY AND RESOURCES COMMITTEE

12 APRIL 2018

**8b**

<b>Report Title</b>	<b>General Fund Revenue and Capital Budget Monitoring Report 2017/18 (28 Feb 2018)</b>
<b>Purpose of Report</b>	To present to the Committee a forecast of the outturn position against the revenue budget and capital programme for 2017/18.
<b>Decision(s)</b>	<b>The Committee RESOLVES</b> to note the outturn forecast for the General Fund Revenue budget and Capital Programme
<b>Consultation and Feedback</b>	Budget holders have been consulted about the budget issues in their service areas. The feedback has been incorporated in the report to explain differences between budgets and actual income and expenditure.
<b>Financial Implications and Risk Assessment</b>	<p>The report sets out the outturn forecast on the General Fund revenue budget and is projected to underspend by £663k at year end. However, there remains some uncertainty around the final outturn position at this stage, particularly given the likely financial performance on the Multi-Service contract and the final outturn for Revenues and Benefits</p> <p>The General Fund Budget 2018-19, Capital Programme And Medium Term Financial Plan report to Council in January 2018 set out a number of unfunded budget pressures. The report proposes that the net underspend on the General Fund (surplus) is allocated to earmarked reserves which will provide one-off funding to mitigate these budget pressures in 2018/19.</p> <p>The final outturn position, to be reported to members of the committee in May 2018, is likely vary from that shown here. In line with the statement above, any increases in the surplus would be allocated to reserves to these budget pressures.</p> <p>The General Fund capital programme is forecast to underspend by £0.974m. With the exception of the funding for Disabled Facilities Grants, which is returned to the County Council as part of the Better Care Fund, the remaining forecast underspends will be treated as capital slippage and reprofiled across the capital programme.</p>

<b>Financial Implications and Risk Assessment</b> Continued/...	David Stanley – Accountancy Manager (s151 Officer) Tel: 01453 754100 Email: <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a>
<b>Legal Implications</b>	The committee has responsibility on behalf of the Council to monitor and review the Council's income and expenditure during the financial year against the Council's budget.  Craig Hallett, Solicitor & Deputy Monitoring Officer Tel: 01453 754364 Email: <a href="mailto:craig.hallett@stroud.gov.uk">craig.hallett@stroud.gov.uk</a> (Ref: rc28.3d29.3)
<b>Report Author</b>	Adele Rudkin, Accountant Tel: 01453 754109 Email: <a href="mailto:adele.rudkin@stroud.gov.uk">adele.rudkin@stroud.gov.uk</a>
<b>Performance Management Follow Up</b>	Budgets have been continually monitored on a regular basis by budget holders and supported by Finance. The outturn position will be reported to Strategy and Resources committee in May 2018

1. This report provides the second monitoring position statement for the financial year 2017/18, figures have been updated to include all transactions up to 28 February 2018 in order to provide the committee with meaningful data. The purpose of this report is to notify members of any known significant variations to budgets for the current financial year, highlight any key issues, and to inform members of any action to be taken if required.
2. **Due to the volume of information contained in the report, it would be helpful where members have questions on matters of detail if they could be referred to the report author or the appropriate service manager before the meeting.**

### Revenue Budget position

3. The original net General Fund Revenue budget for 2017/18 was approved by Council at their meeting in February 2017 including budget proposals of the administration.
4. The latest budget for Strategy and Resources Committee is £5.936m.
5. The monitoring position for Strategy & Resources at 28 February 2018 shows a projected net **underspend of (£2k)**. Taking into account the variation reported to Community Services and Licensing, Housing and Environment committees, the overall position on the General Fund is a net **underspend of (£663k)**. Appendix A provides an overview of both the committee's budget and the General Fund position.

**Table 1 – General Fund Revenue Position**

<b>GENERAL FUND</b>	<b>Para Refs</b>	<b>2017/18 Original Budget (£'000)</b>	<b>2017/18 Revised Budget (£'000)</b>	<b>2017/18 Forecast Outturn (£'000)</b>	<b>2017/18 Outturn Variance (£'000)</b>
Community Services Committee		3,701	3,809	3,330	(479)
Housing Committee		562	573	537	(36)
Environment Committee		5,124	5,093	5,194	100
Strategy & Resources Committee		6,104	5,936	5,934	(2)
Accounting Adjustments		565	1,801	1,801	0
<b>Net Service Revenue Expenditure</b>		<b>16,056</b>	<b>17,213</b>	<b>16,796</b>	<b>(416)</b>
Other Operating Income & Expenditure	24	(630)	(2,152)	(2,399)	(247)
Funding from Govt Grants/Council Tax		(15,052)	(15,072)	(15,072)	0
<b>TOTAL General Fund</b>	<b>6</b>	<b>374</b>	<b>(11)</b>	<b>(674)</b>	<b>(663)</b>

6. **Impact of position on reserves** – as can be seen in the table above, the forecast outturn position, if replicated at the end of the financial year, will lead to a surplus on the General Fund of £663k.
7. Members will recall from the Budget and Medium Term Financial Plan report to Council in January 2018, there are a number of unfunded budget pressures likely in 2018/19. These include the cost of the Ubico Multi Service contract, Workforce Planning, and ICT Salaries.
8. As such, it is proposed that the surplus on the General Fund is set aside against these budget pressures. Therefore, it is proposed that £400k is transferred to a new earmarked reserve to mitigate cost pressures on the Ubico Contract, with £250k transferred to the workforce planning reserve to provide further resources to fund costs associated with the Workforce plan. These costs are likely to be significant over the medium term, and a further review of the level of resource required to implement the workforce plan will be undertaken in the first half of the financial year.



**Table 2 – Revenue budgets Strategy & Resources Committee 2017/18**

<b>Strategy &amp; Resources Committee</b>	<b>Para Refs</b>	<b>2017/18 Original Budget (£'000)</b>	<b>2017/18 Revised Budget (£'000)</b>	<b>2017/18 Forecast Outturn (£'000)</b>	<b>2017/18 Outturn Variance (£'000)</b>
Investment Assets	14	(19)	(13)	37	50
Other Assets		14	46	48	2
Car Parks	15	(422)	(416)	(463)	(47)
Head of Property Services		82	82	67	(14)
Property Services Team	16	337	326	291	(35)
Facilities Management	17	801	799	763	(36)
Democratic Representation and Management	18	440	418	358	(60)
Resources and Finance - Direct Spend		1,604	1,589	1,572	(18)
Chief Executive		189	189	193	4
Strategic Head (Corporate Services)		46	46	46	0
Corporate Services (HR & BS)	19	630	591	580	(11)
Corporate Services (Legal)	20	616	585	523	(62)
Strategic Head (Finance and Business Services)	21	111	0	25	25
Finance and Business Services	22	722	742	787	45
ICT & Business Projects	23	953	953	1,109	155
<b>Strategy &amp; Resources TOTAL</b>		<b>6,104</b>	<b>5,936</b>	<b>5,934</b>	<b>(2)</b>

9. The table below outlines the key variances for this Committee

**Table 3 - Headline Budget variances**

<b>Strategy &amp; Resources Committee</b>	<b>Para Refs</b>	<b>Overspend / (Underspend) (£'000's)</b>
<b>Investment Assets</b>	14	
Industrial Units - Phase 4		55
<b>Property Services Team</b>	16	
Property Services - Salary underspend		(35)
<b>Car Parks</b>	15	(47)
<b>Democratic Representation and Management</b>		
Members Expenses		(31)
<b>Corporate Services (HR etc)</b>	19	
Human Resources - Salary Underspend		(52)
Business Services		133
Policy & Review		(89)
<b>Corporate Services (Legal)</b>	20	
Legal Services		(44)
<b>Strategic Head (Finance and Business Services)</b>	21-22	
Strategic Head -Overspend		25
Financial Services		45
<b>ICT &amp; Business Projects</b>	23	
Business Projects - Salary Underspend		(61)
ICT - Salary Overspend		217
<b>Strategy &amp; Resources TOTAL</b>		<b>115</b>

### Capital Programme

10. The 2017/18 Capital Programme of £16.431m was approved by Council in January 2017. This has subsequently been revised to £17.712m following approval of the carry forwards/slippage and profiling changes by Strategy and Resources Committee at their meeting in June 2017. Re-profiling of certain schemes were considered by members in January 2018 and revised budget was set at £14.034m.

11. Table 2 below shows the Capital Forecast position at the end of February 2018 for Strategy & Resources Committee and shows a projected Outturn of £2.673m.

**Table 5 – Strategy & Resources Capital Schemes**

Strategy & Resources Capital Schemes	2017/18 Revised Budget (£'000)	2017/18 Spend to date (£'000)	2017/18 Projected Outturn (£'000)	2017/18 Outturn Variance (£'000)
Housing Initiatives	848	848	848	0
Brimscombe Port Redevelopment	450	264	264	(186)
Littlecombe Business Units	1,850	1,231	1,561	(289)
<b>TOTAL S&amp;R Capital</b>	<b>3,148</b>	<b>2,343</b>	<b>2,673</b>	<b>(475)</b>

12. A full breakdown of the Capital Programme can be found in Appendix A. The table identifies the level of capital expenditure to the end of February 2018. Whilst Budget holders have been consulted and have provided projected outturn figures for the end of the financial year.

13. The General Fund capital programme is forecast to underspend by £0.974m (as shown in Appendix A). With the exception of the funding for Disabled Facilities Grants, which is returned to the County Council as part of the Better Care Fund, the remaining forecast underspends will be treated as capital slippage and reprofiled across the capital programme.

#### STRATEGY AND RESOURCES COMMITTEE

##### 14. Investment Asset – £50k overspend

(Alison Fisk xtn 4430) [alison.fisk@stroud.gov.uk](mailto:alison.fisk@stroud.gov.uk)

This variance is attributable to Phase 4 Oldends Lane Industrial Estate. There are currently two vacant units which are on the market, as a result there is a shortfall in income. The units are proving more difficult to let than usual because the Councils head lease expires in 2 years so only short term leases can be offered. In addition there is some non-recoverable expenditure that the Council has to fund because of the two vacant units.

##### 15. Car Parks – (£47k) additional income

(Mike Hammond xtn 4447) [mike.hammond@stroud.gov.uk](mailto:mike.hammond@stroud.gov.uk)

The additional revenue is due to an increase in tariffs which were introduced in October 2017. As part of the budget setting process the budgets were adjusted to reflect additional proposed income for 2018/19. There has been a slight decline in a few car parks regarding income streams which will be continued to be monitored in order to establish whether this is a trend, or just down to customer choice.

##### 16. Property Services Team – (£35k) underspend/income surplus

(Alison Fisk), xtn 4430 [alison.fisk@stroud.gov.uk](mailto:alison.fisk@stroud.gov.uk)

A predicted underspend of (£22k) is forecast on salaries within Property Services. This is an in year salary saving due to vacancies arising for a Business Support Officer post. The service has recently undertaken a review of its establishment and a new approved structure has been implemented. Any permanent savings were dealt with within phase 1 of the workforce plan. The remaining variation is

additional income received from the S106 Coopers Edge agreement for SDC's Officers' professional fees.

**17. Facilities Management – (£36k) underspend/additional income**

(Mike Hammond xtn 4447) [mike.hammond@stroud.gov.uk](mailto:mike.hammond@stroud.gov.uk)

There is a (£24k) saving within salaries. This is due to a number of in year vacancies with post holders leaving and a post that has not been filled. The structure within the service is currently under review as part of the workforce plan. The remaining variance is additional income from the letting BB3. This income will be reflected in the 2018/19 budgets.

**18. Democratic Representation and Management - (£60k) underspend**

(Karen Trickey, xtn 4369, [karen.trickey@stroud.gov.uk](mailto:karen.trickey@stroud.gov.uk))

(Hannah Emery, xtn 4383), [hannah.emery@stroud.gov.uk](mailto:hannah.emery@stroud.gov.uk))

**Members Expenses – (£31k) underspend**

There is a general underspend on a range of costs within the service. The two main areas are around 'other course & seminars' and 'internal catering'. A reduction to these budgets has been reflected in the 2018/19 budget setting process.

The remaining variance is due to cumulative small underspends within Elections and Democratic Representation and Management.

**19. Corporate Services – (£11k) underspend**

HR (£52k) underspend - (Lucy Powell, xtn 4286), [lucy.powell@stroud.gov.uk](mailto:lucy.powell@stroud.gov.uk)

Business Services £44k overspend–(Tim Power,xtn 4155)

[tim.power@stroud.gov.uk](mailto:tim.power@stroud.gov.uk)

Whilst the overall variance is insignificant, there are some larger offsetting variances that need to be considered.

There are two main areas of underspend in HR, (£38k) of the variance is related to vacant corporate apprentice posts and (£18k) on Skills for Stroud budget, which includes the cost of delivering the Ambitions career event.

The remaining variance are costs associated with the staffing resource of the Change Team of £133k, with a proportion of this being offset from the existing Policy & Review budget of (£89k).

**20. Corporate Services – Legal (£62k) underspend**

(Karen Trickey, xtn 4369, [karen.trickey@stroud.gov.uk](mailto:karen.trickey@stroud.gov.uk))

The salary variation of (£40k) is in relation to two career graded posts and a third post that is currently on phased retirement. There have been additional savings from backfilling maternity leave by an increase in grade of an existing post.

There is a general underspend within Democratic Services of (£18k) over a cumulative range of costs. These areas of savings have been reflected in the 2018/19 budget setting process.

**21. Strategic Head (Finance and Business Services) – £25k overspend**

(David Stanley xtn 4100), [david.stanley@stroud.gov.uk](mailto:david.stanley@stroud.gov.uk)

The budget variation shown here is in relation to costs associated with Strategic Financial Support to the Council, costs related to the recruitment of the Head of Finance post, and the redundancy costs of the Finance Officer post.

## **22. Financial Services – £45k overspend**

(David Stanley xtn 4100), [david.stanley@stroud.gov.uk](mailto:david.stanley@stroud.gov.uk)

The variation is attributable to ongoing support from an external 3<sup>rd</sup> party consultant prior to the system upgrade of the Council's Agresso financial system. Considerable work has been required during the year to ensure that the current version of Agresso remains stable and functional.

The remaining element of the variation relates to additional staffing and recruitment costs for the Principal Accountant role, and transitional support for the 2016/17 Statement of Accounts.

## **23. ICT – £155k additional expenditure**

(Mark Fisher xtn 4258, [mark.fisher@stroud.gov.uk](mailto:mark.fisher@stroud.gov.uk))

(Sean Ditchburn xtn 4256. [sean.ditchburn@stroud.gov.uk](mailto:sean.ditchburn@stroud.gov.uk))

This overspend is made up of two major variances:

### **ICT - £217k overspend**

**£106k** is directly related to salaries. There has been an exceptionally high turnover of staff over the last year and recruitment of new staff has been particularly difficult in the current market. In order to run a 'business as usual' service, contractors have been employed to cover these vacancies. The two contractor posts currently cover two vacant STR6 posts, Principal Network Security Officer and a Principal Infrastructure Officer. There are also unbudgeted salary costs relating to the Head of ICT and Development Projects.

The additional overspend of **£111k** is due to the MS Office Licence annual maintenance costs that have increased sharply over the last few years and the ICON cloud based software solution. Members will recall that these budgets have been increased as part of the budget setting process for 2018/2019 to ensure IT software is fit for purpose to deliver efficient and effective services in the future.

### **Business Projects – (£61k) underspend**

This underspend is the vacant Business Development Officer post. This saving will offset the unbudgeted salary costs within ICT.

## **24. Corporate Income and Expenditure – (£247k) variation**

(David Stanley xtn 4100, [david.stanley@stroud.gov.uk](mailto:david.stanley@stroud.gov.uk))

The variation reported on this line refers to the additional £400k of budget provision that was made to support the Multi-Service contract. Rather than allocate directly to the service budget, it has been held as a contingency to ensure members are aware of the underlying budget variation against the contract.

When taken against the variations reported within Environment committee's budgets, it could be seen that the Multi-Service contract is working within it

increased level of resource. However, members should also note that this additional resource will reduce from £400k in 2017/18 to £200k in 2018/19. As such, further action will be required from the budget holder to ensure the contract can remain close to or within its revised budget allocation next financial year.

The total variation on this reporting line takes into account the level of provisional carry forward requests made by budget holders. Therefore, it is proposed to transfer £178k to earmarked reserves so that this funding can be rolled forward into 2018/19.

The final element of the variation relates to the net underspend on the contingency budget of £25k.

**Table 5 – Strategy & Resources Committee Breakdown**

<b>Strategy &amp; Resources Committee</b>	<b>Para Refs</b>	<b>2017/18 Original Budget (£'000)</b>	<b>2017/18 Revised Budget (£'000)</b>	<b>2017/18 Forecast Outturn (£'000)</b>	<b>2017/18 Outturn Variance (£'000)</b>
Brunel Mall	14	(53)	(53)	(59)	(6)
Industrial Units	14	(16)	(16)	39	55
Brimscombe Port		50	50	50	0
Littlecombe site, Dursley		0	0	0	0
Gossington Depot		0	6	6	0
<b>Investment Assets</b>		<b>(19)</b>	<b>(13)</b>	<b>37</b>	<b>50</b>
Dursley Bus Station		(3)	(5)	(3)	2
Miscellaneous Properties and Land		17	50	50	0
<b>Other Assets</b>		<b>14</b>	<b>46</b>	<b>48</b>	<b>2</b>
<b>Car Parks</b>	15	<b>(422)</b>	<b>(416)</b>	<b>(463)</b>	<b>(47)</b>
<b>Head of Property Services</b>		<b>82</b>	<b>82</b>	<b>67</b>	<b>(14)</b>
Property Services	16	263	261	230	(31)
Asset Building Maintenance	16	74	65	62	(3)
<b>Property Services Team</b>		<b>337</b>	<b>326</b>	<b>291</b>	<b>(35)</b>
Facilities Management		212	212	188	(24)
Ebley Mill		497	495	483	(12)
Emergency Management		92	92	92	(0)
<b>Facilities Management</b>	17	<b>801</b>	<b>799</b>	<b>763</b>	<b>(36)</b>
Members Expenses	18	371	371	340	(31)
Democratic Representation and Management	18	(167)	(167)	(179)	(12)
Electoral Registration	18	124	109	120	11
Elections	18	109	101	75	(27)
Youth Councils		3	3	2	(1)
<b>Democratic Representation and Management</b>		<b>440</b>	<b>418</b>	<b>358</b>	<b>(60)</b>
Past Service Pension Costs/Central Budget Alloc		1,607	1,591	1,591	0
Corporate Management		(22)	(22)	(22)	0
Pension Costs		49	49	49	0
Land & Property Custodian		(29)	(29)	(47)	(18)
<b>Resources and Finance - Direct Spend</b>		<b>1,604</b>	<b>1,589</b>	<b>1,572</b>	<b>(18)</b>
<b>Chief Executive</b>		<b>189</b>	<b>189</b>	<b>193</b>	<b>4</b>

<b>Strategy &amp; Resources Committee</b>	<b>Para Refs</b>	<b>2017/18 Original Budget (£'000)</b>	<b>2017/18 Revised Budget (£'000)</b>	<b>2017/18 Forecast Outturn (£'000)</b>	<b>2017/18 Outturn Variance (£'000)</b>
<b>Strategic Head (Corporate Services)</b>		<b>46</b>	<b>46</b>	<b>46</b>	<b>0</b>
Human Resources	19	456	417	365	(52)
Business Services	19	0	0	133	133
Policy and Review	19	121	121	32	(89)
Marketing		53	53	51	(3)
<b>Corporate Services (HR etc)</b>		<b>630</b>	<b>591</b>	<b>580</b>	<b>(11)</b>
Legal Services	20	422	422	378	(44)
Democratic Services	20	132	100	82	(18)
Procurement		62	62	63	1
<b>Subtotal Corporate Services (Legal)</b>		<b>616</b>	<b>585</b>	<b>523</b>	<b>(62)</b>
<b>Strategic Head (Finance and Business Services)</b>	<b>21</b>	<b>111</b>	<b>0</b>	<b>25</b>	<b>25</b>
Financial Services	22	722	742	787	45
Business Projects	23	62	62	0	(61)
Information & Communication Technology	23	892	892	1,108	217
<b>Subtotal Finance and Business Services</b>		<b>1,675</b>	<b>1,695</b>	<b>1,895</b>	<b>200</b>
<b>Strategy &amp; Resources TOTAL</b>		<b>6,104</b>	<b>5,936</b>	<b>5,934</b>	<b>(2)</b>



## Community Services & Licensing Committee

**Table 6 – Community Services & Licensing Committee outturn forecast**

Community Services Committee	Para Refs	2017/18 Original Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Forecast Outturn (£'000)	2017/18 Outturn Variance (£'000)
Community Safety	25	382	371	295	(76)
Youth Services		99	99	87	(12)
Grants to Voluntary Organisations		337	337	337	0
Licensing		(69)	(69)	(73)	(4)
Strategic Head (Customer Services)	26	132	132	156	24
Customer Services		386	386	398	12
Cultural Svcs - Arts and Culture	27	787	792	717	(76)
Cultural Svcs - Sport & Health Dev.		153	177	178	1
Cultural Svcs - Sports Centres	28	172	233	88	(144)
Public Spaces		1,037	1,067	1,068	2
Revenues and Benefits	29	284	284	78	(206)
<b>Community Services TOTAL</b>		<b>3,701</b>	<b>3,809</b>	<b>3,330</b>	<b>(479)</b>

### **25. Community Safety – (£76k) underspend**

(Mike Hammond 4447, [mike.hammond@stroud.gov.uk](mailto:mike.hammond@stroud.gov.uk))

This underspend is made up of several variances across the service.

#### **Careline services – (£22k) underspend**

The Careline service is currently run by 1.5 FTE staff. The service also had a maintenance contract with Tunstall that was costing in excess of £30k pa. A detailed analysis was undertaken which proved it was more cost effective to renew faulty units with new machines if required. Officers now deal with all queries in house with the assistance of the on-call officer for facilities and the Neighbourhood Wardens. Following the Community Services review any permanent saving will be looked at as part of the revised budget setting process.

#### **Neighbourhood Warden Service – (£23k) underspend**

This variation is due to an in year salary saving for a Warden's post. The post has now been recruited to but with a delayed start date.

#### **Car Park Enforcement – (£26k) underspend**

An underspend within the salaries budget has been forecast. There have been difficulties in recruiting to the positions even though the vacancies had been placed with recruitment agencies and the industry journal. A subsequent advert with a new job title, Car Park Officer rather than Civil Enforcement Officer resulted in the two current officers who are now in post. Due to this staffing gap, enforcement had reduced, resulting in a decrease in issuing of PCN's. Neighbourhood Wardens have helped cover in the interim by building a small amount of the workload into their normal shift. The Car parking staffing is now well established and an increase in PCN's issued, has been recorded.

There is an additional (£5k) saving on the Hardwicke Youth project which is proposed to be carried forward to 2018/19 to support the programme.

## **26. Strategic Head Customer Services – £24k overspend**

(Joanne Jordan 4005, [joanne.jordan@stroud.gov.uk](mailto:joanne.jordan@stroud.gov.uk))

This overspend is directly related to the consultancy and associated costs of the Subscription Rooms review.

## **27. Cultural Svcs - Arts & Culture – (£76k) underspend**

(Joanne Jordan 4005, [joanne.jordan@stroud.gov.uk](mailto:joanne.jordan@stroud.gov.uk))

### **Subscription Rooms – (£58k) underspend**

There are a number of significant offsetting variances which make up the overall variance.

Salary savings of (£35k) are forecast. This is due to in year vacancies, minimising casual staff costs and the use of agency staff.

The remaining variance (£23k) is a combination of collective underspends across the budgets together with a small increase in net event income. This was achieved by attracting higher quality acts which incurred higher expenditure. This has been offset by achieving higher ticket prices and increased bar takings. Improvements have also been made to the online booking system that have seen internet sales almost doubled over this financial year.

A report on the future running of the Subscription Rooms will go to Strategy and Resources Committee 12 April 2018. Pending this decision bookings are only being taken up to Dec 2018.

### **Tourism – (£15k) underspend**

This variance is due to cumulative small underspends across the Tourism budgets.

## **28. Cultural Svcs – The Pulse Dursley – (£147k) additional income**

(Angela Gillingham 01453 540995, [angela.gillingham@stroud.gov.uk](mailto:angela.gillingham@stroud.gov.uk))

2017/2018 has been a fantastic year of business for The Pulse. Targets have been exceeded in all areas and we would look to continue this direction going forward by adopting a structured and reactive approach to trends and community needs.

Looking to the future we plan to increase our social media awareness and improve aspects of our website to make it as accessible and interactive as it can be for present and future customers.

The additional income variation is directly attributable to the continued growth in the take up of both swimming lessons and gym memberships in 2017-2018.

This has been achieved due to a planned approach to marketing of memberships and fitness classes, along with looking at 'up and coming' trends and staple favourites to reach a wider audience.

A 50 week programme has also been introduced for lessons and on line access for parents to top up lessons and view their children's progress.

An increase in demand for children's holiday activities has also realised additional income.

Continued staff development in swimming teaching and fitness enables the very best service to be offered to our cliental.

## **29. Revenues and Benefits – (£206k) underspend**

(Simon Killen xtn 4013, [simon.killen@stroud.gov.uk](mailto:simon.killen@stroud.gov.uk))

The current forecast has identified salary savings within Revenue and Benefits. This is due to a number of vacancies arising within the team through retirement, general staff turnover and reduction of hours. Posts have not been filled permanently due to the work being absorbed within existing teams as well as utilising the CIVICA on-demand service, for off-site processing within Benefits.

Income surplus relates to the work undertaken around in-house enforcement (bailiffs) for Council Tax, Business Rates and Car Parking debts. This service was bought back in-house with estimated net income of £50k from this work for 2017/18.

The future remains uncertain within benefits, particularly as we now head towards the Universal Credit full service in October 2017 and the impact that will have on demand and workload. The potential risk around workload is that there may be a decrease in the number of cases processed directly by the Revenues and Benefits team. However, the introduction of Universal Credit across the district may mean recipients move in/out of eligibility frequently during the year so the 'churn' within the system increases both in volume and complexity.

The subsidy system estimates are prepared using the actual data at a specific point in time. E.g. Initial forecast due in on 1<sup>st</sup> March will be prepared using figures April to January. Due to the large sums involved any variation will be a big figure, even if it is a small percentage. The estimate for this year 2017-18 was complicated by the fact that we knew Universal Credit (UC) full service was due to start on 04/10/2017, and there would be a gradual downward turn in Housing Benefit (HB) claims as people moved from HB to UC due to changes in their individual circumstances. Trying to estimate the rates of change has proved very difficult; we have no prior year data to use to try and estimate a trend. Coupled with the decrease in caseload is the fact that private rent thresholds have been frozen since 2016, and social housing rents are subject to a -1% decrease in core rents year on year 2016-2020. It is also worth noting that legislative changes to the way in which Homeless Housing Benefit claims are funded through the subsidy system, there is an increased cost to authority in the current year of around £30k as the subsidy no longer covers all of the Council's expenditure.

**Table 7 – Community Services and Licensing Breakdown**

<b>Community Services Committee</b>	<b>Para Refs</b>	<b>2017/18 Original Budget (£'000)</b>	<b>2017/18 Revised Budget (£'000)</b>	<b>2017/18 Forecast Outturn (£'000)</b>	<b>2017/18 Outturn Variance (£'000)</b>
Community Safety		65	70	52	(18)
Abandoned Vehicles		5	5	8	3
Careline Services	25	(31)	(31)	(53)	(22)
Neighbourhood Wardens	25	235	241	218	(23)
Car Parks Enforcement	25	68	46	20	(26)
Stroud and Dursley CCTV		41	41	50	10
<b>Community Services</b>		<b>382</b>	<b>371</b>	<b>295</b>	<b>(76)</b>
<b>Hear by Right / Youth Services</b>		<b>99</b>	<b>99</b>	<b>87</b>	<b>(12)</b>
<b>Grants to Voluntary Organisations</b>		<b>337</b>	<b>337</b>	<b>337</b>	<b>0</b>
<b>Licensing</b>		<b>(69)</b>	<b>(69)</b>	<b>(73)</b>	<b>(4)</b>
<b>Strategic Head (Customer Services)</b>	26	<b>132</b>	<b>132</b>	<b>156</b>	<b>24</b>
<b>Customer Service Centre</b>		<b>386</b>	<b>386</b>	<b>398</b>	<b>12</b>
Museum in the Park		417	437	434	(3)
Subscription Rooms	27	223	209	151	(58)
Tourism	27	147	147	132	(15)
<b>Cultural Services - Arts and Culture</b>		<b>787</b>	<b>792</b>	<b>717</b>	<b>(76)</b>
Health and Wellbeing		35	39	39	0
Sport and Health Development		119	138	140	1
<b>Cultural Services - Sports and Leisure</b>		<b>153</b>	<b>177</b>	<b>178</b>	<b>1</b>
The Pulse Dursley	28	(6)	31	(117)	(147)
Joint Use Sports Centres		59	61	59	(1)
Stratford Park Leisure Centre		119	142	146	4
<b>Cultural Services - Sports Centres</b>		<b>172</b>	<b>233</b>	<b>88</b>	<b>(144)</b>
Public Space Service		300	300	298	(1)
Cemeteries		24	25	33	7
Amenity Areas		127	126	131	5
Commons and Woodlands		14	14	14	(0)
Stratford Park Grounds Maintenance		180	214	228	14
Grassed Areas Contribution to HRA		170	170	170	0
Public Conveniences		223	219	196	(23)
<b>Public Spaces</b>		<b>1,037</b>	<b>1,067</b>	<b>1,068</b>	<b>2</b>
Business Rate Collection		(109)	(109)	(97)	12
Council Tax Collection		256	236	254	18
Council Tax Support Admin		64	64	22	(42)
Rent Allowances and Rebates		(77)	(77)	(172)	(95)
Housing Benefit Administration		150	170	71	(99)
<b>Revenues and Benefits</b>	29	<b>284</b>	<b>284</b>	<b>78</b>	<b>(206)</b>
<b>Community Services TOTAL</b>		<b>3,701</b>	<b>3,809</b>	<b>3,330</b>	<b>(479)</b>

## Housing Committee

**Table1 – General Fund Revenue budgets Housing Committee 2017/18**

Housing Committee	Para Refs	2017/18 Original Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Forecast Outturn (£'000)	2017/18 Outturn Variance (£'000)
Homelessness	31	259	259	255	(4)
Housing Strategy		89	110	93	(18)
Private Sector Housing		214	204	189	(14)
<b>Housing (General Fund) TOTAL</b>		<b>562</b>	<b>573</b>	<b>537</b>	<b>(36)</b>

30. The table below outlines the key variances for this Committee.

**Table 2 - Headline Budget variances**

Housing Committee	Para Refs	Overspend / (Underspend) (£'000's)
<b>Homelessness</b>	31	
Salary underspend		(24)
Bed and breakfast expenditure		90
Bed and breakfast income		(66)
Additional grant income – request to transfer to EMR		(65)

**31. Homelessness – (£4k) underspend**

(Phil Bishop extn 4063, [phillip.bishop@stroud.gov.uk](mailto:phillip.bishop@stroud.gov.uk))

Salary savings of £24k have been identified across Housing Advice and Homelessness Prevention. This is largely due to delays in recruiting to vacant posts.

Spend on bed and breakfast continues to be higher than budgeted, however this is partially offset by income from corresponding Housing Benefit claims. With the rollout of full Universal Credit in the district, the income received going forward is likely to reduce which could create an ongoing pressure within the service.

Two additional grants have been received in 2017/18. Grant funding of £22k has been received as new burdens funding for the Homelessness Reduction Act (three year grant). This will be used to fund a part time post to support the additional duties of the Homelessness Reduction Act.

A £63k Flexible Homelessness Support Grant (two year grant) will be used to fund an additional full time post for the length of the grant funding. Part of the grant has been used in year to partially offset the additional cost of Bed & Breakfast (£10k), and £10k towards homelessness prevention.

As these grants were not received until partway through the year and recruitment for the new posts is underway, it is proposed that the remaining grant (£43k Flexible Homelessness Grant and £22k new burdens funding) is transferred to an earmarked reserve and allocated to fund the posts in future years.

## Environment Committee

**Table 9 – Environment Committee Revenue budget outturn forecast**

Environment Committee	Para Refs	2017/18 Original Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Forecast Outturn (£'000)	2017/18 Outturn Variance (£'000)
Canal		7	7	7	0
Strategic Head (Development Services)		115	115	115	0
Head of Environmental Health		69	69	71	2
Environmental Health	32	837	870	662	(208)
Statutory Building Control	33	168	168	168	(0)
Planning Strategy/Local Plan	34	319	304	275	(28)
Development Control	35	182	182	103	(79)
Economic Development		187	160	142	(19)
Carbon Management		93	71	61	(10)
Waste and Recycling	36	2,546	2,546	2,952	406
Street Cleansing	36	601	601	638	37
<b>Environment TOTAL</b>		<b>5,124</b>	<b>5,093</b>	<b>5,194</b>	<b>100</b>

### 32. Environmental Health – (£208k) underspend/income surplus

(Jon Beckett xtn 4443, [jon.beckett@stroud.gov.uk](mailto:jon.beckett@stroud.gov.uk))

There are a number of variations that make up this underspend.

#### Salaries

A (£52k) saving has been forecast on salaries. There have been a number of in year vacancies that have now been filled or in the process of being recruited to. Any permanent savings have been dealt with through the workforce plan and taken out as part of the budget setting process.

**Land Drainage** – An (£80k) underspend is partly due to monies carried forward from previous years external funding from the County Council to fund land drainage enforcement work. It was intended to use the fund as matched funding for a bid for European funding for the Stroud valleys initiative, however unfortunately the bid was not successful. This is proposed to be carried forward for future match funding projects.

The income surplus of (£60k) is a combination of funding from the Environment Agency for flood prevention projects and S.106 monies for flood prevention work. For various reasons outside the control of the council, the projects will not be ready for delivery this year. This will be proposed as a carry forward for 2018/19.

**Contaminated Land** – There has been a (£17k) saving due to fewer contaminated land samples requiring analysis this year and specialist consultancy services not being required.

General savings have been achieved generally across the service, the most significant being in relation to professional training and seminars

which although not required this year, will be required in future years due to staff being recently employed in career development posts.

### **33. Statutory Building Control – (£210k) underspend/income surplus**

(Paul Bowley xtn 4250, [paul.bowley@stroud.gov.uk](mailto:paul.bowley@stroud.gov.uk))

Gloucestershire Building Control Partnership is a shared service with Gloucester City Council and hosted by Stroud. The service is provided under the auspices of the Building Act 1984, an element of the service is in competition with the private sector. The shared service was established on the 1<sup>st</sup> July 2015 and has resulted in an increase in income due to receiving applications from both Stroud and Gloucester areas.

There are in year salary savings of (£160k) as a result of 3 vacancies (Building Control Technician, Building Control Surveyor and a Principal post). Two of these posts have recently been filled. The Building Control Surveyor post will be reviewed against workload midway through 18/19. Any surplus/deficit will be transferred in to the trading account to re invest in the building control service

### **34. Planning Strategy – (£28k) underspend/income surplus**

(Mark Russell xtn 4305, [mark.russell@stroud.gov.uk](mailto:mark.russell@stroud.gov.uk))

The underspend reflects delays in commissioning studies on future housing and commercial land need whilst changes to Government planning policy were awaited. The Government is now intending to finalise changes to the NPPF in summer 2018 after which these studies can be commissioned. The expectation is that any underspend will be transferred into a Local Plan Reserve Fund to facilitate expenditure in future years.

Increased income is based on the decision of Government in March 2017 to make a grant payment for 2016/17 and for subsequent years to each local authority to reflect the new burden of producing an annual Brownfield Register. The first Register was completed by the Planning Strategy team by December 2018. The award letter referred to a payment for 2016/17 of £14,645 with further grant payments for 2017/18, 2018/19 and 2019/20, the amount of funding from 2016/17 onwards to be kept under review.

### **35. Development Control – (£79k) underspend / income surplus**

(Geraldine LeCointe xtn 4233, [geraldine.lecointe@stroud.gov.uk](mailto:geraldine.lecointe@stroud.gov.uk))

There are a number of reasons for the net variation on this budget which are outlined below.

Application Fees are forecasting a healthy surplus of (£169k). This additional income is based on the number and type of applications received at this time with the expected outcome similar to 2016/17. 2018/19 will also see an increase in all planning application fees by 20%.



There is a predicted Salary overspend of £36k. This variance is a year on year cost to cover additional staff directly employed to manage the planning application workload, which shows no signs of decreasing. This overspend is offset against the income surplus referred to above.

The Council's existing pre-application fee charges are significantly less than neighbouring districts and do not reflect the actual cost to the Council of providing this service to the public. The intention is to increase fees, principally for larger scale developments. Pre – application fees will be increased in April 2018. We intend to offer a high quality, efficient service, it is not anticipated that the fee increase will impact on the numbers of pre-application enquiries made, which is also increasing year on year.

### **36. Waste & Recycling – £406k overspend**

#### **Street Cleansing – £37k overspend**

(Carlos Novoth xtn 4406, [carlos.novoth@stroud.gov.uk](mailto:carlos.novoth@stroud.gov.uk))

#### **Section 151 Officer narrative**

The overall financial position on the Multi Service contract continues to put pressure on the Council's finances in the current financial year and over the medium term. Members will recall that £1.15m of additional funding was allocated in 2016/17 to support the increased costs of the Multi-Service Contract with Ubico and mitigate risk on a number of income streams.

The 2017/18 outturn position shown in this report is a worsened financial position. The net overspend on the Multi Service Contract is explained by the 2017/18 gross cost of the Ubico contract (£5.452m) which exceeds the available budget by around £820k. An additional £84k overspend has been forecast by Ubico, taking into account the additional income from Recycling Credits and the JWP Incentive Payment, there is a total projected net overspend on Multi-Service budgets of £492k. Members will recall that additional budget of £400k was approved for 2017/18.

The position for 2018/19 is likely to be worse for a number of reasons. The draft Ubico budget for 2018/19 shows an increase of £187k from £5.452m to £5.639m. This is, in part, offset by an improved level of income from incentive payments and recycling credits. Taking into account the planned reduction in the contingency budget of £200k (from £400k in 2017/18 to £200k in 2018/19), it is forecast that the Multi Service Contract will be overspent by £595k unless urgent decisions are taken around service provision options that reduce the net level of expenditure. Managers are currently in discussion with Ubico on a range of options.

Therefore, it would be prudent for Strategy and Resources committee, in reviewing the net General Fund position for 2017/18, to set aside funding in an earmarked reserve to provide some mitigating budgetary support in 2018/19 whilst service provision options to reduce costs are reviewed and implemented.

### **Non Ubico Service costs**

Owing to the success of the new waste services, there has been a limited need for promotional activities thereby allowing a saving of (£80k) on the budget. Similarly, a full saving of (£55k) has been made against the budget allocation for garden waste administration owing to the success of the subscription process. Costs associated with 'Recyclate Waste Disposal' should be read together with the income the council receives from the sale of recycling materials 'Recyclate Waste Disposal Income' as this will show that the net cost of sorting the council's recycling materials have reduced and has therefore resulted in a net under-spend of (£24k) on a net budget of £230k. A budget of £5k has been allocated for the purchase of black sacks for the street cleansing service.

### **Income**

The 'Joint Waste Partnership (JWP) Incentive payment' supports the reduction in landfilled waste through incentive payments; the reduction in overall waste, diversion of recycling materials, food waste and garden waste all contribute towards this aim. The forecast income demonstrates the success of the service as a whole. Whilst not to the same degree, additional income has also been generated through recycling credits. Additional income has also been generated from an increase in the Bulky waste charge from September 2017. Income from garden waste collections, whilst under budget is forecast to significantly improve (in excess of £400k) in future years owing to operational changes

**Table 10 – Environment Committee Breakdown**

Environment Committee	Para Refs	2017/18 Original Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Forecast Outturn (£'000)	2017/18 Outturn Variance (£'000)
<b>Environment Committee</b>					
<b>Canal Partnership</b>		7	7	7	0
<b>Strategic Head (Development Services)</b>		115	115	115	0
<b>Head of Environmental Health</b>		69	69	71	2
Environmental Health Team		149	149	127	(22)
Contaminated Land		32	32	16	(15)
Dog Warden Service		82	82	78	(4)
Environmental Protection		190	147	152	4
Food Safety		152	152	134	(18)
Health and Safety		88	88	75	(13)
Land Drainage		60	160	25	(134)
Public Health		41	44	31	(13)
Pest Control		28	2	11	9
Port Health		2	2	(0)	(2)
Planning Liaison		14	14	14	0
<b>Environmental Health</b>	32	<b>837</b>	<b>870</b>	<b>662</b>	<b>(208)</b>
Planning and Building Control Admin		255	255	256	0
Building Control		(128)	(97)	(97)	(0)
Securing Dangerous Structures		9	10	10	(0)
Building Regulation Enforcement / Advice		35	3	3	0
Street Naming		(4)	(4)	(4)	0
<b>Building Control</b>	33	<b>168</b>	<b>168</b>	<b>168</b>	<b>(0)</b>
Planning Strategy		319	304	275	(28)
Preparation of Core Strategy		0	0	0	0
<b>Planning Strategy/Local Plan</b>	34	<b>319</b>	<b>304</b>	<b>275</b>	<b>(28)</b>
Development Control		(94)	(94)	(187)	(93)
Trees		43	43	44	1
Conservation		58	58	64	6
Appeals		0	0	21	21
Planning Appeal Costs		70	70	67	(2)
Enforcement		108	108	94	(14)
Footpath Diversion		(2)	(2)	0	2
<b>Development Control</b>	35	<b>182</b>	<b>182</b>	<b>103</b>	<b>(79)</b>

<b>Environment Committee</b>	<b>Para Refs</b>	<b>2017/18 Original Budget (£'000)</b>	<b>2017/18 Revised Budget (£'000)</b>	<b>2017/18 Forecast Outturn (£'000)</b>	<b>2017/18 Outturn Variance (£'000)</b>
Economic Development		54	54	60	5
Market Town Projects		24	24	4	(20)
Regeneration		108	82	78	(4)
<b>Economic Development</b>		<b>187</b>	<b>160</b>	<b>142</b>	<b>(19)</b>
<b>Carbon Management</b>		<b>93</b>	<b>71</b>	<b>61</b>	<b>(10)</b>
Refuse Collection		1,203	1,116	1,306	190
Multi-Bank Recycling Sites		1,138	1,181	1,121	(60)
Recycling and Environmental Initiatives		205	250	525	275
<b>Waste and Recycling</b>	<b>36</b>	<b>2,546</b>	<b>2,546</b>	<b>2,952</b>	<b>406</b>
<b>Street Cleansing</b>	<b>36</b>	<b>601</b>	<b>601</b>	<b>638</b>	<b>37</b>
<b>Environment Total</b>		<b>5,124</b>	<b>5,093</b>	<b>5,194</b>	<b>100</b>

Table 4 for Committee Reports

	2017/18 Original Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Spend to date (£'000)	2017/18 Projected Outturn (£'000)	2017/18 Outturn Variance (£'000)
<b>Capital Programme Outturn</b>					
<b>Community Services</b>					
Stratford Park Lido	20	20	0	10	(10)
Stratford Park Sensory Garden	0	8	3	8	0
Community Buildings Investment	180	50	41	50	0
<b>Subtotal Community Services</b>	<b>200</b>	<b>78</b>	<b>44</b>	<b>68</b>	<b>(10)</b>
<b>Environment Capital Schemes</b>					
Canal	0	434	577	434	0
Stroud District Cycling & Walking Plan	50	0	0	0	0
Stroud Valleys Initiative	50	0	0	0	0
Market Town Centres Initiative fund	50	0	0	0	0
Wallbridge - Gateway	30	0	0	0	0
MSC - Vehicles	250	334	64	64	(270)
CMP - Ebley Mill Hydro	30	0	0	0	0
CMP - Heat & Power	0	141	153	153	12
<b>Subtotal Environment</b>	<b>460</b>	<b>909</b>	<b>794</b>	<b>651</b>	<b>(258)</b>
<b>Strategy &amp; Resources Capital Schemes</b>					
Homes for Rent	500	848	848	848	0
Brimscombe Port Redevelopment	450	450	264	264	(186)
Building Maintenance Backlog	1,500	1,850	1,231	1,561	(289)
<b>Subtotal Strategy &amp; Resources</b>	<b>2,450</b>	<b>3,148</b>	<b>2,343</b>	<b>2,673</b>	<b>(475)</b>
<b>Housing General Fund</b>					
Affordable Housing - Support to Registered Providers	139	120	90	90	(30)
Disabled Facilities Grant Scheme	250	330	211	226	(104)
Health through Warmth Grant	0	200	60	120	(80)
Private Sector Home Loan Scheme	0	60	43	43	(17)
<b>Subtotal Housing General Fund</b>	<b>389</b>	<b>710</b>	<b>404</b>	<b>479</b>	<b>(231)</b>
<b>TOTAL General Fund Capital Schemes</b>	<b>3,499</b>	<b>4,845</b>	<b>3,585</b>	<b>3,871</b>	<b>(974)</b>
HRA Schemes	12,482	9,189	3,905	6,490	(2,699)
<b>TOTAL Capital Schemes</b>	<b>15,981</b>	<b>14,034</b>	<b>7,490</b>	<b>10,361</b>	<b>(3,673)</b>

**STROUD DISTRICT COUNCIL**  
**STRATEGY AND RESOURCES COMMITTEE**

**AGENDA**  
**ITEM NO**

**12 APRIL 2018**

**9**

<b>Report Title</b>	<b>Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy</b>
<b>Purpose of Report</b>	To adopt the policy which provides a reasoned framework to tackle fraud and error across Gloucestershire.
<b>Decision(s)</b>	<b>The Committee RESOLVES:</b> <b>1. To adopt the Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy.</b> <b>2. To delegate to the Director of Customer Services to make minor alterations to the policy for the purposes of reflecting changes in legislation, changes to the Council's constitution or to address anomalies which may arise.</b>
<b>Consultation and Feedback</b>	This is a county wide policy set up in consultation and agreement with the other 5 Councils in Gloucestershire
<b>Financial Implications and Risk Assessment</b>	The report sets out the Penalty and Prosecution Policy to deal with matters arising from cases of fraud around Council Tax, Council Tax Support, and Housing Benefit. The policy provides officers with a framework that can be followed in such cases. Whilst the policy does allow for penalties to be charged, the intention of the policy is not primarily for revenue raising purposes. The Council has a duty to protect the public purse and ensure the proper use and protection of public funds and assets. This is set out in more detail in the Council's Anti-Fraud and Corruption Policy Statement and Strategy 2017-2019. David Stanley – Accountancy Manager (Section 151 Officer) Tel: 01453 754100 Email: <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a>

<b>Legal Implications</b>	The proposed policy will help to ensure that the Council takes an even-handed approach to the investigation and enforcement of the matters to which it refers. The specific legal implications are dealt with in the report and draft policy and there are therefore no additional implications to report here Mike Wallbank - Solicitor Advocate and Deputy Monitoring Officer Tel: 01453 754362 Email: <a href="mailto:mike.wallbank@stroud.gov.uk">mike.wallbank@stroud.gov.uk</a>
<b>Report Author</b>	Simon Killen – Revenue and Benefit Manager Tel: 01453 754013 Email: <a href="mailto:simon.killen@stroud.gov.uk">simon.killen@stroud.gov.uk</a>
<b>Performance Management Follow Up</b>	The scheme will be reviewed after one year.
<b>Background Papers/ Appendices</b>	Appendix A - Policy

## 1. INTRODUCTION / BACKGROUND

- 1.1 The Counter Fraud Unit are undertaking a review of policies and procedures, in support of each service area, to enable criminal investigations to be legally undertaken and appropriate sanctions to be applied. The policy has been requested for use within the Revenue and Benefit teams and is attached as **Appendix A**.
- 1.2 The Council Tax Support scheme was introduced in 2013 to replace Council Tax Benefit which was abolished. The scheme is locally agreed with some set parameters and the responsibility to enforce any fraud or abuse of the scheme rests with the local authority.
- 1.3 The policy also outlines the changes brought about by the creation of the Single Fraud Investigation Service (operated by the Department for Work and Pensions) which subsumed the council's responsibilities for investigating Housing Benefit Fraud.
- 1.4 The council has a responsibility to ensure that Council Tax is billed correctly and that there is no abuse of exemptions and discounts. The policy seeks to set out the action that the council may take in relation to fraud and misinformation in relation to this.
- 1.5 The recommended policy has been drafted for all participants in the Counter Fraud Unit and will provide consistency to the application of penalties and prosecution across the county.
- 1.6 It should be noted that legislation outlines that to incur a Civil Penalty for a Housing Benefit Overpayment; the value needs to exceed £250 however the draft policy details that for decisions at Stroud District Council, this figure will be £1000. It can be amended in line with local decision making.

## **2. Consultation**

- 2.1 The policy has been prepared and drafted by the Counter Fraud Unit and was compiled from a review of all policies across the county and current legislation.
- 2.2 Following the initial drafting, the document was circulated to Senior Managers of the Revenue and Benefit teams within Gloucestershire to review.
- 2.3 The draft policy has been subject to consultation with Audit and Finance.
- 2.4 Strategy and Resources Committee is asked to consider the policy to approve and adopt the same.



**CONTENTS**

1.	INTRODUCTION.....	2
2.	BACKGROUND.....	2
3.	PURPOSE.....	2
4.	AREAS OF RESPONSIBILITY.....	2
5.	GENERAL PRINCIPLES.....	3
6.	SANCTIONS AVAILABLE FOR OFFENCES RELATING TO COUNCIL TAX SUPPORT .....	4
6.2	LOCAL AUTHORITY CAUTION .....	4
6.7	PENALTY.....	4
6.13	PROSECUTION.....	5
6.17	ADMINISTRATION OF SANCTIONS AND PROSECUTIONS .....	5
6.21	CIVIL PENALTIES.....	5
6.23	CIVIL PENALTIES APPEAL PROCESS .....	6
7.	STRATEGY AND POLICY REVIEW .....	7

# Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy

## 1. INTRODUCTION

- 1.1. The Council is committed to the detection of fraud and has a responsibility to ensure that Housing Benefit and Council Tax Support are paid correctly. Council Tax Support is also referred to as the Council Tax Reduction Scheme or Local Council Tax Support Scheme. For the purpose of this Policy it is referred to as Council Tax Support only. Council Tax Support replaced Council Tax Benefit from 1 April 2013.
- 1.2. The Council is also charged with ensuring that Council Tax is billed correctly and that discounts and exemptions are not claimed incorrectly.
- 1.3. This policy sets out the Council's approach to prosecution or sanctions in cases of fraud or misinformation in respect of Council Tax Support, Council Tax and Housing Benefit.
- 1.4. It has been revised in the light of the transfer of Housing Benefit fraud investigation to the Department of Work and Pensions (DWP) in 2015.
- 1.5. This policy does not include specific reference to National Non-Domestic Rates (NNDR) although the Local Authority has the power to obtain particulars of persons interested in land as set out under Section 16 of the Local Government Act 1976. Pursuant to Section 16(2) of that act, if a person fails to comply with such requests, they will be guilty of an offence and liable on summary conviction to a fine not exceeding level five on the standard scale.

## 2. BACKGROUND

- 2.1 The actions referred to in this policy are governed by legislation and DWP guidance including The Local Government Act 1972, The Local Government Finance Act 1992, Welfare Reform Act 2012, Police and Criminal Evidence Act 1984, Social Security Administration Act 1992 and The Council Tax Reduction Scheme (Detection of Fraud and Enforcement) (England) Regulations 2013.
- 2.2 This policy has been agreed by the Council and will be reviewed as required in response to changes in legislation or government guidance.

## 3. PURPOSE

- 3.1 The purpose of this Policy is to set out the actions which the Council may take in cases of fraud or misinformation in relation to;
  - a) Claims, or attempted claims, for Housing Benefit.
  - b) Claims, or attempted claims, for Council Tax Support.
  - c) Council Tax Discounts and Exemptions.
- 3.2 This Policy provides guidelines that will be followed where applicable and clarifies which areas are the responsibilities of the Council and those which are the responsibility of the DWP.

## 4. AREAS OF RESPONSIBILITY

- 4.1 Responsibility for investigation and the application of sanctions for providing incorrect information or failing to notify the Council of a change of circumstances lies as follows:

# Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy

4.2 Housing Benefit (and Council Tax Benefit for offences relating to the period prior to April 2013) where there is evidence of fraud:

- a) Investigation is the responsibility of the DWP's Single Fraud Investigation Service and cases will be referred to the DWP in accordance with DWP guidance accordingly.
- b) Cautions are not available in these cases.
- c) The Council has retained the delegated power to offer an Administrative Penalty following a recommendation from the DWP.
- d) Prosecution of cases is the responsibility of the DWP.

4.3 Housing Benefit where there is no evidence of fraud:

- a) The Council will make enquiries in respect of cases where incorrect information has been provided by the customer or where the customer has failed to notify a change of circumstances, where the overpayment is incurred wholly after 1 October 2012 and the value of any overpayment exceeds £1,000.
- b) A civil penalty of £50 may be applied by the Council in line with regulations.

4.4 Council Tax Support:

- a) The Council has retained the responsibility to investigate and sanction allegations of fraud and abuse in relation to Council Tax Support claims.
- b) A Caution, Penalty or Prosecution may be considered where there is evidence of fraud.
- c) A civil penalty of £70 may be applied in cases where there is no evidence of fraud where an overpayment occurs, incorrect information is provided or there is a failure to notify a change of circumstances, in cases where.
- d) An authorised officer of the Council has the power to obtain information as set out under Regulations 4 and 5 of The Council Tax Reduction Scheme (Detection of Fraud and Enforcement) (England) Regulations 2013. Pursuant to Regulation 6, if a person refuses or neglects to produce any documentation when required to do so, they will be guilty of an offence and liable on summary conviction to a fine not exceeding level three on the standard scale.  
Where a person is convicted of an offence and the refusal or failure continues after conviction, the person shall be guilty of a further offence and liable on summary conviction to a fine not exceeding £40 for each day on which it is continued.

4.5 Council Tax:

- a) The Council has responsibility for investigating incorrectly claimed Council Tax exemptions and discounts.
- b) A civil penalty of £70 and an additional civil penalty of £280 may be applied where appropriate – see Table of Civil Penalties on page 6.

## 5. GENERAL PRINCIPLES

5.1 In deciding what action to take, designated Officers within the Council will have regard to the following:

- Each case will be considered on its own merits;
- There must be sufficient, reliable evidence to justify the action taken;
- The action taken must be in the public interest;
- Any mitigating circumstances;

# Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy

- The decision to prosecute an individual is a serious step and has serious implications for all involved. Decisions to prosecute should always be fair, proportionate and consistent;
- In exceptional circumstances, an alternative to prosecution (Caution or Penalty) may be considered without regard to the amount of the overpayment.

## **6. SANCTIONS AVAILABLE FOR OFFENCES RELATING TO COUNCIL TAX SUPPORT**

6.1 Where an investigation has been conducted and it is concluded that an offence has been committed, the Council will consider whether to prosecute. In the alternative, a caution may be administered or a penalty applied.

### **6.2 LOCAL AUTHORITY CAUTION**

6.3 A Caution is an oral warning given in certain, less serious circumstances as an alternative to prosecution to a person who has committed an offence. It is intended to be a meaningful penalty and deterrent where other actions are not appropriate. The Caution may be a verbal warning but both parties sign the Caution Certificate and a record is kept by the Local Authority.

6.4 If a person declines the offer of a caution the case will usually be recommended for prosecution.

6.5 A caution will usually be considered where the amount of the recoverable Council Tax Support, if any, is less than £1,000 where the person has admitted the offence in an interview under caution and the evidence indicates that most or all of the following factors are applicable:

- a) It was a first offence
- b) There was no planning involved
- c) There was no other person involved in the fraud
- d) The person's circumstances and demeanour towards the offence indicates that a Caution would be the most appropriate action
- e) The person has admitted the offence in an Interview under Caution.

6.6 In these circumstances the Council will issue a Caution and require full repayment of the recoverable Council Tax Support.

### **6.7 PENALTY**

6.8 A Penalty is a financial penalty offered as an alternative to prosecution, usually in circumstances not deemed serious enough to warrant prosecution.

6.9 If a person refuses a Penalty the case will be recommended for prosecution.

6.10 A Penalty will usually be considered where the Council considers that the matter is not serious enough to warrant prosecution but too serious to be dealt with by way of a caution. For example, this could be where some or all of the criteria for a caution are satisfied, e.g. the matter was a first offence, there was no planning involved and/or the person's circumstances and demeanour towards the offence indicate that a prosecution would not be appropriate, but where the person does not admit the offence, fails or refuses to attend an interview under caution and/or has been cautioned within the last 5 years for a previous offence.

# Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy

- 6.11 In such circumstances the Council will make an offer to discharge the matter by way of a Penalty in addition to requiring full repayment of the recoverable Council Tax Support.
- 6.12 The penalty will be 50% of the recoverable amount of Council Tax Support up to a maximum of £1,000 subject to a minimum penalty of £100.
- 6.13 **PROSECUTION**
- 6.14 Prosecution proceedings will be instigated only where the evidential and public interest tests as detailed in the Code for Crown Prosecutors are satisfied. Prosecution will be considered where some or all of the following factors are present:
- a) It was not a first offence
  - b) The fraud has been deliberate and calculated
  - c) The fraud had continued over a long period
  - d) The value of the overpayment or financial gain is significant
  - e) The person has failed to attend an interview under caution
  - f) There were other persons involved in the fraud and collusion has been investigated
  - g) The person has declined the offer of a Penalty or withdrawn agreement to pay and Penalty
  - h) The person has declined the offer of a Caution
- 6.15 The decision to prosecute is a serious step and has implications for all concerned. The Council will ensure that decisions to prosecute are made in a fair, consistent and equitable manner.
- 6.16 The Council will also consider the following in deciding whether to prosecute:
- a) Offender's physical and mental condition such as illness, disability, age etc.
  - b) Social factors such as domestic violence, coercive control, career or employment impact, child care etc.
  - c) Voluntary disclosure where the individual makes a full and frank admission without prompting.
  - d) Procedural difficulties, delays, failures in the investigation or administrative process.
- 6.17 **ADMINISTRATION OF SANCTIONS AND PROSECUTIONS**
- 6.18 The decision to apply any sanction short of prosecution will be made by the Revenues and Benefits Manager after reviewing the outcome of the investigation.
- 6.19 The decision to prosecute will be made by the Revenue and Benefits Manager or such other officer as may be appointed for that purpose, in consultation with the Head of Legal Services.
- 6.20 Cautions and Administrative Penalties will be administered by the Revenues and Benefits Manager.
- 6.21 **CIVIL PENALTIES**
- 6.22 A civil penalty is a financial penalty that that can be imposed where a person has negligently supplied incorrect information or failed to supply information that affects;
- a) The amount of Housing Benefit or Council Tax Support they have been paid or would have been paid or

# Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy

b) The amount of Council Tax they have been billed or would have been billed.

## 6.23 CIVIL PENALTIES APPEAL PROCESS

6.24 If a customer is not satisfied with the decision to impose a civil penalty in relation to Housing Benefit, they can write to the Council within one calendar month of the date of their letter in which the civil penalty is issued, and ask for a reconsideration of the decision. The reconsideration will be carried out by the Revenues and Benefits Manager. The outcome of the reconsideration is final and there is no further appeal process. The customer will need to state and provide evidence where appropriate, why they feel the decision is wrong.

6.25 If a customer is not satisfied with the decision to impose a civil penalty in relation to Council Tax Support, they can write to the Council within one calendar month of the date of their letter in which the civil penalty is issued, and ask for a reconsideration of the decision. The reconsideration will be carried out by the Revenues and Benefits Manager. If the appeal is not successful, the customer may appeal to the Valuation Tribunal. The customer will need to state and provide evidence where appropriate, why they feel the decision is wrong.

6.26 If a customer is not satisfied with the decision to impose a civil penalty in relation to Council Tax, they can write to the Council within one calendar month of the date of their letter in which the civil penalty is issued, and ask for a reconsideration of the decision. The reconsideration will be carried out by the Revenues and Benefits Manager. If the appeal is not successful, the customer may appeal to the Valuation Tribunal. The customer will need to state and provide evidence where appropriate, why they feel the decision is wrong.

TABLE OF CIVIL PENALTIES			
Service	Amount of penalty	Criteria	Appeal method
Housing Benefit	£50	1. Negligently or carelessly giving incorrect information, or 2. Failing to provide without reasonable excuse, information in respect of a claim or payment of benefit, or 3. Failing to notify, without reasonable excuse, a relevant change in circumstances (reasonable excuse = ill health, significant stress)	The Council
Council Tax Support	£70		The Council and then the Valuation Tribunal
Council Tax	£70	1. Failing to supply information following a request from the Council, or 2. Supplied information about a liable person that is materially inaccurate, or 3. Failing, without reasonable excuse, to notify the Council that a dwelling is no longer exempt, or 4. Failing, without reasonable excuse, to notify the Council that a level of discount no longer applies (reasonable excuse = ill health, significant stress)	The Council and then the Valuation Tribunal

# Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy

<b>Council Tax</b>	<b>£280</b>	1. Where a penalty has been imposed and a further request to supply the same information is made again and is not properly complied with, and may do so each time it repeats the request and the person concerned does not properly comply with it. There is no limit to the number of times this penalty can be imposed.	The Council and then the Valuation Tribunal
--------------------	-------------	---	---

## **7. STRATEGY AND POLICY REVIEW**

- 7.1 This policy will be reviewed as often as necessary to ensure that it continues to remain compliant and meets legislative requirements and the vision of the Council in consultation with the Director of Customer Services, Audit, Legal Services Department and Members.

Responsible Department: Revenues and Benefits Department

Policy Author: Counter Fraud Unit

Date: April 2018

**STROUD DISTRICT COUNCIL**  
**STRATEGY AND RESOURCES**

**AGENDA  
ITEM NO**

**12 APRIL 2018**

**10**

<b>Report Title</b>	<b>SUBSCRIPTION ROOMS, STROUD TASK &amp; FINISH GROUP: FINAL REPORT</b>
<b>Purpose of Report</b>	To set out the Task & Finish Group's recommendations to the Strategy & Resources Committee on the offers received for a c30 year lease of the Subscription Rooms
<b>Decision(s)</b>	<b>The Task &amp; Finish Group recommends that the Committee RESOLVES to:</b> a) note that no offers were received for a circa 30 year lease of the Subscription Rooms as marketed b) note that a proposal, for a process leading to a 39 year lease, was received from Stroud Town Council and c) to delegate authority to the Head of Property Services in consultation with the Director of Customer Services and Group Leaders to agree terms for a transfer of the Subscription Rooms and forecourt to Stroud Town Council subject to a report back to Strategy and Resources Committee for approval.
<b>Consultation and Feedback</b>	Stroud Town Council's proposal was published on the council's website on 7 <sup>th</sup> March and the public were invited to submit comments by 19 <sup>th</sup> March. Task and finish group members met with the Sub Rooms staff on 12 <sup>th</sup> March. A Members information evening was held on 14 <sup>th</sup> March and a public consultation event was held on 17 <sup>th</sup> March. Further information regarding feedback can be found at paragraph 5.0 of this report.
<b>Financial Implications and Risk Assessment</b>	This report sets out the proposed process and timetable for the transfer of the Subscription Rooms. As set out within the report, no offers were received by the Council that met the criteria as marketed.  Therefore, the Subscription Rooms will effectively remain a Council-run service for the current financial year (2018/19) with a controllable budget allocation of £227k (as shown in the General Fund Estimates report to Council in January 2018; <a href="https://www.stroud.gov.uk/media/558315/item-5b-recommendation-from-sr-committee-18-january-2018-general-fund-revenue-estimates-revised-2017-18-and-original-2018-19.pdf">https://www.stroud.gov.uk/media/558315/item-5b-recommendation-from-sr-committee-18-january-2018-general-fund-revenue-estimates-revised-2017-18-and-original-2018-19.pdf</a> )



<p><b>Financial Implications and Risk Assessment – Cont'd</b></p>	<p>Whilst the financial performance of the Subscription Rooms has improved during 2017/18, it is recommended this is kept under review to determine whether the current financial performance is likely to continue or represents a deviation from the longer-term historic trend.</p> <p>In approving delegated authority to agree the terms for a transfer of the Subscription Rooms, the original criteria for the transfer (council cost is significantly reduced), and the financial position of the Council (as set out in the Medium Term Financial Plan) must be taken into account.</p> <p>David Stanley – Accountancy Manager (s151 Officer)  Tel: 01453 754100  Email <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a></p>
<p><b>Legal Implications</b></p>	<p>The legal advice referred to in the report of the last task and finish group remains; a transfer to the Town Council will only be lawful if (i) it is in compliance with S123 Local Government Act 1972 and (ii) that the transfer is completed by 31 August 2018 (given the site is a registered asset of community value (ACV) and from September 2018 further advertisement of the intention to dispose will be required). It should be noted that the town council will also need to satisfy the ACV requirements for any subsequent disposal.</p> <p>Therefore to enable the disposal to the town council to lawfully proceed as proposed, the following actions are key:</p> <ol style="list-style-type: none"> <li>1. To avoid the transfer being contrary to S123 LGA 1972, before the transfer is completed a specific consent will need to be obtained from the Secretary of State or, the committee will need to be reasonably satisfied that the disposal is in the interests of the economic, social or environmental wellbeing of the area; AND</li> <li>2. The Council will need to successfully conclude negotiations (as opposed to simply agree heads of terms), ideally establish the charity and resolve the details (which are only currently programmed for completion by end of September), by early August at the very latest to ensure the actual transfer may be completed by 31 August 2018 (assuming always that criterion 1 is met in any event).</li> </ol> <p>(Ref: rc29.3.18d29.3.18)</p> <p>Karen Trickey, Head of Legal Services &amp; Monitoring Officer  Tel: 01453 754364  Email: <a href="mailto:karen.trickey@stroud.gov.uk">karen.trickey@stroud.gov.uk</a></p>

<b>Report Author</b>	Jill Fallows -Property Manager on behalf of the T&F group Tel: 01453 754433 Email: <a href="mailto:jill.fallows@stroud.gov.uk">jill.fallows@stroud.gov.uk</a>
<b>Options</b>	<ol style="list-style-type: none"> <li>1. Agree terms for a transfer of the Subscription Rooms and forecourt to Stroud Town Council subject to approval by Strategy &amp; Resources Committee as recommended</li> <li>2. Run the Sub Rooms with limited opening to reduce costs</li> <li>3. Close the building</li> <li>4. Remarket the premises for an alternative use</li> </ol>
<b>Performance Management Follow Up</b>	<ol style="list-style-type: none"> <li>1. Listed Building Application submitted by STC by end May 2018</li> <li>2. Heads of terms for a transfer agreed by end June 2018</li> <li>3. Conditions precedents met by end September 2018</li> </ol>
<b>Background Papers/ Appendices</b>	All background documents are available at: <a href="https://www.stroud.gov.uk/subroomsreview">https://www.stroud.gov.uk/subroomsreview</a> <a href="#">Appendix A</a> Stroud Town Council's proposal <a href="#">Appendix B</a> Assessment against SDC's requirements

## 1. Background

1.1 At its meeting on 5<sup>th</sup> December 2017 an amended motion was approved by the Strategy & Resources Committee. Committee agreed not to accept the recommendation of the task & finish group but, to enable the Subscription Rooms:

- (i) freehold to be retained in public ownership,
- (ii) ensure the level of council cost is significantly reduced; and
- (iii) to promote and enhance the availability to the public as a venue for public arts, community use and education

members agreed to advertise the lease (excluding the forecourt) for a circa 30 year full repairing and insuring lease. Bids for the lease were ideally to:

- (i) illustrate how the bidder had engaged the local community
- (ii) set out the implications for exiting council employees and
- (iii) show how they would promote and enhance the availability of the venue for public arts; community use; and education.

Group leaders set up a Task & Finish group to guide the process and report to this meeting on any offers received as a result of any marketing, and, if possible with a recommendation for the future of the Subscription Rooms service. The full minutes are available on the council's [website](#).

## **2. Progress**

- 2.1 Following the committee meeting BK (Bruton Knowles) were instructed to advertise the Subscription Rooms for a circa 30 year lease for use as a public art, community use, and education venue. The property was advertised on the agents' website and in the local press. Previous bidders were also contacted. Supporting documents including a draft lease and offer form clearly indicating which terms were flexible and which were non negotiable were provided to interested parties. The closing date for offers was 5<sup>th</sup> March 2018.
- 2.2 The task and finish group has met ten times, this has included hosting a question and answer sessions for potential bidders before the offer deadline, and afterwards for clarification of any offers received and consulted with staff and the public.
- 2.3 No offers were received by the closing date accepting the council's draft lease and other requirements. However, a proposal was received from Stroud Town Council which is shown in Appendix A. In summary, it is based on partnership working with the district council to establish a charitable trust to run the premises as an arts and entertainment venue, commencing in April 2019.

## **3. Stroud Town Council's Proposal**

- 3.1 The proposal includes a 12 month transition period to allow time for discussion and negotiation with this council. This would enable a charitable trust to be established and a business plan to be developed, including an operational plan, community use strategy and pricing policy with a view to entering into a lease on 31<sup>st</sup> March 2019.
- 3.2 The district council is asked to grant a 39 year full repairing and insuring lease to Stroud Town Council for £1 per annum. It will then grant a sublease to the trust. The town council is asking for a grant or subsidy of £230,000 after the transition period in year 1 (2019/20) from Stroud District Council to the independent charity. The town council is also requesting that structural repairs identified in their structural survey are carried out to the sum of £156,000.
- 3.3 An assessment of the proposal is shown in Appendix B.

## **4 Summary**

- 4.1 Whilst members welcome the offer of working in partnership and the proposal to take a lease of the property, the town council's proposal, is not a firm offer to proceed with a lease of the Sub Rooms.

- 4.2 Amongst other matters, it is dependent on a trust being set up and its business plan is dependent on significant funding from this council as well as works being undertaken to the building which will require Listed Building Consent. The proposal varies from the lease terms offered and doesn't meet the criteria set out by the committee as it is currently framed.
- 4.3 The timescales proposed by the town council continue the uncertainty for staff and users of the Subscription Rooms, as well as continuing the Council's financial subsidy to the Subscription Rooms until a lease is completed.

## **5.0 Recommendation**

However, whilst the task and finish group has concerns over the timescales and financial robustness of the proposal it recognises its merits as a way to potentially meet the objectives set out in the committee's December decision. It also notes the support shown from the recent public consultation, which 71 people attended. In total 159 comments have been received. The majority support Stroud Town Council's proposal, several questioned the proposed increase in income that would be required to sustain the business and some were concerned about the potential closure of the Tourist Information Centre. All comments received are available to view on the council's website at [www.stroud.gov.uk/subsconsultation](http://www.stroud.gov.uk/subsconsultation).

- 5.1 The task and finish group therefore recommends that officers open negotiations with Stroud Town Council for the transfer of the Subscription Rooms, including the forecourt and that any agreed terms are reported back to the July meeting of this committee for approval.
- 5.2 It is not recommended that a new task and finish group is set up, as suggested by the town council. Members will be aware that a task and finish group has no decision making powers and would be an unwieldy and time consuming way to progress any discussions (e.g. adding 3 months in to the start of the town council's outline programme for the transitional period). It is, therefore, proposed that negotiations with the town council are delegated to officers in consultation with group leaders and then brought back to a future meeting of the Strategy and Resources Committee for final approval.
- 5.3 The following programme is also recommended in order to ensure that significant progress is made as quickly as possible and the council can be satisfied that any disposal will promote the economic and/or social well-being of the district.

#### 5.4 Programme:

Date		Event	Responsibility
End 2018	May	Listed Building application submitted for internal works (critical to STC's business plan)	STC
End 2018	June	Heads of Terms agreed for a transfer of the property and Trustees appointed	SDC and STC
End 2018	Sept	Business Plan completed Revised cash flow forecasts Strategies produced Pricing policy set Staffing structure set Trust documents completed Application to register new Trust submitted to Charities Commission (est. 6 months to register)	STC
		Property transfers	STC & SDC

## Assessment against SDC's requirements

The task and finish group agreed assessment criteria for any offers received in line with this committee's decision in December. The full criteria, offer form and lease terms and how the town council's proposal compares to them is summarised and commented on below.

Essential criteria:

- i. The freehold is retained in public ownership - this is achieved through the offer of a lease.
- ii. Ensure that the level of council cost is significantly reduced - the town council has requested that repairs are undertaken estimated at £156k in 2017, and a one-off grant of £230k is given towards working capital for the Sub Rooms in Year 1 (2019/20). The town council has subsequently confirmed that it is willing to underwrite any deficit above that shown in its current cash-flow forecast and no further funding would be required of or requested from SDC.

Because of the suggested timescale for completion of a lease in 12 months time, it should also be noted that the council would have to continue its current subsidy of the Sub Rooms for the next financial year (budgeted £227k). The town council will contribute working capital of £50k and meet the insurance premium for the property. Any delays to the process would lead to continuing costs for this council.

On this basis the council is being requested for £64k less than in the town council's previous bid (£450k) next year's subsidy is ignored, but expenditure on the Sub Rooms would be capped and cease at the end of next financial year (2019/20)

- iii. To promote and enhance the availability to the public as avenue for public arts, community use and education – the town council's proposal states that it is 'committed to maintaining and developing the Sub Rooms into a leading public arts and cultural venue with affordability, accessibility, community and education at its heart. This includes interior remodelling of the building to improve visitor experience and maximise income potential.' It envisages establishing a charitable trust and working with it to develop a detailed community use strategy, arts and education strategy and pricing policy.

The town council provided further information on its intended programming when it met with the T&F group on the 13<sup>th</sup> March,

As with its previous bid it intends a significant shift to more live events and screenings

These strategies, pricing policy and the programme are important to the council's consideration of the proposal in terms of establishing that the grant of a lease to the town council at less than best consideration will be in the social and/or economic interests of the district.

Desirable Criteria:

- iv. Illustrate how the bidder had engaged the local community – the town council has provided information and evidence of its engagement with key partners, local stakeholders, community groups, a survey (667 respondents) and drop-in session at the Sub Rooms. It also attended the council's drop-in session on the 17<sup>th</sup> March.
- v. Set out the implications for exiting council employees – the town council anticipates all staff on qualifying contracts (and not TIC staff) will transfer under TUPE, but pension arrangements will alter, by agreement, as staff would have to transfer to a non-local Government Pension Scheme.
- vi. Show how they will develop the venue for public arts, community use and education including a community use strategy and pricing policy – see comments at iii. above

The offer form also required details of timescales proposed, financial information: and provision for the Tourist Information Centre

- a) Timescales - as the lease was drafted with few terms that were negotiable, it was envisaged that a lease could be entered into by June 2018. The town council proposes to enter into a lease at the end of March 2019, some 9 months later, due to its wish to set up a charitable trust, refine the business plan, develop and promote programming and various strategies, obtain planning permission for internal re-structuring, develop the pricing policy and fund raise during this 'transition period'. There are no guarantees that the town council will be able to meet these timescales.
- b) Financial information – a 5 year cash-flow forecast, capital information and funding sources have been provided. The Accountancy Manager and Principal Accountant provided the following commentary to the task and finish group in March 2018, before the group met with the town council:

## 5-year cashflow

- TOTAL Income projection increases from £390,800 to £744,042 over 5 year period
- Main component of income is Live Events – income increases threefold over this period (£130,000 to £387,850). Is this supportable? - no evidence or assumptions provided that validate this increase. Live Events income is around 52% of TOTAL income in Year 5. Year 1 income projections are higher than 2016/17 actual or 2017/18 outturn forecasts
- TOTAL Income also dependent on funding from external bodies, fund raising, donations. £56,800 in Year 1 increasing to £98,492 in Year 5. Approximately 13% of total income in Year 5.
- Direct expenditure margins seem reasonable but linked to Income projections
- Overheads for certain areas seem low – Premises repairs and maintenance (below actual expenditure), Legal and Professional support (£1,000 for Legal/Finance/HR?)
- Staffing costs assume high level of volunteer hours for live events, box office etc.
- Business Rates – cashflow assumes 80% mandatory relief is gained

## Other points

- Capital works of £350,000 have not been included in the 5 year cashflow. It is assumed in the bid document that this would be met from external bodies, grants etc. How is the long-term viability of the bid impacted by this? If the funding cannot be gained, what is the impact?
- Included in the £350,000 figure is around £40,000 of works that the cashflow forecast assumes will have been completed – no funding identified. What is the impact on the cashflow model if these works are not completed?
- The cost of the Porte-cochere at £150,000 is not included in the £350,000 Capital works estimates.

The task and finish group sought further information and clarification when it met the town council on the 13<sup>th</sup> March, with the view that the income projections remain ambitious and some expenditure low. The town council has taken advice from Locality (Locality describes itself as ‘the national network of ambitious and enterprising community-led organisations, working together to help neighbourhoods thrive’) and is confident that it has been realistic in its income projections. It is also willing to amend the expenditure figures on further information from this council. Clearly further refinement of the cash-flow forecasts may be required.



The town council is confident in its own and any trust's ability to fund raise and secure grant funding from various sources. The notes from this meeting are available on the council's website at [www.stroud.gov.uk/subsconsultation](http://www.stroud.gov.uk/subsconsultation).

c) Tourist Information Centre (TiC)

The town council's proposal does not provide accommodation for the TIC and it would have to relocate from the building, subject to Community Services and Licensing's decision on the future of the service.

**Lease terms.**

The following paragraphs set out the significant changes to the council's draft lease terms as proposed by the town council and the task and finish groups view of them:

Term	Comment	T&F's view
Rent: - £1 per annum.	this would be a disposal at less than best consideration. To legitimately transfer the Sub Rooms to the town council, the council must be satisfied that the disposal will promote the economic and/or social well-being of the district. In the absence of a robust case establishing such, the disposal is certainly open to challenge.	Acceptable
Term - 39 years	a longer term is required in order to secure grant funding (35yrs+)	Acceptable
Demise: Subscription Rooms <u>and</u> Forecourt	the forecourt is included in the proposal but was specifically excluded in this committee's recent decision in December (due to concerns that the public's access across and use of it could be restricted). However, officers would recommend the inclusion of the forecourt with any lease (for practical management reasons)	Acceptable

<p>Repair and Decoration: Structural repairs undertaken and funded by SDC. Schedule of condition required</p>	<p>a schedule of condition limits a tenants requirement to keep the property in a good state of repair and decoration to the condition at the date it is let. It was specifically excluded in the terms to ensure that the property is put and kept in good repair and decoration. Officer's advice is that it should not be conceded.</p>	<p>Undertaking structural repairs (£156k) – acceptable  Schedule of condition – no view expressed.</p>
<p>Use clause – the Town council wants the references to the community forum deleted from the clause although it is in agreement for a forum to operate as outlined in the S&amp;R motion</p>	<p>this Clause includes as to how any tenant will engage with the community forum: the town council's solicitor raised concerns as to the impact on the management of the venue if it remains . Officers advice is that these clauses protect the council's objectives should the lease be assigned or sublet and should remain.</p>	<p>No consensus</p>
<p>Other conditions The town council has asked for an indemnity for the restrictive covenant on the property's title or consent to it being lifted by any successors in title</p>	<p>this is not possible and it is difficult to see why the town council or any assignees or sub-tenants would be in breach of the covenant, if they comply with the use clause and delivers the programme of events it is proposing</p>	<p>Not discussed</p>

**STROUD DISTRICT COUNCIL**  
**STRATEGY AND RESOURCES**

**AGENDA  
ITEM NO**

**12 APRIL 2018**

**11**

<b>Report Title</b>	<b>Redevelopment of Brimscombe Port, Thrupp</b>
<b>Purpose of Report</b>	To seek approval to additional funding to support the redevelopment of the site.
<b>Decision(s)</b>	<b>The Committee resolves to RECOMMEND to Council that £1.6 m of capital funding be allocated to delivering infrastructure at, and the redevelopment of, Brimscombe Port, Thrupp.</b>
<b>Consultation and Feedback</b>	Public consultation will be undertaken as part of the planning process. Liaison meetings continue with tenants on the site and local residents and the Parish Council.
<b>Financial Implications</b>	<p>The report seeks member approval to make an additional £1.6m of funding available to in part mitigate the funding gap on the Brimscombe Port project. A decision in principle is needed to enable the procurement of a development partner. Without the agreement in principle, it is highly unlikely that a development agreement could be reached.</p> <p>There are a number of financial issues members should consider as part of their decision.</p> <p>The Council could choose not to allocate any further funding to the project.</p> <p>Members need to consider the total level of support that is being provided to the Brimscombe Port project. The Council has already spent £1m, with a £2m loan from the Homes and Communities Agency (HCA) also provided. This loan is subject to a funding agreement that does have financial implications to the Council. The funding agreement includes a number of milestone dates and outcomes that trigger a payment to the HCA (or a reduction in the loan amount repayable). In the event that the outcomes cannot be delivered, the Council can hand back the site to the HCA (subject to final transfer from SVCC).</p>

<p><b>Financial Implications</b> Continued/...</p>	<p>Therefore, members may want to consider the total amount of Council funding being committed at each stage of the project and the likelihood of the project delivering the required outcomes.</p> <p>Should members decide that the additional £1.6m be allocated to the, it is assumed that this will be funded by external borrowing. At the time of writing, the finance team are working through the Capital Programme outturn for 2017/18 and the impact this has on the available capital resources. In addition, the decision by Council to provide a £2m commercial loan to support the Merrywalks shopping centre will also be taken into account in determining the optimum use of resources to finance the capital programme.</p> <p>External borrowing will give rise to a revenue cost of financing and will need to be budgeted for within the Council's medium term financial plan. At this stage, it is not possible to assess the revenue costs with certainty, as the level of Minimum Revenue Provision (MRP) required will need to be considered alongside the wider funding position of the project including the HCA loan. Should the funding agreement be renegotiated in light of the current delivery timetable, this will impact on the level of MRP charged.</p> <p>It is also worth noting that the request for additional funding is being considered outside of the annual budget setting process.</p> <p>David Stanley – Accountancy Manager (Section 151 Officer) Tel: 01453 754100 Email: <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a></p>
<p><b>Legal Implications</b></p>	<p>Essential legal steps to achieving the recommended outcome will involve a significant re-negotiation of the current funding agreement with the HCA and the acquisition of the site from SVCC on appropriate terms. Securing a Development Partner will involve quite complex legal documentation and resource input. Procurement and State Aid issues will need to be considered.</p> <p>Alan Carr - Solicitor Tel 01453 754357 Email <a href="mailto:alan.carr@stroud.gov.uk">alan.carr@stroud.gov.uk</a></p>

<b>Report Author</b>	Alison Fisk – Head of Property Services Tel: 01453 754430 Email: <a href="mailto:alison.fisk@stroud.gov.uk">alison.fisk@stroud.gov.uk</a>
<b>Options</b>	The Council could choose not to allocate further funding to the project and effectively wind it up, having secured planning permission for the infrastructure works and then seek other sources of funding if/as it becomes available.
<b>Performance Management Follow Up</b>	Update reports are to be brought to Investment and Development Panel and Committee on a regular basis as part of the capital project monitoring report.
<b>Background Papers/ Appendices</b>	Appendix A Site Plan Appendix B Brimscombe Port – Key Milestones

## 1. Background

- 1.1 Initially Brimscombe Port was part of the Cotswold Canal Regeneration project, the original aim of which was to reinstate the canals from Stonehouse 'Ocean' to Brimscombe Port. This project is now in its final stages, with a bid recently submitted in November to the Heritage Lottery Fund for further funding to reinstate from Stonehouse to Saul.
- 1.2 The Port was acquired in 2009 (see Appendix A) as part of the original project, from British Waterways by the South West Regional Development Agency (SWRDA), the expectation at that time was that it would deliver both a redeveloped Port and provide funding for other sections of canal. Stroud Valleys Canal Company (SVCC) was set up by 4 key partners, including the council, to hold the property.
- 1.3 After the property crash in 2009, subsequent marketing proved the site to be unviable (£3.5m to £5m funding gap in Galliford Try's bid), the Canal project was scaled back to finish at Bowbridge and prospects of the Port being redeveloped without considerable public funding were negligible.
- 1.4 In December 2014, the council took on the management of the site on behalf of SVCC.
- 1.5 In 2015 the Council appointed Savills to revalue the site (this showed a similar funding requirement), at the same time the HCA (who were SWRDA's successors in respect of the agreements relating to the Port) approached the council, offering to help bridge the funding gap. The bid was successful and secured a £2m loan from the HCA, plus the use of any surplus income from rental income from the property. In December 2015 the Council, amongst other related decisions, agreed to contribute £1m of capital towards the redevelopment of the Port including the delivery of infrastructure.

- 1.6 The council is the accountable body for the loan agreement and liable for repayment of the total investment of £9.6m in the site. Whilst it currently manages the site on behalf of SVCC the intention and a condition of the HCA funding is that the freehold will transfer to SDC.
- 1.7 There has been a necessary shift from seeing Brimscombe Port as delivering the canal infrastructure to a standalone project. There is a growing need to deliver housing here (min 150 dwellings local plan and HCA required output), but the canal cut and basin are required as an integral part of flood alleviation on the site.
- 1.8 Since 2015, the council has progressed the redevelopment of the site and some key achievements have been;
- the appointment of Atkins who are delivering the design for the infrastructure on the site
  - The purchase of the Ship Inn pub which stands at an important location on the site, and which will be impacted when a new bridge is constructed.
  - Ground investigations have now been completed, an ecological survey of the whole site carried out and an archaeological report provided, which all aid with the de-risking of the site.
  - Discussions have been undertaken with all affected landowner's
  - Improved management of and lettings on the site to maximise surplus income for use in the redevelopment.

## **2 Appraisals/Funding Gap**

2.1 Recent valuations of the site have updated Savills' appraisal and are based on current building costs, property values and Atkins estimates for infrastructure costs. They also have to make a number of key assumptions on a number of variables;

- Level of affordable housing
- Water content
- Community Centre site land value and building cost
- Method/ process of delivery (i.e. amount of control SDC requires over outcomes and straight market disposal/ joint venture)
- Inflation on build costs
- Property values

2.2 The project team has produced a number of scenarios changing these variables, which all impact on the value of the scheme and show different levels of funding requirement. Ultimately, the test of whether the site is viable is to market it and seek a development partner.

2.3 Atkins' cost estimates also correlate with those used in the recent appraisals and the infrastructure costs for the site are as follows:

Table 1

<b>Infrastructure Costs</b>	
<b>Whole Site</b>	<b>£</b>
Comprising 3 elements :	
Port only - canal cut, basin and access road	3.9m
Brimscombe Hill works – road and new bridge, canal and river crossing	2.45m
Brimscombe Mill works: Canal cut from the Ship Inn to Gough's Orchard	0.75m
<b>Total</b>	<b>7.1m</b>

2.4 Current funding secured by SDC towards this project is as follows:

Table 2

<b>Current Funding</b>	
	<b>£</b>
SDC Capital programme	(£1m spent or committed to project incl. purchase of the Ship Inn)
HCA loan	2m
HCA assigned income from site	0.5m
<b>Total unspent</b>	<b>2.5m</b>

2.5 The Project has now reached a significant point at which the anticipated funding gap needs to be reduced and/or met before the procurement of a developer can progress. Recent bids to the LEP's Growth Deal funding and Homes England's Housing Infrastructure fund have unfortunately been unsuccessful, albeit with some positive feedback.

### **3 Re-scoping the project**

3.1 An important outcome of Atkins' work is that their initial flood modelling demonstrates that, if the Port elements of the infrastructure (canal cut and basin, new access road) are constructed, this (along with raising the level of the site) is sufficient to deliver the main outcomes of the redevelopment i.e.:

- 178 new homes – apartments and houses
- Canal basin and cut
- Community enterprise centre

- 424 sq. m employment, 429 sq. m retail and A3 uses, enterprise centre with 100sq m of business space, homeworking, 121 sq. m workshop/gym
- Translates into 50 jobs and 10 business starts
- Scale of development lends itself to apprenticeships at different levels – requirement included in the development agreement
- 26 boat moorings

3.2 It is possible, therefore, subject to the Environment Agency approving the final flood modelling, to continue with the redevelopment of the Port and deliver these outputs, by obtaining planning permission for all of the infrastructure, including the road and bridge works, but at this stage to fund the infrastructure for the Port only. This will substantially de-risk the site for developers – the principle behind all the work done to date, but there is currently insufficient funding to meet these costs.

Table 3

<b>Port only infrastructure funding</b>	<b>£</b>	<b>£</b>
Infrastructure costs	3.9m	
Inflation and contingency	0.2m	
Total		4.1m
Less HCA funding		2.5m
<b>Funding requirement</b>		<b>1.6m</b>

3.3 As there is little prospect of securing more funding from the main public funding bodies (the LEP, Homes England and HLF), the project is, therefore, at a critical point and the council needs to decide whether it wishes to commit more funding to the project or effectively wind it up.

3.4 If no more funding is available the project team would aim to secure full planning permission for the infrastructure works and outline permission for the site, but could not go any further (i.e. to procure a developer) and so no further work would be undertaken and the site would remain undeveloped. There is a risk that Homes England would withdraw its £2m loan towards the project.

3.5 However, Homes England has confirmed that it is willing to amend the current funding agreement to reflect a re-scoped project and this along with additional council funding could still deliver the redevelopment of the Port to include homes, jobs canal and basin, recreating a dramatic waterside setting. The project would stop short of constructing a new bridge and canal river crossing, which would require a minimum of a further £2.2m of public funding.



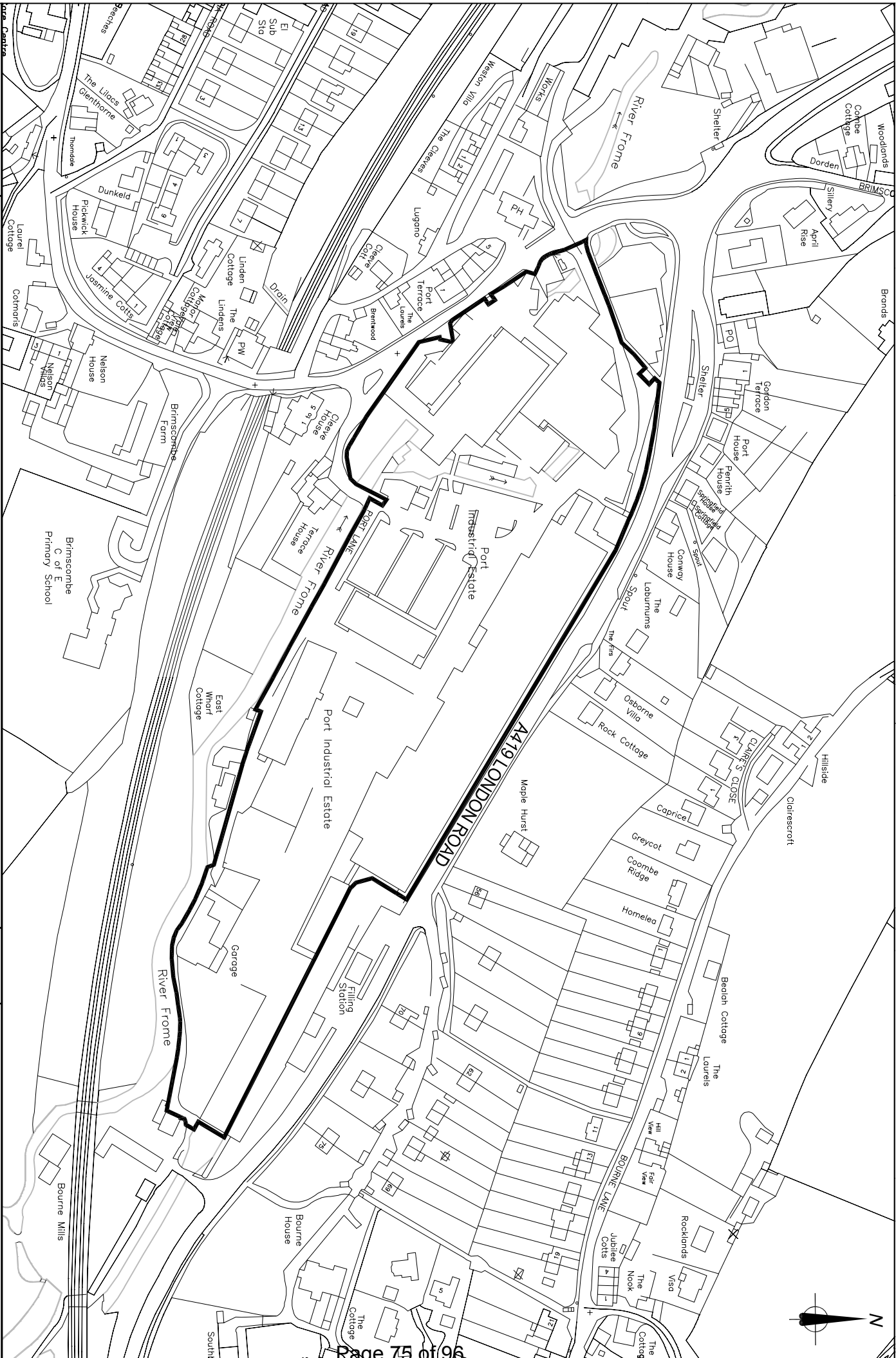
## **4 Programme**

- 4.1 The Highways Authority is in receipt of the proposed infrastructure plans for their approval and the Environment Agency has commenced its modelling to validate the work that Atkins has done. The current programme (see Appendix B) is for these approvals to be received and the detailed drawings prepared by the end of May 2018. This will then enable the planning application to be prepared for the infrastructure for the whole site with the submission of the application due to be made in June 2018. This remains subject to third parties providing their approvals within the agreed timescales.
- 4.2 The procedure for the procurement of a development partner is now being considered by the Project Board and advice being sought, but if funding is secured an OJEU process could start in the summer. The intention is to procure a development partner with the Council paying for the infrastructure.
- 4.3 The transfer of the freehold interest in the site from SVCC is a condition of the current loan agreement with Homes England and will remain so in any amended agreement. It provides both security to the Council for the loan and, in having control of the site, a simplified, more efficient and less costly process in delivering the redevelopment. SVCC has yet to agree final terms but it is not recommended that the council commits any of the £2m loan or further significant expenditure until this has been secured.

## **5 Recommendation**

- 5.1 This site simply cannot be regenerated without public funding because of the significantly high abnormal infrastructure costs it bears. Inflation on building costs will continue to increase the funding gap unless property values increase dramatically and the chances of redeveloping the site will diminish with time.
- 5.2 In the short term, redevelopment will bring back water to the Port with a canal basin as its centre piece, improving the setting of the historic Port Mill and other listed buildings on the site, which sits in the Industrial Heritage Conservation Area. The cultural and heritage benefits of regenerating the site are significant.
- 5.3 It is believed that redeveloping the Port will help trigger the regeneration of other sites along the valley, the 'string of pearls' which is a priority for the District and is reflected in the LEP's Strategic Economic Plan. Officers have already been approached by the owners of sites near the Port, with it acting as a catalyst for further waterfront development along the canal, delivering more houses and jobs

- 5.4 Redeveloping the Port will also deliver much needed homes, employment and retail space and associated economic benefits on the site. It is, therefore, recommended that the Council commits a further £1.6m towards the infrastructure costs to enable a development partner to be sought, subject to the redrafting of the funding agreement with Homes England and the transfer of the freehold interest in the site from SVCC to the council.
- 5.5 Allocating the capital funds does not commit the council to commencing the development, but enables it to progress the project and procure bids for the site which it can then consider.



Reproduced from the Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationary Office  
 (c) Crown Copyright. Unauthorized reproduction infringes Crown Copyright and may lead to prosecution or civil proceedings.  
 This Map has been produced for Council purposes only. No further copies may be made. Stroud District Council,  
 Ebley Mill, Westward Road, Stroud, GL5 4UB. www.stroud.gov.uk 100019682

Location	APPENDIX A
Scale	Scale 1:2500 @A4
Date	16/10/13
Ref.	8202/CP32710

## Brimscombe Port – Key Milestones

March 2018

Activity		Date	Status
a)	Interim LA review of engineering options	29 August 2017	Completed
b)	SWDRP Workshop (Peer Review)	8 September 2017	Completed
c)	Submission of HIF bid	21 September 2017	Completed
d)	Information Evening for all Councillors	12 October 2017	Completed
e)	Project Board meeting	25 October 2017	Completed
f)	Process to appoint developer/development partner including consideration of different procurement proposals, legal structures, OJEU etc	Oct 2017 – Dec 2018	In progress
g)	Submission of LEP bid	10 November 2017	Completed
h)	Project Board meeting	6 December 2017	Completed
i)	Announcement of HIF bid (unsuccessful)	1 February 2018	Completed
j)	Budget costs from Atkins	14 February 2018	Completed
k)	Project Board meeting	19 Feb 2018	Completed
l)	Announcement of LEP bid	20 February 2018	Completed
m)	Decision on whether to include infrastructure in main developer agreement or Council to construct separately	April 2018	
n)	Strategy and Resources Committee – allocate funding approval	12 April 2018	
<i>NB remaining programme subject to Environment Agency approval</i>			
o)	Sign off to engineering design from EA	May 2018	
p)	Public consultation on design of infrastructure	May – Mid June 2018	
q)	Public consultation on Development Brief	May – Mid June 2018	
r)	Decision to proceed with selection of partner/developer	June 2018	
s)	Submit planning application for all infrastructure	June 2018	
t)	Planning approval for infrastructure across all phases	Sept 2018	
u)	Start of possible OJEU process for selection of a developer/ partner dependent upon funding	June 2018	
v)	Earliest date for vacant possession of buildings on the port	Jan 2019	
w)	Preparation of planning application for residential development	Dec 2018 – June 2019	
x)	Planning approval for residential	Sept 2019	
y)	Construction mobilisation and completion of residential development	Nov 2019 to Nov 2021	

**STROUD DISTRICT COUNCIL**  
**STRATEGY AND RESOURCES**

**AGENDA  
ITEM NO**

**12 APRIL 2018**

**12**

<b>Report Title</b>	<b>Proposed relocation of RUSH Skatepark</b>
<b>Purpose of Report</b>	To see approval to offer RUSH Skatepark a ground lease at Stratford Park, Stroud
<b>Decision(s)</b>	<b>The Committee RESOLVES to delegate authority to the Head of Property Services, in consultation with the Chairs of Strategy and Resources and Community Services and Licensing Committee, to agree terms for a ground lease with RUSH Skatepark for land at Stratford Park, Stroud subject to;</b> <ul style="list-style-type: none"> <li>a) the grant of planning permission and</li> <li>b) RUSH's ability to fund the build costs of a new facility.</li> </ul>
<b>Consultation and Feedback</b>	Rush has undertaken consultation with Stroud Town Council, the Ward Councillor and other key stakeholders and advises that initial feedback is supportive.
<b>Financial Implications</b>	There are no financial implications arising directly from this report.  In granting the delegated authority, consideration should be taken of the council's stewardship of public assets, and the responsibility for promoting and facilitating economic activity in the District.  David Stanley - Accountancy Manager (Section 151 Officer) Tel: 01453 754100 Email: <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a>
<b>Legal Implications</b>	<ul style="list-style-type: none"> <li>• If the proposed ground lease exceeds 7 years then pursuant to s.123 of the Local Government Act 1972 (LGA) it must be disposed of for best consideration unless the disposal can be brought within the terms of existing General Consents or Secretary of State consent is received to the disposal.</li> <li>• If the disposal is for less than market value consideration should be given to State Aid issues</li> </ul>

<b>Legal Implications Continued</b>	<ul style="list-style-type: none"> <li>If the lease is of land “consisting or forming part of an open space” consideration must be given to the requirements of s123 (2A) LGA in relation to advertising and considering objections to the intended disposal.</li> </ul> <p>Hilary Holden - Legal Services Officer  Tel: 01453 754365  Email: <a href="mailto:hilary.holden@stroud.gov.uk">hilary.holden@stroud.gov.uk</a></p>
<b>Report Author</b>	Alison Fisk – Head of Property Services Tel: 01453 754430 Email: <a href="mailto:alison.fisk@stroud.gov.uk">alison.fisk@stroud.gov.uk</a>
<b>Options</b>	The council could decline to offer a ground lease and Rush would have to continue its search for an alternative location.
<b>Performance Management Follow Up</b>	The investment and development panel will be kept updated on progress.
<b>Background Papers/ Appendices</b>	Appendix A – Rush Skatepark: overview and testimonials

## 1. Background

- 1.1. Rush Skatepark are tenants of Unit 3 Brimscombe Port, one of the large (c40, 000 sq. ft.) on the industrial estate. They took a lease in 2013 as a business start-up and are a community interest company (not for profit), providing a unique facility for scooting, skateboarding, BMXing and inline skating for children and adults of all ages.
- 1.2. The company has gone from strength to strength, and has become a national and international destination, for hosting some of the biggest competitions in the world for scooters and BMX and hosted the scooter world cup in November 2015 (see Appendix A).
- 1.3. The company has a pop-up mobile skatepark which it takes out to local schools, open days etc. and has a commitment to working with local schools and charities. Holding school competitions and hosting sessions for local schools and disabled charities at the park. Rush provide free session vouchers to school and charity raffles throughout the County.
- 1.4. RUSH now includes a small café, a shop selling equipment and a maintenance workshop. It employs 8 full time staff, 21 part time and 3 part time coaches, offering work experience (12 student’s this year) and has gained the Stroud Employability Charter Mark.
- 1.5. The skatepark offers a safe and secure environment, where young people and adults can socialise, increase their activity levels and has a zero-tolerance policy to alcohol, drugs and anti-social behaviour within the park.

1.6. Rush's contribution to the local economy and community has been recognised through the Stroud Life Business awards; as winner in 2015 and 6 and finalist last year.

## **2. Current Lease**

2.1. The lease of Unit 3, as with other lettings on the estate, has break clauses in order that vacant possession can be obtained once redevelopment starts on the Port. The earliest of these is in January 2019 and annually thereafter. In order for Rush to continue to grow, secure grants and more local, national and international competitive events it requires more certainty and security of tenure.

2.2. The company has been searching for an alternative building or site within the District, since the council announced it had secured Homes England (formerly the Homes and Communities Agency) funding in 2015 and that the redevelopment could be progressed. The council has advised and supported Rush, as it has done with other tenants, in trying to find alternative premises, wanting to retain company's within the district if possible.

## **3. Recommendation**

3.1. There is potential for a new facility to be built at Stratford Park, to the rear of the Leisure Centre, providing a unique opportunity to retain Rush within the district and provide a state of the art facility for the alternative sports that it offers.

3.2. There is an opportunity to work with the leisure centre operators and enhance the leisure offer at Stratford Park, in an accessible location close to Stroud town centre.

3.3. Rush needs to have some certainty that the site is available before committing expenditure and time on consultants, public consultation and planning fees as well as in order to start to raise the significant amounts of funding required to construct a new facility.

3.4. It is, therefore recommended that the council enters into a ground lease with Rush Skatepark on terms to be agreed, subject to planning permission and its ability to raise the necessary funds.

# RUSH SKATEPARK

**Unit 3 Brimscombe Port Industrial Estate**

**Stroud**

**Glos**

**GL5 2QQ**







Superdry Japan.

## **About Us**

Rush Skatepark is a Community Interest Company (not for profit) and we provide a unique indoor facility based in Stroud. We provide opportunities for riders of all ages and abilities in the Stroud District, Gloucestershire, nationally and internationally to access superb facilities and experience the wider benefits that an alternative sport can bring i.e. scooting, skateboarding, BMXing and inline skating.

Since opening in 2013 we have become a significant international and UK destination for hosting some of the biggest competitions in the world for Scooters and BMX. We have a programme for supporting local talented riders and three of these riders are currently ranked 2<sup>nd</sup> in the UK, 29<sup>th</sup> in the world and 7<sup>th</sup> in Europe.

As you all know Rush is situated in one giant warehouse, covering 40,000 square feet, the park is possibly one of the largest (and with the longest detailed continuous street art) in Europe. The sports facility is unique in providing 5 separate parks in one venue and is the only street section of its kind in Europe. The facilities include a Street section, Park section, Bowl section, Practice area with a Resi jump box, foam pit and trials track and viewing platform which holds over a hundred spectators which we had built for the Scooter World Cup in November 2015.

We also have our own pop up mobile skatepark which can be taken to schools, open days and other events. In 2015 we were very lucky to be invited by the Gloucestershire County Council to provide a pop up Skatepark offering free taster sessions during the Rugby World Cup Fanzone. Our Media Team was also asked to provide a short film showcasing the various landmarks around Gloucester City Centre using our supported riders and Demo Team which is made up of local talented riders. This film was shown on the big screens in the Fanzone during the Rugby World Cup games.

In March 2016 we completely refurbished the café including new tables and outside seating area. We now employ 4 members of staff within the café area and provide ethical coffee from our barista machine along with a wide range of hot and cold food and homemade cakes supplied by local company Nom Nom CupCakery. Riders, parents and visitors to the park can enjoy a freshly made cup of coffee and a piece of cake in a comfortable and relaxed environment within the seated café area or on the viewing platform where tables and chairs are provided. Within our Parents Area we have a 80" quadrant screen showing live action from the Skatepark.

Rush also has a shop which sells a wide range of scooters, skateboards along with helmets, shoes, clothing and accessories. Equipment such as scooters and helmets can be hired at an additional charge. We also provide a maintenance workshop for scooters and bikes.

## **Employees/Organisation**

We have worked as a cohesive team from the outset. The team is now evolving and we currently employ 8 full time members of staff, 21 part time members of staff and 3 part time coaches. We have very little turnover of staff and many stay until they leave for college or university – many return to work through holidays or during competitions should more staff be required. The most recent members of staff have been taken on following work experience placements at the park from the previous year.

The organisational structure of the Skatepark consists of a Company Director, General Manager, Office Manager, Park Manager, Senior Park Marshals, Park Marshals, Receptionists and Café Assistants.

The eight full time members of staff have recently undertaken DISC Management Training, held by Able Growth, which was a great success and we are now looking to extend this to other members of staff.

We have now gained out charter mark for the Stroud Employability Charter run by Stroud District Council and we run a well organised work experience scheme within the park and currently have 12 students signed up for this year.

### **Health & Safety**

Health and Safety is paramount within the Skatepark and we feel that we go above and beyond to ensure riders and those visiting the park are ensured a safe visit.

Our health and safety paperwork is second to none and in fact we have been praised by many local authorities at the in-depth paper work provided for visiting youth groups and charity visits.

Since inception we have worked very closely with Maxine Pride from SDC Environmental Services who has provided us with guidance and her indepth knowledge of Health & Safety. We are now being asked by other new and established skateparks for advice in this area.

All staff are first aid trained (this includes café/reception and shop staff) and we feel this is extremely important.

### **Community and Local Economy**

The Rush name has become well established and has a fantastic reputation within the local community but also internationally and worldwide. We have created a vibrant and thriving local enterprise giving the community of all ages in Gloucestershire and the surrounding areas a safe and secure environment of which to socialise and make friends. To help people keep fit, improve their health and well being thereby reducing obesity with a zero tolerance to alcohol, drugs and anti-social behaviour within the park. We have been informed by the local police and neighbourhood wardens that anti-social behaviour has reduced by 80% since the opening of the park.

We also have a commitment to Gloucestershire schools and local charities. Whereby we are holding school competitions, hosting local schools at the park along with disabled charities. We also provide free session vouchers by way of donations to school and charity raffles throughout Gloucestershire.

We open the park on a Monday evening for the disabled group Allsorts. The sessions started with around 6 children but we now have to cap numbers at 35 as the sessions are proving a tremendous success. Those children that are able bodied use scooters or specially modified equipment and those that are wheelchair bound are pushed around the Skatepark by volunteers and Skatepark staff. This is truly an inspirational session and the children gain confidence, self-belief and credibility.

We attract some of the best riders in the world to the Skatepark thereby giving local children a chance to meet and ride with their hero, some of which may have only seen on social media or the television.

In 2014 - 2017 we have held numerous local, national and international events which has brought teams, competitors and spectators from as far away as Scotland, throughout the UK, Europe, Australia and USA thereby boosting the local economy through hotels, bed & breakfast, campsites, restaurants, public houses and local shops.

### **Coaching**

Coaching is an extremely important part of the business. We offer coaching in all disciplines and these take place on a Saturday and Sunday morning before the park opens to the public. Scooter coaching is particularly popular with the lessons being fully booked months in advance and we are currently on a two month waiting list for these. Because of the popularity we are now offering lessons two evenings a week to cope with demand. As well as lessons being popular with local riders, customers are also travelling from further afield such as Cornwall and even one rider from Spain!

We also offer coaching academies throughout the school holidays and once again these are extremely popular selling out almost immediately they are advertised. We recently held a scooter academy and every child attending had travelled at least 100 miles to attend.

We have found recently that Skateboard coaching has again become very popular and this is mainly down to our skateboard coach who has done an incredible job of pushing the sport. He currently holds a drop in session twice a month which started with only two riders turning up, some weeks no one would turn up but now he has on average 10/12 riders for each session. Once again his half term academies are becoming very popular and recently his academies have sold out.

### **Customer Feedback**

Here are just a few quotes from some very happy customers ....

- *'I just wanted to pass on our thanks to Mark, and yourselves for the BMX lessons Samuel did over the summer. It was really good experience all round, and helped him move on in his confidence, self belief, and BMX'ing competence. You have a great provision there, and good people running it'*
- *'Rush, I would like to say what an amazing time the boys had today. We travelled from Reading for James' birthday. He brought 5 friends of which all said it was the best day ever. The food and drinks were lovely, and so well priced. It was amazing to be able to watch them enjoy themselves. Take videos and photos. The shop there too is just brilliant, changed grips and where so informative and helpful'*
- *'Just a quick email to say thank you so much for all you did to make Billy's party such fun, and run so smoothly, yesterday. It was fab - everyone had fun, the food was great (a refill of chips was perfect for a load of 12/ 13 year old boys!), and the attention to detail was impressive - so well organised! One of the boy's parents was even talking about 'copying' and having a party with you for her son!'*
- *'I just wanted to pass on my thanks to you and the Rush team for making Hannah's birthday party run so smoothly on Sunday! She and her friends had a fantastic time and she can't wait to come back again! I've been really impressed by your customer service and communication and I wouldn't hesitate to recommend Rush Skate park to our friends and family'*

**ACHIEVEMENTS SINCE OPENING ON 7 DECEMBER 2013**

Over 300,000 customers

Winner – Stroud Life Awards – Small Business of the Year 2015

Winner – Gloucestershire Business Awards – Small Business of the Year 2016

Stroud District Council Skills for Stroud Employability Charter Mark

Runners up in the Stroud Life Business Awards – Contribution to the Community and Small Business of the Year 2014

Runners up in the Stroud Life Business Awards – Contribution to the Community 2017

Runners up in the Stroud Town Council Awards – Recognition of Contribution to the Community

Supported by Superdry Plc from 2014 - 2017

Scotfest 2014/2015

ISA Scooter World Championships 2014

All England NASS Qualifiers Bikes and Skateboards 2014/2015

Grit Scooter Academy 2014, 2015, 2016 and 2017

Scot GB Regional Qualifier 2014, 2015 and 2016

Bell Helmets Free Ride 2014

Red Bull Tour 2014 and 2015

Route One Skateboard Competition 2014

Bike Jam 2014 and 2015

Inline Blade Jam 2014, 2015 and 2016

Skateboard Jam

Mongoose BMX Jam 2016 – first time this event has been held outside USA

Scooter World Cup 2015

Mini Rocker Jam 2016 and 2017

Silver Surfers Jam February 2017

Void Magazine Tour 2015 and 2016

Kota Kamp 2016 and 2017 (4 x world scooter champion)

Blank Bike Launch Day 2015

Stroud College Fashion Show 2014 and 2015

LZ7 Concert in September 2017

GFirst LEP Annual Event September 2017

Gloucestershire School Games within Gloucester Cathedral 2014 and 2015

Page 85 of 96

One of the Top 5 Rockers in Gloucestershire as nominated by Rock the Cotswolds

## **WHAT RUSH SKATEPARK OFFERS AS A BUSINESS**

**A quality 40,000sqft indoor skatepark**

**First Aid Trained Marshals**

**Beginners Sessions**

**After School Sessions**

**Mini Shredders (Under 5's)**

**Silver Surfers Nights (Over 30's)**

**Girls Nights**

**1:1 Coaching – BMX/Skateboard/Scooter/Inline  
Skates**

**Rush Academies -  
BMX/Skateboard/Scooter/Inline/Rocker**

**Shop**

**Café**

**Viewing Platform**

**Birthday Parties**

**Private Hire**

**Concerts**

**Rush 1 Media Services**

**School/Youth Group Visits (concessionary rates)**

**Events/Competitions/ Fashion Shows**

**Work Experience Charter Mark**

## **School Testimonials**

### **Thomas Keble School - Glenn Price, Head of PE**

"Thomas Keble School have worked closely with Rush Skate Park for the last three years. We have so many pupils who take part in activities such as BMX and Scooting so to have one of the best facilities in Europe of it's kind on our doorstep is just amazing. We have found our pupils absolutely love going to Rush and taking part in recreational sessions as well as coaching and competition events. The school has now invited Rush to come to our Sports Fair for the last two years and they have been superb in attending this. Hundreds of pupils and parents have been amazed by their incredible tricks and skills."

### **Beaudesert Park School - Euan Craig, Head of Geography and Activities Coordinator**

"We organise 30+ extra-curricular activities for the children here at Beaudesert to choose from, and a weekly trip to Rush is definitely one of the most popular. It looks incredible, it's exciting and challenging. It caters for all abilities, and it's pretty much on our doorstep. It's a great example of how to make exercise fun, and we feel very lucky to be able to use it."

### **Allsorts Disabled Group**

"RUSH Skatepark gives Allsorts members the chance to enjoy the thrill of BMX, Scootering, Skateboarding or Wheelchair-ing (!) around RUSH's outstanding facilities, whilst meeting new people and socialising with friends. The warm & welcoming environment make the sessions simply unique to young people with disabilities or additional needs, who may not feel comfortable in mainstream RUSH sessions. A trusted team of Allsorts staff & volunteers – combined with the exceptional team of marshals at RUSH – make for a truly inclusive session whereupon all young people up until the age of 25 with disabilities or additional needs (and siblings) are welcome, and challenged to learn new skills that push them beyond their comfort zones!"



StuLotham Productions



**STROUD DISTRICT COUNCIL**  
**STRATEGY AND RESOURCES**

**AGENDA  
ITEM NO**

**12 APRIL 2018**

**13**

<b>Report Title</b>	<b>Littlecombe Section 106 Unilateral Undertaking Community Facilities Contribution</b>
<b>Purpose of Report</b>	To agree the allocation of funding for community facilities from the Littlecombe section 106 agreement
<b>Decision(s)</b>	<p><b>The Committee <u>RESOLVES</u> to:</b></p> <p><b>1. Allocate the £355,000 Community Facilities Contribution to which the report refers, as follows:</b></p> <p style="padding-left: 40px;">a) £200,000 to The Chantry Centre b) £35,000 to Dursley Tabernacle c) £25,000 GL11 Community Hub d) £95,000 Dursley Community Centre</p> <p><b>2. Delegate authority to the Director of Development Services in consultation with the Chair and Vice Chair to agree amendments to the allocations if the relevant recipient scheme(s) are unable to proceed.</b></p>
<b>Consultation and Feedback</b>	Both Cam Parish Council and Dursley Town Council have been involved in considering bids for the funding as set out in the report.
<b>Financial Implications and Risk Assessment</b>	<p>The allocation of the contribution identified in the S106 deed is set out in the decision box. Paragraphs 5 and 6 of the report sets out the conditions around the S106 deed including a payback obligation and the trigger point for the developer to release the s106 contribution.</p> <p>The Council cannot forward fund these projects from its own limited resources, given the conditions around the release of the payment from the developer. If the 194<sup>th</sup> dwelling is not completed, no s106 contribution would be received.</p> <p>David Stanley – Accountancy Manager Tel: 01453 754100 Email: <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a></p>

<b>Legal Implications</b>	<p>Legal advice has been provided on the correct interpretation of the deed.</p> <p>Craig Hallett, Solicitor &amp; Deputy Monitoring Officer  Tel: 01453 754364  Email: <a href="mailto:craig.hallett@stroud.gov.uk">craig.hallett@stroud.gov.uk</a>  (Ref: r16.3c21.3d29.3)</p>
<b>Report Author</b>	<p>Barry Wyatt  Strategic Head of Development Services  Tel: 01453 754210  Email: <a href="mailto:barry.wyatt@stroud.gov.uk">barry.wyatt@stroud.gov.uk</a></p>
<b>Options</b>	<p>It is for the District Council to determine the allocation of funding for the projects identified in the Section 106 Unilateral Undertaking.</p>
<b>Performance Management Follow Up</b>	<p>The District Council will ultimately need to establish that the funding has been spent in accordance with the requirements of the Section 106 Unilateral Undertaking or risk the potential that the money is returned to the developer.</p>
<b>Background Papers/ Appendices</b>	<p>None</p> <p><b>Appendix A</b> - All projects identified in the Unilateral Undertaking for which bids were made to Dursley Town Council or Cam Parish Council</p> <p><b>Appendix B</b> - Project outlines</p>

## Introduction and Background

1. The Littlecombe development is covered by two planning applications relating to two delivery phases. The first planning permission granted in July 2008 included provision for up to 600 dwellings and was conditional on a 'Section 106 Deed'. This document required the developer to build a 'Community Hall Building' within the site. Stroud District Council granted another planning permission in May 2016, part of which included an outline permission for 282 dwellings. Further assessment of existing community facilities near the development indicated that the social and recreational needs of the Littlecombe residents would be better met by improving the quality of the existing community facilities and not adding an additional facility.
2. Consequently, the second planning permission was granted subject to a requirement to replace the new community hall facility on the site with a financial contribution of £355,000 to be used by Stroud District Council for alternative off-site community facilities including:
  - Upgrading the facilities at the Dursley Community Centre, Listers Hall, Chantry Centre and Kingshill House
  - Improve the accessibility of the Tabernacle
  - Provision of a new lift at the Dursley Town Hall
  - Refurbishment of the Woodfields Youth and Community Hall
  - A new floor/facilities at Winterbottom Hall

- Refurbishment of the Holywell Community Orchard
- Update and improve the GL11 community building at Cam / Upgrading and improving the facilities at Ashmead Hall at Cam
- Providing facilities at the Rackleaze Nature Reserve; and
- Upgrading the facilities at Everlands Scout Hut near Cam

### Allocation of the Funds

3. Notwithstanding the legal undertaking giving the District Council the sole discretion in prioritising how the fund should be spent, at the request of SDC, Dursley Town Council and Cam Parish Council invited proposals relating to the above projects and formed assessment panels to review the applications received. Each took in to account the merits of the individual projects, ability to satisfy the planning criteria and meet the recreational and social needs of the Littlecombe residents, accessibility issues, financial soundness, facility management and governance.
4. Both Dursley Town Council's and Cam Parish Council have since each set out how they consider the fund is allocated, as outlined below:

<b>Project</b>	<b>Dursley Town Council Recommendations</b>	<b>Cam Parish Council Recommendations</b>
Chantry Centre	£200,000	£222,800
Kingshill House	Nil	£50,000
Dursley Tabernacle	Nil	£50,000
GL11 Community Hub	£20,000	£32,200
Dursley Community Centre	£100,000	Nil
Emergency Contingency	£35,000	Nil

5. The S106 Unilateral Undertaking contains a payback obligation which only applies to any part of the contribution "unspent and unallocated" within a period of 5 years of the date of the deed (23<sup>rd</sup> May 2016). Therefore, if the money is spent or allocated within five years of the deed, the two conditions (not to spend and not to allocate) are unmet, thus no repayment would be triggered. In resolving the recommendations the council would be allocating the money and thereby removes the risk of the payback trigger be activated.
6. As agreed by the Council, the timing for payment of the £355,000 by St Modwen is prior to completion of the 194<sup>th</sup> Dwelling. It is currently expected that the 194<sup>th</sup> dwelling will be constructed between 1<sup>st</sup> April 2019 and 31<sup>st</sup> March 2020. The fact that the Council has not yet received the money does not mean that it is unable to allocate the money. Nevertheless, as the agreed timing for the payment may cause some challenges for some recipients, officers will be approaching St Modwen to encourage earlier payment.

## Issues for Consideration and Recommendation

7. Although the Council has complete discretion in terms of how the money is distributed between the identified projects in the deed and is not bound by the recommendations coming from the town and parish councils, the work undertaken by them in adding shape and priority to the list of projects outlined in the S106 Deed, has been helpful. However there remains a divergence in views between the Parish and Town Councils. The full list of projects submitted for consideration is set out in appendix A and project outlines at appendix B.
8. There is broad agreement concerning funding for the Chantry Centre (£200K). Given the nature of the facility and its location it is well placed to support the needs of the Littlecombe community. The split of funding between the three other prioritised projects is intended to be an equitable split between the schemes. Provision has been made in recommendation 2 for this split to be adjusted in the event the identified projects are unable to proceed for any reason.
9. While not being supported for funding by Dursley Town Council, Kingshill House is also a well-recognised and well placed community facility and was designated as an asset of community value by the Town Council. Cam Parish Council where supportive of a contribution towards Kingshill House. Subsequent to the views of the Town and Parish Councils being expressed, the District council has made an additional provision of £100,000 towards the facility in its 2018/2019 budget and therefore removes the need to fund the facility from the 106 monies.

## Appendix A

### All projects identified in the Unilateral Undertaking for which bids were made to Dursley Town Council or Cam Parish Council

<b>Project No.</b>	<b>Project Name</b>	<b>Amount Requested</b>	<b>Total Project Costs</b>	<b>% of total costs</b>
1.	Dursley & District Community Centre	£114,200	£120,000	95%
2.	The Chantry Centre (aka. Listers Hall)	£325,000	£652,000	50%
3.	Kingshill House	£150,000	£150,000	100%
4.	Dursley Tabernacle	£212,451	£288,751	74%
5.	Youth & Community Centre (Woodfields)	£102,300	£98,000	104%
6.	Arthur Winterbotham Memorial Hall	£120,000	£120,000	100%
7.	Holywell Community Orchard	£25,000	£25,000	100%
8.	GL11 Community Hub	£32,195	£82,195	39%
9.	Ashmead Village Hall	£9,143	£13,143	69%
10.	Rackleaze Nature Reserve	£69,200	£69,200	100%
11.	Everlands Scout Hut	£7,500	£15,090	50%
	<i>Total Amount Requested</i>	£1,166,989		
	<i>Total Amount Available</i>	£355,000		

## **Appendix B**

### **Project outlines**

#### **1. Dursley Community Centre**

Dursley Community Centre is a multi-use community venue hosting over 30 recreational groups of all ages. It is one of the closest community venues nearest to the Littlecombe development. The project proposal is to create a new separate entrance and porch, together with the refurbishment of the main hall and Lister Lounge, complete external and internal fabric repair and redecoration to the Walker Room, refurbishment and re-configuration of the toilets, and refurbishment of the centre manager's office.

#### **2. Chantry Centre – (Listers Hall)**

A key consideration in the Littlecombe planning application and revision of the S106/UU based on a needs and demand study. The centre is located within easy walking distance of the Littlecombe site and is a multi-use community hub catering for activities of all kinds, with potential to expand its usage and activity. Its flexible space offers scope for a wide range of community activities from large theatre performances to weddings. A complete redesign of the internal area will support the growth in activities and anticipated footfall. The focus of the application is to completely redevelop the front foyer and access.

#### **3. Kingshill House**

The Kingshill House Trust is working to acquire the freehold interest from SDC and becoming self sufficient. In order to do this, the building must be upgraded to be able to continue to cater for current users and enhance the facilities to accommodate a projected increase in usage. A comprehensive improvement programme proposes to remodel rooms, create new storage (to free up other more accessible rooms on lower levels for new activities), creating expanded dance provision in the Littleford Room by upgrading the floor, new toilet and shower facilities, development of new studios, upgrading lift, external improvements to windows and rain water systems and a full kitchen refurbishment to allow cookery classes. Kingshill House is within easy walking distance of Littlecombe and has significant growth potential. It was recently added to the Register of Assets of Community Value at the request of Dursley Town Council.

#### **4. Dursley Tabernacle**

The historic nature of the site makes for a complex layout, which is 'zoned' into 5 areas; 1) Dursley Youth Centre 2) main church sanctuary 3) community rooms 4) Upper Hall and adjacent rooms 5) Upper Parsonage. The Upper Parsonage area is the favoured direction for funding as a complete redesign of the external area will create whole new external access opportunities. Previously restricted areas will be made available by removing boundary walls and adding new path ramp links to the local area. This part of the site has identified potential for offering additional community facilities especially for specialist support provision for vulnerable groups and family services. With the exception of the main church area (not recommended for funding) all other

rooms are open and already used for a variety of non-faith activities and help serve niche social needs.

#### **5. Cam Youth & Community Centre (Woodfields)**

The project proposes the construction of new activity room with access to open area, complete with disabled toilets, ICT suite & storage. Current space is restricted and limits the facilities potential for growth. The new room extension and upgraded facilities would allow for increased accessibility, usage and income. This is the only specialist youth centre in Cam and is well regarded for its support provision for young carers.

#### **6. Arthur Wintherbotham Memorial Hall**

The Memorial Hall is well used and highly regarded locally. The project proposals seek to 1) replace the floor in main hall which is becoming dangerous 2) create technically suitable stage facility for performing arts 3) provide an improved side entrance corridor and reception 4) upgrade storage and replace the asbestos roof improving safety. The new side entrance and reception would allow further rooms to be used when the main hall is in use, currently the buildings full potential is unmet due to the restrictive layout which they wish to improve.

#### **7. Holywell Orchard**

Improvements to an area of public open space within Cam. The project proposes a visitor pressure management scheme to help protect site and improve public accessibility, including works to improve paths, walkways and drainage. The land is owned by SDC and the project would be delivered in partnership with the Stroud Valleys Project, with plans for public engagement and events.

#### **8. GL11 Community Hub**

The building is leased by a community partnership to who deliver a wide range of educational, social and support services. They have an excellent reputation for their work helping groups of vulnerable people and from the most disadvantaged and deprived areas. The design of the building isn't well suited for growing and changing needs, and improvements to accessibility especially in the form of a new Lift to the first floor is urgently needed. Upgrading the heating system (changing from oil to gas) is also a key priority.

#### **9. Ashmead Village Hall**

Ashmead Village Hall offers flexible multi-use space one mile from Littlecombe, on the edge of Cam. It is visited by people of a wider area for specific activities such as WI and party hire. The Hall is in need of a replacement of roof and they are interested in installing solar panels to help lower energy bills and generate possible income.

#### **10. Rackleaze Wetland Nature Reserve**

The project seeks to improve access for local people to a special area of wildlife interest in Cam. The work will be undertaken by both professional contractors and volunteers, creating boardwalks, footpath improvements, a new pond with pond-dipping platform, bridge improvements, gates, benches

and wildlife improvement areas. Facilities will all be suitable for visitors of all ages and abilities, including people with disabilities.

### **11. Everlands Scout Hut**

Everlands Scout Hut currently has asbestos roof which leaks badly. This limits the buildings usage and ability to open its doors to other groups. This project will be to fully replace the roof and guttering, thus making the building safer and more comfortable. Current users will benefit, but with these improvements it is anticipated the building could then be offered for other groups especially more clubs for young people. The Scout Association have said match funding could be found to support project delivery if some additional funding could kick-start the project.